

CHAPTER - IV

EXECUTION OF SCHEMES

Three tiers of PRIs execute mainly Centrally Sponsored and State schemes, schemes referred under Finance Commission Grants and schemes suggested under Member of Parliament (MP), Member of Legislative Assemblies (MLA), Member of Legislative Council (MLC) funds. Irregularities noticed in audit upto 2009-10 in implementation of Mahatma Gandhi National Rural Employment Guarantee Schemes (MNREGS)/Bihar Rural Employment Guarantee Schemes (BREGS), Backward Region Grant Fund (BRGF) and other schemes are discussed in the subsequent paragraphs.

4.1 National Rural Employment Guarantee Scheme/BREGS

The National Rural Employment Guarantee Act (NREGA) was notified on September 7, 2005. The objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

4.1.1 Unfruitful Expenditure due to Closure of Schemes Midway- ₹43.05 Lakh

Test check of records of one ZP, six PSs and one GP disclosed that 35 works were undertaken during 2006-07 to 2009-10 under MNREGS/BREGS but were closed midway. This showed that due care was not taken at the time of preparation of estimates for execution of works and finalisation of scheme, which resulted in closure of works midway. In respect of these works ₹ 43.05 lakh was spent against the total estimated cost of ₹ 177.49 lakh. Due to partial execution of works, intended benefit of the schemes could not been achieved and the expenditure made on these works became unfruitful (**Appendix- VI**).

4.1.2 Wasteful Expenditure due to Wrong Selection of Schemes - ₹ 15.29 Lakh

Para 6.1.1 (viii) of MNREGS operational guideline (2008) stipulates that care should be taken not to take up roads included in the Pradhan Mantri Gram Sadak Yojna (PMGSY) network under NREGA.

On scrutiny, it was noticed that ZP Banka did not exercise due care in selection of schemes. It executed two schemes resulting in an expenditure of ₹ 15.29 lakh, as detailed in **Table - 8**, which were scheduled for implementation under the PMGSY network.

Table - 8

Schemes of MNREGS Included in PMGSY

(₹ in Lakh)

| Sl. No. | Scheme No. | Name of Scheme | Estimated Cost | Amount of Work Done as per M.B. | Payment Made | Status of Work |
|--------------|------------|--|----------------|---------------------------------|--------------|----------------|
| 1 | 33/08-09 | Construction of road & drain from Harimora to Ghanshyampur Village in Barnri Block | 7.57 | 6.85 | 6.85 | Complete |
| 2 | 25/08-09 | Repairing of road from Kenduar Village to Dhawa Village | 11.62 | 8.44 | 8.44 | Incomplete |
| Total | | | 19.19 | 15.29 | 15.29 | |

As these roads were reconstructed under PMGSY, amount spent earlier on execution of these schemes became wasteful.

4.1.3 Use of Labour Displacing Machines

Para 1.4 (xv) of Operational Guidelines (2008) of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) prohibits use of machinery.

In Contravention of the aforesaid instruction, tractors and machineries were used in earthwork in PS Patori and PS Ghorasahan in respect of scheme no. 1/08-09 and 10/09-10 respectively.

4.2 Backward Region Grant Fund (BRGF)

The BRGF programme is designed to redress regional imbalances in development by providing funds for supplementing and converging existing development inflows in the identified districts.

4.2.1 Payment on Doubtful Vouchers

Scrutiny of vouchers of Scheme no. 23/09-10 (PCC work in southern side of Bus stand, Purnea) of ZP Purnea revealed that 1,115 bags of cement costing ₹ 3.14 lakh was purchased on 13 vouchers between 15/09/2009 to 15/10/2009 from a firm named Sanjay Saw Mill, Kursela, Katihar. It was found that the cement was purchased from a Saw Mill and was also not mentioned in the vouchers that the firm deals in cement. None of the vouchers have signature of the dealer/supplier. Serial numbers of these vouchers were not printed, they were made by hand. Certificate of payment was also not recorded by the purchaser on any voucher. In addition, materials viz. Bricks, Sand and Stone Chips costing ₹ 2.80 lakh were purchased on letter pads from the firm M/s Kailash Mart, Jail chowk, Purnea. The letter pads did not bear Sl. No., VAT/TIN and supplier's signature. Thus, it is evident that payment was made on doubtful vouchers.

4.3 Muster Rolls

Muster Rolls are the basic records in respect of implementation of any work providing evidence of payment made to labourers engaged. The irregularities noticed in respect of Muster Rolls are as under:

4.3.1 Irregular Payments

Muster Rolls are maintained by the executing agents. Entries regarding name of the person on work, job card number, days worked, days absent, wages paid, unique identity number given to work and signature or thumb impression of the payee have to be made for each work. Entries have to be verified by inspecting authorities. Besides, the Drawing & Disbursing Officer (DDO) is responsible to exercise these checks before making payment.

Audit examined Muster Rolls of some schemes and found various instances of engagement of same labour twice/thrice for same period either in the same work or in other (**Appendix-VII**). In these Muster Rolls name, father's name, registration number and period of engagement were same which is not possible. Clearly these Muster Rolls were not depicting truthful position. Had the proper checks been exercised by the authorities concerned before payment to executing agencies, such cases of payment on irregular Muster Rolls could have been avoided.

4.3.2 Payment on Fake Muster Rolls - ₹ 1.59 Lakh

In audit scrutiny of Muster Rolls of test checked schemes, various instances of fake Muster Rolls were noticed. These Muster Rolls lacked information like attendance of labourers, date and period of engagement of labourers, besides the date of engagement of labourers were of even before the date of issue of work order. Details are given in **Table - 9**

Table - 9

Payment on Fake Muster Rolls

| Name of PRI | Scheme No./Year | Particulars of Irregularities in Muster Rolls | Payment Made on Fake Muster Rolls (₹) |
|--------------------|------------------------|--|--|
| PS Kaler | 2/09-10 (BRGF) | Attendance of 15 labourers not marked for 7 days | 10710 |
| PS Kanti | 40/08-09 (MNREGS) | Period of engagement of labourers not mentioned on Muster Roll | 23056 |
| PS Ara | 11/08-09 (MNREGS) | Work order was issued on 25/11/2008, but engagement of labourers were shown from 16/11/08 to 22/11/08 | 38448 |
| PS Tankuppa | 6/06-07 (MNREGS) | Work order was issued on 02/01/2007, but engagement of labourers were shown from 20/01/2006 to 28/04/2006 | 66162 |
| PS Atri | 20/06-07 (MNREGS) | Administrative approval and technical sanction of the estimate given on 23/02/2007. But engagement of labourers were shown from 06/02/07 to 24/02/07 | 21000 |
| Total | | | 159376 |

4.3.3 Engagement of Labourers after Completion of Work

During audit scrutiny, several cases of irregular payment on Muster Rolls were found in which labourers were shown engaged after completion of the work. The genuineness of Muster Rolls is doubtful as the labourers cannot be engaged after completion of work. Some of the cases are given in **Table - 10**.

Table - 10

Engagement of Labourers after Completion of Work

| Name of PRI | Scheme No./Year | Date of Last Measurement of Work as per M.B. | Engagement of Labourers | Payment Made (₹) |
|-----------------------------|------------------------|--|-----------------------------|------------------|
| PS Patna Sadar | 32/2006-07 (MNREGS) | 10/06/2007 | 11/06/2007 to 27/06/2007 | 37961 |
| GP Sogar (PS Morwa) | 1/2007-08 (MNREGS) | 25/03/2009 | 28/04/2009 to 18/05/2009 | 56349 |
| GP Sankardih (PS Tarari) | 3/2007-08 (MNREGS) | 28/05/2007 | 29/05/2007 to 02/06/2007 | 3542 |
| | 4/2007-08 (MNREGS) | 30/05/2007 | 31/05/2007 to 03/06/2007 | 4004 |
| Total | | | | 1,01,856 |

4.4 Execution of Ineligible Works against Twelfth Finance Commission (TFC) Guidelines - ₹ 47.55 Lakh

The guidelines issued by the State Government (Grant letter) broadly classified the items of works to be taken up by different tiers of PRIs. In audit, it was noticed that the test checked 15 PRIs (One ZP and 14 PSs) incurred an expenditure of ₹ 47.55 lakh during the period from 2006-07 to 2009-10 on execution of works like repair/renovation of Block Offices *etc.* not contemplated in the TFC guidelines (**Appendix-VIII**). The expenditure incurred on such ineligible works deprived the beneficiaries of the intended objective of these funds.

4.5 Recommendations

- (i)** Higher authorities should ensure that regular compliance to their orders and directives are adhered to. Physical verification of stores and stock at regular intervals and submission of report to higher authorities may also be ensured.
- (ii)** Judicious effort may be taken by the concerned authorities during the initial stages of taking up of schemes so that the schemes are not abandoned mid-way.
- (iii)** Monitoring, supervision and evaluation of the works may be ensured by the authorities concerned for completion of works within the stipulated time.