

**CHAPTER-III**  
**TRANSACTION AUDIT**

**3.1 Implementation of Indira Awas Yojana**

**3.1.1 Infertuous expenditure of ₹221.86 lakh under special IAY.**

**Non completion of 1947 nos. of Special IAY houses resulted in infertuous expenditure.**

In order to provide shelter to the BPL families those who were affected in the super cyclone 1999, GOI released funds under Special IAY houses @ ₹22,000 per house.

Test check of records of Khaira PS revealed that 6152 nos. of special IAY houses was fixed as target and accordingly GOI released funds of ₹13.54 crore to the Khaira Samiti during the period from 2000-01 to 2004-05. Out of the above targeted houses, the PS could able to complete only 4205 nos. of houses during the period from 2000-01 to 2007-08 leaving a balance of 1947 houses as of July 2009. The most of incomplete houses were remained at plinth and lintel level and the Samiti had spent ₹221.86 lakh towards construction of these incomplete special IAY houses up to 2007-08. Though five to nine years had already been elapsed after the release of funds the houses remained incomplete.

The Project Director, DRDA, Balasore instructed in October 2008 to refund the unspent balances along with accrued interest available with them and close the scheme immediately. Accordingly the BDO, Khaira PS refunded the unspent balances of ₹238.97 lakh to the DRDA as detailed below.

Sl. No.	Letter No. & date of the Samiti	Amount refunded (₹ in lakh)
1.	2925/25.10.2008	218.97 lakh
2.	3286/29.11.2008	20.00 lakh
<b>Total</b>		238.97 lakh

Due to lack of monitoring/supervision and inaction of the BDO concerned, 1947 nos. of houses could not be completed even after nine years after their commencement. This resulted in infertuous expenditure of ₹221.86 lakh against the scheme since the balance amount had already been refunded by the Samiti in October-November 2008.

On being pointed out, the BDO stated that enhancement of price of materials was the main reason of non-completion of houses.

### **3.1.2 Unfruitful expenditure of ₹32.21 crore under normal IAY scheme.**

**Non completion 13,067 nos. of normal IAY houses resulted in unfruitful expenditure.**

The aim and objective of the IAY scheme was to provide assistance for construction of houses for the members of SC/ST freed bonded labourers and also to non SC/ST rural poor below the poverty line (BPL). As per the instruction of Government the assistance for construction shall be payable in four stages and the beneficiaries were to start construction within 15 days from receipt of the work orders and to complete the work within 60 days failing which the allotment would be cancelled.

Scrutiny of records in 21 PSs revealed that 13,067 houses taken up for construction under IAY during 1999-2009 were not completed even after expiry of 10 years of the commencement of the work and an expenditure of ₹32.21 crore incurred against the project / scheme (March 2009) as detailed in **Appendix-III**. The expenditure is considered as unfruitful.

On being pointed out the concerned BDO could not justify the reasons of delay in completion of project. This indicated that due to non completion of these houses the scheme objectives were defeated and entire amount of ₹32.21 crore spent on the scheme rendered unfruitful.

The Principal Secretary, PR Department stated (December 2010) that the concerned units would be instructed to submit the detailed status report regarding the present position.

### **3.2 Non-utilisation of food grains worth ₹360.94 lakh.**

**Idling of food grains of 26,977.46 quintals for more than one to seven years procured under SGRY and NFFWP defeated the objectives of the schemes to provide food security to the beneficiaries.**

The primary objective of Sampoorna Gramina Rojgar Yojana (SGRY) and National Food For Work Programme (NFFWP) is to provide additional employment in all rural areas and thereby provide food security and improve nutritional standards of the rural poor.

During test check of records, it was seen that in 16 PSs food grains of 21143.35 quintals (SGRY) and 5834.11 quintals (NFFWP) which were procured during 2002-03 to 2005-06 and valued at ₹360.94 lakh remained unutilized for more than two to three years from the date of receipt as of March 2009 (**Appendix-IV**).

Further non utilization of the food grains in the works defeated the very purpose of the schemes to provide food security to the beneficiaries.

On this being pointed out in audit, the PSs agreed to utilize food grains very soon but the replies were not acceptable as food grains being old stock would not be fit for human consumption.

In reply the Principal Secretary, PR Department stated (December 2010) that the units concerned would be directed to intimate the present position of the food grains.

### **3.3 Delayed payment of wages under NREGS – ₹56.20 lakh**

**In violation of the NREGS guidelines the wage payments of ₹56.20 lakh to labourers were made after six to 289 days of completion of the works**

As per the guidelines, wages were to be paid to the labourers on a weekly basis and in any case within a fortnight of the work being done. It was also stipulated that compensation was to be paid to the labourers for any delay in payment of wages as provided in the Payment of Wages Act 1936. It was noticed during test check of six PSs that wage payment of ₹56.20 lakh was made to the labourers after a delayed period of six to 289 days (**Appendix -V**). Further, no compensation was paid to the labourers for the delayed payment as required under the Act. Such irregular practice not only defeated the primary objective of the scheme but also deprived the labourers of getting timely payment of wages.

On this being pointed out it was stated that action would be taken to ensure timely payment of wages to labourers.

### **3.4 Excess expenditure of ₹20.23 lakh towards cost of transportation of metals and chips.**

**Procurement of materials exclusively for FDR works from quarry at Gudiakatni (90 Kms away from PS headquarters) instead from the nearest quarry at Tigriria (30 kms) resulted in excess expenditure of ₹20.23 lakh on transportation.**

GOPR Department vide their No. 39896 dt. 4.10.08 permitted to upgrade the village roads which were severely damaged by the flood 2008 to cement concrete roads to make them motorable and flood proof. Accordingly the PS, Baramba had taken up departmentally 147 projects including 142 CC roads in October 2008 but kept bills pending till receipt of fund under FDR grant during February 2009.

Scrutiny of case records of 58 works revealed that against the estimated cost of ₹232.64 lakh the said projects were completed at an expenditure of ₹227.44 lakhs under FDR for 2008-09. Further scrutiny revealed that in the lead statement there was provision for procurement of 40mm crusher broken metals and 12mm crusher broken chips. The said materials exclusively for FDR works were procured from quarry at Gudiakatni (90 Kms away from PS headquarters) instead from the nearest quarry at Tigiria (30 kms. away). The conveyance cost of materials from Gudiakatni was ₹562 / cum for chips, against the rate of ₹246 / cum of metal (carriage upto 5 Kms @ ₹96 and rest 25 Kms @ ₹6 / Km) and ₹258/cum of chip (carriage upto 5 Kms ₹96 and rest 27 Kms @ ₹6 / Km) from Tigiria. As a result of which the PS had to incur an extra expenditure of ₹20.23 lakh on procurement of 3918.91 cum of metal and 2585.46 cum of chips at the differential rate of ₹316 / cum of metal and ₹304 / cum of chips from Gudiakatni as detailed below.

<b>(i)</b>	<b>40 mm hg metal procured locally from Tigiria within 30 kms</b>	Carriage upto 5 Kms	₹96.00
		Rest 25 kms @ ₹6/- km	₹150.00
		<b>Total :</b>	<b>₹246.00 cum</b>
		For FDR work	₹562.00 cum
		<b>Excess rate</b>	<b>₹316.00 cum</b>
<b>(ii)</b>	<b>121 mm chips</b>	Carriage upto 5 kms	₹96.00
		Rest 27 kms @ ₹6/- km	₹162.00
		<b>Total :</b>	<b>₹258.00 cum</b>
		For FDR work	₹562.00 cum
		<b>Excess rate:</b>	<b>₹304.00 cum</b>

Though, Rule 73(3) of Orissa Minor Mineral Concession Rules 2002 envisaged that claim of the reimbursement of the cost for purchase of any minor mineral should be supported by purchase vouchers the work bill did not contain any cash memo /transit pass in support of procurement / utilisation of required materials in the said works. As such procurement of material from Gudiakatni was doubtful.

In reply the BDO stated that materials were procured from Gudiakatni due to non-availability of required quantity in the nearest quarry and money receipt and transit pass could not be produced as those were not readily available. The reply is not acceptable since the chips and metals were procured regularly from the nearest quarry in respect of other works under different schemes. Further, the BDO had not obtained the non-availability certificate from nearest quarry in support of procurement from Gudiakatni.

### 3.5 Shortage of food grains worth ₹7.16 lakh.

**568 quintals of rice costing ₹7.16 lakh was found short in the godowns of five GPs under Dampara PS. No action by District Collector against the person responsible for shortage though reported two years back.**

Rule 69 of Orissa Panchayat Samiti Procedure Rule 2002 envisages that physical verification of stock / store should be carried out at least once in every six month by the BDO / ABDO and finally recorded in the stock register with dated signature. On surprise physical verification of stock of food grains under SGRY in respect of twelve GP godowns by BDO, Banki Dampara PS during 3/2008 it was noticed that there was shortages to the tune of Q568.55 in the stock of rice in the GPs as detailed in **Appendix-VI**.

Thus, it is clear that the rice stock valuing ₹7.16 lakh (Q.568.55 X ₹1,260/-) was misappropriated by the GPs. Though the matter was reported to Collector, Cuttack during September 2008, no action was initiated as of January 2010 to realise the cost of rice from the person responsible.

On this being pointed out it was stated (January 2010) that action would be taken to realise the cost of shortage in rice stock.

### 3.6 Idle Expenditure on Shopping Units- ₹27.31 lakh

**Non allotment of 65 shopping units to the beneficiaries even after four to six years of its completion resulted in an unfruitful expenditure of ₹27.31 lakh besides continued loss of probable rent.**

With a view to develop infrastructure for commercial activities of unemployed youth of rural areas the Central Sponsored Schemes like SGSY and SGRY provided funds for construction of shopping complexes to PRIs. This was also to augment the financial resources of GPs. During the period from March 2004 to March 2006 three PRIs constructed the shopping complexes consisting of 65 shops at an expenditure of ₹27.31 lakh (**Appendix-VII**) which were lying unallotted as of December 2010.

Thus, due to non-allotment of shopping units for over four to six years rendered the expenditure of ₹27.31 lakh idle and also resulted in the GPs forgoing potential source of revenue. Moreover, since the shopping

complexes were yet to be allotted there was a continuing loss in revenue and identified beneficiaries were deprived of self employment in rural areas.

In reply the Principal Secretary, PR Department stated (December 2010) that the concerned units would be instructed to take immediate steps to let out the completed shopping units to the eligible persons at the earliest.

### **3.7 Suspected misappropriation of ₹6.06 lakh**

<b>Loss to the tune of ₹6.06 lakh as a result of misappropriations of cash by way of less handing over of cash to successors, non realisation of received cheques and by fictitious deposit of cash in Bank Account</b>
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As per Rule 154 of Gram Panchayat Rules 1968, all receipts and payments of the PS/GP shall be entered in the cash book on the date of transaction itself and the cash book closed with dated signature of Secretary and Sarpanch of the GP on the same day. The Gram Panchayat Extension Officer (GPEO) is required to verify the cash book and cash in hand at least once in a month. Further Rule 32 read with Rule 35 and Rule 36 (e) of Panchayat Samiti Accounting procedure (PSAP) Rules, 2002, stipulate that the cash book shall be maintained by the Accountant in prescribed format and all cash transaction shall be entered in the cash book. At the end of each month BDO shall verify the cash balance with the balance in the cash book and signed certificate of physical verification shall be recorded in the cash book. The Chairman of PS is also authorized to verify the cash balances whenever he desires

During audit of GPs and PSs, it was noticed that the above codal provisions were not followed scrupulously by the concerned DDOs and an amount of ₹6.06 lakh was misappropriated in three PSs and one GP.

Though the above misappropriation cases were brought to the notice of PRIs through IR paras, the concerned authorities have not taken any action for recovery of amounts till July 2010. The details of such cases are discussed in succeeding paragraphs.

#### **i) Less handing over of cash by Ex-Cashiers – ₹1.66 lakh.**

Sri Raghunath Das, the Ex-Cashier of Aul (Kendrapara) PS had handed over less cash of ₹1.66 lakh (July 2007) to his successor. Though over two years had already been elapsed the Block Development Officer did not take any action to realise the same.

In reply the BDO stated (June 2009) that action would be taken to realise the amount from the Ex-Cashier who is at present working as Head Clerk in the office of the Tehsildar, Rajkanika.

**ii) Less handing over of cash by Ex Cashier – ₹2.80 lakh**

In another similar case in Sukinda PS the Ex-Cashier Sri R.N.Rout had handed over the charge to his successor Sri P.K.Das, Sr.Clerk with nil cash balance as against the actual cash balance of ₹3.24 lakh on 2.9.2009. The matter was reported to Collector, Jajpur during 10/2009 and before that Sri Rout deposited only ₹0.44 lakh in September 2009 leaving a balance of ₹2.80 lakh. In absence of any supporting document for utilization of balance fund, it is construed that the amount was misappropriated by the ex-Cashier.

On being pointed out, the BDO stated that steps would be taken to realise the amount very soon.

**iii) Misappropriation of ₹1.00 lakh by the EO Sri Lokeshar Choudhury of Pamra GP**

Test check of NREGS cash book of Bargaon PS with that of Pamra GP(August 2008) revealed that the Executive Officer of Pamra GP had received a bearer cheque of ₹1 lakh vide M.R No.8 dtd 30.8.08 from BDO, Bargaon but the said amount was not deposited in the respective pass book bearing No. 30442211755 of SBI, Bargaon which was the only pass book opened for NREGS till the date of audit. Further scrutiny revealed that the E.O handed over the charge to his successor on 7.1.2009 without handing over the said cheque or encashed amount of the cheque.

Thus, it is construed that the said amount was misappropriated by the ex-EO.

Ex-EO though was directed to refund the amount vide their office letter dt. 18.06.09, he had not deposited the amount. The higher authorities have also been informed.

**iv) Misappropriation of Govt. money of ₹60,064/- by showing fictitious deposit of Cash in Bank A/c**

General review of cash book of Nandahandi (Nawarangpur District) PS, revealed that in two occasions less amount was deposited in the bank account and in other two instances the entire amount was not deposited in the bank account the details of which are given below.

Sl No.	Name of the Cash Book	Page No of CB	Date	Amount of Cash shown deposited in Bank(in ₹)	SB A/c No.	Amount actually deposited (in ₹)	Amount misappropriated (in ₹)
1.	BKBK	45	28.03.08	60,302.00	288/Mini Bank(N)	55,560.00	4,742.00
2.	-do-	47	15.04.08	42,912.00	288/Mini Bank(N)	27,930.00	14,982.00
3.	NREGS	80	24.09.07	10,000.00	309/Mini Bank(N)	Nil	10,000.00
4.	-do-	121	13.05.08	30,340.00	309/Mini Bank(N)	Nil	30,340.00
						Total	60,064.00

Thus, non-deposit/less deposit of Govt. money resulted in misappropriation of Govt. money amounting to ₹0.60 lakh.

Though the above misappropriation case was brought to the notice of Block Development Officer (BDO), Nandahandi PS through IR para, no response had been received from the PS (July2010).

In reply the Principal Secretary, PR Department stated (December 2010) that instructions would be issued to the units concerned to submit the Action Taken Report.

### **3.8 Misappropriation of Stores and Stock**

**Lack of internal control mechanism on maintenance of stores and stocks resulted in loss of store to the tune of ₹5.09 lakh**

#### **3.8.1 Misappropriation of Building material costing ₹2.73 lakh.**

Test check of stock register and physical verification of stock account of five PSs<sup>6</sup> revealed that the following building materials were found short between January 2006 and October 2009.

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<sup>6</sup> Kabisuryanagar, Dhenkanal, Baramba, Patnagarh, Kolabira



Sl. No	Name of the PS	Type of material	Actual stock	Month / Date of physical verification	Balance as per stock register	Shortage	Rate per	Total Cost (₹ In lakh)
1	Kabisuryanagar	8 mm MS Rod	408.50 Qtl.	JAN 2006	NIL	408.50	30/Kg	0.12
		10 mm MS Rod	772.62 Qtl.	JAN 2006	511.52 Qtl.	261.10	30/Kg	0.08
		12 mm MS Rod	141.13	JAN 2006	NIL	141.13	30/Kg	0.04
2	Dhenkanal	Cement	265	-	40 Bags	225	205/Bag	0.46
3	Baramba	Cement	404	Dec 2008	5 Bags	399	216/Bag	0.86
4	Patnagarh	Cement	191	Oct 2009	9 Bags	182	230/Bag	0.42
5	Kolabira	Bitumen	14 Drums	May 2009	Nil	14 Drums	5333/Drum	0.75
<b>Total</b>								<b>2.73</b>

Thus, in the above table it is clear that the building materials valuing ₹2.73 lakh was misappropriated by exhibition of short / nil balance in the stock register by the store keeper.

The authorities of PRIs stated (during May 2009 to October 2009) that action would be taken to realise the cost of material under intimation to audit.

### **3.8.2 Fictitious issue of cement to the work resulted in loss of Govt. money of ₹2.36 lakh**

General review of cement stock register of BDO, Nandahandi (Nawarangpur) revealed that 1152 bags of cement were issued to the different works during the period from 4/07 to 3/08 in the name of executants without any recommendation by the AE/JE and issue order in the case record by the BDO. Further scrutiny revealed that the cost of the cement was not realized from the concerned work bill.

Thus account of issue in the Stock register was irregular and fictitious and the cost of 1152 bags of cement which comes to ₹2.36 lakh (@ ₹205) need recovery from the executants concerned.

In reply the BDO, Nandahandi stated (June 2006) that the amount would be recovered from the person responsible.

### 3.9 Non-realisation of shop rent of ₹4.18 lakh

**In violation of the agreement, rent for shopping units allotted to 38 beneficiaries in Kuakhia GP and 10 in Dharmagarh PS were not realized since last 36-48 months resulting in loss of revenue of ₹4.18 lakh**

The Panchayat Samiti Rasulpur allotted the shops / restaurants constructed under Biju Gramin Bazar programme at Kuakhia to 38 persons of general category during 4/2005. As per clause 19 of the Agreement the allottees (Licences) should pay the licence fee to the Panchayat Samiti regularly, failing which the Samiti can revoke the licence without any notice and allottee should vacate the allotted shop rooms/ Restaurants / Kiosks with all his goods and belongings.

On scrutiny of relevant records it was observed that all the 38 beneficiaries had not paid the licence fee amounting to ₹2.72 lakh for entire period of three years (4/05 to 3/09) in contravention to their agreements.

Similarly, in Dharmagarh PS (Kalahandi) out of 11 shops, the rent for 10 shops was not realized starting from June 2004 amounting to ₹1.46 lakh.

On this being pointed out the concerned authorities of PS stated that action would be taken to realize the outstanding licence fee.

### 3.10 Idle stock of materials- ₹9.29 lakh.

**Procurement of materials like cement, bitumen, MS Grill, Angles and other building materials worth ₹9.29 lakh without immediate requirement resulted in idling of materials for years together.**

Test check of records of four PSs<sup>7</sup> (**Appendix-VIII**) revealed that stock materials like cement, bitumen, MS grill, doors, windows, angles and other building materials worth ₹9.29 lakh purchased during the period 1997-2008 by the Samities remained unutilized as of March 2009. It was evident that the materials were procured without proper assessment of required material.

On this being pointed out in audit the PSs replied that action would be taken to utilize the materials early.

<sup>7</sup> Rairangpur (Mayurbhanj), Belpura (Bolangir), Tileibani (Deogarh), Kolabira (Jharsuguda)

### 3.11 Advances lying unadjusted- ₹45.54 crore

**In disregard to GOO instructions and PSAP Rules 2002, the advances extended to the tune of ₹45.54 crore to officials remained unrecouped and unadjusted.**

Rule 41 of Panchayat Samiti Accounting Procedure Rules, 2002 provides that advances to individuals/contractors/suppliers should be got adjusted immediately after incurring such expenditure. The DDOs are to maintain a Register of advance showing particulars of date, details of payee, amount, purpose and its adjustment etc.. Further, the DDOs should review the Advance ledger frequently to ensure timely adjustment of the advances. Apart from that, the Panchayati Raj Department, Government of Orissa instructed (December 2002) all the BDOs to adjust the outstanding advances within one month of payment of advance. In case the advances are not adjusted within one month the same may be treated as temporary misappropriation of fund warranting initiation of disciplinary proceedings/criminal proceedings in appropriate cases.

In 42 test checked units, it was noticed that ₹45.54 crore paid to different officials/agencies/executants were lying unadjusted as of March 2009 **(Appendix-IX)**. Of the above, the details of the officials / agencies / executants in respect of advances of ₹17.01 crore were not available in the concerned PS. It was also noticed that advances were paid to the officials on several occasions without adjusting the earlier advances. Such irregularities persisted despite repeated objections made through the Audit reports. Further scrutiny revealed that the Advance Register was not maintained in the prescribed format and timely effective action was not taken for adjustment / recovery of outstanding advance.

The Principal Secretary stated (December 2010) that the computer database of advances were being developed for monitoring and ascertaining the position of outstanding advance.

### 3.12 Diversion of scheme funds

**In violation of the scheme guidelines sixty PRIs diverted scheme funds to the tune of ₹37.00 crore to other schemes or purposes .**

Government of India (GOI) and the State Government have been releasing funds to Panchayat Raj Institutions (PRIs) from time to time for implementing various schemes. The guidelines of the schemes invariably require that the funds released be utilized only for the purpose specified and not be diverted for other purposes.

Test check of 60 PRIs revealed that funds amounting to ₹37.00 crore were diverted for other purposes in violation of respective scheme guidelines **(Appendix-X)**.

In reply the Principal Secretary, PR Department stated (December 2010) that the authorities concerned would be instructed to stop diversion of scheme funds and recoup the amount already diverted at earliest.

### **3.13 Unfruitful expenditure of ₹6.47 crore on Incomplete Works**

**Lack of proper planning and monitoring led to non completion of various works under different schemes in 20 PSs and four GPs from 2008-09 onwards resulting in unfruitful expenditure of ₹6.47 crore.**

Works taken up by PSs and GPs should be completed normally within one year.

Scrutiny of records in 20 PSs and four GPs revealed that works taken up under various schemes were lying incomplete from 2008-09 onwards on which expenditure of ₹6.47 crore was incurred. **(Appendix-XI)**

As the works e.g building, roads etc. were lying incomplete for years together, possibility of deterioration of quality of works can not be ruled out.

Thus, due to lack of proper planning and monitoring, an amount of ₹6.47 crore spent on those 795 projects remained unfruitful and deprived the public from intended benefits.

In reply the Principal Secretary, PR Department stated (December 2010) that instructions would be issued to all the units concerned to submit the status report on the incomplete works.

### **3.14 Non-accountal of Interest**

**Interest accrued to the tune of ₹1.34 crore on different scheme funds was not accounted for.**

Interest accrued on deposits of scheme funds in different nationalized banks are required to be accounted for and be utilized as per respective scheme guidelines.

Test check of 11 PS revealed that an amount of ₹1.34 crore **(Appendix-XII)** though accrued towards interest from Savings Bank Accounts was not

taken to receipt of scheme funds and awaiting utilisation as per scheme guidelines.

On this being pointed out it was stated that the interest would be accounted for in respective cash books.

### **3.15 Non-remittance of royalty/VAT/Income Tax**

**In disregard to Government of Orissa Rules and Orders, an amount of ₹213.45 lakh realised by 30 PSs towards Royalty, VAT and Income Tax from work bills was not remitted to Government Accounts.**

As per Rule 6 of OTC Vol.I read with Rule 4 of OGFR Vol.I all money received/realized on behalf of Government should be remitted in full within three days of receipt into the proper head of Government account.

Test check of records of 30 PSs (**Appendix-XIII**) revealed that a sum of ₹213.45 lakh though realized towards Royalty, VAT and Income Tax from works bill during 2008-09 was not remitted as on March 2009 in violation of the rules.

On being pointed out the PRIs replied that amount would be deposited with the concerned authorities.

In reply the Principal Secretary, PR Department stated (December 2010) that the units concerned would be instructed to account for the interest amount under the concerned schemes.

### **3.16 Non-realisation of royalty ₹8.36 lakh**

**In violation of Rules, the royalty worth ₹8.36 lakh remained unrealized resulting loss of revenue to Government.**

As per Government of Orissa Minor Mineral Concession Rules 2002, the royalty should be deducted from the bills on execution of works and remitted to Government account forthwith.

Royalty for ₹8.36 lakh in three PS (**Appendix-XIV**) was not realized from the work bills and Government sustained loss of revenue of ₹8.36 lakh. On this being pointed out, BDOs stated that the same would be recovered from the officials held responsible for the lapses.

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<sup>8</sup> Rangeilanda, Diganpahandi, Jatni

In reply the Principal Secretary, PR Department stated (December 2010) that the authorities concerned would be instructed to deposit the Royalty / VAT/IT in the accounts of the authorities concerned at the earliest.

### **3.17 Inadmissible expenditure of ₹0.87 lakh under MPLAD Scheme**

**In violation of GOI instructions, the procurement worth ₹0.87 lakh was made of the materials listed in inadmissible work under MPLAD scheme rendered expenditure unauthorized and inadmissible.**

As per OM No. M-12043/10/2000- PC dt. 27.12.2000 of Govt. of India, Planning Commission the purchase of inventory or stock of any type was prohibited and not admissible under MPLAD scheme.

Review of expenditure under MPLAD revealed that the following inventories had been made in violation of the instructions of Government of India which resulted in an unauthorised and inadmissible expenditure.

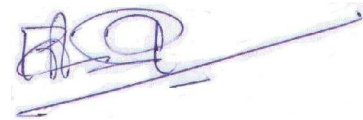
<b>Vr No &amp; Date</b>	<b>Particulars of purchase</b>	<b>Amount of expenditure incurred ( in ₹)</b>
5 dt. 01.01.08	Library books	70,000.00
4 dt. 01.01.08	Almirah	17,400.00
	<b>Total</b>	<b>87,400.00</b>

The BDO did not furnish any reply (July 2009) in this regard.

### **3.18 Recommendations**

- Effective control and supervision should be applied to prevent misappropriation of cash and stock.
- Schemes should be implemented as per guidelines and completed timely.
- Assets created under various schemes should be put to revenue generating purposes.
- Prompt and effective action may be taken for recovery/adjustment of huge outstanding advances.

- Continuous monitoring and evaluation of performance of PRIs should be made through specific and regular reports and returns.
- Statutory deductions should be remitted to Government accounts timely.
- Diversion of funds from one scheme to other should be avoided.



**Bhubaneswar**  
The----- day of-----2011

**(BAMAN PRADHAN)**  
**Deputy Accountant General**  
**(Local Bodies Audit & Accounts),**  
**O/o the Principal Accountant General (CA)**  
**Orissa, Bhubaneswar.**

Countersigned



**Bhubaneswar**  
The----- day of-----2011

**(SANAT KUMAR MISHRA)**  
**Principal Accountant General (Civil Audit)**  
**Orissa, Bhubaneswar.**