



**CHAPTER-III  
COMPLIANCE  
AUDITS**



## CHAPTER-III COMPLIANCE AUDIT

### SCHEDULED CASTE AND SCHEDULED TRIBE WELFARE DEPARTMENT

#### 3.1 Working of Bihar Mahadalit Vikas Mission

##### 3.1.1 Introduction

Constitution of India<sup>110</sup> has laid great stress on scheduled caste & scheduled tribe (SC & ST) communities to bring them in the mainstream of the society. A section of SCs who remained socially and economically backward was termed as Mahadalit (21 castes of SC, out of total listed 23) in Bihar. As per 2001 census and the report of State Mahadalit Commission, the population of Mahadalit accounts for 10.83 *per cent* (0.90 crore) of the total population (8.30 crore) of the State. To improve quality of life of mahadalit community through upliftment of educational and social status of mahadalits, Bihar Mahadalit Vikas Mission (BMVM) was set up (April 2008) by the Government of Bihar (GoB) as a registered society<sup>111</sup> under the administrative control of SC & ST Welfare Department, GoB (Department). The main objective of the BMVM was to facilitate smooth implementation of Government schemes aimed at mahadalit families at field level.

##### 3.1.2 Scope of audit

The audit of the accounts of BMVM (State Mission Office) for the period from May 2017 to May 2019 was conducted during June 2019 and August-September 2019.

##### 3.1.3 Financial Management

During scrutiny of records of the BMVM, audit noticed serious lapses in the financial management of the BMVM as explained in the following paragraphs:

##### 3.1.3.1 Operation of Bank accounts

As per notifications issued by the Finance Department in July 2014 and April 2015 related to amendment in Rule 349 of Bihar Treasure Code 2011, all boards, authorities, agencies, societies etc., of the State Government were required to open Personal Ledger Account (PL Account) in Treasury. If required for urgent payment to the contractors, they were allowed to keep maximum 20 *per cent* amount of PL Account in the bank. Further, as per directions of Finance Department issued in August 2015, no authorisation of Government agency business was to be given to private sector banks.

<sup>110</sup> Article 38 and Article 46

<sup>111</sup> Under Societies Registration Act 21, 1860

Scrutiny of records related to BMVM revealed that they maintained 15 bank accounts in 2017-18 and 13 bank accounts in 2018-19 apart from PL Account. These bank accounts were without necessity of urgent payment to contractors (as all schemes were being executed by BMVM departmentally) (**Appendix 3.1.1 A and Appendix 3.1.1 B**). 32 per cent of total fund available in 2018-19 with BMVM was lying in these bank accounts. Out of 13 bank accounts, one account was in private bank (HDFC, Branch: Boring Road, Patna).

Despite the issue of opening of multiple bank accounts being pointed out in previous Audit Report for the period April 2015 to April 2017, no effective step was taken to discontinue the practice. Multiple accounts pose risks of misappropriation of fund. In reply, the Department stated (October 2020) that Mission office was operating only nine bank accounts till date and regular efforts were being made to close the remaining bank accounts.

### **3.1.3.2 Reconciliation of bank accounts with cashbook**

The Finance Department, GoB vide their letter dated November 2018 stressed upon the requirement of reconciliation of bank balances with the balances of cashbook on monthly basis. Further, as per bye-laws of BMVM, the Member Secretary cum Project Director was responsible to maintain the accounts, cause due verification of the monthly transactions and the monthly receipt and expenditure statement, which shall be put up to Executive Committee as required.

Scrutiny of records of BMVM revealed that closing balance of cashbook was not reconciled with the bank accounts and BMVM did not prepare the Bank Reconciliation Statement. Non-reconciliation of bank and cashbook balances revealed the following:

- One saving account of BMVM at Allahabad bank, Patna branch was closed on 8/3/2017 after withdrawing the available amount of ₹ 37.60 lakh. However, further utilisation of this amount was not available in records. On being pointed out in audit, BMVM traced the amount of ₹ 37.60 lakh in the shape of demand draft which was deposited after a lapse of two years and 10 months (January 2020) in its bank account.
- As per bank statements provided by Madhya Bihar Gramin Bank (MBGB), Kankarbagh, Patna (Account A/c No. 73212100011655) and Uttar Bihar Gramin Bank (UBGB), Muzaffarpur (Account A/c No. 1000011030004078), the balance was 'nil' since September 2016 and July 2019 respectively. However, in Cashbook, a sum of ₹ 99.73 lakh and ₹ 49.05 lakh respectively were shown as balance in these accounts (May 2019).

Audit observed that BMVM transferred (September 2013 to March 2015) funds of ₹ 35.00 crore under 'Joint Liability Group (JLG) headed by Secretary, SC & ST Welfare Department' to MBGB (₹ 30.00 crore) and UBGB (₹ 5.00 crore) for payment of ₹ 10,000 as back-end subsidy to each eligible beneficiary. BMVM was to monitor utilisation of the funds so

disbursed to these banks. However, BMVM failed to get payment details of back-end subsidy of ₹ 99.73 lakh (MBGB) and ₹ 50.00 lakh (UBGB) from the banks and reflected the same as balance against respective banks in the cashbook (May 2019). In reply (October 2020), Mission Director BMVM stated that utilisation of amounts was being asked from the banks concerned. Hence, even after lapse of more than five years of disbursement of the funds, BMVM was yet to receive utilisation of ₹ 1.49 crore from banks which does not augur well for financial management by BMVM.

- As per records of BMVM, two bank accounts (HDFC A/c no. 50100132779273 and Corporation Bank A/c no. 520101067608740) were closed even before 2017-18 but in statements provided by the banks, a sum of ₹ 12.85 lakh was found as balance as on 31st March 2019. Audit found that follow-up action was not taken by the BMVM after sending closure letters to banks in July 2017. In reply (October 2020) BMVM stated that upto date statements have been called for from the banks for taking further action.
- It was also observed that during 2017-19 interest of ₹ 8.65 crore earned in bank accounts was entered in cashbook with a delay of one to 14 months. Further, interest amount of ₹ 2.22 crore was not found entered in the cashbook (*Appendix-3.1.2*). On being pointed out, Mission Director, BMVM replied (October 2020) that the interest amount of ₹ 2.22 crore would be entered in the cashbook.

Non-reconciliation of bank balances with the cashbook balances fraught with the risk of fraud and misappropriation.

### 3.1.3.3 Maintenance of accounts

As per para 16 (1) of by-laws of BMVM, the State Society had to follow double entry system of accounting and prepare Receipt and Payment Account, Income and Expenditure Account and Balance Sheet which had to be audited by a Chartered Accountant. To conduct internal audit of the BMVM, it had also to engage an auditor other than the auditor who audits the financial statements.

Audit found that during 2017-19, cashbook of BMVM was maintained in single entry system of accounts and final accounts viz. Receipt & Payment Account, Income & Expenditure Account and Balance Sheet were not prepared and maintained. The cashbook was not closed and balanced monthly as required under Bihar Financial Rules. The closing balance of cashbook was also not reconciled with the bank accounts (as on 31<sup>st</sup> March 2019) and the balance in bank exceeded closing balance of cashbook by ₹ 26.87 crore (*Appendix-3.1.1 A*). Further, in cashbook, analysis of closing balance was also not mentioned. Such condition was fraught with risk of misappropriation of BMVM fund.

The Department replied (October 2020) that the cashbook was maintained in double entry system and Receipt and Payment Account, Income and Expenditure Account and Balance Sheet were maintained for the years 2017-19. The reply

is not correct. The cashbook produced to audit was maintained in single entry system and even after issuance of several reminders the subsidiary records were not produced.

### 3.1.3.4 Budget management

As per provision of Bihar Budget Manual, the Controlling Officer should examine the budgets received from disbursing officer to see that they are formally correct, all details and explanations (where required) have been given and that explanations (wherever given) are adequate. If inadequate, the provision should be altered.

Audit noticed that the budgetary requirements were not sought (2016-19) by BMVM from district/block level offices and the budget was prepared only on the basis of expenditure made in the previous year. The Department stated that Mission Office prepared the budget estimates on the basis of review meetings held with DPO. However, no documentary evidence related to requirements of funds submitted by DPO in Mission Office was shown to audit.

Further, audit observed that during 2017-18, the budgetary provision was made (3 May 2017) by the SC & ST Welfare Department prior to the receipt (15 May 2017) of budget proposal from BMVM indicating that the budget was determined in advance by SC & ST Welfare Department. Details of budget and expenditure of BMVM was as follows:

**Table no. 3.1.1**  
**Details of budget and expenditure of BMVM**

*(₹ in crore)*

Sl. No.	Year	Head	Grant received	Expenditure	Difference
1.	2016-17	Salary	1.30	1.30	Nil
		Construction of assets	80.00	67.56	12.44
		Other than salary	169.00	169.00	Nil
2.	2017-18	Salary	1.30	1.30	Nil
		Construction of Assets	105.00	62.78	42.22
		Other than salary	169.00	169.00	Nil
3.	2018-19	Salary	1.30	1.30	Nil
		Construction of Assets	126.00	126.00	Nil
		Other than salary	181.20	179.17	2.03
<b>Total</b>			<b>834.10</b>	<b>777.41</b>	<b>56.69</b>

In reply, the Department (October 2020) acknowledged the above facts and stated that utilisation certificates of ₹ 56.69 crore only is pending for the period 2016-19 and reminders were issued for their submission.

### 3.1.4 Significant shortages in human resources

Audit observed significant shortages between Sanctioned strength and Men-in-position, at District/Block level, as given below:

**Table no. 3.1.2**  
**Sanctioned strength versus Men-in-Position as in October 2019**

Sl. No.	Office	Sanctioned Posts	Men-in-Position	Vacancy
1	State Mission Office	30	21	09 (30 per cent)
2	District Mission Office	304 <sup>112</sup>	45	259 (85 per cent)
3	Block Mission Office	1068 <sup>113</sup>	0	1068 (100 per cent)
<b>Total</b>		<b>1402</b>	<b>66</b>	<b>1336</b>

(Source: data provided by BMVM)

Mission offices at District and Block levels were not headed by officers dedicated to the office. Duties of District Programme Officers/Block Programme Officers were being performed by District Welfare Officers<sup>114</sup>/Block Welfare Officers (DWOs/BWOs). All 38 vital posts of District Project Officers along with 221 posts of subordinate staff were vacant since inception (2008) of BMVM. Further, only 45 Assistant-cum-Data Entry Operators were posted at District level. Lack of manpower and dependency on other offices affected the functioning of BMVM and of the schemes executed by BMVM at district and block level.

The Department stated (October 2020) that Human Resource Policy was being prepared.

The Mission also appointed Vikas Mitras<sup>115</sup>, who were to function under the administrative control of DWOs-cum-DPOs and BWOs-cum-BPOs and were responsible for mobilisation of students for training under the skill development programme and for maintenance of Community Halls constructed by the Mission, at the village level. 9540 Vikas Mitras (March 2019) were posted for catering to the need of 11763 Panchayats/Urban Wards (GPs-8386, Urban Wards-3377) by BMVM and ₹ 348.45 crore was paid to them as honorarium during 2016-19.

### 3.1.5 Ineffective oversight

The meetings of the General Body and Executive Committee were to be held at least twice a year and at least once in three months respectively. The annual report, audited annual accounts and audit report as approved by the Executive Committee were to be placed before the annual General Body meeting (before 30<sup>th</sup> June of the year) and approved copy of these reports were also to be forwarded to the Government of Bihar and Registrar of Societies, Bihar by 30<sup>th</sup> June every year or as required by law.

Audit noticed that the last meeting of the General Body was held in June 2016. During 2016-19, annual budget/action plan were neither approved by the General Body nor sent to the State Government and the Registrar of Societies, Bihar. Hence, BMVM could not avail overall policy guidance as well as directions

<sup>112</sup> District Project Officer (38), Accountant (38), Storekeeper (38), Assistant-cum-Data Entry Operator (76), Driver (38), Peon (38) and Night Guard (38)

<sup>113</sup> Block Project Officer (534) and Clerk-cum-Accountant (534)

<sup>114</sup> Officers of SC&ST Welfare Department, GoB.

<sup>115</sup> Selected from Mahadalit community itself on the basis of interview.

for its efficient functioning, as was envisaged. On being asked the Department stated (October 2020) that the meeting of the General Body would be held soon.

It was further noticed that in place of 12 meetings, only five meetings of Executive Committee were held during 2016-19. Auditors had not been appointed for auditing the accounts of State Society for the period. The Department replied (October 2020) that the process of audit of the annual accounts was underway.

### **3.1.6 Monitoring**

District Mahadalit Mission Committee was to be constituted in each district under the chairmanship of District Magistrate and District Project Officer (DPO) as Member Secretary along with 11 other members.<sup>116</sup> The committee was responsible for controlling and managing the business and affairs of the district relating to mahadalits with all advisory, executive and financial power to conduct the affairs of the District Mahadalit Mission Office. Similarly, Block Mahadalit Mission Committee was also to be constituted in each block under the chairmanship of Block Development Officer and Block Project Officer (BPO) as Member Secretary along with six<sup>117</sup> other members for controlling and managing the business and affairs of the block relating to mahadalits. These committees had to prepare Annual Budget/Action Plan for the districts and blocks respectively and monitor/evaluate the schemes undertaken by the Mission. However, in the exit meeting, the Mission Director replied that these committees were not constituted.

Non-constitution of District Mahadalit Mission Committee, Block Mahadalit Mission Committee, Advisory Committee of Call Center, Maintenance Committee at GP level for maintenance of Community Hall, non-convening of meetings of General Body, convening of less number of meetings of Executive Committee, total vacancy of staff at district and block level offices of BMVM and consequently non-establishment of district and block level offices adversely affected the monitoring and as such functioning aspect of BMVM as mentioned in earlier paragraphs.

The Department replied (October 2020) that information regarding community hall and other schemes was received through District Magistrates. Monitoring was also done through meetings and video conferencing at State Mission Office.

### **3.1.7 Execution of Schemes**

The following five major schemes<sup>118</sup> were executed by BMVM and details of receipts and expenditure incurred on them during 2016-19 are as below. Audit

---

<sup>116</sup> DDC, DSE, EE, PHED, District Agricultural Officer, Civil Surgeon, Labour Superintendent, GM, District Industries Centre, District Animal Husbandry Officer, Assistant Director, Social Security, District Programme Officer, ICDS, District Welfare Officer.

<sup>117</sup> Circle Officer, CDPO, Block Welfare Officer, Block Education Extension Officer, Block Agriculture Officer, Lady Extension Officer/Extension Officer.



examined functioning of BMVM with respect to execution of Dashrath Manjhi Kaushal Vikas Yojana and construction of Community Hall cum workshed. Respective observations are given in succeeding paragraphs:

**Table no. 3.1.3**  
**Position of scheme wise receipt and expenditure during 2016-19**

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19		Total Receipt	Total Exp.
		Receipt	Exp.	Receipt	Exp.	Receipt	Exp.		
1	Community Hall-cum-Workshed	80.00	67.56	105.00	62.78	126.00	126.00	311.00	256.34
2	Honorarium to Vikas Mitras	118.54	113.19	128.43	96.33	118.50	138.93	365.47	348.45
3	Residential school-cum-hostel (Nari Gunjan Prerna Hostel)	1.28	0.42	1.28	0.56	1.28	1.35	03.84	02.33
4	Helpline Call Center	0.15	0.07	0.25	0.04	0.25	0	0.65	0.11
5	Dashrath Manjhi Kaushal Vikash Yojna	7.30	0	0	0	7.38	0.82	14.68	0.82
	<b>Total</b>	<b>207.27</b>	<b>128.29</b>	<b>234.96</b>	<b>138.55</b>	<b>253.41</b>	<b>223.19</b>	<b>695.64</b>	<b>608.05</b>

*Note: Analysis of closing balance of Cash Book was not prepared and mentioned in the Cashbook. As such, scheme wise amounts of closing balances were not ascertainable as already discussed in para 3.1.3.2*

### 3.1.7.1 Dashrath Manjhi Kaushal Vikas Yojna (DMKVY)

DMKVY was started (2010) with the objective to provide the mahadalit community free vocational training specially designed to suit their cultural tradition as well as according to the interest of the youths and thereby improving the economic condition by providing them employment. Later (May 2018), the benefit of the scheme was extended to all sub-castes under SC and ST community.

Bihar Skill Development Mission (BSDM) was declared nodal agency by State Government for all skill development trainings in Bihar from January 2017 and such trainings were to be imparted through the training agencies<sup>119</sup> made available to BMVM by BSDM. These training agencies were responsible for survey, mobilisation, training, placement and post placement tracking of eligible candidates under the overall supervision/instructions of BMVM.

For starting a training batch, the training agencies were required to upload the details of students (batch wise) on BSDM portal. After getting approval from BMVM, training was to be imparted by those agencies. The payment to training agencies was to be made in phase wise<sup>120</sup> manner through NEFT on the basis of number of students and as per approved cost and norms of BSDM.

<sup>118</sup> Dashrath Manjhi Kaushal Vikas Yojna (DMKVY), Community Hall-cum-Workshed, Vikas Mitra, Residential School-cum-Hostel and Help Line Call Centre. Besides, Residential School-cum-Hostel (Nari Gunjan Prerna Hostel) in Patna and Gaya districts is being run by BMVM.

<sup>119</sup> Selected and registered by BSDM through online application uploaded by them on BSDM portal and subsequent physical verification of their infrastructure (uploaded with application) by District Mission Team (DMT) of BSDM.

Audit observed that no training was imparted under DMKVY in 2016-17 due to procedural delay in finalisation of name of BSDM (January 2017) as nodal agency and subsequent delay (March 2017 onwards) in providing list of the training agencies by BSDM to BMVM.

Further, it was observed that out of 118 training agencies provided to BMVM for imparting training under DMKVY during 2017-19, the services of 109 training agencies were returned to BSDM due to non-mobilisation of students by 103 agencies and poor performance observed by BMVM in respect of six agencies. As such, BMVM was left with only nine training agencies (October 2019).

Again, audit scrutiny revealed that during 2017-19, out of total target of 11,000 candidates fixed by SC & ST Welfare Department, only 340 candidates (3.09 per cent) were enrolled out of which, 102 trainees could complete their training after an expenditure of ₹ 82.29 lakh (5.6 per cent). Further, only 65 trainees could get placement. Thus, the training agencies did not ensure placement of remaining 37 trainees as envisaged in agreement nor the BMVM took any effort in this regard. On being asked, BMVM stated that as informed by training agencies, reason for non-mobilisation of students was less population of mahadalits in their respective areas. The reply was not acceptable as the benefit of the scheme was extended to all the sub-castes under SC and ST community (May 2018) and also reflected the unreal fixation of target by BMVM.

Further, regarding less number of candidates completing training as compared to enrolled candidates, BMVM stated (October 2020) that it was due to non-clearance of assessment test/non-fulfilment of attendance norms by students (64 students) and closure of institutes in the middle of training (174 students) due to their poor performance etc.

Thus, due to less availability of eligible training agencies and shifting the responsibility of survey and mobilisation of students to the training agencies by BMVM, DMKVY scheme was constrained in achieving its objective of providing free vocational training for economic improvement of mahadalit communities.

### **3.1.7.2 Community Hall-cum-Workshed**

Community Hall-cum-Workshed was being constructed (in three/six months 2010-16 and onwards respectively) by BMVM in mahadalit concentrated Gram Panchayats (including all sub-castes under SC and ST community from May 2018) to provide them a community place for celebrating their festivals and other cultural, social and constructive activities.

The selection of land for construction of community hall was to be done by a six-member committee<sup>121</sup> constituted at district level under the chairmanship of District Magistrate. Vikas Mitras were the executing agent for construction

---

<sup>120</sup> 30 per cent- on completion of 1/3rd of the duration of the course, 50 per cent- on passing final assessment, 10 per cent- on placement of minimum of 50 per cent of the batch and remaining 10 per cent- on post 12 months tracking completion and compliance.

of the community hall till 2015-16 and thereafter Local Area Engineering Organisation<sup>122</sup> (LAEO) was made the executing agency under the supervision of the DWO.

As per guidelines, a five-member Maintenance Committee<sup>123</sup> was to be constituted for maintenance of community halls at village level with Mukhiya of the Gram Panchayat (GP) as Chairman and Vikas Mitra concerned as Member Secretary. Further, to monitor the use of the community halls viz. booking of the hall for marriage ceremony, transaction of available materials and financial works to be executed, a Regulation Guidelines Booklet was to be prepared. Audit observations relating to slow progress of construction of community halls, non-submission of UCs, poor maintenance of these halls etc., are discussed below:

### **Delay in construction of community hall**

During 2016-19, target for construction of community hall was 916 against the total allotment of ₹ 141.21 crore to the districts. However, after incurring an expenditure of ₹ 32.57 crore (23.06 per cent), only 147 halls (16.05 per cent) could be completed and construction of 161 halls (17.58 per cent) was in progress (January 2020). Work related to the balance 608 community halls had not commenced for various reasons<sup>124</sup>. Audit observed that the allotment of grants to the districts was to be made only after selection of land by the DMs. The status exhibited lapses (in 226 cases) in land selection procedure. No specific reply for delay in construction of community halls was given by the BMVM.

### **Non-submission of utilisation certificates (UCs)**

Utilisation certificates of ₹ 7.77 crore (5.50 per cent) out of total allotment of ₹ 141.21 crore, were received up to January 2020 from the LAEO indicating the poor monitoring of BMVM. Further, the regulation booklet to monitor the use of community halls was not prepared by the BMVM and it was also unaware of the status of usage of community halls. On being asked, the Mission Director replied that letter had been issued to DWOs-cum-DPOs for collection of information in this regard and after getting information, compiled report would be made available.

### **Non-maintenance of community halls**

Neither provision of fund was made for maintenance of the community halls nor maintenance committee at village level under the chairmanship of Mukhiya was

<sup>121</sup> DPO-cum-DWO- Member Secretary; ADM, Land Revenue; Executive Engineer nominated by DM; Sub-divisional Welfare Officer; BDO.

<sup>122</sup> An office of the Planning and Development Department, GoB.

<sup>123</sup> Gram Sevak, Tola Sewak, Senior Citizen of Mahadalit community nominated by Mukhiya.

<sup>124</sup> Delay in selection of land (130 cases), land disputes (40 cases), encroachment of land (13 cases), unavailability of land, less land or inappropriate land (43 cases) and delay in process of tendering, re-tendering, agreement etc. (382 cases)

constituted in any district. The condition resulted in dilapidated and incomplete status of the halls which was substantiated by the physical verification reports of 1921 community hall (out of 4056 halls) conducted by District Magistrates in September 2018. Of them, 219 halls (11.40 *per cent*) were in dilapidated condition for want of repair and maintenance, 588 halls (30.60 *per cent*) were incomplete<sup>125</sup> and 15 halls were encroached upon. In reply (October 2020) BMVM stated that DMs were to ensure appropriate action after physical verification. However, any specific records showing such appropriate action were not made available to audit. Further, Mission Director, BMVM stated that a letter has been issued (September 2020) to Building Construction Department, GoB for respective preparation of work plan. BMVM initiated action for repair of these halls after a delay of two years of the reporting by DMs.

Thus, the pace of construction of community halls was tardy and in case of completed schemes, the status of maintenance of community halls was poor due to non-provision of funds and lack of monitoring. The Department stated (October 2020) that monitoring of scheme was done in the periodic meetings. However, in light of above, the intended objective of the scheme for providing community place to Schedule Castes and Scheduled Tribes people (including mahadalits) remained sufficiently unfulfilled.

### **3.1.8 Conclusion**

BMVM had ineffective financial management as evident from unrealistic budget allocation, non-submission of UCs, non-reconciliation of cashbook and operation of several bank accounts was fraught with risk of misutilisation and misappropriation of money. Further, there was serious shortage in manpower at state, district and block level which adversely impacted the monitoring and execution of schemes. The pace of construction of community halls was tardy and status of maintenance of exiting community halls was poor due to non-provision of fund.

## **ENVIRONMENT, FOREST AND CLIMATE CHANGE DEPARTMENT**

### ***3.2 Utilisation of Compensatory Afforestation Funds Management and Planning Authority (CAMPA) funds***

#### **3.2.1 Introduction**

Forest (Conservation) Act, 1980 provides that no State Government or other authority shall make, except with the prior approval of the Central Government, any order directing that any forest land or any portion thereof may be used for any non-forest purpose. Forest land is usually diverted for non-forest purposes to facilitate developmental activities. National Forest Policy of India, 1988 envisages a goal of achieving 33 *per cent* of geographical area of the country under forest and tree cover. Compensatory afforestation (CA)

---

<sup>125</sup> *Lack of flooring, plastering, roof casting and white washing,*

aims to compensate the loss of ‘land by land’ and loss of ‘trees by trees’. The Hon’ble Supreme Court of India ordered (October 2002) that a ‘Compensatory Afforestation Fund’ (CAF) shall be created in which all the moneys received from the user-agencies towards compensatory afforestation (CA), penal compensatory afforestation (PCA)<sup>126</sup>, net present value (NPV) of forest land<sup>127</sup> etc., shall be deposited under the Forest (Conservation) Act, 1980 (Act). The Ministry of Environment and Forests (MoEF), Government of India (GoI) constituted (April 2004) a Compensatory Afforestation Funds Management and Planning Authority (CAMPA) with its jurisdiction throughout India. The Hon’ble Supreme Court of India observed (May 2006) that CAMPA had not become operational till then. Hence, it ordered for the constitution of an *Ad-hoc* body, known as ‘*Ad-hoc* CAMPA’. Accordingly, a Central level body called *Ad-hoc* CAMPA was constituted in May 2006.

In pursuance of the aforesaid arrangement of GoI, the Bihar State Compensatory Afforestation Funds Management and Planning Authority (State CAMPA) was constituted (January 2010) by Government of Bihar (GoB). Further, GoB established State Compensatory Afforestation Fund (SCAF) in December 2018 and a full-fledged CAMPA is being implemented in Bihar since 2019-20.

As per Forest Survey of India (FSI) Report 2019, the national percentage of forest coverage with respect to the geographical area was 21.67 *per cent* whereas it was 7.76 *per cent* in Bihar. The increase in forest area in a decade was 0.65 and 0.53 *per cent* in India and Bihar respectively.

The objectives of CAMPA were:

- conservation, protection, regeneration and management of natural forests;
- conservation, protection and management of wildlife and its habitat within and outside protected areas;
- compensatory afforestation;
- environmental services like grazing, tourism, wildlife protection and life support; and
- research, training and capacity building.

### 3.2.2 Organisational set-up

State CAMPA consists of one Governing body and two Committees viz. Steering

<sup>126</sup> “Penal compensatory afforestation” is imposed on user agency during approval of diversion of forest land due to work carried out by user agency without proper authority.

<sup>127</sup> NPV means the quantification of the environmental services provided for the forest area diverted for non-forestry uses, as may be determined by an expert committee appointed by the Central Government from time to time in this regard

Committee and Executive Committee. The Governing body<sup>128</sup> formulates and review policies of the CAMPA. The Steering Committee<sup>129</sup> and Executive Committee<sup>130</sup> are responsible for preparation, monitoring and implementation of Annual Plan of Operation (Annual Plan).

### **3.2.3 Audit Objectives**

The objectives of the compliance audit on utilisation of CAMPA funds were to assess whether:

- adequate planning process was in place;
- financial and execution provisions were adhered to; and
- effective monitoring mechanism was in existence.

### **3.2.4 Audit scope and methodology**

Audit covered the period 2014-19 and was conducted between June to September 2019. The functioning of CAMPA in the State was assessed through compliance audit by covering five<sup>131</sup> scheme implementing units i.e. Divisional Forest Offices (DFOs) out of 29 DFOs of the State, along with the records of the Additional Principal Chief Conservator of Forests-cum-Nodal Officer (Forest Conservation), Bihar, Patna (Nodal Officer) and the Principal Secretary, Department of Environment, Forest & Climate Change, GoB, Patna. The selection of implementing units was done on the basis of quantum of funds released and expenditure incurred there against at various forest divisions by State CAMPA.

### **3.2.5 Planning**

#### **3.2.5.1 Delay in preparation of Annual Plan of Operations**

As per para 15 (2) (ii) of the State CAMPA guidelines, Annual Plan for the next financial year was to be prepared by the end of December of the preceding year. However, it was noticed that the Annual Plans were prepared by the Executive Committee with delays ranging from two to 10 months during 2014-19.

As such, advance works of rainy season plantation was carried out in January/February of the financial year and plantation work was executed in July/August of next financial year. Thus, belated preparation of Annual Plans attributed to deficient planning resulted in shifting of rainy season plantation to next year.

On being pointed out, the Nodal Officer, State CAMPA stated (May 2019) that Annual Plans were finalised in the State after getting the MoEF letter regarding fund size to be released in the coming financial year. It is normally done in the month of March or April only.

---

<sup>128</sup> *Headed by Chief Minister of the State*

<sup>129</sup> *Headed by Chief Secretary of GoB*

<sup>130</sup> *Headed by Principal Chief Conservator of Forest (PCCF)*

<sup>131</sup> *Araria, Banka, Begusarai, Gaya and Saharsa*

The reply was not justified as the availability of funds was already known to the State CAMPA through previous year balance and current year deposit. Further, despite intimation of size of funds by the *Ad-hoc* CAMPA in the first week of January 2016 and third week of February 2017, Annual Plans were prepared in the month of March 2016 and May 2017 respectively.

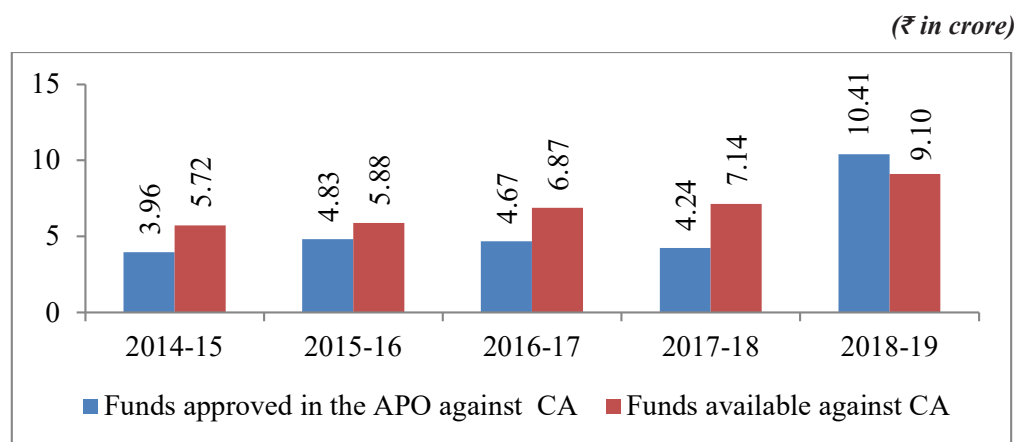
### 3.2.5.2 Improper provision of funds for compensatory afforestation

The Hon'ble Supreme Court of India ordered (July 2009) that 10 *per cent* of the principal amount<sup>132</sup> pertaining to the respective State would be released by the *Ad-hoc* CAMPA subject to the conditions that:

- the amount towards NPV and protected area was to be released after approval of the Annual Plan by the Steering Committee of the State; and
- the amount towards CA, Additional Compensatory Afforestation (ACA)<sup>133</sup> and PCA was to be released immediately by the *Ad-hoc* CAMPA for taking up site specific works which had already been approved by the MoEF, while granting prior approval under the Act.

It was observed that the State CAMPA made inadequate provision of funds in Annual Plan for CA/PCA schemes during 2014-18 as against the available funds for the purpose (10 *per cent* of the total CA/PCA funds received from user agencies) which ultimately resulted in less availability of funds for afforestation indicated in **Chart-3.2.1** below:

**Chart-3.2.1**  
**Comparison of provision of CA funds in Annual Plan**  
**with available funds for CA**



On being pointed out, the Nodal Officer, State CAMPA stated (September 2019) that the reason for the gap was taking up of CA/PCA schemes after Stage–

<sup>132</sup> Amount deposited by the user agencies against the De-reservation or diversion of forest land.

<sup>133</sup> “Additional compensatory afforestation” is a condition of afforestation imposed on user agency carried out on the same or near to forest land diverted for non-forestry use under the Forest (Conservation) Act, 1980.

II clearance<sup>134</sup>. The reply of Nodal Officer was not justified as the CA/PCA schemes were to be executed as per the directions of the Hon'ble Supreme Court, but the same was not done. Thus, the inadequate provision of funds in Annual Plans for CA/PCA led to creation of liability and financial burden to the State CAMPA, which are dealt with in succeeding paragraphs.

### 3.2.5.3 Non-execution/delayed execution of compensatory afforestation

As per para 3.1 of the Act, the proposal submitted by the State Government seeking prior approval of Central Government under the Act should have a comprehensive scheme for CA, duly approved by the competent authority of the concerned State.

Further, the guidelines issued by MoEF (July 2009) for State CAMPA stipulated that after receipt of the money, State CAMPA should accomplish the afforestation for which money is deposited in the CA Fund within a period of one year or two growing seasons after project completion, as may be appropriate.

The MoEF accorded prior approval for 274<sup>135</sup> cases (area 3308.60 Ha) of diversion of forest land during January 2010 to March 2019 in the State. In light of the CAMPA guidelines, 130 cases of diversion of forest land for which CA funds were deposited upto December 2017<sup>136</sup> were to be taken up in the Annual Plans during the period 2011-19. Details of afforestation works under 130 cases are shown in **Table no. 3.2.1**:

**Table no. 3.2.1**  
**Diversion of forest land for which afforestation funds were deposited during January 2010 to December 2017**

Sl. No.	Particulars	Value
1	2	3
1.	No. of cases of diversion of forest land for which funds deposited out of total of 274	130
2.	No. of afforestation schemes proposed against 130 cases	169
3.	Area and length involved in 169 afforestation schemes	2970 Ha and 377 km
4.	No. of afforestation schemes (against 169) taken up in Annual Plan upto 2018-19	115
5.	Backlog of afforestation schemes till March 2019	54
6.	Area and length involved in backlog of 54 afforestation schemes	1613 Ha and 152 km
7.	No. of plants to be planted under backlog of 54 afforestation schemes	27.77 lakh

(Source: Records of the State CAMPA)

The backlog of 54 afforestation schemes (**Appendix-3.2.1**) since 2013-14, not only resulted in non-compensation of environmental loss but also created liability on State CAMPA owing to increase in wage rate from ₹ 114 (April 2010) to ₹ 257 (October 2018). Audit scrutiny revealed that a liability of ₹ 14.54 crore

<sup>134</sup> MoEF accords prior approval on proposals in two stages: first in-principle or Stage-I approval and second on compliance to the conditions of the in-principle approval, final or Stage-II approval.

<sup>135</sup> Excluding Durgawati Reservoir project (2029.80 Ha) as a separate corpus for this fund was created in light of the Supreme Court Order (2013).

<sup>136</sup> Annual plan of operation for the year 2018-19 was to be prepared upto December 2017 as per guidelines.



(47 per cent of available funds) had since been created (March 2019) by the State CAMPA due to non-execution of these afforestation schemes. The summary of liability is given in **Table no. 3.2.2** below:

**Table no. 3.2.2**  
**Liability on backlog of afforestation schemes**

(₹ in lakh)

Wage rate at which fund was deposited by user agency (in ₹)	No. of schemes	Fund deposited by the user agencies @ wage rate of Column 1	Percentage increase of wage rate @ ₹ 257 (October 2018) w.r.t. Column 1	Creation of liability till March 2019
1	2	3	4	5
114	1	18.29	125.44	22.94
144	13	534.54	78.47	419.45
151	8	410.38	70.20	288.09
168	4	156.67	52.98	83.00
176	6	452.35	46.02	208.17
184	1	2.75	39.67	1.09
186	2	22.02	38.17	8.41
194	7	676.31	32.47	219.60
197	3	188.37	30.46	57.38
206	4	566.55	24.76	140.28
237	2	43.16	8.44	3.64
242	1	29.68	6.20	1.84
247	2	7.73	4.05	0.31
<b>Total</b>	<b>54</b>	<b>3108.80</b>		<b>1454.20</b>

(Source: Records of the State CAMPA)

Further, out of the above mentioned 115 executed schemes (**Table no. 3.2.1**), eight afforestation schemes (year 2011-16) were executed with delay ranging from one to two years. The delayed execution resulted in excess expenditure of ₹ 1.47 crore (**Appendix-3.2.2**) as the wage rate got increased against the funds deposited by the user agencies for site specific compensatory afforestation.

On being pointed out the Nodal Officer, State CAMPA stated (September 2019) that the details regarding backlog, if available, would be prepared and the schemes concerned would be taken up in the next Annual Plans. He further stated that since CA/PCA schemes were taken up after Stage-II (Final) sanction, the cost of plantation got escalated. The reply was not acceptable as the afforestation schemes were to be taken up immediately after the deposit of funds by the user agencies.

#### **3.2.5.4 Demand of funds from user agencies without assessing actual requirement**

CA is one of the most important conditions stipulated by the GoI while approving proposals for de-reservation or diversion of forest land for non-forest uses. It is essential<sup>137</sup> that for all such proposals, a comprehensive scheme was required to be formulated and the required funds were to be deposited into CAMPA account by the user agencies for such afforestation works.

<sup>137</sup> As per para 3.1 of the Act

• **Excess demand due to short execution period of schemes**

Scrutiny of records of the State CAMPA revealed that funds were demanded from the user agencies for nine to 11 years in case of Rehabilitation of Degraded Forest (RDF) and Iron Gabion<sup>138</sup> plantation schemes including maintenance period of 10 to 12 years. Funds were demanded, in light of the instructions of MoEF (November 2013 to September 2017) specifying maintenance period to be seven to 10 years. However, it was noticed that the schemes were provisioned/ executed only for three to five years including maintenance period. Further, the issue relating to actual requirement of execution period for plantation schemes was not raised by the State CAMPA with MoEF. This indicated that there was no coherence between the basis of demand of funds from the user agencies and actual requirement/utilisation of funds in terms of execution period of plantation schemes. As such, excess funds were demanded from the user agencies without its actual requirement. The scheme wise details are given in **Appendix- 3.2.3** and summary of the excess demand of funds is given in **Table No. 3.2.3** below:

**Table No. 3.2.3**  
**Excess demand of funds from the user agencies**

(Amount in ₹)

Particulars	RDF schemes	Iron Gabion Schemes	Total
No. of cases of diversion of forest land	16	10	26
Area of diversion	315.22 Ha	6.32 Ha	321.54 Ha
Afforestation area	612 Ha	-----	612 Ha
Number of Plants	14,54,598	2,146	14,56,744
Number of years for plantation and maintenance of scheme for which fund was deposited	9 to 11 Years	10 to 12 Years	---
Number of years for plantation and maintenance of scheme as reflected in Annual Plan	5 Years	3 Years	---
Year of Annual Plans	2015-16 to 2018-19	2018-19	---
Fund deposited by the user agency	11,76,59,056	2,32,63,383	14,09,22,439
Provision of funds for the scheme in Annual Plan	10,25,55,901	85,72,170	11,11,28,071
Excess demand of fund from the user agency	1,51,03,155	1,46,91,233	2,97,94,388

(Source: Records of the State CAMPA)

It is evident from the above table that the fund of ₹ 2.98 crore was demanded in excess by the State CAMPA and the same were deposited (May 2014 to October 2017) by the user agencies in respective CAMPA accounts against 16 RDF and 10 Iron Gabion schemes.

• **Excess demand due to change in specification of schemes**

(i) It was noticed that in 16 afforestation schemes, fund of ₹ 56.01 lakh was demanded by the State CAMPA and the same was deposited (June 2015 to August 2016) by the user agencies against iron gabion plantation schemes with execution period (including maintenance) of five to 11 years. However, these schemes were provisioned for ₹ 25.41 lakh in Annual Plan (2017-18) and executed using bamboo gabion in place of iron gabion, that too, only for the execution period of three years. This change in specification of item

<sup>138</sup> Iron Gabions are tree guard with iron net for Plantation.

of work and shorter execution period resulted in excess demand of funds of ₹ 30.60 lakh (*Appendix-3.2.4*) from the user agencies.

(ii) Further, MoEF approved (May 2011 and June 2013) the diversion of 128.10 Ha of forest land for strengthening and widening of NH-77 (Muzaffarpur-Sonbarsa road at chainage KM 0 to 89) with a stipulated condition for CA work in double the area proposed for diversion in degraded forest land (RDF area 256.20 Ha) at the cost of user agency, National Highway Authority of India (NHAI). But, the State CAMPA prepared an estimate for road side plantation at two<sup>139</sup> sites (117 KM) in lieu of RDF scheme at the cost of ₹ 10.59 crore. The NHAI accordingly deposited (December 2011 and April 2013) the estimated cost of CA in the CAMPA fund. It was observed that the State CAMPA provisioned ₹ 3.00 crore only in the Annual Plan 2015-16 for execution of RDF schemes in 256.20 Ha of degraded forest land instead of road side plantation. Thus, the State CAMPA demanded an excess fund of ₹ 7.59 crore from the user agency.

On being pointed out, the Nodal Officer, State CAMPA replied (September 2019) that the provision for expenditure was made on CA schemes on the basis of the Departmental Wage Rate (DWR) of the State. Specific reply regarding reasons for change in specification of plantation which resulted in excess demand of funds from the user agencies was not received from State CAMPA (January 2021).

### 3.2.6 Financial Management

#### 3.2.6.1 Non-preparation of Annual Plan based on actual fund size

The Hon'ble Supreme Court of India ordered (March 2014) the *Ad-hoc* CAMPA to release annually, an amount equal to 10 *per cent* of the principal amount lying to the credit of each State/Union Territory, with effect from financial year 2014-15 onwards. Details of fund to be released vis-à-vis actually released by *Ad-hoc* CAMPA during the year 2014-15 to 2018-19 are given in **Table no. 3.2.4**:

**Table no. 3.2.4**  
**Statement of funds to be released and actually released**

(₹ in lakh)

Annual Plan Year	Fund to be released as per State CAMPA	Fund to be released as per <i>Ad-hoc</i> CAMPA	Actual fund released by <i>Ad-hoc</i> CAMPA	Less release as compared column No. 3	Annual Plans prepared for the fund	Expenditure
1	2	3	4	5 (3-4)	6	7
2014-15	2523.42	2523.42	1814.00	709.42	1814.12	1896.09
2015-16	2504.03	2702.80	2702.00	0.80	2701.99	2575.25
2016-17	2710.43	3429.70	3429.00	0.70	3793.25	3680.17
2017-18	2415.68	3692.60	3600.00	92.60	3686.90	3035.12
2018-19	2816.33	3794.00	3762.00	32.00	3793.80	4448.90
<b>Total</b>	<b>12969.89</b>	<b>16142.52</b>	<b>15307.00</b>	<b>835.52</b>	<b>15790.06</b>	<b>15635.53</b>

(Source: Records of the State CAMPA and letters issued by *Ad-hoc* CAMPA)

<sup>139</sup> (i) National Highway - 104 and (ii) State Highway - 87

It was evident from the above table that during 2014-19 the availability of funds reported by the *Ad-hoc* CAMPA was more than the funds available on the records of State CAMPA, except during 2014-15. This indicated that neither records of funds were being maintained properly by the State CAMPA nor its reconciliation was being done. This led to non-claiming of appropriate share by State CAMPA from *Ad-hoc* CAMPA. Further, Annual Plan of lesser value was prepared by the State CAMPA in the year 2014-15 which led to less release of funds from *Ad-hoc* CAMPA. Consequently, State CAMPA was deprived of ₹ 8.35 crore during 2014-19.

On being pointed out, the Nodal Officer, State CAMPA stated (September 2019) that the correspondence for reconciliation would be made with *Ad-hoc* CAMPA and Annual Plan for 2014-15 was prepared on the basis of letter of size of funds received from *Ad-hoc* CAMPA.

The reply was not justified as reconciliation of the State funds with *Ad-hoc* CAMPA should have been done on regular basis for preparation of Annual Plan based on actual fund size. It is worth mentioning that the *Ad-hoc* CAMPA had informed (August 2014) State CAMPA about reconciled fund size as on 31 March 2014. Hence, supplementary Annual Plan for the year 2014-15 should have been prepared as soon as the aforesaid information was received.

#### **3.2.6.2 Irregular expenditure**

National CAMPA Advisory Council (January 2012) and MoEF, GoI (April 2015) directed that the expenditure on purchase of vehicles, petrol, oil and lubricants etc., for the functionaries above Range Officer level was not permissible out of CAMPA funds.

Scrutiny of records revealed (May 2019) that the State CAMPA allowed expenditure of ₹ 154.55 lakh on purchase of 13 vehicles like Bolero, Scorpio, Tata Safari etc. for use of officers above the rank of Range officers through Annual Plans for the years 2014-17 from funds of NPV, other sources of fund received against funds for diversion of forest land and interest heads.

On this being pointed out, the Nodal Officer, State CAMPA stated that other sources of funds were not part of *Ad-hoc* CAMPA.

The reply was not acceptable as the other sources of funds were also deposited by the user agencies only for afforestation purposes and the afforestation was also carried out under the directions issued by the MoEF, GoI at the time of approval of diversion of forestland for non-forestry purposes.

#### **3.2.6.3 Non-maintenance/irregular maintenance of records**

As per the guidelines of State CAMPA, the State level Executive Committee shall develop the code for maintenance of the accounts at the scheme implementing agency level. The State CAMPA issued (August 2010) guidelines regarding operation of maintenance of accounts and auditing of CAMPA funds. However, provision for preparation of Bank Reconciliation Statement (BRS) which is a

vital and integral part of financial mechanism to keep an internal control on the financial system; were not included in the guidelines. Hence, bank reconciliation was not found in any of the test-checked divisions.

Further, the following irregularities were also noticed during the audit of test-checked divisions against the directives of State CAMPA:

- Monthly account was neither prepared nor submitted to the respective Conservator of Forests (CF) in the test-checked divisions, except in Forest Division, Begusarai.
- Cash book of CAMPA funds was not being maintained for the last three years under three<sup>140</sup> divisions and for the last six months under Forest Division, Begusarai.
- Ledger of CAMPA funds was not being maintained by Forest Division, Saharsa and maintenance of the same remained incomplete in two<sup>141</sup> Forest Divisions.
- At Forest Division, Saharsa no separate bank account was being maintained for CAMPA funds.
- Maintenance of Plantation Journals and Measurement Books remained incomplete in test-checked divisions.

Instances of such irregularities resulted in

- (i) un-authorised expenditure of saving bank interest at Forest Divisions Araria and Banka;
- (ii) irregular accounting of saving bank interest at Forest Division, Saharsa;
- (iii) less entry of advances in the books of accounts as compared to the actual withdrawal of amount from the banks at Forest Divisions, Saharsa and Banka; and
- (iv) unadjusted forest advances at Forest Divisions, Gaya, Saharsa and Begusarai (*Appendix-3.2.5*).

### 3.2.7 Execution of works carried out under CAMPA funds

#### 3.2.7.1 Unfruitful expenditure

It was noticed (May 2019) that the State CAMPA issued work order (November 2011) to the agency M/s Sheel Biotech Limited, New Delhi for establishment of open (Hi-tech) nurseries on turnkey basis within four months at eight<sup>142</sup> Forest Divisions. The purpose of these nurseries was to produce one lakh high quality plants every year. The nurseries were completed by the above agency and handed over to the concerned Forest Divisions with a delay of three to 21 months and payment of ₹ 2.20 crore was made during September 2013 to February 2015.

<sup>140</sup> Araria, Saharsa and Gaya

<sup>141</sup> Araria (till March 2011) and Gaya (till March 2016)

<sup>142</sup> Bettiah, Motihari, Muzaffarpur, Purnea, Bhojpur, Nalanda, Rohtas and Banka

It was observed that six nurseries (except Motihari and Muzaffarpur which became operational in the year 2017-18 and produced only 67,123 and 5,531 plants respectively) out of the eight nurseries were not made operational for producing plants for the last four years despite incurring an expenditure of ₹ 164.98<sup>143</sup> lakh from CAMPA funds.



Hi tech nursery at Supha (Banka)

The non-functioning of nursery was further confirmed during joint physical verification of Hi-Tech nursery at Supaha, Banka (July 2019). Further the equipment of the nursery were lying idle and in the process getting worn out gradually. On being asked, the DFO, Banka stated that in absence of trained manpower the nursery could not become operational. The reply of the DFO was not acceptable as the decision regarding employment of manpower was already communicated to the division (July 2012).

Thus, the above facts reflected that due to deficiencies in planning and lackadaisical approach towards utilisation of the nurseries by the State CAMPA and the Department, a sum of ₹164.98 lakh from CAMPA funds on establishment of these nurseries became unfruitful as the intended objectives could not be achieved.

### 3.2.7.2 Excess expenditure on maintenance work of plantation

- *Expenditure on maintenance without considering the actual survival ratio of plants*

As per the directives issued (May 2017 and July 2018) by the State CAMPA, expenditure on the second and the third year of maintenance of plants was required to be done according to the survival ratio of the plants.

During test-check of records of five<sup>144</sup> Forest Divisions, it was noticed that expenditure was incurred on the second and the third year of maintenance without considering the survival ratio of plants<sup>145</sup>. This resulted in excess expenditure of ₹ 61.56 lakh on maintenance of plants as detailed in **Table no. 3.2.5**:

<sup>143</sup> Total payment for eight nurseries: Rs 219.97 lakh; hence, payment made on six non-operational nurseries were ₹164.98 lakh

<sup>144</sup> Araria, Banka, Begusarai, Gaya and Saharsa

<sup>145</sup> the mortality of the plants in maintenance years:

First year: 80 per cent; Second year: 70 per cent and Third year: 60 per cent

As per directives of State CAMPA, expenditure should be limited on the basis of survival ratio of plants

**Table no. 3.2.5**  
**Statement showing excess expenditure on maintenance of plantation**

(₹ in lakh)

Name of Division	No. of works (year of plantation)	Financial Target	Expenditure incurred	Survival (in percentage)	Expenditure to be incurred (as per survival)	Excess Expenditure
Gaya	26 (2010-17)	186.72	178.27	66 to 97	159.02	19.25
Araria	08(2015-16)	70.62	70.62	75 to 93	60.25	10.37
Saharsa	08(2014-15)	58.48	58.48	80 to 84	47.59	10.89
Banka	07(2013-17)	68.12	65.46	69 to 94	59.11	6.35
Begusarai	05 (2015-16)	111.15	110.85	67 to 94	96.15	14.70
<b>Total</b>		<b>495.09</b>	<b>483.68</b>		<b>422.12</b>	<b>61.56</b>

(Source: Records of the test-checked Forest Divisions)

The concerned Divisional Forest Officers (DFOs) replied that the maintenance of plantation was carried out with replacement of dead plants during the maintenance period. The replies of the concerned DFOs were not justified as no records of replacement of dead plants were provided to audit. Besides, replacement of dead plants would have led to increase in survival rate but it was not being reflected in the survival report of the plantations during the maintenance period. Hence, non-adherence to the directives of the State CAMPA resulted in excess expenditure of ₹ 61.56 lakh.

• ***Expenditure on maintenance with excess provision of labourers***

The cost of the forestry works carried out under CAMPA funds were to be as per the Departmental Wage Rate (DWR). According to the DWR (1<sup>st</sup> October 2016), maintenance work was categorised among three components viz. protection work, weeding-hoeing and watering. Against aforesaid components of the works 243, 49 and 73 labourers respectively were provisioned for every 1000 plants. Besides, ₹ 175 was provisioned for the material required in the maintenance works for each 1000 plants.

During audit (July 2019), it was noticed that only two components of the maintenance work i.e. protection work and weeding-hoeing were carried out in the years 2017-18 and 2018-19 at Forest Division, Begusarai. No evidence of watering was found on record. Without watering component, only 292 labourers for 1000 plants were to be engaged in the maintenance work. It was, however, observed that more labourers than required were engaged resulting in excess expenditure of ₹ 61.33 lakh. Details are given in **Table no 3.2.6** below:

**Table no 3.2.6**  
**Excess expenditure against admissible component of works**

(Amount in ₹)

Plantation Year (Maintenance Year)	Number of work site	No. of Plants	Estimated expenditure as per SoR			Actual Expenditure	Excess Expenditure
			Exp. on Labour @ 292 labour/ 1000 plants	Material exp. @ ₹ 175 /1000	Total		
1	2	3	4	5	6	7	8 (7-6)
<b>Expenditure Year 2017-18; wage rate ₹ 242 (from April 2017) and ₹ 247 (from October 2017), hence, average wage rate ₹ 244.50 for the year</b>							
2014-15 (3 <sup>rd</sup> Year)	03 <sup>146</sup> Schemes	56000	3998064	9800	4007864	4907900	900036
2015-16 (2 <sup>nd</sup> Year)	04 <sup>147</sup> Schemes	108000	7710552	18900	7729452	9486500	1757048
<b>Total (2017-18)</b>			<b>11708616</b>	<b>28700</b>	<b>11737316</b>	<b>14394400</b>	<b>2657084</b>
<b>Expenditure Year 2018-19; labour rate ₹ 254 (from April 2018) and ₹ 257 (from October 2018), hence average labour rate ₹ 255.50 for the year</b>							
2015-16 (3 <sup>rd</sup> Year)	04 Schemes	108000	8057448	18900	8076398	10010900	1934552
2016-17 (2 <sup>nd</sup> Year)	06 <sup>148</sup> Schemes	101490	7571763	17761	7589524	9130687	1541163
<b>Total (2018-19)</b>			<b>15629211</b>	<b>36661</b>	<b>15665872</b>	<b>19141587</b>	<b>3475715</b>
<b>Grand total (2017-18 and 2018-19)</b>			<b>27337827</b>	<b>65361</b>	<b>27403188</b>	<b>33535987</b>	<b>6132799</b>

It is evident from the above table that an expenditure of ₹ 274.03 lakh was to be incurred as per DWR on executed components of the work. However, the Division incurred total expenditure of ₹ 335.36 lakh on the maintenance work. Thus, without execution of watering component of the work, earmarked amount of wages<sup>149</sup> was deviated towards protection and weeding-hoeing works. Consequently, excess expenditure of ₹ 61.33 lakh was incurred on the second and third year of maintenance works.

On being pointed out (July 2019), the DFO, Begusarai stated that reply would be provided after scrutiny of records.

### 3.2.8 Monitoring of utilisation of CAMPA funds

#### 3.2.8.1 Shortfall in meetings of Steering Committee

As per the guidelines of State CAMPA, the Steering Committee shall meet at least once in six months to monitor the progress of utilisation of funds released by the State CAMPA, approve the Annual Plan prepared by the Executive Committee and ensure inter-departmental coordination.

It was observed that only seven meetings of the Steering Committee of State CAMPA were held as against the required ten meetings during the period 2014-19. Further scrutiny of the minutes of the meetings (Annual Plans) of the Steering Committee revealed that only the proposed schemes were discussed

<sup>146</sup> (i) Gupta bandh Tarmal (ii) Khagaria Alloli Path (iii) Rohni to Maheshkhut

<sup>147</sup> (i) Budhi Gandak Bandh (ii) Munger Ghat Siraiya (iii) NH 31 Manshi to Rohni (iv) NH 31 Pitojhiya Dhala

<sup>148</sup> (i) NH 31 Harinagar to Satishnagar (ii) Katarmal to Bishunpur (iii) Railway retired Bandh Old Mansi Jn. (iv) NH 31 Bharat Khand Rail (v) Railway retired Bandh NH- 31 (vi) Railway retired Bandh Makka Factory

<sup>149</sup> at the rate of 73 labourers for each 1000 plants



and approved during the meetings. Neither the progress of the previous schemes nor the backlog in implementation of the schemes was monitored in the meetings. In absence of review of the previous schemes/backlog of the schemes, adequate monitoring of the utilisation of CAMPA funds could not be ensured. Consequently, financial burden, creation of liability, unfruitful expenditure etc., were noticed during audit as discussed in the preceding paragraphs.

On this being pointed out, the Nodal Officer, State CAMPA replied that a detailed discussion was held in the Steering Committee meeting regarding execution of CA schemes within a stipulated time period and expenditure related to execution of work was placed before the Steering Committee in the agenda note of the Annual Plan. The reply was not acceptable as any remark regarding execution of CA schemes within a stipulated time period was not found in the minutes of the meetings.

### 3.2.8.2 Inadequate concurrent monitoring

As per the guidelines of State CAMPA, the money available with the State CAMPA shall be utilised for expenditure incurred on monitoring and evaluation subject to overall ceiling of two *per cent* of the amount to be spent every year. Besides, an independent system for concurrent monitoring and evaluation of the works implemented in the States utilising the funds available shall be evolved and implemented to ensure effective and proper utilization of funds.

Test-check of records of the State CAMPA revealed that concurrent monitoring and evaluation was done in the year 2018-19<sup>150</sup> for the year 2014-15 and 2015-16 only. This indicated that independent system for concurrent monitoring and evaluation of the works on annual basis was not evolved.

This led to inadequate and improper monitoring of utilisation of State CAMPA funds.

### 3.2.9 Conclusion

State CAMPA could not ensure timely preparation of Annual Plan in absence of reconciliation of funds with *Ad-hoc* CAMPA. Improper provision of funds in Annual Plans delayed execution of works. Backlog of compensatory afforestation schemes created financial burden on State CAMPA. Besides, there was no consonance with demand of funds from the user agencies and actual requirement/utilisation of funds for afforestation as instances of excess demand of funds from the user agencies were noticed. Inadequate monitoring mechanism contributed to inefficient utilisation of funds including irregular, unfruitful and excess expenditure.

<sup>150</sup> Concurrent monitoring and evaluation was done in 2018-19 for the years 2014-15 and 2015-16 by the Forest Research Centre for Eco-Rehabilitation, Prayagraj

## ROAD CONSTRUCTION DEPARTMENT

### 3.3 Avoidable expenditure

**The decision of Executive Engineer to allow carriage of stone chips from Koderma, Jharkhand instead of Manpur, Gaya (the nearest quarry), in violation of the instructions issued by the Engineer-in-Chief resulted in avoidable expenditure of ₹ 2.73 crore.**

The Engineer-in-Chief (EIC) - cum - Additional Commissioner - cum - Special Secretary, Road Construction Department (RCD), Bihar issued directions<sup>151</sup> regarding admissible and minimum lead for supply of Granular Sub Base (GSB) and Wet Mix Macadam (WMM) material from nearest quarry with a provision that if materials are available from the nearest lead than the lead approved in the estimate, deductions should be made from payments to the contractors accordingly.

Scrutiny of records (September 2018) of the Executive Engineer (EE), Road Division-1, Gaya revealed that RCD accorded (August 2015) administrative approval of ₹ 14.52 crore for Construction/Improvement (Widening & Strengthening) - cum - Output and Performance Based Road Assets Maintenance work of Bela-Rampur-Main Road from KM 0.00 to KM 7.00 for the year 2015-16. The Chief Engineer, South Bihar Wing, RCD, Patna accorded (April 2017) technical sanction of ₹ 14.75 crore for the work. The carriage for stone chips in the estimate was provided from Domchanch (Koderma), Jharkhand. The EE, RCD-1, Gaya called for (August 2015) tender for the work and the departmental tender committee finalised (August 2016) the tender in favour of the lowest bidder through draw of lots. The EE, RCD-1, Gaya entered (30<sup>th</sup> September 2016) into agreement with the selected agency<sup>152</sup>. The work was completed (October 2017) and payment of ₹ 10.44 crore made (December 2017) to the agency.

As per information collected (December 2020) from the District Mining Office, Gaya, the Manpur quarry which is situated at a 38 KM distance, was operational since May 2016. However, as mentioned, in the estimate, lead for carriage of stone chips from Koderma, Jharkhand i.e. at the distance of 130 KM was provided ignoring the Manpur quarry. Thus, in light of the EIC's directions extra lead provided in the estimate should have been deducted. Non-compliance of EIC's instructions regarding deduction of excess carriage from payments to the contractor in case of availability of lead at a nearest quarry resulted in avoidable expenditure amounting to ₹ 2.73 crore (*Appendix-3.3*).

On being pointed out, the Department stated (July 2020) that stone aggregate was not available till February 2017 at quarries of Gaya. It was, however, available in Gaya in limited quantity since March 2017.

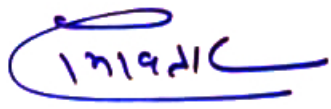
<sup>151</sup> vide letter no. 5390 (E) dated 27.08.2013

<sup>152</sup> M/s RBA Construction Pvt. Ltd, Sasaram

The reply is not acceptable as the Mining Department entered into lease agreement with the firms for Gaya quarries during February and March 2016 and the firms started operating and depositing royalty to the Department since April-May 2016. It is also pertinent to mention that agreement for another road work, in which lead from Manpur (Gaya) was provisioned, was signed on 5<sup>th</sup> October 2016 (five days after the above mentioned work where lead quarry was provisioned from Koderma, Jharkhand). Hence, the EE was fully aware of the fact that Manpur (Gaya) quarries were operational.

Thus, the decision of the EE and the SE to allow carriage of stone chips from Kodarma, Jharkhand instead of the nearest quarry in violation of the instructions issued by the EIC resulted in avoidable expenditure on carriage of stone chips of ₹ 2.73 crore.

Patna  
The 10 July, 2021

  
(RAMAWATAR SHARMA)  
Accountant General (Audit), Bihar

Countersigned

New Delhi  
The 14 July, 2021

  
(GIRISH CHANDRA MURMU)  
Comptroller and Auditor General of India

