

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 community, social and economy assets. The scheme envisages 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 Woman of the Community shall be earmarked @ 22.5% of the annual allocation for both at the level of District and Intermediate Panchayats (First Stream) should be spent on SC/ST families living below the poverty line (BPL) for individual/group beneficiaries' scheme. The scheme also envisages that 15% 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.

Test check of the Scheme records in 19 (nineteen) PRI units revealed irregularities as detailed in the subsequent paragraphs.

4.1.1 Excess expenditure incurred on Administration/Contingencies

The revised Scheme Guidelines 4.7 (w.e.f. 1 April 2004) provided that a maximum of 2% 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 revealed that the expenditure of Rs.74.86 lakh were made in excess ranging from 1.15% to 9.3% over the prescribed percentage (2%) as administrative contingencies for strengthening, monitoring, and coordination by 2 (two) ZPs and 11(eleven) APs, which is violation of scheme guidelines. (**Annexure-K**)

4.1.2 Discrepancies in connection with lifting and utilization of food grains

As per scheme guidelines (Para 2.2) food grains should be given as part of wages to the workers @ 5 kg per mandays in addition to cash component. Generally, the DRDAs release the scheme fund (Cash + Food Grain) to the ZP & AP as per Action Plan with detailed estimates of each work submitted by the ZP/AP. As per scheme guidelines, the estimated fund (Cash + food grain) should be exhausted as soon as the works are completed.

Test check of various records viz. Muster Rolls etc revealed that food grains were not given as part of the wages to the labourers (paid in Cash only) and no reason was recorded in respect of 15 (Fifteen) APs though targeted works were completed and thus food-grains allotted against these works worth **Rs.12.6 crore** were still lying undisbursed. (**Annexure-L**)

❖ In Dibrugarh Zilla Parishad food-grain valuing Rs 54,09,338/- was short received with respect to release by the DRDA, whereas in Gaurisagar AP lifted food grains valuing Rs 34,64,912/- in excess of the quantity as *compared to DRDA's statement* with the stock registers, challans etc available in Gaurisagar AP during the period from 2002 to 2006^o. The reason for excess lifting of food-grains was not available on record nor stated to audit.

❖ In 2 (two) PRI units, vouchers detailing disbursement of 81610.42 qtls food-grains involving **Rs.5.5 crore** were not made available for scrutiny.

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Name of Unit	Quantity Released in quintals	Quantity lifted in quintals	Difference in quintals
Gaurisagar AP	24856.44	29438.00	4581.56
Dibrugarh ZP	75288.72	66915.21	8373.51

Sl No.	Name of Unit	Period	Quantities of food grains	Value of food-grain (Rupees)
1	Gaurisagar AP	2002-03 to 2005-06	39941.24 qtls	24752922/-
2	Demow AP	2002-03 to 2005-06	41669.18 qtls	30191762/-
Total			81610.42 qtls	54944684/-

4.1.3 Utilization of SGRY fund for creation of inappropriate 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 are 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 are specifically prohibited under Para 6.7.1 of SGRY Scheme Guidelines.

Test check of records revealed that 1 (One) ZP & 14 (Fourteen) AP had utilized Rs 2.2 crore from SGRY Fund during 2002-03 to 2005-06 for constructing hospitals, temples, college hostels, bridges etc in violation of the SGRY Guidelines. Further, these schemes were also included in the Annual Action Plan duly approved. (**Annexure-M**)

4.1.4 Non-disposal of empty gunny bags – Resultant loss of revenue

As per Para 2.8 of the SGRY guidelines, gunny bags in which the food-grains are received for distribution under the programme are to be disposed of and the sale proceeds realized out

of sale of empty gunny bags should be utilized to meet the transportation and other handling charges 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 for 19 (nineteen) PRI units revealed that despite specific provisions, details of empty gunny bags and sale proceeds thereof were never recorded, although huge quantity of rice contained in 1534106 nos of gunny bags had been issued during 2002-2006 and the transportation/handling charges were made from the SGRY fund. The non-accountal and the consequential, non-disposal of empty gunny bags resulted in expenditure of SGRY fund of **Rs.77.4 lakh, which** could have been offset by sale of empty gunny bags. **(Annexure-N)**

4.1.5 Irregular adjustment of Food Grain in works

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.

Test check of various records, such as vouchers, MR bills etc. relating to 1 (One) ZP and 3 (Three) APs for the period 2002-03 to 2004-05, revealed that food grain worth **Rs.24.7 lakh** had been adjusted towards payment of bills of materials like gravel, CGI Sheets, MS Rod etc. by depriving the workers from their real wages. This was clear violation of scheme guidelines and also caused undue benefit to the supplier as the price taken for adjustment of food grains was the subsidized rates applicable for labourers and far below the market rates for these food grains.

Reasons for deviation from original purpose of the scheme by the authority to protect the real wages of workers of poor families of rural areas were not available on record nor stated to audit. **(Annexure-O)**

4.1.6 Irregular Payment for Purchase of materials for Rs.10.62 lakh

Dibrugarh Zilla Parishad purchased materials for Rs.10.62 lakhs during the period 2003-04 to 2005-06 under SGRY Scheme without observing required formalities as detailed below:

- Suppliers did not submit bills in the prescribed format.
- Scrutiny revealed that no bill number, supply/work order was mentioned in the bills as required under rule.
- Receipt of materials is required to be certified on the body of the bill specifying that materials are received in good conditions and found correct and taken into Stock Register. This was not found recorded on the bills.
- The name of work against which materials are issued is to be recorded together with MB record. But no such recording was seen on the vouchers.
- Payments made above Rs. 5,000/-, are to be stamped with revenue but APR without revenue stamps were noticed in the checked PRIs.
- All payments were made without the certificate of receipt of purchased materials on the body of the bills, entries in the Stock Register/M.B., utilization certificates of materials etc.

Thus, passing and payment of the bills by the D.D.O. without observing the prescribed requirements resulted in irregular expenditure of **Rs.10.62 lakhs**.

4.1.7 Unauthorized diversion of SGRY Fund

As per Para 2.7 of SGRY guidelines provides that the State Government/Union Territories will bear the transportation cost and other handling charges from their own resources. Any taxes/charges like sales tax, octroi etc will be born by the States/ Union Territories concerns. Cash components cannot be used for transportation, payment of local taxes etc.

Test check of Cash Book and other relevant records of the 3 (Three) PRI units for the period from 2002 to 2006 revealed that the units did not adhere to the guidelines/provisions and diverted Rs.39.14 lakh out of SGRY Scheme Fund (cash components) from Central Government share for meeting the expenses of transportation/handling of Food-grains and construction of building. Thus, there was an unauthorized diversion of SGRY fund amounting to **Rs.39.14 lakh. (Annexure-P)**

4.1.8 Non-submissions of Vouchers/APRs

Test check of Cash Book and Bank Pass Book revealed that 8 (eight) AP and 1(one) ZP incurred an expenditure of Rs.17.48 lakh during 2002-2006 on various schemes but no supporting documents viz. voucher/actual payee receipt could be produced to audit.

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

In action of the above units, thus lead to serious doubt about the genuineness of the expenditure. (**Annexure-Q**)

4.1.9 Payments of Godown Rent amounting to Rs. 1.98 lakh violation of SGRY guidelines

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

Test check of the records of the Sibsagar AP for March 2005 to March 2006, revealed that, godown rent amounting to **Rs.1.98 lakhs** were paid for storing the Food-grains, CGI Sheets in violation of the provision of SGRY guidelines.

4.1.10 Irregular implementation of SGRY scheme – Amounting to Rs. 95,502/-

As per SGRY guidelines any work relating to PWD cannot be taken up without approval/no objection certificate of PW Department to rule out double payment on the same work.

Test check of records of Sivasagar AP revealed that the AP incurred expenditure during 2004-05 of **Rs. 95,502/-** for construction of PWD Roads without taking approval/no objection certificate from PWD, thus, violating the provisions of the guidelines for SGRY Schemes. Further audit could not vouchsafe the expenditure as no vouchers were made available.

4.1.11 Unauthorized withdrawal of SGRY funds

As per Para 5.13.2 of SGRY Guidelines and as per guidelines for payment under “Accounting procedure in brief” issued by the District Rural Development Agency, Sivasagar for implementations of the schemes under various programmes, withdrawals of funds for making payments towards the works undertaken by the implementing agency from the accounts of Intermediate Panchayat shall be drawn through a cheque in accordance with the procedure being followed by the State Government. As per Assam Financial Rules, no payments could be drawn from the Bank by Self-cheque except in certain conditions beyond the limit.

Test check of Amguri Development Block revealed that an amount of **Rs.32.26 lakhs** was drawn by presenting self-cheques in violation of Panchayat Rules as well as SGRY Guidelines during April 2002 to March 2006

4.2 Withholding of benefit under Centrally Sponsored Scheme

National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS) are 100 percent Centrally Sponsored Schemes under the National Social Assistance Programme (NSAP) launched by the Government of India since 15th August 1995, to be awarded to

eligible senior citizen (65 years and more) and to the female member of a poor family having 2 (two) children respectively.

The Deputy Commissioner of a district being the nodal officer for implementation of the scheme, releases the fund on receipt of the beneficiary lists from Zilla Prishad for distribution @ Rs. 75/-per month for NOAP and @ Rs.10, 000 in lump to beneficiary under NFBS to each citizen of the list as collected from Anchalik/Gaon Panchayat level. The distribution is being done at Panchayat level.

Cheques under the NOAP, NFBS etc schemes are generally received from the concerned DCs by the AP/ZPs. They distribute the cheques to the beneficiaries. Test check of the records of 1 (One) ZP and 2 (Two) APs revealed that cheques amounting to **Rs.15.85 lakhs** received during the period from April 2002 to January 2006 were lying in the Bank Account of AP/ZP without distribution though the list of the beneficiaries were available in the units. Further UCs required to be submitted to the DCs were not issued till December, 2006. **(Annexure-R)**

4.3 Irregular payment of Rs. 36.34 lakh out of IAY

As per scheme guidelines of Indira Awas Yojana, no contractor, organisation or Government Department is authorized to construct the IAY houses. They can only co-ordinate for procurement of raw materials such as bricks, cement, and rods etc. only, if beneficiary desires.

Test check of Borobazar T.D. Block revealed that the Junior Engineer of the PWD Department (February 2003 to May 2006) had been paid an amount of **Rs.32.34 lakhs** in cash (payments were drawn from the Bank by presenting self cheques by the DDO and cash was paid) against beneficiaries of IAY-programme.

Further, required documents viz. list of beneficiaries, willingness letter of beneficiaries, authority letter of beneficiaries, or any resolution adopted by the A.P. were not available on record or produced to audit. Also, required Actual payee receipt, Utilization Certificate issued by the beneficiaries, or acknowledgement receipt of the beneficiaries is also wanting.

Audit could not vouchsafe the expenditure and payments made to J.E and thus, Rs 32.34 lakhs were irregular.

4.4 Irregular allotment of houses and payment to the Beneficiaries under IAY.

As per Para 6.31 of the IAY scheme guidelines, allotment of dwelling units should be in the name of female members of the beneficiary's household. Alternatively, it can be allotted in the name of both husband and wife and payment is to be made on installment basis depending on the progress of the work.

Test check of records of Borobazar T.D. Block for allotment of houses under IAY scheme during 2002-03 to 2005-06 of, revealed that the IAY guidelines were not followed and allotments of works for Rs 3.5 lakhs were made to male members , violating the scheme guidelines..

4.5 Unauthorized diversion of Fund awarded by 11th Finance Commission (EFC)

11th Finance Commission (EFC) provides assistance as grants-in-aid for implementation of Schemes by the Gaon Panchayat only. As per para 3 of the EFC guidelines, the Gaon Sabha will approve the Action Plan for utilization of the grant. Further, the GP can implement only the following schemes: -

- Self-drinking water scheme.
- Primary Health Care.
- Drinking water facilities.
- Construction/Repair at G.P office building.
- Construction/Repair at AP/ZP Bhawan.
- Purchase of office furniture for GP/AP/ZP office.
- Primary Education Schemes.

Para 4 of the same guidelines further provide that GP may execute the schemes departmentally or through the concerned line department and no purchase or execution is

allowed to carry out at the ZP/Block level. Also, as per Para 5, the grants being released should be strictly utilized as per guidelines and no diversion is allowed.

Test check of records of Dibrugarh Zilla Parishad relating to second installment of EFC grants, revealed that out of EFC fund of Rs. 95,70,944 allocated to the GPs under Dibrugarh District, an amount of Rs.14,35,642 was utilized by the ZP during 2002-03 to 2005-06 for the construction of Rural Training Centre at Dibrugarh Zilla Parishad in violation of guidelines.