

CHAPTER-I

An overview of the Panchayati Raj Institutions (PRIs)

1.1 Introduction

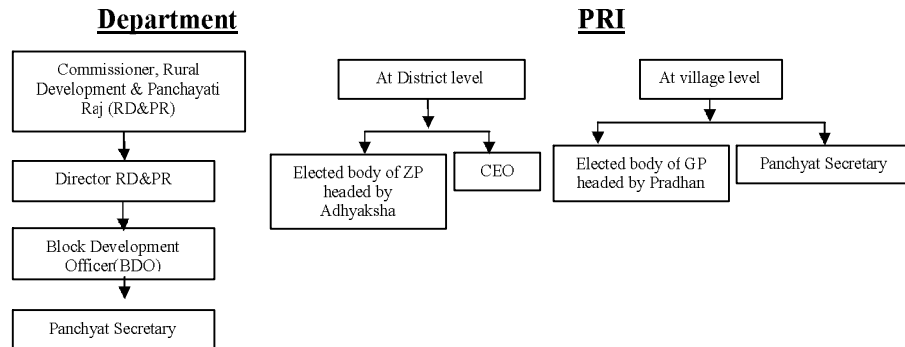
In keeping with the 73rd Constitutional Amendment Act, 1992, the Manipur Panchayati Raj Act, 1994 was enacted to establish a two-tier Panchayati Raj Institutions (PRIs) at the village and district levels with elected bodies of Gram Panchayat (GP) at the village level and Zilla Parishad (ZP) at the district level. The geographical area of the State of Manipur is 22,327 Sq. Kms, wherein rural area covers 22,188.17 Sq.Kms. As per 2001 census, the total population of the state was 22.94 lakh of which the rural population constituted 17.18 lakh. The state has nine districts altogether consisting of five hill districts and four valley districts. The PRIs covered the four valley districts only having a population of 8.5 lakh. In the hill districts, Autonomous District Councils are constituted under the Fifth Schedule of the Constitution.

The two tier Panchayat system envisaged in the Manipur Panchayati Raj Act, 1994 came into force w.e.f. 24-06-1994. The first general election for the ZPs & GPs was held in 1997. Since then, general elections for the Panchayats have continued to be held every five years and the last election was held in September 2007.

1.2 Organisational set-up

There are 4 (four) Zilla Parishads and 165 (one hundred sixty five) Gram Panchayats in the State of Manipur. The Rural Development and Panchayati Raj Department (RD&PR) of the State Government is the administrative head at state level.

The organogram given below shows organizational set-up of the department and the PRIs in the State:



1.3 Powers, functions vested with the PRIs

The Manipur Panchayati Raj Act, 1994 vested the PRIs with the following powers and functions:-

A. Functions of Gram Panchayat

- Preparation of Annual Plan for development of the Panchayat area;
- Preparation of Annual Budget;
- Power for mobilizing relief during natural calamities;
- Removal of encroachments on public properties;
- Organising voluntary labour and contribution for community works;
- Maintenance of essential statistics of village and
- Promotion and development in respect of agriculture, animal husbandry, fisheries, forestry, cottage industries, rural housing, drinking water, roads, poverty alleviation programmes, education, cultural activities, rural sanitation, women and child development, maintenance of public park and such other functions as may be entrusted in the village area.

B. General power of GPs

A GP shall have the power to do all acts necessary for or incidental to the carrying out of the functions entrusted, assigned or delegated to it as specified under the Manipur Panchayati Raj Act, 1994.

C. Functions of ZP

- Preparation of Annual Budget and Accounts;
- Preparation of plans for economic development and social justice of the district and
- Co-ordinate implementation of the plans, namely agriculture and agricultural extension, irrigation, horticulture, statistics, distribution of essential commodities, soil conservation, marketing, fisheries, education, health and hygiene, drinking water, rural electrification and such other functions as may be entrusted to the ZP.

D. General Power of ZP

Subject to the general and special orders of the Government, ZP may:

- Incur expenditure on education and medical relief outside its jurisdiction;
- Provide for carrying out any work or measure likely to promote health, safety, education, comfort, convenience or social or economic or cultural well being of the inhabitants of the district;

- Contribute to association of all-India, State or inter-state level concerned with the promotion of local Government and for holding exhibition, conference etc. within the district and
- Render financial or other assistance to any person for carrying out any activity in the district which is related to any of its functions and it shall have power to do all acts necessary for or incidental to the carrying out of the functions entrusted under the Manipur Panchayati Raj Act, 1994.

1.4 Devolution of powers and functions

The Eleventh Schedule of the Constitution enlists 29 functions to be devolved to the PRIs. The 2nd State Finance Commission (SFC) in December 2005 recommended for speeding up the process of transfer of functional responsibilities including devolution of financial powers to local bodies in keeping with the letter and spirit of the Constitution. In September 2005, the State Government transferred 16 functions to the PRIs, but it remained on paper only as functionaries and fund were not actually transferred along with the functions. A “Joint Declaration” on devolution of powers and functions to PRIs was signed on 05-10-2006 between the Union Minister of Panchayati Raj and the Chief Minister of Manipur. A review of the progress of the “Joint Declaration” was made by the State officials (April 2009). The effective functioning of PRIs was hampered due to lack of transfer of corresponding fund and functionaries to PRIs. The departments concerned still continued to receive budgetary allocations of such functions to be transferred.

The activities of 16 departments are to be transferred to PRIs shown in **Appendix-I**. The status of the transfer of fund and functionaries as on 1-4-2009 is as follows¹:

Sl. No.	Department	Latest Status on functionaries transferred	Latest Status on fund transferred
1.	Fisheries	1-inspector (Fisheries), 2 FFA to each ZP (except Thoubal)	₹ 7 lakh for 2005-06 ₹ 6 lakh for 2006-07 ₹ 3 lakh for 2007-08 ₹ 4 lakh for 2008-09
2.	Horticulture	4-AAOs 8 FAs to each ZP	₹ 8 lakh for 2006-07
3.	Tribal Development	1-FA & 1 RM to each ZP and 1-EO each to 2 ZPs	₹ 15.30 lakh for 2006-07
4.	Rural Development	1-EO, 1-UDC/Acctt., 1-LDC to each ZP & 1 Panchayat Secy to 165 GPs	₹ 2008.40 lakh for 07-08 ₹ 2591.68 lakh for 08-09 ₹ 3113.66 lakh for 09-10
5.	Science & Technology	Not transferred	₹ 40 lakh for 2006-07 ₹ 40 lakh for 2007-08 ₹ 50 lakh for 2008-09
6.	Vetinary & Animal Husbandary	1-FA/Comp Assistant to each ZP	Not transferred

¹ Source: Meeting records issued by Manipur Civil Secretariat Planning Dept. on 24-4-2009.

7.	Social welfare	2 Gram Sevikas to each ZP	Not transferred
8.	Minor irrigation	1 RM/1 Pump Operator to each ZP	Not transferred
9.	Agriculture	1-AEO(Agri) & 1 VEO to each ZP	Not transferred
10.	Industries	1-EO(Ind) to each ZP	Not transferred
11.	Co-operation	1-Sub Registrar to each ZP	Not transferred
12.	Transport	Not transferred	Not transferred
13.	Health	Not transferred	Not transferred
14.	Arts & culture	Not transferred	Not transferred
15.	Family welfare	Not transferred	Not transferred
16.	Education(schools)	Not transferred	Not transferred

1.5 Creation of database on finances

The Eleventh Finance Commission (EFC) recommended that a database on finances of PRIs should be developed at the district, State and Central Government levels and should be made easily accessible by computerization and linking it through Very Small Aperture Terminal (V-SAT). The data were to be collected and compiled in standard format prescribed by C&AG of India .

During 2000-05, the State Government received ₹ 938.57 lakh under the EFC Award, out of which a sum of ₹175.82 lakh was earmarked for creation of database. However, the State Government released ₹ 46.86 lakh for creation of database and ₹ 19.92 lakh for maintenance of accounts to PRIs. Further, the State Government released ₹ 1,272.60 lakh to PRIs under the Twelve Finance Commission (TFC) Award with the allocation of ₹ 199.92 lakh for database and ₹ 26.40 lakh for maintenance of accounts up to the release of 2nd installment for the year 2007-08(Feb.2009).

Test check of records maintained in 4 ZPs and 12 GPs revealed that the fund were not utilized for the purpose for which it was released. Major portion of the fund earmarked for creation of database and maintenance of accounts under EFC and TFC awards was diverted towards other office expenses such as purchase of stationary, furniture, extension of building etc. The computers purchased for creation of database were found not operated by all PRIs, due to lack of staff with computer knowledge and their accounts were maintained in conventional forms.

1.6 Sources of revenue

There are mainly two sources of revenue for PRIs viz. (i) Government grants and (ii) Own resources.

Under Sections 40(1) and 70(1) of the Manipur Panchayati Raj Act, 1994, PRIs may levy taxes, rates and fees etc. under prescribed conditions. Despite the provisions as stated above, PRIs had neither generated any revenue of their own nor taken up any steps for mobilization of revenue. They solely depended for their revenue on external sources i.e., grants received from the State and the Government of India (GoI). (Details of fund released at **Appendix-II & III**).

For execution of various development works in PRIs, the GoI and the State Government provide fund in the form of grants. The fund of PRIs are received from the following sources:

- Grants assigned to the PRIs under the recommendations of the EFC and TFC.
- Devolution of prescribed rate of net proceeds of total tax revenue of the State Government on the recommendations of the Second SFC.
- Fund remitted by the respective departments for the functions transferred to PRIs.

The revenue received by the PRIs during 2004-05 to 2008-09 are as follows:

Source of revenue		Amount (₹ in lakh)				
		2004-05	2005-06	2006-07	2007-08	2008-09
Central Government Grants	GOI share of CSS directly released to DRDA (SGRY, NREGS)	805.11	1573.72	1440.76	1237.79	6360.02 ² 487.59* ³
	Additional Central Assistance and FC grants released through State Budget (EFC, TFC)	307.04	211.60	211.60	635.53	425.53
	Total	1112.15	1785.32	1652.36	1873.32	7273.14
State Government Grants	Honarium/Salary Grants	761.74	1227.91	90.72	91.23	86.47
	Other Grants (SFC)	Nil	Nil	Nil	Nil	2008.40
Grants (Head-2515-ORDP)	State share of CSS(SGRY, NREGS)	310.14	498.95	295.98	464.91	43.69 ²
	Total	1071.88	1726.86	386.70	556.14	2138.56
Grand total (Grants received from Central and State Government)		2184.03	3512.18	2039.06	2429.46	9411.70
Own Source of Revenue (OSR)	Gram Panchayat	Nil	Nil	Nil	Nil	Nil
	Zilla Parishad	Nil	Nil	Nil	Nil	Nil
Total		Nil	Nil	Nil	Nil	Nil
Total revenue from all sources (Government Grants + OSR)		2184.03	3512.18	2039.06	2429.46	9411.70

The Receipt and Expenditure as per the Finance Accounts, Government of Manipur under Major Head "0515"-Other Rural Development programmes and MH "2515"-Other Rural Development programmes, 101-Panchayati Raj from 2003-04 to 2008-09 are given below:

² NREGS fund (Audit of NREGS fund could not be taken up during the period under report)

³ Fund transferred from SGRY to be merged with NREGS fund.

Receipt (MH-0515)		Expenditure (MH-2515)- 101Panchayati Raj		
Year	Amount (₹)	Non Plan (₹ in lakh)	Plan (₹ in lakh)	Total (₹ in lakh)
2003-04	12,077	221.86	249.71	471.57
2004-05	95,749	569.13	47.31	616.44
2005-06	Nil	534.40	71.28	605.68
2006-07	12,331	707.85	71.31	779.16
2007-08	Nil	2571.55	82.95	2654.50
2008-09	Nil	3403.09	70.90	3473.99

1.7 Flow of fund under EFC, TFC and SFC grants

The State Government released EFC and TFC grants received from GoI to PRIs from time to time in addition to SFC grants. Funds are allocated to ZPs and GPs by the Commissioner, Department of Rural Development & Panchayat Raj (RD&PR), Government of Manipur.

1.7.1 EFC awards (2000-05)

EFC made recommendations on the measures needed to augment the Consolidated Fund of the States to supplement the resources of panchayats. EFC grants would be used to finance the maintenance of civic services in rural areas which include provisions of primary education, primary health care, safe drinking water, sanitation, street lighting, public conveniences etc and a portion of the grant was provided for maintenance of the accounts, audit and development of database.

As per recommendations of EFC, the Ministry of Finance, Government of India released grants for PRIs to the State Government as under:

Year	(₹ in lakh)	
	Grant released by GOI ⁴	
2000-01	187.72	
2001-02	563.15	
2002-03	Nil	
2003-04	187.70	
2004-05	Nil	
Total	938.57	

⁴ Source: GoI, MoF letter No.12(16)/FCD/2000 dt.20-1-2005.

During 2000-05, a total amount of ₹511.05 lakh was sanctioned by the State Government being grant-in-aid to PRIs under EFC Award and the amount was allocated as follows⁵:

(₹ in lakh)

Name of PRIs	2000-01	2001-02	2002-03	2003-04	2004-05
Imphal East ZP	Nil	Nil	Nil	10.56	15.63
Imphal west ZP				7.73	11.00
Thoubal Z P				8.37	12.32
Bishnupur ZP				4.93	7.10
165 GPs				172.41	261.00
Total				204.00	307.05

During 2000-01 to 2002-03 no EFC fund were released by the State Government to PRIs. As of 31st March 2009, the State Government furnished utilization certificates for the following amounts⁶:

(₹ in lakh)

(a) For maintenance of accounts	19.92
(b) For creation of data base	46.86
(c) For maintenance of civic services	444.27
Total:	511.05

1.7.2 TFC awards (2005-10)

The position of receipt and release of TFC grants during 2005-06 to 2007-08 (February, 2009) were as under:

Particulars	PRIs		
	Amount (₹ in lakh)	Date of receipt	Date of release to PRIs by the State Government
1. Grants received from the centre			
1 st Installment 2005-06	211.60	08-03-06	29-03-06
2 nd Installment 2005-06 and 1 st Installment 2006-07	423.20	12-02-07	24-02-07
2 nd Installment 2006-07	211.60	18-07-07	01-10-07
1 st & 2 nd Installments 2007-08 (Released up to 31 st March, 2009)	423.20	Information not available	23-02-09
2. Interest on the period of delay on distribution of			
a) 1 st Installment 2005-06	0.73	NA	24-02-07
b) 2 nd Installment 2006-07 (Released up to 31st March, 2009)	2.33	NA	24-09-08
Total TFC grants released to PRIs(1+2)	1272.66		

NA- Not applicable

⁵ Source: Department of Rural Development and Panchayat Raj, Government of Manipur.

⁶ Source: State Finance dept. letter No.6/5/2005-FC(II) dt.27-11-2008

The detailed allocations of grants released to local bodies under award of TFC were as follows⁷:

(₹ in lakh)	
a) For maintenance of accounts	26.40
b) For data base	199.92
c) For O&M cost of water supply and sanitation	1046.34
Total TFC Grants allocated to PRIs	1272.66

Fund of TFC Awards were to be utilised for repairing /rejuvenation and also meeting the O&M cost of the water supply and sanitation assets taken over by the PRIs and on maintenance of accounts and creation of database. Further as envisaged in para 6.1 and 6.4 of the TFC guidelines, the State Government is mandatorily required to transfer the grants released by the GoI to PRIs within 15 (fifteen) days of the same being credited to the State's accounts. In case of delayed transfer of fund to PRIs, interest at the rate equal to the RBI rate is chargeable. Of the 3 (three) installments released during March 2006 to October 2007, the delay was ranging from 22 to 75 days for which interest calculated at RBI rate was released by the State Government to the PRIs.

In all cases of PRIs test audited, computers purchased for creation of database were used only for typewriting purposes and fund allocated for water supply and sanitation was diverted to other purposes viz construction of crematorium sheds, cleaning of drains etc. were observed.

1.7.3 SFC Grant

The report of the Second Manipur SFC covering a period of five years beginning from 1st April 2001 was passed in the State Legislative Assembly during December 2005. The State Government decided to extend the recommendations of the Second SFC upto the period of 31-03-2010. An amount of ₹ 2,0.08 crore was released by the State Government to PRIs as Grant-in aid under Second SFC Award for the year 2008-09 is as under:

(₹ in lakh)		
Sl.No	Name of PRIs	Amount
A	Zilla Parishad	
(i.)	Imphal East Zilla Parishad	87.03
(ii.)	Imphal West Zilla Parishad	59.08
(iii)	Thoubal Zilla Parishad	93.63
(iv)	Bishnupur Zilla Parishad	61.52
	Total	301.26
B.	Community Development Block	
(i)	Imphal East-I CD Block	218.50
(ii)	Imphal East-II CD Block	222.52

⁷ Source: State Govt. F.D letter No.6/5/2005-FC(ii) Dt.4-12-2008

(iii)	Jiribam CD Block	52.18
(iv)	Imphal West-I CD Block	232.42
(v)	Imphal West –II CD Block	102.33
(vi)	Thoubal CD Block	354.55
(vii)	Kakching CD Block	176.03
(viii)	Bishnupur CD Block	178.04
(ix)	Moirang CD Block	170.57
	Total	1,707.14
	Grand Total	2,008.40

The Second SFC had *inter alia* recommended the following:

- Transfer of functions and responsibilities to local bodies;
- The principles of devolutions of fund and grants to local bodies;
- Power of levy of taxes and fees including enhancement of rates;
- Transfer of staff and administrative control thereof, necessary for performing assigned functions and
- Making the local bodies representatives in character by holding timely and regular elections.

1.8 District Planning Committee (DPC)

Under Section 96 of the Manipur Panchayati Raj Act, 1994 the Government should constitute a District Planning Committee (DPC) in each district to consolidate the plans prepared by the Zilla Parishad, Gram Panchayats in the district and to prepared a draft development plan for the district as a whole. As per Manipur Panchayati Raj (Amendment) Act, 1996, the Adhyaksha of the ZP shall be the Chairman of the DPC and he was to forward the development plan as recommended by the DPC to the Government.

The State Government has issued orders for constituting DPCs in all the four valley districts of Manipur in August, 1997 (Thoubal and Bishnupur) and May, 2003 (Imphal East and West). The test audit of the PRIs revealed that none of them submit their plan proposals to DPC for consolidation. The DPCs did not prepare and submitted the District Development Plan to the State Government as envisaged.

1.9 Audit Arrangement

In terms of Section 44(1) and Section 74(1) of the Manipur Panchayati Raj Act, 1994, the Director, Local Fund Audit (DLFA) acts as Primary Auditor of all the two tiers of PRIs. However, no audit of PRIs was conducted by the Director, Local Fund Audit so far. The Comptroller and Auditor General of India (C&AG) conducts audit of these institutions under Section 14 & Section 20 (1) of the C&AG's (DPC) Act, 1971. It is worth to mention that in pursuance of the recommendations of the EFC, the State Government in August 2005, entrusted

the Technical Guidance and Supervision (TGS) over the audit of PRIs to the Comptroller and Auditor General of India (C&AG) under Section 20 (1) of the C&AG's (DPC) Act, 1971.

1.10 Audit coverage

Test audit of the accounts of all the four ZPs for the period from 01-04-2003 to 31-03-2009 and for the 12 GPs for the period from 1-04-2003 to 31-03-2008 were conducted from October 2006 to March 2009.

1.11 Lack of Internal Control Mechanisms

1.11.1 Non-maintenance of records

As per Section 43 and Section 73 of the Manipur Panchayati Raj Act, 1994(Act No.26 of 1994), PRIs shall keep their accounts in such form and manner as may be prescribed. It shall be mandatory for each PRI to prepare and maintain following books of records and statements in the prescribed form:

- (i) Grants-in-aid Register;
- (ii) Budget;
- (iii) Cash Book;
- (iv) Monthly/Annual Receipts and Payments Accounts;
- (iv) Monthly Reconciliation Statement;
- (v) Register of Movable/Immovable assets and
- (vi) Inventory Register.

Further, vide Para 6.1 of SGRY guidelines, each PRI should independently prepare and approve, an Annual Action Plan equivalent in value of about 125 *per cent* of its share of fund allocated in the preceding year, before the beginning of each financial year. No work can be taken up unless it forms part of the Annual Action Plan.

Similarly, 22.5 *per cent* of the annual allocation under SGRY should be earmarked for individual beneficiary schemes of SC/ST families living below the poverty line (BPL) for which BPL register as well as employment register to be maintained.

Test-check of the 4 (four) ZPs⁸ and 12 (twelve) GPs⁹ revealed non-maintenance of the following records:

⁸ ZPs:- Imphal West, Imphal East, Bishnupur & Thoubal.

- Annual Action Plan and Budget;
- Monthly/Annual financial statements and Balance sheet;
- Bank reconciliation statements;
- Appropriation Register;
- Asset Register for movable and immovable properties;
- Stock and issue Register;
- BPL Register;
- Employment Register and
- Grants-in-aid Register (except Imphal West ZP and Nachou GP).

Due to non-maintenance of accounts, statements/records and poor maintenance of Cash Book, the financial as well as asset positions of the PRIs could not be stated to audit.

1.11.2 Non-reconciliation of Bank Balances

Bank Reconciliation is a procedure which aims at reconciling the bank balance as shown in the Cash Book of the PRIs with the bank balance as per the Pass Book/Statement received from the bank. The bank reconciliation should be carried out on a monthly basis or at such other shorter time intervals as the PRIs may decide.

Test-check of the records of 4 (four) ZPs and 12 (twelve) GPs revealed none of the PRIs prepared monthly and yearly bank reconciliation statements in spite of finding differences in bank balances shown in the cash book and bank statements. In case of Imphal West ZP, the cash balance as on 31-03-2009 as per Bank Pass Book (SBI, Imphal Secretariat Branch, account No. 10329731615) was ₹ 43.61 lakh. However, due to non-maintenance of Cash Book, the difference between the Pass Book figure and the Cash Book figure could not be worked out and reconciled.

1.11.3 Non-adoption of prescribed Accounting Formats and Accounting system

The State Government vide its letter No.15/1/2001-FB (Audit) dt.21-6-2002 accepted the format of accounts prescribed by the C&AG of India. However, test check of records of selected PRIs revealed that none of the PRIs kept accounts in the formats prescribed by the C&AG.

⁹ 12 GPs:- Utlou, Sanjenbam Pukhrabam, Leimapokpam ,Ishok ,Irengbam, Keinou, Ngaikhong Khullen, Toubul, Nachou, Thinunggei, Khoijuman Kwasiphai, Phubala.

1.11.4 Non-maintenance of Main Cash Book and deficiencies in the maintenance of Cash Book

Test check of the records of three ZPs (Bishnupur, Imphal East & Thoubal) revealed non-maintenance of Main Cash Book to accommodate all the monetary transactions including those taking place in the Subsidiary Cash Books maintained for specified grants. In Bishnupur ZP, only one SGRY cash book was maintained incorporating even the transactions of the grants received under EFC award. The Classification of accounts were also not available in the Cash Book.

1.11.5 Non-production of records of EFC Awards amounting to ₹20.69 lakh

The Government of Manipur issued sanctions for allocation of fund of ₹8.37 lakh in August 2003 and ₹12.32 lakh in March 2005 of EFC Award for Thoubal ZP.

The Thoubal ZP however, could not produce the relevant documents of cash book, bank pass book, bills for payments, work list etc. for scrutiny of the receipt and expenditure of the said award. The matter was referred to the Government vide letter No.LBAA(M)/1-8/Audit Notes/TZP/07-08/192 dt. 6-01-2009. Reply is still awaited (December, 2010).

1.11.6 Non-formation of Beneficiary Committee

The CEO, Imphal East ZP has accorded administrative approval of ₹ 9.74 lakh in its order in April 2005 under EFC for 38 works comprising of improvement of Primary Schools-₹ 4 lakh, Singling of Lanes- ₹ 2.24 lakh, Water supply and Sanitation – ₹ 0.58 lakh, Repairing of Dispensary Buildings- ₹ 0.49 lakh and Other Miscellaneous works- ₹ 2.44 lakh which were to be executed by the Assistant Engineer of the ZP by forming a Beneficiary Committee for each and every work. However, no Beneficiary Committee was constituted and the works were executed by the individual contractors/agents in violation of CEO, Imphal East ZP's order dated 01.04.2005.

1.11.7 SGRY grants released and received not tallied

Grants of ₹ 1.31 crore (₹ 74.67 lakh in cash and ₹ 56.27 lakh in rice) was released to Bishnupur Zilla Parishad (BZP) under SGRY during 2005-2006 as per available records of DRDA, Bishnupur. However, SGRY Cash Book maintained in Bishnupur ZP revealed a receipt of ₹ 68.21 lakh only during the said period.

In course of scrutiny of records maintained in BZP, the following irregularities were observed:

- (i) Under Para 2.2 of the SGRY guidelines, food grains should be given as a part of wages under SGRY programme to the rural poor at the rate of 5 kg per manday. However, in separate 11 (eleven) cases, rice component amounting to

₹ 4.09 lakh was issued at free of charge in addition to full cash payment of wages as below.

SL No.	Names of beneficiary Secretaries	Work order No.& date of BZP	Estimated cost of work for which final bill paid of the amount (₹)	Value of Rice issued in addition @₹ 720 per bag	Excess payments corresponding to the value of rice issued
1.	Rahaman	No.7/SGRY/ZP/05 dt.26-7-05	25,000	₹ 1,00,288.8 (139.29 bags)	₹ 1,00,288.8
2.	Md. Amens	-do-	50,000	₹ 56,584.8 (78.59 bags)	₹ 56,584.8
3.	Md. Khan	-do-	25,000	₹ 28,288.8 (39.29 bags)	₹ 28,288.8
4.	I. Shyamkishore	-do-	40,000	₹ 45,266.4 (62.87bags)	₹ 45,266.4
5.	L. Gulumano	-do-	15,000	₹ 17,568.0 (24.40 bags)	₹ 17,568.0
6.	Ch. Manihar Singh	-do-	20000	₹ 22,629.6 (31.43 bags)	₹ 22,629.6
7.	M. Shyamkumar	-do-	20,000	₹ 22,629.6 (31.43 bags)	₹ 22,629.6
8.	K. Dhneswor Singh	-do-	15,000	₹ 16,970.4 (23.57 bags)	₹ 16,970.4
9.	H. Guneswor Singh	-do-	35,000	₹ 40,989.6 (56.93 bags)	₹ 40,989.6
10.	L. Loken Singh	-do-	20,000	₹ 23,421.6 (32.53 bags)	₹ 23,421.6
11.	Sh.Gopeswor Singh	-do-	30,000	₹ 33,951 (47.15 bags)	₹ 33,951
Total					₹ 4,08,588.6

The matter was informed to the concerned authority for recovery of excess payment of ₹ 4.09 lakh vide letter No. LBAA(M)/1-8/Audit Notes/BZP/07-08/18-21 dt.22-4-08.

(ii) As per scheme guidelines, the works are to be implemented departmentally only. Contractors are not permitted to be engaged for execution of any of the works under the programme. Further, no middleman or any other intermediate agency should be employed for execution of the works under SGRY programme vide Para 5.16.1. of the guideline. However, in violation of the guidelines, work orders were issued to agencies like Beneficiary Secretaries with substantial amounts as works advance.

(iii) Para 6.1 of the scheme guideline envisaged for an Annual Action Plan equivalent in value of about 125 *per cent* of its share of fund allocated in the preceding year. No work can be taken up unless it forms part of the Annual Action Plan. The exercise of approval of Annual Action Plan should be completed by the end of February of the preceding year. However, no Annual Action Plan was prepared by the BZP.