

**CHAPTER -V
FINANCIAL ASSISTANCE TO LOCAL BODIES AND
OTHERS**

SECTION – B : PARAGRAPHS

RURAL DEVELOPMENT DEPARTMENT

5.1 Loss of Government money

Irregular payment of advance to an Assistant Engineer who was appointed on ad-hoc basis resulted in non-recovery of money of Rs 27.37 lakh.

The construction of hard surface of Ichak Barkatha road under Employment Assurance Scheme sanctioned by the Deputy Development Commissioner cum Vice Chairman (DDC), DRDA, Hazaribag during 1998-99 at an estimated cost of Rs 27.99 lakh was to be executed through Zila Parishad, Hazaribag. The technical sanction of the scheme was accorded by the District Engineer, Zila Parishad, Hazaribag on 22 February 1999.

Scrutiny of records (March 2001) of District Rural Development Agencies, Hazaribag and further information collected (March 2002) revealed that the Deputy Development Commissioner, Hazaribag advanced Rs 22.50 lakh (March 1999 and December 1999) for execution of work to an Assistant Engineer, Zila Parishad, Hazaribag against whom an advance of Rs 9.07 lakh paid to him in 1994 for the same work (Ichak Barkatha road) was already outstanding for adjustment/ recovery. Against the total advance of Rs 31.57 lakh, the Assistant Engineer submitted accounts for only Rs 4.20 lakh (October 1999) whereas no account for the balance amount of Rs 27.37 lakh was submitted as of March 2002.

There was no possibility of recovery of Rs 27.37 lakh as the appointment of the Assistant Engineer was on ad-hoc basis which was subsequently cancelled (July 2000) by the Chief Executive Officer, Zila Parishad, Koderma as his appointment was found illegal. It was observed that loss of government money was facilitated due to irregular payment of successive advances without recovery/ adjustment of earlier advance and payment of huge advance to an official who was appointed on ad-hoc basis.

Director, DRDA, Hazaribag stated (March 2002) that the matter was under investigation. However, no legal action was taken by the DRDA for recovery of Rs 27.37 lakh from the Assistant Engineer.

The matter was referred to Government (June 2002); their reply had not been received

HIGHER EDUCATION DEPARTMENT

5.2 Unadjusted advances of Rs 6.43 crore

Advances were paid without adjustment of previous advances resulting in increase of outstanding advances for Rs 5.15 crore in 1997-98 to Rs 6.43 crore at the end of March 2002.

As per provisions of section 34 (J) of Bihar State Universities Act, 1976, Ranchi University had to make Statutes for the maintenance of the income and expenditure of the University and payment or recovery of advances thereunder. But no such Statutes/Rules including for payment and recovery of advances were made by the University.

Scrutiny of advance ledgers revealed that Vice-Chancellor of Ranchi University sanctioned advances for conducting University examination, evaluation of answer books etc. It was noticed that advances were paid without adjustment of previous advances with the result that unadjusted advances were mounting every year. The amount of outstanding advances were Rs 5.15 crore in the year 1997-98 which had increased to Rs 6.43 crore at the end of March 2002.

Failure of Registrar of University to obtain accounts for adjustment led to huge accumulation of unadjusted advances of Rs 6.43 crore. Non-adjustment and delayed adjustment of advances was fraught with possibility of serious financial irregularities.

This matter was referred to Government (September 2002), their reply has not been received (December 2003).