

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.

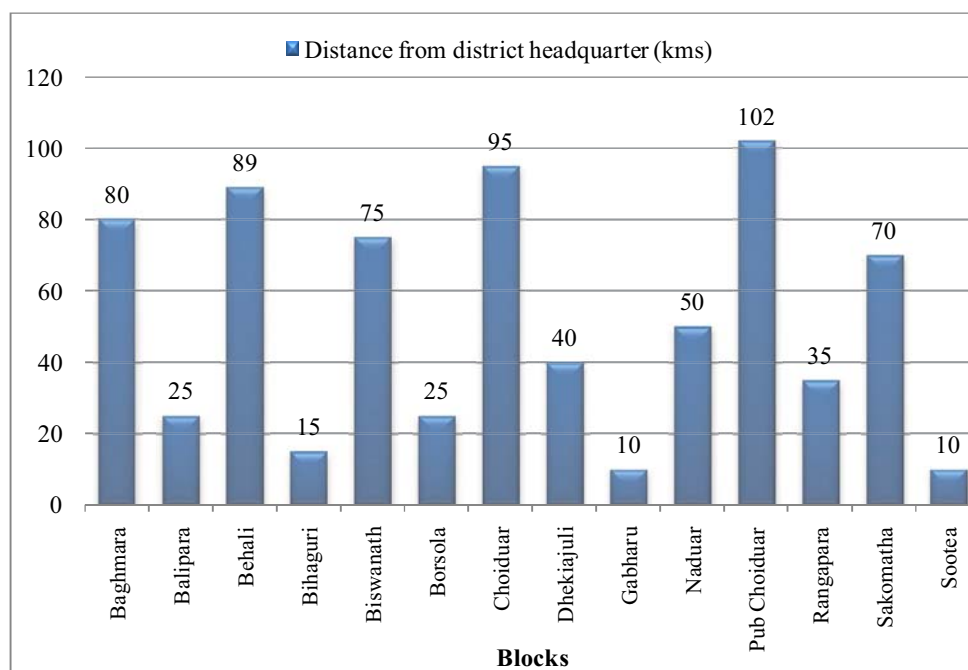
The nearest domestic airport at Tezpur, is at Salonibari, 24 kms away from district headquarters. Three towns *viz.*, Tezpur, Rangapara, Biswanath Chariali of the District were connected by rail but railway service remained suspended due to gauge conversion. A review of the development of roads in the District revealed that 59 *per cent* habitations had been provided road connectivity up to March 2012. Audit findings in this regard are discussed below.

6.1.1 Roads

(a) Status of Road Connectivity

Out of the total 604 habitations in the District, 356 habitations have been provided road connectivity as of March 2012. The distance of various places from the District headquarters ranges from 10 kms (Gabharu) to 102 kms (Pub Choiduar). The distances from the Blocks to the District headquarter is given in Chart 10.

Chart: 10 - 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 2012 is given in Charts 11 and 12.

Chart: 11- Status of road connectivity

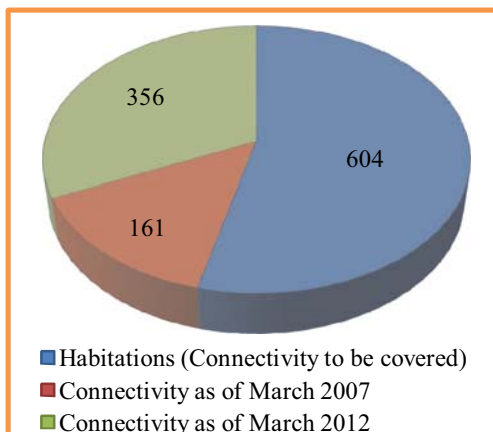
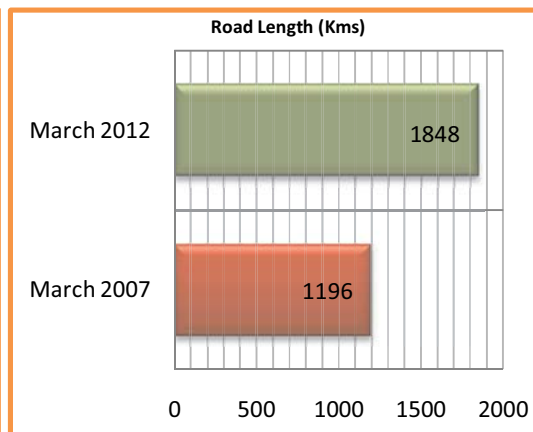


Chart: 12- Status of road length



Source: Departmental figures.

As can be seen from the charts above, there has been an increase of 195 habitations connected through roads and 652 kms (55 per cent) of road length provided during last five years after incurring an expenditure of ₹236.13 crore²³. More than 40 per cent habitations yet to be connected through roads. Shortfall in connectivity was due to non completion of works as discussed in succeeding paragraphs.

(b) Schemes for Development of Road

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

PMGSY was launched in 2000, aimed at connecting all rural habitations having population of 500 and above by providing all weather roads. The status of connectivity through PMGSY as of March 2012 was as shown in Table 23.

Table-23: Status of habitations connectivity as of March 2012

Habitations with population	Total numbers of habitations	Habitations as on 31 March 2012		Percentage of habitations yet to be connected
		Connected	To be connected	
More than 1000	430	202	228	53
More than 500	174	154	20	11
Total	604	356	248	41

Source: Departmental figures.

During 2007-12, ₹164.59 crore was available, which was spent for implementation of the scheme. As 41 per cent of habitations remained unconnected as of March 2012, there was still enough scope for facilitating connectivity through all weather roads to the rural people through the developmental schemes.

²³ Cost of improvement, major repairing and restoration, Original works.

(ii) Status of works

During 2007-12, a total number of 280 works (PMGSY-37 packages and other schemes-243 works) were sanctioned, of which 232 works (PMGSY-7 packages and other works-225) (83 *per cent*) were completed as of March 2012. Of the completed works, 53 other works (24 *per cent*) were completed within the stipulated date of completion and 179 works were completed with delays ranging between one and 20 months. Out of balance 48 works (PMGSY-30 packages and other works-18), 44 works (PMGSY-29 packages and other works-15) were due for completion but remained incomplete as of March 2012 after incurring a total amount of expenditure of ₹128.30 crore.

6.1.1.1 Implementation issues

Scrutiny of records relating to execution of 30 works revealed the following deficiencies:

(a) Equipment advance

As per General Conditions of Contract and terms and condition of Notice Inviting Tender (NIT), equipment advances are payable to the contractor on production of evidence of procurement of the equipment required for the construction works. The amount so paid was required to be recovered from the contractors in instalments from running account bills. Scrutiny of records revealed that during November 2008 to March 2012, equipment advance of ₹2.63 crore was paid to four contractors²⁴ without obtaining any documentary evidence regarding procurement of the required equipment. Further, out of ₹2.63 crore, ₹1.76 crore was recovered leaving ₹0.87 crore yet to be recovered (May 2012). This resulted in extending undue financial aid to contractors.

(b) Loss of Government money

(i) The work “Construction of road from Rangasakua to Christianbasti and Topia to Silonighat including cross drainage work and routine maintenance of the works for five years from 2007-08 under PMGSY, Package No. AS-22-81” was awarded to a contractor at a tendered value of ₹3.51 crore with stipulated date of completion of the work by January 2010. After completion of 31.46 *per cent* of the work and payment of ₹1.18 crore to the contractor, the work was rescinded (December 2010) due to slow progress. An incomplete final bill was also prepared (March 2011) and ₹39.50 lakh was found recoverable after adjustments of all dues from the contractor which remained unrecovered as of April 2013.

(ii) Another work “Construction of road from Rangapara to Urahiloga including cross drainage work and routine maintenance of the works for five years

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Name of work	Name of contractor	Amount paid	Amount recovered	Amount to be recovered
Constn. of Rd from 109 th km of NH-52 to Belsiri Rly Station	Shri Mukul Lahakar	64,48,000	34,89,624	29,58,376
Constn. of Rd from 107 th km of NH-52 to Mitham Bengali	M/s Multitech Construction	59,17,111	45,46,296	13,70,815
Pavoi Bargang Rd	M/s Sailaja Commercial	91,80,000	49,36,246	42,43,754
(i) Bakula Pathar to Cotton Mill, (ii) NH-52 to Puthikhati	Afrika Payeng	47,87,983	46,12,983	1,75,000

from 2007-08 under PMGSY (ADB), Package No. AS-22-68” was awarded to a contractor at a tendered value of ₹3.14 crore with the stipulation that the work be completed by December 2009. After completion of 58 *per cent* of work and payment of ₹1.57 crore to the contractor, the work was rescinded (May 2011) due to slow progress. An incomplete final bill was prepared (June 2011) and as of May 2012 an amount of ₹60.02 lakh was recoverable from the contractor on account of mobilization and equipment advance and other recoveries. The amount was not recovered as of April 2013.

The Division requested (August 2011) other divisions to recover the amount from the bills of the concerned contractors in case they were awarded works from those divisions but no such recovery had been made (April 2013).

Thus, non-completion of the works resulted not only in an unproductive expenditure of ₹2.75 crore, but also the department extended undue financial benefit of ₹0.99 crore to the contractors.

(c) Wasteful expenditure

Three works of (i) Keherukhanda pathar to NH-52, (ii) Tulip Bagan to Rubbar Tola and (iii) Balijan Kachari to Pichalamari under PMGSY Package No. AS-22-73 were awarded (September 2008) to a contractor at tender value of ₹6.57 crore with stipulation to complete the works by March 2010. After completion of 82 *per cent* and payment of ₹5.72 crore, the work was rescinded (April 2012) due to slow progress. Joint verification of the work “Construction of road from Tulip Bagan to Rubbar Tola” carried out on 16 May 2012 with departmental officer revealed that the entire chainages of 1.535 km. was already damaged as no Premix Carpeting (PC) and Seal Coat (SC) works were carried out immediately after execution of Water Bound Macadam (WBM) by the contractor. Meanwhile grass formed on the surface of the entire chainage as evident from the photographs.



Incomplete PMGSY Road-Tulip Bagan to Rubbar Tola-Package No. AS-22-73 (16/5/2012)

Scrutiny further revealed that the contractor was paid ₹33.03 lakh for WBM work which became wasteful due to non-execution of PC and SC work and consequential damage of sub-grade of the road. As of June 2012, the Division did not initiate any action to assess the liquidated damage recoverable from the contractor and to get the work completed. Thus, non-completion of the work rendered the expenditure

of ₹5.72 crore unfruitful besides, expenditure of ₹33.03 lakh wasteful. Further, road connectivity to the targeted habitations remained unachieved.

(d) Avoidable expenditure

The work “Improvement of riding quality in Km. 139-141 and 143-149 of NH-52” was awarded (July 1998) to a contractor at the tendered value of ₹1.86 crore. The work was commenced on 11 July 1998 and scheduled to be completed by January 2001. The Division, however, withdrew the work from the contractor owing to slow progress. Accordingly, after taking final measurement, a final bill for ₹1.20 crore was prepared (16 July 2002) and after due adjustment of recoveries, ₹60.43 lakh was payable to the contractor. However, the Division did not pay the amount to the contractor inspite of several requests made by him till his death (26 May 2004). After the death of the contractor, his legal heirs filed (16 August 2005) a suit in the Hon’ble Court of Civil Judge No.2, Guwahati demanding payment of the bills. The Hon’ble Court passed a judgement (30 June 2008) for payment of dues of the contractor along with interest @ 18 per cent from the date of institution of the suit till the date of payment of all dues. Accordingly, the division had to pay (7 January 2010) ₹1.05 crore²⁵ including interest and cost of the suit amounting to ₹0.45 crore.

Thus, due to non-payment of the contractor’s dues in time, the department incurred an expenditure of ₹0.45 crore, which was avoidable.

(e) Unproductive expenditure.

Two works viz., (1) “Construction of road from Tupia to Balijuri” (estimated cost ₹3.90 crore) under PMGSY Package No. AS-22-27, (2) “Improvement of road from Solengi Rajabari via Tinalibari Sonapur” for State Road connectivity (Ch. 0.00 km to 8.65 km; estimated cost ₹4.95 crore) was awarded on 29 November 2005 and 2 March 2009 respectively to two contractors with stipulation to complete the works by August 2006 and December 2009 at the cost of ₹3.90 crore and ₹4.76 crore respectively. Scrutiny revealed that the works commenced between 29 November 2005 and 2 March 2009 but could not be completed within the stipulated dates. As of June 2012, physical progress of 63 per cent in 1st work and 60 per cent in case of 2nd work could be achieved. The contractors were paid ₹6.49 crore till March 2012 (Work No.1: ₹3.30 crore; Work No.2: ₹3.19 crore).

Physical verification of the work “Construction of road from Topia to Balijuri” with departmental officer on 27 May 2012 revealed the dilapidated condition of road.

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Sl. No.	Voucher No.	Date	Particulars of payment	Amount paid (₹)
1	01	07-01-2010	Dues of incomplete final bill	60,42,847.00
2	02	07-01-2010	Bills for interest due to delayed payment	44,66,675.00
3	03	07-01-2010	Bills for cost of suit	21,049.00
Total				1,05,30,571.00

Breaches were found at different chainages of the road as evident from the photographs.



Incomplete RCC Bridge No. 5/1- Package No. AS-22-27 (27-05-2012)



Dilapidated condition of Topia to Balijuri Road- Package No. AS-22-27 (27-05-2012)

Further, the department, apart from issuing notices, did not initiate any punitive action against the contractors as per agreement for their failure to complete the works even after the passage of three to six years from the due date of completion of the works. This resulted in extension of undue benefits to the contractors besides rendering the expenditure of ₹6.49 crore unproductive as intended road connectivity could not be provided to the targeted habitations.



Incomplete road of Solengi to Rajabari via Tinalibari Sonapur to Rajgarh road (03-05-2012)

(f) Inordinate delay of NLCPR works

The Government of Assam (GoA) considered the work “Construction of RCC Bridges (8 Nos.) under Non-lapsable Central Pool Resources (NLCPR)” for providing better linkage with roads connecting the neighbouring States to facilitate economic development in the district. Administrative Approval (February 2006) for ₹8.75 crore and Technical Sanction (2005-06) for the same was also accorded.



Incomplete RCC Bridge No. 16/1 (27-05-2012)

The work was awarded (September 2006) to a firm at the tender value of ₹8.46 crore with the stipulation to complete the work by September 2007. Scrutiny of records and physical verification of the worksite with the departmental officer revealed that all the eight bridges remained incomplete. As of May 2012 overall 60 per cent of work was completed and the firm was paid ₹4.57 crore. However, the department neither

cancelled the contract nor initiated any action to get the works completed. Thus, the desired benefits remained unachieved even after a lapse of seven years from due date of completion of the work rendering expenditure of ₹4.57 crore unproductive.

(g) Diversion of Calamity Relief Fund

Calamity Relief Fund (CRF) which was constituted as per recommendation of the Eleventh Finance Commission is the only source of fund available with the State Government to provide relief following natural calamities. The Special Secretary and Central Relief Commissioner, GoI instructed (September 2001) the Chief Secretary to the Government of Assam that the Eleventh Finance Commission had considered and categorically rejected the proposal to meet expenditure on restoration and reconstruction from the Relief funds. The relief fund was to be utilised for repair/restoration of immediate nature to damaged infrastructure caused by calamities such as cyclone, drought, earthquake, fire, flood and hail storm only relating to communication, power, public health, drinking water supply, primary education and community owned assets in the social sector. Further as per norms Premix Carpeting Seal Coat (PCSC), Tack Coat and pre-damaged works should not be carried out under any circumstances.

Scrutiny of records of the Executive Engineer (EE), PWD, State Road Division, Tezpur revealed that improvement and repair of three works *viz.*, (i) FDR (CRF) to Tezpur Jamuguri Road for the year 2007-08; (ii) Restoration of NH-52 to Panbari via Batabari under CRF (FDR) 2007-08; and (iii) FDR (CRF) to Goroimari to Tezpur Ghogra TE Road for the year 2007-08 were carried out at a cost of ₹1.48²⁶ crore during 2007-08 out of CRF which was not permissible under the rules. There was nothing on record to show that the works for which the amount was sanctioned were in the nature of immediate restoration/repair of damages caused by natural calamity. Thus, expenditure of ₹1.48 crore out of CRF was unauthorised diversion to that extent.

(h) Undue financial benefit to the contractor

The Building and other Construction Worker Act 1996 and Assam Rules 2007 which came into effect in the State of Assam vide Govt. of Assam Gazette Notification²⁷ dated 12 February 2008, envisaged that all construction works whether Government/Semi-Government or private, where the work value exceeds ₹10 lakh, is liable to pay one *per cent* of the total value of construction as cess to the Assam

²⁶

Voucher No.	Date	Name of work	Name of contractor	Amount paid (₹)
27	08-10-2010	FDR (CRF) to Tezpur Jamuguri Road for the year 2007-08	Shri Subodh Saikia	88,91,250.00
28	08-10-2010	Restoration of NH-52 to Panbari via Batabari under CRF (FDR) 2007-08	Shri Binoy Kr. Basumatary	19,81,677.00
29	08-10-2010	FDR (CRF) to Goroimari to Tezpur Ghogra TE Road for the year 2007-08	Shri Binoy Kr. Basumatary	39,01,029.00
Total:				1,47,73,956.00

²⁷ No. NOGLR (RC) 135/2007/212

Building & other construction workers' Welfare Board, Guwahati. All works of construction, alternation, repairs, maintenance, and demolition in relation to building, roads, irrigation, drainages, embankment, dams, canals, reservoirs, water courses pipelines, and bridges among others are covered by this Act.

Under no circumstances provisions are to be made in the detailed estimate that leads to undue financial aid.

Test check of records (May 2012) of Executive Engineer (EE), PWD, Sonitpur Rural Division, Biswanath Chariali, however, revealed that 41 estimates (value of work more than ₹10 lakh each) were prepared with total estimated cost of ₹18.58 crore between the period 2009-10 and 2010-11. Administrative Approvals (AAs) were also accorded and works awarded to contractors. 16, out of 41 estimates were inflated by inclusion of one *per cent* cess worth ₹5.50 lakh in the detailed estimates.

This led to extension of an undue financial benefit to the contractor to the tune of ₹5.50 lakh due to inclusion of said amount in the estimates as the amount of labour cess was required to be borne by contractors themselves.

During 2007-12, 195 more habitations were connected under PMGSY with construction of additional 652 Km road length after incurring an expenditure of ₹236.13 crore in the district. A large number of works remained incomplete even after due date of completion. Instances of lack of financial control mentioned above also led to extension of undue financial aid, wasteful/unproductive expenditure and loss to the Government.

Admitting the audit observation, Executive Engineer (PWD) stated (September 2012) that incomplete works would be completed.

Recommendations

- Road connectivity of habitations/villages should be completed in a time bound manner by formulating long term/medium term plans.
- Financial control including monitoring through regular and duly recorded supervision of work sites should be strengthened and codal formalities observed to avoid loss, cost overrun and undue financial benefit etc.

6.1.2 Irrigation

Irrigation is an essential input of agricultural activity for development of modern farming technology in the agricultural sector. Availability of assured irrigation facility is the most important prerequisite to ensure increase in productivity of crops. Thus, to overcome the problem of drought and flood and to increase the production of crops of high yielding varieties,



Completed scheme of Begunajuli FIS (07/06/2012)

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 2007, there were 35 irrigation schemes (estimated cost: ₹53.78 crore) in progress in the District. Out of 35 schemes, 23 schemes were completed at a total cost of ₹4.56 crore and 12 schemes were in progress. Of the schemes in progress, nine schemes became non functional after incurring an expenditure of ₹1.46 crore and three remained incomplete after incurring an expenditure of ₹1.98 crore as of March 2012. Schemes remained incomplete mainly due to non availability of adequate water level, non completion of boring, non installation of pumps and also for non availability of fund for maintenance of schemes. Further, 38 new schemes were sanctioned during 2007-12. Of these, 14 schemes were completed against 15 schemes due for completion by 31 March 2012 and 24 schemes remained incomplete till June 2012. The Division spent ₹12.95 crore on the completed schemes and ₹23.79 crore on 24 incomplete schemes as of March 2012. Scrutiny further revealed that during 2007-12, ₹64.64 crore was released by GoA to the Executive Engineer, Irrigation Division, of which ₹29.38 crore was spent for implementation of 30 (out of 38 schemes) new schemes (estimated cost: ₹55.84 crore) sanctioned under Accelerated Irrigation Benefit Programme. Out of these 30, 13 schemes (Expenditure: ₹9.21 crore) were completed as of March 2012 and the balance 17 schemes were in progress after incurring expenditure of ₹20.16 crore.

6.1.2.1 Implementation

a) Under utilization of Irrigation potential

Scrutiny of records revealed that against targeted irrigation potential of 66,034 hectares during 2007-12, potential of 58,069 hectares was created of which 22,619 hectares was utilized. The under utilization of potential was due to less demand of water from the beneficiaries. This indicated that schemes were taken up without assessing the actual requirements. GoA, however, organized 181 farmers' motivation training during 2009-10 to create awareness and to encourage them to go for multiple cropping by utilizing the irrigation potential.

b) Outstanding water charges

Out of water charges of ₹6.81 crore due for the period 2007-12, only ₹0.02 crore could be realized from the users. Department, however, did not initiate any action to realize the outstanding water charges from the beneficiaries.

Assistant Executive Engineer (Irrigation), during exit conference, stated (September 2012) that beneficiaries were reluctant to pay the water charges despite issue of notices by the department.

In sum, many irrigation schemes remained inoperative/defunct/incomplete due to the reasons discussed above. Besides, schemes were taken up without ascertaining demand of water and as a result, the created potential was not utilized optimally.

6.1.3 Schemes for other developmental activities

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)' being 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.

District Planning and Monitoring Committee (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. As per the scheme, DPMC meeting should be held as many times as it is felt necessary. During 2007-11, AAPs were prepared by CEO, Zilla Parishad, Sonitpur involving outlays of ₹40.97 crore. Documentary evidence in support of PRI's involvement in planning process was not made available to audit.

During 2007-12, CEO released ₹31.30 crore out of total available fund of ₹40.97 crore to executing agencies leaving a balance of ₹9.67 crore. Out of 2,708 works sanctioned, 2,503 works costing ₹34.22 crore were taken up for execution through line departments and at ZP/AP/GP levels. As of March 2012, 1,892 works at a cost of ₹17.51 crore were completed. Funds were released to the executing agencies in two instalments. Second instalment (50 per cent) was released on the basis of UC received for the 1st instalment from the executing agencies. Scrutiny of records revealed that UCs worth ₹8.76 crore being the 2nd instalment of 1,892 completed schemes were not received by CEO, ZP. Besides, no monitoring/ physical verification of works under DDP was carried out by CEO, ZP. DPMC only met four times during 2007-12.

Thus, peoples' participation as envisaged in the guidelines was not ensured. Due to non-submission of UCs by the executing agencies for 1,892 works and in the absence of any monitoring report in support of completion as well as quality of the works, these aspects could not be ascertained in audit.

Admitting the audit observation, CEO stated (September 2012) that action would be initiated for holding more meetings of DPMC in future.

(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 Departments in the District/District Administration. The works having social and economic benefits are

required to be taken up under the scheme. Projects/works involving religious and cultural institutions/memorials, centres and halls are not permissible under the scheme. The proposals for such works are required to be submitted to the DDC for approval/onward transmission to the Planning and Development (P&D) Department for sanction. DC, Sonitpur being the Chairman of DDC is responsible for administering the fund.

Scrutiny of records revealed that during 2007-12 Planning and Development (P&D) Department released ₹5.41 crore to DC, Sonitpur out of which ₹3.63 crore were released to the executing agencies leaving an unspent balance of ₹1.78 crore. Out of 42 works sanctioned, 39 works were taken up, of which only 12 works were completed.

Scrutiny further revealed that P&D Department sanctioned ₹3.34 crore for 25 works under the scheme during 2011-12 without any proposal from DC/ line department and also without the approval by DDC. Besides, out of 42 works sanctioned by P&D Department, 14 works amounting to ₹1.96 crore were not covered under the scheme guideline. Thus, sanction of 25 works without any proposal from DC/line department, was irregular and sanction of the balance 14 works at a cost of ₹1.96 crore which were outside the list of permissible works amounted to diversion of untied fund unauthorisedly.

DC stated (September 2012) that approval of DDC in respect of untied funds was not necessary. The reply of DC is not tenable as the approval of DDC for the proposals to be submitted to the Government for approval is mandatory vide Para 16 of the guideline of untied funds scheme.

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

There is one Parliamentary Constituency in the District. According to MPLADS, the MP proposes the schemes to be taken up during the year within the entitled amount of ₹ two crore per year up to 2010-11 and ₹ five crore from 2011-12. DC of the concerned district is to accord administrative approval and sanction funds after assessing the feasibility of the schemes. During 2007-12, 1,256 works (Estimated cost ₹13.07 crore) were recommended by the MPs against which 1,247 works (Estimated cost ₹13 crore) were sanctioned by DC, Sonitpur.

During 2007-12, ₹10.66 crore was available under the scheme, of which ₹8.43 crore was released to the executing agencies leaving an unutilised balance of ₹2.23 crore (21 per cent) as of March 2012. During 2011-12, DC received ₹2.50 crore out of ₹ five crore allocated for the year. The balance amount was not released by GOI as the 1st instalment of ₹2.50 crore was not utilized within the financial year. Thus, the district was deprived of ₹2.50 crore during 2011-12 under MPLADS.

Out of 1247 works sanctioned, 1101 works were taken up for execution as of March 2012, against which 933 works were due for completion by March 2012. Of these 658 works could only be completed by March 2012. Out of 933 works, 275 works on

which ₹1.51 crore was released to the executing agencies remained incomplete for one to four years.

(d) Member of Legislative Assembly Local Area Development Scheme (MLALADS)

The District has eight Legislative Constituencies. As per scheme guidelines, the MLAs are required to submit recommendations in respect 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 2007-12 recommendations for 1,849 works involving ₹14.68 crore were received from the MLAs and sanctioned by DC, Sonitpur.

Out of total available fund of ₹16.66 crore, DC, Sonitpur released ₹13.26 crore to the executing agencies leaving unutilised balance of ₹3.40 crore. Against sanction of 1,849 works during 2007-12, 980 works were completed. Of the remaining 869 works, 792 works which were due for completion remained incomplete for one to four years.

Scrutiny of records revealed that non completion of works under MPLADS and MLALADS was due to defective planning and absence of close and regular supervision by the sanctioning authority. Thus, non completion of schemes in time frustrated the objectives of local development through creation of durable assets.

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 limited to the annual entitlement during the financial year within 90 days of the commencement of the financial year to the concerned District Authority. The concerned District Authority after due feasibility study 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 is 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 pertaining to 2007-08 and 2011-12 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 for works for an unspent balance of ₹1.32 crore were not received during 2007-12. As such, the development funds remained unutilised as of March 2012.

Audit scrutiny revealed that 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 1,638 assets created under MPLADS (658 works) and MLALADS (980 works) during 2007-12 at a cost of ₹13.99 crore (MPLADS: ₹5.82 crore, MLALADS: ₹8.17 crore) had not been ensured. Further, no asset register was maintained by DC.

(ii) Inadmissible works

The objective of the schemes *viz.*, MPLADS and MLALADS 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 club buildings, temporary nature of works like protection of erosion and repairing works are prohibited under the scheme. Audit scrutiny of documents revealed that 97 works relating to construction of guest houses, community halls within religious places, protection and repairing works at a cost of ₹1.48 crore were executed during 2007-12 in violation of scheme guidelines.

DC stated (September 2012) that there were little scope to exercise any control in execution of works under such schemes as the same were recommended by the concerned MP, MLA. Reply of DC was not tenable as the works executed were beyond the scope of scheme guidelines and DC himself was responsible to verify the eligibility and technical feasibility of each recommended work vide Para 3.12 of MPLAD guidelines.

(iii) Unproductive expenditure

As per guidelines, works under MPLADS and MLALADS 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. Scrutiny of records revealed that out of 1,458 incomplete works under both the schemes (MPLADS: 589, MLALADS: 869), 375 works (MP: 162, MLA: 213) were taken up for execution during 2007-08 and 2008-09 and an expenditure of ₹1.64 crore as 1st instalment (MP: ₹0.52 crore, MLA: ₹1.12 crore) was incurred on these works (March 2012). 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 appeared to have been created out of expenditure of ₹1.64 crore even after lapse of three to four years of release of funds to the executing agencies. Physical verification of a few incomplete schemes in Dhekiajuli, Borasola and Tezpur could not be carried out as work sites and the executing agency etc., could not be located/identified by the concerned BDOs. The bonafides of expenditure of ₹1.64 crore was, thus, not established and possibility of misappropriation of funds could not be ruled out.

(iv) Construction of Community Hall

The MPLADS and MLALADS guidelines provide that each MP and MLA may recommend works of development nature with emphasis on creation of durable Community assets based on felt needs. MLALADS also provide scope of generation of income through such created assets. The concerned DC after checking feasibility would sanction eligible works and get the works executed through different agencies including line department, NGOs and Construction Committee.

Scrutiny of records of DC, Sonitpur revealed that during 2007-12, construction of 1,416 Community halls at a cost of ₹9.79 crore (MPLAD: 416 works, ₹3.71 crore; MLALADS: 1000 works, ₹6.08 crore) were sanctioned and taken up by DC, Sonitpur as per recommendation of MP and MLA. Most of the Community halls were constructed within religious place although the same was not permissible as per scheme guidelines. Further, requirement of so many community halls and the places where these were constructed at a cost of ₹7.79 crore (36 per cent) out of total expenditure of ₹21.72 crore under MPLADS and MLALADS was not assessed by DC before according administrative approval.



Community Hall at Dolabari Radhakrishna Mandir-2009-10 under Tezpur LAC (12/06/2012)



Community Hall at Kalibari Bhawan Dhekiajuli (under MPLADS) (13/06/2012)

Further, 460 community halls at a cost of ₹4.71 crore were also constructed during 2007-12 out of DDP funds. Scrutiny of records revealed that there was no coordination among the different departments carrying out these works. As a result, possibility of duplicacy and overlapping of the works cannot be ruled out.

Thus, schemes like DDP, MLALADS, MPLADS, Untied funds etc., were taken up in the District in an uncoordinated and unplanned way. As a result, works/projects under these schemes were not completed in time and funds remained unutilized. Absence of proper assessment before according administrative approval and monitoring led to execution of inadmissible works besides, lack of financial control led to unproductive/doubtful expenditure etc. Besides, status of assets created out of those schemes remained unknown to DC, as no assets register was maintained.

- **Industrial Growth Centre**

Planning and development of Industrial infrastructure in the perspective of Industrial growth is the major function of the Industries and Commerce Department. The Industries and Commerce Department of Assam undertook (April 1997) a Centrally Sponsored



Industrial Growth Centre at Chariduar (5 June 2012)

Project known as Industrial Growth Centre Project at Chariduar in Sonitpur district at a cost of ₹25.43 crore (Central : ₹15 crore; State : ₹10.43 crore). Assam Industrial Development Corporation (AIDC) was responsible for implementation of the scheme. GoA allotted land measuring 1449Bigha-3Katha-15Lessa to AIDC for establishment of the centre. Scrutiny of records revealed that during March 1997 to April 2008, GoI and GoA released ₹12.16 crore and ₹0.22 crore respectively. AIDC utilized the entire amount of ₹12.38 crore for land development of 350 Bighas, construction of Administrative building, industrial infrastructure under phase-I, internal electrification, drainage system etc. Development of balance land area and creation of industrial facilities were not carried out due to non release of further funds by GoI and GoA. GoI did not release fund for non release of State's matching share.

Admitting the audit observation, AIDC representative stated (September 2012) that action had been initiated to complete the work but did not mention about the date by which works could be completed.

Thus, infrastructure created so far out of released funds also remained idle and the expenditure of ₹12.38 crore became unproductive. Besides, the objective of industrial development in the District could not be achieved.

- **Construction of Cold Storage**

Migration from Rural Areas to Urban Centres seeking better livelihood, is a regular phenomenon. To arrest this migration, the concept of Provision of Urban Amenities in Rural Areas (PURA) was introduced during 2004-05 in selected areas by the Ministry of Rural Development, GoI through cluster approach. One such project was implemented in Gohpur Sub-Division under Sonitpur district in Assam.



Cold Storage building at Gohpur (24/05/2012)

Construction of a 500 MT capacity (3600 sq. ft.) cold storage at a cost of ₹66 lakh was sanctioned by GoI during 2005-06 under PURA and the fund was released in 2006-07. The multi chambered cold storage was designed to store different types of agricultural products mainly Potato. Construction commenced on 18 October 2006 and the facility was completed on 22 September 2007. This was handed over to the Chairman, Gohpur Town Committee on 22 August 2008 for maintenance. Adequate publicity for use of the project for the benefit of the users with priority to farmers was to be given by the Chairman, Gohpur Town Committee in order to make the project commercially viable and sustainable. Scrutiny of records revealed that though the facility was handed over to a lessee on 30 December 2008, the same was not utilised both on account of defective construction and non working of freezing machine. The assets valuing at ₹66 lakh remained unutilised resulting in infructuous expenditure besides non fulfillment of the objective of the facility.

Thus, developmental schemes like DDP, Untied fund, MPLADS, MLALADS etc., were taken up in the District without coordination and the works were neither planned properly nor completed within the specified time leading to funds remaining unutilized. Besides, lack of administrative control and monitoring led to delay in execution of works, execution of inadmissible works etc., and lack of financial control led to unproductive/doubtful expenditure, excess expenditure etc. The assets created out of these schemes and its utilization also remained unknown to DC as no asset register was maintained at any level.

PD, DRDA stated (September 2012) that the cold storage was functional till 2011, which was contrary to the reply furnished by the Chairman, Gohpur Town Committee.

Recommendations

- DC needs to strengthen the coordination mechanism, by specifying responsibility centres for implementation of various projects/schemes so that the works are planned and completed in time.
- An asset register indicating the details of assets created in the District may be maintained by DC by drawing up an action plan to incorporate assets already created.

6.2 Employment Generation

GoI and the State Government had initiated numerous measures to tackle problems of poverty, unemployment and slow pace of progress in the rural economy. The two most important schemes sponsored by the Central Government for providing employment in 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 (MGNREGS) in February 2006.

6.2.1 Sampoorna Grameen Rozgar Yojana (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 proposals through BDOs to DRDA and a comprehensive shelf of works was to be approved at the beginning of the year. Audit scrutiny revealed that schemes were sanctioned 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 level. There was no database at the District/DRDA level, detailing the developmental works undertaken in various Blocks and GPs.

• Financial management

The SGRY was funded on 75:25 basis by GoI and the State Government. SGRY was merged with MGNREGS from April 2008 in the District. During 2007-08 against the available funds of ₹37.62 crore, DRDA spent ₹37.39 crore leaving an unutilized balance of ₹0.23 crore which was transferred to MGNREGS fund for the year 2008-09.

In seven selected blocks, ₹7.04 crore was utilized during 2007-08 against the available fund of ₹7.06 crore.

(a) Employment Generation under SGRY

During 2007-08 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 target was not ascertainable. As per information furnished to GoI, DRDA generated 32.99 lakh mandays out of which 10.85 lakh (33 *per cent*) mandays were generated for women workers. In the selected blocks, however, 4.81 lakh mandays were stated to have been created including 0.95 lakh (20 *per cent*) mandays for women workers. Thus, there was a shortfall of 0.64 lakh mandays employment for women.

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 employment registers, the employment reported to have been generated, especially in respect of women and SC/ST categories could not be verified in audit.

(b) Implementation

(i) Inadmissible expenditure

The primary objective of SGRY scheme is to provide additional wage employment in rural areas. The secondary objective is creation of durable community/social/economic assets. Further, SGRY guidelines prohibit construction of bridges, buildings for religious purposes and colleges from SGRY funds.

Test-check of records revealed that ₹24.03 lakh was incurred during 2007-08 for construction/repair of bridges by the BDO, Chaiduar in violation of the provisions of scheme guidelines.

(ii) Diversion of funds

SGRY was launched w.e.f. September 2001 with a view to reduce unemployment and to provide food security. Food grains were provided to States free of cost (Para 1.2 of guideline). However, the transportation cost of food grains and handling charges were to be borne by the State Government from its own sources. Any taxes/charges like sales tax, octroi etc., were also to be borne by the concerned State. Cash components of the scheme were not to be used for transportation, payment of local taxes etc.

Scrutiny of records and information furnished to audit, disclosed that during 2007-08 PD, DRDA, Sonitpur incurred an expenditure of ₹30.75 lakh on account of transportation cost of food grains from SGRY funds. This unauthorized expenditure deprived the beneficiaries of the benefit of 0.38 lakh mandays of employment.

PD stated (September 2012) that funds were diverted with the approval of the Governing Body as required funds were not provided by GoA. The reply of PD was not tenable as no such scope was provided in the scheme guideline.

6.2.2 Mahatma Gandhi National Rural Employment Guarantee Scheme

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a Centrally Sponsored Scheme and 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 MGNREGS, 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.

(a) Financial management

The year-wise position of funds received by DRDA, Sonitpur and utilization thereagainst is indicated in Table-24.

Table-24: Year-wise position of MGNREGS funds received and utilized by DRDA during 2008-12

(₹ in crore)

Year	Opening balance	Funds received		Other misc. receipt	Total funds available	Funds utilized	Unspent balance (percentage)
		Central	State				
2008-09	0.91 ²⁸	42.93	0.80	0.41	45.05	10.23	34.82 (77)
2009-10	34.82	1.97	3.06	0.59	40.44	29.89	10.55 (26)
2010-11	10.55	21.28	10.77	0.74	43.34	29.93	13.41 (31)
2011-12	13.41	23.00	0.96	0.54	37.91	37.76	0.15 (-)
Total		89.18	15.59	2.28		107.81	

²⁸ Unutilised balance under MGNREGS 2007-08: ₹0.68 crore + fund transferred from SGRY : ₹0.23 crore

The position of funds received and utilized in the test checked blocks is given in Table-25.

Table –25: Position of funds received and utilized in the sampled blocks

(₹ in crore)

Year	Opening balance	Funds received	Other receipt	Total funds available	Funds utilised	Closing balance (percentage)
2008-09	0.00	5.88	0.00	5.88	5.24	0.64 (11)
2009-10	0.64	11.44	0.02	12.10	11.57	0.53 (5)
2010-11	0.53	13.15	0.02	13.70	10.85	2.85 (21)
2011-12	2.85	9.83	0.02	12.70	12.38	0.32 (2)
Total		40.30	0.06		40.04	

It would, thus, be evident from the above tables that 74 to 100 *per cent* of funds were utilized in the District where as 79 to 98 *per cent* funds were utilized in the sampled blocks.

However, information received from 14 blocks and 158 GPs revealed that ₹1.05 crore remained unutilised as of March 2012 due to delay in completion of works.

(b) Employment Generation

Details of employment generation under this scheme during 2008-12 as reported by DRDA to GoI are indicated in Table-26.

Table- 26: Details of employment generated under MGNREGS during 2008-12 in the district

(Mandays in lakh)

Year	Mandays for SC/ST	Mandays for others	Total mandays generated	Mandays for women
2008-09	0.91	4.11	5.02	1.05 (21)
2009-10	2.99	15.15	18.14	4.90 (27)
2010-11	2.59	13.49	16.08	4.68 (29)
2011-12	2.82	14.73	17.55	5.22 (30)
Total	9.31	47.48	56.79	15.85

The status relating to employment generation under MGNREGS during 2008-12 in the selected blocks are indicated in Table-27.

Table– 27: Details of employment generated under MGNREGS in selected blocks during 2008-12

(Mandays in lakh)

Year	Mandays for SC/ST	Mandays for others	Total mandays generated	Mandays for women
2008-09	0.93	1.53	2.46	0.47
2009-10	1.87	4.87	6.74	1.63
2010-11	1.75	4.74	6.49	1.76
2011-12	1.99	4.84	6.83	1.6
Total	6.54	15.98	22.52	5.46

During 2008-09 to 2011-12, 56.79 lakh mandays were generated in the district by providing employment to 326728 Job Card holders. Of this, mandays generated for

women workers were 15.85 lakh against required 18.74 lakh (33 *per cent*) as per guideline. In seven test checked blocks, 5.46 lakh mandays against the required 7.43 lakh (33 *per cent*) mandays were provided to women workers. Thus, the women workers were not given sufficient employment opportunities as envisaged in the scheme guidelines.

(c) Issue of Job Cards

During 2008-12, 220894 households were issued Job Cards out of which 98404 job card holders were without any account either in bank or in the post office as of March 2012. DRDA stated that Job Card holders having no accounts were either not provided jobs or the Job Card holders did not turn up for works. This indicated that DRDA needed to bestow much greater attention for creating awareness among the rural unemployed people regarding assured employment opportunities available under the scheme.

(d) Providing works to Job card holders

Scrutiny of records revealed that during 2008-12, 3,26,728 (96 *per cent*) Job Card holders were provided jobs against demand placed by 3,38,690 Job Card holders. However, only 584 job card holders (0.18 *per cent*) were provided 100 days employment. Out of these 584 job card holders, 404 job card holders were provided more than 100 days employment which indicated that some job card holders were given advantage at the cost of others who were not provided guaranteed 100 days employment. Thus, equitable distribution of jobs remained to be achieved. No unemployment allowances were paid to job card holders who demanded the job but were not provided with jobs under the scheme.

(e) Payment of unemployment allowances

The MGNREGS guidelines provided that employment would be provided to job card holders within 15 days from the date of receipt of application for works. In case it was not done, daily unemployment allowances has to be paid to job card holders.

Scrutiny of records revealed that GoA did not provide funds for unemployment allowances and as a result, no unemployment allowances were paid to 11,962 job card holders who could not be provided jobs. Besides, unemployment allowance to 1,637 Job Card holders was also not paid for the period of delay in providing employment in violation of scheme guidelines.

(f) Delay in payment of wages

As per MGNREGS guidelines, workers are entitled to wages within 15 days from the date on which work was done. In the event of any delay in wage payment beyond 15 days, workers are entitled to compensation as per the provision of the Payment of Wages Act, 1936. Compensation cost in such cases shall be borne by the State Government.

Scrutiny of records revealed that during 2010-11 and 2011-12 there were delays ranging from one to more than 90 days in 548 Muster Rolls (MRs) involving payment of wage of ₹23.65 lakh. However, no compensation was paid for such delay to the workers in violation of scheme guidelines.

(g) Status of works

In the shelf of projects for the period 2008-12, 3,533 works were projected for execution. Against these, 2501 works (71 *per cent*) could be completed during the period. Non completion of 1,032 remaining works prevented DRDA from creation of additional mandays.

6.2.2.1 Implementation issues

(i) Excess administrative charges

As per MGNREGS guideline, administrative expenses @ 6 *per cent* of available fund are admissible. Scrutiny of records revealed that administrative expenses of ₹2.42 crore was incurred during 2010-11 by DRDA against the permissible amount of ₹1.92 crore. This excess expenditure of ₹0.50 crore on administrative expenses prevented DRDA from generation of atleast 0.50 lakh mandays thereby depriving the beneficiaries of their livelihood security through employment.

(ii) Excess expenditure on materials

Operational guidelines of MGNREGS envisaged 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 all levels. Scrutiny of records revealed that overall expenditure on material component in the District during 2010-11 was around 60 *per cent* against the prescribed maximum limit of 40 *per cent*. The status of expenditure on material component during 2010-11 against utilisation of scheme fund is indicated in Table-28.

Table- 28: Status of expenditure on material component during 2010-11

(In ₹)

Sl. No.	Name of the Development Block	No. of scheme implemented	Amount paid		Expenditure rate as per norms		Expenditure incurred in excess on material
			Wages	Materials	Wages (60 per cent)	Materials (40 per cent)	
1	Borchalla	7	809,675	1,130,325	1,164,000	776,000	354,325
2	Choiduar	17	1,648,810	2,090,190	2,243,400	1,495,600	594,590
3	Behali	9	1,200,490	2,079,510	1,968,000	1,312,000	767,510
4	Baghmara	4	784,000	954,400	1,043,040	695,360	259,040
5	Pub Choiduar	25	2,757,640	5,682,360	5,064,000	3,376,000	2,306,360
6	Sootea	21	1,065,137	1,838,238	1,742,025	1,161,350	676,888
7	Dhekiajuli	11	3,053,140	2,890,860	3,566,400	2,377,600	513,260
Total		94	11,318,892	16,665,883	16,790,865	11,193,910	5,471,973

Thus, excess expenditure of ₹54.72 lakh on material component was incurred in violation of the provisions of guideline. Resultantly, beneficiaries were deprived of the benefit of creation of atleast 0.54 lakh additional mandays during the period.

(iii) Inadmissible works

MGNREGS guideline provides that all assets created must be productive, durable and conform to the prescribed standard. During 2010-11, seven BDOs incurred expenditure of ₹1.01 crore for 24 erosion protection works. Scrutiny of plan estimates, other connected records and physical verification of works with departmental officers revealed that protection works undertaken were of temporary nature i.e., non durable and some of which were subsequently washed away as evident from the photographs.



Erosion Protection at Naharbari-Dhekiajuli Block (14/06/2012)



Erosion Protection at Belsiri river Dhekiajuli (14/06/2012)

(a) Unfruitful expenditure

Scrutiny of records revealed that in three blocks, six schemes at a cost of ₹22.20 lakh were taken up during 2009-10 and 2010-11 for Jatropha plantation. No plantation journal, survival reports, physical progress report was made available to audit. Further, no expenditure on maintenance of the plantation was incurred. Physical verification of two schemes with departmental officer disclosed that survival ratio of the plants were zero to two *per cent* which meant that the entire expenditure of ₹22.02 lakh had become unfruitful.



Jatropha Plantation at Kuwari under Sakomatha Block (14/06/2012)

(b) Wasteful expenditure

PD, DRDA, Sonitpur sanctioned and released ₹1.35 crore to the eight BDOs for Plantation/Social Forestry under MGNREGS scheme during the year 2010-11.

Test check of records revealed that the respective blocks implemented the scheme as per Plan and Estimates and incurred an expenditure of ₹1.35 crore as detailed in Table-29.

Table-29: Block wise expenditure on Plantation/Social Forestry

(₹ in lakh)

Sl. No.	Name of the Block	Nature of work	No. of work	Expenditure incurred
1	Dhekiajuli	Plantation/ Social Forestry	8	17.50
2	Pub Choiduar	-do-	5	10.07
3	Borsola	-do-	3	9.52
4	Gabharu	-do-	10	22.70
5	Behaguri	-do-	8	30.59
6	Baghmara	-do-	2	10.00
7	Sakomatha	-do-	5	26.00
8	Choiduar	-do-	3	8.84
Total			44	135.22

Important records such as Plantation journal, Survival Report, Physical Progress Report against each plantation etc., were not maintained.

No step was taken by the authorities for the maintenance of the plants which was absolutely essential for survival of saplings. Further, physical verification of various sites with departmental officer at Borsola, Dhekiajuli, Sakomatha, Choiduar, etc., revealed no sapling on the plantation site which was also corroborated by the photographs indicated below.



Plantation at Kuwari Fishery - Sakomatha Block
(10/05/2012)



Plantation at Tatonbari Fishery -Choiduar Block
(24/05/2012)



Plantation at Natun Sirajuli – Borchalla Block
(13/06/2012)



Plantation at Erasuti Bor namghar – Dhekiajuli Block
(13/06/2012)

(c) Doubtful execution of work

(i) PD, DRDA, Sonitpur sanctioned and released ₹10 lakh and ₹9.55 lakh respectively to BDO, Dhekiajuli for the road works Kathalupathar to Gorjuli under MGNREGS during 2010-11 as detailed in Table-30.

Table-30: Details of schemes sanctioned by BDO, Dhekiajuli

(₹ in lakh)

Sl. No.	Name of the work	Estimated cost	Nature of works	Chainage
1	Kathalupathar to Gorjuli	10.00	Earth work & sand gravelling	0 to 1400 mtr.
2	Kathalupathar to Gorjuli (Pt.I & II)	9.55	Earth work & sand gravelling	0 to 650 mtr.
Total		19.55		

Scrutiny revealed that DRDA released (November 2010) ₹9.55 lakh for the work of Sl.No.2 for earth work and sand gravelling (0 – 650 mtr) although ₹10 lakh was released (May 2010) for the same work for the chainage 0-1400 mtr. (including zero to 650 mtr.). Thus, execution of work in chainage zero to 650 mtr. was done twice within a period of six months. Physical verification only confirmed execution of works for ₹10 lakh. Thus, bonafides of the execution of work for ₹9.55 lakh in November 2010 was doubtful.

(ii) PD, DRDA, Sonitpur sanctioned (May 2010) and released ₹28.80 lakh and ₹10 lakh to BDO, Dhekiajuli for the implementation of scheme of river bund at No.2 Narayanpur and Mizibari Bengali village phase-I and phase-II respectively under MGNREGS for 2010-11.

Test check of ledger and other relevant records revealed that both the amounts of ₹28.80 lakh (phase-I) and ₹10 lakh (phase-II) were shown as having spent on the work. Physical verification with departmental officer, however, did not show execution of any work under Phase-II. Thus, the bonafides of expenditure of ₹10 lakh on Phase-II was doubtful.

In sum, implementation of MGNREGS in the District was partial as DRDA did not provide assured employment to Job Card holders. Besides, required mandays were not generated and there were violation of scheme guidelines such as excess administrative expenses, excess expenditure on material components, and doubtful execution of works.

Admitting the audit observation, DC stated (September 2012) that excess administrative expenditure was due to payment of salary out of MGNREGS fund but did not furnish any records in this regard. DC also stated that some works of temporary nature were required to be taken up in exceptional circumstances where 60:40 ratio between wage and material could not be maintained. The reply of DC was not tenable as the scheme guidelines did not provide for any scope for the diversion of funds, excess expenditure on materials and creation of temporary assets.

6.2.3 Swarnjayanti Gram Swarozgar Yojana

GoI launched a centrally sponsored scheme viz. SGSY in April 1999. The objective of the scheme is to bring the assisted poor families above the poverty line by ensuring appreciable sustainable level of income over a period of time by organizing the rural

poor into Self Help Groups (SHGs) and providing financial assistance through credit and subsidy.

6.2.3.1 Financial Management

The position of receipt and utilization of fund in the District under SGSY is given in Table-31.

Table- 31: Funds received and expenditure incurred during 2007-12 under SGSY Scheme

(₹ in crore)

Year	Opening balance	Funds received		Other receipts	Total	Expenditure	Closing balance
		GoI	GoA				
2007-08	0.31	10.83	1.89	0.18	13.21	10.87	2.34
2008-09	2.34	8.43	4.26	1.15	16.18	12.44	3.74
2009-10	3.74	12.49	1.41	0.44	18.08	12.22	5.86
2010-11	5.86	9.14	1.61	0.26	16.87	12.95	3.92
2011-12	3.92	8.73	-	0.94	13.59	13.52	0.07
Total		49.62	9.17	2.97		62.00	

Source: Departmental figures.

Scrutiny of records revealed that funds remained unutilized during 2007-08 to 2010-11 which affected the implementation of the scheme.

6.2.3.2 Implementation issues

(a) Non maintenance of records

SGSY lays emphasis on the group approach, under which the rural poor are organized into SHGs which 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 2007-12 subsidy and revolving fund amounting to ₹45.71 crore was spent on 6642 SHGs and 3566 individual swarozgaries. No data base or compiled records were produced indicating that SHGs were paid subsidy and revolving funds after they had passed through the three required stages of evolution. Thus, in the absence of compiled records at the District level and at block level, it was not ascertainable whether the subsidy was released to eligible SHGs who passed through the three stages. Further, details of training imparted to SHGs during the period from 2007-12 were also not made available.

(b) Disbursement of subsidy and monitoring

DRDA used to release subsidy to banks for providing loans to the selected SHGs and individual beneficiaries. The banks were required to release subsidy alongwith loan to the beneficiaries without delay.

Scrutiny of records revealed that during 2007-12, an amount of ₹50.11 lakh being the subsidy amount was refunded to DRDA by various banks. This subsidy alongwith bank loan was otherwise payable to bonafide SHGs. Reasons for refund of subsidy by banks were not on record. Thus, failure of the banks to monitor the release of funds to SHGs and individual swarozgaries deprived the beneficiaries from getting the desired benefit as envisaged in the scheme guidelines.

Further, the progress/performance of SHGs/individual swarozgaries in the form of management of assets for generation of incremental income has to be continuously followed up, monitored and evaluated. In the absence of any monitoring mechanism at the district and block level to evaluate the status of economic viability of the projects undertaken by SHGs/individuals, the extent of economic upliftment of SHGs/individual swarozgaries was not possible to be ascertained in audit. No such monitoring by DRDA, Block or Bank was done.

(c) Non maintenance of asset register

Creation of infrastructure is an essential part of SGSY. DRDA releases funds to blocks for creation of infrastructure. During 2007-12, DRDA incurred an expenditure of ₹14.85 crore towards creation of infrastructure. DRDA was required to maintain assets register indicating types of assets created, cost, year of creation of the assets, name of the users to whom these were handed over. No such assets registers were maintained either at block or DRDA level. Physical verification of such assets as a special drive was required to be carried out, which was not done.

(d) Excess expenditure

According to SGSY guideline, 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 (65 per cent of the allocation)
(iv)	Subsidy		

Scrutiny of records revealed that during 2010-11 against the permissible amount of ₹2.76 crore, the agency incurred an expenditure of ₹4.26 crore on infrastructure. Thus, there was an excess expenditure of ₹1.50 crore on infrastructure, by diverting funds under subsidy which deprived the beneficiaries of the corresponding benefits of the subsidy in terms of the objectives of the scheme.

(e) Inadmissible expenditure

SGSY guidelines, inter alia, stipulated that infrastructure support for the identified activities should be provided so as to enable the Swarozgaries to derive the maximum advantage from their investment. Here, infrastructure means the basic physical and organisational structure needed for the operational entity. It does not include consumable raw materials used for making any saleable products for the entity.

Scrutiny of records revealed that during 2007-08 and 2011-12 the Project Director, DRDA, Sonitpur incurred an expenditure of ₹1.42 crore under SGSY infrastructure towards procurement of Dyed Cotton Yarn and Sewing machine. The materials so procured were issued to blocks for onward distribution to SHGs. Expenditure of ₹76.99 lakh in violation of scheme guideline was, thus, unauthorised and inadmissible.

(f) Non completion of work

During 2007-08, two works viz., construction of chicken hatchery at a cost of ₹18.00 lakh and construction of SHG training centre at a cost of ₹20.00 lakh at Biswanath Chariali were approved and funds were accordingly released to BDO, Biswanath Chariali during 2007-08 and 2009-10. Physical verification (7 June 2012) alongwith departmental officer revealed that though two buildings of the chicken hatchery were constructed, the same were yet to be electrified. Further, parts of the building were also found damaged. No incubator/machinery was installed even after lapse of five years of release of funds. Thus, the hatchery remains non functional as also evident from physical verification and the photographs, below:



Chicken hatchery without electrification and incubator/machinery was not installed at Biswanath Chariali (07/06/2012)

Parts of the building were damaged (07/06/2012)

Further, no information regarding the execution of the work of construction of training hall was made available to audit. No records in respect of utilisation of the amounts released were furnished by the block level office.

(g) Construction of SHG Haat under SGSY infrastructure

Scrutiny of records of the PD, DRDA, Sonitpur revealed that during 2010-11 and 2011-12, construction of 98 SHG Haats at a cost of ₹3.66 crore under SGSY infrastructure at different locations of the district was taken up for execution after obtaining approval of the State Level Selection Committee (SLSC) on SGSY. The infrastructure under SGSY was meant for improving the marketing facility for SHGs.

Physical verification of SHG Haats at Tezpur, Biswanath Chariali, Gohpur revealed that Haats consisted of several rooms which were let out to different shop keepers such as medicine seller, beauty parlour, saloon etc., at fixed monthly rate. Not a single room was used by SHG/individual swarozgaries. It was evident that the Haats were neither at all required nor constructed at proper places, so that these could have helped

SHGs to effectively market their products. Thus, expenditure of ₹3.66 crore incurred for the construction of SHG Haats for commercial utilisation was unauthorised diversion of Central funds.



SHG Haat at Tezpur-11-06-2012



SHG Haat at Biswanath-19-05-2012



SHG Haat at Gohpur-Choiduar Block-03-05-2012



SHG Haat at Gohpur- Pub-Choiduar Block-29-05-2012

In the absence of records regarding training and basis of release of subsidy, it was not possible to ascertain the actual economic upliftment of beneficiaries in 6642 SHGs to whom subsidy and loans were provided. Funds meant for infrastructure did not serve the purpose of promotion of marketing by SHGs.

Recommendations

- The objective of providing security of livelihood to the needy and weaker sections by generating employment should be ensured by the District Administration by reducing administrative expenses, avoiding excess expenditure on material components and diversion of funds for unauthorised purposes.
- Monitoring mechanism should be made effective through timely submission of reports/returns and regular physical verification so as to evaluate the outcomes and ensure economic viability of projects undertaken by SHGs under the scheme.

6.3 Housing scheme

Housing is one of the basic requirements for human survival. For a normal citizen owning a house provides significant economic and social security and status in society. Indira Awas Yojana (IAY) is a flagship scheme of the Ministry of Rural Development to provide houses to the poor in rural areas. The objective of the scheme is primarily to help construction/upgradation of dwelling units of members of Scheduled Castes (SC)/Scheduled Tribes (ST), freed bonded labourers, minorities in the below poverty line category and other below poverty line non SC/ST rural households by providing them financial assistance.

6.3.1 Funding pattern

IAY is funded on cost sharing basis in the ratio 75:25 upto 2009-10 and thereafter in the ratio 90:10 between Central and State Governments. Details of funds received and utilized under the scheme are indicated in Table-32.

Table- 32: Funds received and expenditure incurred during 2007-12 under IAY

(₹ in crore)

Year	Opening balance	Funds received		Other receipt	Total funds available	Expenditure incurred	Closing balance (percentage)
		GoI	GoA				
2007-08	0.79	21.25	5.90	0.42	28.36	26.12	2.24 (8)
2008-09	2.24	49.09	9.71	0.42	61.46	17.37	44.09 (28)
2009-10	44.09	33.95	6.75	1.15	85.94	74.45	11.49 (13)
2010-11	11.49	41.31	7.23	0.89	60.92	48.17	12.75 (21)
2011-12	12.75	41.01	2.61	0.42	56.79	55.23	1.56 (3)
Total		186.61	32.20	3.30		221.34	

Source: Departmental figures.

The position of funds received and utilised in the selected blocks is given in Table-33.

Table- 33: Position of funds received and utilised in the selected blocks under IAY

(₹ in crore)

Year	Opening balance	Funds received		Other receipt	Total funds available	Expenditure incurred	Closing balance (percentage)
		GoI	GoA				
2007-08	3.51	12.48	1.69	0.05	17.73	17.48	0.25 (1)
2008-09	0.25	30.22	1.93	0.12	32.52	8.95	23.57 (72)
2009-10	23.57	25.89	1.33	0.62	41.51	44.72	6.69 (16)
2010-11	6.69	28.43	1.52	0.29	36.93	29.50	7.43 (20)
2011-12	7.43	24.29	2.95	0.27	34.94	30.99	3.95 (11)
Total		121.31	9.42	1.35		131.64	

Source: Departmental figures.

The above table indicates that utilization of funds during 2007-12 ranged between 62 to 97 per cent in the District whereas in the test checked blocks it ranged between 28 to 99 per cent. Under utilization of funds in the sampled blocks was due to delay in release of funds to blocks by the DRDA and also delay in selection of beneficiaries by

the Gram Sabhas. Further, due to receipt of funds by DRDA from GoI at the fag end of the financial year 2008-09, ₹44.09 crore remained unutilized at the end of the financial year. Thus, non utilization of major source of available funds within the financial year 2008-09 delayed the provision of housing facilities to the beneficiaries to the extent.

6.3.2 Target and Achievement

Physical target and achievement of IAY houses is indicated in Table-34.

Table-34: Physical target and achievement of IAY houses

Year	Opening balance	Target	Total	Number of houses completed	Percentage	Houses under progress
2007-08	-	9263	9263	9159	99	104
2008-09	104	15604	15708	15469	98	239
2009-10	239	10571	10810	8421	78	2389
2010-11	2389	10976	13365	13031	98	334
2011-12	334	8994	9328	3974	43	5354
Total		55408	58474	50054		8420

Source: Departmental figures.

Position of target and achievement in selected blocks is indicated in Table-35.

Table- 35: Target and achievement in selected blocks

Year	Opening balance	Target	Total	Number of House completed	Percentage	House under progress
2007-08	72	5503	5575	5538	99	37
2008-09	37	9953	9990	8235	82	1755
2009-10	1755	6536	8291	8108	98	183
2010-11	183	6875	7058	6538	93	520
2011-12	520	5643	6163	2775	45	3388
Total		34510	37077	31194		5883

Source: Departmental figures.

The above tables indicate that during 2007-08, 43 to 99 per cent houses were completed in the District whereas 45 to 99 per cent houses were completed in the sampled blocks. 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. Scrutiny of records of selected GPs revealed that GP Secretaries were involved only in selection of beneficiaries and not in construction of the houses. Further, as per norms, funds were to be released to beneficiaries in two instalments. 2nd instalment was released on the basis of UCs furnished by the JE for the 1st instalment, but UCs for the 2nd instalment released to the beneficiaries during 2008-09 to 2011-12 were not received by DRDA from the concerned JEs. After release of funds to beneficiaries, BDOs claimed the houses as having been completed. Thus, without actual UCs and physical supervision by responsible officer, the claim of completion of 40,895 houses during 2008-12 was accepted. Further, slow progress of completion of houses during 2011-12 was due to delay in selection of beneficiaries as

well as delay in release of funds by DRDA to blocks and in turn by blocks to beneficiaries.

Physical verification of IAY houses with departmental officers revealed incomplete houses which were shown as having been completed in the records. Also houses constructed were found below the stipulated specification.



6.3.3 Implementation issues

(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 of beneficiaries 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 Gram Sabha resolution it could not be ascertained in audit whether the selection was authentic and selection process was in consonance with the provision of the guidelines.

During 2007-08 to 2009-10 funds amounting to ₹25.02 lakh were released to the Member Secretary, District Water Sanitation Committee (DSWC) for construction of latrines under TSC for 8401 IAY beneficiaries. Out of 8401 beneficiaries selected by DRDA, DSWC constructed latrines for 3510 beneficiaries only, whose names were detected in the BPL list of the Panchayat and Rural Development department. Thus, 4891 beneficiaries were selected by DRDA from outside the BPL families.

(b) Unauthorised contingent expenditure

IAY guidelines do not have any provision for meeting contingent expenditure out of IAY fund. Contrary to the above provision, six BDOs incurred expenditure of ₹43.87 lakh towards contingent expenses which was irregular and tantamounted to unauthorized diversion of IAY funds.

Admitting the audit observation, PD assured that appropriate action would be taken.

(c) Non construction of Sanitary Latrine

Para 3.2 of IAY guideline provides that construction of sanitary latrine should be taken up with each IAY house. The latrine could also be constructed separately from the IAY house on the site of beneficiary. There should be convergence with activities and funds provided under the total sanitation campaign for providing sanitary latrine in the IAY houses. All efforts should be made to ensure that every IAY house is provided with a sanitary latrine under TSC programme.

During 2007-08 to 2009-10 while releasing IAY fund to the concerned blocks, PD, DRDA, Sonitpur deducted ₹106.31 lakh against 35438 IAY houses (cost of latrine @ ₹300 per house) towards low cost latrine. Out of ₹106.31 lakh, PD released ₹25.20 lakh to the Member Secretary, District Water Sanitation Committee (DWSC) of PHE Department for construction of 8,401 latrines in IAY houses under Total Sanitation Campaign (TSC) Programme. Out of ₹25.20 lakh, DWSC utilised ₹10.53 lakh for construction of only 3510 latrines and refunded (March 2012) ₹12.65 lakh to PD, DRDA while the balance amount of ₹2.02 lakh was retained by DWSC. Thus, total amount of ₹93.76 lakh was retained by PD, DRDA as of March 2012 in addition to which latrines for 31,928 houses were not constructed.

Further, from 2010-11, the PD, while releasing the funds to blocks instructed to deduct ₹300 from each beneficiary being the cost of sanitary latrine and remit the same to VWSC for construction of latrine under TSC for IAY beneficiaries. Scrutiny of records revealed that the BDOs released funds to beneficiaries after deducting ₹300 from each beneficiary and retained ₹32.92 lakh for 10976 houses for 2010-11 in hand without remitting the same to VWSC. Two BDOs (Dhekiajuli and Pub Choiduar) also retained ₹5.87 lakh being the cost of latrine @ ₹300 for 1862 houses for 2011-12. Thus, ₹38.79 lakh was retained by the BDOs as a result of which sanitary latrines for 12,838 beneficiaries were not constructed. Besides, cost of latrines of 7132 houses (₹21.40 lakh) for 2011-12 was also released to beneficiaries by 12 BDOs without linking it to TSC.

It was evident that no firm policy was framed by DRDA for construction of latrines. Non construction of latrines, thus, deprived the beneficiaries of the facility to improve their quality of life through hygienic sanitation besides blocking IAY funds to the tune of ₹132.55²⁹ lakh as of March 2012.

Admitting the audit observation, DC stated (September 2012) that DRDA had decided to construct the latrine by the beneficiaries themselves but did not disclose action initiated to get the benefit by the beneficiaries under TSC for construction of latrine.

(d) Other points

- The Implementing Agencies should have a complete inventory of houses constructed under the IAY with details of date of commencement and date of completion of dwelling unit, name of the village, block, occupation and category of

²⁹ ₹93.76 lakh at DRDA + ₹32.92 lakh in 14 blocks for 2010-11 + ₹5.87 lakh in 2 blocks for 2011-12.

beneficiaries. However, no such inventory of houses was maintained at any level, District, block or GP.

- No action had been initiated either at district level or at the block level for providing free electricity connection, drinking water facility, loans bearing lower rate of interest from banks, insurance benefits to IAY beneficiaries, as required under the scheme.

Thus, targeted number of houses were not completed due to lack of effective supervision at block and GP level despite availability of funds. Besides, beneficiaries were selected outside BPL list and funds were provided to ineligible persons.

Recommendation

- DRDA should ensure selection of beneficiaries only from authorized BPL lists besides, timely completion of the targeted houses, through regular and closure monitoring of progress.

6.4 Energy

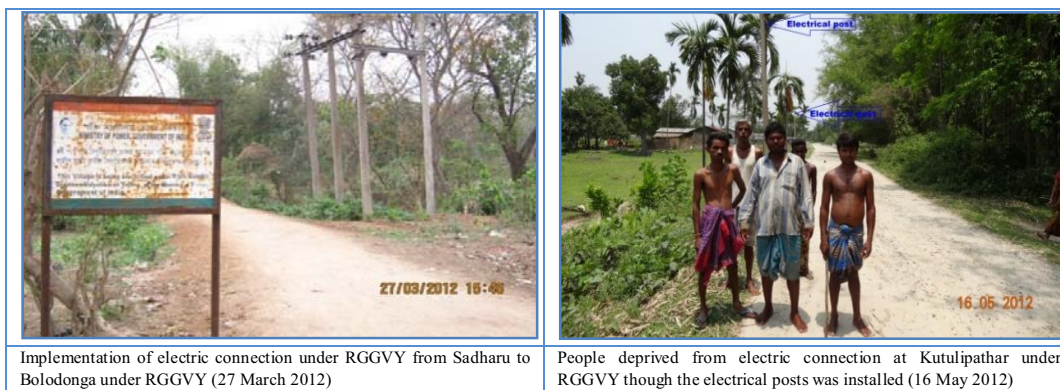
6.4.1 Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY)

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 Power Generation Corporation Ltd. (APGCL) is the implementing agency in the District. The main objective of the scheme was to:

- electrify 1,481 out of 1,765 villages;
- provide free electric connection and subsequent energisation to 0.79 lakh BPL households; and
- install 1,891 transformers, 23,595 HT poles and 29,381 LT poles.

Audit scrutiny revealed that as of March 2012, out of 1765, only 1365 villages (77 per cent) were electrified and 0.45 lakh BPL households out of targeted 0.79 lakh were covered of which only 0.37 lakh were energized. As APGCL did not complete the works by the stipulated date of March 2010, a revised DPR was submitted (September 2010) to GoI which was yet to be approved. Out of the sanctioned amount of ₹96.48 crore, GoI released ₹91.16 crore (as of June 2012) to APGCL of which ₹90.88 crore was spent till June 2012. The Department stated that due to heavy rain, flood, non receipt of forest clearance and delay in sanction of the DPR, works could not be completed in time.

Thus, delay in completion of the work resulted in denial of intended benefits to the eligible beneficiaries even after lapse of seven years of launching the scheme.



Implementation of the scheme in the District was, thus, partial and the objective of providing electricity to rural households remained unachieved.

Recommendation

- APGCL should put in place a practicable yet time bound action plan in consultation with DC and ensure timely completion of work to avoid further time and cost overrun.

6.5 Transport

6.5.1 Road transport

Public road transport is provided by Assam State Transport Corporation (ASTC) which was mandated to provide efficient and economic road transport. The corporation is under the control of Transport Department. In Sonitpur, one Divisional Superintendent (DS) and nine Station Assistant /Station Superintendents were looking after the activities of the corporation.

6.5.2 Fleet strength and utilisation

The corporation has its own buses and private buses running under the banner of ASTC. Against the increase of passengers by 15 *per cent*, the number of own buses of ASTC remained static. Against the requirement of 40 buses as on 31 March 2012, the corporation has only 26 (65 *per cent*) bus on road. Further, number of private buses under the banner of ASTC also reduced from 144 to 134 during 2007-12.

6.5.3 Revenue earned from private buses and vendors

The corporation earned revenue of ₹6.28 crore during 2007-12 against the target of ₹7.66 crore from the private bus operators. Besides, the corporation let out some portion of the buildings for which it earned ₹24.12 lakh from tenants during the same period. Position of earnings from its own buses in the district though called for, was not made available to audit.

6.5.4 Passengers' amenities

According to the information made available from DS, Tezpur the position of passengers' amenities during 2007-12 was as under in Table-36.

Table-36: Passengers' amenities

Sl. No.	Amenities	Status as on	
		2007-08	2011-12
1	Booking counters	Yes	Yes
2	Advance booking facilities	No	Yes
3	Internet booking	No	No
4	Bus time table	Yes	Yes
5	Retiring room	No	No
6	Waiting room	Yes	Yes
7	Complain box	Yes	Yes
8	Refreshment facilities	Yes	Yes
9	Drinking water facilities	Yes	Yes
10	Separate toilet for ladies and gents	Yes	Yes

Physical verification of ASTC bus stations revealed sub standard facilities with regards to waiting room, toilet and drinking water which is also evident from the photographs given below:



Lack of waiting room for passenger at ASTC Bustand, Tezpur-11-06-12



Unhygenic public toilet and urinal at Tezpur ASTC Bustand-14-06-12



Dilapilated condition of ASTC Bus Stand at Jamuguri (24/05/2012)

Thus, the quality of transport services and amenities to the common populace, required substantial improvement.