

## CHAPTER-V

### LOCAL BODIES AND OTHERS

#### PARAGRAPHS

#### RURAL DEVELOPMENT DEPARTMENT

##### 5.1 Excess expenditure on incomplete drinking water supply scheme

**Expenditure of Rs. 3.11 crore incurred against the sanctioned estimate of Rs. 2.40 crore for Reorganization Water Supply Scheme, Narendra Nagar resulted in excess expenditure of Rs. 70.76 lakh in incomplete work.**

Under Centrally sponsored Accelerated Urban Water Supply Programme (AUWSP), a Reorganisation Water Supply Scheme, Narendra Nagar at a cost of Rs. 2.40 crore was sanctioned by Government of India (GOI) in March 1996 for completion by March 1998. The cost was to be shared by the Central and State Governments equally. The grant provided by the Government of India was not to be utilized/adjusted against any cost escalation of the scheme. Such escalation if any was to be met from the State Plan Fund. The scheme was executed by the Uttar Pradesh Jal Nigam.

Test check (January 2003) of records of the Executive Engineer (EE), Construction Division, Uttaranchal Jal Nigam, Muni Ki Reti, New Tehri revealed that the proposed work, laying of 15.2 km. water pipe lines and construction of 13 stand posts, was started one year late i.e. in March 1997 due to delay in the release of funds by the UP Jal Nigam to the executing division (March 1997). Late start of work led to increase in the original cost and consequently, a revised estimate of Rs. 3.77 crore was sent to Government of India (July 1998) for approval which was awaited (January 2003). In the meantime, 6.20 km. pipeline was laid against the 15.2 km. planned while the 13 stands posts had not been installed. Total expenditure incurred on the scheme was

Rs. 3.11 crore which included Rs. 70.76 lakh spent by the Mechanical Division of the Nigam on electrical and mechanical works. The scheme was not adequately monitored by the monitoring cell of the Jal Nigam and failed to bring the desired benefits to the target population.

In reply (January 2003), the EE stated that excess expenditure was met from State Government funds. The reply is not tenable as excess expenditure was incurred without sanction of GOI or Scheme Clearance Committee. Thus, the delay in commencement of work had led to escalation of cost by Rs. 70.76 lakh

and the beneficiaries were deprived of drinking water due to non-completion of distribution system and stand posts provided in the scheme.

The matter was reported to Government (August 2003); reply was awaited (May 2004).

## 5.2 Blocking of funds

**An amount of Rs. 37.20 lakh withdrawn without requirement remained unspent.**

To provide health assistance, education and employment to women to make them self-dependent, to provide social and moral security to helpless and destitute women and to create social and economic awareness among them an action plan of Rs. 5.90 crore was approved by the State Government in 1999-2000 under the Uttaranchal Mahila Utthan Yojana. Out of this, Rs. 1.14 crore was released (September 1999) to the District Rural Development Agency (DRDA), Udham Singh Nagar. Fifty *per cent* of the amount released was to be utilized on the construction of additional class rooms and latrines in Girls Junior High Schools, High Schools and Intermediate Colleges and maternity homes and the remaining amount on revenue expenditure.

Test check (October 2002) of the records of DRDA, Udham Singh Nagar revealed that out of Rs. 1.14 crore, an amount of Rs. 37.20 lakh was drawn (during December 1999 to April 2000) by the DRDA and kept in fixed deposits in different banks in favour of District Magistrate/Chief Development Officer and Chief Medical Officer of Udham Singh Nagar. This resulted in blocking of funds without any purpose.

On this being pointed out, the Department stated that the interest earned on FDs was being used for purchasing petrol for ambulances. Keeping the amount outside government accounts and utilizing the interest for petrol without budgetary grant was against all norms of financial propriety. Drawal of funds without any requirement and keeping them outside the Government account was also against the rules and distorted the Government accounts by depicting expenditure of Rs. 37.20 lakh which actually remained unspent. It also cast a burden of Rs. 8.94 lakh on the Government, calculated at the rate of interest on Government debt.

The matter has been reported to the Government (December 2003); the reply was awaited (May 2004).