

## CHAPTER-VI

### IMPLEMENTATION OF SCHEMES

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

#### 6.1 Incomplete Civil Works

198 civil works taken up by 11 ULBs during 2004-09 were not completed within the time frame resulting in blockade of Rs 8.89 crore.

State Government released non-recurring Grants & Loans for various schemes of construction/renovation of roads, drains, drilling of tube wells, water supply schemes etc. during 2004-09. During audit, it was noticed that 198 schemes taken up by 11 ULBs during 2004-09 remained incomplete till March 2010, although a sum of Rs 8.89 crore, as detailed below, was spent on these schemes:

**Table-31**

(Rs in lakh)					
Sl. No.	Name of ULBs	Position as of 31 March	No. of pending works	Estimated expenditure on incomplete works	Expenditure incurred on incomplete works
1.	Dumka	2009	18	131.55	80.63
2.	Sahebganj	2009	02	19.13	15.90
3.	Madhupur	2009	17	114.01	66.50
4.	Jugsalai	2009	08	41.29	26.55
5.	Chaibasa	2009	09	18.00	15.45
6.	Jhumri Tilaiya	2009	05	93.19	11.85
7.	Lohardaga	2009	71	352.79	262.73
8.	Adityapur	2009	25	88.04	29.35
9.	Gumla	2009	27	546.37	348.76
10.	Pakur	2009	02	3.72	2.30
11.	Kodarma	2009	14	62.83	29.12
<b>Total</b>			<b>198</b>	<b>1470.92</b>	<b>889.14</b>

The said works remained incomplete even after lapse of considerable period beyond the scheduled date of completion. The execution of the works was delayed

due to improper planning, constraints of funds and lack of monitoring by the ULBs.

Failure in completing the works within the stipulated dates not only deprived the local people of the intended benefits but also caused blockade of funds of Rs 8.89 crore. Reasons for non-completion of these pending works were not stated.

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

### ***6.2 Blockade of Government Grant and Loan of Rs 3.97 crore for Jhumri Tilaiya Water Supply Scheme***

Government fund of Rs 3.97 crore received for augmentation of Jhumri Tilaiya Water Supply Scheme was blocked for years.
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The Urban Development Department, Government of Jharkhand, Ranchi released (March 2008) Rs 104.50 lakh (Rs 78.375 lakh as Loan and Rs 26.125 lakh as Grant) to Jhumri Tilaiya Municipality for reorganization of Jhumri Tilaiya Shahari Water Supply Scheme at an estimated cost of Rs 21.68 crore which was later on revised to Rs 22.59 crore due to extra item of works.

As per Government directives, the work was to be executed by Drinking water & Sanitation Division (DWSD), Koderma as deposit work and for this fund was to be transferred to the Division by the Municipal Council as per requirement and progress of the work. The Special Officer, Jhumri Tilaiya Municipality requested Executive Engineer, DWSD for execution of the scheme and for sending demand for Government Grant & Loan of Rs 104.50 lakh (April 2008 and July 2008) but the later did not respond.

Meanwhile, the State Government again released (March 2009) Rs 292.57 lakh (Rs 73.1425 lakh as Loan Rs 219.4275 lakh as Grant) to the Municipality. The Special Officer, Jhumri Tilaiya Municipality again requested (July 2009) DWSD, Koderma for execution of the scheme and intimated that Rs 104.50 lakh (2007-08) & Rs 292.57 lakh (2008-09) was lying in the municipal fund. DWSD informed (October 2009) the Municipality that the work had been started and requested for transfer of the fund. However, the Municipality did not transfer the fund till September 2010 and Rs 3.97 crore remained blocked with the result that the scheme was delayed depriving the general public of the benefits of the scheme.

**6.3 Blockade of Fund of Rs 4.12 crore due to delay in procurement/operation of Buses under Jawahar Lal Nehru National Urban Renewal Mission**

Rs 4.12 crore received for Urban Transport System under JNNURM at Jamshedpur remained unutilized.

Under the second stimulus package announced by the Government Of India (January 09), the Ministry of Urban Development, Government of India approved one-time assistance to States upto 30.06.09 under JNNURM for the purchase of buses for their Urban Transport Systems. Urban Transport System is one of the main component of Urban Infrastructure and Governance (UIGs). Additional Central Assistance in the form of Grant was to be provided to all JNNURM cities for the purpose.

For Jamshedpur, one of the mission cities under JNNURM, the Central Sanctioning and Monitoring Committee (CSMC) approved procurement of 50 Mini/Midi buses at an estimated cost of Rs 5.50 crore with Central share of Rs 2.75 crore. The procurement orders were to be placed by March 2009 and the positioning of buses for Public Transport was to be done latest by June 2009. Urban Mass Transit Company (UMTC) was appointed as the consultant by UDD for providing assistance in developing City Bus Service in Jamshedpur.

The Greater Ranchi Development Agency (GRDA), the State Level Nodal Agency (SLNA), released Rs 412.50 lakh (Additional Central Assistance Rs 137.50 lakh, State share Rs 110 lakh and ULB's share Rs 165 lakh) to Jamshedpur NAC (June 2009) for Urban Transport Scheme for Jamshedpur under UIGs.

The Tender Committee constituted for the purpose selected Swaraj Mazda Ltd. for procuring Mini Buses (32 seater) @ Rs 9.32 lakh per bus on the basis of Technical Evaluation Report submitted by UMTC. Letter of Acceptance-cum-Purchase order for supplying 50 nos. 32 seater Mini buses was placed by the Committee (June 2009).

M/s Swaraj Mazda Ltd. vide their several e-mail, Fax and letter (December 2009, January 2010 and February 2010) repeatedly intimated about the arrival of the buses and requested to intimate the site for parking of these buses, which were ready for delivery since December 2009. After inspection of the vehicles conducted by the Committee constituted for the purpose on February 2010, M/s Swaraj Mazda Ltd. submitted invoice copies of 50 nos. of Mini Buses and

requested to release 80% of the payment amounting to a total of Rs 3.73 crore (March 2010). However, no payment was made to the Agency (June 2010).

But, till June 2010 neither infrastructural needs i.e. creation of public transport system, Special Purpose Vehicle (SPV) routes, nominating agency/contractor for plying the buses etc had been completed nor were the buses plied in the city as per agreement. Consequently, the entire Grant of Rs 4.12 crore remained unutilized and kept in the accredited bank account (June 2010).

**6.4 Delay in construction of Bye-Pass Road in Lohardaga due to unauthorized intervention by EE RWD Lohardaga.**

Delay in construction of Bye-Pass Road at Lohardaga despite lapse of more than four years defeated the purpose of Government fund of Rs 3.03 crore.

A total sum of Rs 3.03 crore was sanctioned during 2006-07 by the UDD for construction of Bye-Pass Road from Gangupara to Oyena More via Bamandiha (3.19 Kms. Length). Administrative sanction was accorded by UDD (August 2007) and Rural Engineering Organization (REO), Lohardaga was appointed as implementing agency thereby. The work was allotted to M/s AS Construction at an agreed cost of Rs 205.05 lakh. An agreement was also executed with the Agency (March 2008). The project was to be completed in 12 months. A sum of Rs 50.00 lakh was paid to the Executive Engineer, Road Works Division (RWD), Lohardaga (September 2008).

Scrutiny of records revealed that the estimate had been approved technically by the Chief Engineer, Technical Cell, UDD for Rs 209.78 lakh and tenders were invited by RWD (December 2007) indicating estimated cost at Rs 209.78 lakh. However, the BOQ prepared by the Executive Engineer, REO, Lohardaga was approved by the Superintending Engineer, REO, Ranchi for Rs 205.05 lakh. But, the approval of the Chief Engineer UDD was not obtained for the modifications/additions/alterations, in the rates and quantities, made in the DPR/estimates.

During the course of execution of work by M/s AS Construction, EE, RWD, Lohardaga pointed out six technical deficiencies in the sanctioned estimates and asked the Council for compliance. Reasons for pointing out the deficiencies in the sanctioned estimates immediately after release of Rs 50.00 lakh to RWD and after the tender was finalized and the work was in progress, could not be ascertained. Copy of agreement executed, Measurement Book and physical/financial progress

report were also not made available by RWD despite correspondence made by the Council (January 2010). The Chief Engineer, UDD desired (July 2010) to get the cross-section of the proposed road examined by the Central Designing Organization, RCD as to whether it would sustain the traffic load and to submit the report in this regard by July 2010 so that the revised estimates could be approved. The needful was not noticed to be done and the revised estimate had not been approved (August 2010).

Thus, it was evident from above that due to untimely action by the RWD and exercise of powers beyond its jurisdiction, the revised estimates could not be approved by the UDD. As a result the work of construction of Ring Road could not be started (June 2010). Delay in completion of the project not only deprived the local people of the due benefits of the Scheme but also caused blockade of Government fund of Rs 3.03 crore.

### 6.5 Inordinate delay in execution of Urban Water Supply Scheme

The objectives of Water Supply Schemes could not be achieved in five ULBs due to delay in completing the Projects.

Government of Jharkhand sanctioned and released Rs 90.10 crore (Grant Rs 22.52 crore & Loan Rs 67.57 crore) to the following five ULBs for renovation and augmentation of town Water Supply Scheme during 2002-10. As per Government directives, the schemes were to be executed by DWSD of the concerned District. Accordingly, out of total allotment of Rs 90.10 crore, a sum of Rs 84.76 crore was transferred to DWSD during 2003-10 leaving a balance of Rs 5.34 crore (Sep 2010)

**Table-32**

(Rs in crore)

Sl No	Name of ULBs	Period of receipt	Amount received			Amount transferred	Balance	Remark
			Grant	Loan	Total			
1	Dumka	2007-10	9.38	28.13	37.51	34.19	3.32	Renovation and augmentation of Water Supply Scheme
2	Jugsalai	2007-10	2.87	8.63	11.50	11.50	Nil	Water Supply Scheme
3	Lohardaga	2005-08	2.47	7.41	9.88	8.84	1.04	Augmentation of Water Supply Scheme
4	Jamshedpur	2005-09	5.22	15.67	20.89	19.91	0.98	Implementation of Water Supply Scheme
5	Gumla	2005-06	2.58	7.73	10.31	10.31	Nil	Water Supply Scheme
<b>Total</b>			<b>22.52</b>	<b>67.57</b>	<b>90.09</b>	<b>84.75</b>	<b>5.34</b>	

Although, the funds were transferred to the concerned DWSD during 2003-09, the renovation and augmentation of Water Supply Scheme have not been completed in those towns. Due to non-completion of the Scheme, the very purpose of the same was defeated as the beneficiaries of the towns were deprived of the intended benefits and the objectives of the implementation of Water Supply Scheme were yet to be achieved(September 2010).

#### ***6.6 Delay in provision of Street Light outside Auditorium at Jamshedpur***

Delayed transfer of funds to Tata Steel by Jamshedpur NAC deprived the local people of the benefits of Street Lighting.
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An estimate for Rs 47.76 lakh was technically sanctioned by the Engineer, Energy Department, Government of Jharkhand on (March 2006) for providing Street Light outside Auditorium at Sidhgora. The State Government while according administrative approval sanctioned a sum of Rs 16.00 lakh only (September 2007). Balance allotment of Rs 31.76 lakh was released by the Government (March 2009). The work was to be executed by Tata Steel and the period of completion was 12 months. Out of the allotment received, a sum of Rs 16.00 lakh only was remitted to Tata Steel in December 2008 whereas amount of Rs 12.43 lakh was remitted in August 2009. Tata Steel intimated (December 2008) that the work would be started only after receipt of the entire estimated amount of Rs 47.76 lakh. However, the Committee did not remit the balance amount of Rs 19.33 lakh to Tata Steel (June 2010). The reasons for the delay in remitting the amount despite receiving the same from Government in March 2009 were not on record. Meanwhile, the work was initiated by Tata Steel (September 2009) which was yet to be completed.

From the position stated above it was evident that delay in release of funds to Tata Steel delayed the initiation of the work which ultimately would effect its completion time. Had the funds been remitted to Tata Steel promptly by the Committee, the work would have been initiated and completed much earlier. Thus, due to delay in transfer of fund to Tata Steel, the work of providing Street Light could not be completed thereby defeating the purpose for which the fund was sanctioned (June 2010).

**6.7 Excess payment of Rs 2.46 crore on account of augmentation and reorganisation of Deoghar Urban Water Supply Scheme**

Excess payment of Rs 2.46 crore was made to the Contractor due to non-deduction of Excise duty from the Contractor's bills for Deoghar Urban Water Supply Scheme.

Augmentation and re-organisation of Deoghar Urban Water Supply Scheme, a centrally sponsored scheme under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) was administratively approved by the UDD, for Rs 58.16 crore (March 2007) on the technical sanction of Engineer-in-chief of Drinking Water & Sanitation Department, GoJ, (November 2006). The work was to be executed by the Drinking Water & Sanitation Division, Deoghar.

Tender was invited by Drinking Water & Sanitation Department (July 2007), at an estimated cost of Rs 45.57 crore for augmentation and reorganization of Deoghar Urban Water Supply Scheme with date of opening of tender on 21.08.07. The work was allotted at 8.75% above BOQ rate to M/s IVRCL Infrastructure and Project Ltd., Hyderabad i.e. for Rs 49.56 crore (8.75% above Rs 45.57 crore) by DWSD out of seven agencies (October 2007). But, due to non-production of rate bid and Comparative Statement, the competitiveness of other agencies and suitability of M/s IVRCL could not be verified. However, an agreement was executed with M/s IVRCL (December 2007). The work was to be completed by December 2009.

Deoghar Municipality received Rs 30.36 crore (State Grant Rs 2.67 crore, State Loan Rs 8.03 crore and Additional Central Assistance Rs 19.66 crore) till March 2010 which was transferred to DWSD, for on account bill payment of the agency. A sum of Rs 30.14 crore was paid to the agency upto 17th on account bill (March 2010) by DWSD, Deoghar.

Central Excise Notification No. 6/2007 dated 1.3.2007 stipulates that pipes of outer diameter exceeding 20 cm are exempted from Central Excise duty, when such pipes are integral part of a water supply project. This condition of outer diameter exceeding 20 cm was replaced to outer diameter exceeding 10 cm in the Notification No. 26/2009 dated 4th December 2009. Benefit of Central Excise duty exemption was to be availed on the basis of certificate issued by the concerned Deputy Commissioner that such goods are for the intended use. Scrutiny of work-order revealed that approved rate of the contract was inclusive of excise duty as applicable (Para I of work order) and for getting exemption from excise duty, the

contractor had to submit written request for such exemption as per various current notifications of excise department (Para 9 of work order) which would be facilitated by concerned DC.

Certificate for 44681 meter of DI pipes was issued by the DC, Deoghar (March 2008) to the Agency, whereas, certificate for 1500 meter was issued (September 2009). But, prior to issuance of Central Excise duty exemption certificate, neither necessary adjustment in the tendered rate (as it was inclusive of excise duty) was made nor was the excise duty deducted from the on account bill payment of the agency by the EE, DWSD resulting in excess payment to the tune of Rs 2.46 crore to the agency (which was receiving the payment on account of Central Excise duty but was not remitting the same amount into the Government account) vide details given in *Appendix-XI*.

As per literature of SOR, Rising main pipes are inclusive of 8% Excise duty and distribution main are inclusive of 16% Excise duty. As break-up of rate was not available, hence, the amount of excise duty has been calculated on the whole amount vide details below:

**Table-33**

(Rs in lakh)

	Amount with excise duty	Amount without excise duty	Difference amount of excise duty
Rising main	569.26	$569.26 \times \frac{100}{108} = 527.09$	42.17
Distribution main	1316.04	$527.09 \times \frac{100}{116} = 1134.52$	181.52
MS pipeline	35.95	$35.95 \times \frac{100}{108} = 33.29$	2.66
<b>Total</b>			<b>226.35</b>
<b>Add 8.75% above payment-</b>			<b>246.16</b>

Thus, excess payment to the tune of Rs 2.46 crore was made to the Contractor. Further, the scheme remained incomplete till date (June 2010) and the revised estimate of Rs 63.49 crore was under approval.



**6.8 Undue favour and excess payment of Rs 15.39 lakh in implementation of Solid Waste Management Programme Under UIDSSMT at Lohardaga**

Irregular purchase of equipment at Lohardaga in implementation of Solid Waste Management Programme under UIDSSMT resulted into undue favour and excess payment of Rs 15.39 lakh to the supplier.

Allotment to the tune of Rs 208.23 lakh was received through Greater Ranchi Development Agency, Ranchi, the State Level Nodal Agency appointed for implementation of Solid Waste Management Programme under UIDSSMT in Lohardaga Town. The project cost as per the DPR prepared by Nav Bharat Jagriti Kendra, Ranchi, was Rs 230.17 lakh while the cost approved by the State Level Steering Committee (SLSC) was Rs 447.80 lakh (Central share Rs 358.24 lakh, State share Rs 44.78 lakh and ULB's share Rs 44.78 lakh).

The contract for supply of requisite equipment was awarded to M/s Apee Automobiles Pvt. Ltd., Ranchi. The purchase order was placed and an agreement was also executed with the firm (June 2008). The Chairman, Lohardaga MC enquired (June 2008) on the Comparative Statement itself whether the specifications and the rates quoted were in conformity with the DPR and also instructed to ensure against deviation from the DPR. Scrutiny of records revealed that the rates quoted by M/s Apee Automobiles Pvt. Ltd, Ranchi for a number of equipment were higher than the rates approved in the DPR, even then the rates were accepted and Purchase Order was placed (June 2008) with the said firm without obtaining approval of UDD. As a result, a total sum of Rs 15.39 lakh was spent in excess, vide details indicated below:-

**Table-34**

Sl.No.	Particulars of equipments	Quantity ordered	Purchase rate per unit	Approved rate per unit	Difference	Excess Exp. (III x VI)
I	II	III	IV	V	VI	VII
1.	Containerized Hand Carts	30	4,625	3,250	1,375	41,250
2.	Containerized Rickshaw Trolley	25	13,720	8,000	5,720	1,43,000
3.	Seamless Hand Cart	5	4,625	2,500	2,125	10,625
4.	Community Dust Bins	20	61,900	40,000	21,900	4,38,000
5.	Hydraulic Tractor Trailer	2	4,57,900	2,50,000	2,07,900	4,15,800
6.	Closed Dumper Placer	2	9,45,500	9,00,000	45,500	91,000
7.	Small vehicle for direct waste collection	2	4,74,500	2,75,000	1,99,500	3,99,000
<b>TOTAL</b>						<b>15,38,675</b>

The specifications of a number of items supplied were not as per the approved DPR. Thus, inferior equipment were supplied/procured at higher rates. The equipments purchased/supplied were also lying in the open Office premises and they were not being used.

Further, it was noticed that the Notice Inviting Tenders (NIT) was published by the Municipal Council on its own and not through the Information & Public Relations Department, as required under Clause (e) contained in the letter of Chief Secretary, Government of Bihar dated July 1998. The NIT was published on 24.05.08 in such Local Dailies (Sahara Samay/Ranchi Express) whose circulation was negligible. Thus, possibility of extending undue favour to the firm could not be ruled out besides loss of Government money due to improper tender process adopted by the Council.

**6.9 Infructuous expenditure of Rs 44.35 lakh on construction of Bus Stand at Medininagar**

Rupees 44.35 lakh spent on construction of Bus Stand at Medininagar proved infructuous as the work had not been completed despite lapse of more than four years.

The State Government sanctioned and released Rs 75.44 lakh (Grant Rs 37.72 lakh and Loan Rs 37.72 lakh) during 2001-02 for construction of Bus Stand Cum Taxi stand at Sadique Chowk (Estimate Rs 17.54 lakh) and Bus Stand near Mohan Cinema (Estimate Rs 57.90 lakh). But, the said works were cancelled due to (i) stalls and Girls hostel at Sadique Chowk (ii) pending court cases respectively. As such, construction of Bus Stand at Baireya Thana No 197, in 3.60 acres was proposed. For this, tenders were invited for appointment of consultant (June 2004). The lowest bidder M/s Nano System was selected as consultant at an agreed cost of 1.25% of cost of DPR (July 2004). The firm submitted DPR of Rs 1.01 crore (July 2005) and a sum of Rs 1.00 lakh was paid to the firm against his fees. However, technical sanction was accorded for Rs 99.50 lakh. The Deputy Commissioner ordered (December 2005) for floating open tender of the work. Accordingly, the lowest tenderer M/s Ganga construction was selected as consultant (Feb 2006) at 15% less than the estimated cost. An agreement was also executed with the firm (March 2006). In between, the Council requested UDD to release the extra cost of Rs 25.32 lakh with administrative approval. The State

Government released Rs 24.06 lakh (Grant Rs 12.03 lakh and Loan 12.03 lakh) against demand (February 2006).



(Photos showing incomplete/damaged work of construction of Bus Stand at Medininagar)

The works of Bus Bays, Boundary wall, platform, Roads, Water tank and Building relating to Bus Stand were taken up by the Contractor under the supervision of Sri BK Singh, JE & District Engineer during 2006-07 and payment of Rs 40.95 lakh upto Vth on account bill was made to the Agent during the said period.

The Council informed (May 2006 and June 2006) the Contractor that the work was substandard. However, the Contractor replied that the specific designs and estimates were not made available to him (July 2006) which was finally provided

in August 2006. Since then, no work was done by the contractor further. A number of correspondences was made by the Council and the Contractor showing lapses on the part of each other. No fruitful action was taken by the Government/Council/Contractor for completion of remaining work of construction of Bus Stand, although, a huge amount of Rs 44.35 lakh was incurred on it. A team of UDD also inspected the site (July 2007) but no inspection report was submitted, although, the Council requested for the same and the work had since been stopped (June 2010). The Contractor sent legal notice showing laches on the part of the Council but the Council replied that no laches had been made on their part.

Thus, the construction of Bus stand started in May 2006 still remained incomplete despite a lapse of more than four years and an expenditure of Rs 44.35 lakh against estimate of Rs 84.58 lakh (52.43 percent of the estimate). The work of construction was being damaged also as it had shown a number of cracks. Thus, the total expenditure incurred on construction of Bus Stand to the tune of Rs 44.35 lakh proved wasteful and infructuous.

#### ***6.10 Incomplete work of construction of Market/Commercial Complex at Jugsalai***

The work of construction of Market Complex at Jugsalai remained incomplete although 87.83 percent of the estimated cost was incurred on it.

Government of Jharkhand released (March 2006) Rs 1.00 crore as Loan for construction of Market/Commercial complex at Jugsalai. Administrative approval was also accorded by the UDD under the same letter. Tenders for an estimated cost of as 149.80 lakh were invited (May 2006). Accordingly, M/S Golra Enterprises was selected as Agency at 0.01% below the estimated cost. An agreement was also executed with the Agency (July 2006). As per the terms of the agreement, the work of construction of Commercial complex was to be completed in a year from the date of agreement. The work was taken up by the Agency and against the 12<sup>th</sup> A/c bills of Rs 131.57 lakh, a sum of Rs 125.63 lakh (2006-07 Rs 20.76 lakh, 2007-08 Rs 70.49 lakh, 2008-09 19.60 lakh & 2009-10 Rs 14.78 lakh) was paid to the Agency excluding compulsory deductions till March 2010 but the same could not be completed as yet (Aug 2010) despite lapse of more than four years since agreement, although 87.83 percent of the estimated cost had already been paid to the Agency till Aug 2010.

Further, due to delay in completion of the work, the Municipality has been sustaining recurring loss on account of shops rent which might have enhanced the income of the Municipality to sort out the financial imbalance. The execution of the works was delayed due to improper planning and lack of monitoring by the Executives of the Municipality. Failure in completing the work within the stipulated date not only deprived the local people of the intended benefits of the scheme but also caused blockade of Government fund of Rs 1.00 crore.

### **6.11 Excess Payments of Rs 26.09 lakh to the Executing Agents/Contractors**

In 14 ULBs, excess amount of Rs 26.09 lakh was paid to the Executing Agents/Contractors beyond the agreed rates/estimates.

A sum of Rs 26.09 lakh, as detailed below, was paid in excess to the concerned Executing Agents/Contractors of 14 ULBs, due to various reasons such as excess carriage charge, non-recovery of excess cost of cement, deviation in works etc as shown in the table below:

**Table-35**

(Rs in lakh)

Sl. No.	Name of ULBs	Period	Excess payment	Reasons
1.	Deoghar	2007-09	2.41	Excess work done and non-deduction of cost of empty cement bags
2.	Dumka	2007-09	3.28	Excess carriage charge and rates charged
3.	Sahebganj	2007-09	1.13	Excess payment of advance
4.	Medininagar	2007-09	0.32	Non-deduction of contractors' profit and excess advance
5.	Madhupur	2007-09	0.82	Excess Advance and non-deduction of cost of empty cement bags
6.	Jugsalai	2007-09	0.16	Non- deduction of cost of empty cement bags & Bitumen drums
7.	Chaibasa	2008-09	1.79	Excess payment of advance
8.	Jhumri Tilaiya	2007-09	1.06	Excess labour engagement, non-deduction of cost of empty cement bags
9.	Jamshedpur	2007-09	1.89	Less vouchers, Excess carriage charge, excess labour engagement and non-deduction of cost of empty cement bags
10.	Lohardaga	2007-09	9.70	Extra cost with extra item of work
11.	Adityapur	2007-09	0.09	Non deduction of cost of empty Bitumen drums
12.	Gumla	2007-09	1.34	Less vouchers and extra rates charged
13.	Pakur	2007-09	0.40	Non deduction of voids and cost of empty cement bags
14.	Kodarma	2007-09	1.70	Excess payment of advance
<b>TOTAL</b>			<b>26.09</b>	

### **6.12 Other irregularities/deficiencies in execution of Schemes**

- Dumka Municipal Council diverted Rs 5.78 lakh sanctioned for repairing of tubewells towards installation of tubewells during 2007-09 in contravention of Rule 14 A of Bihar Municipal Accounts Rules, 1928.
- Government fund of Rs 9.89 crore (Grant Rs 6.61 crore & Loan Rs 3.28 crore) received for different specific purposes by four ULBs (Deoghar Rs 5.58 crore, Dumka Rs 2.68 crore, Medininagar Rs 1.5 crore & Madhupur Rs 0.13 crore) during 2001-08 was blocked for two to eight years thereby depriving the people of the intended benefits of the scheme.
- Two ULBs (Lohardaga and Jamshedpur) irregularly awarded two to four works to the Contractors at a time/before completion of 75% *per cent* of previous work during 2007-09 resulting irregular expenditure of Rs 4.27 crore (1.76 crore + 2.51 crore) respectively in utter violation of Bihar Public Works Accounts Code.
- A sum of Rs 1.91 crore was paid to the District Land Acquisition Officers (DLAOs) by four ULBs (Sahebganj Rs 13.36 lakh, Madhupur Rs 18.16 lakh, Chaibasa Rs 25.00 lakh and Pakur Rs 135.00 lakh) for acquisition of land for construction of Modern Bus Stand, Solid Waste Management Programme (SWMP) during 2007-09, but the land could not be acquired/made available to the ULBs. As such, the work of construction could not be started defeating the purpose of the fund apart from blockade (March 2010).
- In contravention of Government instructions, two ULBs (Deoghar and Jamshedpur) executed 22 (10 + 12) works of estimated cost less than five lakh at a cost of Rs 32.71 lakh (25.92 lakh + 6.79 lakh) during 2007-09 through Contractors in lieu of departmental work resulting into loss of Rs 3.97 lakh (2.36 lakh + 1.61 lakh) on account of Contractor's profit @ 9.1 *per cent* of the work value.

### **6.13 Conclusions**

- Poor utilization of assistance under several schemes indicated insufficient appreciation of Government objectives and policies for providing basic amenities and services to the public at large.
- Non/improper implementation of schemes not only resulted in blockade of Government Fund but also defeated the objectives for which the Government released development grants to the ULBs.

**6.14 Recommendations**

- Close monitoring of the utilization of assistance and periodical evaluation of achievement of schemes is needed.
- Cases of gross financial irregularities should be investigated and action taken against the erring official(s).
- All schemes/projects for which Grants/Loans are released to the ULBs should be completed in time so as to provide due benefits to the people. Responsibilities should be fixed in case of all unjustified delays.

**Ranchi**

**The**

**(R.K. AGRAWAL)**  
**Examiner of Local Accounts,**  
**Jharkhand, Ranchi**

**Countersigned**

**Ranchi**

**The**

**(R.K. VERMA)**  
**Principal Accountant General (Audit),**  
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