

CHAPTER-IV

IMPLEMENTATION OF SCHEMES

4.1 Sampoorna Gramin Rojgar Yojana (SGRY).

The Ministry of Rural Development, Govt. of India (GOI) launched SGRY from 25 September, 2001 to provide additional wage employment and food security to rural poor through creation of social and community assets. The scheme envisaged payment of wages in the form of cash as well as food grain. Cash component was to be borne by GOI and the State Govt in the ratio of 75:25 and the food grain was to be made available free of cost by GOI. Special safeguards for the weaker section and Women of the Community shall be earmarked at the rate of 22.5 *per cent* of the annual allocation for both at the level of District and Intermediate Panchayats (First Stream) and should be spent on SC/ST families living below the poverty line (BPL) for individual/group beneficiaries' scheme. The scheme also envisages that 15 *per cent* of the annual allocation to the Gram Panchayats (inclusive of food grains) should be earmarked for the creation of need-based village infrastructure in SC/ST habitations/works under the second stream (Gaon Panchayat) of SGRY.

Consequent upon discontinuation of SGRY programme w.e.f. 31st March 2005 the balance fund of SGRY scheme was required to be merged with NREGS fund which has come into force from 2005-06 in the State of Assam.

Initially the NREGS programme was launched only in 7 districts viz Lakhimpur, Kokrajhar, Bongaigaon, Goalpara, Dhemaji, Karbi Anglong and NC Hills in the first phase. In the second phase the programme was launched in the following 6 districts viz Barpeta, Morigaon, Nalbari, Darrang, Hailakandi and Cachar. However, since 2008-09 all the districts of Assam have been covered by the programme.

But due to late receipt of NREGS fund by the auditee units, the audit of the said programme were not taken up during that period.

Test check of the Scheme records in 23 PRIs revealed irregularities as detailed in the subsequent paragraphs.

4.1.1 Excess expenditure incurred on Administration/Contingencies

Para 4.6 of the revised Scheme Guidelines (w.e.f. 1st April 2004) provided that up to 2 per cent of the fund released during the year under the first stream could be spent by the ZPs & APs on contingency for strengthening, monitoring, and coordination.

Test checks of 22 PRIs revealed that an expenditure of Rs.237.56 lakh was made towards administrative contingencies in excess of the admissible limit during 2002-07 in violation of scheme guidelines as detailed in **Annexure- VIII and IX**.

4.1.2 Food grains not fully utilised

As per Para 2.2 of the scheme guidelines food grains should be utilised as part of wage to the workers at the rate of 5 kg per man-day in addition to cash component. Generally, the District Rural Development Agency (DRDA) releases the scheme fund (Cash and Food Grain) to the ZP & AP as per Action Plan with detailed estimates of each work submitted by the ZP/AP. Also the estimated fund (Cash and food grain) should be exhausted as soon as the works are completed.

Test check of records such as Food Grains Issue Statement of respective DRDA, Stock Register of ZP/APs in respect of 19 PRIs (two ZPs and 17 APs) revealed that huge quantity of food grains weighing 160332.67 quintals valued at Rs.11.75 crore were lying in the ZP/APs without utilization though the targeted works were completed as per records. Details are given in **Annexure- X**.

The Chief Executive Officer/Block Development Officer of 19 PRIs during audit stated that Food Grains (FG) were received in the fag end of the financial year and hence were carried forward to the next financial year.

4.1.3 Utilization of SGRY fund for creation of ineligible assets.

As per Para 6.5.1, 6.5.2 of SGRY Scheme guidelines, the SGRY fund may be utilized for assets/infrastructure only in rural areas. It mainly includes creation of income generating rural infrastructure, construction of rural link roads, drainage, kitchen sheds for schools, market sheds, afforestation, minor irrigation, rejuvenation of drinking water sources and augmentation of ground water, traditional water harvesting structure, distillation of village tanks/ponds etc. and such other schemes which were necessary for watershed development.

Construction of buildings for religious purposes, construction of Higher Secondary Schools, Colleges, monuments memorials, statues, idols, bridges, black topping of roads etc were specifically prohibited under Para 6.7.1 of SGRY Scheme Guidelines.

Test check of records revealed that 21 PRIs (two ZP & 19 AP) had utilized Rs 3.25 crore from SGRY Fund during 2002-07 for constructing, temples, college, bridges etc in violation of the SGRY Guidelines as detailed in **Annexure-XI**.

Reasons for creation of ineligible assets violating the provision of the guidelines has not been stated.

4.1.4(A) Non-disposal of empty gunny bags

As per Para 2.8 of the SGRY guidelines, gunny bags in which food-grains are received for distribution under the programme are to be disposed off and the sale proceeds realized was to be utilized to meet the transportation and other handling cost of the food-grains. Thus, it is imperative that proper records of empty gunny bags are kept in an appropriate manner.

Test check of records in 2 ZP and 21 APs revealed that despite specific provisions, details of empty gunny bags and sale proceeds received thereof were never recorded, although huge

quantity of rice contained in 1786812 nos of gunny bags had been issued during 2002-2007 as detailed in **Annexure-XII**. Non-accountal of empty gunny bags worth Rs.89.14 lakh, (being cost of empty gunny bags) resulted in deprival of additional resources for meeting the cost of transportation as envisaged.

4.1.4 (B) Non-reimbursement of Transportation Cost

As per Para 2.7 of SGRY guidelines, the State Governments will bear the transportation cost and other handling charges from their own resources.

However, test check of records of two ZPs and two APs revealed that an amount of Rs.63.80 lakh was diverted towards the cost of transportation and handling charges of FGs during the period from April 2002 to March 2007, in violation of the provision of SGRY guidelines. Therefore, non-reimbursement of cost of transportation of food grains frustrated the objective of the scheme, creation of durable assets meant for rural poor. Moreover entire payment of Rs. 63.80 lakh from the cash components of SGRY towards transportation charges was thus not only irregular but also caused short generation of 61742 man days as detailed below:

(Rs. in lakh)		
Sl No.	Name of the Unit	Amount
1	Goalpara ZP	36.64
2	Kharmuja AP	4.66
3	Dhubri ZP	13.20
4	Lakhipur AP	7.09
		2.21
	Total	63.80

4.1.5 Irregular payment for materials through food grains

Wages under SGRY Scheme are paid partly in cash and partly by food-grains. The food grains distributed under the scheme are largely subsidized and intended to protect the real wages of the workers.

The Government of Assam fixed the rate of food grains (rice) at subsidized rate of Rs.800/- per quintal under SGRY Programme against payment of real wages.

Test check of various records, such as vouchers, MR bills etc of two APs for the period 2004-06 revealed that food grain weighing 412.50 quintals, valued at Rs.3.30 lakh (Agomoni AP for Rs.0.60 lakh and Matia for Rs.2.70 lakhs) under SGRY scheme were adjusted towards payment of bills of materials like gravel, soil etc.(considering the subsidized price of food grains i e Rs.800/- per quintal, whereas it's actual cost is Rs.1260/- per quintal (FCI rate). This resulted in undue benefit of Rs.1.90 lakh (412.50 quintals x Rs.460/-per quintal = Rs.189750/-) being given to the suppliers for procurement of materials by adopting lower value (subsidized) of food grains as compared to its actual cost. The adjustment of food grains in lieu of cash was in violation of scheme guidelines.

Reasons for deviation were not available on record nor stated to audit.

4.1.6 Non-submissions of Vouchers/Actual Payee's Receipts

As per Rule 39 of the Assam Panchayat (Financial) Rules, 2002, the payment to labourers shall be made and signature/ thumb impression of the payees should be obtained on the Muster Roll in the presence of Anchalik Panchayat Members and the vouchers relating to the expenditure/payments with Actual Payee's Receipts (APRs) should be kept in order.

Test check of Cash Book and Bank Pass Book revealed that nine APs and one ZP incurred an expenditure of Rs.9.88 crore during 2002-2007 on various schemes but no supporting documents viz. voucher/actual payee receipt was produced to audit as detailed in **Annexure-XIII**.

Thus audit could not verify the correctness of the payment of Rs.9.88 crore, in the absence of valid documentary evidence.

4.1.7 Short accountal of SGRY scheme fund

In Assam, funds are distributed to the ZP/AP/GP by the District Rural Development Agency (DRDA) within 15 days from the date of receipts of the fund from the Central or the State Government.

Test check of details of statement of funds distributed to ZPs, APs and GPs as furnished by the concerned DRDA with the respective Cash Book of the PRIs disclosed that an amount of Rs.4.92 crore had been short accounted in the cash book of 14 PRIs during the period from April 2002 to March 2007 as detailed in **Annexure –XIV**.

No reasons were furnished for the short accountal of Rs.4.92 crore by the PRIs (June 2008).

4.1.8 Non-accountal of cash & food-grain components

(A) Test check of sanction letters regarding release of fund under SGRY revealed that CEO, Sonitpur ZP released Rs.2.60 lakh cash to Sakomatha AP and 617.50 quintals of food grains valued at Rs.3.71 lakh on 5th February 2003 for implementation of five works under SGRY programme. On scrutiny of Cash Book, Bank accounts and Stock Register of food grains of Sakomatha AP, it was revealed that neither the said amount of Rs.2.60 lakh cash was accounted for in the Cash Book/Bank account nor the food grains were accounted for in the Stock Register.

(B) During 2002-06 DRDA, Sonitpur released 1327.75 quintals of food grains in thirteen delivery challans to Sakomatha AP and 2720.44 quintals of food grains vide 19 delivery challans to Baghmara AP. Scrutiny of food grain stock register at Sakomatha AP and Baghmara AP revealed that the said food grains of 4048.19 quintals valued at Rs.26.77 lakh were not accounted for in the Stock Register of the respective APs.

4.1.9 Non-issue of food grains to the workers

Wages under SGRY scheme are paid partly in Cash and partly in food-grains and the prices of food grains are largely subsidized and intended to benefit the workers.

Test check of vouchers, muster rolls etc relating to nine PRIs during the period 2002 - 07 revealed that food-grains worth Rs.-33.83 lakh were not issued as part of the wages to the workers. Details are furnished in **Annexure –XV**. This was a clear violation of the scheme guidelines as the objective of the providing food security was defeated.

Reason for non-issue of food-grain (rice) to MR workers was not furnished to Audit (June 2008).

4.2 Cheques not issued to the National Old Age Pension beneficiaries

The objective of National Old Age Pension (NOAP) is to provide economic assistance to the rural people living Below Poverty Line (BPL) who have attained the age of 65 years and above. The old rate of pension of Rs.75/- per month per pensioner has been revised to Rs.250/-(Central Share Rs.200/- and State Share Rs.50/-) per month (August 2006) per pensioner.

Cheques under the NOAP schemes are received from the concerned Deputy Commissioners (DC) by the ZPs/AP and the ZPs/APs distribute the cheques to the beneficiaries through GPs. Test check of the records of Dhubri ZP revealed that an amount of Rs.11.30 lakh was not distributed during the period from April 2002 to March 2007 and was lying in the ZP account without distribution though the list of the beneficiaries were available in the units. No reasons were also furnished for non-distribution of NOAP to the beneficiaries.

Due to non-distribution of NOAP cheques amounting to Rs.11.30 lakh to the concerned beneficiaries, the objective of the NOAP programme was not achieved.