

RURAL DEVELOPMENT DEPARTMENT

3.3 Rural Housing (Indira Awaas Yojana)

Highlights

A review of implementation of the scheme revealed that the department embarked upon the scheme without collecting any information about the shortage of houses in the State. The scheme (IAY) was launched with effect from 1985-86 in the State but a survey of the population living below the poverty line (BPL) was conducted only during 1997-98. The coverage of non-BPL group still continues. The department provides 5 bundles of corrugated galvanised iron sheet (CGI), roofing material only, to each beneficiary without considering other required elements for construction of house as per guidelines which amounts to denial of full benefit of the housing scheme to the poor people. The implementation of the scheme suffered due to procurement of roofing materials at high cost from local suppliers instead of from manufacturers. While the objective of enlargement of coverage by utilising the savings in cost per house could be achieved, there was extra expenditure. The performance reported by the department was not based on facts. The achievement figures were inflated.

The department lost Central assistance of Rs.140.73 lakh due to excess carry over of balance of fund by the DRDAs as well as short release of the State's matching share.

(Paragraph 3.3.9)

The department embarked upon the scheme without collecting information on housing shortage in the BPL population as well as number of katcha houses requiring upgradation.

(Paragraph 3.3.13)

The prescribed reports and returns submitted monthly/six monthly to State and Central Government were not based on any feed back from the implementing officers. The progress reports contained hypothetical figures of achievement.

(Paragraph 3.3.22)

Basic amenities like sanitary latrine, smokeless chullah as envisaged in the guidelines of the scheme had not been provided.

(Paragraph 3.3.23)

The department incurred an extra expenditure of Rs.620.46 lakh in two and half years on procurement of CGI sheet from local suppliers without making any contract with Steel Authority of India.

(Paragraph 3.3.24)

Benefit involving expenditure of Rs.392.69 lakh were extended to non-BPL group of people depriving targeted beneficiaries.

(Paragraphs 3.3.32 & 3.3.33)

Introduction

3.3.1 Four Centrally sponsored rural housing scheme were being implemented by the State. These are (i) Indira Awaas Yojana, (ii) Innovative stream for Rural Housing and Habitat Development, (iii) Pradhan Mantri Gramodaya Yojana (Gramin Awaas) and (iv) Credit-cum Subsidy Scheme.

Organisational set up

3.3.2 The Director, Rural Development Department is the nodal agency responsible for planning, implementation, co-ordination and monitoring of the schemes and he is assisted by a Joint Director at HQ. The Commissioner and Secretary is the administrative head of the nodal agency. The scheme is implemented through 8 District Rural Development Agencies (DRDAs) at district level and 52 Block Development Officers (BDOs) at block level. The Village Development Boards (VDBs) were involved in the selection of beneficiaries among the BPL population. A State Level Co-ordination Committee (SLCC) was required to be constituted to oversee and monitor the programme.

Audit coverage

3.3.3 Implementation of the scheme in the State during 1997-98 to 2001-02 was reviewed in audit between March 2002 and May 2002 by a test check of records of Directorate, RD Department, 4 DRDAs¹ out of 8, and 22 BDOs² out of 52 in the State. An expenditure of Rs.3652.55 lakh representing 78 per cent of the total expenditure was test checked.

(A) Indira Awaas Yojana

3.3.4 Indira Awaas Yojana (IAY) was launched in the State as a Centrally sponsored scheme in 1985-86, with the objective of providing assistance for construction of houses to shelterless rural people living below the poverty line (BPL) and belonging primarily to the Scheduled Castes (SCs), Scheduled Tribes (STs) and freed bonded labour. From 1993-94, the scope of IAY was extended to cover rural BPL, non SC and ST poor subject to the condition that non SC/ST beneficiaries should not exceed 4 per cent of the total JRY allocation. IAY has been delinked from JRY and has been made an independent scheme with effect from 1 January 1996.

¹ DRDA Kohima, Mon, Phek and Dimapur.

² BDO Kohima, Jakhama, Jaluki, Peren, Tseminyu, Chiephobozou, Mon, Wakching, Tizit, Chen, Tobu, Phomching, Phek, Meluri, Kikruma, Pfutsero, Sekruzu, Medziphema, Dhansiripar, Kuhuboto and Nuiland.

The ceiling on construction assistance under the IAY was Rs.22,000 per house in the State. The ceiling on assistance for upgradation of katcha house to semi pucca/pucca house was Rs.10,000.

Funding Pattern

3.3.5 The sharing pattern of expenditure between Central and State Government was 80:20 upto March 1999 and since then in the ratio of 75:25 in case of IAY. The first instalment of Central assistance was to be released at the beginning of the financial year provided the second instalment of the previous year was claimed and released. The second instalment was to be released on receipt of proposals from the DRDAs subject to the condition that 60 *per cent* of the funds available (opening balance and the funds received including the State share) had been utilised, the opening balance had not exceeded 15 *per cent* of the total allocation of the previous year and corresponding State share had been fully released before submission of proposal. In the event of excess carry over of opening balance, short and delayed release State share, corresponding amount of Central assistance was to be deducted.

Financial outlay and expenditure

3.3.6 The allocation and release of fund by the Central and State Government and expenditure there against are shown as below:

Table No.3.11 **(Rupees in lakh)**

Year	Allocation of fund		Opening balance	Release of fund		Fund received back being transferred from 'IAY' account to any other scheme account	Interest	Total fund available	Total expenditure	Closing Balance	Percentage of utilisation
	Central	State		Central	State						
1997-98	129.14	220.00	6.32	³ 637.55	200.34	Nil	1.80	846.01	779.99	66.02	92
1998-99	246.36	220.00	66.02	⁴ 231.24	239.66	Nil	2.69	539.61	352.64	186.97	65
1999-2000	653.01	145.00	186.97	⁵ 810.98	145.00	Nil	4.31	1147.26	1036.55	110.71	90
2000-01	743.31	50.00	110.71	⁶ 566.37	46.16	0.65	4.62	728.51	682.56	45.95	93
2001-02	567.62	70.00	45.95	⁷ 646.96	⁷ 73.84	8.30	10.69	785.74	648.82	136.92	83
Total⁸	2339.44	705.00		2893.10	705.00	8.95	24.11	3953.64	3500.56		

Source:- Audited Accounts of DRDA's

3.3.7 The year-wise details of expenditure is shown in *Appendix – XVIII* .

Release of fund at the end of the year

3.3.8 The Central Government released second instalment of fund in between 15 and 31 March almost every year due to late submission of utilisation certificate and proposal for second instalment by the department and as a result funds for the current year were accounted for in subsequent years. The State Government also released their share in last month of the year resulting in accumulation of unspent balance. During 2000-01 and 2001-02, State

³ Rs.211.29 lakh related to 1996-97 received & accounted for in 1997-98.

⁴ Rs.9.52 lakh related to 1997-98 received & accounted for in 1998-99.

⁵ Rs.234.49 lakh related to 1998-99 received & accounted for in 1999-2000.

⁶ Rs.194.71 lakh related to 1999-2000 received & accounted for in 2000-01.

⁷ Rs.288.65 lakh related to 2000-01 received & accounted for in 2001-02.

⁸ In column total availability of fund includes opening balance+interest earned during the year.

Government released funds not matching with the Central share. The second instalment of Central share for the 2001-02 was not released as of March 2002.

Non-receipt of Central assistance

3.3.9 The department failed to obtain an amount of Rs.140.73 lakh during 1997-98, 1999-2000 & 2000-01 because of excess carry over of balance beyond the ceiling limit and late submission of proposal by the DRDAs as well short release of State share.

Maintenance of Accounts

3.3.10 In violation of guidelines of the scheme each DRDA on the basis of decision taken by the State Government remits fund to RD Department for centralised procurement of CGI sheets. The RD Department was to maintain a separate account for each DRDA but inspite of repeated persuasion the RD Department failed to produce to audit the required accounts maintained by them and as such it was difficult to ascertain the actual position of funds. However, from the audit reports of the concerned DRDAs the following position of remittances made by them to the RD Department and the expenditure involved for procurement of CGI sheets emerges: -

3.3.11. Remittance made by the DRDA, quantity of CGI sheet procured and expenditure involved yearwise were as under:-

Year	Remittance made by the DRDA	Quantity procured (in bundles)	Value of materials*
1997-98	726.40	30460	774.40
1998-99	336.45	24525	662.13
1999-2000	1008.89	26165	706.41
2000-01	647.77	32725	883.52

Note-From 2001-02, cost of CGI sheets are paid by the DRDAs to the supplier

3.3.12 Out of Rs.883.52 lakh being cost of CGI sheet during 2000-01 only payment for 22725 bundles for Rs.613.53 lakh was made by the department. DRDAs were asked to clear the payment for remaining cost of 10,000 bundles. The RD Department also utilised the local sales tax deducted from the suppliers' bills to meet the excess expenditure.

Planning

Scheme implemented without survey of house shortage

3.3.13 The target group of beneficiaries were BPL families as well as homeless people of the State. The department embarked on the scheme without any survey till 1996-97. In 1997-98, a house hold survey of BPL families was conducted but no attempt was made to ascertain the actual house shortage and number of katcha houses required to be upgraded.

3.3.14 The census conducted by the department during 1997-98 showed a total number of 91555 BPL household exists in the State but the department failed

* Including local tax

to prepare any prospective plan to provide houses to the homeless people of the State. Thus, the whole process of planning was faulty.

Identification of beneficiaries

3.3.15 As per guidelines of the scheme each Gram Sabha (in Nagaland, VDB) was to select the beneficiaries from the list of eligible group of people, but interference of MLAs/high officials in selection process in violation of the guidelines resulted in extending the benefit to non-entitled groups. Audit scrutiny also corroborated the involvement of MLAs and departmental officers in selection process. The Government issued an order (in September 1997) fixing a 10 per cent quota in selection of beneficiaries for departmental officers. This further worsened the situation. The department has also failed to consider other categories of beneficiaries such as physically handicapped and families of military/paramilitary forces who died in action. Thus, the beneficiary identification process was faulty and it did not conform to the guidelines of the scheme. Number of BPL and non-BPL beneficiaries selected by VIPs in Phek and Kohima districts were as under:-

Table No.3.13

(Rupees in lakh)

Year	District	Beneficiaries selected			Expenditure (on average cost of 5 bundles CGI sheet @ Rs.13700)			Remarks
		BPL (Nos.)	Non-BPL (Nos.)	Total (Nos.)	BPL	Non-BPL	Total	
1998-99	Kohima	20	10	30	2.74	1.37	4.11	Under VIP quota
	Phek	7	56	63	0.96	7.81	8.77	
	Total	27	66	93	3.70	9.18	12.88	
1999-2000	Kohima	10	Nil	10	1.37	Nil	1.37	Under VIP quota
	Phek	16	62	78	2.08	6.74	8.82	
	Total	26	62	88	3.45	6.74	10.19	
2000-01	Kohima	20	30	50	2.74	4.11	6.85	Under VIP quota
	Phek	1	45	46	0.14	4.74	4.88	
	Total	21	75	96	2.88	8.85	11.73	
Total:-		74	203	277	10.03	24.77	34.80	

Physical performance

3.3.16 The department's decision to provide 5 bundles of CGI sheets to the beneficiaries without any other assistance resulted in denial of full housing benefit to the rural people as they were forced to arrange other materials required to complete the construction of their houses. The department, however, stated (August 2002) that other materials viz, timber, bally post and bamboo etc. were provided free of cost by Village Council/Village Development Board from community forest.

3.3.17 As per the information furnished by the department the following number of beneficiaries were provided with the CGI sheets for construction of their houses during 1997-98 to 2001-02.

Table No.3.14

Year	Total fund ⁹ available for providing assistance to beneficiaries (Rupees in lakh)		Target fixed (Nos.)		Target that ought to have been fixed (Nos.)		Achievement (Nos.)		Percentage of achievement		Expenditure (Rupees in lakh)	
	New construction	Up-gradation	New construction	Up-gradation	new construction	Up-gradation	New construction.	Up-gradation	New construction	Up-gradation	New construction	Up-gradation
1997-98	829.25	---	8988	---	6053	---	5763	--	64%	---	779.99	---
1998-99	529.60	---	9718	---	3866	---	2290	---	24%	---	352.65	---
1999-2000	1023.16	124.10	9718	1500	7468	906	6175	1531	64%	102%	883.55	1553.01
2000-01	573.88	154.63	9718	1500	4189	1129	3899	1006	40%	67%	582.11	100.56
2001-02	555.73	136.52	3027	1517	4056	996	3116	1325	103%	87%	452.31	123.99
Total	3511.62	415.25	41169	4517	25632	3031	21243	3862	52%	85%	3050.61	377.56

Source:- Departmental figures

(Target should have been calculated on average cost per unit @ Rs.13700 i.e. cost of 5 bundle CGI sheet @ Rs.2596+Rs.4 per cent local tax + Rs.200 transportation and incidental charge.)

3.3.18 The achievement as projected by the department during 1997-98 to 2001-02 varied between 24 per cent to 103 per cent in respect of new houses and 67 per cent to 102 per cent in respect of upgradation (at an average 52 per cent and 85 per cent for new houses and upgradation respectively). It was noticed that during 2001-02, CGI Sheet was not issued to the beneficiaries and achievement shown during the year actually pertains to the year 2000-01. Further, the department had procured 113875 bundles of CGI Sheets during 1997-98 to 2000-01. With that quantity only 22775 units could have been covered as 5 bundles of CGI Sheets were issued to each unit irrespective of the type of house construction whereas the department projected coverage of 25103 units which is not possible with reference to norms adopted for coverage. Thus, coverage projected by the department was inflated.

Mis-reporting of performance

3.3.19 There was a difference between the achievement reported by the department and actual achievement made in terms of CGI Sheets received by the test checked blocks under respective DRDAs.

⁹ Note:- Funds available for providing assistance to beneficiaries has been worked out deducting the amount transferred to project administrative expense account from total available funds (Reference: table below para 3.3.6) up to the year 1998-99.

3.3.20 Achivement of houses including upgradation reported by the department.

Table No.3.15

<i>Name of the DRDAs</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>	<i>Total</i>
Kohima & Dimapur ¹⁰	1142	152	1605	1127	608	4634
Mokokchung	844	403	925	704	585	3461
Tuensang	1189	349	1985	733	1003	5259
Mon	795	502	1106	887	830	4120
Wokha	539	228	594	639	474	2474
Zunheboto	647	236	769	450	475	2577
Phek	607	420	722	365	466	2580
Total	5763	2290	7706	4905	4441	25105

3.3.21 Achivement found in test checked block under the DRDAs.

Table No.3.16

<i>Name of the DRDAs</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>	<i>Total</i>	<i>Total reported achievement (as in table above DRDA wise)</i>	<i>Short fall against reported achievement</i>
Kohima & Dimapur	1040	1082	675	739	Nil	3536	4634	1098
Mon	504	550	1019	1209	Nil	3282	4120	838
Phek	412	462	676	522	Nil	2072	2580	508
Total :-	1956	2094	2370	2470	Nil	8890	11334	2444

3.3.22 The above table shows that there was lack of factual reporting of performance by the department. The performance was overstated to the extent of 30 per cent in test checked blocks. Thus, an amount of Rs.356.94 lakh representing the cost against 2644 number houses (@ Rs.13,500) as included in programme expenditure was mis-reported. Besides, the achievement shown during 2001-02 was not based on facts because no CGI sheet procured for the year have been issued from the Central Store, Dimapur to the respective BDOs till March 2002. On being pointed out by audit, the department clarified that the achievement shown in the year 2001-02 was actually spillover works pertaining to earlier year and materials procured for the year 2000-01 issued in the year 2001-02. As regards upgradation of katcha house to pucca/semi pucca house, the cost ceiling was upto Rs.10000 but the department issued only 5 bundles of CGI sheets to each beneficiary value of which is Rs.13500 irrespective of category of house. The BDOs also did not show any performance in respect of upgradation as well as achievement in 2001-02. Thus, it is clear that the reports/returns submitted monthly/six monthly to the Central and State Government were not based on any feed back from the implementing agencies. They are based on hypothetical figures having no relation with the actual performance and reports from DRDAs. DRDAs did not maintain details of monthly progress made by the blocks under their control as appearing in the proforma containing monthly achievement furnished to audit.

10 The achievement in respect of Kohima & Dimapur shown together as the DRDA Dimapur was created during 1999-2000 but the Ministry released the fund together in the name of DRDA Kohima and progress report was also sent together.

Denial of basic amenities

3.3.23 As envisaged in the guideline of the scheme each house was to be provided with basic amenities like sanitary, latrine, smokeless chullah but the department failed to provide these amenities thus denying the beneficiaries the benefit of a clean and hygeinic environment.

Material Management

3.3.24 As per decision taken by the department to procure CGI sheets centrally, the rate of the CGI sheet was fixed @ Rs.2596 per bundle (approximate 50 kg) + Rs.4 *per cent* local sales tax after calling of tender from the local suppliers. The rate was given effect from October 1997 and prior to that the rate was fixed at Rs.2360 per bundle. The rate fixed was much higher than the rate of the Steel Authority of India who had a stockyard at Dimapur (Nagaland) till September 1999. Thereafter it was closed. Till September 1999,¹¹ the department spent an extra amount of Rs.620.46 lakh in procurement of required CGI sheet. The difference is worked out as under:-

3.3.25 SAIL's rate during 1997-98 of (0.50 mm) CGI sheet was Rs.29589 + Rs.4 *per cent* local sales tax =Rs.30773 + Rs.50 as transportation cost per MT from SAIL's stockyard to departmental godown at Dimapur = Rs.30823 per MT.

3.3.26 During 1998-99 (upto September 1998), the SAIL's rate was Rs.27130+ Rs.4 *per cent* local sales tax + Rs.50 carriage charge = Rs.28265 per MT. The department procured 19545 bundles (50 kg each) in early part of 1997-98 and thereafter 10915 bundle in 1997-98 and 24525 bundle in 1998-99 (upto September 1998) respectively.

3.3.27 The difference of price shown below:-*Table No.3.17*

Year	The price fixed and paid by the department/MT (Rs.)	SAIL rate per MT (Rs.)	Difference (Rs.)	Quantity procured	Excess price (Rupees in lakh)
1997-98	49080	30823	18257	19545 bundles = 977.25 MT	178.41
	54000	30823	23177	10915 bundles = 545.75 MT	126.48
1998-99	54000	28265	25735	24525 bundles = 1226.25 MT	315.57
Total:-					620.46

3.3.28 Thus, the department could have saved Rs.620.46 lakh had it procured material from SAIL instead of procuring from outside agencies for Rs.1436.51 lakh i.e, paying 42.70 *per cent* more. The amount could have been utilised fruitfully in programme which could cover 4596 units as per norms fixed by the department.

¹¹ The rate from September 1999 to March 2002 could not be collected from Guwahati inspite of constant follow up with SAIL

Calculation:-

- @Rs.2360.00 (old rate) + Rs.4 *per cent* local sales tax = Rs.2454 per bundle X2X10= Rs.49080.00 per MT
- @ Rs.2596 (new rate) + Rs.4 *per cent* local sales tax = Rs.2700.00 per bundle X2X10= Rs.54000 per MT.

CGI Sheets issued in the name of beneficiaries not actually reaching them in full

3.3.29 On receiving CGI Sheets from the central godown the BDOs delivered the same to the Village Development Boards (VDB) instead of to the beneficiaries directly, violating the guidelines of the scheme as well as administrative orders. Records of 4 VDBs under BDO Phek and Pfutsero in Phek district were examined and following discrepancies were noticed.

Table No.3.18

Name of the VDB		I A Y				
		1997-98	1998-99	1999-2000	2000-01	Total
BDO, Phek						
Losami	Material issued by the BDO Phek	25 bundles	20 bundles	30 bundles	30 bundles	105 bundles
	Material received and issued by the VDB	9 bundles	15 bundles	15 bundles	13 bundles	52 bundles
	Discrepancies	16 bundles	5 bundles	15 bundles	17 bundles	53 bundles
Chosaba	Material issued by the BDO Phek	40 bundles	20 bundles	20 bundles	30 bundles	110 bundles
	Material received and issued by the VDB	25 bundles	10 bundles	10 bundles	---	45 bundles
	Discrepancies	15 bundles	10 bundles	10 bundles	30 bundles	65 bundles
Kutsapoa	Material issued by the BDO Phek	25 bundles	40 bundles	30 bundles	30 bundles	125 bundles
	Material received and issued by the VDB	25 bundles	25 bundles	25 bundles	30 bundles	105 bundles
	Discrepancies	---	15 bundles	5 bundles	---	20 bundles

3.3.30 The BDO, Pfutsero, issued a total 115 bundles of CGI sheet to the VDB, Chezami under IAY and PMGY during 1997-98 to 2000-01 but nothing was recorded regarding receipt and issue of materials in the VDB office. The Secretary of the VDB issued a certificate to audit that a total 156 bundles of CGI sheets under IAY and PMGY were received in their locality and distributed by local VIPs. Further in all VDBs, records test checked showed distribution of CGI sheets to the beneficiaries without quoting any BPL numbers and signatures or thumb impression of the recipients. Thus, total shortage of 138 bundles of CGI sheets (value Rs.3.73 lakh) in 3 VDBs and 115 bundles in another VDB (Chizami) for which no records was maintained proved that the materials issued in favour of the beneficiaries had not actually reached them in full.

Short receipt of materials

3.3.31 CGI sheets received by the BDOs from central store are entered in their stock registers and distributed to the beneficiaries through VDBs. Scrutiny of records of 15 BDOs under test checked blocks revealed a total shortage of materials amounting to Rs.71.82 lakh¹² under 4 DRDAs. This showed weakness in the exercise of sound internal control by the department as required for successful implementation of the scheme. Details are shown in *Appendix-XIX*.

Benefit extended to non-BPL groups

3.3.32 The benefit under rural housing was meant for rural people under BPL group and certain other specified categories of people but the department extended the benefit of the scheme to non-entitled group which was specifically mentioned in the report of Dr. Thapliyal (May 1998). Director, North Eastern Regional Centre and National Institute of Rural Development

¹² Rs.(560+1015+785+300) bundles =2660 bundles X Rs.2700.00 = Rs.71.82 lakh.

(NIRDNREC) and the State Government also admitted the fact and directed (March 1999), the Director, Rural Development Department to utilise Rs.96.75 lakh out of State share of Rs.220 lakh during 1998-99 for BPL group which was wrongly utilised for non-BPL families in earlier year. But the Government's direction contradicts its order (September 1997) providing 10 per cent quota in selection of beneficiaries by the departmental officers and VIPs. This resulted in extension of benefit to non-entitled groups, a fact corroborated during audit of records of BDOs under test check. Records made available to audit showed that a total numbers of 2881 non-¹³BPL families and 6009 BPL families received the benefit of housing scheme as shown under:

Table No.3.19

Name of the DRDAs	1997-98				1998-99				1999-2000				2000-2001			
	No. of beneficiaries		Assistance ¹⁴ provided (Rs. in lakh)		No. of beneficiaries		Assistance provided (Rs. in lakh)		No. of beneficiaries		Assistance provided (Rs. in lakh)		No. of beneficiaries		Assistance provided (Rs. in lakh)	
	BPL	Non-BPL	BPL	Non-BPL	BPL	Non-BPL	BPL	Non-BPL	BPL	Non-BPL	BPL	Non-BPL	BPL	Non-BPL	BPL	Non-BPL
Kohima and Dimapur	295	745	40.41	102.07	852	230	118.92	31.51	521	154	71.38	21.10	597	142	81.79	19.45
Mon	445	59	67.68	8.63	489	61	66.99	8.36	922	97	126.31	13.29	1196	13	163.88	1.78
Phek	34	378	4.66	51.78	109	353	15.48	48.50	277	399	37.68	53.59	272	250	37.27	32.63
Total	774	1182	112.75	162.48	1450	644	201.39	88.37	1720	650	235.37	87.98	2065	405	282.94	53.86

Note:- No material was issued during 2001-02.

3.3.33 The benefit provided to non-BPL families represents 32 per cent of actual achievement (8890 beneficiaries) in 4 districts involving expenditure of Rs.392.69 lakh. Thus, the department failed to implement the scheme as per guidelines by extending benefit to non-entitled group.

Unauthorised excess expenditure

3.3.34 BDO Chen and BDO Tizit under DRDA Mon issued 10 bundles of CGI sheet each to 53 and 10 beneficiaries respectively during 1997-98 against the department's decision of 5 bundle to each beneficiary. This involved an unauthorised excess expenditure of Rs.8.50 lakh in violation of the norms.

Post construction functions

3.3.35 As per guidelines, the implementing agencies are to complete the inventory of houses giving detail of commencement and completion of the houses indicating the name, address of the beneficiaries and also display of IAY Logo by each house. But none of the BDOs test checked maintained any such records. As a result the houses under IAY could not be identified from the other houses constructed under various rural scheme, giving rise to the possibility of overlapping of benefits of those schemes with IAY.

¹³ Kohima and Dimapur:1271 + Mon : 230 + Phek : 1380=2881

¹⁴ Assistance provided worked out at an average cost of 5 bundles CGI sheet including procurement cost and transportation

Cost i.e., Rs.13700 with reference to total quantity of CGI sheet issued to beneficiaries under each category.

Allotment of houses

3.3.36 On completion, the houses were to be allotted in the name of female members or both husband and wife of the family. It was also important to issue title deed to the house site to each beneficiary. But the BDOs failed to take required steps to issue title deeds as envisaged in the guideline of the scheme, denying the benefit of security of ownership to the beneficiaries and no house was allotted to women.

Monitoring

3.3.37 The department failed to frame any schedule of inspection of houses prescribing a minimum number of inspection to be made by the supervisory staff. None of the offices test checked right from the Directorate to the block could produce any inspection report in support of field visits conducted. A State Level Coordination Committee (SLCC) to oversee and monitor the programme is yet to be formed. During 1998-99, Sri Manmohan Singh, Deputy Secretary (EAC), Government of India (GOI), visited Nagaland as an Area Officer and made an adverse remark about the interference of local MLAs in selection of beneficiaries. But since his visit, none of the Government of India officers made any visit to the State though required to make periodical visits as envisaged in the scheme guidelines. Thus, neither at the State level nor at the Central level were any norms fixed to visit and monitor the performance of the scheme.

(B) Pradhan Mantri Gramodaya Yojana (Gramin Awaas)

3.3.38 With effect from 1 April 1999, the scheme Pradhan Mantri Gramodaya Yojana (PMGY) as a component under Rural Housing Programme based on the pattern of IAY was introduced by the Government of India throughout the country. But in Nagaland the scheme was launched with effect from 2000-01 with cent *per cent* central assistance.

3.3.39 The fund received, achievement and expenditure as reported by the department are as under:-

Table No.3.20

(Rupees in lakh)

Year	Budget	Amount released by Govt. of India	Date of release	Date of release by the State Govt.	Target (in number)	Achievement	Percentage	Expenditure
2000-01	616.96	308.48	7/2000	14/3/2001	4700	4273	89	616.50
		308.47	30/3/01	30/3/2001				
2001-02	460.70	230.35	24/8/01	Rs.452.60 26/3/2002	4320	---	---	---

3.3.40 The Central Government released Rs.230.35 i.e. first instalment on 24 August 2001 for the year 2001-02 but the State released a consolidated amount of Rs.452.60 on 26 March 2002. No records as to whether Central Government released the second instalment of fund could be produced inspite of repeated persuasion.

Unauthorised excess expenditure

3.3.41 Though the department fixed a norm to allot 5 bundles CGI sheets per beneficiary, but BDOs, Wakching and Tizit in Mon district issued 10 bundles each to 78 and 6 beneficiaries respectively. Similary, BDO, Dhansiripar in

Dimapur issued 10 bundles to 20 beneficiaries and 15 bundles each to 28 beneficiaries violating the norms. Thus, an unauthorised excess expenditure amounting to Rs.21.60 lakh¹⁵ was incurred by the BDOs. Besides, DRDA, Phek district spent Rs.0.50 lakh in purchase of CGI sheets and allotted these to three schools and BDO Meluri in Phek issued 50 bundles of CGI sheet to a non-Government organisation value of which is Rs.1.35 lakh violating the guidelines of the scheme.

Blocking of funds in fixed/civil deposit and delayed release of the funds

3.3.42 The Ministry released Rs.308.48 lakh as first instalment for 2000-01 in July 2000 but the State Government made these funds available for implementation only on 14 March 2001 i.e. after 7 months. Another instalment Rs.308.47 lakh as second instalment was released by Government of India on 30 March 2001 due to delay in submission of utilisation certificate and proposal by the department. Thereafter the State Government released the amount and arranged to keep it in Civil Deposit (March 2001) due to liquidity constraint and allowed drawal only on 27 July 2001. Thus, due to delay in release of fund by the State Government the implementation was badly affected. The fund for 2000-01 remained unutilised till March 2002.

Incorrect reporting of performance and expenditure

3.3.43 The department purchased 22375 bundles of CGI sheets @ Rs.2596 + Rs.4 per cent local sales tax per bundle to be issued to different blocks during October 2001 to March 2002, but reported this as their achievement during 2000-01, thereby wrongly reporting the performance. Though the total cost of CGI sheets and transportation cost was Rs.607.93 lakh, the department reported utilisation of total amount of Rs.616.95 lakh thus, leaving unutilised balance of Rs.9.02 lakh.

Evaluation

3.3.44 The impact of the scheme on the target group is required to be evaluated at regular intervals and action taken on drawbacks/deficiencies noticed and recommendations made for their removal to improve take the implementation. During May 1998, a team from NIRD-NERC (North Eastern Regional Centre of National Institute of Rural Development), Guwahati consisting of Dr. B.K. Thapliyal, Director and Sri.V.K. Krishnamurthy, Assistant Director visited Nagaland. They recommended that at least Rs.1000 per beneficiary to be paid to help the poor people to construct their houses. They also recommended adequate provision of fund for other necessary facilities such as sanitary latrine and smokeless chullah. Other deficiencies such as the interference of VIPs in selection process from non-BPL group and procurement of inferior quality of CGI sheets from local suppliers were specifically pointed out in their report. No action to remove the drawbacks/deficiencies on the part of the department is on record. Since then no further evaluation was done.

¹⁵ Total expenditure= 104 X 5 bundles and 28 X 10 bundles = 520 + 280 = 800 bundles @ Rs.2700 = Rs.21.60 lakh.

Recommendations

3.3.45 Effective steps need to be taken for procurement of roofing materials from Steel Authority of India where the price is less and the quality beyond question and for supply to the beneficiaries directly without involving any third party.

3.3.46 Selection of beneficiaries should to be done strictly as per guideline of the scheme after collecting information on house shortage and houses required to be upgraded in the State preferably by conducting house hold survey. The continuation of provision of 10 *per cent* quota for department offices/VIPs in selection of beneficiaries may be re-examined.

3.3.47 The internal control system regarding maintenance of store may be strengthened and reporting system in respect of physical and financial progress need be made fool proof.

3.3.48 The matter was reported to Government in July 2002; their replies had not been received (February 2003).