

ACCOUNTABILITY, ACCOUNTING AND PANCHAYATI RAJ: A STUDY OF ACCOUNTING AND REPORTING OF GRAM OF PANCHAYATS IN WEST BENGAL

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ABSTRACT

In a democratic country like India, accounting can play a big role in ensuring ‘right to information’ and better governance. It can help Panchayats to uphold their deeds and inculcate democratic faith in the institution. In the light of this wisdom the paper makes a study of accounting practice of Gram Panchayats in West Bengal. First part of the paper presents a theoretical framework that leads to drawing the hypotheses, which are only natural statements about standard, transparency and objectivity of the practice. Findings from field study fail to prove the validity of these hypotheses. Simultaneously the study observes that prescribed accounting rules are not matched with operational objectives of the organization. As the Accounting system does not require preparation of a Balance Sheet, many assets created at the cost of public money gets lost from records. The paradox of the system is that it acts a cause behind many corruptions. The paper finally recommends adoption of a normative approach to accounting for transparency and objectivity. It asserts that if accounting system is modified and matched with its operational objectives, developments can be more effectively administered and reported.

KEY WORDS: Accounting, Accountability, Gram Panchayat.

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