
CHAPTER – VII

Review of Implementation of NSDP in the State of Bihar

Highlights

- Excess release of funds of Rs.8.64 crore to 41 ULBs and short release of funds of Rs.8.64 crore to 80 ULBs *Paragraph-7.8*
- Blockage of funds of Rs.84.48 lakh by Patna Municipal Corporation. *Paragraph-7.8.2.2*
- Diversion of grant of Rs.39.34 lakh by two ULBs (Muzaffarpur and Kishanganj).
Paragraph-7.8.2.1 and 7.8.2.2
- Selection of schemes without survey of availability of basic services in slum area.
Paragraph-7.9.1
- Execution of works in non-slum area (Rs.2.69 crore) *Paragraph-7.10.2*
- Funds of RS. 1.16 Crore Provided for upgradation construction of houses for urban poor were not utilised. *Paragraph-7.10.3*
- 55 Schemes amounting to Rs.34.50 lakh remained incomplete till September 2006.
Paragraph-7.10.4

Review of National Slum Development Programme

7.1 INTRODUCTION

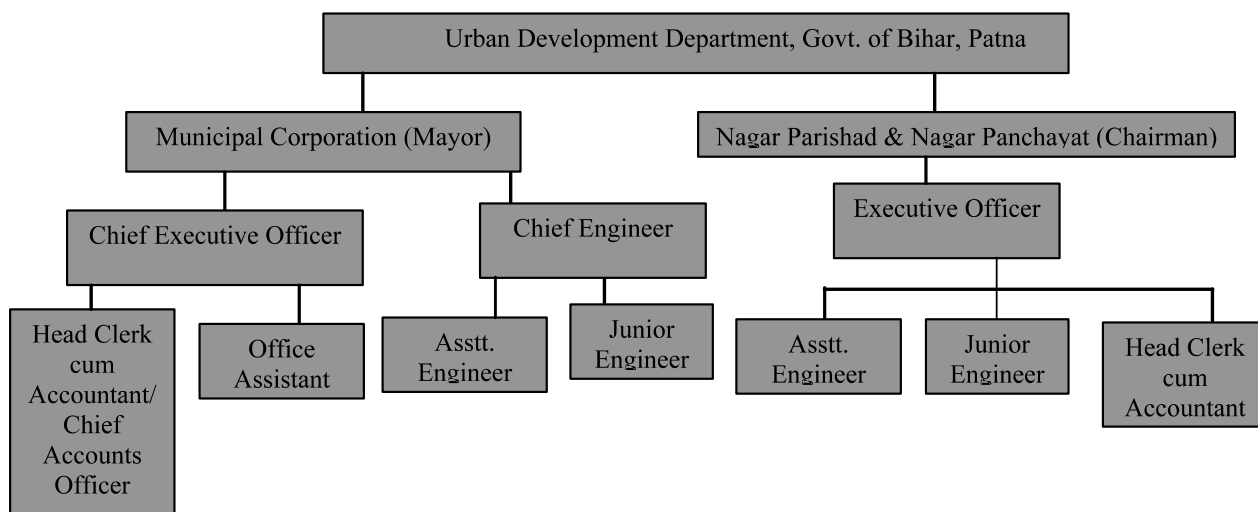
In the light of the constitution 74th (Amendment) Act, and considering the fact that conditions of urban slums in most of the States and towns are extremely unsatisfactory and that the slum population of the country was 46.78 million (1991), it was considered appropriate for the Government of India to introduce a special central assistance to States for upgradation of urban slums under the heading of National Slum Development Programme with the following elements-

- (I) The scheme should be applicable to all the States having an urban population.
- (II) Funds will be allocated to States on the basis of urban slum population.
- (III) For upgradation of Urban Slums the following components of the schemes were decided, vide guidelines of the scheme issued by the Government of India-
 - i) Provision of physical amenities like water supply, storm water, drains, community bath, widening and paving of existing lanes, sewers community latrines, streetlight etc.
 - ii) Community Infrastructure: -Provision of community centres to be used for pre-school education, non-formal education, adult education, recreational activities etc.
 - iii) Community Primary Health Care Centre Buildings can be provided. It is proposed that after creation of infrastructure facilities, the concerned municipalities will seek the support of Registered Medical Practitioner/Government Doctors in the State to man these centres.

- iv) Social amenities like Pre-school education, non-formal education, adult education, maternity, child health and primary health care including immunisation etc.
- v) Provision of shelter.

7.2. ORGANISATIONAL SETUP

Organisational set up of ULBs for implementation of the programme is as under:-



7.3. AUDIT OBJECTIVES

Review of the programme was conducted with a view to ascertain whether-

- Slum Areas have been identified by ULBs.
- Funds allocated to State are as per population of slum areas.
- Funds were released timely by the State Government to ULBs as per population of slum areas.
- Aims and objects of the programme to provide common facilities to persons residing in slum areas have been achieved.
- Proper monitoring and supervision of the programme have been made as per guidelines, and
- Utilisation Certificates have been sent timely by ULBs with full details to the State Government.

7.4 AUDIT CRITERIA

Audit criteria used are: -

- (i) Adherence to Guidelines issued by the Government of India.
- (ii) Adherence to various instructions issued by the State Government regarding identification of slum area, selection of schemes, monitoring and supervision of schemes and furnishing of utilisation certificate.
- (iii) Adherence to instructions issued by the central Government for release of fund.

7.5. SCOPE OF AUDIT

The Scope of audit was restricted to test check of records pertaining to randomly selected 16 ULBs⁶ out of the total 122 covering the period of 2001-06

⁶ Patna, Gaya, Muzaffarpur, Bhagalpur, Darbhanga, Buxar, Biharsharif, Sasaram, Kishanganj, Samastipur, Saharsa, Araria, Aurangabad, Mahnar, Phulwarisharif, Maner)

7.6. AUDIT METHODOLOGY

Audit Methodology Consisted of:-

- (i) Test check of records/files relating to observance of provision of guidelines, identification of slum area, selection of schemes, execution of schemes, bills, vouchers, muster rolls measurement books, monitoring supervision and utilisation certificates.
- (ii) Collection of data through survey questionnaire.

7.7. FLOW OF FUND AND FINANCIAL MANAGEMENT

The Government of India, Ministry of Finance, Department of Expenditure released Rs.72.39 crore under this programme to the State Government during 2002-05. The State Government released this amount to 121 ULBs during 2003-06.

7.8. AUDIT FINDINGS

The total slum population in the State stood at 2636844 and as such grant of Rs.72.39 crore should have been released at the rate of Rs.2562.21 for each slum dweller. However, Rs.8.64 crore was provided in excess to 41 ULBs and less than required funds were provided to 80 ULBs (Appendix-XXVIII).

Further, in the following cases slum population was shown in excess/short in the letter of release of grant to ULBs.

Sl. No.	Name of unit	Slum population shown in survey report of the ULB	Slum population shown in release order of grant	(+)Excess (-) Less
i)	Gaya Municipal Corporation	32600	42679	(+)10,179
ii)	Saharsa Nagar Parishad	47500	37500	(-)10,000
iii)	Phulwarisharif Nagar Panchayat	49079	31098	(-)17,981

7.8.1 GOVERNMENT GRANT

Position of grants received by 16 ULBs and utilisation reported by ULBs are as under: -

Particulars	(Rs. in crore)
Opening balance	1.32
Grants received during 2004-06	19.03
Interest earned	0.19
Total	20.54
Grants reported to be utilised during 2004-06	13.66
Balance on 31 st March 2006	6.88

ULB-wise break up is shown in (Appendix-XXIX).

Utilisation of grants by three ULBs (Aurangabad, Buxar and Darbhanga) ranged from 9.10 percent to 37.50 percent.

7.8.2 BLOCKING OF FUNDS

The State Government released Rs.84.48 lakh during 2003-06 (Rs.20 lakh during 2003-04, Rs.27.5 lakh during 2004-05 and Rs.36.98 lakh during 2005-06) to Patna Municipal Corporation for execution of schemes under N.S.D.P. but the corporation failed to utilise the amount. This amount is still lying unutilised in bank account of corporation (Sept.06).

7.8.2.1 DIVERSION OF FUNDS

Muzaffarpur Municipal Corporation kept Rs.40 lakh in fixed deposit (Oct. 2005) for three months and against its security obtained loan of Rs.30 lakh for payment of salary. On maturity of fixed deposit, Rs.40.15 lakh was credited into account of N.S.D.P. (May 2006) and remaining amount of Rs.84,521 was adjusted towards payment of interest on loan. From available balance of Rs.40.15 lakh, Rs.35 lakh was unauthorisedly spent (Oct'06) on payment of salary of staff for August 2005.

Further, from the amount of interest earned in Savings Bank account, Rs.2.77 lakh was transferred (Oct'05) to P. L. account, which was meant for establishment and other miscellaneous expenses.

Thus, total unauthorised expenditure of N.S.D.P. funds stood at Rs.38.61 (35.00 + 0.84+2.77) lakh, thereby defeating the purpose of the scheme.

7.8.2.2 Nagar Parishad, Kishanganj unauthorisedly spent Rs.0.73 lakh of N.S.D.P. funds towards payment of loan (0.58 lakh) and sinking of hand pump in Hospital Campus (0.15 lakh) during 2005-06.

7.9. IDENTIFICATION OF SLUM AREA

All the sixteen ULBs identified slum areas with ward number, description of area and slum population. Total population of persons residing in slum areas of above 16 units came to 7,88,060.

7.9.1 SELECTION OF SCHEMES

The State Government issued guidelines under which Community Development Societies, after identification of unavailable minimum basic services and required basic services, were required to prepare two lists 'A' and 'B' on priority basis.

In contravention of above order, schemes shown in the table below were selected without identification of unavailable minimum basic services and required basic services in slum area.

Table 7: Details of schemes selected without identification of unavailable minimum basic services

Sl. No.	Name of scheme selected and executed	Numbers of works	Estimated value of work
i)	Construction of PCC road	354	Rs.13.47 crore
ii)	Construction of other Roads	169	Rs.2.27 crore
iii)	Construction of drains	89	Rs.2.73 crore
iv)	Sinking of tubewells	273	Rs.46.35 lakh

v)	Construction of Community Hall and Latrines	9	Rs.4.98 lakh
vi)	Other works of minor nature	103	Rs.1.80 crore

The following components of the schemes were not taken up-

- i) Provision of community bath.
- ii) Community Infrastructure: -Provision of community centers to be used for pre-school education, non-formal education, adult education, recreational activities etc.
- iii) Community Primary Health Care Center Buildings can be provided. It is proposed that after creation of infrastructure facilities the concerned municipalities will seek the support of Registered Medical Practitioner/ Government Doctors in the State to run these centers.
- iv) Social amenities like Pre-school education, non-formal education, adult education, maternity, child health and primary health care including immunisation etc.
- v) Provision of shelter.

Thus, purpose of the scheme for upgradation of urban slum is yet to be achieved.

7.10.1 IMPLEMENTATION OF SCHEME

According to para 6 of the guidelines, schemes should have been implemented at the grass-root level by neighbourhood committee and Community Development Societies but, 13 ULBs (except Aurangabad Nagar Parishad, Biharsharif Nagar Parishad and Mahnar Nagar Panchayat) executed works departmentally This not only violated provisions of Guidelines but also proper selection of schemes was doubtful.

7.10.2 EXECUTION OF WORKS IN NON-SLUM AREA

The following table will show that seven ULBs spent Rs.2.69 crore over execution of works in non-slum areas. This not only contravened provisions of guidelines, but also denied benefit to slum dwellers.

Table 8: Details of the Works executed in non slum area.

Sl. No.	Name of ULB	Amount spent (In Lakh)
1	Muzaffarpur Municipal Corporation	16.41
2	Biharsharif Nagar Parishad	173.47
3	Maner Nagar Panchayat	27.17
4	Kateya Nager Panchayat	23.28
5	Chakia Nager Panchayat	88.00
6	Janakpur Road Nager Panchayat	8.05
7	Begusarai Nagar Parishad	16.27
	Total	268.53

7.10.3 NEGLIGIBLE EXPENDITURE ON SHELTER UPGRADATION

Para 4(v) of the guidelines provides for utilisation of not less than 10 percent of the allotment for construction or upgradation of houses for the urban poor.

But, 6 ULBs did not spend any amount against earmarked amount of Rs.96.11 lakh and 5 ULBs spent Rs.19.71 lakh in short of earmarked amount (Appendix-XXXII).

Thus, earmarked amount of Rs.1.16 crore for construction of houses for urban poor was not utilised.

7.10.4 PHYSICAL PROGRESS OF WORKS

15 ULBs executed 997 schemes during 2004-06 against which 678 schemes were completed and 319 schemes remained incomplete till 31.03.2006(Appendix-XXXIII).

Against target for period of completion ranging from one to six months delay in execution ranged from one month to one year.

Out of 319 incomplete schemes, 55 schemes pertained to 2003-04.

7.10.5 ACCOUNT OF MATERIALS NOT MAINTAINED

Stock and store account of materials purchased by the executing agent in departmental works and materials at site account were not prepared in all 15 ULBs.

7.10.6 MONITORING AND SUPERVISION

No records showing monitoring and supervision of works at higher level as per guidelines were made available to audit.

7.11. UTILISATION CERTIFICATE

Out of 15 ULBs, 8 ULBs having grant of Rs.17.54 crore furnished utilisation certificate of Rs.12.58 crore only ((Appendix-XXXIV).

7.12. CONCLUSIONS

None of the 16 ULBs test checked conducted survey of unavailable minimum basic services and required basic services in slum area. While selecting works, requirement of services in slum area were not taken into account. Even major works like construction of Plain, Concrete, and Cement (P.C.C). roads were executed in non-slum area. Lack of proper monitoring and supervision of works resulted, in several works remaining incomplete even after two years of their commencement.