

CHAPTER III

IMPLEMENTATION OF SCHEMES

3.1 X and XIth Finance Commissions

3.1.1 Non-utilization of grant

Grant released by Government under XIth Finance Commission during a year is required to be spent during that particular year.

Rs 7.53 crore remained unutilised in Thane and Sangli.

Thane and Sangli ZPs did not utilise grants of Rs 7.53 crore released during 2001-02 and 2002-03 and the amount remained unspent at the end of March 2003.

3.1.2 Irregular use of Tenth Finance Commission grants as “State Grant”

Irregular diversion of central grant of Rs 13.07 lakh as State share.

As per guidelines issued by the GOI (October 1997), projects qualifying for grants under the scheme should normally be those not covered under any other scheme. The guidelines further stipulate that local bodies should provide matching contribution not less than the grants received under the Tenth Finance Commission.

Scrutiny of records of two PSs¹ under ZP Chandrapur revealed that the Central Grant released under Tenth Finance Commission amounting to Rs 13.07 lakh during 1999-2000 to 2001-02 for construction of individual latrines under rural sanitation programme was diverted as “State Share”.

¹ Gondpipri, Mul

In reply, the ZP stated that the funds were diverted as per orders of the Chief Executive Officer. The reply is not tenable as Government guidelines prohibit such diversion.

3.2 Pradhan Mantri Gram Sadak Yojana (PMGSY)

3.2.1 Unfruitful expenditure

Commencement of road work without approval of the Forests Department resulted in unfruitful expenditure of Rs 61.33 lakh.

Under the Maharashtra Zilla Parishads and Panchayat Samitis Account Code, 1968, no work should be taken up unless the land required for execution is in possession of the work executing agency. Similarly, the Forest Conservation Act, 1980, stipulates that prior permission of the Forest Department should be obtained for execution of work on forest land.

Scrutiny of records of ZP Wardha² revealed that the work of construction of black topping surface road from Navargaon to Garamsur from Km 0/0 to 10/00 was awarded to a contractor at a cost of Rs 186.91 lakh for completion within nine months from the date of issue of work order (01/08/02).

The contractor had executed work from Km 0/0 to 4/200 and Km 6/200 to 10/00 leaving the patch from Km 4/200 to 6/200 incomplete for which Rs 61.33 lakh was paid in March 2003. As the patch of land passed through forest area, execution of work was objected to by the Forest Department.

Failure to obtain prior approval of the Forest Department for construction of road on the patch of land falling in forest area resulted in postponement of communication facility to the villagers.

² Public Works Department

3.3 Yashwant Gram Samridhi Yojana (YGSY)

3.3.1 Irregular release of grant to GPs

Irregularities in release of grants.

With a view to taking up development works in villages with peoples participation, the scheme of Yashwant Gram Samridhi Yojana was introduced by the State Government. Under the scheme, development works are taken up by the ZP with 90 *per cent* financial assistance from the Government and 10 *per cent* share is contributed by the concerned GPs. As per scheme guidelines construction of public meeting hall are not to be taken up under the scheme. Further, grant is required to be released by the BDO only after obtaining the budget prepared by the GPs and on confirmation of collection of 10 *per cent* share from the villagers. Progress report of work done and expenditure incurred is required to be watched by the BDO and grants released in instalments of 40:40:20 with reference to work done by the GP.

- ZP Satara released grant of Rs 74.41 lakh without obtaining budget estimates from GPs.
- Ahmednagar and Thane ZPs released grants of Rs 1.17 crore without watching progress reports of works.
- ZP Solapur had incurred expenditure of Rs 61.09 lakh on construction of 19 public meeting halls during 2002-03 which was inadmissible.

3.3.2 Incomplete works

109 works undertaken, at an expenditure of Rs 2.84 crore were incomplete.

In two ZPs³, 109 works taken up under YGSY were lying incomplete on which expenditure of Rs 2.84 crore was incurred.

³ Buldana, Ratnagiri.

Development of women and children in rural area (DWACRA)

3.4 Non recovery of revolving fund from defunct working groups

GOI launched the scheme of Development of Women and Children in Rural Areas (DWACRA) in 1987-88. As per the scheme, 10-15 rural women come together to form a group with a view to taking up business ventures for generating income for the group as a whole. Financial assistance in the form of working capital/revolving fund is to be given to these groups for commencing business activities. In case the groups cease to function or they do not carry on the business and are declared defunct, the financial assistance paid to them as revolving fund stands recoverable from them.

Rs 1.22 crore was not recovered from 704 groups declared defunct.

Scrutiny of records of 22 PSs under the 6 ZPs⁴ revealed that 704 groups formed during the years 1984-85 to 1999-00 had become defunct. The financial assistance of Rs 1.22 crore paid as Government contribution towards the revolving fund to these groups was, however, not recovered.

The PSs concerned stated that action to recover the amount from the defunct groups would be taken. (March 2004).

Scheme of financial assistance to Backward Class Co-operative Housing Societies

3.5 Unfruitful expenditure on payment of subsidy

In order to provide shelter to people belonging to the backward classes, the State Government had launched (1989) the revised

⁴Buldana, Chandrapur, Nagpur, Osmanabad, Parbhani, Wardha,

Construction of 1159 houses out of 2561 houses undertaken were incomplete.

backward class scheme of financial assistance to Backward class Co-operative Housing Societies.

Ahmednagar and Kolhapur ZPs had made payment of subsidy amounting to Rs 1.07 crore during the period 1982-83 to 1998-99 to the Backward Class Co-operative Housing Societies for purchase of land/construction of houses. Out of construction of 1894 houses undertaken by 40 societies in Kolhapur District, 631 houses remained incomplete and in respect of 256 houses construction had not commenced. In ZP Ahmednagar out of construction of 667 houses undertaken by 25 societies, 528 remained incomplete.

In reply, the ZPs stated that the beneficiaries would be instructed to complete the construction of the houses.

Social welfare schemes

3.6 Irregularity in distribution of articles

Eligibility of beneficiaries either not verified or beneficiaries not got approved.

- ZP Ahmednagar had purchased articles (G.I Sheets, oil engines, electric pumps etc.) at a cost of Rs 33.84 lakh during 2001-02 and 2002-03 for distribution to individual beneficiaries belonging to the backward classes. It was revealed in audit that the articles were purchased and distributed without verification of eligibility of the beneficiaries.
- ZP Solapur had purchased articles such as sewing machines, G.I. sheets, bicycles, electric pumps, at a cost of Rs 26.83 lakh during the year 2002-03 without finalisation of the list of beneficiaries and in anticipation of approval of proposals.

Scheme of credit cum subsidy for housing

3.7 Non utilization of grant

Under the Credit Cum Subsidy scheme for construction of houses introduced in the year 1999-2000, subsidy of Rs 10,000 is payable to the individual beneficiary whose annual income is below Rs 32,000 and the remaining amount is to be contributed by the beneficiary as loan.

Grant of Rs 49.68 lakh remained unutilised.

ZP Thane received an amount of Rs 52.52 lakh from GOI during the year 2000-01 for payment of subsidy for construction of houses. Out of this, only an amount of Rs 2.84 lakh was utilised and the balance of Rs 49.68 lakh remained unutilised.

It was replied that the response to the scheme was poor as there were other housing schemes where the amount of subsidy given was more e.g. Indira Awas Yojana and Pradhan Mantri Gramoday Yojana.

Scheme of supply of mid day meal to students

3.8 Non supply of cooked food to students

Mid day meals not supplied to students in 1184 schools. Rs 37.36 lakh remained unspent.

As per Supreme Court order No. 116/06 read with GOM in Education Department's decision dated 16 May 2002, mid day meal (cooked food) is to be provided to school students of standards I to V. Out of a total of 2884 schools in ZP Ratnagiri, cooked food was supplied to students in only 1700 schools between January 2003 and March 2003. As such, students of 1184 schools were deprived of the benefit of the scheme. Due to inadequate coverage, only an amount of Rs 11.87 lakh could be spent by the ZP out of the total grant of

Rs 49.23 lakh released by the Government, leaving Rs 37.36 lakh (76 per cent) of the grant unspent.

In reply, the ZP stated that the unspent amount would be utilised before the end of the year and balance, if any, refunded to Government.

Swarnjayanti Gram Samridhi Yojana (SGSY)

3.9 Misutilisation of subsidy paid

Subsidy of Rs 48.74 lakh misutilised by 486 beneficiaries.

Under SGSY, subsidy was payable to below poverty line (BPL) families to acquire income-generating assets so that families can be brought above BPL within a period of three years.

In PS Malkapur under ZP Buldana and PS Nagbhid under ZP Chandrapur physical verification of assets provided to beneficiaries was carried out during the years 1999-2000 to 2002-03 when it was found that 486 beneficiaries did not have any assets. Thus, 486 beneficiaries misutilised the subsidy amounting to Rs 48.74 lakh, which needs to be recovered.

In reply, the BDOs stated that necessary action against the defaulters would be taken.

Operation Black Board

3.10 Failure to raise public contribution

Non-collection of public contribution of Rs 45.60 lakh.

Operation black board scheme was introduced (1987) by the Central Government for improving teaching conditions in upper primary schools. The assistance provided by the Central Government is distributed to ZPs/PSs. Under the scheme, each

school was required to collect Rs 10,000 in cash or its equivalent in the form of educational material from the public to be eligible for grant.

Scrutiny of records in Education Department of Buldana and Nagpur ZPs revealed that the ZPs had paid grant in aid of Rs 1.41 crore to 456 schools during 2000-2002 without ensuring collection of contribution equivalent to Rs 45.60 lakh from the public. Thus, the objective of involving the local public in the implementation of the scheme was defeated.

In reply, the ZPs stated that detailed information would be called for from the PSs and compliance reported.

Accelerated Rural Water Supply

3.11 Irregular utilisation of funds

The State Government sanctioned and released (January 2002) grant of Rs 1.00 crore to ZP Osmanabad for Rural Water Supply Scheme under Accelerated Rural Water Supply Programme during 2001-2002 with the condition that 25 *per cent* and 10 *per cent* of the amount should be spent in Scheduled Castes and Scheduled Tribes areas respectively and a separate account thereof should be maintained.

Rs 35.00 lakh spent on works in areas inhabited by other than Scheduled Castes and Scheduled Tribes.

Scrutiny of records of ZP Osmanabad revealed that the work of Water Supply was not taken up in the areas of Scheduled Castes and Scheduled Tribes in accordance with the norms and percentage prescribed by Government during 2001-2002. Thus, the share of Rs 35.00 lakh meant for development of Scheduled Castes and Scheduled Tribes was diverted for other purposes.

In reply the ZPs stated that the entire funds were utilised on ongoing works and no new works were taken up. As such, spending of 25 *per cent* and 10 *per cent* of funds on areas of Scheduled Castes and Scheduled Tribes was not observed. The reply of the department is not tenable as the funds were not utilised as per the norms fixed by Government on the specified areas.

Scheme of supply of uniforms to students

3.12 Irregularities in supply of uniform to students.

Irregularities in supply of school uniform. Penalty of Rs 23.15 lakh not recovered from suppliers.

The Government implemented through the ZPs, the scheme of supply of uniforms to the students of standards I to IV. Under this scheme, the cloth required for uniforms was to be procured from Maharashtra State Powerloom Corporation (MSPC) and Maharashtra State Textile Corporation (MSTC) by ZPs at the rates fixed by Government. The stitching agencies were to be decided by the ZP after adhering to the prescribed procedure and uniforms were to be distributed at the beginning of the academic year.

Audit scrutiny revealed that:

- In ZP Nagpur, order for supply of cloth was placed with the MSTC on 31 March 2001 with the condition to supply the cloth within two months. MSTC had delayed the supply by seven weeks. Penalty of Rs 20.58 lakh was however not recovered. Similarly, penalty for delay in supply of stitched uniforms amounting to Rs 0.26 lakh was not recovered from two

agencies. Thus the uniforms to be supplied to students in June 2001 were actually supplied between December 2001 and January 2002.

- In Parbhani District as against penalty of Rs 2.83 lakh recoverable from MSPC for substandard supply of cloth, penalty of Rs 0.87 lakh only was levied. Similarly, penalty of Rs 0.35 lakh was not recovered from three agencies for delay in supply of stitched uniforms.
- In Wardha for students of standard IV, 2295 uniforms for the year 2000-01 were distributed in July 2002 and 2286 uniforms for the year 2001-02 were distributed in July 2003. By then, these students were in Vth standard in the respective years rendering them ineligible for uniforms. The proportionate expenditure incurred on uniforms for these students amounted to Rs 5.40 lakh.

Jawahar Gram Samriddhi Yojna (JGSY)

3.13 Diversion of fund

Government of India introduced the scheme of JGSY with effect from April 1999 in which expenditure on establishment and staff was not allowed.

Irregular expenditure of Rs 21.93 lakh incurred on pay and allowances of staff.

Scrutiny of records of two BDOs⁵ in ZP Wardha revealed that expenditure of Rs 21.93 lakh on pay and allowances of the staff was incurred from the funds of JGSY during the period April 1999 to March 2003. As a result, funds to that extent were not available for expenditure under the scheme.

Savitribai Phule Dattak Palak Yojana

3.14 Irregularity in payment of financial aid to students

Funds of Rs 39.68 lakh received not invested in bank/post office.

The Education Department modified the scheme of Savitribai Phule Dattak Palak Yojana in April 1993. Under the scheme, Financial assistance of Rs 30 per month was payable to girl children studying in standards I to VIII for educational purpose in order to help them continue their school education. The funds received from the sponsors was required to be invested in District Central Co-operative Bank/Bank of Maharashtra/Post office accounts and interest income earned therefrom distributed to the beneficiaries. The financial transactions were to be controlled by the Education Officer (Primary) of the ZP. The list of beneficiaries was to be prepared by the Village Education Committee and the same was to be approved by the Education Officer.

It was noticed from the records of ZP Satara that funds received from sponsors amounting to Rs 39.68 lakh was not deposited in bank or post office account but was paid in cash to the students defeating the purpose of the scheme.

Swajaldhara Scheme

⁵ Deoli, Karanja.

Cost of schemes over estimated by Rs 1.76 crore.

3.15 Excess estimation of cost

Ministry of Rural Development GOI introduced the scheme of Swajaldhara from the year 2002-03 for providing drinking water to villagers with local participation in the process of planning, execution and maintenance of the water supply scheme. 10 *per cent* cost of the scheme was to be borne by the villagers. As per guidelines issued by the Water Supply and Rural Sanitation Department dated 14 February 2003, a consultant appointed by the GP, should prepare the technical estimates of the water supply scheme after ascertaining the local rates. The rates prescribed in the District Schedule of Rates (DSR) are not to be considered while preparing the estimates as the rates in the DSR are inclusive of 10 per cent profit element.

Scrutiny of records of ZP Kolhapur revealed that estimates of 122 water supply schemes were prepared at an estimated cost of Rs 17.59 crore in accordance with the rates prescribed in the DSR and not on the basis of the local rates. This resulted in avoidable excess estimation of cost of the schemes of Rs 1.76 crore on account of profit element.

Dalit Vasti Sudhar Yojana

3.16 Irregularities in implementation of scheme

Under Dalit Vasti Sudhar Yojana, various works such as construction of samaj mandir, community halls, road, toilets and gutter repairs, were undertaken. The funds under this scheme were placed with the Panchayat Samitis for release to

GPs for incurring expenditure on these works. As per guidelines, priority should be given in the order of works on water supply schemes, samaj mandirs, toilets for women, electrification of residential area, linking road, gutter, protection wall and miscellaneous works. Periodical inspections are required to be carried out by the ZP and in case of non-completion of work, the amount paid to the GP should be recovered.

Irregularity in prioritization of works.

ZP Raigad had given priority to works of roads, samaj mandir, compound wall, gutters, public toilet and water supply schemes which was contrary to the guidelines. Expenditure incurred on works of link road was 83 *per cent* as against only 5 *per cent* incurred on water supply schemes which is contrary to the priorities prescribed under the scheme.

Unspent amount of Rs 24.17 lakh not refunded to Government.

In ZP Satara, it was noticed that, although works were taken up and completed between 1995-96 and 2001-02, an amount of Rs 24.17 lakh was lying with three PSs⁶ and the respective GPs thereunder. The unspent amount of Rs 24.17 lakh was not refunded to Government.

Sampurna Gramin Rojgar Yojna (SGRY)

3.17 Irregular utilisation of coupons for food grains

Irregular diversion of food grain coupons to another scheme.

According to the guidelines issued for implementation of SGRY, the daily wages to the rural population on works taken up under SGRY should be paid partly in cash and partly in the form of food-grains so as to provide food security to the beneficiaries. The Indira Awas Yojna (IAY) contemplates

⁶ Koregaon, Patan, Satara,

construction of the house by the beneficiary himself for which wages in cash upto the ceiling of Rs 28,500 were payable.

It was observed in the PSs Deulgaon Raja, Lonar, Malkapur and Motala under ZP Buldana that during 2002-03, Rs 26,500 was paid in cash and coupons for food-grains worth Rs 2,000 were issued to each of the 466 beneficiaries under IAY. Since these coupons were received under SGRY, the same should not have been used for works under IAY. This resulted in diversion of funds of Rs 9.32 lakh (466 x Rs 2000) from SGRY to IAY, which was irregular. This not only deprived the rural poor of food from works under SGRY but also reduced the financial assistance to IAY beneficiaries in the form of cash wage.

It was replied that coupons were provided to the IAY beneficiaries as per directions of the Chief Executive Officer (CEO) ZP Buldana. The action of the CEO was contrary to the directions of the GOI.