

## **CHAPTER-3**

### **Implementation of Schemes**

#### **3.1 INDIRA AWAS YOJANA (IAY)**

**Indira Awas Yojana (IAY) aims at providing dwelling units free of cost to the poor families of the Scheduled Castes (SCs), Scheduled Tribes (STs), freed bonded labourers and also the non-SC/ST persons Below Poverty Line (BPL) in the rural areas. The scheme is funded on a cost sharing basis of 75:25 between the Centre and the State. Since 1999-2000, 80 percent of allocation has been earmarked for new construction and 20 per cent for up-gradation of unserviceable kutchha houses. The scale of assistance for construction/up-gradation varied from time to time and also between hilly and plain areas.**

**Audit of implementation of IAY revealed irregularities in selection of beneficiaries, non-conferment of ownership of huts on women as envisaged in the scheme, non-construction of sanitary latrines and smokeless chullahs inspite of assistance released for them and loss of Central share due to sluggish utilisation of funds already made available.**

#### **GRAM PANCHAYAT**

##### ***3.1.1 Annual Action Plan not prepared***

It was mandatory under the scheme of IAY that each of the Gram Panchayats shall independently prepare and approve an Annual Action Plan (AAP) before the beginning of a financial year.

It was seen that 797 Gram Panchayats did not prepare and approve such Annual Action Plan for the year 2004-05 for selection of beneficiaries under the scheme. The Gram Panchayats spent a total amount of Rs. 22.20 crore by selection of beneficiaries outside the AAP in violation of the scheme guidelines (as detailed in **Appendix-XXI**).

In the absence of AAP, there is an increased risk of selection of ineligible beneficiaries.

### ***3.1.2 Irregular selection of beneficiaries without following BPL criteria***

The scheme envisaged selection of the beneficiaries under IAY from the BPL list prepared on the basis of certain priority criteria, such as SC/ST households who are victims of atrocity, SC/ST households headed by widows and unmarried women, SC/ST households affected by natural and other calamities like riots, physically and mentally challenged persons etc.

However, in 1573 Gram Panchayats, while Rs. 37.67 crore was spent during 2004-05 towards IAY assistance for construction/up-gradation of huts, none of the beneficiaries was from the BPL list (as detailed in **Appendix-XXII**).

This shows lack of internal control in selection of beneficiaries as per the guidelines of the scheme.

### ***3.1.3 Ownership of huts not conferred on women in violation of scheme provision***

The IAY envisaged that ownership of huts constructed/up-graded with the scheme assistance would be conferred on the wife or alternatively on both the wife and the husband jointly as a couple. But in 67,929 cases in 2762 Gram Panchayats, ownership of huts constructed/up-graded with the scheme funds at a total cost of Rs. 105.21 crore was conferred solely on the male member of the family during 2004-05 (as detailed in **Appendix-XXIII**).

This was not in conformity with the scheme objectives which were designed to enhance the empowerment of women.

### ***3.1.4 Land ownership for the beneficiaries not ensured before construction/up-gradation of huts***

As per guidelines of IAY, every beneficiary should possess a valid title of the land before obtaining the assistance for construction/up-gradation of a hut. However, in 303 Gram Panchayats where Rs. 36.38 crore in 23,366 cases were disbursed during 2004-05 towards assistance for construction/up-gradation of huts, the beneficiaries had either no valid records of ownership of the land on which their huts were constructed/up-graded or records were not produced to Audit (as detailed in **Appendix-XXIV**).

This was indicative of lack of effective controls to ensure that ineligible beneficiaries are not covered under the scheme. Moreover, the possibilities of dislodging the beneficiaries rendering them again shelterless by the actual owners of the land at a subsequent stage, cannot be ruled out.

### **3.1.5 Sanitary latrines and smokeless chullahs not constructed**

As per guidelines of the scheme, every Gram Panchayat is to ensure that a sanitary latrine and a smokeless chullah are constructed along with the construction or up-gradation of the hut.

However, in 1328 Gram Panchayats, 68,245 sanitary latrines and in 1592 Gram Panchayats, 78,766 smokeless chullahs (as detailed in **Appendix-XXV**) were not constructed although the full amount of assistance amounting to Rs. 259.54 crore was given to the beneficiaries in two instalments by the Gram Panchayats during 2004-05. The pay orders were signed by the Gram Pradhans of the respective Gram Panchayats.

In case, sanitary latrine and smokeless chullah were not constructed, Rs. 600 towards sanitary latrine and Rs. 100 towards smokeless chullah were to be recovered from the consolidated amount of assistance given to the beneficiaries by way of deduction from the second instalment of assistance. As such, Rs. 4.09 crore for sanitary latrine and Rs. 0.79 crore for smokeless chullah to be deducted from the assistance given to the beneficiaries were not deducted.

## **ZILLA PARISHAD**

### **MALDA AND MURSHIDABAD ZILLA PARISHADS**

#### **3.1.6 Loss of Central share of Rs. 0.72 crore under Indira Awas Yojana (IAY)**

According to IAY guidelines, the first instalment of 50 *per cent* of the total Central allocation for a particular District was to be released in the beginning of the financial year and the second instalment for the District was to be released on receipt of request from DRDA on fulfilment of condition that the opening balance of the District did not exceed 15 *per cent* of the funds available during the previous year.

On scrutiny of records it was seen that Ministry of Rural Development released

(October 2004) Rs. 3.71 crore to Malda Zilla Parishad as second instalment of Central allocation (2004-05) after deducting Rs. 25.03 lakh due to excess carry over of funds of the previous year (2003-04). Thus, low rate of utilisation of funds resulted in loss of Central share of Rs. 25.03 lakh in the form of curtailment. With these funds, 100 rural poor<sup>+</sup> could have been benefited by new construction of houses and 50\* others by up-gradation of their houses under IAY. The ZP admitted (November 2005) the facts and figures and stated that the low rate of utilisation of funds occurred due to the failure of GPs to select the beneficiaries at the GP level.

Ministry of Rural Development, Government of India, released (April 2004) first instalment of Central allocation of Rs. 2.68 crore to Murshidabad ZP. As per allotment order of the Ministry (November 2004), there was deduction of Rs. 0.47 crore<sup>∅</sup> from Central share due to excess carry over of funds. Thus, excess carry over of funds by the ZP resulted in loss of Central share of Rs. 0.47 crore in the form of curtailment. With these funds, 188\* rural poor could have been benefited by new construction of houses and 94<sup>∞</sup> by up-gradation of their houses under IAY.

### **3.2 SAMPOORNA GRAMEEN ROZGAR YOJANA (SGRY)**

**Sampoorna Gramin Rozgar Yojana (SGRY) was launched in September 2001, by merging the ongoing schemes of Jawahar Gram Samridhi Yojana (JGSY) and Employment Assurance Scheme (EAS). The objective of the programme is to provide additional wage employment in the rural areas as also food security, along with the creation of durable community assets and social and economic infrastructure in rural areas. The SGRY is open to all rural poor who are in need of wage employment and desire to do manual and unskilled work in and around the village / habitat. The cost of each component of the programme is shared by the Centre and the State in the ratio of 75:25.**

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<sup>+</sup> 80 per cent of total allocation may be utilised for new construction: Rs. 25.03 lakh x 80 per cent/Rs. 20,000 (cost fixed per house) = **100**.

\* 20 per cent of total allocation may be utilised for up-gradation: Rs. 25.03 lakh x 20 per cent / Rs. 10,000 (cost fixed per house) = **50**.

∅ Total allocation for the district: Rs. 5.36 crore (1<sup>st</sup> instalment plus 2<sup>nd</sup> instalment) minus funds released for the district: Rs. 4.89 crore = **Rs. 0.47 crore**.

\* 80 per cent of total allocation may be utilised for new construction. So, Rs. 0.47 crore x 80 per cent/Rs. 20,000 (allocation for each new construction) = **188**.

∞ 20 per cent of total allocation may be utilised for upgradation. So, Rs. 0.47 crore x 20 per cent/Rs. 10,000 (allocation for each up gradation) = **94**.

**Engagement of contractors which the scheme guidelines did not permit, diversion of funds for works outside the provision of the scheme, payment made without execution of work, incurring loss due to non-disposal of gunny bags worth crores of rupees and loss of Central share due to under-utilisation of funds already made available were observed amongst others while conducting audit of implementation of the scheme.**

## GRAM PANCHAYAT

### ***3.2.1 Annual Action Plan not prepared***

It was mandatory under the SGRY scheme that each Gram Panchayat shall independently prepare and approve an Annual Action Plan (AAP) before the beginning of the financial year. No work can be taken up unless it forms part of the AAP.

It was seen that 1248 Gram Panchayats did not prepare and approve such AAP for the year 2004-05 for taking up works under the scheme. The Gram Panchayats spent a total amount of Rs. 30.89 crore for works taken up outside the AAP in violation of the scheme guidelines (as detailed in **Appendix-XXVI**).

In the absence of AAP, there is an increased risk of selection of ineligible beneficiaries, as the requirement of enumerations, enlistment and identification of eligible beneficiaries for works outside AAP may not be properly attended to. The AAP is, however, required to be got approved in Gram Sansads and Gram Sabhas along with the list of eligible beneficiaries.

### ***3.2.2 Inadequate employment opportunities to women***

In order to ensure special safeguards for women, it was stipulated in the scheme that at least 30 *per cent* of employment opportunities should be provided to women. But in 1318 Gram Panchayats during 2004-05, the percentage of employment opportunities provided to women ranged from zero to 20 only, in violation of the guidelines of the scheme (as detailed in **Appendix-XXVII**).

## PANCHAYAT SAMITI

### ***3.2.3 Works executed outside Annual Action Plan***

It was mandatory under the SGRY scheme that each Panchayat Samiti shall independently prepare and approve an Annual Action Plan (AAP) before the beginning of the financial year. No work can be taken up unless it forms part of the AAP.

It was seen that 10 Panchayat Samitis executed works outside AAP during 2002-03 to 2004-05. The Panchayat Samitis spent a total amount of Rs. 9.83 crore for works taken up outside the AAP in violation of the guidelines of the scheme (as detailed in **Appendix-XXVIII**).

#### ***3.2.4 Inadequate employment opportunities to women***

In order to ensure special safeguards for women, it was enjoined in the scheme that at least 30 *per cent* of employment opportunities should be provided to women. But in 28 Panchayat Samitis during 2002-03 to 2004-05, the percentage of employment opportunities provided to women ranged from zero to 20 only, in violation of the guidelines of the scheme (as detailed in **Appendix-XXIX**).

#### ***3.2.5 Expenditure incurred, in excess of permissible limits, on maintenance of public assets***

Every Panchayat Samiti is permitted to spend up to a maximum of 15 *per cent* of the funds provided under the scheme on maintenance of the public assets created from time to time under any Centrally sponsored wage-employment programme within its geographical boundary.

But it was seen that during 2002-2005, 16 Panchayat Samitis spent Rs. 9.23 crore towards maintenance cost for such assets in excess of the permissible limit of Rs. 2.70 crore (as detailed in **Appendix-XXX**).

#### ***3.2.6 Expenditure incurred on works engaging contractors***

According to the guidelines of SGRY issued by the GOI in September 2002, no contractor was allowed to be engaged for any work, and the works should be executed departmentally. But it was seen that 11 Panchayat Samitis spent Rs. 84.85 lakh towards execution of works by engaging contractors during 2002-2005 (as detailed in **Appendix-XXXI**). The Samitis, with these funds of Rs. 84.85 lakh could have ensured employment generation of 82,113 mandays<sup>⊕</sup> for the rural poor under SGRY.

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<sup>⊕</sup> Calculated on the basis of prevalent rate of wages of Rs. 62 per day per head and prescribed percentage of 60 to be spent for wages out of total funds available (Rs. 84.85 lakh x 60 *per cent* / Rs. 62 = **82,113 mandays**).

### SAGAR AND KAKDWIP PANCHAYAT SAMITIS

#### ***3.2.7 Irregular expenditure of Rs. 41.99 lakh on Ganga Sagar Mela***

The guidelines of SGRY<sup>o</sup> prohibit the execution of works relating to religious purpose out of funds of SGRY.

But it was observed that two Panchayat Samitis (PS)<sup>o</sup> in South 24 Parganas incurred expenditure of Rs. 37.43 lakh\* in cash for wages and materials and 76.037 tonnes of foodgrains valued at Rs. 4.56 lakh\* towards wages. The expenditure was on works of *mela* sheds, fencing boundaries, bus stands, roads, ramps, towers, *hogla* sheds, etc. executed on temporary basis (as against creation of durable assets prescribed by the scheme guidelines) during 2004-05 in connection with Ganga Sagar Mela 2004, a religious festival.

Thus, irregular expenditure of Rs. 41.99 lakh\* was incurred by the two Panchayat Samitis out of SGRY funds.

### DANTAN-II PANCHAYAT SAMITI

#### ***3.2.8 Irregular expenditure of Rs. 5.40 lakh resulting in undue financial assistance to contractor***

The road from Jhalda to Haripur (0-4 km) under the Dantan-II PS, was constructed under PMGSY between December 2001 and May 2003 by engaging a contractor and Rs. 97.69 lakh was spent against the estimated cost of Rs. 98.41 lakh for the road by retaining Rs. 13.05 lakh as a security deposit for the work. As per PMGSY guidelines, the guarantee period of the road should have been for 5 years from the date of completion, that is, up to May 2008 and the repairing cost of the road was to be borne by the contractor himself during the period of guarantee.

But scrutiny of records revealed that out of Rs. 16 lakh sanctioned by the Paschim Medinipur ZP in October 2005 towards repair of the road from Jhalda to Haripur (0-4

<sup>o</sup> Para 6.7.1(a).

<sup>o</sup> Sagar PS and Kakdwip PS.

\* Sagar PS: Rs. 19,31,772; Kakdwip PS: Rs. 18,11,699 plus 76.037 tonnes of rice i.e. Rs. 4,56,222; total **Rs. 37,43,471** in cash and **Rs. 4,56,222** in kind.

\* Rs. 37.43 lakh (in cash) plus Rs. 4.56 lakh (in foodgrains) = **Rs. 41.99 lakh.**

km) from the SGRY funds, Dantan II PS spent Rs. 5.40 lakh for the repair of the above road during December 2005 to December 2006.

The rainfall /calamity report as collected (September 2006) from the Irrigation Department during the course of audit revealed that no such case was there which could have damaged the road by natural calamity during 2002-03 to 2006-07. Therefore, the expenditure was also doubtful.

Under the above circumstances, expenditure of Rs. 5.40 lakh out of SGRY funds for repair of PMGSY road shown to have been incurred within the guarantee period for which expenditure, if any, was to be incurred by the contractor was tantamount to an undue financial assistance to the contractor.

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**ZILLA PARISHAD**

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**PASCHIM MEDINIPUR AND PURULIA ZILLA PARISHADS**

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***3.2.9 Irregular expenditure of Rs. 70.84 lakh for wage component towards transportation charges of foodgrains***

The guidelines of SGRY prohibit the use of cash component of SGRY for transportation charges of foodgrains. As per the guidelines, the transportation cost under SGRY is to be borne exclusively by the State Government. But the violation of the said norm was noticed in a number of cases.

It was observed from the records of Paschim Medinipur ZP that over and above the expenditure of Rs. 1.28 crore earmarked for transportation charges out of Rs. 2.11 crore made available by the State Government, Rs. 45.51 lakh was spent irregularly towards transportation charges for foodgrains out of the cash component of SGRY to be spent as wages during 2002-2005.

Similarly, the records of Purulia ZP showed expenditure of Rs. 25.33 lakh out of the cash component of SGRY meant for wages during the same period.

The entire payment of Rs. 70.84 lakh (Rs. 45.51 lakh *plus* Rs. 25.33 lakh) from the cash component of SGRY towards transportation charges was, thus, not only irregular



but also caused short generation of mandays by 68,555\* , depriving the rural poor of the benefits from the same.

### **JALPAIGURI ZILLA PARISHAD**

#### ***3.2.10 Irregular expenditure of Rs. 41.47 lakh out of SGRY funds for execution of departmental works***

The SGRY guidelines state that SGRY funds should not be used as substitute for funds meant for financing works to be taken up by various departments and agencies under other schemes.

But it was observed from the records that Rs. 41.47 lakh was spent during 2004-2006 from the SGRY funds by the Jalpaiguri Zilla Parishad for execution of the works that exclusively belonged to the Irrigation and Waterways Department (I&WD). As these were the departmental works of I&WD and in no way came under the purview of SGRY, the execution of these works should have been funded from the departmental resources of the I&WD and not from SGRY funds.

Hence the entire expenditure out of SGRY funds was irregularly incurred as substitute for departmental plan funds of the line department.

In reply (November 2006), the ZP stated that the paucity of funds of the I&WD caused release of SGRY funds for I&WD works.

### **JALPAIGURI ZILLA PARISHAD**

#### ***3.2.11 Undue payment of Rs. 27.28 lakh to contractor without execution of work***

It was observed that Jalpaiguri Zilla Parishad made an undue payment of Rs. 26.98 lakh out of SGRY funds without execution of recorded quantities of works in two cases which became evident to Audit by joint physical verification.

The improvement of the road from the Sailihatkhola to Chel via Saili in Rangamati GP under Malbazar PS was taken up by the Zilla Parishad and 1,20,047.35 m<sup>3</sup>

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\* Calculated on the basis of prevalent rate of wages of Rs. 62 per day per head and prescribed percentage of 60 to be spent for wages out of total funds available (Rs. 70.84 lakh x 60 per cent / Rs. 62 = **68,555 mandays**).

of earthwork for road embankment at a total cost of Rs. 24.64 lakh\* was executed between July 2005 and March 2006 according to measurement book.

But a joint physical verification<sup>ψ</sup> of the site in audit on 21 November 2006 revealed that the earthwork for road embankment was only 30,071.05 m<sup>3</sup> within the lead<sup>φ</sup> of 0-25 m costing Rs. 5.65 lakh<sup>®</sup>. The depression in case of 38,250 m<sup>3</sup> of earthwork and washing away of earthwork of 51,726.3 m<sup>3</sup> due to two years' successive rainfall stated by the authority as causes of 89,976.3 m<sup>3</sup> of earthwork not having been found were not proved by the joint site verification or by available records. Thus there was a payment for non-executed earthwork for 89,976.3 m<sup>3</sup> (1,20,047.35 m<sup>3</sup> minus 30,071.05 m<sup>3</sup> = 89,976.3m<sup>3</sup>), amounting to Rs. 18.99 lakh (Rs. 24.64 lakh minus Rs. 5.65 lakh).

Furthermore, the improvement of the road from Samsing More to Murti River was executed in two phases out of SGRY funds by the ZP. Records revealed that the earthwork in road embankment (0.6 m) was executed for 13,373.07 m<sup>3</sup> from the borrow pit within a lead of 300 m.

But the physical verification<sup>•</sup> of the site on 20 November 2006 revealed that no earthwork for the road embankment measuring of 13,373.07 m<sup>3</sup> as shown in the MB was actually executed because neither the height of the road embankment of 0.6 metre nor the

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Earthwork in road embankment (in m <sup>3</sup> )	Lead (in m)	Lift (in m)	Mandays Nos.	Period of work	Total cost of work (in Rupees)
31,986.24	0-25	1.5	9,697	22.07.05 to 02.03.06	24,64,280
40,002.21	25-50	1.5	12,384		
48,058.90	50-75	1.5	15,351		
1,20,047.35					

<sup>ψ</sup> Two members of audit team with two Sub-Assistant Engineers, Additional Accountant, Dealing Assistant of SGRY and two Pay Masters of ZP.

<sup>φ</sup> Lead is a horizontal straight distance through which the earth can be carried or transported from the surfaces to the place of spreading; while, lift is the vertical difference in height from the surface of the borrow pit to the surface of the embankment where earth is dumped.

<sup>®</sup> 30,071.05m<sup>3</sup>/3.3m<sup>3</sup> (volume of earthwork to be executed by an unskilled labourer for a distance of 0-25 m, according to Schedule of Works prepared by P&RDD) = 9,112.5 mandays @ Rs. 62 = **Rs. 5,64,975**.

<sup>•</sup> Two members of audit team with two Sub-Assistant Engineers of ZP, Additional Accountant and Dealing Assistant of SGRY.

borrow pits within the lead of 300 metres for the requisite quantity of earth as shown in the MB could be detected anywhere at the worksite. The entire stone boulder soling of 567.82 m<sup>3</sup> was found to be lying on the hard bare rocky mountainous surface (from the hill point to the Murti River) and the river bed material (RBM) was lying at the same level of the adjacent/adjoining plain areas of the surroundings (from the black top road to the hill point). Again, the record in Measurement Book showed a road length of 4,518 m\* whereas the actual road was only 1,349.3 m (638.1 m *plus* 711.2 m). Thus the entire payment for 13,373.07 m<sup>3</sup> amounting to Rs. 8.29 lakh appeared to be payment for the non-executed work (i.e. 8,872.92 m<sup>3</sup>: per m<sup>3</sup> per unskilled labourer @ Rs. 62 =Rs. 5.50 lakh *plus* 4500.15 m<sup>3</sup>: per m<sup>3</sup> per unskilled labour @ Rs. 68 =Rs. 2.79 lakh).

Thus ZP made an undue payment of Rs. 27.28 lakh without execution of the recorded quantity of the works in the above two cases.

### SILIGURI MAHAKUMA PARISHAD

#### **3.2.12 Unauthorised purchase of materials under SGRY**

According to guidelines for implementation of SGRY, materials like cement, steel etc. should not be purchased out of SGRY fund and all works were to be labour intensive. But on scrutiny, the records revealed that the Siliguri Mahakuma Parishad spent during 2004-05, Rs. 17.80 lakh<sup>√</sup> towards purchase of cement, MS rod and bitumen out of SGRY fund. In reply, the Parishad admitted (February 2006) the facts and figures. Thus, the entire expenditure of Rs. 17.80 lakh stood unauthorised.

### NORTH 24 PARGANAS ZILLA PARISHAD

#### **3.2.13 Excess payment of Rs. 11.24 lakh due to erroneous application of rate**

The land development at Lebukhali Super Market was executed by North 24-Parganas Zilla Parishad between September 2005 and June 2006 after incurring an expenditure of Rs. 11.23 lakh. It was observed that earthwork for 21,683.19 m<sup>3</sup> in

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Road length (in m)	Width (in m)	Height of embankment (in m)	Lead (in m)	Lift (in m)
3,018	4.9	0.6	300	6
1,500	4.9	0.6	300	6
<b>4,518</b>				

<sup>√</sup> Cement: Rs. 14.55 lakh; M.S. rod: Rs. 2.92 lakh; bitumen: Rs. 0.33 lakh

embankment with a lead<sup>♦</sup> of 250-300 metres and lift<sup>®</sup> of 3.5 to 4 metres was executed by engaging 16,328 unskilled labourers (@ 1.328 m<sup>3</sup>/unskilled labourer) whereas the admissible mandays<sup>\*</sup> for the same should be 13,562 unskilled labourers (@1.59885 m<sup>3</sup>\*/unskilled labourer). Thus an excess expenditure of Rs. 1.71 lakh<sup>\*</sup> was made due to excess engagement of 2,766 labourers.

Similarly, in the work of development of land for cold storage under Falitpur Mouza at Subhashnagar which was executed after incurring expenditure of Rs. 15.75 lakh, earthwork of 15,237.59 m<sup>3</sup> was done by adopting an erroneous rate of 0.63 m<sup>3</sup>/unskilled labourer for lead of 250 to 300 metres and lift of 2.5 to 3 metres. As it was an earthwork for land development, the work should have been executed by adopting the admissible rate of 1.73m<sup>3</sup> /unskilled labourer<sup>\*\*</sup>. Therefore, as against the executed earthwork of 15,237.59 m<sup>3</sup> between August 2005 and July 2006, the admissible number of unskilled labourers should have been 8,807.85 instead of 21,187, which resulted in excess expenditure of Rs. 9.53 lakh<sup>⊗</sup> towards wages.

Thus, excess expenditure of Rs. 11.24 lakh (Rs. 1.71 lakh *plus* Rs. 9.53 lakh) was incurred by the ZP due to excess allowance of mandays.

♦ Lead is a horizontal straight distance through which the earth can be carried or transported from the sources to the place of spreading.

® Lift is the vertical difference in height from the surface of the borrow pit to the surface of the embankment where earth is dumped.

\* Vide Sl. No.-1 (ii) (iv) page 95, Technical Guide Book and Schedule of Works for Rural Employment Programme.

\*

Volume of earthwork (in m <sup>3</sup> )	Lead (in m)	Lift (in m)	Rate allowed M <sup>3</sup> /unskilled labourer (in m <sup>3</sup> )	Unskilled labourers engaged (in numbers)	Admissible rate m <sup>3</sup> /unskilled labourer (in m <sup>3</sup> )	Admissible numbers of labourers	Excess engagement of unskilled labourer	Rate per labourer (in Rupees)	Excess expenditure (in Rupees)
21,683.19	250-300	3.5-4.0	1.328	16,328	1.59885	13,562	2,766	62	<b>1,71,492</b>

\*\* Vide Sl. No.-1 (ii) (iv) page 95, Technical Guide Book and Schedule of Works for Rural Employment Programme.

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Executed earthwork under objection (in m <sup>3</sup> )	Lead (in m)	Lift (in m)	Rate allowed m <sup>3</sup> /unskilled labourer (in m <sup>3</sup> )	Mandays shown in measurement book (in numbers)	Admissible rate (in m <sup>3</sup> /unskilled labourer)	Mandays required (in numbers)	Excess shown in measurement book (in numbers)	Excess payment from SGRY funds (in Rupees)
15,237.59	250-300	2.5-3.0	0.63	24,187	1.73	8,807.85	15,379.15	<b>9,53,057</b>

### 3.2.14 Loss of Rs. 137.23 crore due to curtailment of Central share for under-utilisation of funds

According to SGRY guidelines, the State Government was to submit proposal for release of second instalment for all the districts, as soon as the conditions prescribed from time to time are satisfied including the fulfilment of 60 per cent utilisation of the available funds for a district. Moreover, the carried over funds were not to exceed 15 per cent of the funds available during the previous year.

It was observed from the records that due to non-fulfilment of the said conditions, six Zilla Parishads and one Mahakuma Parishad<sup>‡</sup> received the Central share of funds less by Rs. 78.34 crore and foodgrains less by 35,676 tonnes, valued at Rs. 21.41 crore and corresponding non-receipt of State share of Rs. 26.11 crore during 2002-2005.

Thus as a result of inability of the Zilla Parishads/Mahakuma Parishad to spend the funds and utilise foodgrains earmarked for the programme, the rural poor were deprived of the benefit of Rs. 125.86 crore\* that could have generated 1.22 crore mandays<sup>♦</sup> during the period of 2002-03 to 2004-05.

Scrutiny also revealed that Malda Zilla Parishad received Central share less by Rs. 2.83 crore<sup>δ</sup> than the allocation during 2004-05 from the Ministry of Rural

Zilla Parishad	Funds (Rupees in lakh)			Foodgrains (in tonnes)		
	Allotment	Release	Curtailment	Allotted	Lifted	Curtailment
Bankura	3760.18	3152.03	608.15	40218	37913.40	2304.60
Cooch Behar	7585.97	7000.01	585.96	49835	47793	2042
South 24 Parganas	7042.27	4404.32	2637.95			
Purulia	11685.02	10148.12	1536.90	126031	106673	19358
Siliguri Mahakuma Parishad	2626.93	2320.57	306.36			
Paschim Medinipur	5692.92	4875.71	817.21	29365	24655	4710
North 24 Parganas	6268.07	4926.85	1341.22	32233	24972	7261
			7833.75			35675.60
						Say <b>35,676</b>

‡

\* Curtailment of funds (Central share): Rs. 78.34 crore  
 Foodgrains : Rs. 21.41 crore (35,676 tonnes X 1000 X Rs 6 per kg)  
 Curtailment of funds (State share) : Rs. 26.11 crore (25 per cent of Central share)

**Rs. 125.86 crore**

♦ Calculated on the basis of prevalent rate of wages of Rs. 62 per day per head and prescribed percentage of 60 to be spent for wages out of total funds available (Rs. 125.86 crore x 60 per cent / Rs. 62 = **1.22 crore mandays**).

δ

(Rupees in crore)

Year	Allocation	Funds released as 1 <sup>st</sup> instalment	Balance fund	Funds released as 2 <sup>nd</sup> instalment	Balance amount not restored
2004-05	11.05	6.63	4.42	1.59	2.83

Development, Government of India, owing to excess carry over of funds from the previous year. Thus, due to low rate of utilisation, ultimately the ZP got Rs. 2.83 crore less than the actual allocation. With these funds, the ZP could have generated 2.74 lakh mandays<sup>≈</sup>.

In reply, the ZP admitted (November 2005) the facts and figures and stated that excess carry over of funds occurred as proper monitoring at the GP level could not be done.

Quantum of loss due to short-release of foodgrains as well as State share could not, however, be ascertained as the requisite data was not available with Siliguri MP, Bankura ZP, Nadia ZP and Murshidabad ZP.

Scrutiny revealed that Nadia ZP received Central share less by Rs. 5.01 crore out of the total allocation of Rs. 12.51 crore. Thus, as a result of the inability of the ZP to spend the funds earmarked for the programme, the rural poor were deprived of the wage benefit equivalent to 4.84 lakh mandays<sup>←</sup> that could have been generated during 2004-05.

Scrutiny further revealed that Murshidabad Zilla Parishad received less Central share of Rs. 3.53 crore than the total allocation of Rs. 9.71 crore during 2004-05 due to excess carry over of funds from the previous year. Thus, as a result of the inability of the ZP to spend the funds earmarked for the programme, the rural poor were deprived of the wage benefit equivalent to 3.41 lakh mandays<sup>⊗</sup>, which could not be generated.

These show lack of capacity of the ZPs to spend funds and indicate the urgent need for streamlining the procedures for utilisation of funds in order to realise the objectives of the scheme.

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<sup>≈</sup> Calculated on the basis of prevalent rate of wages of Rs. 62 per day per head and prescribed percentage of 60 to be spent for wages out of the total funds available (Rs. 2.83 crore x 60 *per cent* /Rs. 62) = **2.74 lakh mandays.**

<sup>←</sup> Calculated on the basis of prevalent rate of wages of Rs. 62 per day per head and prescribed percentage of 60 to be spent for wages out of the total funds available (Rs. 5.01 crore x 60 *per cent* /Rs. 62) = **4.84 lakh mandays.**

<sup>⊗</sup> Calculated on the basis of prevalent rate of wages of Rs. 62 per day per head and prescribed percentage of 60 to be spent for wages out of the total funds available (Rs. 3.53 crore x 60 *per cent* /Rs. 62) = **3.41 lakh mandays.**

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**ZILLA PARISHAD AND PANCHAYAT SAMITI**
**PURULIA ZILLA PARISHAD, ETC.**
**3.2.15 Unauthorised expenditure of Rs. 1.91 crore on purchase of bitumen**

It was observed from the records of Purulia Zilla Parishad and Barrackpur-II Panchayat Samiti that expenditure of Rs. 87.39 lakh was incurred for purchasing bitumen. Records revealed that Purulia Zilla Parishad purchased 355 tonnes of bitumen valued at Rs. 55.65 lakh out of SGRY funds. It was further noticed that the Zilla Parishad, over and above the said purchase, sub-allotted Rs. 21.75 lakh from the ZP's share of SGRY in the shape of 145 tonnes of bitumen, previously purchased from own funds and subsequently replenished by SGRY funds. Thus total purchase of bitumen came to 500 tonnes (355 tonnes *plus* 145 tonnes) valued at Rs. 77.40 lakh (Rs. 55.65 lakh *plus* Rs. 21.75 lakh).

Similarly, Barrackpore II Panchayat Samiti of North 24 Parganas purchased 55 tonnes of bitumen valued at Rs. 9.99 lakh from the funds marked for SGRY and issued 31.93 tonnes of bitumen to the work for improvement and strengthening of the road from Jaffarpur Air Force Gate to the end of Barrackpore Municipality, to Mohanpur Gram Panchayat, which was executed between February and September 2006. Thus total expenditure towards purchase of bitumen was Rs. 87.39 lakh<sup>φ</sup>.

The entire expenditure of Rs. 87.39 lakh may be treated as unauthorised expenditure because according to Para 6.7.1(f) of the guidelines of SGRY, the work of black topping of roads should not be taken up under SGRY.

The violation of this norm was also noticed in respect of one ZP and six Panchayat Samitis (including Barrackpore II PS) which incurred expenditure of

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<sup>φ</sup>

<b>Agencies</b>	<b>(Rupees in lakh)</b>
Purulia ZP	77.40
Barrackpore II PS	9.99
<b>Total</b>	<b>87.39</b>

Rs. 1.04 crore<sup>^</sup> for construction of eight bituminous roads.

Thus, in violation of norms as fixed in para 6.7.1(f) of SGRY guidelines, unauthorised expenditure of Rs. 1.91 crore\* was incurred by the two ZPs and six PSs.

**JALPAIGURI ZILLA PARISHAD AND MAL PANCHAYAT SAMITI**

**3.2.16 Excess expenditure of Rs. 7.41 lakh for allowance of extra distance for carriage of materials**

It was noticed that during construction of the road from Neora Bridge to Kumai Gram Panchayat Office within the Mal PS under SGRY between April 2005 to July 2006, Rs.17.74 lakh was spent by Mal PS for the work. It was observed that the road metals were purchased by allowing a lead<sup>◇</sup> of 35 km. from the quarry although as per land records all the requisite road metals were available within a lead of 3 km from the worksite. Allowance of 35 km in lieu of the lead of 3 km resulted in excess expenditure of Rs. 3.90 lakh\*.

^

Name of the executing agency	No. of roads	Expenditure incurred on black topping (Rupees in lakh)
Hooghly ZP	1	4.49
Goghat I PS	1	3.80
Dhaniakhali PS	2	24.73
Mejia PS	1	15.26
Onda PS	1	29.18
Coochbehar II PS	1	18.56
Barrackpore II PS	1	7.88
<b>Total</b>	<b>8</b>	<b>103.9 (say 1.04 crore)</b>

× Purchase of bitumen : Rs. 0.87 crore

Construction of bituminous road : Rs. 1.04 crore

**Total : Rs. 1.91 crore**

◇ Lead is a horizontal straight distance through which the earth can be carried or transported from the surfaces to the place of spreading.

\*

Item	Quantity used (in m <sup>3</sup> )	Rate allowed for 35 km lead (Rupees/m <sup>3</sup> )	Amount Paid (in Rupees)	Admissible rate for 3 km lead (Rupees/m <sup>3</sup> )	Amount payable as per admissible rate (in Rupees)
RBM (2:1:1)	1734.93	321.5	5,57,779.95	197	3,41,781
63 mm stone chips	1165.65	343.5	4,00,400.78	217	2,52,946
53 mm stone chips	2489.69	383.5	9,54,796.11	257	6,39,850
11.2 mm stone chips	487.2	443.5	2,16,073.20	317	1,54,442
Boulder (above 225 mm)	199.24	381.5	76,010.20	257	51,205
<b>TOTAL</b>			<b>22,05,060.24</b>		<b>14,40,224</b>
Contractual rebate			48.96 per cent		48.96 per cent
Net (in Rupees)			11,25,463		7,35,090
<b>Excess expenditure</b>			<b>Rs. 11,25,463 minus Rs. 7,35,090 = Rs. 3,90,373</b>		



Allowance of excess lead was also noticed in execution of improvement of road surrounding Ramshai under the Moynaguri PS during February 2006 to October 2006 involving expenditure of Rs. 13.89 lakh incurred by Jalpaiguri ZP. Scrutiny of records revealed that the river bed material (RBM) (2:1:1) consolidation with a 2 tonne roller was done for an area of 16,500 m<sup>2</sup> using 2,053.99 m<sup>3</sup> of the material at a cost of Rs. 8.30 lakh (2,053.99 m<sup>3</sup> @ Rs. 404.38/m<sup>3</sup>) and the lead allowed was 65 km from the work site. But as per land record/quarry record the requisite quantity of RBM (2:1:1) was locally and readily available within the lead of 12 km from the worksite for which the admissible rate was Rs. 233.50/m<sup>3</sup>. Application of higher rate for carriage of the material resulted in drainage of funds of Rs. 3.51 lakh as excess expenditure from SGRY.

Thus, as a result of allowing extra lead in procuring materials in the above two cases, unauthorised and excess expenditure of Rs. 7.41 lakh was incurred by the PS (Rs. 3.90 lakh) and the ZP (Rs. 3.51 lakh).

### **3.2.17 Loss due to non-disposal of gunny bags worth Rs. 4.98 crore**

According to guidelines of SGRY, the gunny bags in which the foodgrains are received for distribution under the programme will be disposed of in accordance with the prescribed procedure in the State and the sale proceeds of the same can be used for making payment towards the transportation cost/ handling charges.

It was observed from records that five Zilla Parishads<sup>‡</sup> and six Panchayat Samitis<sup>‡</sup> lifted and utilised 2,06,015.65 tonnes<sup>‡</sup> of foodgrains under SGRY during 2002-03 to 2004-05. But the ZPs and PSs neither disposed of the gunny bags nor realised the sale proceeds from the dealers. The P&RDD has not yet fixed any rate for disposal of gunny bags (old or new). In the absence of a prescribed disposal rate of old gunny bags, Audit ascertained the prevailing market price for old gunny bags from Khandra Gram Panchayat in Bardhaman District. The GP informed (February 2006) that it had sold gunny bags received under SGRY at Rs. 7 per piece by auction and deposited the sale proceeds into the Panchayat Fund in March 2005. The Zilla Parishads and Panchayat

<sup>‡</sup> ZPs: Coochbehar, South 24 Parganas, Bankura, Jalpaiguri and North 24 Parganas.

<sup>‡</sup> PSs: Chatra, Bankura I, Khatra, Onda, Mejia and Patharpratima.

<sup>‡</sup> Foodgrains utilised: 24168.98 tonnes plus 18293.80 tonnes plus 19731.56 tonnes plus 89176 tonnes plus 47505.70 tonnes plus 1433.48 tonnes plus 765.89 tonnes plus 1223.20 tonnes plus 1862.92 tonnes plus 626.26 tonnes plus 1227.86 tonnes respectively by ZPs and PSs = **2,06,015.65 tonnes**.

Samitis failed to realise the total sale proceeds of gunny bags amounting to Rs. 2.88 crore<sup>o</sup> (calculated on the basis of the market price indicated above).

Siliguri Mahakuma Parishad did not dispose of 5,77,700 gunny bags which were lying with the dealers during the period between 2001-02 and 2004-05. The total sale price of the gunny bags accumulated stood at Rs. 40.44 lakh<sup>f</sup> which was not realised from the dealer of foodgrains during 2001-02 to 2004-05. In reply, while admitting the facts and figures (February 2006) the Mahakuma Parishad stated that there was at present no possibility of recovering Rs. 40.44 lakh from the dealers.

Scrutiny revealed that 33,810.97 tonnes of rice was lifted under SGRY-I and SGRY-II during 2001-02 to 2004-05 and with this 6,76,224 gunny bags were received in Malda district during the period from 2001-02 to 2004-05. All the gunny bags were lying with the dealers. The Malda ZP did not take any action to sell the gunny bags of its share and also did not issue any instructions to PSs and GPs to sell the gunny bags available at their end. The total sale price of gunny bags received worked out to Rs. 47.34 lakh<sup>yr</sup> which was not realised from the dealer of foodgrains during 2002-05 as all the gunny bags were lying with the dealers. The ZP stated (December 2005) that necessary action in order to adjust the value of gunny bags would be taken up.

Hooghly Zilla Parishad did not dispose of 3,74,660 gunny bags which were lying with the dealers during 2004-05. The total selling price of the gunny bags stood at Rs. 26.23 lakh<sup>\*</sup> which was not realised from the dealers of foodgrains as of December 2005.

<sup>o</sup> 2,06,015.65 tonnes x 1000 ÷ 50 kg (content of a gunny bag) x Rs. 7 (the prevailing market rate for an old gunny bag) = **Rs. 2,88,42,191; say Rs. 2.88 crore.**

Year	Number of gunny bags	Cost recoverable (@ Rs. 7 per gunny bag) (Rupees in lakh)
2001-02	1,01,600	7.11
2002-03	89,507	6.27
2003-04	89,533	6.27
2004-05	2,97,060	20.79
<b>Total</b>	<b>5,77,700</b>	<b>40.44</b>

<sup>yr</sup> 6,76,224 bags x Rs. 7 = **Rs. 47,33,568.**

<sup>\*</sup> During 2004-05 the Zilla Parishad utilised 18,733 tonnes of foodgrains.

Therefore, 18,733 tonnes x 1000/50 kg (capacity of one gunny bag) = 3,74,660 bags x Rs. 7 = **Rs. 26.23 lakh.**

Paschim Medinipur Zilla Parishad lifted 68,833 tonnes<sup>♣</sup> of rice under SGRY during 2002-03 to 2005-06. The total number of gunny bags for 68,833 tonnes of rice comes to 13,76,660<sup>♠</sup>. Therefore, the total sale price of gunny bags worked out to Rs. 96.37 lakh<sup>π</sup>, which was not realised from the dealers of foodgrains during 2002-03 to 2005-06.

**ZILLA PARISHAD, PANCHAYAT SAMITI AND GRAM PANCHAYAT**

**COOCHBEHAR ZILLA PARISHAD, ETC.**

**3.2.18 Unauthorised expenditure of Rs. 1.33 crore for construction of bridge**

The guidelines of SGRY prohibit the construction of bridge from the funds of SGRY. Moreover, the guidelines state that while there is no ceiling on the cost of works to be taken up, their size and cost and nature should be such that they may be completed within a period of one year and in exceptional situations within a maximum period of two years. But scrutiny of records revealed that, in contravention of the guidelines, a few ZPs and PSs incurred expenditure of Rs. 1.33 crore on construction of bridges out of SGRY funds.

Records revealed that Coochbehar Zilla Parishad, Mathabhanga-II PS and Coochbehar-II PS incurred expenditure of Rs. 0.66 crore\* on construction of six rolled steel joist bridges out of SGRY funds during 2002-2003 to 2006-07.

<sup>♣</sup> 2002-03: 15,615 tonnes; 2003-04: 22,216 tonnes; 2004-05: 18,218 tonnes; 2005-06: 12,784 tonnes.

<sup>♠</sup> 68,833 tonnes i.e. 6,88,33,000 kg of rice/50 kg of rice per gunny bag = **13,76,660 gunny bags.**

<sup>π</sup> 13,76,660 bags x Rs. 7 = **Rs. 96.37 lakh.**

Name of the executing Agency	Number of Rolled Steel Joist Bridges	Expenditure (Rupees in crore)
Coochbehar ZP	2	0.06
Mathabhanga-II PS	3	0.36
Coochbehar-II PS	1	0.24
<b>Total</b>		<b>0.66</b>

Similarly Siliguri Mahakuma Parishad (MP) incurred expenditure of Rs. 0.21 crore\* on construction of wooden bridges during 2005-06.

Records of Para Gram Panchayat of Purulia district also showed that the GP incurred expenditure of Rs. 0.46 crore for construction of a bridge measuring 60 metres in length and 4.5 metres in breadth. The construction of the bridge commenced in April 2002 and remained incomplete till date (August 2006) despite incurring a considerable expenditure of Rs. 0.46 crore.

Thus in violation of SGRY guidelines, an amount of Rs. 1.33 crore was spent on works not permissible under the scheme by one ZP, three PSs, one MP and one GP.

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Name of the executing Agency	Number of Wooden Bridges	Expenditure (Rupees in crore)
Siliguri MP	2	0.21