

Chapter 6: Economic Services

6.1 Infrastructure

Good infrastructure will go a long way in enhancing the growth potential of the District and bridging the gap between urban and rural areas. It will also bring the remote and backward areas closer to the District headquarters and bring about equity and inclusive growth of the economy. Infrastructure includes provision of good all weather roads, adequate electricity for household, industrial and irrigation needs, railway connectivity, air services and reliable communication facilities.

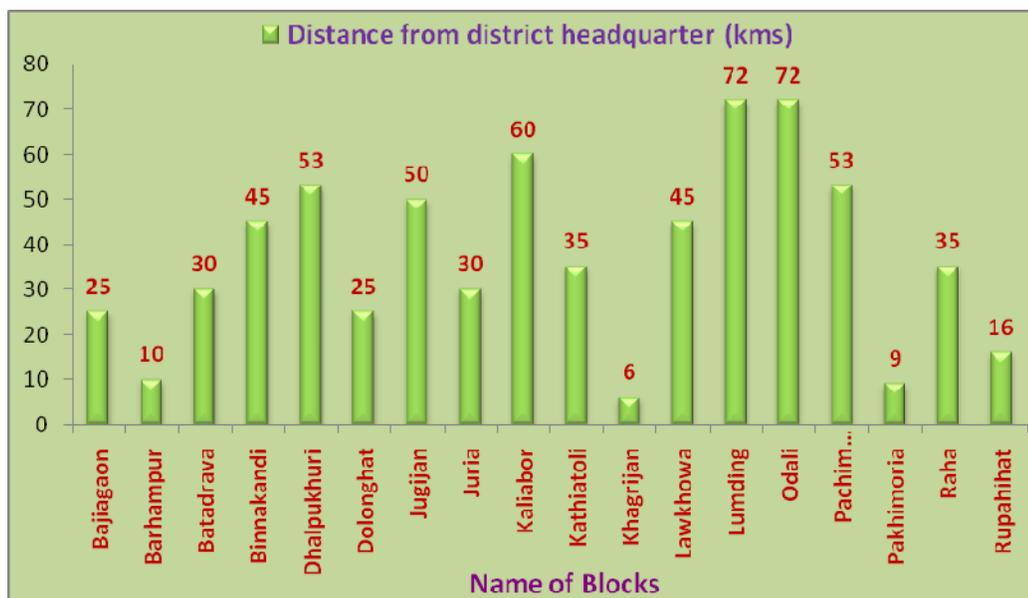
There is no airport in the District. The nearest domestic airport is at Tezpur, 42 kms away and the nearest international airport is Lokpriya Gopinath Bordoloi International airport at Borjhar (162 kms) from district headquarters. All the four towns of the District are connected by rail. A review of the development of roads in the District revealed that 58 *per cent* habitations had been provided road connectivity up to March 2011. Audit findings in this regard are discussed below.

6.1.1 Roads

(a) Status of Road Connectivity

Out of the total 649 habitations in the District, 377 habitations have been provided road connectivity as of March 2011. The distance of various places from the District headquarters ranges from six kms (Kaharijan) to 72 kms (Lunding, Odali). The District has 18 Blocks and distance from the Blocks to the District headquarter is given in chart 11.

Chart: 11- Distance from Blocks to District headquarter



Source: Departmental figures.

The status of road connectivity as well as road length in the District as of 31 March 2011 is given in charts -12 and 13 respectively.

Chart: 12- Status of road connectivity

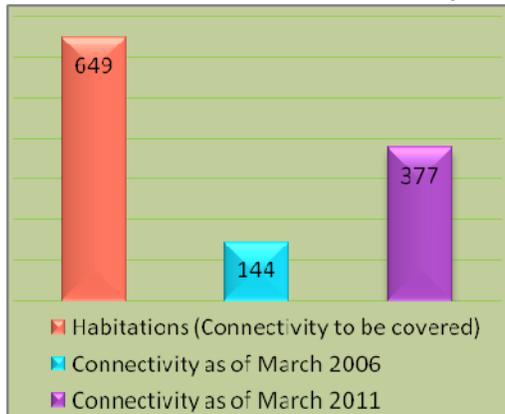


Chart: 13- Status of road length



Source: Departmental figures.

As can be seen from the charts above, there has only been an increase of 233 habitations connected through roads and 320 kms (11 per cent) of road length provided during last five years after incurring an expenditure of ₹407.13 crore²¹ indicating poor progress. Joint physical verification indicated poor condition of roads as evident from the photographs below:



(b) Schemes for Development of Road

(i) Pradhan Mantri Gram Sadak Yojana (PMGSY) and Bharat Nirman Programme

The PMGSY was launched in 2000 and aimed at connecting all the rural habitations by providing all weather roads. The status of connectivity as of March 2011 is shown in Table -16.

²¹ Cost of improvement, Major repairing and restoration, Original works.

Table-16: Status of habitations connectivity as of March 2011

Habitations with population	Total numbers of habitations	Habitations as of 31.3.2011		Percentage of shortfall
		Connected	To be connected	
(1)	(2)	(3)	(4)	(5)
More than 1000	611	344	267	44
More than 500	38	33	5	13
Total	649	377	272	42

Source: Departmental figures.

During 2006-11, an amount of ₹327.32 crore was available, which was spent for implementation of the scheme. The reasons for shortfall in connectivity of habitations were slow progress of works due to paucity of funds, limited working period and scarcity of materials as could be seen from paragraph below.

(ii) Status of works

During 2006-11, total 526 works (PMGSY and other schemes) were sanctioned, of which 370 works (70 per cent) were completed. Out of 370 works, 233 works (44 per cent) were completed within stipulated date of completion. 137 works were completed with delays ranging between one and 37 months. Out of balance 156 works, 110 works were due for completion but remained incomplete as of March 2011, after incurring an expenditure of ₹204.56 crore due to slow progress of works by the contractors and dearth of materials. Thus, due to non completion of works, the habitations targeted to be covered, remained uncovered which hampered the development activities in the district.

The Executive Engineer, Rural Road Division, Nagaon stated (May 2011) that the PMGSY works could not be completed as per scheduled time due to paucity of funds, limited working period and scarcity of materials. Records, however, revealed that GOA instructed (November 2011) strict compliance with scheduled date of completion and initiating penal action against defaulting contractors. However, divisions except issuing notices to contractors for early completion of works, did not initiate penal action against the defaulting contractors.

During exit conference, DC accepted (November 2011) the audit observation.

6.1.1.1 Implementation issues

Audit scrutiny of records relating to execution of works revealed that there was lack of financial control and inadequate monitoring mechanism leading to execution of substandard work, diversion of funds etc. as discussed below:

(a) Equipment advance

As per rules, equipment advances are payable to the contractor on production of evidence of availability of the equipment required for the construction works. During September 2007 to March 2011, equipment advance of ₹10.24 crore was paid to

25 contractors for rural road works without obtaining any documentary evidence regarding availability of the required equipment. This indicated that codal formalities were not observed. Further, out of ₹10.24 crore, only ₹6.99 crore was recovered leaving ₹3.25 crore yet to be recovered (June 2011).

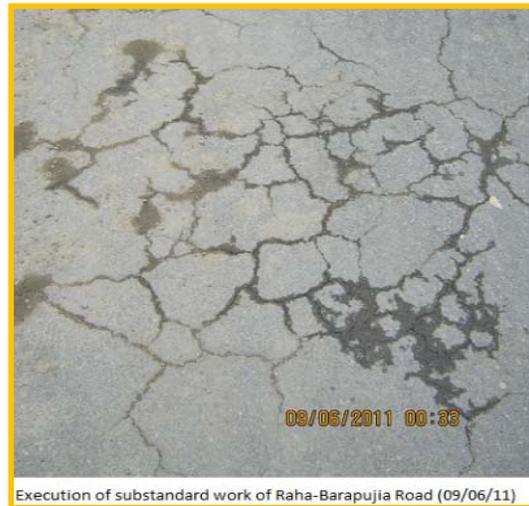
(b) Excess payment

For Rural Road works, estimates are required to be prepared based on APWD SOR 2007-08 (Rural Works). Scrutiny of four rural road works (Sl.No.1 to 4 of the *Appendix-I*) revealed that estimates were prepared based on APWD SOR 2007-08 (NH Works). As a result, estimates were inflated by ₹32.36 lakh. Records also revealed that in the same division other rural road works for the same period was prepared based on APWD SOR 2007-08 (Rural Roads). In both cases estimates were approved by the Chief Engineer, PWD (Roads). Based on these inflated estimates, the divisions awarded the works to four contractors between November 2008 and July 2009 for completion of the works by June 2010. Out of four, three works were completed between March and June 2009 and the balance work was in progress as of March 2011. As of March 2011, contractors were paid ₹1.64 crore which included excess payment of ₹23.63 lakh (detailed in *Appendix-I*). DC neither investigated the matter nor fixed any responsibility against the officials responsible for preparation of inflated estimates.

(c) Substandard works

The work “Repair and Maintenance of the Improvement of Road Raha to Barapujia Road” (Ch-0.00 to 6.00 km) - Group-I including Protection work of two subway portion- Group-II was taken up under XIIth Finance Commission award for the year 2009-10.

The work was awarded (24 December 2009) to a contractor at a tendered value of ₹1.05 crore (group-I: ₹76.76 lakh; group-II: ₹28.23 lakh) with the stipulation to complete the work by 23 June 2010. The works were, however, completed at a cost of ₹99.64 lakh (group-I: ₹74.20 lakh; group-II: ₹25.44 lakh) by the contractor on 23 February 2010. The contractor was paid ₹99.64 lakh by May 2011.



Records revealed that the work executed by the contractor was of poor quality with cracks in carpeting works at different stretches and edges of the pavement were broken. Although the division should have taken up the matter with the contractor within six months from the date of completion of the work, the Division asked the contractor to rectify the works only in 18 January 2011 and 2 February 2011. But the contractor did not turn up to rectify the works as of June 2011. Though the Division, did not release the security deposit of ₹8.97 lakh to the contractor, they failed to assess the value of defective works. Thus, lack of supervision on the part of the division was responsible for execution of substandard work and the division also failed to get defective works rectified by the contractor. Joint physical verification carried out by Audit with departmental officers also underlined the execution of substandard work as evident from photographs.



Execution of substandard work of Raha-Barapujia Road (09/06/11)



No permanent Bridge was constructed after wash out of SPT Bridge in the year 2004 (09/06/2011)

Further, a SPT bridge on the said road was washed out by the devastating flood of 2004. The Division, however, did not initiate action for construction of the said bridge (October 2011).

Due to execution of substandard work and non construction of the bridge, vehicular traffic was disrupted causing immense difficulties to the rural population.

(d) Diversion of Calamity Relief Fund

The Special Secretary and Central Relief Commissioner, GOI informed (September 2001) the State Chief Secretary that the Eleventh Finance Commission had considered and categorically rejected the State proposal to meet expenditure on restoration and re-construction of roads etc. from Calamity Relief Fund (CRF). The relief fund was to be utilized for immediate repair/restoration to damaged infrastructure caused by calamities such as cyclone, drought, earthquake, fire, flood and hail storm relating to communication, power, public health, drinking water supply, primary education and community owned assets in social sector.

Test-check of records of EE, PWD, State Road Division, Nagaon revealed that during January 2008 and October 2009 eight improvement and repair works (detail in *Appendix-II*) were carried out at a cost of ₹79.98 lakh. The fund was provided by DC, Nagaon under CRF. There was, however, nothing on record to show that the eight works carried out under CRF were in the nature of immediate repair and restoration of damages caused by natural calamities. Thus, expenditure of ₹79.98 lakh incurred on improvement and repair was diversion of CRF. DC remained silent in this aspect in his reply.

(e) Non acquisition of land for approach roads

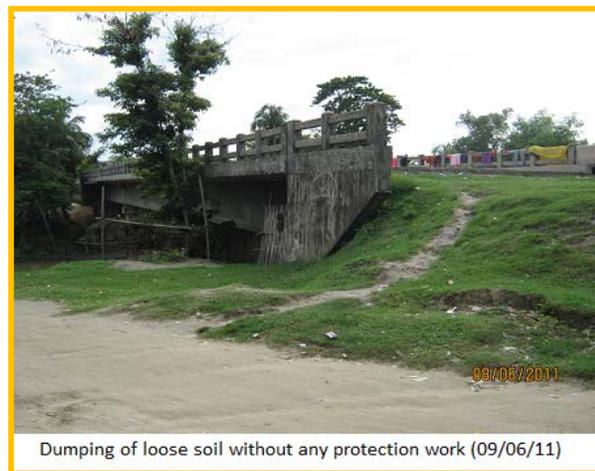
Mention was made in paragraph 4.7 of the report of the C&AG of India for the year 2002-03, regarding unproductive expenditure of ₹73.26 lakh due to non acquisition of land for approaches and protection of both side of RCC bridge over River Kallong at Nagaon since 1993-94. The required land was not acquisitioned due to non payment of land compensation of ₹6.23 lakh to DC, Nagaon by the Public Works Department.

Scrutiny of records revealed that during 2007-08, an estimate for the work “Construction of approaches to RCC Bridge over river Kallong from Nagaon side to

south Haibargaon side” for ₹1.40 crore including payment of land compensation amounting to ₹28.42 lakh was prepared by the EE, State Road Division, Nagaon. The estimate was approved by the CE, PWD and Administrative Approval (AA) and Technical Sanction (TS) was also obtained for ₹1.40 crore. The work was awarded (July 2008) to a contractor with the stipulation to complete the work within 12 months and paid (March 2010) ₹27.96 lakh being land compensation to DC, Nagaon. But as of June 2011, no land was acquired. Meanwhile, the contractor executed earth work for ₹17.75 lakh on the Nagaon side and stopped the work since December 2009 with a request to clear the site occupied by encroachers. As of June 2011, the work could not be resumed.



RCC Bridge over river Kallong (09/06/11)



Dumping of loose soil without any protection work (09/06/11)

Audit observed that failure of the division to make timely payment of land compensation amounting to ₹6.23 lakh sanctioned in March 1998 to DC, led to revision of cost of compensation from time to time and ultimately led to extra expenditure of ₹21.73 lakh. Further, dumping of loose soil without any protection work may lead to wasteful expenditure of ₹17.75 lakh due to its susceptibility of getting washed away by rain.

Thus, the Department failed to put the bridge to use even after 13 years of its completion, the objective of connecting Police Reserve sides and South Haiborgaon side remained unachieved and people were deprived of the intended benefit.

(f) Unproductive expenditure

(i) The work “Construction of rural roads, culverts, minor bridges and route maintenance of the works for five years under PMGSY, Package No. AS-1946” was awarded (November 2005) to a contractor at the tendered value of ₹1.72 crore with the stipulation to complete of the work by 20 August 2006. After completion of 74 per cent of work and after release of total payment of ₹1.17 crore to the contractor, the work was cancelled (March 2009) due to slow progress. The aggrieved contractor filed a law suit, but the verdict (May 2011) was in favour of the department. Although the track record of the contractor was poor as he had failed to complete various PWD works on earlier occasion also, the contractor was not black listed by the department. Thus, the works remained incomplete after incurring an expenditure of ₹1.17 crore resulting in denial of road connectivity to the targeted habitations. As of June 2011, the department did not initiate any action to recover the liquidated damage of ₹13.91 lakh from the contractor and to complete the work. DC stated (September 2011) that action would be taken to complete the work through other agencies and other divisions had been requested to recover the amount payable to this division from the bills of the concerned contractor. Further, development is awaited (October 2011).



Arabari to Godaimari (26/05/11)



Mukunda-ati to Furanah-ati (26/05/11)



Samdhara to Barungaon (26/05/11)



Kalanujalah to Kachari (26/05/11)

(ii) Two works viz.

(a) “Construction of road from Phutimari to Ghilani” and

(b) “Construction of road from Hojai market to Hayangaon” were awarded

(between 20 July and 7 August 2007) by the EE, Nagaon State Road and Nagaon Rural Road Divisions to a contractor at the tender value of ₹13.05 crore {(a): ₹7.91 crore and (b): ₹5.14 crore} with dates of completion



Condition of road from Hayangaon to Hojai Market Road (31/05/11)

by 6 May 2008 and 19 April 2008 respectively. Both the works commenced between 20 July and 7 August 2007 and were cancelled subsequently due to death of the contractor on 3 July 2010. At the time of death of the contractor 16 to 46 per cent {(a): 16 per cent; (b): 46 per cent} works were completed and contractor was paid ₹2.23 crore {(a): ₹0.53 crore; (b): ₹1.70 crore}.

Scrutiny revealed that the contractor mainly executed earthwork valuing ₹65.83 lakh at different stretches of the road from Hojai market to Hayangaon which was washed away by flood during October 2010 rendering the expenditure wasteful. The present condition of the roads is depicted in the following photographs taken during joint physical verification.



Incomplete RCC Bridge at Hayangaon (31/05/11)



People are using risky SPT bridge due to non-completion of RCC Bridge (31/05/11)

Thus, the expenditure of ₹2.23 crore proved to be unproductive as road connectivity of desired habitations could not be achieved. DC stated (September 2011) that action would be taken to get the works completed by other agencies.

To sum up, only 233 habitations could be covered under PMGSY and road length of 320 km was constructed during 2006-11 after incurring an expenditure of ₹407.13 crore. Besides, large number of schemes remained incomplete even after due date of completion. Lack of financial control resulted in excess expenditure, unproductive expenditure and substandard works.

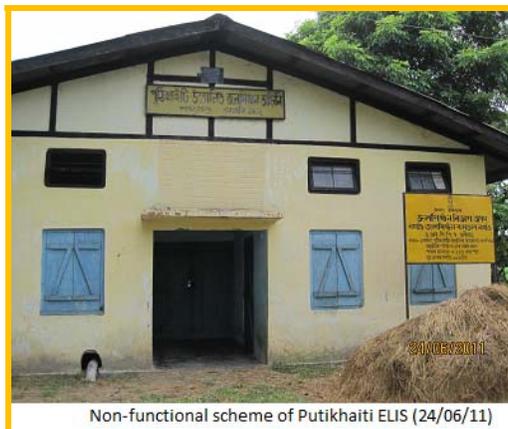
Recommendations

- The District administration should formulate long term and medium term plans for connecting all the habitations/villages in the District with clear prioritisation.
- Financial control should be strengthened and codal formalities observed to avoid loss, cost overrun and undue financial benefit etc.

6.1.2 Irrigation

To overcome the problem of alternate drought and flood and to increase production of crops of traditional and high yielding varieties, irrigation schemes like Lift Irrigation Scheme (LIS), Deep Tube Well (DTW), Shallow Tube Well (STW) and Flow Irrigation Scheme (FIS) were sanctioned in the District from time to time.

As on 31 March 2006 there were 108 sanctioned irrigation schemes in the District of which only 37 schemes were completed and 71 schemes were in progress. During 2006-11, out of 71 schemes in progress 10 more schemes were completed. As of 31 March 2011, it was observed that 46 completed schemes were handed over to Water Users' Associations and 61 schemes remained inoperative due to non completion of boring, installation of pump sets etc. The schemes could not be made operational due to paucity of funds and Government's approval for their revival. The Division incurred ₹79.82 crore on 47 completed schemes and ₹15.73 crore on 61 inoperative schemes. Photographs of infrastructure of two inoperative schemes are indicated below:



Non-functional scheme of Putikhaiti ELIS (24/06/11)



Non-functional scheme of Putikhaiti ELIS (24/06/11)

During 2006-11, ₹37.22 crore was released to the Executive Engineer, Irrigation Division, of which ₹37.11 crore was spent for implementation of 27 new schemes sanctioned under Accelerated Irrigation Benefit Programme at an estimated cost of ₹181.53 crore.

Out of these 27 new schemes, 21 (Estimated cost: ₹118.75 crore) were taken up for execution. Of these 21 schemes, 10 schemes (Expenditure: ₹19.74 crore) were completed as of March 2011 and the balance 11 schemes were in progress. DC stated (September 2011) that six schemes sanctioned during 2010-11 with stipulated date of completion by March 2013 were not taken up. The remaining 11 schemes would be completed by March 2012.

Thus, due to non completion/delayed completion of schemes, the objective of increase of production of crops of traditional and high yielding varieties remained unachieved.

6.1.2.1 Implementation

a) Wasteful expenditure

Scrutiny of records of the Executive Engineer, Nagaon Irrigation Division, Nagaon relating to execution of schemes, schedule of works expenditure and progress reports of various irrigation schemes e.g. Lift Irrigation Schemes (LIS), Deep Tube Well (DTW) schemes etc. revealed that eight DTW schemes taken up for execution by the Division during the period 1979-80 to 1992-93 were left abandoned after achieving physical progress of 30 to 100 *per cent*. As of 31 March 2011, an expenditure of ₹38.25 lakh was incurred on the abandoned schemes.

It is, thus, evident that the schemes were commenced long back and remained incomplete for years together mainly due to non installation of pump sets, boring not done upto the desired level and wells not working etc. and were ultimately left abandoned. The schemes were taken up for execution with the target of creating irrigation potential of 825 hectares. However, only 445 hectares of irrigation potential was achieved. Hence, the expenditure of ₹38.25 lakh incurred so far on these schemes became infructuous and the objective of creating irrigation potential was also not achieved.

b) Under utilization of Irrigation potential

Scrutiny of records revealed that against the target of creation of irrigation potential of 23,068 hectares, potential of 15,391 hectares was created, of which only 8,255 hectares was utilized (March 2011). The under utilization was due to less demand of water from the beneficiaries which indicated that schemes were taken up without proper survey and requirement. DC accepted the audit observation.

c) Outstanding water charges

Out of demand of due water charges of ₹9.39 lakh, only 0.86 lakh could be realized (March 2011) from the users. Department, however, did not initiate any action to accelerate the recovery of water charges. Lack of initiative on the part of Department for imposing any penalty for delayed payment/ nonpayment caused the poor realization of Government dues.

Thus, the objective of speedy development of irrigation potential and its eventual utilisation for the increase of production of traditional crops and high yielding variety to improve the quality of life of the poor people remained unachieved.

6.1.3 Schemes for other developmental activities

Other developmental activities like renovation/repairs to Government schools, health institutions, water supply schemes, etc., were taken up in the District under District Development Plan (DDP), Untied funds, Members of Parliament Local Area

Development Scheme (MPLADS), Members of Legislative Assembly Local Area Development Scheme (MLALADS) etc.

(a) District Development Plan

The 'District Development Plan (DDP)' a State sector scheme was introduced with effect from 2006-07. Under the scheme, emphasis was given to infrastructure development, improving agricultural productivity, development of women and weaker sections of the society.

DPMC was responsible for preparation and submission of AAP under the scheme for approval of the State planning and development department. People's participation and involvement in planning, implementation and monitoring were the main requirements of the scheme. During 2006-07, AAPs were prepared by DC, Nagaon and thereafter by CEO, Zilla Parishad, Nagaon involving outlays of ₹11.81 crore and ₹45.54 crore respectively.

During 2006-11, ₹46.12 crore out of ₹57.35 crore released was spent leaving unspent balance of ₹11.23 crore. Out of 2,213 works sanctioned, 1,599 works were taken up for execution through line departments and at AP/GP level. As of March 2011, 1,435 works were completed. Monitoring reports in respect of completed schemes were, however not available, though called for, during audit scrutiny. Utilisation certificates for ₹33.10 crore where 2nd installment of funding was released in respect of 1,387 completed schemes had not been received from executing agencies.

Thus, peoples' participation as envisaged in the guidelines was not ensured. Non-submission of UCs by the executing agencies for 1,387 works and absence of any monitoring report raises doubts about completion as well as quality of the works. DC stated (September 2011) that planning was done with peoples' participation, but no documentary evidence in support was produced. Implementing agencies were also asked to furnish the UCs as stated by DC. Regarding monitoring reports, DC stated (September 2011) that DDP schemes were reviewed in the meeting of DPMC.

(b) Untied funds

Untied fund is a State sector scheme with the objectives to support creative, innovative and demand driven ideas of the heads of the Department in the District/District Administration having immediate social and economic benefits. The proposals for such works were required to be submitted to the DDC for approval and onward transmission to the Planning and Development (P&D) Department for sanction. DC, Nagaon being the Chairman of DDC is responsible for maintenance of the funds.

During 2006-11, ₹5.76 crore was released by the P&D Department to DC, Nagaon. Out of available funds of ₹5.76 crore, ₹5.64 crore was released to the executing agencies leaving an unspent balance of ₹12.50 lakh as of March 2011.

Out of 49 works targeted to be completed, 47 works were completed as on March 2011. Audit scrutiny revealed that the works were neither proposed by the line departments nor approved by DDC. Proposals were directly forwarded by DC, Nagaon on the basis of the approval of chairman, DDC to P&D Department which were sanctioned accordingly. Further, out of 47 works, seven works sanctioned for ₹88.36 lakh were not covered under the scheme guidelines. DC stated (September 2011) that works are sanctioned by the State Government on the basis of proposals submitted by DC as recommended by local public representative and DDC's approval in this regard is not required. The reply of DC is not tenable as the approval of the DDCs of the proposals to be submitted by the Government is mandatory vide para 16 of the guidelines of the untied funds scheme.

(c) Members of Parliament Local Area Development Scheme (MPLADS)

There are two Parliamentary Constituencies in the District. According to MPLADS, the MP proposes the schemes to be taken up during the year within the entitled amount of rupees two crore per year. DC of the concerned district is to accord administrative approval and sanction funds after assessing the feasibility of the schemes. During 2006-11, 2,480 works (Estimated cost ₹18.58 crore) were recommended by the Hon'ble MPs against which 2,261 works (Estimated cost ₹17.31 crore) were sanctioned by DC, Nagaon.

During 2006-11, ₹18.38 crore was available under the scheme, of which ₹15.01 crore was released to the executing agencies leaving an unutilised balance of ₹3.37 crore (18 per cent) as of March 2011.

Out of 2,261 works sanctioned and taken up for execution as of March 2011, 2,125 works were due for completion and 1,533 works²² were completed by March 2011. Of 2,125 works, 604 works on which ₹2.24 crore was released to the executing agencies remained incomplete for one to four years. Reasons for non completion of works under MPLADS and MLAADS were defective planning and lack of supervision by the District authority. Thus, non completion of schemes in time frustrated the objectives of local development through creation of durable assets.

(d) Member of Legislative Assembly Area Development Scheme (MLAADS)

The District has 11 Legislative Constituencies. As per scheme guidelines, the MLAs are required to submit the recommendations of works to be carried out in his/her constituency during the year within the entitled amount of ₹40 lakh per year within 90 days from the beginning of the financial year. During 2006-11 recommendations of 3,609 works for ₹21.29 crore were received from the MLAs, of which 3,605 works were sanctioned by DC, Nagaon. Four works were not sanctioned due to non receipt of plan and estimates from the Construction Committee.

²² For 2006-10:1,521 and for 2010-11:12

Out of total available fund of ₹21.40 crore, DC, Nagaon released ₹19.32 crore to the executing agencies leaving unutilised balance of ₹2.08 crore. Against sanction of 3,605 works during 2006-11, 2,223 works were completed. Of the remaining 1,382 works, 622 works which were due for completion remained incomplete for one to four years. Irregularities noticed in completed schemes have been mentioned in paras 6.1.3.1(ii) and 6.1.3.1(iv).

6.1.3.1 Implementation Issues

(i) Recommendations of MPs/MLAs and maintenance of assets register

As per guideline, each MP / MLA will recommend works up to the annual entitlement during the financial year within 90 days of the commencement of the financial years to the concerned District Authority. The concerned District Authority after checking feasibility would sanction eligible works and get the works executed through different executing/implementing agencies including line departments, construction committees, NGOs etc. No recurring expenditure on created assets is permissible from the concerned scheme funds. For this, the District Authority should get, in advance, a firm commitment about the operation, upkeep and maintenance of proposed assets from the User Agency concerned before the work is sanctioned. As soon as a work under the scheme is completed, the same should be handed over to the user group without any delay so that the asset can be put to use immediately. DC is required to maintain an asset register indicating the details of assets created in the District.

Scrutiny of records revealed that there were considerable delays in receipt of recommendations from the MLAs/ MPs which ranged between 90 and 450 days. Further, recommendations from MLAs and MPs for ₹34.38 lakh were not received during 2006-11. As such, the development funds remained locked up, as of March 2011. DC in its reply (September 2011) admitted the facts.

Neither firm commitments towards future maintenance of assets from the user groups were obtained nor were the assets officially handed over to the user groups. Thus, future maintenance of 3,756 assets created under MPLADS (1,533 works) and MLAADS (2,223 works) during 2006-11 at a cost of ₹24.49 crore (MPLADS: ₹11.83crore, MLAADS: ₹12.66 crore) had not been ensured. Further, no asset register was maintained by DC. As a result, DC remained unaware of details of assets created as of March 2011. DC stated (November 2011) that asset register, as suggested, would be maintained.

(ii) Inadmissible works

The objectives of the scheme viz. MPLADS and MLAADS is to enable MPs and MLAs to recommend works of development nature with emphasis on creation of durable community assets based on felt needs in their constituencies. Besides, works within the place of worship and on land belonging to or owned by religious

faith/group are prohibited. Audit scrutiny of documents revealed that 490 works relating to construction of guest houses, community halls and reading rooms at a cost of ₹2.02 crore were constructed during 2006-11 within the religious premises in violation of scheme guidelines. DC accepted the audit observation.

(iii) Unproductive expenditure

As per guidelines, works under MPLAD and MLAADS are required to be completed within a year from the date of sanction. Scrutiny of records revealed that DC fixed the time as 60 days for completion of works from the date of accordance of administrative approval of each works. Records revealed that out of 2,110 incomplete works under both the schemes (MPLAD: 728, MLAADS: 1,382), 139 works (MP: 67, MLA: 72) were taken up for execution during 2006-07 and 2007-08 and an expenditure of ₹43.89 lakh (MP: ₹24.12 lakh, MLA: ₹19.77 lakh) was incurred on these works (March 2011). However, none of the executing agencies submitted vouchers and utilisation certificates in support of utilisation of funds released to them. DC also did not take any action to ascertain the position of work at any stage. There was no record to indicate that works had even started. No assets were created out of ₹43.89 lakh even after three to four years of release of funds to the executing agencies. Thus, the expenditure of ₹43.89 lakh was doubtful and possibility of misappropriation could not be ruled out. DC stated (September 2011) that due to non receipt of UC 100 *per cent* funds could not be released. The matter of delay in submission of UC/vouchers would be verified during release of next instalment.

(iv) Installation of hand tube well under MPLADS and MLAADS

As per Para 2.11 of the MPLADS guidelines DC shall identify the agency through which a particular work recommended by the MP should be executed. The Panchayati Raj Institutions (PRI) would preferably, be the implementing agency in rural areas and urban local bodies in urban areas. Further, DC may choose either Government Department unit or Government agency or reputed Non-Governmental Organisations (NGO). For execution of works through Government Departments, DC can engage units for example, Public Health Engineering, Rural Housing, Housing Boards, Electricity Boards and Urban Development Authorities etc. as implementing agencies.

Scrutiny of records revealed that during 2006-11, 220 works for installation of 2,396 Hand Tube Wells (HTW) at a cost of ₹2.11 crore (MPLADS-1,094 HTW: ₹1.04 crore; MLAADS-1,302 HTW: ₹1.07 crore) were taken up by DC, Nagaon.

Audit observed that

- DC did not initiate any action to get the work done through PRI both at rural and urban level but got the works executed through EE, Agriculture, BDOs and construction committees. DC stated (September 2011) that works were executed through the agencies recommended by the hon'ble MPs/MLAs. Reply of DC is not

tenable as MPLADS guidelines clearly stipulate that DC is responsible to identify the executing agency who could execute the work qualitatively, timely and satisfactorily.

(v) Non utilization of fund

The Government of Assam (GOA), P&D Department accorded (October 2005) sanction of ₹25 lakh for infrastructure development (construction of auditorium) at Batadrava Satra in Nagaon district and released the funds in two instalments of ₹15 lakh and ₹10 lakh between October 2005 and October 2006. Out of ₹25 lakh, ₹15 lakh (60 per cent) was paid as 1st instalment to a Construction Committee set up for the purpose and ₹10 lakh was retained in DCR as of date since its drawal in March 2007. As of March 2011, the Construction Committee did not submit the UCs for 1st instalment of ₹15 lakh. There is nothing on record to indicate that the work had even started. The Construction Committee was also reconstituted thrice, reasons for which were not on record. Thus, the purpose for which fund was provided remained unachieved while mis-utilisation of funds also could not be ruled out. DC except for asking UCs from the Committee, did not investigate the matter. In reply, DC stated (September 2011) that the Construction Committee was revised due to change of Additional Deputy Commissioner (Development) being the chairman of the Construction Committee and as per demand of the Satra Parisalana Samitee and further stated that the progress of works would be verified.

(vi) Delay in construction of Museum

For collection, preservation and promotion of various archeological sculptures, monuments, a district museum was taken up (February 2009) for construction. The work of which was awarded (February 2009) to a contractor at its estimated value of ₹67.91 lakh by the Executive Engineer, Building Division to be completed by February 2010. Scrutiny of records revealed that as of March 2011 the works remained incomplete even after allowing extension of time upto 31 December 2010. Meanwhile the estimate was revised to ₹94.41 lakh due to price escalation which has not yet been sanctioned. As of March 2011, the contractor was paid ₹35.45 lakh against the actual work done valued at ₹65.45 lakh. Non completion of work due to paucity of funds thus, resulted in unproductive expenditure of ₹35.45 lakh. Besides, the objective of creation of museum remained unachieved as shown in the photograph.



Thus, other developmental schemes like DDP, Untied funds, MPLADS, MLAADS etc., were taken up in the District in an uncoordinated way as the

works were neither properly planned nor completed within the specified time for which funds remained unutilized. Besides, lack of financial control and monitoring led to delay in execution of works, execution of inadmissible works, unproductive/doubtful expenditure, excess expenditure etc. The assets created out of these schemes also remained unknown to DC as no asset register was maintained at any level.

Recommendations

- A coordinated approach needs to be adopted by the State/District administration in implementation of the projects/schemes so that the works are planned and completed.
- An asset register indicating the details of assets created in the District is required to be maintained by DC.

6.2 Employment Generation

GOI and the State Government had initiated numerous measures to tackle problems of poverty, unemployment and the slow pace of progress in the rural economy. The two most important schemes sponsored by the Central Government for providing employment in the rural areas as a means of poverty alleviation are Sampoorna Gramin Rozgar Yojana (SGRY) and Swarnajayanti Gram Swarozgar Yojana (SGSY). The SGRY was subsequently subsumed in National Rural Employment Guarantee Scheme (NREGS) in February 2006.

6.2.1 SGRY

The objectives of SGRY were to provide additional wage employment to the rural poor and to create durable community, social and economic assets. GPs were to submit work proposals through BDOs to DRDA and a comprehensive *shelf of works* were to be approved at the beginning of the year. Audit noticed that schemes were sanctioned by EE in an adhoc manner without any inputs from GPs. Consequently, works were proposed on a perceived need basis, rather than in a planned and coordinated manner with inputs from GP levels, resulting in overlaps in execution of works and underutilisation of available funds. Also, there was no database at the District/DRDA level, detailing the developmental works undertaken in various Blocks and GPs.

The SGRY was funded on 75:25 basis by GOI and the State Government. Although SGRY was supposed to be merged with NREGS from February 2006, it continued as an independent scheme till 2007-08. The year-wise position relating to the funds received by DRDA, Nagaon and utilisation there against during 2006-08 is given in Table -17.

Table-17: Year-wise position of funds received by DRDA, Nagaon and utilisation during 2006-08
(₹ in crore)

Year	Opening balance	Funds received			Total	Funds utilised	Unspent balance (Percentage)
		Centre	State	Other misc. receipts			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2006-07	0.61	16.29	7.60	0.13	24.63	22.87	1.76 (7)
2007-08	1.76	22.49	6.38	0.16	30.79	30.54	0.25 (1)
Total		38.78	13.98	0.29		53.41	--

The Scheme discontinued from 31-3-2008.

Source: Departmental figures.

The details of funds received and utilised during this period by the nine sampled Blocks are given in Table -18.

Table-18: Funds received and utilised during 2006-08 by the nine sampled Blocks

(₹ in crore)

Year	Opening balance	Funds received	Other receipts	Total	Funds utilised	Unspent balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2006-07	0.19	4.33	0.03	4.55	4.35	0.20
2007-08	0.20	6.33	0.05	6.58	6.50	0.08
Total		10.66	0.08		10.85	

Source: Departmental figures

(a) Employment Generation under SGRY

The details of employment generated under this scheme during 2006-08 as reported by DRDA to GOI are given in Table -19.

Table-19: Details of employment generated under SGRY during 2006-08

(Mandays in lakh)

Year	Mandays for SC/ST	Mandays for others	Total mandays generated	Mandays for women
(1)	(2)	(3)	(4)	(5)
2006-07	8.12	31.40	39.52	0.60
2007-08	7.67	23.01	30.68	2.02
Total	15.79	54.41	70.20	2.62

Source: Departmental figures.

There were no annual targets relating to employment generation although DRDA planned to execute small works like construction of tanks, roads, community halls etc., for generating employment. Therefore, the extent of employment generated vis-à-vis targets could not be ascertained.

The status relating to employment generation in the nine test-checked Blocks is given as in the Table -20.

Table-20: Status of employment generation in the test-checked Blocks

(Mandays in lakh)

Year	Mandays for SC/ST	Mandays for others	Total mandays generated	Mandays for women
(1)	(2)	(3)	(4)	(5)
2006-07	2.67	4.67	7.34	0.12
2007-08	3.25	6.08	9.33	0.30
Total	5.92	10.75	16.67	0.42

Source: Departmental figures

According to the guidelines, 30 per cent employment opportunities were earmarked for women beneficiaries. As can be seen from the tables above, negligible

employment opportunities to women were provided in the District as well as in the sampled blocks.

The sampled Blocks and GPs had not maintained employment registers in the prescribed format indicating the category-wise details of people provided employment and the number of mandays generated for each work. In the absence of complete details in the employment registers, the employment reported to have been generated, especially in respect of women and SC/ST categories could not be verified in audit.

In 56, out of 136 test-checked GPs, the category-wise details of SC/ST and women beneficiaries provided with wage employment were not recorded in the muster rolls. While 30 *per cent* of employment generated should have been in respect of women beneficiaries, DRDA reported only 2.62 lakh (four *per cent*) mandays for women out of 70.20 lakh mandays generated in the District during 2006-08, resulting in less wage employment of 18.44 lakh (26 *per cent*) mandays for the women. Accepting the audit observation, the PD, DRDA stated (September 2011) that participation of women labour were not encouraging as they were not willing to do the manual work like earth cutting, carriage etc.

(b) Implementation

(i) Unauthorised expenditure

Para 4.6 of SGRY guideline provides that Intermediate Panchayat and Village Panchayat are permitted to spend upto a maximum of 15 *per cent* of fund on the maintenance of public assets created under wage employment programme sponsored by the ministry of Rural Development from time to time within their jurisdiction.

Scrutiny of records revealed that during 2007-08, four blocks²³ incurred ₹33.12 lakh towards repairing of roads/LP Schools, E&D bunds etc. But there was no documentary evidence or asset registers showing that the assets repaired out of SGRY funds during 2007-08 were earlier created under wage employment programmes sponsored by the ministry of Rural Development. Thus, the expenditure of ₹33.12 lakh spent for works was not admissible under the guidelines. Admitting the fact, DC stated (September 2011) that repairing works out of SGRY funds was taken up to meet the utmost need of the situation.

(ii) Diversion of funds

SGRY guidelines provide that the State Government would bear the transportation cost and handling charges (including taxes, if any) for the food grains (wheat/rice) component received from the GOI under the schemes and that cash component under the scheme was not to be utilized for payment of transportation cost.

²³ Binnakandi: ₹6.81 lakh; Lawkhowa: ₹10.24 lakh; Kathiatoli: ₹4.67 lakh and Raha: ₹11.40 lakh

Scrutiny of records of the Project Director (PD), DRDA, Nagaon revealed that during 2006-07 the PD lifted and dispatched 4242.08 MT of rice from Food Corporation of India (FCI) godown to the Blocks. In violation of the scheme guidelines, the PD incurred an expenditure of ₹10.48 lakh towards transportation cost out of the scheme funds meant for rural employment generation. Due to this diversion, 0.13 lakh mandays (@ ₹80 *per* mandays) employment could not be generated and the eligible beneficiaries were deprived of the benefit of employment to that extent. Further, the PD did not initiate any action to get the amount reimbursed by the State Government.

6.2.2 National Rural Employment Guarantee Scheme

The National Rural Employment Guarantee Scheme (NREGS) is being implemented in the District since April 2008. The objective of the Scheme is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

Under NREGS, the wages of skilled and semi-skilled workers and cost of material is shared in the ratio of 75:25 by GOI and State Government. In addition, the State Government bears the cost of unemployment allowance and the administrative expenses of State Employment Guarantee Council.

The year-wise position of funds received by DRDA, Nagaon and utilisation there against during 2008-11 is given in Table -21.

Table-21: Year-wise position of NREGS funds received by DRDA, Nagaon and utilisation during 2008-11

(₹ in crore)

Year	Opening balance	Funds received		Other misc. receipts	Total	Funds utilised	Unspent balance (percentage)
		Centre	State				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2008-09	0.94	40.29	0.67	0.16	42.06	40.04	2.02 (5)
2009-10	2.02	31.62	3.06	0.07	36.77	32.23	4.54 (12)
2010-11	4.54	10.71	9.32	-	24.57	22.03	2.54 (10)
Total		82.62	13.05	0.23		94.30	

Source: Departmental figures.

The details of funds received and utilised during this period in the nine sampled blocks are given in Table -22.

Table-22: Details of NREGS funds received and utilised during 2008-11 by the nine sampled blocks

(₹ in crore)

Year	Opening balance	Funds received	Other misc. receipts	Total	Funds utilised	Unspent balance (percentage)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2008-09	-	23.07	0.02	23.09	19.64	3.45 (15)
2009-10	3.45	12.85	0.56	16.86	13.45	3.41 (20)
2010-11	3.41	15.92	0.08	19.41	17.08	2.33 (12)
Total		51.84	0.66		50.17	

Source: Departmental figures.

The non utilisation of entire funds was due to slow progress of works by GPs which in turn resulted in creation of lesser opportunities for employment generation. Reasons for slow progress of works were lack of supervision and aged workers.

(a) Employment Generation under NREGS

The details of employment generated under this scheme during 2008-11 as reported by DRDA to GOI are given in Table -23.

Table-23: Details of employment generated under NREGS during 2008-11

(Numbers in lakh)

Year	Mandays for SC/ST	Mandays for others	Total mandays generated	Mandays for women
(1)	(3)	(4)	(2)	(5)
2008-09	3.66	9.97	13.63	0.49
2009-10	11.30	11.53	22.83	0.78
2010-11	4.72	9.41	14.13	1.24
Total	19.68	30.91	50.59	2.51

Source: Departmental figures.

The status relating to employment generation in the nine test-checked Blocks is given in Table -24.

Table-24: Details of employment generated under NREGS during 2008-11

(Mandays in lakh)

Year	Mandays for SC/ST	Mandays for others	Total mandays generated	Mandays for women
(1)	(2)	(3)	(4)	(5)
2008-09	1.90	4.80	6.70	0.83
2009-10	1.67	5.68	7.35	0.58
2010-11	0.89	3.61	4.50	0.49
Total	4.46	14.09	18.55	1.90

Source: Departmental figures.

The details of job card holders registered, those who demanded employment and those who were provided employment in the District during 2008-11 are given in Table -25.

Table-25: Details of job card holders registered, demanded employment and provided employment in the District during 2008-11

(In numbers)				
Year	Total number of job card holders registered	Job card holders who demanded and were provided employment	Job card holders provided 100 days employment	Percentage of shortfall w.r.t. job card holders who demanded but were not provided 100 days employment
(1)	(2)	(3)	(4)	(5)
2008-09	1,63,826	84,673	Nil	100
2009-10	2,00,675	1,40,193	93	99.93
2010-11	2,10,818	1,25,208	115	99.91

Source: Departmental figures

(i) The shortfall in providing guaranteed 100 days wage employment to card holders who had demanded employment ranged between 99.93 and 100 *per cent*. No unemployment allowance was granted to eligible job card holders who were not provided employment. This shows lack of adequate efforts on the part of implementing agencies for ensuring effective implementation of the scheme. In reply DC stated (September 2011) that 100 days wage could not be provided to job card holders for paucity of fund and unemployment allowances were not paid as the same were not demanded by the job card holder. The reply was not tenable as funds were found unutilized at the end of each financial year besides it is the responsibility of the agency to pay unemployment allowances to job card holders who demanded jobs but cannot be provided the same.

(ii) During 2008-11, 50.59 lakh mandays were generated in the District by providing employment to 3,50,074 workers (job card holders). Of these women workers were provided only 2.51 lakh mandays (five *per cent*) against the required mandays of 16.69 lakh (33 *per cent*). In nine test-checked blocks, 1.90 lakh mandays (10 *per cent*) for women against the requirement of 6.12 lakh mandays were generated. Thus, the women beneficiaries were not given adequate employment opportunities as required under the Act. DC pointed out (September 2011) that women job card holders were reluctant to take up earth works which indicated that the agency had failed to motivate the women job card holders to get the benefit under the scheme.

(iii) In the shelf of projects for the period 2008-11, 4,616 works were projected for completion. Against this, achievement was only 1,349 works (29 *per cent*). Thus, creation of durable assets for strengthening livelihood of rural poor was not ensured as specified in the guideline. As most of the works undertaken were earth work, durability of the assets created remained doubtful as evident from the given photographs. The shortfall in completion of works was mainly due to delay in release of funds by the Agency to the lower levels (APs and GPs).



Improvement of road from Kashori Chariali to Erabari Bazar via Nuru Master, Salam Bepari House under Juria Development Block 2009-10 (26/05/11)



Construction of road from Pub-Mukunda-ati Surhab Ali House to RCC Bridge under Juria Development Block 2008-09 (26/05/11)

6.2.2.1 Implementation issues

(i) Shortfall in employment generation:

The operational guidelines provides for minimum labour component of 60 per cent in NREGS works. At wage rate applicable in the State/district, atleast 62.59 lakh mandays²⁴ could have been generated in the District, out of ₹94.30 crore utilised during 2008-11. However, actual employment generated during the period was 50.59 lakh mandays resulting in less employment generated by 12 lakh mandays. Test check of records of nine selected blocks revealed that out of 33.05 lakh mandays²⁵ due to be generated out of ₹50.17 crores utilized during 2008-11, 18.55 lakh mandays was created during the period resulting in less generation of 14.50 lakh mandays. The shortfall in employment generation was due to underutilization of funds at GP levels and excess expenditure on material components. DC stated (September 2011) that the Executing Agencies were asked to take up wage oriented schemes to increase the number of mandays.

(ii) Excess expenditure on material

Operational guidelines of NREGS envisage that all assets created must be productive durable and conform to the prescribed standard. Wage-material ratio of 60:40 was to be maintained at GP, Block and district level. Scrutiny of records revealed that overall expenditure on material component of the District during 2008-09 and 2009-10 was

²⁴

2008-09	₹40.04 crore x 60% / 80 =	30.03 lakh mandays
2009-10	₹32.23 crore x 60% / 100 =	19.34 lakh mandays
2010-11	₹22.03 crore x 60% / 100 =	13.22 lakh mandays
Total		62.59 lakh mandays

²⁵

2008-09	₹19.64 crore x 60% / 80 =	14.73 lakh mandays
2009-10	₹13.45 crore x 60% / 100 =	8.07 lakh mandays
2010-11	₹17.08 crore x 60% / 100 =	10.25 lakh mandays
Total		33.05 lakh mandays

around 50 per cent and 49 per cent respectively against the prescribed maximum limit or 40 per cent. The status of expenditure on material component during 2008-09 and 2009-10 against utilization of scheme fund is indicated in Table -26.

Table-26: Status of expenditure on material component

(₹ in crore)

Year	No. of works completed	Total fund utilized as per utilization certificate	Expenditure incurred on material component	Expenditure required to be incurred on material component (40 per cent of Col.3)	Excess expenditure on material component	Resultant creation of less mandays (in lakh)
1	2	3	4	5	6	7
2008-09	39	23.71	12.41	9.48	2.93	3.66
2009-10	719	34.11	16.60	13.64	2.96	2.96
Total	758	57.82	29.01	23.12	5.89	6.62

Source: Utilisation certificate of NREGS for 2008-09 and 2009-10

Thus, excess utilization of material component (₹5.89 crore) resulted in non creation of 6.62 lakh mandays during the aforesaid years. DC stated (September 2011) that care would be taken to avoid such violation of guidelines.

(iii) Delay in payment of wages

During 2009-10, delays ranging from one to more than 90 days²⁶ in respect of 1,776 MRs beyond the prescribed limit of 15 days were noticed in payment of wages of ₹1.86 crore. Compensation for such delay was neither claimed nor paid. Such abnormal delay in payment of wages frustrated the objectives of the scheme. Admitting the observation, DC stated (September 2011) that all Programme Officers were instructed to avoid delay in payment of wages.

(iv) Construction of individual assets (Fishery tank)

The objective of NREGS was to enhance livelihood security in rural areas by providing 100 days of guaranteed wage employment through creation of community assets.

The guidelines for implementation of works on individual land under NREGS, 2009, however, permitted execution of works relating to irrigation facility, horticulture, plantation and land development works on individual land. Land of SC and ST would be taken on priority and ceiling of each work would be ₹1.50 lakh.

Audit scrutiny revealed that BDO, Rupahihat in violation of scheme guidelines executed 33 works at a cost of ₹1.03 crore (detailed in **Appendix-III**) relating to construction of fishery tank on the individual land of 33 non SC/ST beneficiaries and cost of each work ranged between rupees two lakh to rupees five lakh. Thus, the expenditure of ₹1.03 crore was unauthorised.

²⁶ 16-30 days:982 works; 31-60 days:513 works; 61-90 days:64 works & More than 90 days:217 works

During exit conference, the PD, DRDA stated (2 November 2011) that construction on private land was permissible under Individual Beneficiary Scheme. It was also stated that though construction of fishery tank was not permissible under the scheme guidelines, GOI may perhaps consider inclusion of such construction under the scheme.

(v) Infertuous expenditure

DC, Nagaon sanctioned (March and November 2009) ₹58.18 lakh for implementation of the scheme “Nursery and Afforestation” under Binnakandi Development Block by the Social Forestry Department, GOA under NREGS 2008-09 and 2009-10. The scheme provided for Block Plantation in 300 Ha and Avenue Plantation in 8 KM under Range Officer (RO), Jamuna Valley Range (JVR), Doboka. Implementation of scheme inter-alia provides for purchase of seedlings by the DFO, Nagaon South Division and Muster Rolls (MRs) would be filled up by the RO for works done and would be submitted to the Block Development Officer (BDO) for payment to the job card holders through individual account.

Audit scrutiny revealed that DC released ₹17.50 lakh to Binnakandi Development Block. BDO, however, handed over ₹9.60 lakh to RO, JVR, Doboka for purchase of seedlings. The seedlings were purchased and kept in the Joint Forest Management Committee’s (JFMC) nurseries. But no fund was released to RO for plantation of the seedlings.

DC, further, released (November-December 2009) ₹26.39 lakh to BDO when the plantation period was over and plantation site became useless. As of March 2010, out of total sanctioned fund of ₹58.18 lakh, ₹43.89 lakh was released and ₹39.67 lakh was utilized in implementation of the scheme. But no fund was provided for maintenance of the plantation. Due to non maintenance of the plantation during 2010-11 some of the plantation died and survival percentage of the remaining plantation were not encouraging.

Thus, release of fund after the plantation period and non release of fund for maintenance of same led to infertuous expenditure of ₹39.67 lakh and failed to achieve desired objective of the scheme.

6.2.3 Swarnjayanti Gram Swarozgar Yojana (SGSY)

The objective of the SGSY is to bring the assisted poor families above the poverty line by ensuring appreciable sustained level of income over a period of time by organising the rural poor into Self Help Groups (SHGs) through a process of social mobilisation, their training and capacity building and provision of income generating assets through a mix of bank credit and subsidy.

Each District Rural Development Agency may incur expenditure on the following items from the funds available under the scheme (1) Infrastructure Development (2) Training (10 per cent of total fund) (3) Providing Revolving fund to SHGs

(10 per cent of total fund), and (4) Providing subsidy through bank loan. Providing infrastructure support under SGSY is primarily to bridge the gaps in available infrastructure (maximum 25 per cent of total fund).

Further, the progress/performance of the SHG/individual Sworzgaries in management of assets for generation of incremental income has to be continuously followed up, monitored and evaluated. The follow up on the projects under taken by the Swarozgaries should be done by DRDA/Block officials and Bankers to assess their capability to generate the projected income.

The position of funds received and expenditure incurred during 2006-11 is indicated in Table -27.

Table-27: Funds received and expenditure incurred during 2006-11

(₹ in crore)

Year	Opening balance	Funds received		Other receipts	Total	Expenditure	Closing balance
		GOI	GOA				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2006-07	0.59	3.96	1.24	0.08	5.87	5.23	0.64
2007-08	0.64	8.07	1.54	0.13	10.38	9.80	0.58
2008-09	0.58	20.00	5.56	0.24	26.38	15.83	10.55
2009-10	10.55	9.64	2.34	0.39	22.92	20.44	2.48
2010-11	2.48	14.77	1.81	-	19.06	12.09	6.97
Total		56.44	12.49	0.84		63.39	

Source: Departmental figures.

Thus, six to 40 per cent funds remained unutilized due to late receipt of funds which affected the implementation of the scheme.

Physical target and achievement during 2006-11 is given in Table -28.

Table-28: Physical target and achievement during 2006-11

Year	Target (In numbers)		Achievement (In numbers)		Expenditure (₹ in crore)	
	SHG	Individual	SHG	Individual	Subsidy	Revolving funds
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2006-07	285	96	342	67	3.35	0.67
2007-08	614	175	579	114	5.80	1.02
2008-09	1,385	340	961	185	10.66	1.73
2009-10	1,214	366	1,331	348	14.81	1.50
2010-11	1,279	389	1,160	210	13.16	2.07
Total	4,777	1,366	4,373	924	47.78	6.99

Source: Departmental figures.

During the years 2006-11, there was shortfall in achievement of 404 SHGs and 442 Individuals though funds were available.

6.2.3.1 Implementation issues

(a) Non maintenance of records

SGSY lays emphasis on the group approach, under which the rural poor are organized into Self-help Groups. Self-help Groups broadly go through three stages of evolution viz.,

- Group formation (formation, development and strengthening of the group to evolve into self managed peoples organizations at grass root level);
- Capital formation through the revolving fund, skill development;
- Taking up economic activity for income generation.

Scrutiny revealed that during 2006-11 against the target of 4,777 SHGs, 4,373 SHGs were formed and ₹47.78 crore and ₹6.99 crore were spent on subsidy and revolving fund respectively. A database was maintained for SHGs which were paid subsidy and revolving fund which did not disclose that the SHGs passed through the three required stages. Thus, in the absence of required information Audit could not ascertain whether the subsidies were released to eligible SHGs who passed through the three stages as envisaged in the guidelines. DC stated (September 2011) that Revolving Fund and Subsidy were paid to SHGs by a system of grading exercise jointly by block and bank official as per SGSY guidelines but this was not supported by any documentary evidence. Besides, the data base created also did not include the result of such grading exercise.

b) Less coverage of beneficiaries

The objective of the SGSY is to bring the assisted poor families above the poverty line by ensuring sustainable level of income over a period of time. This objective is to be achieved by organizing the rural poor into SHGs through a process of social mobilization, training, capacity building and provision of income generating assets through a mix of bank credit and subsidy.

During 2009-10, 1,695 loan proposals for ₹40.63 crore were sponsored by DRDA to banks. Banks on the other hand, sanctioned 1,429 proposals for ₹33.63 crore. DRDA, Nagaon, however, released ₹14.54 crore subsidy for 1,331 SHG and individual Swarojgaries. The balance 98 proposals sanctioned by the Bank were not entertained by the agency due to paucity of funds under subsidy and were to be considered in subsequent years.

c) Refund of subsidy from banks under SGSY

DRDA used to release subsidy to banks for providing loans to the selected Self Help Groups (SHGs) and individual beneficiaries. The banks were required to release subsidy alongwith loan to the beneficiaries without delay. Scrutiny of records of the DRDA, Nagaon revealed that during 2006-11, an amount of ₹59.22 lakh being the subsidy amount was refunded to the Agency by various banks on the ground that the beneficiaries were either defaulters in making repayment of earlier loans or not interested to carry out the selected scheme or non submission of required information/documents to banks. The refunded amounts pertained to the periods from 2003-04 onwards. Thus, it was evident that constant monitoring of release of funds to SHGs and individual beneficiaries by the banks as envisaged in scheme guidelines was deficient and selection of beneficiaries was also not based on ground realities. DC

stated (September 2011) that the matter would be discussed in the next meeting of district level SGSY Committee.

d) Excess expenditure

According to SGSY guidelines, each DRDA has to incur expenditure on the following items.

(i) Training	:	10 per cent of the allocation,
(ii) Infrastructure	:	25 per cent of the allocation,
(iii) Revolving fund	}	For economic activities
(iv) Subsidy		(65 per cent of the allocation)

As 35 per cent allocated funds are earmarked for infrastructure and training, the balance 65 per cent can only be utilized on subsidy and Revolving fund. Scrutiny of records revealed that during 2009-10 against the permissible amount of ₹14.90 crore, the agency incurred an expenditure of ₹16.31 crore on subsidy and revolving fund. Thus, there was an excess expenditure of ₹1.41 crore on subsidy and Revolving fund, which was at the cost of funds earmarked for infrastructure and training.

Thus, in the absence of any monitoring mechanism to evaluate the status of economic viability of the Projects undertaken by SHGs/Individuals, the extent of economic upliftment was not ascertainable in audit. Besides, lack of initiative and follow up action on the part of the implementing authorities resulted in huge accumulation of closing balance in hand. Further, in the absence of records regarding training imparted to SHGs, achievement of formation of 4,373 SHGs was doubtful.

Recommendation

Monitoring should be strengthened to evaluate the status of economical viability of Projects under taken by SHGs/Individuals.

6.3 Housing Scheme

Indira Awaas Yojana (IAY) is a flagship scheme to provide houses to the poor rural people. The objective of the scheme is primarily to help construction/upgradation of dwelling units of members of Scheduled Castes/Scheduled Tribes, free bonded labourers and other below the poverty line non SC/ST rural households by providing them a lump-sum financial assistance. Under the scheme, 60 per cent of total allocation should be spent for SC/ST and BPL households.

6.3.1 Funding Pattern

The IAY is a Centrally Sponsored Scheme funded on cost sharing basis in the ratio of 75:25. Funds received and expenditure incurred during 2006-11 is indicated in Table -29.

Table-29: Funds received and expenditure incurred during 2006-11

(₹ in crore)

Year	Opening balance	Funds received		Other receipt	Total funds available	Expenditure incurred	Closing balance (percentage)
		GOI	GOA				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2006-07	0.72	25.66	5.58	0.19	32.15	29.64	2.51 (8)
2007-08	2.51	21.41	6.97	0.23	31.12	30.84	0.28 (1)
2008-09	0.28	68.75	12.73	0.42	82.18	70.63	11.55 (14)
2009-10	11.55	59.07	8.86	0.70	80.18	78.74	1.44 (2)
2010-11	1.44	85.73	11.09	-	98.26	62.81	35.45 (36)
Total		260.62	45.23	1.54		272.66	

Source: Departmental figures.

➤ The position of funds received and utilised in the sampled blocks are given in Table -30.

Table-30: Position of funds received and utilised in the sampled blocks

(₹ in crore)

Year	Opening balance	Funds received	Other receipts	Total funds available	Expenditure	Closing balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2006-07	1.01	13.87	0.02	14.90	12.26	2.64 (18)
2007-08	2.64	18.51	0.06	21.21	19.51	1.70 (8)
2008-09	1.70	43.18	0.09	44.97	19.82	25.15 (56)
2009-10	25.15	45.73	0.83	71.71	51.19	20.52 (29)
2010-11	20.52	59.87	0.86	81.25	50.43	30.82 (38)
Total		181.16	1.86		153.21	

Source: Departmental figures.

The above tables indicate that utilization of funds during 2006-11 ranged between 64 to 99 per cent in the District whereas in the test checked blocks it ranged between 44 to 92 per cent. The under utilization of funds was due to delay in release of funds and delay in selection of beneficiaries by Blocks.

6.3.2 Target and Achievement

Physical target and achievement of IAY houses is indicated in Table -31.

Table-31: Physical target and achievement of IAY houses

Year	Opening balance	Target	Total	Number of houses completed	Percentage	Houses under progress	Houses not taken up
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2006-07	-	9,241	9,241	7,394	80	1,847	--
2007-08	1,847	12,658	14,505	9,194	63	2,173	3,138
2008-09	5,311	22,207	27,518	5,825	21	18,555	3,138
2009-10	21,693	20,343	42,036	12,710	30	7,633	21,693
2010-11	29,326	14,455	43,781	18,240	42	7,862	17,679

Source: Departmental figures.

Position of target and achievement in sampled blocks is given in Table -32.

Table-32: Target and achievement in sampled blocks

Year	Opening balance	Target	Total	Number of houses completed	Percentage	Houses under progress	Houses not taken up
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2006-07	282	4,087	4,369	4,109	94	260	--
2007-08	260	5,163	5,423	5,217	96	206	--
2008-09	206	11,672	11,878	7,846	66	4,032	--
2009-10	4,032	10,925	14,957	10,819	72	4,138	--
2010-11	4,138	10,863	15,001	6,452	43	7,208	1341

Source: Departmental figures.

During 2006-11, 21 to 80 per cent houses were completed in the District whereas in nine test-checked Blocks 43 to 96 per cent houses were found complete. Construction of 1,341 houses in two blocks (Lowkhowa:411; Raha:930) was not taken up due to non-selection of beneficiaries. Besides, most of the houses declared completed were without smokeless chullah and sanitary latrine.

During exit conference, PD, DRDA stated (November 2011) that Gram Sabhas were delaying the process. Further, adequate steps would be taken in this regard.

6.3.3 Implementation

(a) Identification of beneficiaries

The Gram Sabha is responsible for selection of beneficiaries from the list of eligible BPL households, restricting this number to the target allotted as per the scheme guideline. Selection by the Gram Sabha is final and no approval from higher authority is required.

None of the test-checked blocks could produce the Gram Sabha resolution alongwith the list of beneficiaries selected by those sabhas to audit. However, list of selected

beneficiaries signed by GP Secretary and GP President were produced to audit. In the absence of resolution of Gram Sabha authenticity of those lists could not be ascertained in audit.

From 2007-08, cost of sanitary latrine at the rate of ₹300 was released to ZP, Nagaon by the BDOs. CEO, ZP, Nagaon further, released the fund to the EE, PHED, Nagaon for construction of latrines in IAY houses.

During 2008-11, the EE, PHED, Nagaon received ₹42.39 lakh for construction of 14,130 IAY latrines against which 1,156 latrines at a cost of ₹3.47 lakh were constructed and balance amount of ₹38.92 lakh remained unutilized. The slow progress of construction of sanitary latrine was attributed to non allowance of construction of latrine in incomplete houses by beneficiaries, acute dearth of available space near IAY houses, non availability of beneficiaries' names in the BPL list of the Panchayat and Rural Development (P&RD) Department. Names of 3,596 beneficiaries in respect of seven blocks (90 GPs) did not figure in BPL list of P&RD department which indicated that the beneficiaries were not selected from BPL households.

Admitting the audit observation, PD Stated (November 2011) that the beneficiary list was prepared by the Gram Sabhas.

(b) Diversion of fund

IAY guidelines do not have any provision for contingent expenditure. Further, payment of bank charges/commission out of IAY fund is also not permissible.

Contrary to the above provision, the BDOs and Secretaries of GP incurred ₹17.80 lakh during 2008-10 towards contingent expenses and bank charges out of IAY funds, which was irregular and amounted to diversion of IAY funds. DC admitted the fact and stated (September 2011) that all BDOs and GP Secretaries were cautioned not to violate the guidelines in future.

(c) Un-authorized retention of IAY fund

As per financial rules unutilized balances of schematic fund should be refunded to the sanctioning authority without delay so that the unutilized balance could be utilized elsewhere.

Scrutiny of cash book and relevant records of selected blocks and information collected from other blocks revealed that ₹54.92 lakh being unutilized balance pertaining to IAY scheme for the years 2001-02 to 2006-07 were retained in GPs and blocks as of March 2011. Non utilization of ₹54.92 lakh resulted in blockade of development funds and also IAY beneficiaries were deprived of intended benefits. With the introduction of new system (2007-08) of disbursement of fund to the beneficiaries through account payee cheque for construction of houses by the

beneficiaries, there was little scope of utilization of ₹54.92 lakh pertaining to 2001-07. Thus, the retention was wholly unnecessary and it ought to be in turn refunded to PD.

DC stated (September 2011) that the BDOs had been instructed to refund the unspent balance to DRDA.

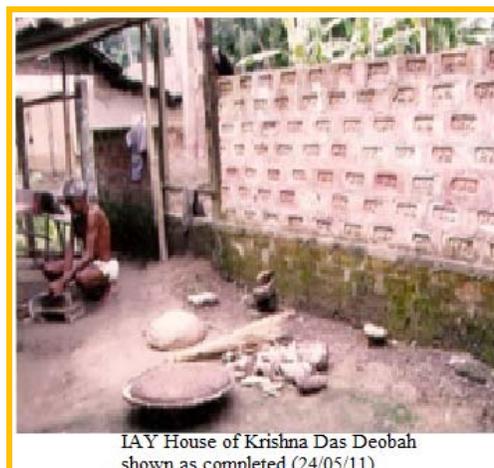
(d) Lack of supervision

From 2008-09, funds were disbursed to the beneficiaries through account payee cheques as the beneficiaries were responsible for construction of IAY houses under technical supervision of JE of the concerned blocks and overall supervision of GP Secretaries. Low percentage of completion of targeted houses since 2008-09 indicated lack of supervision and monitoring on the part of JEs and GP Secretaries. DC stated (September 2011) that incomplete houses were identified and BDO/Junior Engineer/GP Secretaries were directed to complete those houses.

(e) Irregular release of funds and utilization certificates

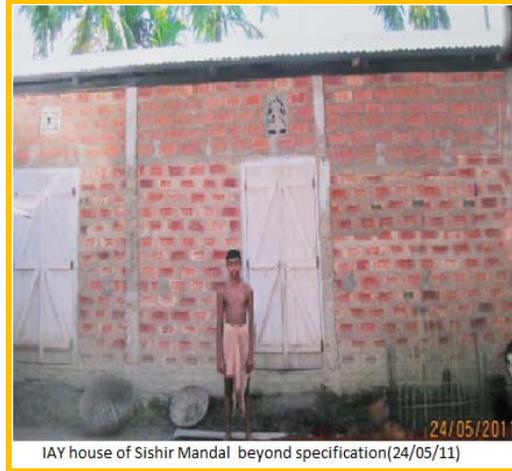
(i) As per scheme guidelines, funds are required to be released to the beneficiaries in instalments on the basis of progress of work. Records revealed that 2nd and final instalments were released to the beneficiaries on the basis of utilization certificate (UC) received for the 1st instalment. No UC for the 2nd and final instalments were made available to audit, in the absence of which the claim of completion of 36,775 houses during 2008-11 remained doubtful.

Joint physical verification (24 May 2011) with departmental officers revealed that in one GP houses shown as completed in the records of the BDO remained incomplete as evident from the photograph. Also completed houses did not have IAY logos displayed as required as per guidelines. Besides houses constructed beyond specification indicated that IAY funds were provided to ineligible persons.





IAY house of Adhir Mandal beyond specification (24/05/11)



IAY house of Sishir Mandal beyond specification(24/05/11)

(ii) In violation of the prescribed norms the BDO, Dhalpukhuri released ₹4.34 crore during 2010-11 to 909 beneficiaries @ ₹47,700 (deducting ₹800 for latrine) in one instalment for construction of IAY houses. Thus the completion of the houses was left at the will of the beneficiaries.

(f) Other points

- No action had been initiated either at district level or at block level for providing benefit of free electricity connection, drinking water supply, low rate loans from banks, insurance benefits to IAY beneficiaries as required under the rules.
- The Implementing Agencies should have a complete inventory of houses constructed under the IAY giving details of date of start and date of completion of dwelling unit, name of the village, block, occupation and category of beneficiaries. But, no such inventory of houses was maintained at any of the District, block and GP level. DC stated (September 2011) that BDOs and GP Secretaries were directed to maintain Asset Register.

To sum up targeted houses could not be completed due to lack of supervision at block level and GP level despite availability of funds. Besides, beneficiaries were selected outside BPL list and funds were provided to ineligible persons.

Recommendations

- Selection of BPL beneficiaries should be ensured.
- A coordinated approach needs to be adopted by DRDA to ensure providing all benefit to IAY beneficiaries as admissible to BPL households under different schemes.

6.4 Energy

6.4.1 Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY)

The RGGVY which is a component of Bharat Nirman Programme was launched by GOI in April 2005 to provide electricity to all the rural households within a period of five years. The Assam State Electricity Board (ASEB) is the implementing agency in the District. The main objective of the scheme was to:

- (i) electrify 1,361 out of 1,375 villages;
- (ii) provide free electric connection and subsequent energisation to 1,00,514 BPL households;
- (iii) install 1,283 transformers, 18,032 HT poles and 26,476 LT poles and
- (iv) set up four new substations.

Audit scrutiny revealed that as of March 2011, out of 1,375 villages, only 740 (54 per cent) were electrified and 39,234 BPL households out of targeted 1,00,514 were covered of which only 29,891 were energized. Further, only 40 per cent works of the four sub-stations were completed as of March 2011. As the ASEB did not complete the works by the stipulated date of March 2010, a revised DPR was submitted (June 2010) for ₹188.19 crore to GOI which is yet to be approved. Out of the sanctioned amount of ₹99.72 crore, GOI released ₹92.21 crore (as of June 2011) to ASEB of which ₹62.23 crore was spent till June 2011. The Department did not furnish any specific reason for delay in completion of the scheme.



110.450 KV Sub-station was set up at Sandhara village under RGGVY (26/05/11)

Thus, delay in completion of the work resulted in price escalation of at least ₹88.47 crore besides depriving the eligible beneficiaries of the intended benefit even after six years of launching of the scheme.

Implementation of the scheme in the District was, thus, partial and delay in completion led to cost overrun.

Recommendation

DC should streamline its internal processes and co-ordination among different agencies to ensure coverage of un-electrified villages and completion of the project within a specific timeframe.