

CHAPTER VI

IMPLEMENTATION OF SCHEMES

Urban Local Bodies implement various Central and State sponsored schemes. Test audit of 50 ULBs audited during the year revealed non-compliance with the norms during implementation of the schemes as discussed in the succeeding paragraphs.

6.1 Employment Generation in Urban Area Scheme (EGS)

The Government of West Bengal launched Employment Generation Scheme (EGS) in September 2005 for employment generation as well as improvement and maintenance of civic infrastructure in urban areas by direct engagement of urban poor without involvement of contractors. The works under this scheme have to be done directly by the ULBs either through Ward Committees or through Community Development Societies (CDS) with the overall objective of ensuring creation of wage employment for the members of the CDS and urban poor. The works under the scheme were to be identified by the Ward Committees / CDS.

6.1.1 Poor utilisation of EGS Grants

Test check of records revealed that in 12 ULBs unspent funds increased from Rs.2.46 crore as on 1 April 2006 to Rs.4.47 crore as on 31 March 2008. This indicates inability of the ULBs to create more man-days under the scheme:

Utilisation of EGS grants during the year 2006 – 08

Year: 2006 – 07

(Rupees in lakh)

Sl. No.	Name of the ULB	Opening Balance	Receipt	Total	Payment	Closing Balance	Percentage of expenditure
1.	Kharar	12.14	15.08	27.22	11.46	15.76	42
2.	Taherpur	4.40	15.09	19.49	7.09	12.40	36
3.	Barrackpore	14.76	45.24	60.00	13.72	46.28	23
4.	Rajpur - Sonarpur	79.94	79.59	159.53	72.60	86.93	46
5.	Ranaghat	3.48	29.99	33.47	34.45	-0.98	103
6.	Birnagar	0.06	19.99	20.05	20.08	-0.03	100
7.	Raghunathpur	15.07	15.00	30.07	11.20	18.87	37
8.	Khirpai	0.04	30.79	30.83	16.12	14.71	52
9.	Arambagh	6.63	35.40	42.03	14.61	27.42	35
10.	Gobardanga	22.84	25.28	48.12	14.58	33.54	30
11.	South Dum Dum	69.61	69.32	138.93	54.04	84.89	39
12.	Dalkhola	17.18	21.00	38.18	16.90	21.28	44
Total		246.15	401.77	647.92	286.85	361.07	49

Year: 2007 – 08

(Rupees in lakh)

Sl. No.	Name of the ULB	Opening Balance	Receipt	Total	Payment	Closing Balance	Percentage of expenditure
1.	Kharar	15.76	15.13	30.89	16.47	14.42	53
2.	Taherpur	12.40	15.15	27.55	6.46	21.09	23
3.	Barrackpore	46.28	39.49	85.77	36.89	48.88	43
4.	Rajpur - Sonarpur	86.93	79.88	166.81	47.96	118.85	29
5.	Ranaghat	-0.98	30.09	29.11	27.15	1.96	93
6.	Birnagar	-0.03	20.06	20.03	11.03	9.00	55
7.	Raghunathpur	18.87	15.06	33.93	4.85	29.08	14
8.	Khirpai	14.71	15.74	30.45	5.88	24.57	19
9.	Arambagh	27.42	31.01	58.43	31.25	27.18	53
10.	Gobardanga	33.54	25.38	58.92	4.62	54.30	8
11.	South Dum Dum	84.89	69.58	154.47	78.28	76.19	51
12.	Dalkhola	21.28	21.08	42.36	20.94	21.42	49
Total		361.07	377.65	738.72	291.78	446.94	41

6.1.2 Non-involvement of Community Development Societies (CDS)

As per the guidelines issued by the State Government, the works under EGS would have to be done directly by the ULBs either through Ward Committees (WC) or through Community Development Societies (CDS). Records indicated that four²¹ ULBs spent Rs.2.82 crore under the scheme during 2006 – 08 without involving the Ward Committees / Community Development Societies (CDS).

6.1.3 Non-adherence to wage-material ratio

6.1.3.1 Test check of works executed during 2007 – 08 by three ULBs revealed that contrary to the scheme guidelines the expenditure on wages was far below 40 per cent of the total cost of works as detailed below. This resulted in non - generation of employment of approximately 13,547 man-days²² on an average during the year :

Name of the ULB	Ratio- Wage : Material	Excess expenditure on material (Rupees in lakh)
Birnagar	20 : 80	2.21
Arambagh	34 : 66	1.88
Dalkhola	11 : 89	6.07
Total		10.16

The wage-material ratio in six ULBs, viz., Gobardanga, Jangipur, Kamarhati, Kharar, Raghunathpur and South Dum Dum could not be ascertained due to improper maintenance / non-maintenance of detailed records of man-days generated and the details of materials consumed in the respective works.

6.1.3.2 As per para 7 of the guidelines, the ULBs shall have to submit to the Municipal Affairs Department one set of vetted estimates of individual work accompanied by the recommendation of the WCs and the Board of Councillors' resolution. It was observed that four ULBs, viz. Barrackpore, Jangipur, South Dum Dum, and Taherpur did not submit vetted estimates of individual works to the department. There were no records in the ULBs to indicate that the department called for it while sanctioning further fund for this purpose.

²¹ Barrackpore (Rs. 50.61 lakh), Ranaghat (Rs. 61.60 lakh), South Dum Dum (Rs. 132.32 lakh) and Dalkhola (Rs. 37.84 lakh).

²² Wage rate has been considered at Rs. 75 and computed accordingly.

6.1.4 Non-maintenance of stock registers and list of urban poor

As per para 10 of the guidelines, ULBs should maintain registers for stock of material, quantum of work done and complete list of identified urban poor / CDS members eligible to participate as wage earners in the scheme. Test check revealed that seven ULBs viz., Barasat, Barrackpore, Gobardanga, Kharar, Ranaghat, Raghunathpur and Taherpur did not maintain various records like registers for stock of material, quantum of work done and identified list of urban poor / CDS members.

In absence of the above records, Audit could not verify the eligibility of the beneficiaries and whether equal opportunity was extended to the urban poor / CDS members.

6.1.5 Works executed engaging contractors – Rs. 32.67 lakh

Test check of records revealed that three ULBs, viz., Bhadreswar, Khirpai and Taherpur executed works worth Rs. 32.67 lakh²³ during 2006 – 08 engaging contractors in violation of government guidelines. As a result, it could not be ensured in audit if the urban poor of the respective ULBs were actually extended the benefit of employment.

6.2 National Old Age Pension Scheme (NOAPS)

National Old Age Pension Scheme (NOAPS) is a social assistance programme under National Social Assistance Programme for poor households. The share of contribution of the Central and State Governments is 50:50 with effect from 1 April 2006. The age of the beneficiary for NOAPS shall be 65 years or higher and the beneficiary must be a destitute having little or no regular means of subsistence. The monthly entitlement of pension under the scheme is Rs.400 with effect from 1 April 2006.

6.2.1 Underutilization of fund of Rs. 2.74 crore deprived 5715 beneficiaries

Scrutiny of records of six municipalities revealed that a huge amount of Rs. 2.74 crore remained unutilized as of March 2008 depriving 5715 intended beneficiaries for the year 2007 – 08 as detailed below :

(Rupees in lakh)

Sl. No.	Name of the ULB	Opening Balance	Receipt	Total	Expenditure	Closing Balance	No. of beneficiaries deprived
1.	Siliguri	17.42	244.62	262.04	139.49	122.55	2553
2.	Nabadwip	37.51	20.34	57.85	32.40	25.45	530
3.	Khardah	1.95	29.72	31.67	25.67	6.00	125
4.	Kamarhati ²⁴	Not available	41.00	41.00	37.75	3.25	68
5.	Maheshtala	26.16	149.67	175.83	137.53	38.30	798
6.	South Dum Dum	12.08	109.26	121.34	42.57	78.77	1641
Total		95.12	594.61	689.73	415.41	274.32	5715

²³ Bhadreswar (Rs. 3.52 lakh), Khirpai (Rs. 22.00 lakh) and Taherpur (Rs. 7.15 lakh).

²⁴ April to December 2007

ULBs did not identify actual number of eligible beneficiary for the scheme from time to time. Delay in payment of pension under the scheme also contributed to accumulation of unspent fund.

6.2.2 Unauthorised payment to ineligible beneficiaries

Scrutiny of records revealed that Taherpur Notified Area Authority made unauthorised payment of pension of Rs.0.82 lakh under the scheme to seven ineligible beneficiaries below 65 years of age as of March 2008. The ULB stated that age considered as per records (elector's photo identity card) were not correct as claimed by the beneficiaries. Accordingly the ULB adopted a resolution based on doctors' certificates and forwarded the same to the Sub-Divisional Office for approval.

6.2.3 Non-submission of Actual Payee's Receipt

There was unspent Closing Balance of Rs.8.04 crore lying with four²⁵ Borough Executive Engineers of Kolkata Municipal Corporation for NOAPS as on 31 March 2008. The Closing Balance stood at Rs.19.97 lakh as on 31 March 2009. KMC did not furnish the records in support of fresh advance to the above boroughs. They did not even produce the Actual Payee's Receipt in support of disbursement to the beneficiaries. Hence, actual position of the Closing Balance could not be ascertained in audit.

6.3 Mid-day-Meal Programme

The National Programme of Nutritional Support to Primary Education, popularly known as Mid-day-Meal (MDM) Scheme was launched on 15 August 1995 to cover all the students of primary classes. The Programme is intended to give a boost to universalisation of primary education, by increasing enrolment, retention and attendance and simultaneously impacting on nutrition of students in primary classes. The Central Government assists the ULBs by providing food grains, the actual cost incurred in transportation, cooking cost, assistance to construct kitchen-cum-store, assistance for provisioning and replacement of kitchen devices and assistance for management, monitoring and evaluation.

6.3.1 Loss of food grains under Mid-day-Meal Programme

During the period 2006-08, Bhadreswar Municipality received 2622.49 quintals of rice under the scheme and issued 2553 quintals to various schools. However, as against the closing stock of 69.49 quintals of rice as of 31 March 2008, the actual balance was 23 quintals. The Municipality admitted (May 2008) that 46.49 quintals of rice worth Rs.0.72 lakh (at the rate of Rs.1545 per quintal) being damaged were destroyed. They added that the damage occurred due to supply of bad quality of rice and also bad condition of stores. The Municipality did not fix responsibility for lifting bad quality of rice (if any) and keeping the stock in bad storing condition. The loss indicated poor monitoring system on the part of the Municipality.

²⁵ Borough II, III, VII and VIII.

6.3.2 Misappropriation of Mid-day-Meal rice worth Rs. 40.49 lakh

The Municipality and the authorized distributor did not maintain any accounts of receipt, issue and balance stock of rice since 2006-07. The Municipality never conducted any physical verification of its stock of rice kept under the custody of the distributor. Absence of monitoring of the implementation of the programme by the Municipality led to misappropriation of Mid-day-Meal rice worth Rs. 40.49 lakh.

The Panihati Municipality, while implementing the programme in its municipal area, appointed a transporter-distributor who was responsible for lifting rice from godown, distributing the same to the schools on monthly basis and maintaining the accounts of stock of rice.

A test check (October - November 2009) of the records of the Municipality and the authorized distributor revealed that they did not maintain any accounts of receipt, issue and balance stock of rice since 2006-07. The Municipality did not ever obtain any report regarding lifting, issue and balance of rice from the distributor. The Municipality never conducted any physical verification of its stock of rice kept under the custody of the distributor. In absence of any record regarding day to day stock balances, the opening stock balance of rice lying with the distributor as on April 2006 could not be ascertained.

A scrutiny of delivery / lifting orders and receipted challans furnished by the schools for the period from April 2006 to 15 September 2009 revealed that the authorised distributor lifted 447.82 tonnes of rice against which the schools received only 104.75 tonnes of rice till 7 September 2009. Thus, there was a closing balance of rice to the tune of 343.07 tonnes with the authorised distributor as of 15 September 2009 excluding opening stock as of 1 April 2006, if any.

The Municipality instructed (August / September 2009) the agent to submit accounts of lifting of rice and its distribution to the schools. The distributor did not respond till October 2009. However, at the instance of Audit, the Municipality conducted a joint physical verification of the stock on 3 November 2009 in presence of Audit and found 81 tonnes of rice available with the distributor as against the actual balance of 343.07 tonnes. This resulted in a shortfall of 262.07 tonnes of rice valued at Rs.40.49 lakh at the prevailing rate of Rs.15450 per tonne. Thus, Municipality's failure to monitor the implementation of the programme facilitated misappropriation of rice worth Rs.40.49 lakh. The Municipality did not initiate any action against the distributor for misappropriation of such huge quantity of rice meant for the students.

The Municipality confirmed (October 2010) that a good quantity of food grains had not been properly utilised due to gross negligence of the distributor. The Municipal Affairs Department observed (October 2010) that the misappropriation was done by the distributor appointed by the Municipality. The Department advised that a notice immediately be served upon the distributor to show cause as to why his distributorship would not be cancelled and penal action would not be initiated against him. The distributor should be compelled to make good of the loss within specified time fixed in the show cause notice. If not complied with, FIR should be lodged against him.

The Municipality directed (6 November 2010) the distributor to show cause within seven days (from the date of receipt of the notice) as to why his distributorship should not be cancelled and penal action would not be initiated against him.

6.3.3 Recovery of food grains at the instance of audit

Test check of records of Nabadwip Municipality revealed that the opening stock of rice as of 1 April 2006 was 526.37 quintals. The Municipality received 5688.65 quintals of rice under the Mid-day-Meal Scheme and distributed 5373.86 quintals of rice up to 17 November 2008. Thus as per stock register maintained by the Municipality, the closing stock of rice as of 17 November 2008 was 841.16 quintals. However, a joint physical verification of stock conducted (26 November 2008) by the municipal representative and the audit team (in the presence of the Chairman) found only 628 quintals of rice comprising 200 quintals of rice in bad condition. The balance of 213.16 quintals of rice could not be traced. The rice worth Rs.3.09 lakh (at the rate of Rs.1545 per quintal) lying unattended in the municipal godown spoiled in absence of proper monitoring and disposal (first come first serve) mechanism. The shortage of 213.16 quintals of rice detected during audit was stated (January 2010) to have been recovered from the contractor dealing in municipal stock.

6.4 Unproductive expenditure on works – Rs. 3.20 crore

Three municipalities incurred an expenditure of Rs.3.20 crore for construction of remunerative assets like commercial complexes / market. Scrutiny of records revealed that the expenditure remained unproductive due to delay in completion of the works, as shown below :

(Rupees in lakh)

Name of ULB	Particulars of works	Schedule date of completion	Status with reason	Expenditure incurred	
				Source of fund	Amount
Haldia	Construction of commercial / market complex ('Sonar Tori' at Debhog, City Centre)	2006	Incomplete due to paucity of fund.	IDSMT	233.28
Nabadwip	Commercial complex – cum – community hall (at M. K. Choudhury Road and Kasturi Bundh Road crossing)	1996	Incomplete due to paucity of fund.	Development grants	58.77
Dalkhola	Fish & vegetable market at Dhanhati	2006	Incomplete for want of total vacant position of the site.	IDSMT	28.01
Total					320.06

6.5 Conclusion

The poor utilisation of funds by ULBs indicated inadequate attention to the Government objectives and policies, for providing basic amenities and services. Non compliance with the Government guidelines frustrated the objective of the scheme and deprived targeted beneficiaries from the intended benefits. The ULBs did not furnish reasons as to why construction works of market complexes were started without the provision of adequate fund and clear site for construction.

6.6 Recommendations

- Adequate evaluation of the schemes should be made to avoid accumulation of fund.
- Schemes should be implemented as per guidelines recommended by the Government from time to time.
- Adequate controls need to be put in place to prevent irregular execution / payment of the scheme / money.
- Regular monitoring mechanism should be in place for lifting appropriate quality of rice, safe storage and first come first serve disposal to avoid loss.
- Before starting construction work, fund arrangement must be ensured to complete the work in time.
- Non completion of developmental work for long, deprive the beneficiaries as well as cause blockade of grant fund.