

**CHAPTER – IV**  
**PERFORMANCE AUDIT**



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**URBAN DEVELOPMENT AND HOUSING DEPARTMENT**

**4.1 Utilisation of Grants under Civic Amenities Head (State Plan) by  
Nagar Nigams**

*Executive Summary*

*A Performance Audit on 'Utilisation of Grants under Civic Amenities Head (State Plan) by Nagar Nigams' covering four sampled Nagar Nigams viz., Bhagalpur, Biharsharif, Gaya and Patna for the period 2011-16 was conducted from June to August 2016 and the major findings are as follows:*

The Development Plan for providing Civic Amenities was not prepared by the test checked Nagar Nigams and development works executed by them were not part of district plan prepared by District Planning Committees.

*(Paragraph 4.1.6.1)*

Grants amounting to ₹ 4.07 crore were lapsed and an expenditure of ₹ 10.56 crore was incurred on inadmissible item of works by Biharsharif and Patna Nagar Nigams.

*(Paragraph 4.1.8.6 & 4.1.8.8)*

In four test checked Nagar Nigams, grants amounting to ₹ 48.19 crore meant for civic amenities viz park, special sanitation etc. were not utilised for a period ranging from one to seven years as required land was not made available.

*(Paragraph 4.1.7.2)*

Utilisation Certificates of ₹ 79.35 crore (56.62 per cent) were not submitted by the four test checked Nagar Nigams to the State Government.

*(Paragraph 4.1.7.4)*

Additional liability of ₹ 83 lakh was created in construction of two parks. Out of six parks physically verified, two parks constructed at a cost of ₹ 51.25 lakh were found locked, filthy and not put to use.

*(Paragraph 4.1.8.1)*

Expenditure of ₹ 1.58 crore incurred on construction of nine public conveniences was rendered unfruitful as the same were not handed over by Bihar Rajya Pul Nirman Nigam Limited to Nagar Nigam Patna.

*(Paragraph 4.1.8.7)*

The Patna Nagar Nigam did not execute an agreement with allottees of Deluxe Public Conveniences since June 2010. This resulted in loss of revenue of ₹ 1.54 crore as the leased amount was not realised.

*(Paragraph 4.1.8.7)*

Bihar Rajya Pul Nirman Nigam Limited awarded 23 work orders aggregating ₹ 7.33 crore to contractors on nomination basis.

*(Paragraph 4.1.8.8)*

Consultancy fee on preparation of DPRs was enhanced by ₹ 56.37 lakh based on demand of consultants rather than by tender or other competitive bidding by Bihar Urban Infrastructure Development Corporation Ltd.

(Paragraph 4.1.8.2)

Without getting Administrative Approval, Bihar Urban Infrastructure Development Corporation Limited constructed 117 Bus Queue Shelters and created additional liability of ₹ 6.35 crore.

(Paragraph 4.1.8.2)

By ignoring the request of Bihar Raj Pul Nirman Nigam Limited, Bihar Urban Infrastructure Development Corporation sustained an avoidable loss of ₹ 27.60 lakh on dismantled 10 Bus Queue Shelters.

(Paragraph 4.1.8.2)

The electrical work of ₹ 81.05 lakh for repair of Maurya Lok Complex (a shopping complex) was awarded to a contractor who was not holding a license or experience for electrical works.

(Paragraph 4.1.8.7)

Failure to construct 2,940 individual toilets despite availability of ₹ 1.87 crore forced people of 2,940 households compelled to continue with open defecation under Bhagalpur Nagar Nigam.

(Paragraph 4.1.8.4)

#### 4.1.1 Introduction

The Seventy-Fourth Constitutional Amendment Act, 1992, gave Urban Local Bodies (ULBs) the status of local self-government and entrusted comprehensive powers to them for providing civic amenities in urban areas. Government of Bihar (GoB) also framed the Bihar Municipal Act 2007 which provided various responsibilities under Section 45 to be exercised by the Municipalities in the sphere of Public Health and Sanitation.

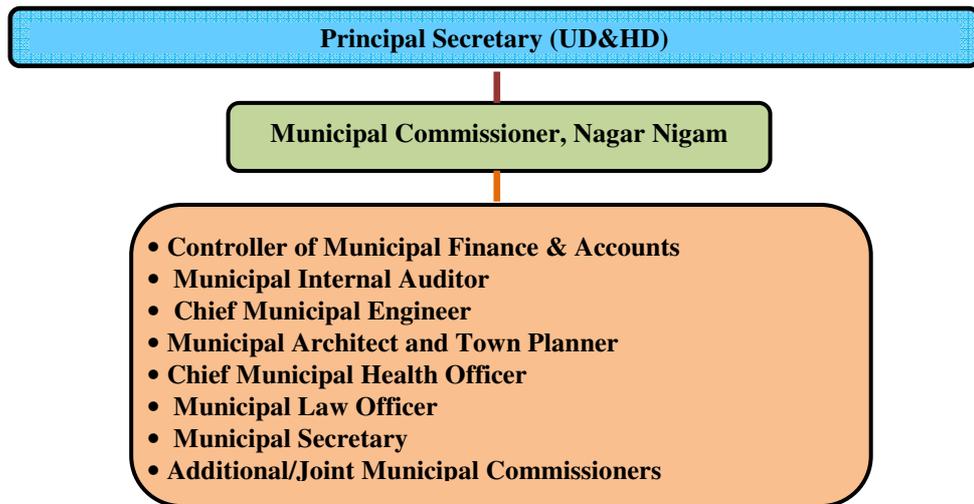
The Urban Development and Housing Department (UD&HD), GoB released grants to the Nagar Nigams (NNs) under State Plan head during the period 2011-16 for providing civic amenities such as construction of Town Halls, Bus Stands, Guest Houses, Street Lights/High mast lights, Auditoriums, *Ghats* and Parks.

#### 4.1.2 Organisational Set Up

The NNs are under the administrative control of UD&HD, GoB headed by the Principal Secretary. The Municipal Commissioner (MC) appointed by the State Government is the executive head of a Nagar Nigam.

The NNs had an Empowered Standing Committee (ESC) comprising Councillors/ Members elected by the people and is headed by the Mayor elected from amongst the Councillors. The executive power of the NN is exercised by the ESC. The organisational structure of NNs is depicted in **Chart- 4.1** below:

Chart- 4.1



### 4.1.3 Audit Objective

The objectives of the Performance Audit (PA) were to assess whether:

- the NNs prepared a Development plan for utilisation of grants for the civic amenities;
- grants received were adequate to provide the civic amenities and were utilised economically, efficiently and effectively; and
- the execution under civic amenities were as per the Development plans of NNs and/or conditions of grants and /or directives of the Government.

### 4.1.4 Audit Criteria

Audit criteria for the Performance Audit were:

- Seventy-Fourth Constitutional Amendment Act, 1992;
- Bihar Municipal Act, 2007;
- Bihar Municipal Accounting Rules (BMAR), 1928 and 2014;
- Bihar Financial Rules, 2005;
- Bihar Public Works Department Code; and
- Guidelines/sanctioning letters of scheme (s)/programmes relating to civic amenities and orders of Government of Bihar.

### 4.1.5 Scope of Audit and the methodology

The PA conducted during June - September 2016 covered all the eight components<sup>53</sup> of civic amenities under State Plan during the period 2011-16. The

<sup>53</sup> *Bus stand, community hall, Guest house/Town hall, ghats, infrastructure in slums, park, Traffic light/public conveniences/Maurya Lok complex and special sanitation*

PA commenced with an Entry Conference (19 May 2016) with the Special Secretary, UD&HD, GoB wherein audit objectives, audit scope, audit criteria etc., were discussed. The field audit involved test-check of records in four NNs<sup>54</sup> including records of Parallel Bodies<sup>55</sup> (PBs) such as Bihar Urban Infrastructure Development Corporation Ltd (BUIDCO), District Urban Development Agency (DUDA), Bihar State Housing Board (BSHB) and *Bihar Rajya Pul Nirman Nigam Limited* (BRPNL).

Four NNs were selected by using Simple Random Sampling without Replacement (SRSWOR) method. The draft report was forwarded to UD&HD (19 October 2016) to confirm facts and figures. Exit Conference was held (19 December 2016) with the Special Secretary UD&HD wherein audit findings were discussed and their replies have been suitably incorporated.

The field audit also involved physical verification of construction sites with officials of the NNs/PBs. Photographs were also included as part of audit evidence in cases where irregularities were noticed during physical verifications.

### ***Audit Findings***

#### **4.1.6 Planning**

Planning is a basic function involving formulation of one or more detailed plans to achieve optimum balance of needs or demands with available resources. Planning process identifies the objectives to be achieved, formulates strategies to achieve them, arrange or creates the means for it and implements, directs and monitors all steps in their proper sequence.

##### ***4.1.6.1 Preparation of Development Plan***

Article 243ZD(1) of the Seventy-Fourth Constitutional Amendment Act envisaged that District Planning Committees (DPC) should be constituted in every district to consolidate plans for providing civic amenities prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole. Such a consolidated plan is submitted to the State Government for approval. Further, Bihar Municipal Act (BM Act), 2007 stipulated that every Municipality shall prepare plans for development and social justice and shall implement such plans and carry out such functions as may be assigned to it in this behalf.

Audit observed that test checked NNs had not prepared the development plans for providing civic amenities. As a result, no consolidated development plans by the DPCs were available for execution by the NNs. Further, NNs did not prioritise the needs of urban people for economic development and social justice as envisaged in the Seventy-Fourth Constitutional Amendment Act.

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<sup>54</sup> *Bhagalpur, Biharsharif, Gaya and Patna*

<sup>55</sup> *Parallel/Parastatal Bodies means a company or agency owned or controlled wholly or partly by the government. Due to poor staffing and technical incapacities of the ULBs, a number of Parallel Bodies (PBs) viz., BUIDCO, BUSTL, Bihar Urban Development Agency (BUDA), BRJP etc., were created for performing various functions of Municipality*

The failure to prepare development plans resulted in works remained unexecuted as land was not available, proper place for providing civic amenities for optimum use was not identified, works got delayed, created assets were not maintained or put to use etc. As a result, 35 per cent of grants released during 2011-16 remained unutilised.

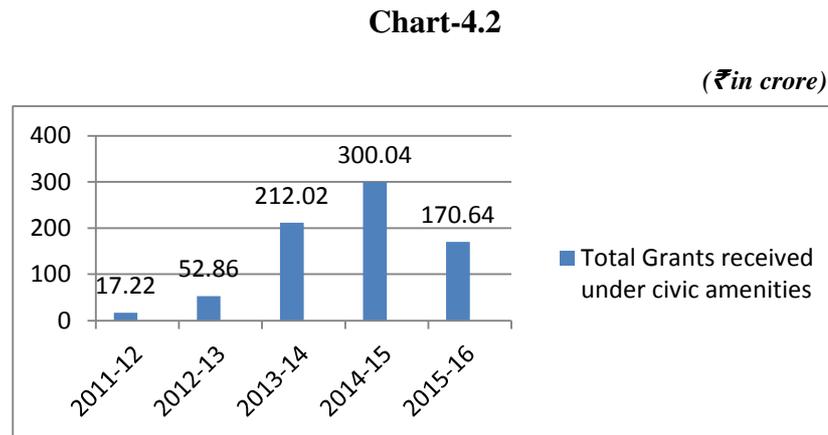
NNs replied that the works for providing civic amenities were selected by UD&HD without assessing the basic needs of NNs and feasibility of the works. The Special Secretary, UD&HD replied in Exit Conference that development plan in respect of civic amenities were not prepared by the NNs.

#### 4.1.7 Financial Management and Fund Flow

The NNs receive funds for execution of various civic amenities from the State Government in the form of grants and devolution of net proceeds of State Own Tax Revenue on the recommendations of the State Finance Commission (SFC).

##### 4.1.7.1 Release and utilisation of grants

The position of funds provided by GoB under civic amenities Head (State Plan) to ULBs of the State during the year 2011-16 are given in the **Chart 4.2** below:



(Source: Grant sanctioning/allotment letters of the UD&HD, GoB)

The test checked four NNs received funds of ₹ 136.97 crore under eight components of civic amenities under State plan during 2011-16 as detailed in **Table 4.1** below;

**Table-4.1: Component wise allocation of funds**  
(₹ in crore)

Sl.No.	Civic amenities components	Funds allocated during 2011-16
1	Park	13.03
2	Bus stand/Bus stop	26.23
3	Construction of <i>ghat</i>	6.30
4	Infrastructure development in slum	20.89
5	Construction of community hall	3.35
6	Construction of guest house/Town hall	0.65
7	Traffic lights and Public convenience	39.43
8	Special sanitation	27.09
	<b>Total</b>	<b>136.97</b>

(Source: Grant sanctioning/allotment letters of the UD&HD, GoB)

Against total allotment of ₹ 136.97 crore, ₹ 104.26 crore was utilised for civic amenities during 2011-16. The position of funds available and expenditure incurred by test checked NNs during 2011-16, is given in **Table 4.2** below:

**Table-4.2: Funds Available and Expenditure for the sampled NNs**

(₹ in crore)								
Year	Opening balance	Funds received	Total Funds	Transfer to Parallel Bodies	Expenditure /utilisation by NNs	Total Expenditure	Closing balance	percentage of Utilisation by NNs
1	2	3	4 (2+3)	5	6	7(5+6)	8(4-7)	9
2011-12	2.51	0.28	2.79	0.00	0.05	0.05	2.74	17.85
2012-13	2.74	7.03	9.77	4.56	0.24	4.80	4.97	3.41
2013-14	4.97	10.75	15.72	5.94	1.48	7.42	8.30	13.76
2014-15	8.30	69.32	77.62	46.25	0.73	46.98	30.64	1.05
2015-16	30.64	49.59	80.23	19.25	25.76	45.01	35.22	51.94
<b>Total</b>		<b>136.97</b>		<b>76.00</b>	<b>28.26</b>	<b>104.26</b>		<b>20.63</b>

(Source: Information furnished by test checked NNs)

Audit observed that 55 per cent<sup>56</sup> of the total grants received by NNs were transferred to PBs (**Appendix-4.1**) and only 45 per cent was left with NNs for execution of development works. Thus, more than 50 per cent of works for civic amenities were executed without involving the ULBs.

In the year 2014-15, only 1.05 per cent of total grants were spent mainly due to unavailability of land for construction of *Samrat Ashok Bhawan* at all the four test checked NNs and delay in tendering process for execution of works for infrastructure development in slums at Bhagalpur and Biharsharif NNs..

Further, the above table indicates poor utilisation of grants by NNs and PBs as closing balance showed an increasing trend from ₹ 2.74 crore (2011-12) to ₹ 35.22 crore (2015-16) during five years while utilisation by NNs ranged from one per cent (2014-15) to fifty two per cent (2015-16) of available grant during the period 2011-16.

<sup>56</sup> 55 per cent of fund received (₹136.97 crore) = ₹76 crore

#### 4.1.7.2 Failure to utilise grants

In four test checked NNs and PBs, grants amounting to ₹ 24.11 crore and ₹ 24.08 crore out of ₹ 136.97 crore and ₹ 43.17 crore respectively released during 2011-16 were not utilised as of August 2016 and remained in different Saving Accounts of bank/Treasury for a period ranging from one to seven years as required land was not made available by the four test checked NNs and because of absence of demand for construction of park by a works division concerned of NN Patna (*Appendix-4.2*).

#### 4.1.7.3 Maintenance of Cash Books

Rule 63 to 65 of BMAR, 1928 stipulate that Accountant of the Municipality shall keep a cash book and record the transactions pertaining to cash receipts and disbursements of the Municipality. The cash book shall be closed daily, the totals for the end of the day being struck and the closing balance worked out with detail. Rule 118 of the BMAR, 2014 stipulates that within fifteen days from the end of the month, reconciliation shall be carried out between the balances shown in cash book and in the treasury/bank pass book. A monthly bank reconciliation statement duly signed by the Accountant for each bank account shall be prepared. Further, as per Rule 12 of BMAR, 2014, the cash book shall be closed daily and the totals for the end of the day being struck and the closing balance worked out and the Chief Municipal Officer shall examine the entries and the closing balance in the cash book and affix his signature in token of such examination.

Audit observed that cash book was not maintained by NN Patna whereas in the three other test checked NNs cash books were neither closed daily nor signed by the Municipal Commissioners. Monthly bank reconciliation statements duly signed by the Accountant were also not prepared by three sampled NNs.

The Controller of Municipal Finance and Accounts (CMFA), NN, Patna replied (July 2016) that cash book was not maintained as regular Accountant was not posted whereas the other NNs did not provide any response.

Deficient maintenance of cash book in three NNs not only violated the provisions of aforesaid rules but also indicated lack of financial propriety and absence of internal controls. Further, in NN Patna receipts of grant, interest earned from bank, position of cheque issued, cheque bounced, revalidation of cheque, misappropriation, diversion of fund, position of outstanding advances and its adjustment, position of cash in hand and at bank could not be ascertained due to its failure to maintain cash book.

#### 4.1.7.4 Utilisation Certificates (UCs)

For timely utilisation and proper monitoring of the grants released, the NNs were required to submit UCs to the State Government as per conditions laid down in the grant sanctioning letters. Scrutiny of records of funds released to the four test checked NNs revealed that the UCs of ₹ 79.35 crore (56.62 per cent) were not submitted to the State Government as detailed in the **Table 4.3** below:

**Table-4.3: Pending Utilisation Certificates**

(₹ in crore)

Name of NNs	Receipt of fund		Utilisation certificates pending
	Period	Amount	
Bhagalpur	2012-13 to 2015-16	27.81	23.17
Biharsharif	2013-14 to 2015-16	11.95	9.03
Gaya	2011-12 to 2015-16	16.18	16.18
Patna	2012-13 to 2015-16	84.22	30.97
<b>Total</b>		<b>140.16</b>	<b>79.35</b>

(Source: Information furnished by the test checked NNs)

In absence of UCs, utilisation of grants for intended purposes could not be ascertained.

The CMFA of NN Patna replied (July 2016) that out of ₹ 64.24 crore transferred to the PBs, UCs of ₹ 12.02 crore only was made available by them which was not tenable as the NN should have monitored the utilisation of grant by PBs.

#### 4.1.8 Execution of Works

##### 4.1.8.1 Parks

##### Construction of parks

GoB released grants of ₹ 11.56 crore for construction of 17 parks under NN Patna (*Appendix-4.3*) during 2009-16. Out of the total 17 parks to be constructed by NN/PBs, 10 parks were completed with an expenditure of ₹ 10.08 crore whereas seven parks remained incomplete as of August 2016. Audit observed the following irregularities:

Out of the total 10 completed parks, three<sup>57</sup> were neither handed over for their operation and maintenance to NN Patna. The lack of operation and maintenance made the parks not suitable for recreation and the intended purpose of providing green spaces could not be achieved. Further, it was also observed that electricity connection was not available for illuminating lights and operation of fountains.

The District Magistrate-cum-Chairman, DUDA, Patna replied that the two parks<sup>58</sup>, would be handed over to the agency concerned once the completion certificate from DUDA was received. The reply was inconsistent as the Executive Engineer (EE), DUDA had already requested (December 2013) to the District Planning Officer working under District Magistrate Patna for transfer of park. The EE, BSHB replied that in absence of guidelines from GoB, the park at MIG Lohianagar was not handed over to any agency.

In two parks<sup>59</sup>, expenditure of ₹ 3.65 crore was incurred against the Administrative Approval (AA) of ₹ 2.82 crore resulting in creation of additional liability of ₹ 83 lakh.

<sup>57</sup> 100 MIG Park No.9, Lohiya Nagar (BSHB), Park in Anand Vihar Colony near temple, Park behind Rajendra Nagar near telephone exchange (DUDA, Patna)

<sup>58</sup> Park in Anand Vihar Colony near temple, Park behind Rajendra Nagar near telephone exchange (DUDA, Patna)

<sup>59</sup> MIG Park at Hanuman Nagar (BSHB), Kankarbagh (Administrative Approval- ₹ 92.65 lakh, Expenditure- ₹ 106.44 lakh), S.K. Puri Children Park, Patna (BRPNL) (Administrative Approval- ₹ 189.23 lakh, Expenditure- ₹ 258.49 lakh)

The EE, BSHB accepted the findings whereas Senior Project Engineer, BRPNNL replied that the excess expenditure was incurred in anticipation of administrative approval from the department. The reply was not tenable as AA of UD&HD was to be obtained prior to commencement of the work.

NN and DUDA, Patna failed to start construction of two parks<sup>60</sup> despite availability of ₹ 73.36 lakh for one to four years.

The CMFA, NN, Patna replied that in absence of demand from the EE of Works Division concerned, works on construction of a park was not started. Reply was not acceptable as NN had to monitor the progress of works.

A joint physical verification of six Parks<sup>61</sup> out of the 10 completed parks revealed that two parks<sup>62</sup> constructed at a total cost of ₹ 51.25 lakh were in a filthy condition and not put to use. Tiles/granites were found broken/damaged as the operation and maintenance of parks were not handed over to NN Patna

	
	
100 MIG Park No.-9 at Lohiyanagar (Completed in July 2015) but not put in use.	Park behind Rajendra Nagar Telephone Exchange (Completed in October 2013 but not maintained)

Park at Anand Vihar colony completed in September 2014 was not handed over to NN Patna for its operation and maintenance, though, it was found in good condition. However, items<sup>63</sup> worth ₹ 2.01 lakh were not found in place.

<sup>60</sup> Janta PRDA flat Park ₹ 17 lakh and Park in veterinary college campus ₹ 56.36.

<sup>61</sup> Park behind Rajendra Nagar Telephone Exchange, Park in Anand Vihar Colony (ward No.-2) near temple, MIG Park at Hanuman Nagar (BSHB), Kankarbagh, S.K. Puri Children Park, Patna (BRPNNL), 100 MIG Park No. 9 at Lohiyanagar, Rajbanshi Nagar Park, Patna.

<sup>62</sup> 100 MIG Park No. 9 at Lohiyanagar, Park behind Rajendra Nagar Telephone Exchange.

<sup>63</sup> Dustbin (₹ 0.24 lakh), Fiber Bench (₹ 0.76 lakh), Sign Board (₹ 0.07 lakh), HPSV Street light (₹ 0.50 lakh), Swing (₹ 0.44 lakh).



Anand Vihar Colony Park (completed in September 2014 but not handed over to NN Patna for maintenance)

Similarly, in *Rajbanshi Nagar* park Patna, a fountain worth ₹ 1.81 lakh was not found in place.

### ***Beautification of park (Hiranya Parbat)***

*Hiranya Parbat*, Biharsharif, Nalanda is a tourist place. Beautification of *Hiranya Parbat*, was planned to be done with an objective to improve the local economy by increasing tourism and also to generate revenue for the NN. Accordingly, NN prepared estimate worth ₹ 4.85 crore with a provision of centage of ₹ 18.56 lakh (four *per cent* of the estimated cost) and allotment of ₹ 4.85 crore was made by the UD&HD. The work was awarded to a firm at 4.64 *per cent* above the Bill of Quantity (₹ 2.84 crore) and was to be completed by January 2016. However, the work remained incomplete as of August 2016. Audit further observed that provision of centage in the estimate was not to be made by the NN as the development of park was one of the core functions of NN.

Clause 6 of Standard Bidding Document (SBD) envisaged that measurement of all items having financial value shall be entered in Measurement Book (MB) so that a complete record is obtained of all works performed under the contract. Audit observed that work valued ₹ 1.27 crore was booked in MB on percentage basis and as such actual work done by the contractor could not be ascertained.

Audit observed that 866 Reinforced Concrete Cement (RCC) slabs along Hedge Plants parallel to red stone passage were constructed at the cost of ₹ 17.75 lakh at ₹ 2,050 each slab (1<sup>st</sup> Running Bill), However, in the second, third and fourth running account bills, cost was calculated for the said 866 numbers of RCC Slabs at ₹ 2,500 each slab which resulted in excess payment of ₹ 4.08 lakh.

The MC Biharsharif accepted the audit observation and replied that excess payment of ₹ 4.08 lakh would be adjusted from the next bills which was yet to be adjusted (February 2017). On the issue of provision of centage of ₹ 18.56 lakh, it was replied that directions would be obtained from UD&HD. The reply was not acceptable as the NN cannot charge centage for providing civic amenities to public as it is the core function of NN.

#### 4.1.8.2 Construction of bus stands and bus queue shelters

With a view to provide better infrastructure to urban population, UD&HD, GoB mandated BUIDCO for development of bus depots throughout the State. During 2011-16, UD&HD released ₹ 26.24 crore to BUIDCO through four test checked NNs for construction of bus stand and bus queue shelters.

##### *Detailed Project Report (DPRs) for bus stands*

BUIDCO fixed (July 2013) the fees for reimbursement of consultancy charges for preparation of DPRs for construction of bus stands at 1.25 per cent of the sanctioned project cost upto ₹ 50 crore with six consultants<sup>64</sup>. A meeting for awarding work for preparation of 47 DPRs of bus stand was held (May 2014) in which only four empanelled<sup>65</sup> consultants out of six were invited but, only three consultants participated in meeting. The consultants requested for increase in rate from 1.25 to 1.75 per cent of the sanctioned project cost which was accepted by BUIDCO and accordingly an agreement was executed with the consultants.

Thus, all the empanelled consultants were neither given an opportunity for participation in meeting nor any open tender was invited for getting competitive rates. It was also noticed that consultancy fee on preparation of 36 DPRs (July 2016) was enhanced by ₹ 56.37 lakh based on demand of consultants rather by tender or other competitive bidding.

Project Director (PD), BUIDCO replied that the fee was increased in the meeting held (May 2014) under the chairmanship of the then Managing Director BUIDCO.

Out of 36 DPRs prepared, six<sup>66</sup> were prepared without getting no objection certificates from land owners<sup>67</sup>. As a result, work on five bus stands could not be started due to objections of land owners and one bus stand was not constructed at Sahebganj, Muzaffarpur due to encroachment of land. Construction work of remaining 30 bus stands was in progress as on February 2017. As availability of land was not ascertained prior to preparation of DPRs, an expenditure of ₹ 19.11 lakh (*Appendix-4.4*) incurred on consultancy fee towards preparation of the six DPRs proved wasteful.

##### *Construction of bus stands*

GoB released grants of ₹ 18.74 crore for construction of five bus stands in the test checked NNs (*Appendix-4.5*). Out of five bus stands, two works were in progress whereas three works were not started as of August 2016.

<sup>64</sup> 1. M/s EDMAC Eng. consultant 2. M/s Kapoor & Associates 3. M/s Sen & Lall Consultant (p) Ltd. 4. M/s Vivek Bhole Architect 5. M/S Black Ink 6. M/s Architect Hafiz consultant

<sup>65</sup> 1. M/s EDMAC Eng. consultant 2. M/s Kapoor & Associates 3. M/s Sen & Lall Consultant (p) Ltd. 4. M/s Vivek Bhole Architect

<sup>66</sup> .Bus stand at Nawada, Manpur(Gaya), Purnia, Sahebganj, Motipur, Chakia

<sup>67</sup> Zila Parisad Nawada, Gorakshini Committee Gaya, Animal Husbandry Department Purnia, Nagar Panchyat Sahebganj, Public works Department, Motipur Muzaffarpur, Nagar Panchyat, Chakia

BUIDCO failed to start the construction of three bus stands<sup>68</sup> despite availability of ₹ 12.73 crore since March 2013 to November 2014. Audit observed that works were not started as land was not made available by two NNs and administrative approvals for Inter State Bus Terminal, Patna were not received from UD&HD. BUIDCO accepted the audit findings.

***Construction of bus queue shelters (BQs)***

To cater huge volumes of passenger buses, autos and tempos, GoB released ₹ 7.50 crore to NN Patna during 2014-15 for construction of 104 BQs in Patna.

Audit observed that:

The Bihar Public Works Department Code, provides that every work initiated or connected with the requirements of another department, it is necessary to obtain the concurrence of the department concerned before technical sanction to the work is accorded. The formal acceptance by the department concerned is termed AA of the work.

DPR for construction of 208 BQs in Patna with an estimated cost of ₹ 15 crore was prepared by BUIDCO. Before getting AAs of the department, BUIDCO finalised tenders for ₹ 13.72 crore and constructed 117 BQs. But, the department accorded AAs of ₹ 7.50 crore only for construction of 104 BQs. When the demand for additional amount of ₹ 6.35 crore was placed, the department requested to complete the construction of BQs from the sanctioned amount and refused to sanction further amount. Thus, without getting AAs of UD&HD, BUIDCO constructed 117 BQs and created additional liability of ₹ 6.35 crore.

The PD, BUIDCO replied that Principal Secretary, UD&HD, in a meeting (April 2015), directed officials of UD&HD to make available the remaining funds. However, UD&HD had not sanctioned the remaining amount (September 2016)

The BRPNNL requested (September 2014) to stop the work of ten BQs<sup>69</sup> at the stretch of road from *Lalit Bhawan* to *Vidyut Bhawan* due to initiation of the project work of flyover, under- pass and multi junction interchange. But, ignoring the request, BUIDCO constructed BQs on this stretch.

Joint physical verification revealed that work on the project had begun and BRPNNL dismantled (August 2016) five BQs and the remaining five BQs were to be dismantled soon.

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<sup>68</sup> *Bhagalpur, Gaya and Inter State Bus Terminal at Patna*

<sup>69</sup> *Lokyukta office (UP & Down), Bihar Public Service Commission (UP & Down), Income Tax Chauraha (UP & Down), Mount Camel School, High Court and Vikash Bhawan (UP & Down)*

	
Dismantled BQS near <i>Lalit Bhawan</i> , Patna	Dismantled BQS near Bihar Public Service Commission office, Patna

Hence, by ignoring the request of BRPNL, BUIDCO sustained an avoidable loss of ₹ 27.60 lakh (**Appendix-4.6**) on the dismantled ten BQSs.

Project Director BUIDCO replied that the BQSs were constructed and inaugurated before the request of BRPNL. The reply was not acceptable since at the time of request from BRPNL (September 2014) the work of *jungle* cleaning only was done as per MB (13 October 2014).

Separate tender was required to be floated for advertisement in the BQS for revenue generation which could be used for its operation and maintenance. Audit observed that the construction of BQSs was completed in March 2015. However, tenders for advertisements were not awarded to any agency till August 2016. Thus, financial resource could not be raised for maintenance of BQSs.

As per grant letter, the constructed BQSs were to be handed over to Bihar Urban Transport Corporation Ltd. (BUTCL). But the BQSs were not handed over to BUTCL. As a result, BQSs were not being operated and maintained.

It was observed during joint physical verification of sixty BQSs that twenty nine were encroached, buses were not stopping at fifty eight BQSs, time-table of the buses plying through the route was not displayed at any of the BQSs and electricity connection was not provided to any of the BQSs.



BQS at <i>Shiv Mandir</i> , Bailey Road was encroached.	BQS at BMP-16 was encroached and a hotel was running in it.
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As the constructed BQSs were not handed over to BUTCL for operation and maintenance, BQSs constructed at a cost of ₹ 13.85 crore failed to cater to passengers and are prone to encroachment, damage and destruction.

A beneficiary survey of 64 beneficiaries was conducted with the Deputy Project Director, BUIDCO (November 2016) which also confirmed the audit findings and are summarised below:

Criteria	Response
Whether BQs were used by the public	56 per cent stated that BQs were not utilised by the public.
Whether the City Buses stops near the BQs	88 per cent stated that city buses did not stop near BQs.
Whether people gathered near BQs for boarding in buses	66 per cent stated that people did not gather near BQs for boarding in buses
Whether BQs were maintained properly	83 per cent stated that BQs were not maintained.
The BQs were utilised by whom	97 per cent stated that BQs were being utilised unauthorisedly viz., by Vendors, Nursery etc.

#### 4.1.8.3 Construction/renovation/beautification of Pond/Ghat

GoB released ₹ 13.27 crore for construction of *ghat*<sup>70</sup> at Gaya (2012-15). Audit observed that plan and DPR was not prepared and Technical Sanction (TS) was not obtained from the competent authority<sup>71</sup> and the work was completed with a delay of six months without assigning any reason. As per conditions of contract, penalty at 10 per cent of estimated cost i.e., ₹ 13.23 lakh (Estimated cost ₹ 132.28 lakh) was not deducted which resulted in excess payment of ₹ 13.23 lakh to the contractor.

On this being pointed out, the MC Gaya replied (February 2017) that the contractor was instructed by the former Minister, UD&HD and the Commissioner, Magadh Division to stop the work during *Pitri Paksha Mela*. Reply of MC Gaya was not tenable as no documentary proof of instruction regarding stopping the work was made available to audit. Further, the total period of *Pitri Paksha Mela* was 15 days only but the extension was granted for more than six months without justification.

During joint physical verification of *Sangat Ghat* to *Gayatri Ghat* on north side of *Dev Ghat*, it was found that many slabs of *ghat* were cracked and uprooted from riser steps and one Mini High Mast light of *ghat* was not functioning.

#### Construction of steps, pathway and beautification with plantation and desilting of Brahmsarovar

GoB released (October 2010) ₹ 80 lakh for beautification/renovation of *Kagwali sarovar* under NN, Gaya. Audit noticed that the work was split in two<sup>72</sup> parts. The first work was decided to be taken up with an objective to prevent the pollution of *sarovar* from dirty water and waste that emanates from houses around it by constructing pathways/steps around the *sarovar* so as to provide a clean *sarovar* to the pilgrims visiting for *Pind Dan*.

<sup>70</sup> *Sangat Ghat to Gayatri Ghat on north side of Dev Ghat*

<sup>71</sup> *From Superintending Engineer instead of Chief Engineer*

<sup>72</sup> *(i) Construction of Steps, Pathway and beautification with plantation and de-silting of Brahmsarovar, Ward No. 45 (Estimated cost ₹ 70.15 lakh) and (ii) Beautification of Kagwali Bedi situated at Brahma sarovar (Estimated Cost ₹ 8.95 lakh).*

Audit observed that the TS was not obtained from the competent authority. As per work order, the work for construction of steps, pathway, beautification with plantation and de-silting of *Brahmsarovar* was to be completed by February 2012. However, the work could not be started in time due to dispute at the work site.

The work was started in June 2012 only. However, the Contractor requested several times for cost revision due to time overrun which was denied by the NN. The contractor was directed (April-May 2015) by the NN to complete the work at the earliest with a warning that if the work was not completed, his registration would be cancelled, the firm would be blacklisted and First Information Report (FIR) would be lodged against him. But, the work was neither completed by the contractor nor any action was initiated against him by NN, Gaya (August 2016).

However, the second part of work worth ₹ 8.95 lakh was completed (September 2012).



*Pollution control works not executed in Bhramsarovar at Kagwali under NN Gaya*

The MC Gaya replied that action would be taken against the contractor and admitted that TS from competent authority was not obtained. Thus, due to stoppage of work midway for more than three years, the intended objective of preventing the pond from being polluted and facilitating the pilgrims a clean *sarovar* for *Pind Dan*, could not be achieved thereby rendering an expenditure of ₹ 37.85 lakh, unfruitful.

#### **4.1.8.4 Infrastructure Development in Slums**

GoB sanctioned (December 2013 and July 2014) ₹ 45.25 crore to BUDA for infrastructure development in slums under four sampled NNs.

Audit observed:

Of the total 4,488 DPRs prepared (2014) for construction of toilets, only 1,548 individual toilets were completed in the first phase, and despite availability ₹ 1.87 crore under infrastructure development in slums 2,940 toilets were not constructed. As 2,940 individual toilets were not constructed, people of 2,940 households were compelled to continue with open defecation under Bhagalpur Nagar Nigam. The MC, Bhagalpur replied that due to delay in preparation of DPR, execution of works got delayed.

Para 15 of guidelines for infrastructure development work in slum stipulated that in case of individual toilets, share<sup>73</sup> of the beneficiary had to be deposited in the special bank account of the *Samuh Vikas Samitee* (SVS). Audit observed that shares of the beneficiaries of 30 SVSs amounting to ₹ 17.74 lakh (**Appendix-4.7**) were not deposited in the special bank account of the SVSs. Instead, separate registers were maintained which did not prove that the shares of beneficiaries were utilised on the works of construction of individual toilets. NN Bhagalpur replied that direction would be issued to SVS for deposit of share of beneficiary in special bank account of SVS.

Para 8 of the guidelines stipulated that 10 *per cent* of sanctioned estimated amount should be transferred as advance to the account of registered SVSs for execution of individual toilets and hand pumps. Thereafter, 30 *per cent* of the estimated amount would be released in instalments on production of complete details of every expenditure to ULBs. However, NN Bhagalpur released ₹ 32.42 lakh to SVSs without obtaining complete details of expenditure in the prescribed format indicating weak financial control. NN Bhagalpur replied that details of expenditure would be obtained from the SVS which is not tenable as NN had to take the details of expenditure prior to release of fund.

As per guidelines, development work in slums was to be completed in two parts, In first part construction of individual toilets and installation of hand pumps was to be executed through SVS and in second part construction of road, drain, community hall and installation of solar street lights was to be executed by e-tendering. UD&HD accorded AA of ₹ 13.09 crore in first phase for infrastructure development in 46 slums under NN Bhagalpur.

Audit observed that ₹ seven crore was allotted for execution of works under second part. Provision of construction of Paver Block road worth ₹ 4.96 crore was made in the initial estimate. However, the same was changed to PCC road for ₹ 6.24 crore without obtaining revised AA. Accordingly, work order for ₹ 5.71 crore was issued and payment of ₹ 2.82 crore was incurred (August 2016). As a result, fund fell short to ₹ 74.55 lakh for construction of community hall and installation of street lights, Community Toilet and water post. The execution of PCC road without an AA and with a financial implication of ₹ 74.55 lakh not only resulted in compromising with some development items of second part of the works but also prevented these slums from upgrading and delisting from slum.

Audit observed during physical verification that:

- Electrical fittings were not found in 81 individual toilets of five slums<sup>74</sup> under NN Bhagalpur. In *Mushahari tola* slum, at a place drain was found filled with soil.
- In *Refugee tola* slum, roads were built in areas where there were no slums.

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<sup>73</sup> ₹1500 or ₹1000 in case of digging foundation and pit of the toilet by beneficiary himself  
<sup>74</sup> *Mushahari Tola* in ward 29, *Passi Tola Barari* in ward no. 28, *Refuzee colony* in ward no. 28, *Makbara Harijan Tola* in ward no. 2, *Dhobi Tola* in ward no. 26

- Provision for electricity, Boring and Motor for supply of water was not made in the estimate. As a result, water tank and connecting pipes for the tanks in community hall at *Dhaniya Bagicha*, Gaya remained unutilised (December 2015).

				
Drain filled with soil in <i>Mushahari Tola</i> slum Bhagalpur		Roads were laid between houses in <i>Refuzee Tola</i> slum Bhagalpur		Unutilised water tank/pipes in Community Hall at <i>Dhaniya Bagicha</i> , Gaya

A beneficiary survey of 251 beneficiaries was conducted with officials of NN Bhagalpur (November 2016) and findings are summarised below:

Criteria	Response
Whether the individual toilets have been constructed by SVS/NN, Bhagalpur	A total of 37 <i>per cent</i> of beneficiaries stated that individual toilets were not constructed by NN Bhagalpur.
If no, what is the arrangement for toilets	Eighty eight <i>per cent</i> beneficiaries stated that they resorted to open defecation as no arrangements were made.
Is the arrangement for electricity made by SVS/NN, Bhagalpur	Seventy nine <i>per cent</i> of beneficiaries stated that provision for electricity was not made.
If no, is there any difficulty in the use of toilets in absence of electricity.	Nearly 61 <i>per cent</i> beneficiaries described the difficulties they faced in absence while using toilets.

#### 4.1.8.5 Construction of Community Hall

Allotment of ₹ three crore was made (December 2011) for construction/Extension/Renovation of Community Halls to DUDA, Gaya as detailed in **Table 4.4** below:

**Table-4.4: Construction/renovation/extension of community halls**

Sl. no.	Allotment No./Date	Name of the Executing Agency	Name of the Scheme	₹ in crore	
				Amount sanctioned	Expenditure
1.	41 /29.12.11	DUDA, Gaya	Extension of Community Hall near Bageshwari Temple, Gaya	0.65	0.42
2.	-Do-	-Do-	Construction of Community Hall near Chand Chaura Akhara, Gaya	0.40	0.40
3.	-Do-	-Do-	Construction of Community Hall in Akshayavat, Gaya	1.25	1.25
4.	-Do-	-Do-	Renovation and Beautification	0.70	Nil

			of Azad Park-cum-Community Hall, Gaya		
<b>Total</b>				<b>3.00</b>	<b>2.07</b>

(Source: Allotment letter and information provided by Nagar Nigam, Gaya)

Thus, out of a total grant of ₹ three crore, ₹ 0.93 crore<sup>75</sup> remained blocked as of August 2016 due to dispute at worksite at Azad Park Community Hall and tender for remaining works<sup>76</sup> of *Maa Bageshwari Temple Gaya* was not invited (August 2016).

As envisaged in the Clause 2 of the Conditions of Contract, the Contractor shall pay as compensation, an amount equal to half *per cent* on the amount of the estimated cost of the whole work for every day that the work remains not commenced after the specified date subject to a maximum of 10 *per cent* of the estimated cost of the work.

Audit observed that Community Hall in *Akshayvat* was completed with a delay of 48 days without assigning any reason. However, only ₹ 0.86 lakh was deducted for delay from the final bill of the contractor against the deductible amount of ₹ 11.19 lakh (10 *per cent* of estimated cost of ₹ 111.90 lakh) which resulted in excess payment of ₹ 10.33 lakh to contractor. EE, DUDA accepted excess payment of ₹ 10.33 lakh and replied that action is being taken for recovery of balance amount (23 February 2017).

#### 4.1.8.6 Construction of Town Hall (Samrat Ashok Bhawan)

Grants released under construction of *Samrat Ashok Bhawan*, Bus stand and for Special Sanitation drive to two NNs<sup>77</sup> amounting to ₹ 6.57 crore<sup>78</sup> during 2014-16 lapsed as the moneys were not drawn from the treasury. Out of ₹ 6.57 crore, ₹ 2.50 crore revalidated by UD&HD for Patna NN in 2015-16 and ₹ 4.07 crore was lapsed. Though, the Municipal Commissioner was responsible for drawl of grants from the treasury, no records were available to indicate that such a monitoring was done by the Municipal Commissioner.

CMFA, NN Patna replied (July 2016) that the Treasury Officer objected to the drawl as the allotment was more than the Budget Provision. However, it was noticed that the matter was not further taken up with the UD&HD. As a result, urban citizens were deprived of the amenities.

#### 4.1.8.7 Construction of public conveniences

The UD&HD accorded AA (January 2010) and made allotment of ₹ 5.94 crore to BRPNL for construction of 32 numbers of public conveniences at different locations in Patna at ₹ 18.54 lakh each. Subsequently, these conveniences were to be handed over to NN Patna to enhance its source of income.

<sup>75</sup> Azad Park cum Community Hall - ₹70 lakh and Community Hall near Bageshwari temple - ₹22.86 lakh

<sup>76</sup> Electrification, sanitation and water supply, landscape, furniture and fixture.

<sup>77</sup> Gaya, Patna

<sup>78</sup> Construction of Samrat Ashok Bhawan, Gaya- ₹ 0.58 crore, Construction of Bus Stand Patna- ₹2.50 crore and Special Sanitation drive ₹3.49 crore.

All the 32 public conveniences were constructed during the period November - December 2009. Out of these 32 public conveniences, 10 were not handed over to NN Patna even after a lapse of more than six years of its construction.

These 10 public conveniences<sup>79</sup> were physically verified by audit and it was found that nine out of 10 were not in use since construction and the one at Indira Gandhi Institute of Medical Sciences campus was being used and maintained by the hospital which was also confirmed during beneficiary survey of 177 Beneficiaries.

			
Public Convenience at Vikash Bhawan, Patna	Public Convenience at Bihar School Examination Board	Public Convenience at Maurya Lok	Public Convenience at Jai Prabha Hospital

Thus, the purpose of providing public conveniences and to increase the source of income of NN Patna was defeated as the nine public conveniences were not handed over to NN Patna which rendered the expenditure of ₹ 1.58 crore<sup>80</sup> unfruitful.

Senior Project Engineer, BRPNL replied (July 2016) that NN Patna was requested to take over the public conveniences but they did not respond.

### ***Loss of revenue***

Rule 73(A)(4) of Bihar Municipal Accounts Rules (BMAR) 1928 stipulates that every municipal executive and servant should realise fully and clearly that he will be held personally responsible for any loss sustained by the commissioners of a municipality through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other municipal servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Scrutiny of records (December 2015) of the Patna Nagar Nigam revealed that as per orders (September 2009) of Urban Development and Housing Department

<sup>79</sup> 1. BMP-5, 2. Jaiphabaha Park, 3. In front of Mahaveer Aushadhalaya, Kankarbagh, 4. Maryalok Complex, 5. BSEB Office, 6. Vikash Bhawan, 7. Gardanibag Stadium, 8. IGIMS, 9. Gai Ghat, 10. Civil Court, Gai Ghat.

<sup>80</sup> Expenditure incurred (₹ in lakh) at 1. BMP- ₹ 15.57, 2. Side of Jaiprabha Park- ₹ 15.17, 3. Kankarbag in front of Mahavir Aushadhalay- ₹ 18.07, 4. Maurya Lok Complex near Raj Tower- ₹ 18.26, 5. Near Bihar School Examination Board Office- ₹ 18.80, 6. Vikash Bhawan New Secretariat- ₹ 18.45, 7. Gardanibag Stadium near Gardanibagh Hospital- ₹ 18.16, 8. Gai Ghat Patna- ₹ 17.94, 9. Civil Court Gai Ghat Patna- ₹ 17.94

(UD&HD), Government of Bihar, 33 Deluxe Public Conveniences (DPCs) having toilets, urinals and wash basins were to be handed over by the BRPNNL to the NN Patna by 30 October 2009 for operation and maintenance and to increase the source of revenue of the NN Patna. But, only 12 DPCs were actually transferred to NN Patna (February-August 2010) by BRPNNL. These DPCs were allotted (June 2010) to four agencies by the NN Patna with a condition to deposit 50 per cent of lease amount and to execute agreement within one week from the date of allotment. As per term and conditions framed by the NN Patna, the allotment was to be made for five years but lease amount was to be fixed separately for each year for each DPCs.

It was noticed that the NN Patna did not execute any agreement with the agencies. Further, against total demand of ₹ 34.03 lakh for the year 2010-11, the allottees deposited ₹ 15.98 lakh (July-September 2010) only but the NN Patna did not initiate any action against them and the DPCs continued to be in possession of the allottees for the period ranging from July 2010 to August 2015. The allottees also did not pay the balance amount till September 2016. As the NN Patna failed to execute any agreements with the allottees to whom the 12 DPCs were allotted in June 2010, the NN Patna could not realise the leased amount of ₹ 1.54 crore (**Appendix-4.8**) for the period ranging from July 2010 to August 2015.

On this being pointed out in audit, the Additional Municipal Commissioner (Revenue), NN Patna replied (March 2016) that NN Patna could not realise the leased amount because agreements were not executed with the allottees by the then Chief Municipal Engineer, NN Patna and necessary action would be initiated for recovery of the amount from the then Chief Municipal Engineer.

The matter was reported to the Government (June 2016); reminders issued (August 2016 and November 2016), their reply was awaited.

#### ***Repair of Maurya Lok Complex, Patna***

GoB released grants of ₹ four crore (April 2014) for repair of Maurya Lok Complex<sup>81</sup> Patna. The work was completed with an expenditure of ₹ 3.09 crore (April 2015). Audit observed that:

The electrical work of ₹ 81.05 lakh was awarded to a contractor who was not holding a license or experience for electrical works. During joint physical verification, it was noticed that electricity cables in *Maurya Lok* complex were arranged in haphazard way. Electricity panel (Bus Bar) for connection to the shops was installed but not a single connection was taken from the same and the work was completed with a delay of five months.

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<sup>81</sup> *Market/Office Complex*

		
Disarranged Electricity cables in <i>Maurya Lok</i> complex		Electricity panel (Bus Bar) for electricity connection to the shops at <i>Maurya Lok</i> complex

Out of three toilets physically verified, two toilets were found locked and the key of one locked toilet was in unauthorised possession. Taps were missing and partition between the urinals of toilet was short.

#### 4.1.8.8 Special Sanitation

The grants for comprehensive improvement in sanitation across the municipal area were to be utilised on six components viz., door-to-door waste collection, purchase of equipment for collection of waste, purchase/development of landfill sites for waste management, assistance in generation of compost/electricity from the waste, de-silting, cleaning and consolidation of drains and providing manpower for special sanitation drive of public places. Further, the release of next year's grants was based on evaluation of expenditure on all prescribed components of current year's grants by the UD&HD.

#### Expenditure on inadmissible components

Audit observed that two NNs incurred an expenditure of ₹ 10.56 crore out of total grants of ₹ 20.60 crore during 2015-16 on components other than the prescribed ones as detailed in **Table 4.5** below:

**Table- 4.5: Expenditure on inadmissible works**

(₹ in crore)				
Name of Nagar Nigam	Total Amount of Grant received	Admissible components of sanitation works	Items on which expenditure incurred	Amount
Biharsharif	2.92	Door-to-door waste collection, purchase of equipment for collection of waste, purchase/development of landfill sites for waste management, assistance in generation of compost/electricity from the waste, de-silting.	Salary of regular sanitation staff	1.22
			Salary of Daily Wages sanitation staff	0.71
Patna	17.68		Daily wages payment	7.50
			Night Sanitation	0.13
			Purchase of Apron	0.01
			Chhath Ghat Scheme	0.99
<b>Total</b>	<b>20.60</b>			<b>10.56</b>

(Source: Information provided by the test checked NNs)

Violation of the provisions for utilisation of grants defeated the purpose of the scheme. The MC, Biharsharif and the CMFA, NN Patna accepted the findings and replied (July 2016) that *ex-post facto* approval of the department would be

obtained. However; the department refused to grant *ex-post-facto* approval (August 2016).

#### ***Irregular award of contract on nomination basis***

The Central Vigilance Commission (CVC) re-emphasised (July 2007) that tendering process or public auction was a basic requirement for the award of contract by any Government agency as any other method especially award of contract on a nomination basis, would amount to a breach of Article 14 of the Constitution of India guaranteeing the Right to Equality. Further, as per the Judgment of the Hon'ble Supreme Court of India in Special Leave Petition (Civil) No. 10174 of 2006, Government contracts shall be normally awarded by the State, its corporations, instrumentalities and agencies through public auction/public tender.

Audit observed that BRPNNL in contravention of the CVC Guidelines awarded 23 work orders aggregating to ₹ 7.33 crore to contractors on a nomination basis. It was further observed that the award of aforementioned Government contracts on a nomination basis by the BRPNNL was not under exceptional circumstances and reasons for the same were also not placed on record.

Senior Project Engineer, BRPNNL replied (July 2016) that awarding contract on nomination basis has now been completely stopped.

### **4.1.9 Monitoring and Supervision**

As envisaged in the grant sanctioning/allotment letters, periodic monitoring and supervision of the above works were to be done by the District Magistrates. However, in all four NNs and PBs, no record was available to indicate that such monitoring was done as a result expenditure incurred on inadmissible works, assets created but not put to use, assets created but not handed over to the agencies concerned to ensure their operation and maintenance.

As per Para 16 of the guidelines for infrastructure development in slums, engineer appointed under UTAST (Urban Technical Assistance Support Team) and Municipal Engineer with chairman of SVS (*Samuh Vikas Samiti*) or any other nominated member would daily inspect the quality of works. Further, UTAST engineer would also inspect the quality of works once in a week. In case of any deficiency in the quality of works the matter would be reported to the Municipal Commissioner. Engineer of UTAST and Municipal Engineer with chairman of SVS would record their comments in the site inspection book. But, Site inspection book for ascertaining the inspection done by the Engineer of UTAST and Municipal Engineer with chairman of SVS was not available at NN Bhagalpur. NN Bhagalpur replied that payment was made only after satisfactory execution of works which was not tenable as site inspection book was not available to prove that regular inspection was done to assess the quality of works.

### **4.1.10 Conclusion**

Test checked NNs did not prepare the development plans for providing civic amenities and the development works were executed without being included in district development plan consolidated by the DPC.

The Scheme was not implemented effectively as evidenced from the failure to utilise more than 50 *per cent* of available funds, lapsed grants of ₹ 4.07 crore, expenditure incurred on inadmissible works, assets created but not put to public use, assets created but not handed over to the agencies concerned to ensure their operation and maintenance.

Works were executed without Administrative Approval and awarded on nomination basis.

DPRs were prepared and funds released to executing agencies without assessing feasibility of works which resulted in blockade of grants. Thus, objectives of the Scheme to provide civic amenities to urban population could not be achieved fully.

#### **4.1.11 Recommendations**

- Urban Local Bodies should prepare development plan and submit to DPC for consolidation and inclusion in district development plan.
- UD&HD and NNs should take necessary steps for optimum utilisation of available grants for admissible items of work.
- UD&HD should see that assets created by the PBs are put in public use and be transferred to the agencies responsible for operation and its maintenance.
- UD&HD and NNs should establish effective mechanism for internal control to avoid lapse of grants, maintenance of cash book and reconciliation of bank accounts with cash books and to submit UCs timely.

