

CHAPTER -IV

***INTEGRATED AUDIT OF
GOVERNMENT DEPARTMENT***

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INTEGRATED AUDIT OF GOVERNMENT DEPARTMENT
MINORITY WELFARE DEPARTMENT

4. *Integrated audit of Minority Welfare Department*

Executive Summary

Introduction

The Minority Welfare Department is responsible for implementation of various developmental schemes especially those relating to welfare and upliftment of the status of minority communities. Integrated audit of the department brought out gaps in planning, financial management and programme management. Audit of the department disclosed that owing to non-availability of its own offices at district/sub division/block levels and non-disbursement of assistances to the beneficiaries in time, the unspent balances increased over a period of time and even deprived central assistance.

Planning

The department had not prepared perspective plan/annual plan to uplift the minorities. Welfare Schemes suffered due to *ad hoc* arrangement of the department without infrastructure at district level.

(Paragraph 4.6)

Financial Management

The department could utilise only 61 *per cent* of its allotted funds. It was further observed that surrender of the savings upto 99 per cent was done on the last date of financial years. The cases of retention of funds, submission of incorrect utilisation certificates, delayed release of funds and diversion of funds were also noticed. There was difference of ₹ 23.81 crore in the expenditure figure of department with appropriation accounts and the difference remained non-reconciled.

(Paragraph 4.7)

Implementation of the schemes

Under MSDP, the department could spend only ₹ 350.86 crore during 2007-12 and balance funds ₹ 121.21 crore were lying unutilised at the end of March 2012. Thus, due to non-utilisation of funds, the target fixed for MSDP was not achieved in full and the State was also deprived of central assistance of ₹ 112.20 crore. Other schemes viz. pre-matric scholarship scheme, post-matric scholarship scheme and Mukhya Mantri Minority Vidharthi Protsahan Yojna were also not implemented properly.

(Paragraph 4.8)

Conclusion

The department had not formulated any specific plan to uplift the minorities. The financial management of the department was deficient as the department could disburse/utilise only 61 *per cent* of its allotted funds. Due to ineffective functioning of the department, every welfare scheme for minority remained partially implemented or unimplemented

(Paragraph 4.9)

Recommendations

The department should prepare and initiate its own plan for the upliftment of minorities. The man power of department should be adequate and on rational basis. Due care should be taken in the preparation of budget estimates which should be on realistic basis to avoid savings and the schemes may be strictly implemented according to their guidelines.

(Paragraph 4.10)

4.1 Introduction

Minority Welfare Department (MWD), Government of Bihar came into existence in the year 1991 with aim of overall improvement/development of minorities¹ in addition to minority welfare schemes already implemented by other respective department. In Bihar, minorities constitute 16.71 per cent of the total population of the State and Muslims hold almost 99 per cent of the total population of minorities and population of others like Christian, Buddhists, Sikhs and Parsis are nominal. Department deals with the matter relating to welfare of minority community, Haz, Waqf and have the administrative control of corporation/agencies like Bihar State Minority Commission, 15 Point Programme committee (*Appendix-4.1*), Bihar State Minority Finance Corporation and Urdu Academy.

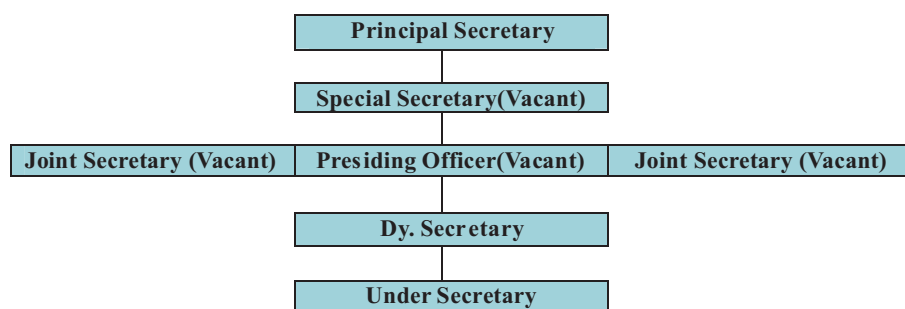
In order to realise these objectives, the department implemented 16 schemes during 2007-2012. Of these, 12 were under State Plan, three Centrally Sponsored Schemes (sharing basis) and one Central Plan Scheme.

4.2 Organisational Setup

The organogram of Minority Welfare Department is given in the chart below:

Chart-I

Organogram of the Minority Welfare Department



As evident, four of the top posts were lying vacant. Further, there was no subordinate office of the department at districts, sub divisions and blocks levels. At the field level, minority welfare activities and schemes of the department were being implemented by District Magistrates (DM) with assistance of Deputy Development Commissioner (DDC), District Programme Officer

¹ Muslims, Sikhs, Christians, Buddhists and Zoroastrians (Parsis) have been notified as minority communities under Section 2 (c) of the National Commission for Minorities Act, 1992.

(DPO), District Welfare Officer (DWO), Block Development Officer (BDO), District Engineer, Executive Engineer of Works Division, District Education Officer (DEO) and all other implementing agencies.

4.3 Audit Objectives

The audit objectives aimed to assess and evaluate:

- the adequacy and effectiveness of planning, financial management, implementation of schemes; and
- the intended objectives were achieved.

4.4 Audit Criteria

The audit criteria adopted were:

- Act, Rules and Regulations of the Government of Bihar (Bihar Budget Manual, Bihar Finance Rules, Bihar Treasury Code and Bihar Public Works Account Code) and the Government of India (GOI) as applicable to Minority Welfare Department activities;
- Instructions and guidelines issued by the GOI and the GOB for Central and State Sponsored Schemes respectively; and
- Mandate of the department and guidelines of schemes and programmes.

4.5 Audit scope and methodology

This audit had covered the period 2007-12 and was conducted during May 2012 to July 2012 and October 2012 to November 2012 through test check of the records at headquarters office of the department and seven district offices². The information received from Bihar State Shia Waqf Board, Bihar State Sunni Waqf Board, Bihar State Minority Finance Corporation (BSMFC) was also utilised for overall assessment of the department. The audit methodology included field visits for examination, collection and analysis of relevant information and discussions with the responsible officers of the department involved in programme implementation. In order to explain the objectives of this audit and to elicit the departmental views and concerns, an entry conference was held in March 2012 with the Principal Secretary and senior officials of the department. The audit findings were discussed with the Principal Secretary, Special Secretary, Deputy Secretary, Under Secretary alongwith Managing Director (MD), BSMFC and Chief Executive Officer of Shia Waqf Board in an exit conference in January 2013. The views and replies of department were kept in view while finalising the report.

Audit Findings

The deficiencies noticed during course of audit of the department are discussed in the subsequent paragraphs.

² (i) Araria, (ii) Dharbhanga, (iii) Katihar, (iv) Kishanganj, (v) Purnea, (vi) Sitamarhi and (vii) West Champaran.

4.6 Planning

The department had not prepared perspective plan/annual plans and it was working without infrastructure.

Adequate planning is the key factor for effective implementation of schemes of any department. As the objective of the department was to uplift the status of minorities, there was need to prepare adequate plan to meet the objectives. The department had not prepared perspective plan/annual plan as such no records related to planning were produced during audit. It was further observed that the department had no sub-ordinate offices at district/ sub division/block level and the schemes of the department were being implemented by other agencies i.e. District Magistrates (DM) with assistance of Deputy Development Commissioner (DDC), District Programme Officer (DPO), District Welfare Officer (DWO), Block Development Officer (BDO), Executive Engineer of Works Division, District Education Officer (DEO), Principals/ Head Masters of schools and others; which were not under control of the department. Moreover, the department could not establish Directorate as well as District Minority Cells. In addition the department neither had machinery to collect information regarding output of the schemes nor had attempted to bridge the gap between department and implementing agencies. Further, the department had no monitoring mechanism and the web site of the department was also not up dated.

During exit conference, Principal Secretary MWD stated (January 2013) that the department executed Central Plan Schemes, Centrally Sponsored Schemes and other State Sponsored Schemes according to their guidelines. It was accepted by the department that it was working with limited manpower and resources and corrective actions were being taken.

4.7 Financial Management

Budget provision, expenditure, surrenders and savings of the department during 2007-12 are indicated below in the table.

Table no. 1
Budget provision, expenditure and surrenders/savings during 2007-12
(₹ in crore)

Year	Allotment			Expenditure			Surrender			Lapse/Saving (-)			Total Savings (surrender + savings) & percentage Saving (-)
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
2007-08	25.82	3.17	28.99	24.42	2.03	26.45	1.40	1.12	2.52	0	(-)0.02	(-)0.02	(-)2.54 (9)
2008-09	66.23	5.11	71.34	51.20	4.39	55.59	0.70	0.50	1.20	(-)14.33	(-)0.22	(-)14.55	(-)15.75 (22)
2009-10	230.20	4.30	234.50	160.25	3.70	163.95	56.21	0.25	56.46	(-)13.74	(-)0.35	(-)14.09	(-)70.55 (30)
2010-11	461.95	4.39	466.34	297.88	3.50	301.38	164.07	0.53	164.60	0.00	(-)0.36	(-)0.36	(-)164.96 (35)
2011-12	570.00	5.47	575.47	283.65	4.27	287.92	1.53	0.15	1.68	(-)284.82	(-)1.05	(-)285.87	(-)287.55 (50)
Total	1354.20	22.44	1376.64	817.40	17.89	835.29	223.91	2.55	226.46	(-)312.89	(-)2.00	(-)314.89	(-)541.35 (39)

(Source: Detailed Appropriation Accounts and department statement)

As evident from the table above, the department could utilise only ₹ 835.29 crore (61 per cent) against the total grant of ₹1376.64 crore. Further, out of

The financial management was deficient as department could utilise only 61 per cent of the total grant

the balance fund, ₹ 314.89 crore lapsed and ₹ 226.46 crore was surrendered. It was further observed that ₹ 225.45 crore (99 per cent) of the surrender was done on the last date of financial years. Consequently, the surrendered funds could not be re-appropriated by the finance department.

In 2011-12, the department could not utilise ₹ 287.55 crore (50 per cent of total allotment ₹ 575.47 crore) due to slow progress of work and cent per cent saving of allotment was noticed in four State Plan Schemes namely Computerisation of Waqf Property, Scholarship for college going students, Scholarship for coaching to compete Public Service Commission and Training for Workers of Minorities.

The department refuted (December 2012) the figures shown by audit stating that cent per cent allotted funds were spent by the department.

The reply was not in consonance with facts as the surrendered/lapsed funds were not considered by the department. However, in exit conference Principal Secretary (January 2013) stated that the figures would be rectified and reconciled wherever necessary.

4.7.1 Delayed Release of Funds

Delayed release of MSDP funds upto 9 months adversely affected the implementation of the schemes

According to the directives of Empowered Committee of Multi Sectoral Development Programme (MSDP), the State Government was to release the approved funds to the Minority Concentration Districts within one month of receipt. However, scrutiny disclosed that Central Assistance of ₹ 255.33 crore and State share of ₹ 47.61 crore were released with delay up to nine months and more to the concerned districts. The period of delay in cases are given in the table below:

Table no. 2

Cases of delayed release from the actual timeline of one month

Year	Upto three months	Upto six months	Upto nine months and more
2008-09	-	-	3
2009-10	7	3	-
2010-11	8	1	-
2011-12	26	1	-
Total	41	5	3

In reply, the department admitted (December 2012) that delayed release of fund were in initial years of schemes but it had been improved later.

However, we noticed that maximum number of delayed cases were of 2011-12. Thus, delay in release of fund adversely affected the implementation of the schemes of MSDP.

4.7.2 Incorrect utilisation certificate

District Administration Sitamarhi, Bettiah and Darbhanga had submitted incorrect utilisation of MSDP funds

As per para 15.5 of MSDP guidelines, utilisation certificates (UCs) would be submitted when the expenditure on the project had been incurred by the implementing agencies and further installments of the scheme were to be released only after the receipt of UCs and other mandatory documents.

Scrutiny of records of three test checked districts revealed that District Administration had submitted incorrect UCs of Central Share of MSDP funds

(Aganwadi) to the department to receive second installment of the scheme as discussed below:

- Against receipt of ₹ three crore (March 2010) the District Administration, Sitamarhi had submitted (June 2012) UC for the whole amount whereas cash book for the period disclosed that ₹ 2.85 crore³ was distributed among 11 Block Development Officers (BDOs). Further, examination of records of BDOs disclosed that only ₹ 93.70 lakh⁴ was spent and balance of ₹ 1.92 crore was kept in their respective accounts.

The department had accepted (December 2012) the facts.

- The District Administration, West Champaran had submitted UC of ₹ six crore (June 2011) to the department whereas its cash book reflected distribution of ₹ 5.69 crore⁵ to executing agencies. It was further observed that ₹ six crore was again received (October 2011) and district administration had again submitted (January 2012) utilisation of ₹ six crore (second instalment) despite having balance of ₹ 4.66 crore in its cash book.

In reply, the department forwarded (December 2012) the reply of DM, West Champaran who had stated that the balance funds of first instalment amounting to ₹ 0.31 crore was also given to Rural Works Division (No II) for construction of rooms of laboratory. However, DM had denied the submission of UCs of second instalment of ₹ six crore.

The reply was contrary to the facts as the DM had submitted the said UCs to the department in January, 2012.

- Similarly, District Administration, Darbhanga had submitted (July 2011) incorrect UC of the first instalment of ₹ three crore to the department as ₹ 0.39 crore was returned (June 2012) to the District Administration by one implementing agency (Local Area Engineering Organisation, Dharbhanga) due to non-availability of land. District Administration accepted the observation.

In reply, the department assured (December 2012) that proper enquiry would be made as these were serious and non-tolerable issue.

4.7.3 Retention of fund

According to Rule 107(3) of Bihar Budget Manual, no money should be withdrawn from the treasury unless it is required for immediate payment. It is not permissible to draw advance in anticipation to demands from the treasury

³ (i) Bajpatti (₹ 20.10 lakh), (ii) Bokhara (₹ 8.04 lakh), (iii) Dumra (₹ 36.18 lakh), (iv) Majarganj (₹ 32.16 lakh), (v) Nanpur (₹ 28.14 lakh), (vi) Parihar (₹ 44.22 lakh), (vii) Pupri (₹ 8.04 lakh), (viii) Riga (₹ 40.20 lakh), (ix) Runnisaidpur (₹ 40.20 lakh), (x) Sonbarsa (₹ 8.04 lakh) and (xi) Sursand (₹ 20.10 lakh) (Total = ₹ 285.42 lakh)

⁴ (i) Dumra (₹ 12.00 lakh) (ii) Sursand (₹ 16.78 lakh), (iii) Runnisaidpur (₹ 3.95 lakh), (iv) Bokhara (₹ 2.80 lakh), (v) Riga (₹ 17.10 lakh), (vi) Nanpur (₹ 5.34 lakh), (vii) Sonbarsa (₹ 3.96 lakh), (viii) Bajpatti (₹ 6.70 lakh), (ix) Pupri (₹ 2.85 lakh), (x) Parihar (₹ 9.68 lakh) and (xi) Majorganj (₹ 12.54 lakh) (Total = ₹ 93.70 lakh)

⁵ (i) EE, RWD-2, Bettiah (₹ 213.60 lakh) and (ii) N.R.E.P, Bettiah (₹ 355.50 lakh)

either for the execution of works, the completion of which is likely to take a considerable time or to prevent the lapse or appropriations.

The objective of the scheme was not achieved due to retention of fund

Scrutiny disclosed that the District Welfare Officer (DWO), Sitamarhi had withdrawn ₹ 1.28 crore (₹ 0.30 crore in March 2001, ₹ 0.616 crore in March 2008 and ₹ 0.366 crore in March 2009) for construction of minority boys/girls hostels and deposited the amount into savings bank account. Later, he had transferred the amount of ₹ 1.27 crore to District Magistrate (DM), Sitamarhi (April 2010) after spending ₹ 0.82 lakh (September 2001) on soil tests. The amount was still lying unutilised in the account of District Administration.

In reply, the department admitted (December 2012) that only ₹ 0.82 lakh was spent from the drawn funds and assured that reasons of retention of fund at district level as well as implementing agency would be inquired and funds would be spent or called back.

Thus, the fund was drawn in contravention of the financial rules and the objective of the scheme was also not achieved due to retention of funds.

4.7.4 Diversion of Fund

In the provisions and instructions attached with the sanction letter of grant under MSDP, it was mentioned that “Grantee shall not divert any part of the grant to any other activities”. Diversion of one fund from one sector to another sector was also not permissible under Multi Sectoral Development Plan. Scrutiny of records of two test checked districts revealed cases of diversion of MSDP funds as discussed hereunder:

Aganwadi fund was diverted to IAY and laboratory building against the provision

- In district Dharbanga, ₹ four crore was diverted to Indira Awaas Yojana (IAY) from the available fund for construction of Aganwadi centres.
- District Administration West Champaran, Bettiah had diverted ₹ 1.09 crore and ₹ 0.66 crore for laboratory building of three class rooms and construction of additional two class rooms respectively. The fund was diverted from the allotment received for the construction of Aganwadi centres.

The department admitted (December 2012) the fact and stated that it would be adjusted after receipt of fund in that scheme for which diversion was made.

4.7.5 Non-maintenance of expenditure control register

Rule 472 of the Bihar Financial Rules provides that the head of each department will be responsible for controlling expenditure from the grant or grants at his disposal and will exercise his control through the controlling officers. Further, Rule provides that the head of departments should maintain control register in a prescribed Form for each minor or sub head of the account.

The department had not maintained expenditure control register to have a watch over its expenditure against allotments

Audit scrutiny revealed that no such expenditure control register was maintained by the department. The allotment, expenditure, balance and appropriation of funds were also not recorded and certified by the competent authority. In absence of expenditure control register the allotted fund of ₹ 11.52 crore to Araria district could not be drawn from treasury as department

issued allotment of ₹ 11.52 crore against its balance of ₹ 10.42 crore. Consequently, the departmental compliance to the expenditure control mechanism was not adequate.

In reply, the department accepted (December 2012) the facts and assured that the Expenditure Control Register would be maintained in future.

4.7.6 Non-reconciliation of expenditure

Rule 475 (viii) of the Bihar Financial Rules pertaining to receipts/expenditure required the head of the department to reconcile on a monthly basis, the figures maintained in the department with those maintained by the Accountant General (A& E). In case monthly reconciliation is not possible the controlling officer has to depute an assistant to the AG's office every third month and at the close of the financial year for this purpose.

Scrutiny revealed that during 2007-12, ₹ 811.48 crore was shown as expenditure in the appropriation accounts whereas as per the figures provided by the department, ₹ 835.29 crore only was shown as expenditure. Thus, the difference of ₹ 23.81 crore remained non-reconciled (*Appendix-4.2*). However, figures for expenditure from Non-Plan heads during 2007-12 were not provided by the department.

During exit conference (January 2013) Principal Secretary instructed his officers to reconcile figures.

4.7.7 Functioning of Bihar State Minority Finance Corporation

Bihar State Minority Finance Corporation Ltd. (BSMFC), Patna was established (1984) under Company Act, 1956 with proposed share capital of ₹ ten crore. Its objective was to provide finance/loan to the members of minorities communities for their upliftment. Further, the Corporation was appointed as channelising agency of National Minority Development and Finance Corporation Ltd. (NMDFC), New Delhi in 1997 to implement their schemes related to minorities in the State of Bihar.

The BSMFC had not maintained financial disciplines and was lagging behind in achievement of department's objective

As per the sanctioned guidelines issued by the NMDFC, New Delhi, the funds were to be provided to the ultimate beneficiaries at interest rate six *per cent* per annum while NMDFC, New Delhi would charge from State Channelising Agency (SCA) the interest rate of three and half *per cent* per annum with rebate of half *per cent* per annum on timely repayment. The funds were required to be utilised within three months of disbursement failing which interest rate six *per cent* would be charged from the SCAs after three months and after six months the unutilised funds would be recalled.

However, it was observed that neither loan was disbursed (₹4.71 crore, being up-to-date) balance position as detailed in *Appendix-4.3* within stipulated time frame nor was any penal interest charged and the undisbursed amount was also not refunded to NMDFC, New Delhi after expiry of specified period.

In reply, the department admitted that only ₹ 9.90 lakh was released under education loan against the received funds of ₹ 4.38 crore from NMDFC during 2011-12. The reply was incomplete as department remained silent regarding funds received during earlier years.

Further, the scrutiny of funds received/utilised by the Corporation during the last three financial years disclosed that the department had deposited five schemes funds in Corporation as shown in the table given below:

Table no. 3
Receipt and utilisation of fund by BSMFC

(₹ in crore)

Name of the Scheme	Fund received (2009-12)	Fund disbursed/ utilised (2009-12)	Balance (as on 31.03.12)
Post-Matric Scholarship Programme(Central)	44.29	19.55	24.74
Scholarship for Technical & Professional courses (Central)	9.46	7.75	1.71
State Scholarship (State)	2.00	2.00	Nil
Mukhya Mantri Shram Shakti Scheme (State)	1.00	0.00	1.00
Coaching Scheme (State)	1.65	0.98	0.67
Total	58.40	30.28	28.12

(Source: Statement furnished by BSMFC, Patna)

As evident from the table, the Corporation could utilise only 52 *per cent* of the received funds. It was also observed that the Corporation had kept ₹ 46.94 crore (72 *per cent*) of its fund into term deposits and remaining ₹ 18.16 crore (28 *per cent*) into saving bank accounts (March 2012). In addition to this the following deficiencies were noticed:

- The accounts of the Corporation were in arrears since 2008-09 and the prepared Balance Sheet and Profit and Loss account of the Corporation for the period ended on 31 March 2008 did not comply with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956. Thus, a clear picture of assets and liabilities could not be ascertained.

The Managing Director (MD) of BSMFC stated (December 2012) that internal accounts of the Corporation for the year 2008-09 was prepared and would be submitted shortly.

- The recoveries of advances were being delayed and Non-Performing Asset (NPA) from the beneficiaries' loans were not ascertained by the Corporation.

In reply, the MD stated that Corporation ascertained ₹ 2.23 crore being the amount of interest on loans and made provision of ₹ 1.31 crore on account of Bad and Doubtful debts. The reply was incomplete as no reply was given on recovery of advances and NPAs.

- BSMFC, Patna had received grant of ₹ three crore during 2008-10 (₹ two crore in 2008-09 and ₹ one crore in 2009-10) under Mukhya Mantri Shram Shakti Yojna, which was meant for Skill (*HUNAR*) development to get self employment for minority concerned. The Corporation could not initiate the scheme and the entire amount was lying unutilised till date (September 2012).

In reply, the MD attributed it to the revision of guidelines of the scheme by the Government and assured that it would be implemented in the current year.

Thus, the financial control of the Corporation was deficient and the Corporation was lagging behind in achievement of department's intended objective despite the Principal Secretary of the department being in the Board of Directors of the Corporation.

4.8 Implementation of Schemes

During 2007-12, the department had implemented one Central Plan scheme (Scholarship for technical and commercial courses to students of minorities), three centrally sponsored schemes (CSS) namely Multi Sectoral Development Programme (MSDP), Pre Matric Scholarship Scheme and Post Matric Scholarship Scheme and 12 State Plan schemes (*Appendix-4.4*). In course of Integrated Audit, three CSS and three State Plan schemes were scrutinised and their outcomes have been discussed in the succeeding paragraphs.

4.8.1 Centrally sponsored schemes

The department had received grant amounting to ₹ 1124.80 crore for implementation of the three CSS during the 2007-12. Out of the received grant, ₹ 909.31 crore was received during the year 2010-12 and the department could spend ₹ 483.38 crore only. The balance funds ₹ 425.93 crore remained unutilised due to slow progress of work, non-availability of land and non-implementation of the work. The fund flow of centrally sponsored schemes is given in the table below:

Table no. 4
Centrally Sponsored Scheme (₹ in crore)

Year	Grant			Expenditure			Total Saving
	Central	State	Total	Central	State	Total	
2007-08	0.00	0.00	0.00	0.00	0.00	0.00	0.00 (0)
2008-09	32.19	0.00	32.19	22.89	0.00	22.89	9.30 (29)
2009-10	169.95	13.35	183.30	103.72	13.35	117.07	66.23 (36)
2010-11	309.65	73.66	383.31	154.74	73.66	228.40	154.91(40)
2011-12	460.00	66.00	526.00	203.83	51.15	254.98	271.02(52)
Total	971.79	153.01	1124.80	485.18	138.16	623.34	501.46 (45)

(Source:-Detailed Appropriation Account & Department statement)

Further, analysis of expenditure of the schemes is discussed below.

4.8.1.1 Multi Sectoral Development Programme

The department could not utilise MSDP funds and the fixed targets were not achieved

Multi Sectoral Development Programme (MSDP) aimed to improve the socio-economic parameters of basic amenities for improving the quality of life of the people and reducing imbalances in the Minority Concentration Districts (MCDs) during the Eleventh Five Year Plan period (2007-12). Identified 'development deficits' were to be made up through a district specific plan for provision of better infrastructure for school and secondary education, sanitation, *pucca* housing, drinking water and electricity supply, besides beneficiary oriented schemes for creating income generating activities.

Absolutely critical infrastructure linkages like connecting roads, basic health infrastructure, Integrated Child Development Scheme (ICDS) centres, skill development and marketing facilities required for improving living conditions and income generating activities and catalysing the growth process were also eligible for inclusion in the plan. Bihar's seven districts⁶ were identified for implementation of MSDP in the country, based upon the minority population of Census 2001 and backwardness parameters. Under MSDP, the department had withdrawn ₹ 472.07 crore out of released amount of ₹ 483.59 crore (including State share) during 2007-12. Further, ₹ 88.67 crore (18 per cent) was released in the last month of the financial years. It was, however, observed that the department could spend only ₹ 350.86 crore and remaining funds ₹ 121.21 crore were lying unutilised at the end of March 2012. Thus, due to non-utilisation of funds, the target fixed for MSDP was not achieved in full and the State was also deprived of central assistance of ₹ 112.20 crore (*Appendix-4.5*).

In the exit conference, Principal Secretary stated (January 2013) that the remaining central assistance would be obtained during Twelfth five year plan.

Thus, the central assistance as targeted for MSDP during Eleventh Five Year Plan was not achieved.

Further, scrutiny of implementation of different components of MSDP in all seven districts revealed following shortcomings:

- **Constructions of Aganwadi Centres**

To cover up the gap of percentage of fully vaccinated children to the extent of national average, the Ministry of Minority Affairs, New Delhi had sanctioned to construct the 4835 units of Aganwadi centres and released ₹ 118.11 crore to the State Government during 2007-12. Further, State Government released 49.14 crore⁷ of additional State assistance due to cost escalation for 3124 Aganwadi centres as special assistance. Later, the State special assistance amounting to ₹ 11.52 crore could not be drawn by Araria District Administration due to denial by treasury with the remarks "allotted fund could not be uploaded in the computer due to excess drawal of fund from any other treasury".

Scrutiny revealed that out of 4835 units sanctioned by the Ministry, the District Administrations had undertaken construction of only 1467 units of Aganwadi centres due to receipt of only 50 per cent of required amount (first instalment and non-availability of required land). Of these, 527 units (36 per cent of undertaken units) were completed and balance 940 units remained incomplete till date of audit (June 2012). Further, work on 1343 Aganwadi centres could not start due to non-availability of land, 2025 remaining centres were not even approved by District Administration for construction (*Appendix-4.6*). It was further observed that out of total available fund (₹ 155.73 crore), the District Administrations had transferred only ₹ 89.66

⁶ Araria, Darbhanga, Katihar, Kishanganj, Purnea, Sitamarhi and West Champaran.

⁷ (i) Araria (694 units @ ₹ 1.66= ₹ 1152.04 lakh), (ii) Kishanganj (594 units @ ₹ 1.02= ₹ 605.88 lakh), (iii) Purnea (1021 units @ ₹ 1.66= ₹ 1694.86 lakh), (iv) Sitamarhi (300 units @ ₹ 2.02= ₹ 606.00 lakh) and (v) Darbhanga (515 units @ ₹ 1.66= ₹ 854.90 lakh)

Department could utilize only 20 per cent of available fund and construction of 527 units centres aganwadi (11 per cent) was completed against the target of 1467 units.

crore (58 per cent) to the implementing agencies⁸ and balance of ₹ 66.07 (42 per cent) crore remained unutilised with District Administrations. Further, it was observed that ₹ 57.91 crore (65 per cent of ₹ 89.66 crore) remained unutilised with the implementing agencies. Thus, ₹ 31.75 crore (20 per cent of available fund ₹ 155.73 crore) was only utilised till the date of audit (July 2012).

In reply, the department accepted (December 2012) the facts and stated that non-availability of land was a big problem in Bihar.

Hence, the implementation of this component of MSDP remained ineffective in the State.

● **Construction of Indira Awaas Yojna**

Indira Awaas Yojna (IAY) is one of the sanctioned projects under MSDP to provide *pucca* house to rural minorities, living below the poverty line to improve their living condition.

Scrutiny of records disclosed that ₹ 127.03 crore was released to six districts⁹ of which ₹ 126.17 crore was disbursed to 67 blocks¹⁰ of five districts and ₹ 0.86 crore remained undisbursed to blocks in three districts. Further, out of the funds disbursed ₹ 51.34 crore (41 per cent) remained unutilised in 49 blocks¹¹ of the five districts (March 2012). The minority concentration percentage was not considered while selecting the blocks for the scheme as Kiratpur and Alinagar block of Darbhanga district having 31 and 29 per cent of minorities concentrated areas respectively were not selected under this scheme while Baheri block of the same district having only 10 per cent minority concentrated area was selected for the scheme. Similarly, Bhitaha block of West Champaran district having 24 per cent minority concentrated area was provided ₹ 0.94 crore for 105 units of IAY whereas Yogapatti block of the same district having 16.8 per cent minority concentrated area was provided ₹ 1.85 crore for construction of 205 units.

During exit conference, Principal Secretary assured (January 2013) that the reply would be made available after receipt of concern district.

Thus, the implementation of IAY of MSDP could not achieve its intended objectives.

⁸ (i) Block Development Officer, (ii) Child Development Project Officer, (iii) Works Divisions etc.

⁹ (i) Darbhanga - ₹ 399.88 lakh, (ii) Katihar - ₹ 3882.38 lakh, (iii) Kishanganj - ₹ 1739.85 lakh, (iv) Purnea - ₹ 24.75 lakh, (v) Sitamarhi - ₹ 3280.90 lakh and (vi) W. Champaran - ₹ 3374.995 lakh.

¹⁰ ₹ 3219.70 lakh to 17 blocks of Sitamarhi, ₹ 1739.85 lakh to seven blocks of Kishanganj, ₹ 399.88 lakh to 13 blocks of Darbhanga, ₹ 3882.15 lakh to 16 blocks of Katihar & ₹ 3375.00 lakh to 14 blocks of W. Champaran.

¹¹ (i) W. Champaran (10 blocks - ₹ 930.10 lakh), (ii) Darbhanga (Three blocks - ₹ 91.63 lakh), (iii) Katihar (16 blocks - ₹ 1370.00 lakh), (iv) Kishanganj (Five blocks - ₹ 569.69 lakh), (v) Sitamarhi (15 blocks - ₹ 2172.42 lakh) and at district level ₹ 0.86 crore (Katihar - ₹ 0.23 lakh, Purnea - ₹ 24.75 lakh and Sitamarhi - ₹ 61.20 lakh)

- **Construction of minority boys & girls hostel**

As the literacy rate of minorities was far below from the national average, the Ministry of Minority Affairs, New Delhi had sanctioned 19 minority boys and 33 minority girls hostels and accordingly the State Government released ₹ 33.92 crore including State share to the districts during 2007-12.

Department failed to monitor construction of minority girls and boys hostels

Scrutiny of the records of Sitamarhi and Katihar districts disclosed that the entire allotted amount of ₹ 14.68 crore¹² for hostels were lying unutilised (March 2012). The department failed to monitor construction of the minority boys and girls hostels and didn't take effective measures to ensure implementation of the scheme.

In reply department stated (December 2012) that district level offices would be formed to monitor the schemes.

- **Fund allotted to non-eligible schools**

As per MSDP Guidelines, priority may be given to projects that focus on villages/blocks/localities having a substantial minority population. Scrutiny of the records of District Education Officer, Araria disclosed that ₹ 0.81 lakh was provided to schools (₹ 0.33 lakh for tera filter and ₹ 0.48 lakh for desk/bench). Further, scrutiny of 154 schools revealed that a total ₹ 0.23 crore was provided to 28 such schools in which not a single minority child was studying. Thus, the very purpose of the scheme got defeated.

Fund were provided to 28 such schools in which not a single minority child was studying

In reply, the department stated (December 2012) that Araria district was one of the minority concentrated districts. The selection and sanction of scheme were started at the district level and finally sanctioned by Empowered Committee of MSDP.

The reply was not convincing as the schools were selected at the district level and not by the empowered committee.

4.8.1.2 Pre-Matric Scholarship

The Pre-Matric Scholarship scheme was started by the department in April 2008. The objectives of the scheme were to encourage parents from minority communities to send their school going children to school, lighten their financial burden on school education and sustain their efforts to support their children to complete school education. The department had been implementing this scheme through Bihar State Siya Waqf board, Patna.

Scrutiny of records related to scheme disclosed the following facts:

- Out of the total receipt of ₹ 96.75 crore Siya Waqf Board, Patna retained ₹ 38.71 crore (40 per cent) and released ₹ 58.04 crore only among all 38 districts of the State.
- Though the Board had shown ₹ 17.14 crore as having been distributed amongst the four test checked districts, the concerned districts had

¹² Sitamarhi (₹ 13.48 crore) and Katihar (₹ 1.20 crore)

confirmed receipts of only ₹ 16.65 crore. The difference in funds amounting to ₹ 0.49 crore¹³ was not yet been reconciled.

On being asked, the department and the district concerned both could not explain the actual reason behind the difference amount.

- Siya Waqf Board spent ₹ 0.71 crore against the administrative expenses towards Pre-matric scholarship whereas ₹ 0.41 crore only was received for administrative expenses. Hence ₹ 0.30 crore was spent more than provisioned amount.

In reply, Bihar State Siya Waqf Board stated (December 2012) that out of ₹ 0.71 crore, only ₹ 0.31 crore were spent from administrative expenses fund and balance ₹ 0.40 crore were spent from the interest accrued on balance fund of Pre-Matric Scholarship Scheme.

The reply was not acceptable as interest amount should be spent on the very same purpose for which fund was allotted.

- Siya Waqf Board sent utilisation certificate of ₹ 19.93 crore (October 2010) whereas total expenditure till that date was ₹ 17.25 crore only. Again, utilisation certificate was sent (February 2011) for ₹ 26.04 crore whereas total expenditure till that date was ₹ 23.21 crore.

During exit conference, it was stated that reply would be sent after verification.

- Board had received the returned amount of ₹ 2.45 crore (March 2012 to October 2012) from districts and it was not accounted for in cash book.

During exit conference, it was stated that reply would be sent after verification.

- In absence of monitoring and review of pre matric scholarship, 16517 students¹⁴ were deprived of scholarship.

During exit conference, it was stated that the proper monitoring and scrutiny could not be done due to shortage of time and manpower resources.

Thus, department failed to instruct how to distribute the scholarship money to the selected beneficiaries.

4.8.1.3 Post-Matric Scholarship Scheme

The Post-Matric Scholarship scheme was started by the department in November 2007. The objectives of the scheme were to provide financial support to poor meritorious minority students to increase their rate of enrolment in higher education and employability. Bihar State Minority Financial Corporation (BSMFC), Patna was the implementing agency for this scheme. Scrutiny of records of Schemes disclosed the following facts:

- The department had shown the expenditure of ₹ 23.82 crore under this scheme during 2011-12 while BSMFC, Patna had confirmed the

¹³ (i) Araria - ₹ 8.39 lakh, (ii) Darbhanga - ₹ 1.62 lakh, (iii) Katihar - ₹ 1.45 lakh and (iv) Purnea - ₹ 37.54 lakh

¹⁴ At Siya Waqf Board -10948 students and districts level -5569 students

SW Board retained 40 per cent of the total receipt amount. As a result 16517 students were deprived of scholarship

receipt of only ₹ 22.27 crore from the department during the year. The difference amount of ₹ 1.55 crore was unreconciled till date of audit (July 2012).

Department accepted and stated that ₹ 1.55 crore has now been incorporated in the book of accounts in April 2012.

Reply was not acceptable as amount should be included in the financial year 2011-2012.

Department could utilize only 66 per cent of allotted fund

- Out of receipt of ₹ 54.44 crore (targeted for 136667 beneficiaries) during 2007-12, BSMFC, Patna disbursed ₹ 35.83 crore (92093 beneficiaries) and ₹ 18.61 crore (34 per cent) remained unutilised during the period 2007-12.

In reply, BSMFC accepted the facts and figures.

- In six districts ₹ 3.03 crore¹⁵ were spent, leaving a balance of ₹ 0.74 crore out of total receipted ₹ 3.77 crore¹⁶ due to existence of a number of levels like Department, BSMFC, DWO, Principal etc. between beneficiaries and the authorities.

Thus, the department could not utilise the significant funds of CSS and intended objectives were not achieved.

4.8.2 State Plan Schemes

During 2007-12, the department had implemented 12 State Plan schemes, in which ₹ 163.54 crore was spent out of the total received allotment of ₹ 175.66 crore.

In course of test check of Mukhya Mantri Minority Vidharthi Protsahan Yojna in seven test checked districts, following deficiencies were noticed:

4.8.2.1 Mukhya Mantri Minority Vidharthi Protsahan Yojna

Mukhya Mantri Minority Vidharthi Protsahan Yojna (MMMVPY) is a State scholarship scheme started in 2007-08 with the aim to encourage the enrolment of meritorious minority students in higher education who had secured first division in matriculation examination.

Scrutiny of records of scheme disclosed that:

Department could not reconcile the difference figure of ₹ 1.54 crore against allotment issued to and receipted by five districts

- Five test checked districts had acknowledged receipt of ₹ 7.27 crore¹⁷ under the scheme against the allotment of ₹ 8.81 crore¹⁸ by the department. However, the difference of ₹ 1.54 crore was not reconciled till date of audit (July 2012).

¹⁵ (i)Araria - ₹ 9.39 lakh, (ii) Katihar - ₹ 64.00 lakh, (iii) Kishanganj - ₹ 62.12 lakh, (iv) Purnea - ₹ 96.86 lakh, (v) Sitamarhi - ₹ 25.03 lakh and (vi) W.Champaran - ₹ 45.68 lakh

¹⁶ (i)Araria - ₹ 71.05 lakh, (ii) Katihar - ₹ 70.57 lakh, (iii) Kishanganj - ₹ 65.11 lakh, (iv) Purnea - ₹ 97.03 lakh (v) Sitamarhi - ₹ 25.87 lakh and (vi) W.Champaran - ₹ 47.38 lakh

¹⁷ (i)Araria - ₹ 0.77 crore, (ii)Katihar - ₹ 1.89 crore, (iii) Kishanganj - ₹ 1.83 crore, (iv)Purnea - ₹ 1.01 crore and (v)West Champaran - ₹ 1.77 crore

¹⁸ (i)Araria - ₹ 1.26 crore, (ii)Katihar - ₹ 2.21 crore, (iii)Kishanganj - ₹ 1.92 crore, (iv)Purnea - ₹ 1.34 crore and (v)W.Champaran - ₹ 2.08 crore

- Rupees 2.46 crore¹⁹ was not accounted for in the cash book of four districts.
- Utilisation certificates showing signatures of beneficiaries for ₹ 6.19 crore were not produced to the department by the implementing agencies.
- Cheques/cash amounting to ₹ 0.13 crore²⁰ in five districts were not disbursed and kept in chest.
- Expenditure of ₹ two lakh (District Welfare Officer, Kishanganj) was booked in the accounts without actual payment.

No reply was furnished by the department in this regard. However, DWO, Kishanganj accepted the facts and stated that crossed cheques would be made available to concerned beneficiaries.

4.8.2.2 Construction of Haz Bhawan and auditorium/memorial

Scrutiny of records and statement furnished by the department, Building Construction Department Bihar and an implementing agency revealed that there was significant difference in the books of accounts of both departments. While the books of the department showed an expenditure of ₹ 12.90 crore by the department, the implementing agency accepted the receipt of ₹ 8.31 crore only.

In reply, the department confirmed (December 2012) that the difference amount was lying in the “8782” head of Building Construction Department. Thus, expenditure was booked without incurring actual expenditure.

4.8.2.3 Blocking of funds of minority hostels

The department had released ₹ 4.30 crore to four districts²¹ for construction of minority boys/girls hostels from the State Plan during 2007-10.

Scrutiny disclosed that the amount was lying unutilised till date of audit (July 2012) due to non-availability of land. Further, Sitamarhi and Darbhanga districts had acknowledged receipt of ₹ 2.66 crore in their cash books against the departmental release of ₹ 3.50 crore. The difference of ₹ 0.84 crore was not reconciled till date of audit (July 2012).

No reply was furnished by the department in this regard.

4.9 Conclusion

The department had not formulated any specific plans to uplift the minorities. Due to *ad-hoc* arrangement of the department without its infrastructure at district level, welfare schemes meant for minority had suffered. The department had not established Directorate even after twenty years of its establishment and full strength of sanctioned staff was not there. The financial management of the department was deficient as the department could

¹⁹ (i) Araria - ₹ 0.48 crore, (ii) Darbhanga - ₹ 1.21 crore, (iii) Sitamarhi - ₹ 0.41 crore and (iv) West Champaran - ₹ 0.37 crore

²⁰ (i) Araria - ₹ 0.70 lakh, (ii) Darbhanga - ₹ 0.40 lakh (iii) Purnea - ₹ 3.20 lakh (iv) Sitamarhi - ₹ 0.40 lakh and (v) W. Champaran - ₹ 8.10 lakh

²¹ (i) Araria - ₹ 104.98 lakh, (ii) Darbhanga - ₹ 98.10 lakh, (iii) Sitamarhi - ₹ 127.38 lakh and (iv) W. Champaran - ₹ 100.00 lakh

disburse/utilise only 61 *per cent* of its allotted funds. Due to ineffective functioning of the department, every welfare scheme for minority remained partially implemented or unimplemented.

4.10 Recommendations

- The department should prepare and initiate its own plan to uplift the minorities.
- Man power should be rationalised.
- Budget estimates should be prepared on realistic basis so as to avoid saving.
- Schemes may be strictly implemented according to their guidelines.