

CHAPTER II

PERFORMANCE REVIEW

CHAPTER II

RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT

2.1 District Rural Social Sector Audit of Panchayati Raj Institutions-Wardha

Executive Summary

For implementation of rural and social welfare schemes through Panchayat Raj Institutions in rural sector, the Government of Maharashtra has passed the Maharashtra Planning Committee (Composition and Works) Act, 1998 in compliance with the 73rd Constitutional amendment. The District Rural Social Sector Audit of Panchayati Raj Institutions in Wardha district covering the period from 2008-09 to 2010-11 was conducted during 2011.

In Wardha district, it was noticed that District Planning Committee did not prepare Five Year Plan/Perspective Plan. District Planning Committee has sanctioned and released grant without any linkage to the requirements. The Annual Accounts for the year 2009-10 was compiled but not approved by Finance Committee and Annual Account for the year 2010-11 was not compiled so far. Works costing ₹8.17 crore were executed under 'Dalit Wasti Sudhar Yojana' without obtaining approval of the competent authority. Improper planning, monitoring and implementation of 'Indira Awas Yojana' resulted in 705 incomplete houses out of 7753 sanctioned for construction between 2008-09 and 2010-11 and fund of ₹3.01 crore remaining unspent.

2.1.1 Introduction

Wardha district is one among the 35 districts located in Vidarbha region of Maharashtra 75 KMs towards south of Nagpur. The geographical and general information of Wardha district is as under:

Particulars	Wardha district
Total area	6310 Sq.KMs
Total population (as per 2001 census)	1230640
Male	635751
Female	594889
Population density per Sq.KM	195
Rural population	921244 (74.85 per cent)
No. of Development Blocks	8 ⁹
Gram Panchayats	517
Villages	970

2.1.2 Audit Mandate and methodology

The Chief Auditor Local Fund Audit (CALFA) is the statutory auditor for PRIs. However, as per Section 142-A of the Maharashtra Zilla Parishad and

⁹ Arvi, Ashti, Deoli, Hinganghat, Karanja (G), Samudrapur, Selu and Wardha

Panchayat Samitis(MZP&PS) Act, 1961 the accounts of ZP and PS are to be checked at any time by the Accountant General(AG) of the Maharashtra State. Audit of GPs was also entrusted(March 2011) to the Comptroller and Auditor General of India(CAG) under Technical Guidance and Supervision(TGS) by the Government of Maharashtra(GOM) under Section 20(1) of CAGs(DPC) Act.

Entry Conference was held with Chief Executive Officer (CEO), ZP, Wardha in April 2011 wherein the audit objectives and scope of audit were discussed. The scrutiny of the records of the selected departments and schemes were conducted and Exit Conference was held in September 2011.

2.1.3 Audit Scope

Records relating to the period 2008-09 to 2010-11 pertaining to formulation of plan, process of estimation, budgeting and disbursement of funds were scrutinized at the offices of CEO, ZP, Project Director (PD), District Rural Development Agency (DRDA) and the offices of the District Planning Officer (DPO) in the respective Collectorate and the offices of the Chief Accounts and Finance Officer (CAFO).

Besides this, for implementation of schemes pertaining to Public Works, Social Welfare and Village Panchayats, records at the respective offices of the functioning of line departments were also test checked. Relevant records in the eight¹⁰ PSs and 16¹¹ GPs in Wardha district were test checked.

2.1.4 Audit Objectives

The objectives of audit were to assess whether:

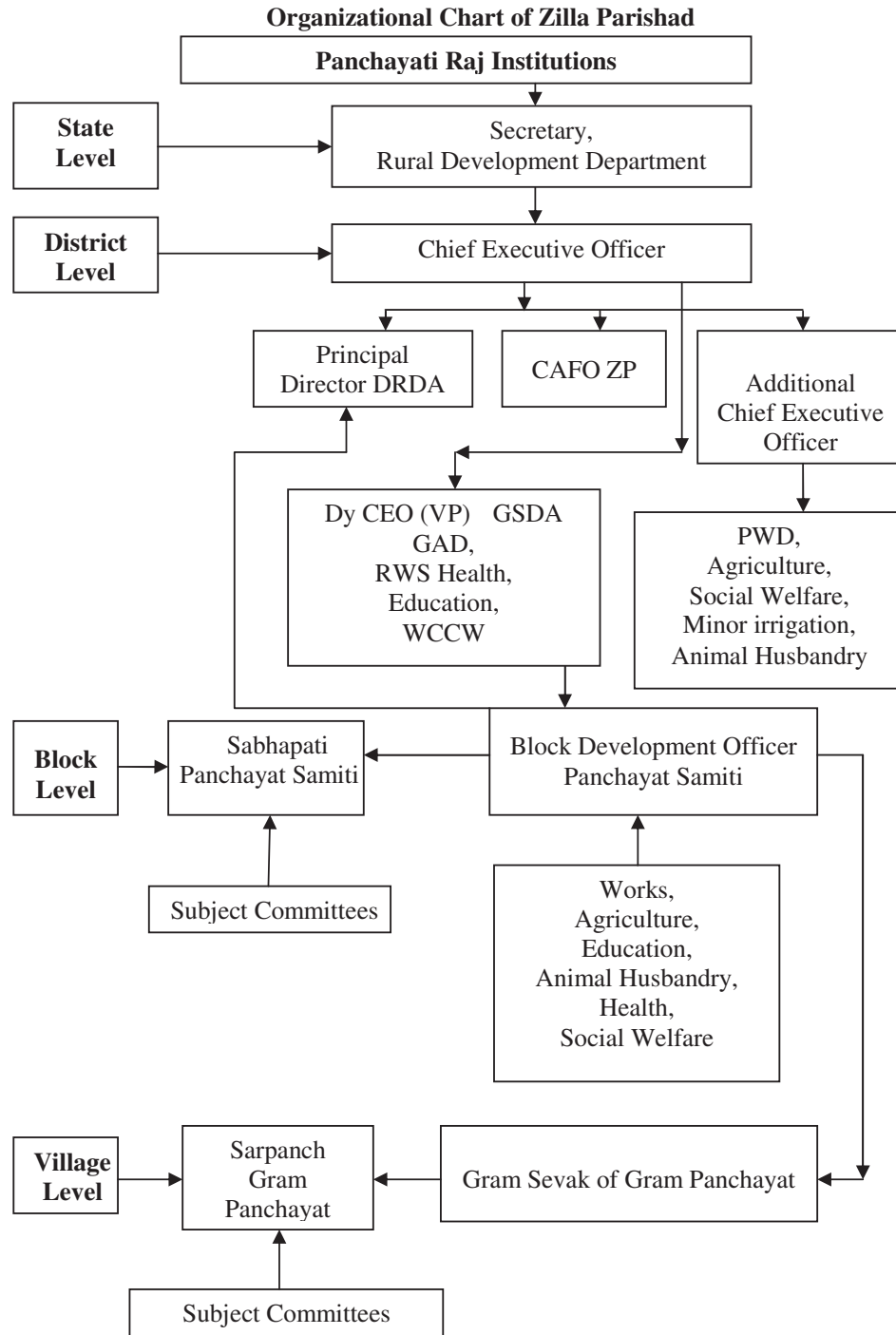
- plans were properly formulated for the overall development of the district;
- financial requirements were properly estimated and funds were utilized efficiently, economically and effectively;
- schemes and programmes were implemented effectively and efficiently. The internal control procedures and internal audit system in PRIs were effective.

2.1.5 Organizational Arrangements

Rural Development and Water Conservation Department is headed by Secretary at State level. The Collector is overall in-charge of the District, the CEO is the administrative head of the ZP as well as ex-officio Chairman of the DRDA. The organizational chart is as follows :

¹⁰ Arvi, Ashti, Deoli, Hinganghat, Karanja (G), Samudrapur, Selu and Wardha

¹¹ Bellora, Chandewahi, Dahegaon Dhande, Dhawasa, Hingani, Gadegaon, Kandegaon, Kapsi, Kelzar, Kora, Mandwa, Nandori, Saheli, Sahur, Tiroda and Wadhona



2.1.6 District Planning

GOM had passed (March 1999) the Maharashtra Planning Committee (Composition and Works) Act, 1998. District Planning Committee(DPC) has to prepare Annual and Five years District Development Plan (DDP) for the district considering plans/proposals of PRIs and Urban Local Bodies (ULBs) and give recommendations on the DDP to the GOM and ensure compliance to the provisions of article 243ZD of the Constitution of India. The DPC should

also monitor and review the progress of District Annual Plans (DAPs) and to issue instructions for re-appropriation of sanctioned outlay, if any. Thus, the planning proposals should have come from the grass root level which are to be consolidated at PS and ZP levels. A Small Committee (*Lahan Gat*) to consolidate and scrutinize the proposals received from ZP, Nagar Palikas, Nagar Parishads (NPs) and Nagar Panchayats for the preparation of DDPs was to be constituted as per orders issued (July 2000) by Planning Department of GOM.

In Wardha district, DPC was formed in the year 1999 with cabinet rank minister of the district as the Chairman and Collector as the Member Secretary. Following observations were noticed:

- None of the test checked GPs has prepared any budget proposal and submitted to PSs/ZP or DPC. However, DPC sanctioned and released grant during last three consecutive years from 2008-09 to 2010-11 without any linkage to the bottom up planning.
- DPC did not receive the proposals from GPs, PSs and NPs. The consolidated proposal from the respective administrative departmental heads such as Special District Social Welfare Officer (SDSWO), DRDA, Dy.CEO(VP), District Health Officer, etc were submitted to *Lahan Gat* for scrutiny and for submission to DPC for approval. However, the minutes of the *Lahan Gat* meetings were not recorded by DPO.
- DPC has not prepared any Five Year Plan as well as Perspective Plan as envisaged in Government Orders dated 1 June 1999.
- DPC had conducted only one meeting each during 2009-10 and 2010-11 as against the minimum requirement of at least two meetings.

2.1.7 Financial Management

2.1.7.1 Fund flow arrangement

Funds were allocated to the District through the State budget for various developmental activities. Besides, funds are directly released to DRDA by GOM, Government of India (GOI) and DRDA in turn release funds to PSs and other implementing agencies. Revenue share in respect of Land Revenue, Stamp duty, Forest Revenue, Professional Tax, Tax on vehicles, Royalty on mines ore are being paid by State Government through Collector to PRIs in addition to their own sources like fees, fines etc.

The standard fund flow arrangement of the selected schemes are as given in table:

Scheme	Fund flow arrangement
Total Sanitation Campaign	GOI transfers the funds to State Water and Sanitation Mission (SWSM). SWSM transfer the funds to District Implementing Agency i.e. District Water and Sanitation Mission (DWSM) along with matching State share. From DWSM the funds are transferred to PSs for further payment to beneficiaries through GPs.
Dalit Wasti Sudhar Yojana	GOM allocates the funds to Social Welfare Officer (SWO) of the respective ZP through Director of Social Welfare, Pune.

	SWO ZP transfers the funds to BDOs for further payment to beneficiaries through Gram Sevaks.
XII Finance Commission	GOI releases funds to GOM. GOM releases the funds allocated for ZP, PS and GP level to respective ZPs through budgetary provisions. Further, ZP releases the funds to the respective PSs and GPs.
Indira Awas Yojana	GOI transfers the funds to respective DRDA. GOM releases matching share to DRDA and DRDA releases the grants to respective BDOs for payment to respective beneficiaries.
Jalpurty Irrigation Well Scheme	GOM through District Collector releases the fund to CEO of ZP. Further, CEO allocates the funds to respective BDOs for further payment to the beneficiaries.

The position of receipt and expenditure during 2008-09 and 2010-11 was as under:

(₹ in crore)

Year	Receipt		Expenditure	
	Revenue	Capital	Revenue	Capital
2008-09	218.46	152.83	345.96	6.31
2009-10	296.00	206.00	499.26	6.18
2010-11	312.41	225.76	530.42	7.22

(Source – Information submitted by CAFO, ZP, Wardha)

2.1.7.2 Financial Reporting

a) Non-finalization of annual accounts

It was observed that the Annual Accounts for the year 2009-10 though compiled were not approved by Finance Committee as required under rule 66 of the MZP&PS Accounts Code, 1968 (Code). The Annual Accounts for the year 2010-11 was not compiled so far by CAFO, ZP, Wardha (May 2011).

b) Reconciliation of cash book balances with bank balances

Scrutiny of records of CAFO, ZP, Wardha revealed that monthly reconciliation of cash book and bank balances though required under Rule 57 of the Code was not carried out regularly. In most of the funds, reconciliation was pending for a period ranging between two and five years as detailed in **Appendix III**.

2.1.8 Implementation of the Schemes

2.1.8.1 Deficiencies in implementation of Total Sanitation Campaign

With a view to improve quality of life of the rural people and also to provide privacy and dignity to women, the GOI had launched Central Rural Sanitation Programme under Total Sanitation Campaign(TSC) in 1986. The main objectives of the TSC were to accelerate sanitation coverage in rural areas to provide access to the toilets to all by the year 2012, encourage cost effective and ecologically safe sanitation system focusing on solid and liquid waste management.

GPs have a pivotal role in the implementation of TSC. An Annual Implementation Plan (AIP) should be prepared by the GPs first for consolidation in Block Implementation Plans. The District Water and Sanitation Mission (DWSM) in ZP should prepare the District Implementation Plan by consolidating the Block TSC Plans. To ensure effective

implementation of AIP monthly and quarterly physical and financial monitoring is required at all levels.

In Wardha district, the project costing ₹ 7.49 crore was approved (April 2004) by the GOI which was revised to ₹ 19 crore due to inclusion of Solid and Liquid Waste Management component(December 2006).

It was observed that an expenditure of ₹ 12.83 crore(85.93 *per cent*) out of ₹ 14.93 crore received was incurred as of March 2011. However, there was huge short fall in achievement in targets of Solid and Liquid Waste Management(99.80 *per cent*), Community toilets(32.14 *per cent*) as detailed below:

Item	Target	Achievement	Shortfall	Percent
	(in numbers)			
IHHL APL	71069	51655	19414	72.68
IHHL BPL	63339	50946	12393	80.43
Community Toilets	56	38	18	67.86
RSM & PC	20	16	4	80.00
Solid and Liquid Waste Management	517	1	516	0.19

(Source – Information submitted by Dy.CEO, ZP, Wardha)

The CAFO stated (November 2011) that the GOM issued guidelines for implementation of Solid and Liquid Waste Management component only in November 2011, hence the expenditure was not incurred.

It was further observed that none of the GPs and PSs had prepared AIP till date. Thus, implementation of project without definite plans considering grass root level anticipation resulted in non-achievement of target even after the implementation of project since last six years.

Also, though a District Level Committee of TSC (Executive Committee) was formed (December 2002) as per instructions of GOM, the records showing the monitoring/inspections of the TSC works by the said Committee were not produced to audit despite requests. In absence of which, checks enumerated as mentioned in guidelines supra were being exercised or not, could not be ascertained.

2.1.8.2 Irregular implementation of DWSY

For improving the living conditions of Harijan Wastis, the GOM had introduced a DWSY since 1974 by providing the sanitary facilities, tap water, approach road, electrification of the area, etc.

In suppression of all earlier resolutions/circulars, the GOM issued orders (November 2008) and prescribed that every village with population more than 50 dalits is to be declared as Dalit Wasti by the CEO of respective ZP after the resolution was passed by the respective GP.

a) Non-approval of master plan

As per guidelines, a master plan giving the details of the works to be executed was to be prepared by GP. CEO was to consolidate all master plans in one booklet and obtain the approval of SDSWO.

The position of number of works approved, grant received, expenditure incurred and works completed during 2008-09 to 2010-11 is given below:

Year	No. of works approved	Cost of works	Grant received	Grant distributed to the GPs	Number of works completed	Number of works not completed
		(₹ in crore)				
2008-09	184	4.56	3.67	3.67	175	9
2009-10	67	2.04	1.87	1.87	60	7
2010-11	118	2.87	2.63	2.63	9	109
TOTAL	369	9.47	8.17	8.17	244	125

(Source : Information submitted by SWO, ZP, Wardha)

Scrutiny of records revealed that CEO did not obtain the approval from the SDSWO to the master plan of DWSY works proposed in the district and irregular expenditure of ₹ 8.17 crore was incurred during the period 2008-09 to 2010-11 on works under DWSY.

Department stated (July 2011) that approval of the SDSWO to the master plan would be obtained. Reply is not acceptable as obtaining approval after unauthorized execution is only a *fait accompli*.

b) Non-preparation of budget estimates and progress reports

The guidelines envisaged that CEO shall submit the proposal demanding funds in October every year and progress report for the works taken during previous year shall be submitted in the month of April.

However, scrutiny revealed that none of the GPs or PSs had prepared Annual Budget Proposal i.e. yearly budget estimates and submitted to ZP. SDSWO, Wardha stated (August 2011) that demands placed to DPC were based on the previous year's allocation. Also, the Financial and Physical Monthly Progress Reports were not submitted by the BDOs to ZP. The progress report pertaining to the period 2006-07 to 2008-09 was only submitted to Director by ZP in July 2011 and progress reports for further periods were not submitted.

c) Absence of monitoring

As per guidelines, SDSWO and Divisional Social Welfare Officer (DSWO) shall have direct control to monitor the scheme and report of monitoring was required to be sent to the Director, Social Welfare (SW), Pune and the Government. Also, it was envisaged that the Director, SW, Pune shall inspect the works executed under the scheme through the SDSWO of other districts. Five *per cent* works were to be checked by the Director, SW, Pune and two *per cent* works shall be checked at Government level.

Scrutiny revealed that State level, District level and block level inspection and monitoring team were not been formed. No inspection or monitoring of works in Wardha district was conducted by a team of other districts during 2008-09 to 2010-11. It was further observed that no inspection of DWSY works was carried out by the DSWO/SWO. The SDSWO, Wardha admitted (August 2011) that due to non-availability of staff, team was not formed to visit and inspect the works under the scheme.

d) Release of final installment without physical verification

The Additional CEO, ZP, Wardha directed (October 2008) to release 40 *per cent* amount as first installment at the start of the work, 55 *per cent* as second installment on receipt of utilisation certificate of first installment from

Dy. Engineer and third and final installment of five *per cent* is to be released on receipt of utilization certificate of second installment and physical verification of work by SWO.

Scrutiny of records revealed an amount of ₹ 0.30 crore on account of third and final installment of 132 works during 2008-09 and 2010-11 were released without physical verification of works by SWO.

2.1.8.3 Deficiencies in implementation of Indira Awas Yojana

Indira Awas Yojana (IAY) is a centrally sponsored scheme funded on cost sharing basis between GOI and State Government aims at providing dwelling units free of cost to the poor families of the Scheduled Caste (SCs), Scheduled Tribes (STs), freed bonded labourers and also the non SC/ST Below Poverty Line (BPL) persons in the rural areas.

Financial and physical performance under IAY in Wardha district during 2008-11 was as given below:

Financial position

(₹ in crore)

Year	Opening balance	Grant received		Other receipts (Interest)	Expenditure	Unspent balance
		Central	State			
2008-09	0.43	7.83	2.36	0.20	8.19	2.63
2009-10	2.63	9.52	12.10	0.19	21.06	3.38
2010-11	3.38	8.19	8.46	0.10	17.12	3.01

(Source – Information submitted by PD, DRDA, Wardha)

Physical Position

Year	Annual target	Houses sanctioned during the year for					Houses completed	Houses under construction
		SC	ST	Minorities	Others	Total		
2008-09	1814	545	542	272	455	1814	1452	362
2009-10	3512	1163	946	527	876	3512	3287	225
2010-11	2427	726	751	304	646	2427	2309	118
Total	7753	2434	2239	1103	1977	7753	7048	705

(Source – Information submitted by PD, DRDA, Wardha)

Scrutiny of the records of selected units revealed the following:

a) Non-maintenance of inventory

Scrutiny revealed that out of eight, six¹², PSs did not have a inventory of houses constructed/upgraded under the IAY, giving details of the date of start and the date of completion of construction of dwelling unit, name of the village and block in which the house is located, occupation and category of beneficiaries and other relevant particulars as envisaged in guidelines issued (April 2004) by GOI. This resulted in non-availability of information in respect of assets created and beneficiaries benefitted. DRDA stated (November 2011) that instructions to maintain consolidated inventory had been given to PSs.

¹² Arvi, Hinganghat, Karanja, Samudrapur, Selu and Wardha

b) Non-utilisation of grant

GOI released (August 2010) grant-in-aid of ₹ 16 lakh to DRDA, Wardha and sanctioned the target of 320 homestead sites to be purchased/acquired for allotting to the eligible beneficiaries to be selected from the permanent IAY waitlist/BPL waitlist who have neither land nor house-site. However, the PD, DRDA neither selected any beneficiary nor utilized the grant-in-aid till August 2011.

c) Allotment of dwelling units not conferred on women

Guidelines envisaged that allotment of dwelling units should be in the name of female member of the beneficiary household. Alternatively, it can be allotted in the name of both husband and wife. Scrutiny revealed that in 685 out of 2427 cases, allotment of houses constructed at a cost of ₹ 4.69 crore were conferred on the male member of the family during 2010-11. PD, DRDA, Wardha stated (November 2011) that all BDOs have been instructed to allot household in the name of both husband and wife as per the guidelines.

d) Inadequate inspection and monitoring

As per guidelines, State level Vigilance and Monitoring Committee would monitor the programme and officers at the district, sub-division and block level must closely monitor all aspects of the IAY through visits to work sites. A schedule of inspection which prescribes a minimum number of field visits for each supervisory level functionary from State level to block level should be drawn up and strictly adhered to.

Scrutiny of records revealed that State Level Committee had not visited the works of the IAY in Wardha district. PD, DRDA, Wardha stated (August 2011) that Executive Body of the DRDA had conducted four meetings in 2008-09 and no meeting was held during 2009-10 and 2010-11 as against the target of 12 meetings every year. Similarly, as against the fixed target of four Governing Body meetings, only two meetings were held during 2010-11. PD further stated that 7008 works were monitored and evaluated by monitoring and evaluation wing of the DRDA. However, despite request the documentary evidence of the meetings held and inspections/monitoring done were not submitted to audit.

Further, it was also observed that no evaluation study to assess the impact of the programme as contemplated in the guidelines was conducted by GOM.

2.1.8.4 Tardy implementation of Jalpurty Irrigation Well Programme

The Planning Department, GOM has started (December 2006) a programme for construction of irrigation wells under Jalpurty Sinchan Vihiri Dhadak Karyakram for the farmers of 6 districts of Vidarbha under Employment Guarantee Scheme. As per guidelines, 1000 beneficiaries per talukas are to be covered for construction of wells. The amount of subsidy for construction of irrigation wells was ₹ One lakh per well. The agreement was to be executed with the selected beneficiary for the construction of wells and advance payment of 10 *per cent* of the estimated cost recoverable in subsequent bills was to be paid. The guidelines envisaged that Collector should develop a mechanism for inspection and monitoring of the quality of works executed and

submit periodical reports. The Collector, Wardha issued (June 2007) a programme schedule wherein it was envisaged that the work of construction of wells should be completed before March 2008. The Collector has accorded administrative approval between February 2009 to July 2010 for construction of 7949 wells in eight Talukas and distributed the execution of works amongst various Government agencies of that taluka. BDO was designated as a Member Secretary of the Taluka level Committee who will be responsible for monitoring the expenditure of the scheme and submitting utilization certificate (UC) from all those executing agencies.

Scrutiny in eight test checked BDOs revealed that as against the target date of March, 2008 for completion of 7949 irrigation wells, only 2744 (34.52 per cent) wells were completed till the end of March 2011. Also, as against the required fund of ₹ 79.49 crore for 7949 wells, an amount of ₹ 45.79 crore (57.60 per cent) were released and ₹ 42.01 (52.84 per cent) was actually spent on the scheme. An unspent grant of ₹ 3.78 crore was lying with six BDOs.

The updated block-wise position of the construction of wells and expenditure incurred was as given in **Appendix IV**.

Scrutiny further revealed that no UC of grant and completion certificate of the reported completed wells were received by concerned BDOs. Also, no monitoring and inspection to verify the quality of work and achievement of purpose were conducted by State/District or Block Level Monitoring Committee.

The information in respect of the number of wells actually completed, number of well used for irrigation, the details of grant released to BDOs, details of availability of monitoring mechanism, etc. though called for (September 2011) was not furnished (May 2012).

2.1.8.5 Utilization of XII Finance Commission grant

To implement the recommendations of the Central XII Finance Commission for strengthening the Panchayat Raj Institutions, GOM decided (December 2005) to release the grant during April 2005 to March 2010 to each tier of ZP/PS/GP. For the requirement of funds, a plan should be prepared and got approved by the General Body of the PRIs. CEO would be the district level controlling authority and the grants would be released to PSs and GPs as per the criteria fixed by the Government.

Scrutiny of records (April 2011) of CAFO revealed that ZP had received an amount of ₹ 41.87 crore under XII Finance Commission during 2005-10 for execution of works as under:

(₹ in crore)

Particulars	Grant received
For the works to be executed at ZP level	10.17
For the works to be executed at PS level	10.17
For the works to be executed at GP level	20.34
For the works of Urban development	0.59
For the construction of GP Bhavans	0.60
TOTAL	41.87

(Source – Information submitted by CAFO, ZP, Wardha)

CEO, ZP, Wardha has issued (January 2006) orders to PS and GP to maintain

separate set of accounts in respect of the grants received and expenditure incurred and submit monthly returns to Dy.CEO (VP) up to fifth of subsequent month.

Scrutiny revealed the following omissions/system lapses:

- 1) Budget estimates as well as AIP identifying the works to be undertaken and assessing the requirement of funds were not prepared by GPs, PSs as well as ZP. The works were sanctioned in the General Body meeting of the respective PRI after the grants were sanctioned and allocated to the PRI. This shows the lack of planning for strengthening of PRIs.
- 2) The Asset Register giving the details of works executed at PS and GP level were not maintained except in PS, Deoli.
- 3) None of the test checked PSs and GPs has maintained the Budget control register showing the year wise receipt of grant and expenditure there from.
- 4) The PSs has not maintained the work register and technical sanction register giving year wise position of number of works sanctioned and approved cost of the each work.
- 5) Scrutiny of records relating to UCs (June 2011) of PS, Samudrapur revealed that the receipt of grant of ₹ 125.58 lakh was acknowledged by PS. However, as per cash book and grant release orders, grant amounting to ₹ 127.37 lakh was received by the PS. Thus, an amount of ₹ 1.79 lakh was shown as excess however, the BDO did not submit any specific reply for this discrepancy.
- 6) It was also observed that none of the committee or official from Block level, District level and State level has inspected the completed works.

2.1.9 Internal Control Mechanism

2.1.9.1 Internal Control Mechanism in PRIs

As per Rule 18 of Appendix IV contained in the Code, the CAFO is responsible for internal audit and periodical checking of account records maintained by the various departments of ZP/PSs.

In ZP, Wardha it was observed that no internal audit of any departments/PSs during the period 2008-11 was conducted. CAFO, ZP, Wardha stated (June 2011) that a post of Internal Audit Officer created in 1997 was abolished by GOM in March 2001 and Sr. Accounts Officer was entrusted the work of coordination with Local Fund Auditors, Accountant General and Commissioner with respect of the audit of accounts and audit objections. Hence, due to insufficient manpower internal audit was not conducted.

Non-existence of internal audit may result in non-detection of over-payments, non-adjustment of advances and non-compliance of codal provisions etc.

2.1.9.2 Audit Arrangement in PRIs

a) Outstanding Paras from CALFA Report

Section 3 of the Bombay Local Fund Audit Act, 1930 provides for and regulates the audit of funds of local authorities constituted under the MZP&PS

Act, 1961.

The scrutiny of records revealed that CALFA has conducted the audit of the accounts of the test checked departments and PSs of ZP, Wardha up to the year 2009-10. The position of settlement and outstanding paras during 2010-11 was as under:

Paras outstanding at the beginning of the year	New paras added	Paras settled	Paras outstanding as on 31.3.2011	No. of ZP departments audited	No. of PS audited
2334	370	180	2704	13	8

(Source – Information submitted by CAFO, ZP, Wardha)

This shows that very little efforts have been made for the settlement of old outstanding paras by the respective departments and PSs.

b) Outstanding paras from Accountant General Inspection Report

Audit observations on financial irregularities and defects in initial accounts/records noticed during local audit by Accountant General were communicated to the heads of offices and departmental authorities through Inspection Reports. The position of settlement and outstanding paras during 2010-11 was as under:

Paras outstanding at the beginning of the year	New paras added	Paras settled	Paras outstanding as on 31.3.2011	No. of ZP units audited
192	51	34	209	19

Arrears in outstanding paragraphs indicate weak internal control mechanism in ZPs concerned.

2.1.9.3 Transparency, Social Audit and Vigilance Mechanism

The ZP Wardha have designed and developed official web site giving administrative, financial and Government scheme's information and made available to general public on the internet. However, it was observed that the information was not updated regularly and at present (September 2011), the information for the year 2008-09 is available on the website. As such the unusable/obsolete information was made available to public in general denying them with information that they seek to access.

The records of the test checked schemes revealed that the inspection and monitoring mechanism to assess the impact of the implementation of the scheme in the districts were not adequate. State level, District level and Block level Monitoring Committees were not formed specifying the periodicity and targets. It was stated by the test checked units (August/September 2011) that the inspection of the works executed under various schemes were done by the Dy. Engineers/Extension Officers or BDOs during their visits to the GPs but no records were maintained.

The GOM did not conduct any evaluation studies on the implementation of any of the test checked schemes.

2.1.10 Conclusions

DPC has not prepared any Five Year District Development Plan as well as Perspective Plan. GPs were not involved in the planning process. DPC has sanctioned and released grant without any linkage to the requirements of grass root level PRIs.

ZP Wardha did not prepare Annual Accounts for the year 2009-10 and 2010-11. Reconciliation of funds was in arrears. Absence of planning and monitoring resulted in non-achievement of targets in TSC and DWSY. Six out of eight PSs did not maintain inventory of houses constructed under the IAY and XII Finance Commission Grant. DRDA had conducted only four meetings in 2008-09 and no meeting was held during 2009-10 and 2010-11 as against the target of 12 meetings every year. None of the test checked PSs and GPs had maintained the Budget control register showing the year wise receipt of grant and expenditure under the scheme. The obsolete information was available on website resulting in denial of transparency to public in general. The GOM did not conduct evaluation studies assessing the impact of any of the test checked schemes.

2.1.11 Recommendations

- Statement of account should be prepared and published in Government Gazette before 15 of November by the ZP as per provisions of section 136 of the MZP&PS Act.
- DPC should prepare Five Year District Development Plan as well as Perspective Plan. Grass root level requirement should be considered and GPs should be involved in the planning process. DPC should consolidate and scrutinize the plan proposals submitted by PRIs.
- In conformity with the guidelines Government should ensure that the dwelling units are allotted in the name of woman beneficiary or alternatively in joint name.
- State level, District level and block level inspection and monitoring committee should be formed to monitor the implementation of the schemes and inspect the works of DWSY.

The matter was referred to Government in November 2011. Reply has not been received (May 2012).