

CHAPTER III

RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT

3.1 Misappropriation

Improper maintenance of accounts by nine Block Development Officers and lack of control by the Deputy Chief Executive Officers (Village Panchayat) of Bhandara, Chandrapur and Gadchiroli Zilla Parishads resulted in misappropriation of ₹ 33260 and temporary diversion of ₹ 7.85 lakh

The District Village Development Fund (DVDF) with the contribution of each Gram Panchayat (GP) was constituted under Section 133 of Bombay Village Panchayat Act, 1958 in each district of the State of Maharashtra. According to Rule 3 of Bombay District Village Development Fund Rules, 1960 (DVDF Rules) the fund shall be vested with the Standing Committee of the Zilla Parishad (ZP) and shall be administered through District Village Panchayat Officer *i.e* Deputy Chief Executive Officer (DCEO), Village Panchayat. According to Rule 15 of the DVDF Rules, each Panchayat Samiti (PS) is required to collect contribution from GPs and maintain Register of Collection (ROC) in Form 'O' and amount so collected shall be deposited to the credit of the fund in the treasury, bank or co-operative society by preparing challan in triplicate. A daily extract of the ROC together with the challan and a copy of receipt are to be sent daily to the DCEO. Thus amount on account of DVDF is to be credited daily in the accounts of the DVDF.

Scrutiny of records (January 2009 and March 2010) of PS Rajura in ZP Chandrapur and PS Lakhni in ZP Bhandara revealed (February 2009) that contribution of ₹ 24921 collected from 15 GPs by the officials of PS Rajura and ₹ 8339 collected from five GPs by the officials of PS Lakhni on account of DVDF between November 2007 and March 2008 respectively were not accounted for in ROC. Abstract of ROC was also not forwarded by both the PSs to the DCEOs. Subsequent verification (February 2010) of records of PS Rajura indicated that recovery of ₹ 24902 was made at the instance of audit. The details of recovery of remaining amount of ₹ 19 are awaited (April 2010).

Further scrutiny of records (March 2010) of 12²¹ PSs (including Rajura) revealed that an amount of ₹ 7.85 lakh collected by the officials of these PSs between April 2006 and March 2009 were not credited on the day of receipt and delay ranged from one to 730 days²². The DCEO Chandrapur

²¹ Bhadravati, Bramhapuri, Dhanora, Gondpipri, Lakhandur, Mul, Mohadi, Pauni, Pobhurna, Rajura, Sakoli and Sironcha

²² Bhadravati one to six days, Bramhapuri one to 38 days, Dhanora 58 to 178 days, Gondpipri 48 to 83 days, Lakhandur 76 to 113 days, Mul one to 26 days, Mohadi 730 days, Pauni 53 to 188 days, Pobhurna one to 237 days, Rajura one to 351 days, Sakoli 56 days and Sironcha 176 days

and Bhandara had accepted the fact that no watch over receipt of abstract of ROC was kept during 2006-07 to 2008-09. Comments of DCEO, Gadchiroli was not received (October 2010) though called for in May 2010.

On this being pointed out, PS, Rajura accepted (January 2009) the facts and agreed to exercise proper control in future. PS, Lakhni had reported (February 2009) recovery of ₹ 8339. Replies from the other PSs are awaited (May 2011).

Thus, improper maintenance of accounts, non-observance of prescribed procedure and failure by Block Development Officers/DCEO to exercise proper control on collection and deposition led to temporary diversion of ₹ 7.85 lakh. The Government may investigate the position in respect of all the PSs throughout the State.

The matter was referred to Government (May 2010). Reply has not been received (June 2011).

3.2 Over Payment to Contractors

The Zilla Parishad did not recover mandatory royalty charges from the contractors resulting in over payment of ₹ 54.33 lakh

The Pradhan Mantri Gram Sadak Yojana (PMGSY) a 100 *per cent* centrally sponsored scheme for construction of rural roads providing all weather connectivity to habitats with 500 population is implemented in the State through Zilla Parishads (ZP) as per Government of India (GOI) guidelines. The funds required for this scheme are released to ZPs through state level agency Maharashtra Rural Road Development Association (MRRDA) created (June 2003) as per GOI directives. At district level, Project Implementation Unit (PIU) is headed by Executive Engineer, ZP and the payment for the works is made by the PIU.

Tenders were invited (January 2008) by PMGSY, Pune Region (Pune, Kolhapur, Sangli, Satara and Solapur Districts) for packages of road construction works including maintenance for five years after construction. Estimates were prepared on the basis of PMGSY Schedule of Rates (SOR) 2006-07 in which royalty charges at ₹ 17.67 *per cum*²³ was included. If proof of payment of royalty charges by the contractors was not produced, the royalty charges included in the estimates should be recovered and remitted to Government of Maharashtra (GOM). The royalty charges were increased to ₹ 35.34 *per cum* by GOM (December 2006). The SOR of PMGSY included a clause that the royalty charges of ₹ 17.67 *per cum* which had been increased by GOM shall be included while preparing the estimate in the Detailed Project Report (DPR).

²³ Royalty charges payable on material treated as minor mineral by GOM brought by the contractor and used in execution of item included in SOR of PMGSY

Scrutiny of final bills of 12 works of PMGSY executed in ZP, Solapur revealed (February 2010) that the ZP did not recover royalty charges included in the SOR from the contractors against the item of work 'construction of embankment with materials obtained from borrow pits' amounting to ₹ 54.33 lakh. It was also observed that additional royalty charges of ₹ 17.67 *per cum* was not included in the estimates for the work.

In reply (February 2010), ZP accepted that inclusion of royalty charges for the particular item of work in SOR was brought to notice of ZP by audit and the additional royalty charges of ₹ 17.67 *per cum* was not included in the estimates. ZP agreed to recover the royalty charges in future.

The matter was referred to Government (June 2010). Reply has not been received (June 2011).

**SOCIAL JUSTICE AND SPECIAL ASSISTANCE
DEPARTMENT**

3.3 Poor implementation of Dalit Vasti Sudhar Yojana

Failure of the Zilla Parishad, Nagpur to identify Dalit Vastis, preparation of Master Plan before sanction of works for the year 2008-09, poor monitoring and implementation of the scheme resulted in non-utilization of ₹ 2.48 crore

Dalit Vasti Sudhar Yojana (DVSY) is implemented to provide sanitary facilities, tap water, approach roads and electrification in Dalit Vastis of rural areas. The Government of Maharashtra (GOM) issued (November 2008) detailed guidelines regarding execution of the scheme which were applicable for the works relating to 2008-09 onwards. As per these guidelines, a Dalit Vasti would be identified on the basis of Dalit population in the village as per census of 2001. Master Plan (MP) on the basis of local situation and incorporating needs of each Gram Panchayat (GP) is to be approved by Directorate of Social Welfare. Periodical inspections and monitoring are required to be done at Zilla Parishad (ZP), Panchayat Samiti (PS), Directorate and the GOM level.

Scrutiny of records (November-December 2010) of the District Social Welfare Office, (DSWO), ZP Nagpur revealed that grant of ₹ 9.26 crore was earmarked for the year 2008-09 under the scheme. Out of this, the DSWO retained ₹ 2.48 crore in the ZP's District Fund (DF) and released (March 2009) ₹ 6.78 crore to all the 13 PSs for execution of 1102 works which included 81 works costing ₹ 1.63 crore pertaining to the year 2008-09 remaining unutilized (January 2011). Further, scrutiny revealed that even identification of Dalit Vasti was not done by all the GPs till January-February 2010. MP incorporating local needs and works to be executed was neither prepared by all the GPs/PSs nor approved by the Directorate of Social Welfare. The DSWO was also not having the information on utilization of ₹ 6.78 crore released to all 13 PSs.

The information collected (May 2011) by audit from six PSs revealed that ₹ 3.24 crore was spent during April 2009 to March 2011 by these PSs out of fund of ₹ 3.44 crore released to them. No evidence was found on the records that monitoring and inspection of the works were conducted by any of the authority.

Thus, failure of the ZP/PSs/GPs in Nagpur district in identifying Dalit Vasti, preparation of MP from 2008-09, conducting periodical monitoring and inspections led to non-utilization of ₹ 2.48 crore and poor implementation of the scheme during 2008-09.

The DSWO accepted the fact of delay in preparation of MP and stated (December 2010) that ₹ 2.48 crore was retained in DF for want of assessment of grant of ₹ 9.26 crore. He further added that the latest position of all the works was being called for from all the PSs (January 2011). However, neither the assessment of grant was completed nor the balance amount refunded (January 2011).

The reply was indicative of improper planning and poor monitoring of the scheme at ZP/PSs level. Contention of the department to retain an amount of ₹ 2.48 crore in DF was also not correct as the GOM did not even permit (June 2009) the DSWO to spend money for the works of 2009-10 and directed to refund the unspent balance immediately.

The matter was referred to Government (February 2011). Reply has not been received (June 2011).

SCHOOL EDUCATION DEPARTMENT

3.4 Infructuous expenditure in procurement of Fire Extinguishers

Failure of the Zilla Parishads to monitor and ensure that the fire extinguishers installed in primary schools were refilled every year resulted in infructuous expenditure of ₹ 3.29 crore

Government of Maharashtra (GOM) directed (March 2006) the Zilla Parishads (ZPs) to procure Fire Extinguishers (FEs) for primary schools as per Mumbai High Court order based on the public interest litigation filed on the death of school children in Kumbakonam fire mishap. ZPs had to procure the FEs through Maharashtra Small Scale Industries Development Corporation Ltd. (MSSIDC) @ ₹ 4516 per FE for which funds were provided by GOM. Directorate of Primary Education, Pune released ₹ eight crore to 33 ZPs for procurement of FEs to 17697 schools per FE per school. As per the terms and conditions of the Government Resolution the suppliers were to refill the FEs free of charge for three years and MSSIDC was to withhold 15 *per cent* of the cost and release 5 *per cent* every year on refilling the equipments.

On test check of records and information called for, it was observed that in respect of five ZPs viz. Kolhapur, Nashik, Raigad, Sindhudurg and Dhule, 2895 FEs were procured and installed (June 2006 to February 2007) at ₹ 1.31 crore, however no annual refilling was done by the suppliers. In ZP Ahmednagar and Pune, though 1809 FEs were procured at ₹ 86 lakh, the refilling was done only once. In ZP Satara, the refilling was done through local suppliers from ZP funds for 1126 FEs procured at ₹ 51 lakh. ZP Thane refunded ₹ 31 lakh to GOM, as MSSIDC did not respond to the supply orders.

It was also ascertained from MSSIDC that out of ₹ 1.98 crore received from nine²⁴ ZPs for 4394 FEs, MSSIDC released (between March 2006 and June 2007) ₹ 1.69 crore to the suppliers and balance of ₹ 29 lakh (April 2010) has not been paid towards refilling which indicated that the FEs were not refilled by the suppliers.

The ZPs Ahmednagar, Nashik and Raigad (September 2009/March, April 2010) confirmed the facts, which indicated the failure of the ZPs to monitor and ensure that these equipments were refilled to maintain them in working condition.

The failure of the ZPs to maintain the FEs in satisfactory condition thereby resulted in violation of the directive of the honorable High Court as the risk of loss due to fire in the schools was not mitigated. This also resulted in infructuous expenditure of ₹ 3.29 crore in respect of 14²⁵ ZPs.

The matter was referred to Government (May 2010). Reply has not been received (June 2011).

3.5 Non-maintenance of Water Purifiers

Non-execution of Annual Maintenance Contract with the supplier led to non-achievement of objective of supplying potable water to the students

In order to supply potable and clean water to Primary School students, Zilla Parishad (ZP) Ratnagiri placed (April 2004 to March 2005) orders for supply of 2227 Water Purifier(WP) of 75 litre storage capacity²⁶ costing ₹ 2.56 crore with M/s Concept Marketing (Supplier) based on the Rate Contract (RC) agreement with Government of Maharashtra (GOM).

The terms and conditions of the RC provided for Annual Maintenance Contract (AMC) at the rate of 10 *per cent* of the equipment value and AMC was applicable after the expiry of warranty/guarantee period of 12 months. It was observed that the ZP did not enter into AMC with the

²⁴ Amravati, Aurangabad, Buldhana, Hingoli, Jalgaon, Nanded, Washim, Wardha and Yavatmal

²⁵ Amravati, Aurangabad, Buldhana, Dhule, Hingoli, Kolhapur, Nashik, Nanded, Raigad, Sindhudurg, Jalgaon, Washim, Yavatmal and Wardha

²⁶ 1553 purifier @ of ₹ 11319 and 674 purifier @ of ₹ 11885

supplier and in four²⁷ Panchayat Samitis (PSs) out of 1047 WPs, 687 WPs were not functioning. On further verification (March 2011) it was observed that out of 2227 WPs installed in nine²⁸ PSs, 1396 WPs were not functioning due to non-maintenance of candle and ultra violet systems. The percentage of non-functioning WPs ranged between 21 and 98 in nine PSs. Almost 98 *per cent* and 96 *per cent* of WPs were found to be not functioning in PS Ratnagiri and PS Lanja respectively.

ZP replied (July 2010) that as funds were not provided by GOM for AMC, contracts were not concluded for AMC.

The reply is not acceptable as the essential component of AMC which was required for ensuring trouble free and sustained availability of an asset was not taken into consideration before placement of the orders. Ensuring maintenance of the assets created out of the funds received being the responsibility of the ZP, adequate funds should have been identified and earmarked for entering into AMC at the stage of placement of orders for WP itself.

Non-maintenance of WP resulted in idle assets and failure to supply potable and clean water to the students thereby defeated the objective of the scheme.

The matter was referred to Government (April 2011). Reply has not been received (June 2011).

²⁷ Chiplun, Guhaghar, Khed, Rajapur

²⁸ Block-(WP non-functional-percentage to total supply) Chiplun (125 - 42 %) Dapoli (179 - 66%), Deorukh (144 - 50%), Guhaghar (87 - 41 %), Khed (197 - 76 %), Lanja (189 - 96%), Mandangad (27 - 21%) Rajapur (160 - 59 %), Ratnagiri (288 - 98 %)