

## CHAPTER-VI

### IMPLEMENTATION OF SCHEMES

ULBs were assigned the implementation of various Central/State sponsored development schemes during the period under audit. Various irregularities including blockade of Government funds, infructuous expenditure, irregular engagement of contractors, diversion of Government specific grants and other shortcomings in the implementation of the schemes were noticed during audit which are described in the subsequent paragraphs. These were indicative of poor planning and lack of monitoring by the respective ULBs.

#### 6.1 Incomplete Civil Works

186 civil works taken up by 15 ULBs during 2002-09 were not completed within the time frame resulting in blockade of Rs 7.21 crore.

State Government released non-recurring Grants & Loans for various schemes of construction/renovation of roads, drains, drilling of tube wells, water supply schemes etc. during 2002-09. During audit, it was noticed that 186 schemes taken up by 15 ULBs during 2002-09 remained incomplete till December 2009, although a sum of Rs 7.21 crore, as detailed below, was spent on these schemes:

**Table-34**

(Rs in lakh)					
Sl. No.	Name of ULBs	Position as of 31 March	No. of pending works	Estimated expenditure on incomplete works	Expenditure incurred on incomplete works
1.	Ranchi	2009	32	10880.35	32.50
2.	Dhanbad	2009	44	148.57	43.97
3.	Giridih	2008	17	145.20	111.95
4.	Chatra	2008	17	117.66	92.58
5.	Chas	2009	03	245.06	191.68
6.	Chakradharpur	2009	07	29.97	19.67
7.	Simdega	2009	05	71.09	41.08
8.	Godda	2008	04	66.92	20.99
9.	Mango	2008	03	18.11	10.20
10.	Jamtara	2009	04	27.01	7.27
11.	Saraikeela	2008	22	52.07	27.07
12.	Basukinath	2008	07	111.13	51.45
13.	Jasidih	2008	03	12.13	8.30
14.	Kharsawan	2008	04	12.50	6.78
15.	Chirkunda	2008	14	65.44	55.10
<b>Total</b>			<b>186</b>	<b>12003.21</b>	<b>720.59</b>

The said works remained incomplete even after lapse of considerable period beyond the scheduled date of completion. The execution of the works was delayed due to improper planning, constraints of funds and lack of monitoring by the ULBs.

Failure in completing the works within the stipulated dates not only deprived the local people of the intended benefits but also caused blockade of funds of Rs.7.21 crore. Reasons for non-completion of these pending works were not stated.

A few major works of higher money value were examined in detail and findings are discussed in the succeeding paragraphs.

## 6.2 Diversion of specific Grants and Loans

Three ULBs diverted Rs 0.81 crore sanctioned for specific purposes towards payment of salary to staff.

Under Rule 14 A of Bihar Municipal Accounts Rules, 1928, any grant made by the Government for specific purpose should not be spent for any other purpose. Further, under Section 89 of the JMA, 2000, unspent balance of Government loan for specific purpose should not be appropriated even temporarily for any other purpose. However, in contravention of the above instructions of the Government, three ULBs, as detailed below, diverted Rs 1.23 crore towards payment of salary to staff during 2007-08:

**Table-35**

(Rs in lakh)

Sl. No.	Name of ULBs	Period	Purpose of Fund	Amount diverted	Amount refunded	Amount remained diverted
1.	Hazaribagh	2007-08	(i) VAMBAY *	54.70	27.92	26.78
			(ii) MLA Fund	21.32	9.68	11.64
			(iii) Construction of Distt Science Centre	6.39	Nil	6.39
			(iv) Self financed scheme	9.49	4.76	4.73
			<b>Sub Total</b>	<b>91.90</b>	<b>42.36</b>	<b>49.54</b>
2.	Giridih	2007-08	(i) MP/MLA/ Zila Yojna Fund	6.64	Nil	6.64
			(ii) VAMBAY *	19.02	Nil	19.02
			<b>Sub Total</b>	<b>25.66</b>	<b>Nil</b>	<b>25.66</b>
3.	Godda	2007-08	Construction of Roads	5.35	Nil	5.35
<b>Grand Total</b>				<b>122.91</b>	<b>42.36</b>	<b>80.55</b>

\*Valmiki Ambedkar Malin Basti Awaz Yojna

Of Rs 1.23 crore, Rs 0.42 crore was refunded to the concerned Head. Thus, a sum of Rs 0.81 crore remained diverted (March 2009). Due to the diversion of above funds, physical targets of the schemes concerned could not be achieved.

### 6.3 BLOCKING OF GOVERNMENT FUND

#### 6.3.1 Blockade of Government Fund of Rs 3.03 crore received for specific purposes.

Government Fund of Rs 3.03 crore received for specific purposes was blocked for two to seven years in six ULBs.

A sum of Rs 3.03 crore as detailed below, received for specific purposes viz. Modern Bus Stand, Sabji Hat, Market etc. during the period 2001-07 by six ULBs remained unutilized as on 31 March 2009:

**Table-36**

(Rs in lakh)									
Sl. No.	Name of ULBs	Purpose	Year of receipt	Grant received	Loan received	Total	Actual expenditure	Balance	Remarks
1	Godda	Construction of Slaughter house	2001-02	9.34	-	9.34	1.52	7.82	Work was not completed although started and Rs 1.52 lakh incurred on it (September 2009)
2.	Simdega	(i) VAMBAY	2004-05	60.00	-	60.00	Nil	60.00	Nothing has been initiated as yet
		(ii) Construction of Market	2006-07	97.88	-	97.88	Nil	97.88	Nothing has been initiated as yet
				<b>Sub Total</b>		<b>157.88</b>		<b>157.88</b>	
3.	Mango	(i) Construction of Sabji Hat	2005-06	-	41.78	41.78	Nil	41.78	Tender was invited for temporary Sabji Hat on the bank of Swarnrekha river, (Estimate Rs 56.97 lakh) instead of Permanent Sabji Hat (Estimate 98.76 lakh) and the work entrusted to M/s Suresh Kumar Constructions and expenditure of Rs 5.75 lakh only was incurred whereas (Rs 98.76 lakh - Rs 56.97 lakh) Rs 41.78 lakh was blocked for more than three years.
4.	Basukinath	(i) Construction of Sabji Market	2006-07	5.60	-	5.60	Nil	5.60	Work was allotted to contractor during 6/07 but could not be commenced due to encroachment of site.
		(ii) Construction of Rest house for pilgrimage	2006-07	11.88	-	11.88	Nil	11.88	Work was not commenced due to non-selection of site
				<b>Sub Total</b>		<b>17.48</b>	<b>Nil</b>	<b>17.48</b>	
5.	Jasidih	Construction of Bus Stand	2001-02	33.59	33.59	67.18	Nil	67.18	Work could not start due to non-allotment of land by Circle Officer and Deputy Commissioner, Deoghar, although Consultants and Developers, India Patna was appointed as consultants by the NAC (February 2003) for preparation of Map and Project Report which was submitted by the consultant and was paid 0.15 lakh against 0.92 lakh. After that nothing has been initiated as yet (June 2009)
6	Chirkunda	Construction of drains	2002-03	10.58	-	10.58	Nil	10.58	Work was cancelled during 2002-03 and since then nothing was initiated as yet
<b>Grand Total</b>						<b>304.24</b>	<b>1.52</b>	<b>302.72</b>	

The aforesaid funds were released by the Government without ensuring proper planning and ascertaining the requirement of the cities. Even after lapse of two to seven years of the sanction/ release of the funds, no fruitful action/initiation had been taken by the ULBs for implementation of the schemes. Thus, the Government fund was blocked for years and public were deprived of the benefits of the schemes.

### **6.3.2 Blockade of Government Grant of Rs 53.65 lakh at Hazaribagh**

Government Grant of Rs 53.65 lakh received for construction of Marriage Hall and Dharmshala at Hazaribagh was blocked for more than two years.

The State Government sanctioned and released Rs 53.65 lakh to Hazaribagh Municipal Council as grant for construction of Marriage Hall & Dharmshala at old bus stand, Hazaribagh. Tender was invited in March'07 (26.03.07) which was to be opened on 17.04.2007 but the same was postponed on 13.04.2007 due to non-approval of BOQ by Chief Engineer, Technical Cell, UDD. Tender was opened on 14.08.2007 before the District Level committee but the same could not be disposed off and was sent to UDD for disposal. On 05.09.2007, UDD informed Hazaribagh Municipal Council that tender would be disposed by a District Level tender committee but the same was not disposed at the district level and again on 08.12.07, Dy. Commissioner requested UDD for disposal of tender. UDD was again requested for disposal of tender by Hazaribagh Municipal Council on 17.04.2008 and 23.06.2008 but the same was not disposed off by UDD and nothing could be done for construction of Marriage Hall & Dharmshala (May'09). Thus, the amount of Rs. 53.65 lakh remained blocked for more than two years defeating the intended objective of the grant. The situation was clearly the result of poor planning and lack of accountability both at the local as well as Government level.

### **6.3.3 Government fund of Rs 3.48 crore of water supply scheme lying unspent since long at Mango**

Of Rs 3.70 crore transferred to the Drinking Water and Sanitation Department for water supply scheme, only Rs 22.11 lakh was utilized.

Against the estimate of Rs. 44.02 crore for Mango Urban Water Supply, Government of Jharkhand sanctioned (March 2007) Rs. 3.70 crore (Grant -Rs 0.92

crore and Loan -Rs 2.78 crore) for preliminary work and transferred (May 2007) the fund to Executive Engineer (EE), Drinking Water & Sanitation Department, Jamshedpur through Mango NAC.

Scrutiny of records revealed that out of Rs 3.70 crore, only Rs 22.11 lakh (6 per cent) was utilized (July 2009) by the EE, leaving a balance of Rs 3.48 crore. Thus, the huge amount was lying unspent since more than two years, depriving the beneficiaries of the intended benefits. Clearly, the concerned ULB did not pursue/monitor the scheme properly.

#### **6.3.4 Non-execution of schemes under Jawaharlal Nehru National Urban Renewal Mission at Ranchi**

The purpose of JNNURM was defeated as the Grant of Rs 148.80 crore remained unutilized.

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched by GOI on 3<sup>rd</sup> December 2005 with the objectives of:

- Focused attention to integrated development of basic services to the urban poor;
- Security of tenure at affordable price, improved housing, water supply, sanitation;
- Convergence of services in fields of education, health and social security;
- As far as possible providing housing near the place of occupation of the urban poor;
- Effective linkage between asset creation and asset management to ensure efficiency;
- Scaling up delivery of civic amenities and provision of utilities with emphasis on universal access to urban poor;
- Ensuring adequate investment of funds to fulfill deficiencies in the Basic Services to the Urban Poor

The other features for implementation of the mission are as under:-

- The duration of the mission would be seven years from 2005-06.
- The State Government and the ULBs will be required to execute a MOA with Government of India indicating their commitment to implement the identified reforms.
- There would be a central sanctioning and monitoring committee in the Ministry of Housing and Urban Poverty Alleviation for sanctioning of the projects.

- The Scheme would be implemented through a State Level Nodal Agency designated by the State Government.

JNNURM comprises two sub-missions:

### **1) Urban Infrastructure and Governance**

Main Components of Urban Infrastructure and Governance (UIG) are:

- Renewal of sewerage/drainage/solid waste disposal system.
- Water supply and solid waste management.
- Urban Transport.

The status of UIG, being implemented by Ranchi Municipal Corporation for Ranchi, was as below:-

#### **Solid Waste Management**

The following are the objectives of Solid Waste Management (SWM) under JNNURM:

- (i) To restructure and modernize the existing solid waste management system of the city.
- (ii) To mount a process of awareness generation among the community of basic waste management and environment improvement issues.
- (iii) To strengthen the institutional capacity.
- (iv) To establish socially acceptable, technically feasible, operationally sustainable and financial viable SWM.

The Urban Development Department, Government of Jharkhand released a sum of Rs 10.28 crore in March 2009 to Ranchi Municipal Corporation. Prior to this, M/s MSV International Inc. USA was selected to provide consultancy service for preparation of DPR on SWM at a cost of Rs 9.79 lakh with the stipulation to submit DPR by December 2006. Final DPR was, however, submitted in September 2007 and a sum of Rs 8.34 lakh was paid as consultancy fee (February 2009). After February 2009, Rs 10.28 crore was received from Government through the Nodal agency. It was, however, noticed that even after preparation of DPR, neither the tendering process was initiated nor the scheme commenced. As a result, the entire grant of Rs 10.31 crore (including interest of Rs 3.00 lakh) remained unutilized and kept in bank.

Rs 10.31 crore  
received for  
Solid Waste  
Management  
remained  
unutilized at  
RMC

### Urban Transport System

With a view to strengthening and modernizing the public transport system, the Government sanctioned and released 1<sup>st</sup> instalment of grant for purchase of 100 buses for Ranchi city as detailed below:

**Table-37**

(Rs in crore)				
Sl. No.	Month/Year	State share	Urban body share	Central share
1	March '09	1.75	1.75	7.00
<b>Total</b>		<b>1.75</b>	<b>1.75</b>	<b>7.00</b>
<b>Grand Total</b>		<b>Rs 10.50 crore</b>		

The Central Sponsored Monitoring Committee approved 100 buses for the city in first phase at cost of Rs 17.50 crore with Central share (80%) and State and Urban Body share (20%) as detailed below:

**Table-38**

(Rs in crore)				
Sl. No.	Particulars	No. of buses	Cost in Rs lakh/Bus	Total cost
1	Semi low floor	20	22	4.40
2	Low floor, non-AC	10	54	5.40
3	Mini bus	70	11	7.70
				<b>17.50</b>

Rs 10.50 crore received for Urban Transport System at Ranchi remained blocked

Swaraj Mazda was selected for supply of mini buses with 24 and 32 seats at a cost of Rs 8.85 lakh and Rs 9.32 lakh per bus respectively whereas M/s Tata Motors Ltd was selected for supply of Non AC semi low floor buses at a cost of Rs 18.79 lakh per bus. For all transactions, Urban Mass Transit Company Ltd. was selected as consultant by the Government Accordingly, letter of acceptance cum purchase order was issued (June 2009) to M/s Tata Motors Ltd and M/s Swaraj Mazda for supply within 90 days. As per schedule, buses were to be supplied by September 2009 for plying in the city after necessary infrastructural arrangements. But till date (March 2010) neither infrastructural needs i.e. creation of public transport system, special purpose vehicle routes, nominating the agency/contractor for plying the buses, etc. had been completed nor buses plied in the city as per the agreement. Consequently, the entire grant of Rs 10.50 crore remained unutilized and kept in bank.

## **Water Supply Scheme**

The objectives of Water Supply Scheme under JNNURM are:-

- (iii) To fulfill domestic needs.
- (iii) To fulfill Institutional needs.
- (iii) To fulfill Public purposes such as street washing or street watering.

UDD entrusted the work of preparation of perspective plan and DPR to M/s Nano System Consultants Pvt. Ltd. (April 2006), selected as consultant for making DPR for Water Supply Scheme, at a cost of Rs 1.30 crore. An agreement was executed with the firm with the condition to submit DPR within 5 months from date of agreement (09.04.07). The consultant submitted final DPR in January 2008 which was approved by CSMC in March 2008. Against total demand of Rs 1.30 crore, RMC paid Rs 1.20 crore up to September 2009. Although initial work for tender was done by RMC, the scheme which was already delayed would now be executed by Drinking Water and Sanitation Department as per the orders of State Government.

Thus, the purpose of the scheme was defeated due to inordinate delay and poor planning. A total sum of Rs 72.10 crore was received from Government of India towards 1<sup>st</sup> installment for orientation of Water Supply Scheme under JNNURM (February 2009).

Rs 72.52  
crore received  
for Water  
Supply  
Scheme  
remained  
unutilized

The entire amount was kept in bank with accrued interest of Rs 42.05 lakh (October 2009). Thus, due to injudicious decision of RMC/Government, the entire grant remained blocked and people were deprived of the intended benefits.

## **2) Basic Services to the Urban Poor**

The following are the objectives of Basic Services to the Urban Poor (BSUP) under JNNURM:-

- (i) Integrated Development of slums through projects for providing shelter, basic services and other related civic amenities with a view to provide utilities to the urban poor.
- (ii) To secure effective linkages between asset creation and asset management



- (iii) To ensure adequate investment of funds to fulfill deficiencies in the Basic Services to the Urban Poor

The scheme is being implemented by RMC through Greater Ranchi Development Agency Limited (GRDA), the State level Nodal agency designated by the State Government.

Ranchi Municipal Corporation entered (June 2007) into an agreement with M/s Infrastructure professional Enterprises Pvt. Ltd for providing consultancy services for preparation of Detailed Project Reports for all identified projects covered under the BSUP at a cost of Rs 1.96 crore *plus* Service Tax @ 12.24%. The duration of the assignment was about 6 months.

A total of 101 slums with 15,369 households were identified by RMC for this scheme. Out of this, 60 slums with 8924 households at the project cost of Rs 248.38 crore were approved by the Government of India in 6 phases. The consultant submitted DPR of 60 slums and a sum of Rs 1.61 crore was paid (March 2009) to them, although the duration of the agreement was six months only i.e., up to December 2007.

Rs 55.47 crore received for providing Basic Services to the Urban Poor of Ranchi remained blocked

It was further noticed that the State Government, through Nodal Agency released Rs 55.14 crore (Rs 31.70 crore in April 2008 & Rs 23.44 crore in June 2009) as Central and State Grant for orientation of BSUP scheme at Ranchi for four phases. Though the tender for constructing dwelling units and development of infrastructure under BSUP was invited by RMC in May 2008, no further progress was made. Thus the scheme could not take off despite lapse of about three years and even after the expenditure of Rs 1.61 crore on consultancy. As a result, entire Government Grant of Rs 55.47 crore (including interest) remained blocked in the accredited Bank accounts (December 2009).

#### ***6.4 Undue favour to consultant and Irregular payment of Rs 52.00 lakh as consultancy fee at Hazaribagh***

Irregular appointment of consultant for preparation of Detailed Project Report for construction of Bye Pass/Ring Road at Hazaribagh resulted in irregular expenditure of Rs 52.00 lakh.

Urban Development Department, Government of Jharkhand agreed in principle for construction of Bye Pass/Ring Road in Hazaribagh town area and directed the DC, Hazaribagh for preparation of Detailed Project Report (DPR) (3.12.05). The

District level committee headed by the DC chose (20.12.05) M/s Smeatons Project Private Limited Ranchi, (SPPL) as consultant for preparation of DPR and the Letter of appointment was issued on 31.12.05 by the Special Officer, Hazaribagh Municipal Council. It was seen that the Memorandum of Agreement was executed with the Agency on 15.3.08 (after 26 months of appointment) and a sum of Rs 52.00 lakh was paid to the consultant during March and June 2008 as consultancy fee for preparation of the said DPR. Scrutiny of records revealed the following deficiencies in the award/execution of the work:-

- The appointment of M/s SPPL as consultant for preparation of DPR was made without floating tender in violation of the provisions contained under Rules 235 and 245 of Jharkhand Financial Rules as well as Rules 116 and 117 of BMA Rules, 1928. The Urban Development Department had directed (May 2005) that the consultancy work could only be awarded to a consultant after approval of existing State level 'Chayan Samiti' headed by the Secretary, UDD. The State Government further directed (March 2006) that selection of consultant would be done only after floating tenders. But these directions were also not followed by the Council while awarding consultancy work to M/s SPPL. Thus, by not floating the tenders, Hazaribagh Municipal Council not only violated the legal provisions but also extended undue favour to the Consultant.
- The Special Officer, Hazaribagh Municipal Council requested the State Government for approval of Consultant in February 2007 i. e., 14 months after the appointment of Consultant, but the State Government did not approve the appointment.
- As per the conditions of sanction letter of Grant for consultancy fee (March 2007), the payment of consultancy fee was to be made only after approval of Technical Committee of UDD. It was seen that the State Government released grant of Rs 54.00 lakh to the Council in the consultancy fee head (March 2007) and Hazaribagh Municipal Council made payment of Rs 52.00 lakh to the consultant after the Chief Engineer gave the concurrence (March 2008) for payment of 1% consultancy fee of Rs 52.00 lakh at technically approved estimate of Rs 52.07 crore.

Cross checking of records at UDD, however, revealed that the required meeting of the Technical Committee was not called by the Chief Engineer and the concurrence for payment of consultancy fee was given by the Chief Engineer himself in serious violation of Government directions. Moreover,

the DPR was also found to be faulty and as such, not approved when the payment was released to the consultant.

On this being pointed out by Audit, UDD confirmed (July 2009) the violation of the condition regarding approval of the Technical Committee before making payment to the consultant. Thus, Rs 52.00 lakh was irregularly paid to the consultant, whose appointment itself was irregular. The matter needs to be investigated from a vigilance angle.

#### **6.5 Non completion of construction/beautification of Park at Simdega**

The construction/beautification of Park at Simdega remained incomplete even after lapse of three years leading to infructuous expenditure of Rs 24.77 lakh.

The State Government released (September 2004) grant of Rs 20.72 lakh to Simdega Nagar Panchayat against estimated cost for construction of Park at Simdega. The work was awarded (December 2005) to the contractor at Rs 17.61 lakh, scheduled to be completed by 31 July 2006. But, the work could not be completed even after payment of Rs 12.27 lakh to contractor up to December 2007 (3rd Running account bill).

The State Government further released (March 2007) Rs 25.63 lakh for beautification of Park. The Committee headed by the DC, Simdega decided (February 2008) to implement the work departmentally in view of immediate utilization of fund. Accordingly, as per direction of the DC, Simdega, Rs 12.50 lakh was advanced to Rural Development Special Division, Simdega with the instruction to complete the work within the financial year 2007-08. It was observed in audit that neither the beautification work was completed till date (February 2010) nor details of utilization of advance of Rs 12.50 lakh made available.

Though, the State Government clearly instructed that schemes above Rs five lakh would not be executed departmentally, this scheme of Rs 25.63 lakh was decided to be executed departmentally in violation of Government instruction.

Thus, the release of the fund for beautification of Park by the State Government, even when the construction of park was not yet completed, was not only irregular but also indicative of weak internal control mechanism. As a result, on the one hand, advance of Rs 12.50 lakh was lying unadjusted and on the other, balance of the released fund of Rs 13.13 lakh remained unutilized. Moreover, on physical

verification, it was found that the construction/beautification work had since been damaged.



(Photos showing incomplete/damaged work of construction/beautification of Park at Simdega)



(Photos showing incomplete/damaged work of construction/beautification of Park at Simdega)

Thus, total expenditure of Rs 24.77 lakh on incomplete/damaged work was proved infructuous.

**6.6 Unfruitful expenditure of Rs 22.27 lakh on construction of Roads at Dhanbad**

Due to non release of fund in subsequent years to Dhanbad Municipality, 22 roads could not be completed resulting into unfruitful expenditure of Rs 22.27 lakh

Construction of 26 PCC roads was approved by the State Government at estimated cost of Rs 57.18 lakh in 2004-05. As first installment, Rs 28.59 lakh (Grant Rs 9.53 lakh and Loan Rs 19.06 lakh) was sanctioned and released by the Government (November 2004). Dhanbad Municipality started work of 22 roads at an estimated cost of Rs 49.23 lakh. Second installment of Rs 28.59 lakh (Grant Rs 9.53 lakh and Loan Rs 19.06 lakh) was sanctioned (March 2005) by the State Government at the fag end of the financial year and the amount could not be drawn by the Municipality from the Treasury. State Government did not release any fund in subsequent years for these schemes. As a result of this, all the 22 works of construction of PCC roads remained incomplete, and the expenditure of Rs 22.27 lakh became unfruitful.

#### ***6.7 Unfruitful expenditure of Rs 16.84 lakh due to abandonment of construction of Town Hall at Godda***

Splitting of work of construction of Town Hall in two parts to avoid technical sanction of higher authority led to its abandonment which ultimately resulted into unfruitful expenditure of Rs 16.84 lakh at Godda

The State Government sanctioned Rs. 25.00 lakh (October 2004) for construction of Town Hall at Godda against the estimate of Rs 31.44 lakh (Part-I) and Rs. 30.15 lakh (Part-II). Though, the estimated cost of both parts was Rs 61.55 lakh, technical sanction was accorded by Superintending Engineer, Rural Development, Special Division, Dumka (May 2005) who was empowered to give technical approval up to Rs 50.00 lakh only. Part-I of Town Hall consisted of Big Hall and Part-II consisted of front side of the Town Hall and electrification, Generator/AC and furniture of whole building. Due date of completion of Part –I was July 2006 and that of Part II was August 2007.

Audit scrutiny revealed that the work was executed through tender and Rs 5.00 lakh was spent up to March 2006 on Part-I and Rs 11.84 lakh till September 2009 on Part-II. Work of Part-I was executed up to ceiling and stopped (November 2006) as structure was not capable of taking load of roof and weight of beam. Executive Officer, Godda requested (June 2008) the Chief Engineer, Technical cell, Urban Development Department for sanction of change in structure i.e.

provision of two RCC Columns (Pillar) which would not effect the estimated cost. Chief Engineer, Technical Cell directed (September 2008) to prepare the design consisting of Primary beam & Secondary beam. It was stated by the Nagar Panchayat authority that there was no competent architect at Godda to design the same. No work was executed after April 2006 despite the expiry of a period of more than three years. Thus, the whole work was abandoned due to technical problem which arose due to split of work in two parts to avoid technical sanction of higher authority. Had technical sanction been accorded by the Chief Engineer who was empowered to grant technical sanction of the said work, the possibility of technical problem could have been avoided. Thus, the total expenditure of Rs 16.84 incurred on the work was proved unfruitful.

**6.8 Infructuous expenditure of Rs 10.15 lakh on purchase of Ditch Cleaning equipment and Road Sweeper at Dhanbad**

Ditch Cleaning equipment and Road Sweeper purchased at a cost of Rs 10.15 lakh at Dhanbad remained idle

The State Government sanctioned (January 2004) Plan Grant of Rs 33.25 lakh for purchase of seven items of cleaning equipments to Dhanbad Municipality. Those items included Ditch Cleaning Equipment (Rs 6.98 lakh) and Road Sweeper (Rs 3.17 lakh).

Ditch Cleaning Equipment and Road Sweeper were purchased as detailed below:

**Table-39**

(Rs in lakh)

Sl. No.	Name of equipment	Name of firm	Voucher No. & date	Amount
1.	Ditch Cleaning Equipment	M/s APEE Automobiles	485/26.10.04	6.98
2.	Road Sweeper	Ltd., Ranchi	488/26.10.04	3.17
<b>TOTAL</b>				<b>10.15</b>

It was noticed in Audit that the Ditch Cleaning Equipment was not used at all and was lying idle in the open premises of the Municipality and converting into scrap. It was stated by the Executives that this machine had no utility in Dhanbad Municipal area, as there were no such big drains in the area where this machine



could be utilized. Reason for purchase of machine which had no utility in the Municipal area was not stated to audit as the Government itself released the said funds without ascertaining the actual requirement of the city.

Further Road sweeper could not be used properly as (i) it created huge dust on roads resulting in public protest (ii) there were only a few plain roads in the municipal area. As such this road sweeper was also lying idle.

Thus, the total expenditure of Rs 10.15 lakh incurred on purchase of these machines proved infructuous and wasteful. Responsibility needs to be fixed for the purchase of Ditch Cleaning Equipment and Road Sweeper which was not usable.



(Photo of Road Sweeper lying idle in the Municipality premises)



(Photo of Ditch Cleaning Machine lying idle in the Municipality premises)

### **6.9 Unfruitful expenditure of Rs 6.54 lakh on construction of Indira Park at Giridih**

The construction of Indira Park at Giridih was not completed even after lapse of more than three years resulting into infructuous expenditure of Rs 6.54 lakh

The work of construction of Indira Park near Whitti Bazar at Giridih was assigned to M/s Maa Durga Construction at an estimated cost of Rs 14.69 lakh under the supervision of Sri K.K.Yadav, JE. As per agreement, the work was to be commenced from 10.11.05 and completed within six months i.e by 10.5.06. The work was started (May 2006) and a sum of Rs 2.75 lakh was paid as advance to the contractor against the value of work done (May 2006). In November 2007, the JE inspected the site and revised the estimate for which technical sanction was also accorded for Rs 14.65 lakh. Accordingly, fresh agreement was executed and the contractor was given extension of time for completion of the work by 31.1.08. After then, the JE reported that the work was progressing at a very slow rate, although, the Special Officer directed the contractor to complete the work by 29.2.08. Last measurement up to 3<sup>rd</sup> on account bill was recorded on 20.2.08 and after lapse of eight months, the Special Officer directed the contractor to measure the total value of work done by 11.11.08. However, the contractor neither took any action nor reported the office for his failure in taking measurement.

Although, the date of completion of the work was extended from 10.5.06 to 29.2.08, still the work was not completed. Against the estimated cost of Rs 14.65 lakh, the value of work done was Rs 6.54 lakh only. Reasons for non-completion of the work even after issuing several reminders and extension of time up to February 2008, was not furnished to audit. It was also noted that originally only 6 months time was allotted for completion of work but extension was given for 20 months (more than 300 *per cent*) in one go which was irregular. Reasons for giving such undue benefit to contractor were neither on record nor furnished to audit.

Thus, even after lapse of more than three years, the construction work was not completed and no action including penal measures was taken against the contractor by the Municipal Council. As such, the very purpose of the scheme was defeated and the expenditure of Rs 6.54 lakh proved infructuous.

#### **6.10 Non-fulfillment of objectives of Valmiki Ambedkar Malin Basti Awas Yojna**

Objectives of Valmiki Ambedkar Malin Basti Awas Yojna (VAMBAY) were yet to be achieved although the scheme was launched in December 2001.

Valmiki Ambedkar Malin Basti Awas Yojna, a centrally sponsored scheme was launched on (December 2001) to ameliorate the conditions of the urban slum



dwellers below poverty line. The objective of the scheme was primarily to provide shelter to people living below the poverty line in urban slums. The financial limit for construction of a dwelling unit under this scheme was Rs 40000/-. The cost of providing shelter was to be shared on 50:50 basis between Central and State Governments. The funds of the scheme were released by the Government during 2004-06. Scrutiny of records of four ULBs revealed the following deficiencies in execution of the scheme:-

#### **6.10.1 Construction of dwelling units outside Municipal area at Hazaribagh**

942 units were constructed out of municipal area at Hazaribagh

Hazaribagh Municipal Council constructed 942 houses at Jebra village which did not fall under municipal area. A sum of Rs 3.77 crore was spent on construction of houses outside the municipal area in violation of the scheme guidelines; reason for the same was not assigned to audit.

#### **6.10.2 BPL people of Godda were deprived of benefits due to non-allotment of Central share**

57 urban people living BPL were deprived of the benefits due to non-allotment of Central share of Rs 21.80 lakh

Scrutiny of file revealed that State Government sanctioned (October 2004) State share of Rs 30.00 lakh for construction of 150 dwellings units but Central share of Rs 8.20 lakh only was sanctioned (February 2006) for construction of 41 dwelling units.

Nagar Panchayat Godda decided to construct 93 units due to short allotment of Central share of Rs 21.80 lakh. As such, 57 Urban families living Below Poverty Line were deprived of the intended benefits. Further, it was noticed that out of 93 units, only 70 units were completed despite the availability of fund which was not justified.

#### **6.10.3 Dwelling units were not handed over to the beneficiaries at Mango**

25 dwelling units were not handed over to the beneficiaries despite an expenditure of Rs 9.25 lakh

A total sum of Rs 10.00 lakh was sanctioned by State Government and Central Government for construction of 25 dwelling units (July 2005) at Mango.

The dwelling units were to be constructed by Forestation & Urban-Rural Integrated Development Association, a self working institution. Work order was issued to the firm (May 2006) and a sum of Rs 9.25 lakh was paid to the firm for the construction of dwelling units. Final payment was also made to the Agency, but, the dwelling units were not handed over to the beneficiaries up to August 2009.

#### **6.10.4 Upper limit of construction – Diversion of Rs 8.10 lakh at Jamtara**

Rs 8.10 lakh meant for providing infrastructure and common facilities was diverted towards construction of houses

Para 8 of VAMBAY Guidelines envisages that the upper financial limit for construction of VAMBAY units would be Rs 40,000/- including provision for sanitary latrine for an area of not less than 15 Square meters. The ceiling on construction assistance under VAMBAY would be as below:-

Construction of house including sanitary latrine	-35,000/-
Cost of providing infrastructure and common facilities	-5,000/-

Scrutiny of technical estimate on which VAMBAY units were constructed by the Nagar Panchayat, Jamtara showed that the cost of construction of house including sanitary latrine was Rs 40,000/- instead of Rs 35,000/- as provided in the VAMBAY Guidelines. Thus, Rs 5,000/- for providing cost of infrastructure and common facilities were utilized in the unit construction of VAMBAY resulting into diversion of Rs 8.10 lakh (162 completed house @ Rs 5,000/-) from infrastructure and common facilities component to house including sanitary latrine component.

Basis of selection of beneficiaries was not shown

Further, the basis on which beneficiaries were selected was not made available to audit. Nagar Panchayat had not evolved any monitoring mechanism to avoid unintended duplicity of beneficiaries under other housing schemes like Indira Awas Yojna, Din Dayal Awas Yojna, Machuwa Awas Yojna etc. being implemented through other departments.

### 6.11 Loss of Rs 13.65 lakh due to execution of schemes by contractors in lieu of departmental work

A number of schemes required to be executed departmentally were executed through contractors, resulting into loss of Rs 13.65 lakh on account of Contractors' Profit

As per instruction of the Urban Development Department (June 2005), schemes with estimated cost below Rs five lakh were to be executed departmentally; but, in contravention of the said instruction, two ULBs executed 76 schemes at a cost of Rs 1.50 crore through contractors, though the ULBs had their own technical staff for execution of the schemes. Due to this, two ULBs sustained a loss of Rs 13.65 lakh on account of Contractors' Profit (9.1 per cent) as under:-

**Table-40**

(Rs in lakh)

Sl No	Name of ULBs	Period	No. of Schemes	Total value of work done	Total loss as Contractor Profit
1.	Ranchi	2008-09	75	146.44	13.33
2.	Saraikeela	2006-08	01	3.45	0.32
<b>Total</b>			<b>76</b>	<b>149.89</b>	<b>13.65</b>

### 6.12 Excess Payments of Rs 7.78 lakh to the contractors

In nine ULBs, excess amount of Rs 7.78 lakh was paid to the Executing Agents beyond the agreed rates/estimates

A sum of Rs 7.78 lakh, as detailed below, was paid in excess to the concerned Executing Agents of nine ULBs, due to various reasons such as excess carriage charge, non-recovery of excess cost of cement, deviation in works etc as shown in the table below:

**Table-41**

(Rs in lakh)

Sl. No.	Name of ULBs	Period	Excess payment	Reasons
1.	Dhanbad	2004-06	2.54	Excess carriage charges and non-recovery of difference in cost of cement
2	Hazaribagh	2007-08	0.28	Excess rate charged and totalling mistake
3.	Giridih	2007-08	0.70	Excess payment of advance
4.	Chatra	2006-08	0.33	Payment of Contractors Profit without provision in the

				estimate
5.	Godda	2007-08	0.69	Deviation in work
6.	Mango	2006-08	1.22	Payment of more than tendered value i.e. in excess of estimate.
7.	Saraikeela	2006-08	1.61	Excess work and non-recovery of extra cost of cement
8.	Kharsawan	2006-08	0.03	Excess cement consumed
9.	Chirkunda	2002-08	0.38	Excess work done and excess cost of Sign Board charged
<b>TOTAL</b>			<b>7.78</b>	

### **6.13 Recommendations**

- Close monitoring of the utilization of assistance and periodical evaluation of achievement of schemes is needed.
- Cases of gross financial irregularities should be investigated and action taken against the erring official(s).