

Funds are allocated to the district through the State budget for various developmental activities. In addition, funds are directly released to the DRDA and implementing agencies for various

socio-economic programmes by the State and Gol. The DRDA releases the funds to the Blocks and other executing agencies based on the approved allocation for the individual schemes.

4.1 Gaps in the Funds flow and Expenditure incurred

The total flow of funds to the District during 2006-11 and expenditure incurred was not available either with the Addl. Deputy Commissioner who is the Chief Planning Officer or with the District Planning Officer and other district

authorities like DRDA. However, information on funds received and reported expenditure in respect of certain significant departments and programmes as collected by Audit from various departments is detailed below:

Table 1: Position of funds received and expenditure incurred in respect of certain key programmes

(₹ in crore)

Sr.No.	Description of Schemes	Funds provided/ received (2006-11)	Expenditure incurred (2006-11)
(A) Social Services			
1	National Rural Health Mission (NRHM)	19.15	18.31
2	National AIDS Control Programme (NACP)	0.77	0.80
3	Sarva Shiksha Abhiyan (SSA)	116.52	108.94
4	Higher Education	90.66	88.86
5	Water Supply	225.97	226.18
6	Total Sanitation Campaign (TSC)	12.30	11.51
7	Social Security and Pension	95.41	92.68
8	Integrated Child Development Services (ICDS)	43.40	42.76
(B) Economic Services			
9	Pradhan Mantri Gram Sadak Yojana (PMGSY) and State budget	353.61	340.17
10	Mukhya Mantri Gram Path Yojana (MMGPY)	5.11*	4.76*
11	Vikas Mein Jan Sahyog (VMJS)	16.96	14.85
12	Sectoral Decentralised Planning	24.43	23.97
13	Member of Parliament Local Area Development Scheme (MPLADS)	16.00	15.21
14	Vidhayak Kshetriya Vikas Nidhi Yojana (VKVNY)	16.28	15.99
15	Sampoorna Grameen Rozgar Yojana (SGRY)	11.16**	9.99**
16	Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA)	442.65***	393.57***
17	Calamity Relief Fund (CRF)	56.11	51.43
(C) General Services			
18	Rajiv Gandhi Gramin Vidyutikaran Yojna (RGGVY)	28.19	17.42
19	E-governance	0.05	0.05
20	Municipal Councils and Nagar Panchayats	47.88	48.07
Total		1622.61	1525.52

Source: Departmental figures

Note: *Figures are for the year 2008-11.

**Figures are for the year 2005-07.

***Figures are for the year 2007-11.

Audit analysis revealed that there was a gap between the funds received and expenditure incurred as funds received from Gol and State Government are parked in different banks accounts (scheme-wise) without being utilised within the prescribed timeframe, as works could not progress due to non-availability of clearances for utilising forest land and other land disputes (as discussed in succeeding chapters).

4.2 Maintenance of Records

Scrutiny of records of the DC, DRDA and the test checked blocks and GPs revealed that the funds are shown as expended as soon as these are released to the next level i.e., the DRDA shows utilisation of funds as soon as these are released to the Blocks and the Blocks in turn show utilisation on release to the GPs without ensuring the actual utilisation of funds.

4.3 Internal Controls

The BDO holds monthly meetings to apprise the concerned Panchayat Secretaries about the works sanctioned and releases the first installment on the basis of resolution passed by the concerned GP for preliminary work. However, Audit scrutiny revealed that no control was exercised by the BDOs to see that the

resolutions from GPs are received in time and works were executed in a timely manner. As a result, large amount of funds remained unutilised for long periods as discussed in the succeeding paragraphs.

In the absence of an integrated system of internal checks and controls of receipt, utilisation and accounting of developmental funds, there were huge sums lying unutilised and there was also a big gap between the funds released and funds reported as utilised.

Recommendations

- *A mechanism to ensure release of funds only for works and schemes for which all preliminary and preparatory works have been completed, needs to be evolved.*
- *A uniform system should be put in place for receipt, utilisation and accountal of funds and a system needs to be evolved for showing actual utilisation of funds as distinct from mere release of funds.*