

Chapter-3

3.1 District-Centric Audit of Palamu

Executive Summary

The District-Centric Audit of Palamu aimed to focus on devolution of finances and implementation of significant socio-economic development programmes in the District. The report covered implementation of Sampurna Gram Swarojgar Yojana (SGSY), Indira Awaas Yojana (IAY), Sarva Shiksha Abhiyan (SSA), Mid-day Meal (MDM) Programme, National Rural Health Mission (NRHM), Integrated Child Development Services (ICDS), Disaster Management, Drinking Water & Sanitation, State Roads and Modernisation of Police Force (MoPF). Significant audit findings are narrated below:

- There is no mechanism in vogue to capture the entire sector-wise funds flow in the district in an aggregated manner at any given point of time. District Planning Committee in Palamu was constituted in December 2011 i.e. 18 years after the 74th Constitutional amendment. The DPC met only once and its functioning remained perfunctory and incomplete. Five year Perspective Plans as well as the Annual Action Plans for the district were not prepared. Transfer of funds, functions and functionaries to Panchayati Raj Institutions (PRIs), as envisaged in the Act, was also not done (December 2012).

Government should ensure the involvement of PRIs in planning and implementation of schemes.

- Despite intervention of SSA, large number of children remained out of school, Pupil-Teacher Ratio (PTR) was below the prescribed norm and the PTR was worse in the blocks located away from District headquarters. Construction of a large number of buildings and class rooms was either incomplete or was stopped mid way for want of land. There was shortfall in supply of free text books to children. There was lack of basic amenities in the schools.

Government should ensure that adequate infrastructure and basic amenities are provided in schools.

- In implementation of MDM, 1,974.79 MT of rice valuing ₹ 4.12 crore was not taken into stock of schools, though shown issued by SFC godowns. We also observed diversion of MDM rice to other schemes and misutilisation of cooking funds. MDM was found disrupted in some schools due to inadequate supply of foodgrains.
- Even after implementation of NRHM there were shortages of health centres at district block and village levels compared to the norms of NRHM. Basic health care services like blood storage, Obstetric care, facilities of Ultra Sound, ECG, services of gynaecologists etc. were not available in the CHCs. CT Scan Machine, Mechanised Laundry and Incinerator installed in Sadar Hospital remained non-functional. Despite implementation of Janani Suraksha Yojana, all the registered pregnant

women did not receive all three ante-natal check ups and institutional delivery was only 40 *per cent* of the total number of women registered during 2009-12.

Government should ensure basic infrastructure/health care facilities at Community Health Centres (CHCs), Primary Health Centres (PHCs) etc. under NRHM

- In implementation of Supplementary Nutrition Programme (SNP) under ICDS, we observed that out of 2,583 Anganwadi Centres (AWCs), 2,484 had no toilets and 2,026 had no hand pumps during 2009-12. Shortfall in SNP also ranged between 36 and 38 *per cent*.
- Foodgrains valuing ₹ 44.96 crore for BPL, AAY, Annapurna and Additional BPL Schemes shown issued by SFC were not shown received by Fair Price Shops. The discrepancy was not reconciled.
- In Drinking Water & Sanitation Division two piped water supply schemes for a population of 75,000 were stopped midway and expenditure of ₹ 19.17 crore incurred on procurement of pipes was rendered unfruitful.
- Thirty one roads completed at a cost of ₹ 27.86 crore during 2007-12 under PMGSY were not maintained and 86 roads covering 181 habitations remained incomplete after incurring an expenditure of ₹ 42.60 crore.

Under PMGSY, Government should ensure providing all weather road connectivity to unconnected habitations.

- Under RGGVY, only 668 villages out of 1,457 villages were electrified. Unfruitful expenditure of ₹ 3.86 crore was incurred on providing meters to electrified BPL connections, as the consumers were billed at a flat rate.
- Under SGSY, 861 *swarojgaris* were deprived of bank finance as they were not imparted training for want of a building.
- Police force in Palamu lacked infrastructure like police station and out post buildings, quarters for lower and upper sub-ordinates, barracks, vehicles etc. Phasing out of old and outdated weapons was also not done in the district.
- District Planning Committee (DPC) was required to review the progress of schemes in its meetings. In the solitary meeting of DPC, no review of schemes was done. Besides this, the committees of GPs, PSs and ZP were also to be constituted for looking after the functions within their jurisdiction but due to non-constitution of these standing committees monitoring of developmental works could not be done.

Government should ensure strengthening of monitoring mechanism to achieve desired objectives.

3.1.1 Introduction

The district of Palamu has a population size of 19.36 lakh inhabitants, who primarily depend upon agriculture, forestry and livestock rearing for their subsistence. It is bounded by Aurangabad district (Bihar) in the north, Chatra district in the east, Latehar district in the south and Garhwa district in the west.



Having an area of 5,043.80 sq. km., Palamu district is divided into three sub-divisions¹ and 20 blocks. It includes 283 *Gram Panchayats*, 20 *Panchayat Samities*, one Municipal Council and one *Zila Parishad*. Some important indicators of socio-economic development in the district are given below:

Administrative division	Palamu division
District Headquarters	Daltonganj (Medininagar)
Police Station	21
Population density	381 per sq. km.
Scheduled Caste	4.24 lakh (27.55 per cent)
Scheduled Tribes	1.39 lakh (9.03 per cent)
Sex ratio	947 female per thousand male
Literacy rate	65.50 per cent
Percentage of BPL families	79 per cent of total families
Total Households	2,52,319
Rural Households	2,37,337
Urban Households	14,982
Number of villages	1,918
Villages with electricity	34.50 per cent
Population covered under water supply schemes	99.83 per cent
Fair Price Shops	1,434
Number of Schools	2,818
Health Care Centres	220 including private health facility
Infant Mortality Rate (per 1,000)	38
Maternal Mortality rate (per lakh)	208
Total Fertility rate	3.2 per cent
Number of branches of banks	60 commercial and 33 co-operative banks
Road connectivity	23.57 per cent villages

Source: District profile prepared by District Planning Officer and census 2001

¹ Chhattarpur, Hussainabad and Medininagar.

The district-centric audit of Palamu aims to focus on a district-centric approach to devolution of finances for socio-economic development programmes, utilisation of funds and implementation of programmes relating to education, health, rural development, social welfare, drinking water and sanitation, roads, disaster management, electricity and law and order.

3.1.2 Administrative structure

The Deputy Commissioner (DC) is the administrative head of the district and is the sanctioning authority for all programmes. The DC, being the Chairman of the District Rural Development Agency (DRDA), ensures co-ordination between the DRDA, Panchayati Raj Institutions (PRIs), Block Development Officers (BDOs) and all line departments in the district.

The DC is assisted by the Deputy Development Commissioner (DDC) and district level officers of various departments. The DC is responsible for planning and monitoring of progress in implementation of various developmental programmes in the district. He is assisted by the Superintendent of Police (SP) and four Deputy Superintendents of Police.

Further, Article 243 ZD of the Constitution provides for a District, District Planning Committee (DPC) headed by the Minister In-Charge.

The DPC in the district was constituted in December 2011. As envisaged in the Jharkhand Panchayati Raj Act, (JPRA), 2001 the Government was to transfer 75 functions to *Gram Panchayats* (GPs), 114 functions² to *Panchayat Samiti* (PS) and 124 functions to *Zila Parishad* (ZP) pertaining to 29 matters.

However, the identified functions were not transferred to PRIs (December 2012).

Audit framework

3.1.3 Audit objectives

The audit objectives were to examine whether:

- the decentralised planning in the district was effective;
- the financial management was efficient;
- the scheme objectives were achieved; and
- an effective monitoring mechanism was in place.

3.1.4 Audit criteria

The audit criteria applied for framing the audit comments were drawn from:

- Jharkhand Panchayati Raj Act, 2001;

² Functions pertained to details of works to be done under different matters such as land development, agriculture and horticulture, development of dairy farms, providing drinking water facilities etc.

- Annual Action Plans and Project Implementation Plans;
- Guidelines of the concerned programmes and schemes;
- Jharkhand Financial Rules, Jharkhand Public Works Accounts/ Department Code and Police Manual etc and
- Prescribed monitoring mechanisms of the selected programmes.

3.1.5 Scope and methodology of audit

A district-centric audit of Palamu district encompassed an appraisal of significant socio-economic developmental programmes³ implemented in the district during the period 2009-12.

The audit commenced with an entry conference held in March 2012 with the Deputy Commissioner, Palamu to discuss the audit objectives, audit criteria and the desired outcomes. The audit was conducted (April-June 2012) by test check of records in respect of various district level offices responsible for implementation of various welfare schemes (*Appendix-3.1*). A report on implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) in the State is being published separately. The results of the audit were discussed in the exit conference held with the Deputy Commissioner on 13 December 2012, and his views have been suitably incorporated in the review. The replies of the Government are awaited (February 2013).

Audit findings

3.1.6 Planning

3.1.6.1 District Planning Committee

According to Section 127 of the JPRA, the DPC was to prepare a five-year plan as well as Annual Action Plans (AAPs) for the district, a database of all natural and human resources and list out all the activities to be taken up. The DPCs were to consolidate development plans prepared by PRIs and ULBs and monitor the progress of implementation of the District Plan and to intimate the progress of implementation to the Government. As per Section 130 of the JPRA, 2001, DPC meetings were to be held at least once in an interval of two months.

We observed that the five year plan as well as the Annual Action Plan (AAP) for the district was not prepared during the period 2009-12. Though required under the provision of the Act, the DPC did not monitor the progress of implementation of the schemes.

However, monitoring of the schemes was conducted through regular monthly meetings by DC.

Five-year plans as well as the Annual Plans for the district were not prepared

³ **Social Sector:** Health, Education, Water Supply and Sanitation; **Economic sector:** Infrastructure, Road connectivity, Rural Electrification, Employment generation and **General Sector:** Law and Order.

We further observed that the DPC was instituted on 22 December 2011 after one year of PRI elections and met only once (27 December 2011) as of June 2012. In its first meeting the DPC approved the Annual Action Plan (AAP) of MGNREGS for the year 2012-13 and accorded ex-post-facto sanction to the AAP of Backward Region Grant Fund (BRGF) for the period 2011-12.

Thus, due to delayed institution of the DPC, the objective of comprehensive, participative and bottom up planning for the district remained unfulfilled.

3.1.6.2 Transfer of functions, functionaries and funds (3Fs) to PRI

According to Section 69 of the JPRA, 2001, the GPs were to meet every month to discuss the progress of implementation of the decisions taken in the previous meeting and the financial and physical progress of developmental works carried out in the previous month. Sections 71 and 72 of the JPRA further, provide for constitution of seven⁴ standing committees for GPs and eight⁵ each for PS and ZP to look after the functions⁶ within their jurisdiction. Besides this, as per the Article 77B of the JPRA, the existing District Rural Development Agency (DRDA) was to be merged with ZP.

Since transfer of power to PRIs did not take place, permanent committees at GP, PS and ZP levels were also not constituted as of June 2012. Due to non-transfer of works to the PRIs, bottom up planning and monitoring of developmental works could not be achieved in the district, as has been envisaged in the JPRA.

The District Planning Officer stated (December 2012) that the process of transfer of funds, functions and functionaries was being initiated.

3.1.7 Financial management

3.1.7.1 Fund flow arrangements

- In regard to most of the rural social welfare schemes in the district, especially in case of Centrally Sponsored Schemes, funds flow directly to the implementing agencies outside the Government account. Various departments implement developmental schemes through the implementing agencies like District Rural Development Agency (DRDA), District Health Society (DHS) National Rural Health Mission (NRHM), and District Programme Officer (DPO) *Sarva Shiksha Abhiyan* (SSA) etc. at district level.
- The centralised data of availability of funds for the schemes and expenditure incurred thereagainst under various sectors by Government departments as well as agencies like DRDA, DHS etc. was not available

⁴ General Administration Committee, Development Committee, Women, Children and Social Welfare Committee, Health, Education and Environment Committee, Government Estate Committee, Infrastructure Committee and Village Defence Committee.

⁵ General Administration Committee, Agriculture and Industries Committees, Health and Education Committee, Finance and Audit Committee, Planning and Development Committee, Co-operative Committee, Women, Child and Social Welfare Committee, Forest, Environment, Communication and works Committee.

⁶ General administration, development work, agriculture, health and family welfare, forest and environment, public assets etc.

with the District Planning Officer. Arrangement for fund flow, both from GoI and the State Government, with respect to important social and economic sectors schemes/ programmes in the district is given in **Appendix-3.2**.

A compilation of the Funds Available (FA) with the DDOs and other agencies received from the State Governments and the GoI Ministries and Expenditure⁷ incurred (Ex) thereagainst, for the period 2009-12 in important social and economic sector developmental schemes in Palamu District is detailed in **Table-1**.

Table-1: Fund position of important social and economic developmental schemes in Palamu District

(₹ in crore)

Sector	Scheme	DDO/ Agency	2009-10		2010-11		2011-12		Progressive unspent balance
			FA	Ex	FA	Ex	FA	Ex	
1	2	3	4	5	6	7	8	9	10 (8-9)
Social	NRHM	DHS	11.36	8.13	23.21	19.06	23.44	12.75	10.69
Social	ICDS	DSWO	17.89	16.17	31.69	30.39	32.29	30.50	1.79 surrendered
Social	SGSY	DRDA	12.57	8.23	12.33	5.41	14.42	2.92	11.50
Social	IAY	DRDA	23.18	13.17	60.62	26.11	52.98	34.80	18.18
Social	SSA	DPO	120.94	119.03	109.83	91.15	93.39	62.90	30.49
Social	MDM	DSE	23.94	23.04	26.08	18.73	40.93	27.10	13.83
Social	Disaster Management Programme	DC	10.55	10.38	19.35	19.35	0.70	0.70	-
Social	NRDWP	EE, DW&SD	46.78	8.09	45.76	25.46	26.24	5.27	20.97
Economic	State Roads	EE, RCD	43.65	42.94	20.37	18.30	11.91	10.75	1.16 Lapsed
Economic	RGGVY	EE, JSEB	18.57	1.61	16.96	-	16.96	-	16.96

Source: Designated DDOs and executing agencies

Note: (I) FA=It includes closing balances of previous year in respect of schemes having non-lapsable nature of funds.

(II) As MoPF budget is prepared for the State level as a whole and is not district centric, hence, information regarding availability of funds and expenditure thereagainst was not available with the SP, Palamu.

Under-utilisation of funds shown in **Table-1** was mainly due to non-commencement of work for want of land, slow progress of work, release of fund at the end of the financial year etc, as discussed in the succeeding paragraphs.

Programme implementation

Social sector

A review of the implementation of the flagship programmes under social sector viz Sarva Shiksha Abhiyan (SSA), Mid-Day Meal (MDM), National Rural Health Mission (NRHM), Integrated Child Development Programme (ICDS) and schemes related to drinking water and sanitation under Departments of Human Resource Development, Health, Social Welfare and

⁷ Expenditure including disbursement made to implementing agencies

Drinking Water & Sanitation, revealed several shortcomings as discussed in the succeeding paragraphs:

3.1.8 Elementary education- Sarva Shiksha Abhiyan (SSA)

SSA, a Centrally Sponsored scheme, was launched by GoI (January 2001) for universalisation of primary education by 2010 for all children in the age group of 6 years to 14 years. According to paragraph 9.1 of the manual of SSA, it was essential to conduct household surveys and have a micro plan in every habitation to gather information about all children from 6 years to 14 years enrolled or never enrolled, out of school or within the system, studying in private schools or schools of autonomous bodies/Government.

Jharkhand Education Project Council (JEPC) is the agency for implementation of SSA in the State. The State Project Director (SPD) is in-charge of overall implementation at the state level. At the district level, the District Programme Officer (DPO), at block level, the Block Extension Education Officer (BEEO) and at village level, the Village Education Committee (VEC) are responsible for planning, implementation and monitoring.

During 2009-12, out of ₹ 303.59 crore available including opening balance of ₹ 9.22 crore for the scheme, expenditure of ₹ 273.10 crore was incurred. There was an unspent balance of ₹ 30.49 crore.

Shortcomings noticed in implementation of SSA in the district are discussed below:

3.1.8.1 Enrolled, never-enrolled and dropped out children

The position of children in the age group of 6 to 14 years for the period 2009-12 who were 'enrolled', 'never enrolled' and 'dropped out' in the District is given in Table-2:

Table-2: Details showing children enrolled, never enrolled and dropped out

Year	Enrolled			Never enrolled			Dropped outs			Total out of school children (7+10)
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	
1	2	3	4	5	6	7	8	9	10	11
2009-10	262739	242875	505614	641	954	1595	940	1399	2339	3934
2010-11	260983	251191	512174	351	523	874	583	871	1454	2328
2011-12	250162	243002	493164	1163	1218	2381	1927	2019	3946	6327

Source: Enrollment data compiled by DPO, Palamu

Table-2 shows that enrolment during 2010-11 increased marginally over the preceding year whereas it decreased during 2011-12. Similarly, the number of never enrolled and drop out children decreased marginally during 2010-11, whereas a sharp increase was noticed during 2011-12.

3.1.8.2 Pupil-teacher ratio and deployment of teachers

As per paragraph 21.3 of SSA Manual, Pupil-Teacher Ratio (PTR) should be 40:1. We observed that against this norm, PTR was as high as 60:1 in Hussainabad, Panki and Pipra Blocks of the district during 2011-12. Analysis

Pupil-Teacher Ratio (PTR) ranged between 48:1 and 60:1 in the blocks which were far away from the District headquarters

of District Information System of Education (DISE)⁸ data for the year 2011-12 revealed that the deployment of teachers⁹ against total number of students varied between various blocks. In Medininagar Sadar Block, PTR was 38:1 whereas in other blocks which were far away from the District headquarters, the PTR ranged between 48:1 and 60:1 (*Appendix-3.3*). We observed that the remote areas are more dependent on Para teachers who are locally recruited and cannot be transferred. Shortage of teachers has an adverse impact on the quality of education, especially in far flung areas of the district.

During the exit conference the DPO stated (December 2012) that rationalisation of PTR is being done by proper deployment of government teachers.

3.1.8.3 School infrastructure

As per Paragraph 26 of SSA Manual, under civil works, New School Building (NSB), Additional Classrooms (ACR), Block Resource Centre (BRC), Cluster Resource Centre (CRC) etc. were to be included in AWP&B and construction was to be taken up as per approved / sanctioned target.

We observed that construction of NSB and two/three room set of additional classrooms was sanctioned under SSA during 2009-12, the period of completion of which was six months from the release of fund. It was noticed that 34 NSBs sanctioned at an estimated cost of ₹ 2.72 crore during 2010-11 were not taken up as of December 2012 due to non-availability of land.

Further, out of 4,858 schemes (9,721 ACRs) sanctioned during 2009-11 at an estimated cost of ₹ 19.95 crore, for construction of 688 schemes (1,381 ACRs) were not taken up as of December 2012, as shown in **Table-3**:

Table-3: Details showing schemes sanctioned, completed, not taken up and incomplete
(₹ in crore)

Year	Name of schemes	No. of schemes sanctioned	Amount	No. of schemes completed	Amount	No. of schemes not taken up	Amount	No. of schemes incomplete	Amount
2010-11	NSB	34	2.72	Nil	Nil	34	2.72	Nil	Nil
2009-10	2ACR	1800	58.48	1462	47.50	Nil	Nil	338	10.98
2010-11	2ACR	2253	63.08	967	27.08	285	7.98	1001	28.03
2011-12	2ACR	800	23.28	39	1.14	398	11.58	363	10.56
2010-11	3ACR	05	0.39	Nil	Nil	05	0.39	Nil	Nil
Total		4892	147.95	2468	75.72	722	22.67	1702	49.57

Source: Compiled by JEPC on the basis of information furnished by DPO, Palamu

Note: During 2009-10 and 2011-12 no NSB and ACR (three rooms) was sanctioned

1,702 schemes were pending after incurring expenditure of ₹ 49.57 crore even after expiry of the due date of completion

It would be seen from **Table-3** that of 4,170 schemes taken up for construction of ACRs, 1,702 (41 per cent) schemes were pending after incurring expenditure of ₹ 49.57 crore even after expiry of the due date of completion. These schemes were pending mainly due to dispute among VEC members, non-availability of adequate land etc as reported by DPO in his monthly progress report.

⁸ DISE: Base line data generated from school level and compiled at district level as part of information system of education.

⁹ Both para teachers and government teachers.

Thus, due to non-completion of the 1,702 ACRs the intended purpose of creating infrastructure was not fully achieved. It was also noticed that in 312 upgraded primary schools there were 1,532 rooms (DISE data of March 2012) against the requirement of 936 rooms (three rooms in each school as per SSA norms) resulting in 596 excess class rooms. The construction of rooms was approved by DPO. The cost of construction of these rooms was ₹ 7.45 crore calculated at the minimum rate of ₹ 1.25 lakh (reported by Chief Engineer, JEPC)

During the exit conference DPO stated (December 2012) that steps were being taken to complete the schemes. Regarding excess class rooms, it was stated that the matter would be investigated.

3.1.8.4 Basic amenities

According to paragraph 26.10 of the SSA Manual, the SSA and Drinking Water and Sanitation programmes will co-ordinate their efforts to ensure coverage of all schools for the provision of safe drinking water, common toilets as well as separate toilets for girl students. The basic amenities available as of April 2012 in 2,656 schools in the district as furnished by DPO are given in *Appendix-3.4*. We observed that in the district 84 *per cent* schools did not have common toilets, 60 *per cent* schools had no girls' toilets and 98 *per cent* schools were without electricity. Absence of basic amenities in schools affect the enrolment and retention of children schools.

During the exit conference, DPO stated (December 2012) that updated data would be furnished.

3.1.8.5 Distribution of free text books

According to paragraph 25 of SSA Manual, sets of text books free of cost were to be provided to all students of class I-VIII. The number of text books to be supplied was to be determined by the DPO on the basis of total enrolment in schools, who places demand on the SPD was to supply text books to the district. On receipt of the books in the district at the beginning of the session (April) Block Extension Education Officers (BEEOs) were to distribute the same among the students through the Headmaster of the schools.

We observed that due to incorrect demand placed by the DPO and further curtailment by SPD there was short supply of books by the SPD which ranged between 24 and 34 *per cent* of students enrolled during the years 2009-10 to 2011-12.

The DPO attributed the short supply of books to supply based on average attendance of students covered under MDM scheme in the schools. The reply is not in order as the concept of average attendance was not relevant for calculating the requirement for text books, which resultantly deprived students of the facility of free text books.

During the exit conference, the DPO stated (December 2012) that supply of text books on the basis of average attendance of students covered under MDM scheme was wrong.

3.1.9 Implementation of Mid-Day Meal (MDM)

Mid-Day Meal (MDM) Programme was launched in November 2003 by GoI with the intention to boost the universalisation of primary education by increasing enrolment, attendance and retention in schools in classes I to V. In October 2007, the scheme was extended to cover the students of classes VI to VIII in all 20 educationally backward blocks of the district. Under this scheme, cooked meals was to be given to the students of classes I to V by providing 100 grams of rice per child per school day and 150 grams of rice to the students of classes VI to VIII per child per school day. Cost of cooking the meals was to be provided to the *Saraswati Vahini Sanchalan Samiti* (SVSS), a sub-committee under Village Education Committee (VEC), established to implement the scheme at school level. The District Superintendent of Education (DSE) and the BEEOs are responsible for implementation of the scheme at the district and block level respectively.

We observed that ₹ 68.87 crore was spent under MDM out of available funds of ₹ 82.71 crore leaving a balance of ₹ 13.84 crore (17 per cent) during the period 2009-12. The major portion of the balance fund (₹ 13.53 crore out of ₹ 13.84 crore) pertained to cooking cost not released to the schools by the DSE during January 2012 to March 2012 as utilisation demanded for previous releases were not furnished by the schools .

3.1.9.1 Allotment, lifting and utilisation of food grains

Human Resources Development Department, designated as the nodal department for implementation of MDM, furnishes district-wise requirement of foodgrains to the Ministry of Human Resource Development, GoI, based on enrolment data of students. The Ministry conveys allocation of food grains to the State Government. The Department communicates the allotments to the district authorities as well as to the Food Corporation of India (FCI) and State Food Corporation (SFC). The allotment of rice by GoI and lifting of foodgrains by State Food Corporation (SFC) are detailed in **Table-4**:

Table-4: Details showing short lifting of rice

Year	Allotment by GoI	Qty lifted by SFC	Quantity in MT
			Short lifting
2009-10	7706.27	6036.27	1670.00 (22)
2010-11	7616.25	6484.04	1132.21 (15)
2011-12	5970.78	5382.44	588.34 (10)

Source : HRD, Jharkhand and DM, SFC, Palamu

From **Table-4**, it could be seen that there was short lifting of rice every year. The DSE stated that the short lifting was due to non-supply of food grains by FCI to SFC resulting in lapse of allotment. This indicated lack of co-ordination between the district authorities and the SFC.

We noticed from the records made available by DSE, that during January and February 2012, out of 1,133 schools in seven blocks¹⁰, mid-day-meal was not served in 167 schools for duration of five to 24 days due to non-supply of

¹⁰ Chhattarpur, Hariharganj, Hussainabad, Lesliganj, Nawdihabazar, Patan and Satbarwa

foodgrains. Non-supply of foodgrains by SFC resulted in denial of benefits of MDM to 41,126 children enrolled in the above mentioned schools.

3.1.9.2 *Discrepancy between issue by SFC and receipt by schools authorities of food grain*

Allotment of rice under MDM by GoI for the district is lifted by SFC from FCI and stored in its godowns. BEEOs of respective blocks issue permits to the schools for lifting of rice from SFC godowns and compile a report of receipt of food grains at block level.

Scrutiny of grain statement of 10 SFC godowns/ transport register Form-B and BEEOs' report of receipt of food grains by schools, (made available by the DSE), revealed that during 2010-12, SFC issued 12,900.73 MT of rice to schools authorities. However, as per DSE's report (based on compilation made by BEEOs) on total receipt of rice by schools was only 10,925.94 MT. As such, there was discrepancy of 1,974.79 MT (12,900.73 MT-10,925.94 MT) rice valuing ₹ 4.12 crore¹¹ There was nothing on record to show that any reconciliation was done by the DSE with the SFC.

The DSE stated (December 2012) during the exit conference that the discrepancy would be reconciled.

3.1.9.3 *Temporary diversion of MDM rice not recouped*

Scrutiny of grain statements of SFC godowns revealed that the Assistant Godown Managers (AGMs) of seven SFC godowns¹² diverted 6,840.28 quintals of MDM rice valuing ₹ 38.65 lakh (at purchase rate of ₹ 565 per quintal to other schemes like Below Poverty Line (BPL), *Antyodaya Ann Yojana* (AAY) and Additional BPL which remained un-recouped as of March, 2012. As there was no provision for diversion of foodgrains to other schemes in MDM guidelines, diversion of MDM foodgrains was irregular.

The DSE stated (December 2012) that the discrepancy would be reconciled.

3.1.9.4 *Disbursement of cooking fund*

Cooking fund at the rate of ₹ 3.17 per child per school day for standards I to V and ₹ 4.75 per child per school day for standards VI to VIII was to be provided to the SVSS for preparation of meals. The DSE was required to disburse cooking fund through banker's cheque, supported with bank advice, indicating the names of the schools and the same were to be credited in the bank accounts of SVSS. Scale of cooking fund per child per day for standards I to V and VI to VIII were different, hence segregated allotment for these two categories was to be made.

On scrutiny of records relating to utilisation of the cooking fund we observed the following irregularities:

There was discrepancy of 1,974.79 MT rice valuing ₹ 4.12 crore which was not reconciled

6,840.28 quintals of MDM rice valuing ₹ 38.65 lakh was diverted to other schemes

¹¹ At the economy rate prescribed by GoI for rice at ₹ 20,880 per MT

¹² Bishrampur, Chainpur, Chhattarpur, Hariharganj, Overbridge (Medininagar), Padma and Panki

- Test check of records of DSE revealed that cooking fund amounting to ₹ 16.29 lakh was disbursed to 53 Upgraded Primary Schools and Government Primary Schools during April to October 2011 for classes I to V. Apart from this, allotment of ₹ 10.33 lakh was provided to the same schools through the same advices for standards VI to VIII. However, DISE reports of schools also revealed that standards VI to VIII were not being run in these schools. As such, there were no students of standards VI to VIII in these schools. Providing cooking funds for students in classes which were not being run in the schools casts serious doubts about proper utilisation of the cooking fund.
- The BEEOs compile school-wise monthly reports showing the number of students enrolled and benefited, number of school days in the month, opening and closing balances of food grain and cooking fund, and receipt and utilisation of both during the month, under MDM, school-wise and report it to the DSE. Test check of these monthly accounts of BEEOs made available for the months of August, September, October 2011 and March 2012 revealed that in Hussainabad Block, 23 schools showed negative balance of ₹ 6.29 lakh on account of cooking fund and food grains during August and October 2011, which indicated that both the items were not available and SVSS/ school authorities were managing preparation of meals by themselves and the negative balances were adjusted after receipt of fund from the DSE. Since there was no such provision in the MDM guidelines, adjustment of negative balances on account of foodgrains and cooking cost by SVSS was irregular.

The DSE stated (December 2012) that the discrepancy would be reconciled.

3.1.9.5 Transportation charges

The DSE is responsible for proper utilisation of transportation cost received from GoI. Transportation of foodgrains from the nearest FCI depot to the schools is carried out by SFC at the rate of ₹ 37 per quintal (₹ 55 with effect from April 2011). On submission of claims, DSE reimburses the transportation charges to SFC after cross verification of the quantity of foodgrains transported with the actual lifting of foodgrains by the schools.

We observed that SFC claimed ₹ 77.26 lakh against issue of 1.81 lakh quintals of rice during the period 2009-12. However, on scrutiny of stock/utilisation report and on the basis of information furnished by all 20 BEEOs, we observed that lifting of rice under MDM was 1.78 lakh quintals, for which transportation cost of ₹ 73.87 lakh was to be paid to SFC during the period. However, DSE paid ₹ 92.03 lakh to SFC, without verifying the SFC's claim with the actual lifting of rice by schools. Thus, excess payment of ₹ 18.16 lakh was made to SFC on account of transportation charges which remained unadjusted as of December 2012.

During the exit conference, the DSE stated (December 2012) that the matter would be examined.

3.1.10 National Rural Health Mission (NRHM)

NRHM was launched by GoI in April 2005, with a view to provide accessible, affordable, effective and reliable healthcare facilities in the rural areas of the

Transportation charges claimed by SFC was paid without verifying the actual lifting of foodgrains

country, especially to poor and vulnerable sections of the population. The programme was introduced in the State in October 2007.

The Chief Medical Officer (CMO) cum Secretary of District Health Society (DHS) NRHM, Palamu, functioning under the Health, Medical Education and Family Welfare Department, is responsible for providing health care services to the people through Sadar Hospital at Medininagar, two Sub-divisional hospitals, 10 Community Health Centres (CHCs), 21 Primary Health Centres (PHCs), 171 Health Sub-Centres (HSCs) and 32 *Rogi Kalyan Samities*.

During the period 2009-12, total funds for various components of NRHM available was ₹ 19.31 crore including opening balance of ₹ 4.14 crore expenditure incurred was ₹ 12.75 crore and there was an unspent balance of ₹ 10.69 crore.

3.1.10.1 Planning

House hold and facility survey required for planning was not conducted

Under NRHM, a household and facility survey was to be carried out to identify the gaps in health care facilities in rural areas. The District Health Society (DHS) headed by the Deputy Commissioner, the implementing agency of NRHM at the district level, was required to prepare an Annual Plan for the district. The Plan was to be prepared after receipt of the survey reports from the lower level functionaries.

In accordance with the NRHM guidelines, an integrated DHS was formed (May 2009) and a District Health Mission (DHM) was formed (July 2012), headed by the Chairperson, *Zila Parishad* at the district level. The Governing Body of the DHS is headed by the DC and the Executive Committee is headed by the DDC/CMO. The DHS is responsible for planning, monitoring, evaluation, accounting and database management down to the grass roots level.

We observed that the Annual Plan was not prepared during 2009-10 due to delayed formation of DHS. Even after formation of DHS, no household and facility survey has been conducted as of December 2012. The Annual Plans for 2010-11 and 2011-12 were prepared without any inputs from the blocks and villages.

During the exit conference, the CMO stated (December 2012) that the Annual plans are now being prepared by the DHS after taking feedback from PHSSs and CHCs.

3.1.10.2 Infrastructure

There was significant shortage of health care centres

As per NRHM guidelines, there was to be a CHC, PHC and HSC for population over 80,000, 20,000 and 3,000 respectively. Accordingly, 26 CHCs, 104 PHCs and 699 HSCs were required in the district. Against this, there were 10 CHCs, 21 PHCs and 171 Health Sub-centres (HSCs) as of December 2012. We observed that the health centres were not provided with the additional facilities as per norms of Indian Public Health Standards (IPHS), as discussed in the succeeding paragraphs.

We further observed that 10 CHCs, 21 PHCs and 171 HSCs were running in the buildings of erstwhile PHCs, APHCs and SCs without creating the

required facilities¹³ after their upgradation. However, construction of new buildings for five CHCs, five PHCs and 12 HSCs was in progress (June 2012).

During the exit conference, the CMO stated (December 2012) that the position of health centres was reported to the Department.

Lack of health care centres results in denial of intended benefits of health care in the district and services to the rural poor.

3.1.10.3 *Basic health care facilities at health centres*

Basic health care services were not available in most of the health centres

According to Indian Public Health Standards (IPHS) norms, the CHCs should be equipped with blood storage facility, facility for new born care, X-ray, electro-cardiogram (ECG), operation theatre, ultrasound machine, obstetric care, labour room, water supply and power supply etc. for providing proper health care. The PHCs/HSCs should also be equipped with labour room facilities.

We observed (June 2012) that none of the CHCs, had all the basic health care services viz. blood storage, obstetric care, facilities of X-ray, ultra-sound machine, ECG and services of gynaecologists. The number of beds was also only six against the IPHS norms of 30 in all the CHCs. Besides, 99 out of 171 HSCs were running in rented buildings and there was no round the clock water supply in 11 PHCs and all the 171 HSCs. Labour room was not available in 11 PHCs and in 136 HSCs (*Appendix-3.5*). Thus, IPHS standards were not adhered to in the district.

During exit conference the CMO stated (December 2012) that a policy decision to provide basic health care facilities is being taken by the Government.

3.1.10.4 *Human Resource*

There was acute shortage of doctors and para medicos

Efficiency and quality of health care services largely depends on availability of adequate number of qualified doctors, nurses and other para-medical staff.

Against the sanctioned strength of 430 medical and para medical staff, only 214 persons were posted (December 2012) by the State Government leaving 216 posts (50 *per cent*) vacant in the cadres of doctor (34 *per cent*), Auxiliary Nurse Midwife (ANM) (49 *per cent*), Lab Technician (94 *per cent*), Staff nurse (20 *per cent*), Pharmacist (91 *per cent*) and Ladies Health Visitor (LHV) (65 *per cent*) in the district (*Appendix-3.6*).

During the exit conference, the CMO stated (December 2012) that a policy decision to increase the manpower was under consideration by the Government.

Under NRHM, one *Sahiya*¹⁴ was to be appointed per one thousand population and at least one in each revenue village to act as an interface between the community and the health care system to motivate and make aware each person of the village about health related issues.

¹³ Blood storage, paediatric, ultra sound, ECG etc.

¹⁴ Female Community Health Worker.

Considering the population the requirement of *Sahiya* under NRHM was assessed by the DHS as 2,700, out of which 1,992 *Sahiyas* were appointed as of December 2012.

Further, *Sahiyas* in the district were to be imparted training in six modules¹⁵. However, we observed that 148 out of 1,992 *Sahiyas* remained untrained in the 5th and 6th modules as of December 2012. The training for the first four modules was imparted through private agencies. However, the relevant records were not available with the CMO.

During the exit conference, the CMO stated (December 2012) that a policy decision to increase the manpower was under consideration by the Government.

3.1.10.5 *Janani Suraksha Yojana*

The main objective of *Janani Suraksha Yojana* (JSY) was to reduce the overall maternal and infant mortality rate and to increase institutional (in hospitals) rather than domiciliary (at home) deliveries. Ante-natal care was an important part of JSY, for which three full checkups and other medical advices were to be given to all registered pregnant women.

We observed that during the period 2009-12 total funds of ₹ 14.24 crore was available out of which ₹ 11.33 crore was incurred on this scheme. We observed that 83,213 (74 *per cent*) pregnant women received all three ante-natal checkups (ANCs) during 2009-12. There were only 45,310 (40 *per cent*) institutional deliveries out of 1,12,363 pregnant women registered. The details are given in Table-5:

Table-5: Year wise position of Janani Suraksha Yojana

Year	Registered women	Three ANC received	Institutional delivery (<i>per cent</i>)
2009-10	40059	28083	10759 (26.85)
2010-11	42028	32894	17649(41.99)
2011-12	30276	22236	16902(55.82)
Total	112363	83213	45310(40.32)

Source: DHS, Palamu

During the exit conference, the CMO stated (December 2012) that further steps would be taken to spread awareness and increase Information Education and Communication.

3.1.10.6 *National Programme for Control of Blindness*

The National Programme for Control of Blindness (NPCB) aimed at reducing the incidence of blindness through increased cataract surgeries, screening of eyes of school children, providing free glasses to children, promotion of eye donation and creation of donation centres and eye banks.

Only 45,310
(40 *per cent*)
institutional
deliveries carried out
as against 1,12,363
pregnant women
registered in the
district

¹⁵ 1st Module: Sahiya Sandesh Parichay, 2nd Module: Sahiya Sandesh Swasthya Sishu Ujjwal Bhavisya, 3rd Module: Bhojan pani and Safai, 4th Module: Surakshit Matritwa, 5th Module: Netritwa Kshamta Vikash and 6th Module: Bimari and Poshan.

Only 2,219 spectacles were provided to school children against 4,962 refractive error cases detected

During the period 2009-12, ₹ 1.20 crore was available for the programme and expenditure of ₹ 1.07 crore was incurred as of March 2012. Scrutiny of records showed that the district performed well in conducting cataract surgeries as achievement was 5,664 (86 per cent of the target of 6,600) in 2009-10, 6,013 (93 per cent of the target of 6,500) in 2010-11 and 6,083 (87 per cent of the target of 7,000) in 2011-12. However, only 2,219 spectacles (45 per cent) were provided to school children as against 4,962 refractive error cases detected during the period. Further, the facility for eye donation did not exist and no eye bank was established.

During the exit conference, the CMO stated (December 2012) that due to paucity of fund, spectacles could not be provided. We do not agree as there was nothing on record to indicate that the CMO pursued the matter with the department in order to get funds.

3.1.10.7 Non-functional equipment

Our scrutiny revealed idling of non-functional equipment, as discussed below:

CT Scan Machine purchased at ₹ 1.69 crore during 2008-09 remained idle for want of Radiologist

- During 2008-09, one CT Scan machine worth ₹ 1.69 crore was purchased by the Government, which was installed at Sadar Hospital Palamu in March 2009. As per Memorandum of Understanding between the supplier and the State Government (January, 2008), the user (CMO) was to provide a three-phase transformer and the seller was to provide manpower for its maintenance on payment basis during the warranty period of one year.

We observed that the process of appointment of a radiologist had been initiated by CMO in August 2012, but no radiologist was appointed and the transformer was not installed as of December 2012. Thus, the equipment was non-functional even after spending ₹ 1.69 crore and the patients were deprived of the facility.

During the exit conference, the CMO stated (December 2012) that effective step was being taken to make the machine functional and the matter had been reported to the higher authorities.

- The Purchase Committee headed by the DC, Palamu decided (March 2006) to install a mechanised laundry in the Sadar Hospital at a cost of ₹ 19.59 lakh. The mechanised laundry was installed in December 2010. As per the agreement, the supplier (M/s Font System (P) Ltd., Ranchi) was responsible for its installation and running it at a negotiated rate of ₹ 1.50 per garment and ₹ 5 per blanket for Sadar Hospital. The supplier was to maintain the machine for the next five years from the date of installation. However, the mechanised laundry remained non-functional since installation (December 2010). Despite several correspondences made with the supplier, the supplier did not turn up. The CMO did not initiate legal action against the supplier as of December 2012. Thus, ₹ 19.59 lakh incurred on installation of the mechanised laundry proved unfruitful.
- An incinerator with accessories was purchased (March 2006) at a cost of ₹ 27.45 lakh and was installed in August 2009 in Sadar Hospital. According to the agreement, trained personnel were to be provided by the supplier to run the incinerator. However, the incinerator remained non-functional since its installation as trained personnel was not provided by

the supplier in spite of reminders issued by the District officials. Thus, even after incurring an expenditure of ₹ 27.45 lakh, the purpose of installation of the incinerator, i.e. disposing medical waste in a scientific manner was not achieved and it was observed that medical wastes were lying in the open, thereby creating health hazards.



Bio-medical waste lying open in the premises of Sadar Hospital, Medininagar

During the exit conference, the CMO stated (December 2012) that steps were being taken to make the mechanised laundry and incinerator functional.

3.1.11 Integrated Child Development Services (ICDS) Scheme

The Integrated Child Development Services (ICDS) Scheme, a Centrally sponsored scheme, aims to improve the nutritional and health status of children and enhance the capability of mothers through proper nutrition and health education. The services included in the scheme are Supplementary Nutrition Programme (SNP), Immunisation, Pre-School Education (PSE), Health check-up and nutrition and health education for women. The beneficiaries in the scheme include children in the age group of six months to six years, pregnant women, lactating mothers and adolescent girls (between ages of 11 and 18 years). The services are delivered to the targeted beneficiaries through Anganwadi Workers (AWWs) and Anganwadi Helpers (AWHs) at Anganwadi Centres (AWCs), the focal point of the scheme at village level. The scheme is supervised at the block level by the Child Development Project Officers (CDPOs) with the help of Lady Supervisors (LSs) and at the District level by the District Social Welfare Officer (DSWO). There were 11 CDPOs' offices (Projects) covering all 20 blocks and 2,583 AWCs in the district.

During the period 2009-12, scheme funds of ₹ 148.40 crore was available with the DSWO under all components of ICDS. Of this, expenditure of ₹ 139.55 crore was incurred. There was an unspent balance of ₹ 8.85 crore.

Construction of 36 AWCs was not taken up for want of land

3.1.11.1 Construction of Anganwadi Centres not taken up

As per GoI instructions (April 2007), one AWC was to be established for a population of 400 to 800. However, requirement of AWCs in the district was not assessed, as stated (February 2013) by the DSWO. Based on the population of the district, on an average there was one AWC for a population of 750. We observed that the Social Welfare Department, Jharkhand allotted ₹ 1.64 crore for construction of 38 AWCs under ICDS during 2009-11. The

funds were released to two executing agencies¹⁶. As of December 2012, two AWCs were completed by the Building Division at a cost of ₹ 7.53 lakh. The executing agencies did not commence construction of the remaining 36 AWCs, as land was not made available by the Circle Officers (COs). This resulted ₹ 1.57 crore lying with the executing agencies as of December 2012.

During the exit conference, the DSWO stated (December 2012) that instructions have been issued to executing agencies to complete their works in the current financial year.

Inadequate facilities in AWCs

Out of total 2,583 AWCs, 2,484 had no toilet facilities and 2,026 had no hand pumps

We observed that out of total 2,583 AWCs, 2,484 (96 per cent) had no toilet facilities and 2,026 had no hand pumps (water facilities), eight out of eleven CDPO offices did not have their own buildings and 2,167 AWCs were housed in rented buildings in the District. Thus, most of the AWCs were deficient in basic facilities. During joint physical verification carried out in 15 AWCs, 10 AWC buildings were found to be in dilapidated condition.



Photographs showing dilapidated condition of Chiyaniki AWC (19 June 2012)

Absence of basic facilities may adversely affect the outreach of the Scheme as AWCs are the delivery points of all the services under ICDS.

3.1.11.2 Shortfall in Supplementary Nutrition Programme

The Supplementary Nutrition Programme (SNP) aimed at holistic development of children up to six years, adolescent girls, pregnant women and lactating mothers. The scheme is an effective tool to fight malnutrition amongst children. The target under this scheme had been fixed each year by the district based on the population. Supplementary nutrition was to be provided in all AWCs for 300 days in a year or 25 days in a month. The SNP was meant to provide 300 calories and 10 grams of protein per day, for children between six months and six years of age, and double the quantity for malnourished children of the same category. Besides, pregnant women, lactating mothers and adolescent girls were provided raw food grains as Take Home Ration (THR). During the period 2009-12, the target remained unachieved in 10 test-checked projects out of 11 as detailed in **Table-6:**

¹⁶ 2009-10: Building Division, Medininagar- ₹ 12.96 lakh for 3 AWCs, and in 2010-11: Rural Development Special Division, Medininagar- ₹ 1.51 crore for 35 AWCs

Table-6: Cumulative target, achievement and shortfall

Year	Number of Beneficiaries under SNP		
	Target	Achievement	Shortfall (Percent)
2009-10	229300	142333	86967 (38)
2010-11	233200	148813	84387 (36)
2011-12	232829	148682	84147 (36)
Total	695329	439828	255501(36.74)

Source: DSWO Office, Palamu

It is evident from Table-6 that there was a shortfall which ranged between 36 per cent and 38 per cent against the target fixed. As a result 1.92 lakh children, 0.26 lakh lactating mothers, 0.25 lakh pregnant women and 0.13 lakh adolescent girls were not covered under the scheme. However, DSWO did not take effort to spread awareness among the masses for the scheme.

3.1.11.3 Manpower management

Efficacy and quality of ICDS services largely depends on the availability of adequate number of trained supervisory cadres like CDPOs and LSs as well as ground level functionaries (AWWs and AWHs). The prime responsibility of CDPOs and LSs was to inspect and supervise AWCs, who were responsible for implementation of the scheme. Scrutiny of records of DSWO revealed vacancies in all cadres of staff of ICDS as of July 2012 as detailed in Table-7:

Table-7: Details of Men-in-position (as of July 2012)

Category	Sanctioned Strength	Men-in-position	Vacancy (per cent)
CDPO	11	03	08 (73)
Lady Supervisor	69	20	49 (71)
Statistical Assistant	12	03	09 (75)
Clerk	13	08	05 (38)
Total	105	34	71 (68)
AWW	2583	2428	155 (6)
AWH	2276	2081	195(9)
Total	4859	4509	350 (7)

Source: DSWO, Palamu

It is evident from Table-7 that an overall vacancy of 68 per cent exists in the district in all cadres. Besides, 155 and 195 posts of AWW and AWH were also lying vacant; as a result 350 AWCs were functioning with a single staff supported by AWWs of the nearest AWCs. Lack of adequate manpower and short visits to AWC by the CDPOs and LSs affected delivery of services under ICDS.

We observed that during the period 2009-12, nine CDPOs visited only 4,703 centres against the target of 9,720 centres and 10 LSs visited only 16,833 centres against the target of 29,220 centres.

3.1.11.4 Training

As per the guidelines of the scheme, job orientation training once in the entire service period and Refresher course once in two years was to be imparted to the AWWs, AWHs, Lady Supervisors (LSs) and CDPOs. DSWO was to provide list of untrained staff to the Directorate for imparting training at their level

There was shortfall in job orientation training course and in refresher course

Scrutiny of records of DSWO revealed that job orientation and refresher trainings were inadequate as detailed in **Table-8**:

Table-8: Details of shortfall in imparting training as of July 2012

Course	Target			Achievement			Shortfall		
	AWW	AWH	LS	AWW	AWH	LS	AWW	AWH	LS
Job orientation	2428	2081	20	2057(85)	1426(69)	10 (50)	371(15)	655(31)	10(50)
Refresher	2428	2081	20	804(33)	343(14)	00(00)	1624(67)	1738(86)	20(100)

Source: DSWO, Palamu. Figures in brackets indicate per cent.

Lack of training to AWWs, AWHs and LSs could affect the effective delivery of services under various components of ICDS.

The DSWO stated (December 2012) that action would be taken to impart training to all untrained AWWs, AWHs and LSs.

3.1.11.5 Shortage of cash

As per the provision contained in Rule 86 (II) of Jharkhand Treasury Code Vol-I, the cash balance at the end of the every month is required to be physically verified by the DDO in order to ensure that the cash balances shown in the cash book agree with the physical balances.

We observed that cash book of DSWO, Palamu showed a closing balance of ₹ 6,93,23,558 on 31 March 2012 while as per the advance register, voucher registers and bank pass book/statement, actual balance worked out to ₹ 6,06,84,887 as on 31 March 2012. The difference of ₹ 86,38,671 was indicative of defalcation of Government money as reconciliation of the records with bank statement was not done by DSWO.

The DSWO, after reconciliation confirmed (December 2012) a shortage of ₹ 2.48 lakh which was to be recovered for the Ex-Nazir.

During the exit conference, the DSWO stated (December 2012) that steps were being taken to recover the said amount from the Ex-Nazir.

Shortage of cash amounting to ₹ 2.48 lakh was recoverable from Ex-Nazir

Rural Development

3.1.12 Sampurna Gram Swarojgar Yojana

The *Sampurna Gram Swarojgar Yojana* (SGSY) aims to bring the assisted families (*Swarojgaries*) above the poverty line by ensuring appreciable sustainable level of income. The objective is to be achieved by *inter-alia* organising the rural poor into Self Help Groups (SHGs) through the process of social mobilisation, training and capacity building and provision of income generating assets. Financial assistance for income generating assets to SHGs was to be provided in the form of loan and subsidy through the lead banks of the district. Overall implementation of the scheme was done by DRDA.

As per the guidelines issued (October 2009) by MoRD (GoI), Rural Self Employment Training Institutes (RSETIs) were to be established in each district for imparting training to *swarojgaries* selected by the lead bank of the district. During the period 2009-12, scheme funds of ₹ 28.06 crore was available with DRDA, Palamu, of which expenditure of ₹ 16.56 crore was incurred. There was an unspent balance of ₹ 11.50 crore as of March 2012.

Swarojgaris were deprived of bank finance, as they were not imparted training

Audit scrutiny (June 2012) of the records of DRDA, Palamu revealed that 1,631 SHGs were formed during the period 2009-12 (430 during 2009-10, 730 during 2010-11 and 471 during 2011-12).

- For imparting training to the *swarojgaris* of SGSY, RSETI in the district was set up in March 2010 under the lead bank (State Bank of India). We observed that 861 SHGs selected after creation of RSETI were not imparted training due to non-availability of building. Consequently, the lead bank refused to finance the SHGs. In March 2012, a building was arranged and ₹ 4.44 lakh was paid (March 2012) to the lead bank for imparting training.

Thus, 861 *swarojgaris* were deprived of the intended benefits during 2010-12.

On this being pointed out, the Director Accounts, DRDA, Palamu accepted (July 2012) that no training had been imparted to the SHGs during March 2010 to March 2012.

Further, a sum of ₹ 1.48 crore was advanced (April 2008) to the Executive Engineer, Minor Irrigation Division, Medininagar, for construction of Multipurpose *Sadbhawana Bhawans* in eight blocks¹⁷ at an estimated cost of ₹16 lakh per *Bhawan* to serve as training centres for SHGs and for holding meetings, venues for exhibition of agriculture produce and their sale. Construction of the *Bhawans*, due for completion by July 2008, was not completed as of June 2012, though ₹ 67.29 lakh was spent as of July 2011.

The DDC, Palamu stated (December 2012) that the *Bhawans* were completed and correspondences were being made with the Executive Engineers for handing over the *Bhawans*.

Thus, the intended purpose for construction of *Sadbhawana Bhawans* was not fulfilled even after incurring expenditure of ₹ 1.48 crore.

3.1.13 Indira Awaas Yojana

The Indira Awaas Yojana (IAY) is a Centrally Sponsored Scheme implemented through DRDA in the district under the Rural Development Department for BPL families. Under this scheme, financial assistance was provided for construction of houses by beneficiaries themselves at per unit cost of ₹ 48,500 in Palamu to be paid in two equal instalments.

We observed that during the period 2009-12, under AAY ₹ 92.26 crore was available with DRDA, Palamu, out of which ₹ 74.08 crore was spent on the scheme.

Further, we observed that 25,136 houses¹⁸ were taken up for construction during 2009-12. Out of these, 20,356 houses (81 per cent) were completed during the said period leaving 4,780 houses (19 per cent) incomplete as of June 2012. These houses were to be completed within three months from the date of sanction. The status of physical achievement of construction under

33 to 79 per cent houses taken up for construction remained incomplete

¹⁷ Chainpur, Chhattarpur, Hariharganj, Lesliganj, Manatu, Medininagar, Satbarwa and Vishrampur

¹⁸ 4,070 incomplete houses prior to 2009-10 and 21,066 houses sanctioned during 2009-10

various categories (new construction, upgradation, etc) during the years 2009-12 is given in *Appendix-3.7*. We observed that at the end of 2011-12, 33 *per cent* houses taken up for new construction. However, performance in respect of construction/upgradation¹⁹ of houses under IAY in *Naxal* affected areas shows an encouraging trend.

During the exit conference the Director, DRDA stated (December 2012) that prompt action was being taken to complete the incomplete schemes.

3.1.14 Disaster Management

Food security under disaster management

Palamu district was declared as drought affected during the period 2009-11. To counter the menace of drought, the State Government decided (August 2009 and August 2010) to focus on wage employment through MNREGS thereby augmenting food security, providing additional foodgrains under BPL, apart from streamlining the ongoing schemes like *Antyodaya Ann Yojana* (AAY), Targeted Public Distribution System (TPDS), and *Annapurna* etc. to 1.27 lakh households²⁰

In addition, 1.43 lakh BPL households, identified as additional BPL households but not covered under the above mentioned schemes, were decided (November 2010) to be covered. Foodgrains are issued to Fair Price Shop (FPS) according to the allotment made to them by SFC and distributed among the beneficiaries under the overall supervision of the respective supply inspectors/marketing officers of the block. DSO was primarily responsible for ensuring proper distribution among beneficiaries in the district through FPS. The Marketing Officers (MOs) compile the reports of lifting by FPS which is further consolidated by the DSOs. As such, total quantity of foodgrains issued by SFC must tally with the reports of MOs and the DSOs.

The following deficiencies were found in implementation of the schemes:

- Scrutiny of grain statement of SFC and compiled report on lifting of rice by DSO revealed discrepancy between the quantity issued by SFC and that received by FPS as detailed in *Appendix-3.8*. During the period 2009-12, the total quantity of rice issued by SFC to FPS was 14,13,426.46 quintals (as per grain statement of godowns) whereas the fair price shops had shown receipt of 12,12,778.46 quintals (as per the report of MOs compiled by DSO). Thus, there was short receipt shown by FPSs of 2,00,648 quintals valued at ₹ 41.89 crore²¹ under *Annapurna*, BPL, AAY and additional BPL schemes. The discrepancy was not reconciled by DSO.
- Similarly, in case of wheat total quantity issued by SFC to FPS dealers during 2009-11 was 2,05,788.14 quintals whereas FPS network had shown receipt of 1,85,674.87 quintals under BPL and AAY schemes. The

Receipt of foodgrains shown by FPS network was less than the quantity shown as issued by SFC

¹⁹ Out of 7,553 houses taken up under *Naxal* affected –General category, 7,176 (95 *per cent*) houses were completed while under *Naxal* affected- Upgradation category, out of 4,406 houses, 4,252 (97 *per cent*) houses were completed during 2009-12.

²⁰ BPL (0.64 lakh households), AAY (0.50 lakh households) and *Annapurna* (0.13 lakh beneficiaries).

²¹ at economy price of ₹ 2,088 per quintal

difference of 20,113.27 quintals of wheat (valuing ₹ 3.07 crore²²) was also not reconciled

During the exit conference the DSO stated (December 2012) that reconciliation would be done.

3.1.15 Urban Development

The overall objective of the Urban Development Department is to provide civic amenities to people in urban areas. The Department executes various programmes to provide facilities to the urban people. At the district level, the programmes are implemented by the *Nagar Parishad* (Municipal Council). The deficiencies noticed in implementation of schemes by the *Nagar Parishad* are discussed below:

3.1.15.1 Delayed execution of Integrated Housing and Slum Development Programme (IHSDP)

IHSDP is a Centrally Sponsored scheme under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) implemented by Municipal Council, Palamu for construction of houses by the beneficiaries themselves, and to provide basic amenities to those living in slum areas. The responsibility of the Municipal Council was to prepare Detailed Project Report (DPR). Identification of the slum dwellers was one of the components of the DPR. On the basis of the DPR, ₹ 1.81 lakh per dwelling unit was to be provided to the identified beneficiaries, to be disbursed in three installments. The construction of the houses was to be completed within 18 months. The period of the scheme was up to March 2012.

We observed that 969 beneficiaries were identified (September 2008) in the DPR and their names were forwarded to the Department in September 2008. The Department released ₹ 11.36 crore (between February 2010 and May 2012). We also observed that only 420 beneficiaries were selected as they had land on which the dwelling units could be constructed. The balance 549 beneficiaries could not show proof of ownership of land as required under the scheme.

Construction of 420 dwelling units was taken up during 2010-11 for which ₹ 4.42 crore were disbursed to the beneficiaries. However, as per the progress report of the Municipal Council, all 420 dwelling units remained incomplete as of December 2012.

The Executive Officer stated (December 2012) that prompt action would be taken to complete the schemes. The reply was not in order as the Municipal Council was responsible for timely completion of the work.

Thus, there was unfruitful expenditure of ₹ 4.42 crore, besides ₹ 6.94 crore remained blocked with the Municipal Council, due to flawed identification of beneficiaries at the DPR preparation stage.

²² at economy price of ₹ 1,526 per quintal.

3.1.15.2 *Non-utilisation of funds for construction of landfill under Solid Waste Management*

The proposed land fill at Medininagar was not constructed and funds were kept in personal Ledger Account since October 2006

With a view to disposing solid waste of the Municipal Council area, Medininagar, a request was sent by Executive Officer (September 2006) to the Department for acquiring 30 acres of land in the vicinity of the town at an estimated cost of ₹ 4.50 crore for construction of landfill at Medininagar. Accordingly, ₹ 1.50 crore was released (October 2006) for acquiring 10 acres of land. The Municipal Council requested (April 2008) the DC to provide land. However, no land was provided to the Municipal Council, Medininagar as the District Administration could not identify the land for proposed landfill site as of December 2012. The amount was kept in the Personal Ledger Account of Municipal Council since October 2006.

Thus, due to non-availability of land the solid waste management project could not be executed as of December 2012 and the objective of the scheme could not be achieved.

During the exit conference, the Executive Officer stated (December 2012) that prompt action would be taken.

3.1.16 **Drinking Water and Sanitation**

Government of India introduced the Accelerated Rural Water Supply Programme in 1972, which was renamed (1991-92) as Rajiv Gandhi National Drinking Water Mission. It was implemented with the basic objective of providing the stipulated quantity (40 litres per capita per day) of safe drinking water to all rural habitations by installation of one drinking water source for every 250 persons. In Palamu district, rural habitations (6806 number) covering the rural population (17.10 lakh) were already provided with drinking water through 18,319 tube wells (March 2012).

Further, as per the guidelines of the National Rural Drinking Water Programme (NRDWP), safe drinking water to be provided to the entire population on a sustainable basis which would be possible through installation of Rural Piped Water Supply Scheme (RPWSS). For implementation of RPWSS in Palamu district, a total of 353 schemes were sanctioned of which only 153 schemes were completed during the period 2009-12.

The major findings noticed in audit are discussed below:

Piped water supply schemes

- Bishrampur Rural Water Supply Scheme²³, for a population of 25,000 residents, was awarded by the Executive Engineer, DW&S Division, Palamu to a contractor in February 2008 at an agreed cost of ₹ 7.54 crore to be completed by February 2009. However, the work was rescinded in December 2008 due to non-availability of dispute free land. The work was awarded to another contractor (January 2010) after re-tendering at an agreed cost of ₹ 9.70 crore for completion by July 2011, without resolving the land dispute. As a result, no work was done as of December 2012, except procurement of pipes worth ₹ 6.90 crore. The EE paid (February 2012) ₹ 6.90 crore to the contractor towards the cost of the pipes. Thus,

Unfruitful expenditure of ₹ 19.17 crore was incurred on incomplete piped water supply schemes

²³ Water treatment plant, procurement and laying of pipes, earth excavation etc.

due to non-resolving the bottlenecks by the Department, expenditure of ₹ 6.90 crore remained unfruitful as of November 2012 and the benefits of piped water supply was denied to the residents of Bishrampur.

- Baralota Rural Water Supply Scheme for a population of 50,000 people was taken up after tendering and was allotted (October 2009) to an agency at an agreed cost of ₹ 16.38 crore to be completed by January 2011. We observed that no work was executed (December 2012) by the contractor except procurement of pipes worth ₹ 12.27 crore which was paid to him by the EE in February 2012. It was seen that the contractor did not start the work as hard rock was found in the construction site for which permission for blasting was sought (May 2010). Permission for blasting was accorded by the DC Palamu in March 2012. This led to unfruitful expenditure of ₹ 12.27 crore besides denial of the benefits to the residents of Baralota.

During the exit conference the EE, DW&S stated (December 2012) that both the works were in the process of being rescinded.

3.1.16.1 Implementation of fluoride mitigation schemes

In 2005-06, the DW&S Division, Medininagar carried out a survey for detection of fluoride contamination in ground water under Accelerated Rural Water Supply Programme. On the basis of this survey the Department sanctioned installation of 1,679 fluoride removal attachment units to be attached with already drilled tube wells at a cost of ₹ 7.26 crore during 2008-09. The work was awarded (June 2008) with stipulated period of commissioning being three months from the date of work order to a Kolkata based supplier. As per terms and conditions of the agreement, the supplier was to provide operational and maintenance guarantee of these units for a period of two years against which 10 per cent of total cost was to be retained by the Division and released after successful maintenance by the supplier. We observed that the work was completed by the supplier between November 2008 to August 2009 and ₹ 7.01 crore was paid without withholdings 10 per cent maintenance guarantee. However, the supplier did not maintain the fluoride removal attachment units as per the terms of the agreement. As a result, all the installed units became defunct between May 2011 to May 2012, rendering the entire expenditure of ₹ 7.01 crore infructuous.

During the exit conference the EE, DW& S stated (December 2012) that the matter would be thoroughly examined.

Economic Sector

3.1.17 State Roads

The district is dependent more on road communication as there are only 29 rail heads covering two blocks and one town. The State roads bring the remote and backward areas closer to the district headquarters for inclusive growth of the economy.

The Road Construction Department (RCD) is the administrative department responsible for construction of new roads, improvement, widening and strengthening of existing roads and their maintenance. The Rural Works

Department (RWD) was responsible for construction and maintenance of rural black topped roads in the district through Rural Works Divisions.

There were 241.14 km State highways, 124 km National highways and 550.135 km of black-topped rural roads in the district as of December 2012. Out of 16 State highways²⁴, six²⁵ roads (111.99 km) were taken up for widening and strengthening during 2009-12, of which two²⁶ roads (68.375 km) were completed, three²⁷ roads (39.54 km) were in progress and one road (4.075 km) was in tender finalisation stage.

Though widening and strengthening of roads was taken up, the length of the State highways in the district remained unchanged during 2009-12.

3.1.17.1 Non-completion of works

Jharkhand Public Works Accounts (JPWA) Code²⁸ provides that clearance for forest land required for a project must be ensured before preparing the estimate of any work. Further, as per Indian Road Congress (IRC), bituminous work must be executed after completely dry Water Bound Macadam (WBM) work before allowing traffic movement on the road.

- Widening and Strengthening of Bishrampur Mahuagain Itko road (18.90 km) was taken up in June 2009 at an agreed cost of ₹ 10.23 crore for completion by July 2010 (extended up to June 2012). The work included items of WBM and bituminous work. Forest clearance for strengthening work was provided (May 2008) subject to the condition that no trees should be cut and there should be no widening of the road.

We observed that the contractor executed the work only upto WBM level as of February 2012 and was paid ₹ 6.03 crore (May 2012) on this account. Thereafter, the work was stopped because of objections raised by the Forest Department due to breach of the conditions specified while providing clearance. As a result, bituminous work was not executed by the contractor as of May 2012. As per the provision contained in Para 4.8.2 of IRC, WBM surface not covered by bitumen was unfit for traffic movement. Thus, the entire expenditure incurred on WBM amounting to ₹ 6.03 crore was rendered unfruitful.

During the exit conference, the EE stated (December 2012) that in future forest clearance in all such works would be ensured before execution.

3.1.18 Status of Rural Roads under Pradhan Mantri Gram Sadak Yojana (PMGSY)

Construction, up-gradation and maintenance of rural roads in the district were taken up under both Pradhan Mantri Gram Sadak Yojana and the State plan. PMGSY was launched in December 2000 to provide all weather road connectivity to all rural habitations with population of more than 500 by the

²⁴ Single : Six (71.70 km); Intermediate lane :124.27 km; Double lane: One (45.17km)

²⁵ Chhatarpur-Dumaria Road;Medininagar-Lesliganj-Panki Road; Bishrampur-Mahuagaon-Itko Road; Medininagar-Chainpur Road; Medininagar-Hariharganj Road and Kajari-Patan-Manatu Road.

²⁶ Medininagar-Lesliganj-Panki road and Chhatarpur Dumariya Road.

²⁷ Bishrampur Mahuagaon Itko road; Medininagar Chainpur Road; Medininagar Hariharganj Road and Kajari Patan Manatu Road.

²⁸ Annexure-A-Cabinet & Co-ordination Department (Vigilance Cell) resolution no-948 dated 16 July 1986:-paragraphs 4.5 and 6.3

Unfruitful
expenditure of ₹ 6.03
crore was incurred on
incomplete works

end of the Tenth Plan Period (2007). In tribal areas, habitations with more than 250 persons were eligible for connectivity. When roads pass through villages, a concrete pavement, dust-proof and low maintenance road was to be provided.

3.1.18.1 Planning

For planning purposes, a survey was conducted in 2001-02, based on which a District Core Network of Roads to be constructed was prepared for selection of roads under PMGSY.

As per the survey, nearly 53 per cent of rural habitations (924 out of 1,754) of the district were found unconnected with all-weather roads. Accordingly, a revised Core Network of Roads and a Core Network of New Connectivity Priority List (CNCPL) was prepared in 2005 for providing connectivity to all unconnected rural habitations under PMGSY. The CNCPL included 221 roads having a length of 912.15 km to connect 518 habitations on priority basis²⁹. Out of 518 habitations, 222 habitations have been connected up to 2008-09 (Phase VI).

Out of the balance 296 unconnected habitations, 269 habitations having 125 roads (440 km) were sanctioned from CNCPL during 2009-12 (VIIth phase).

The physical and financial progress of these roads (125) as of December 2012 is given in **Appendix-3.9**.

181 targeted
habitations remained
unconnected

We observed that out of 125 roads, 39 roads (31 per cent) were completed as of December 2012 and 86 roads covering remained incomplete after incurring an expenditure of ₹ 42.59 crore. As stated by the EE (August 2012) the delay in progress was due to slow progress of works by the contractors, *Naxal* problems, scarcity of bitumen and not receiving forest clearance. Thus, 181 habitations targeted to be covered by all weather roads remained unconnected.

3.1.18.2 Quality control

Under PMGSY, the Programme Implementation Unit (PIU) is responsible for all quality control. The tests are to be conducted by the contractors through qualified staff in the presence of the departmental officers. A quality control register is required to be maintained for each road work by the contractor. The State Quality Monitor (SQM) should inspect the roads at least twice. The first inspection should be carried out by SQM during execution of work and the last should be carried out by SQM within one month of completion of the work. All work rated 'unsatisfactory' or 'requiring improvement' are to be re-inspected by the National Quality Monitor (NQM) or SQM after rectification reports are received from the State Quality Co-ordinator.

²⁹ First priority: covering 1000+habitations; Second priority: 500+habitations and Least priority: 250+habitations

Out of 82 roads inspected by SQM up to March 2012, six were rated as 'requiring improvement'

Scrutiny of inspection reports of SQM revealed that out of 20 completed roads during the period 2009-12, 15 were inspected twice and five were inspected only once by SQM. Out of 82 roads inspected up to March 2012 by SQM, six were rated as "requiring improvement". Action taken with respect to these roads was not on record. Hence, quality of these roads was not verified by second and third tier of quality control monitors i.e., SQM and NQM. The quality control registers were also not maintained by PIU.

Thus, the PIU did not ensure quality control test by the contractor and the quality test by the SQM was inadequate. The construction of inferior quality roads cannot be ruled out.

The EE noted (June 2012) the audit observation for future guidance.

3.1.18.3 Non-maintenance of roads built under PMGSY

According to paragraph 17.2 of the PMGSY guidelines, the cost of maintenance of the roads constructed under PMGSY was to be borne by the State Government. Further, the maintenance clause of the contracts envisaged a defect liability period of five years from the date of completion. During this period, the contractors were required to inspect the roads every month and to carry out routine maintenance and necessary rectification to keep the roads motorable. The programme implementation units are also required to inspect the roads every month.

31 roads (123.77 km) completed during 2007-12 were not maintained

Scrutiny of the records of Programme Implementation Unit (PIU), Palamu, revealed that 31 roads (123.77 km) valued ₹ 27.86 crore were completed during 2007-12. These completed roads were not maintained by the contractors. In reply to an audit query Jharkhand State Rural Road Development Agency (JSRRDA) stated (September 2012) that neither maintenance bills were submitted nor funds demanded by the PIU, Palamu.

During joint physical verification (on 10 June 2012) of a road at Budhibir to Chottasa 5.10 km, we observed that pot holes had developed on the black top surface on its entire stretch and PCC surface was also found cracked and damaged (photograph below), though the agreement for maintenance was found executed in May 2008. It was also noticed that SQM team had inspected the road during its execution but did not inspect the road after its completion.

Though there was a maintenance agreement with the contractor, the maintenance work was neither taken up by the contractor nor did the EE direct the contractor to maintain the road. Thus, the primary objective of PMGSY to provide all-weather roads to rural habitations was not fully achieved because of non-maintenance of the roads.



(Photograph showing damaged bituminous Road from Budhibir to Chottasa Road)



(Photograph showing damaged PCC Road from Budhibir to Chottasa Road)

The EE stated (June 2012) that the action would be taken according to the agreements.

3.1.19 Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

Government of India (GoI) introduced RGGVY in March 2005, with the objective to provide electricity to all rural households and improvement of electrical infrastructure by 2009.

The Jharkhand State Electricity Board (JSEB) was to implement the scheme in Palamu District. Telecommunication Consultants India Ltd (TCIL) was engaged by JSEB as the Third Party Inspecting Agency (TPIA) for inspection of the implementation of RGGVY. At district level, the Electrical Superintending Engineer (ESE) was the nodal officer for execution of works under the scheme. Rural Electrification Corporation (REC) was the nodal agency for implementation and financing of the scheme.

Under RGGVY, electrification of 1,457 villages under Palamu district was planned at a cost of ₹ 185.33 crore during December 2006 to June 2008. The work of electrification in Palamu (Package-G) was awarded to a Hyderabad based contractor on turnkey basis in December 2006. A proposal to revise the cost of the work to ₹ 214 crore was made (August 2009) but not approved by the REC. Single point electricity connection to 1,15,068 Below Poverty Line (BPL) households were to be provided under this scheme. Government of Jharkhand and JSEB were to ensure the provision of rural electricity distribution backbone (REDB)³⁰, deployment of franchisees for management of rural distribution, and electrification of un-electrified below poverty line (BPL) households with 100 *per cent* capital subsidy before completion of the project and declaring all villages electrified³¹.

During the course of our audit the following points were noticed:

- In the district, 1,457 villages consisting of 1.15 lakh BPL households were targeted for electrification under RGGVY by June 2008. However, as of March 2012, electrification was completed in 668 villages and was in progress in 789 villages. Only 214 villages out of 668 electrified villages were charged i.e., connected to Power Sub-Stations (PSS). We observed that constructions of three out of four PSSs taken up were completed. Even these completed PSSs were not free from deficiencies as electrical work, earthing and graveling, trench cover, control room flooring and stringing work was not done, as noticed by the Telecommunication Consultants India Ltd (TCIL) in its inspection. Thus, expenditure of ₹ 57.75³² crore

Only 668 villages out of 1,457 were electrified

³⁰ REDB means provision of sub-stations (33/11 KV or 66/11 KV) of adequate capacity and lines for purpose of distribution of electricity.

³¹ A village can be declared electrified only if :

- i) Basic infrastructure such as Distribution transformers and distribution lines are provided to the inhabitants as well as the *Dalit basti*/hamlets.
- ii) Electricity is provided to public places like Schools, *Panchayats*, Health centres, Dispensaries, Community centres etc. and
- iii) The number of households electrified should be at least 10 *per cent* of the total number of households in the village.

³² Average cost of electrification of one village (Total contract price of ₹1,85,32,54,319/ 1457 villages = ₹12,71,966) X No. of villages not charged (454) = ₹ 57,74,72,564

incurred on electrification of these villages became largely unfruitful as 454 villages remained deprived of electricity.

- Only 415 villages were taken over by the JSEB. As a result, only 17,056 BPL connections in these villages out of 44,535 electrified connections in 668 villages were billed as of July 2012. This resulted in recurring loss of revenue of ₹ 9.62³³ lakh per month due to non-billing of 27,479 connections.
- Further, out of 668 villages electrified, 305 were issued electrification certificates declaring them as electrified and the remaining villages were under process of certification. Thus, electrification of 363 villages was not complete as per the stipulated guidelines for declaring villages as electrified since the required certificates were not issued by Block Development Officers (BDOs).
- In Jamunae village under Sadar block a transformer of 63 KVA was reported burnt in December 2004, which was to be replaced. JSEB, instead of replacing the transformer, included the village in the DPR for electrification. Considering the cost of a 63 KVA transformer (₹ 36,727), ₹ 12.35³⁴ lakh incurred on electrification of this village was avoidable.
- Electric connections under RGGVY were to be provided as per the norms of *Kutir Jyoti* Programme (KJP)³⁵. Unfruitful expenditure of ₹ 3.86³⁶ crore was incurred on providing meters to 44,535 electrified BPL connections, as meter readings of BPL connections were not being taken and these consumers were billed at a flat rate.
- On test check of certificates issued by BDOs to declare villages as electrified, it was noticed that connections were not given to public places in any village. Out of 305 villages, 28 villages were declared electrified even though the electrification of at least 10 *per cent* of the total households of the villages, required for issue of certificates as per the scheme, had not been completed. We observed that in 39 villages, the number of BPL households shown as electrified were more than the total households electrified, raising doubts about reliability of data.

During the exit conference, the ESE stated (December 2012) that the action would be taken.

General Sector

3.1.20 Maintenance of Law and Order

Palamu is a *Naxal* affected District. For maintenance of law and order in the district there were 21 police stations (PSs) and three outposts (OPs) under the administrative control of Superintendent of Police (SP), who is the overall in-

³³ Rate as per tariff (₹ 35) X no. of connections unbilled (27,479)

³⁴ Average cost of electrification of one village (₹12.72 lakh) – cost of 63 KVA transformer (₹ 36,727) = ₹ 12.35 lakh.

³⁵ As per the norms of KJP connections were to be given free of cost with 100 *per cent* capital subsidy. Cost of providing connection under KJP and RGGVY in Palamu were ₹ 750 and ₹ 1,616

³⁶ Increase in cost of RGGVY connections due to inclusion of meter (₹ 866) X Total number of connections released (44,535) = ₹ 3,85,67,310

charge of internal security in the district. To provide modern weapons, vehicles and housing facilities for police personnel, Modernisation of Police Force (MoPF), a Centrally Sponsored scheme was implemented in the State. Planning for the scheme, fund arrangements, purchase of modern weapons, vehicles etc. was to be done at Police Headquarters for the entire State.

The deficiencies in implementation of various components of the scheme are discussed in the succeeding paragraphs:

3.1.20.1 Infrastructure and security arrangements

Proper infrastructure and security arrangements at all PSs and OPs are essential to provide a suitable working environment to the police personnel.

We observed that basic infrastructure facilities and security arrangements were inadequate in the PSs and OPs. Five out of 21 PSs and two out of three OPs did not have their own buildings. There was no provision of barracks in the five PSs and only one watch tower was available in the PS of Hussainabad.

In the absence of sufficient infrastructure facilities and security arrangements in a *Naxal* affected District, PSs/OPs face the risk of dire consequences in case of extremist attacks.

3.1.20.2 Residential buildings of police personnel

The National Police Commission (NPC) recommended housing accommodation for all police personnel with special emphasis for upper and lower subordinates³⁷. However, Palamu district lagged behind in achieving this goal as shown in **Table-9:**

Table-9: Availability of housing facility against the requirement

Types of building	Total requirement	Position as on 31 March 2012	Deficiency (Percent)
Quarters for Lower Subordinates	786	115	671 (85)
Quarters for Upper Subordinates	369	82	287 (78)
Barracks	65	38	27 (42)
Garage	218	24	194(89)

Source: SP, Palamu

Thus, shortage of basic infrastructure in the district ranged between 42 and 89 *per cent*, which was bound to have an adverse impact on the efficiency level of the police.

3.1.20.3 Mobility of police

One of the thrust areas under MoPF was to increase mobility of the district police so that challenges to internal security were dealt with effectively and the response time reduced. The position of availability of various types of vehicles with the district police during the period 2009-12 is given in **Table-10:**

³⁷ Upper Subordinate: Assistant Sub Inspector to Inspector and Lower Subordinate: Head Constable and Constable.

Table-10: Position of availability of various types of vehicles in the District

	Light Vehicle	Medium Vehicle	Heavy Vehicle	Motor Cycle	Total
Total requirement	178	91	24	306	599
Available	101	37	13	106	257
Shortage	77	54	11	200	342
Per cent of shortage	43	59	46	65	57

Source: SP, Palamu

There was 57 per cent shortage of vehicles in the district

It would be seen that the overall shortage of vehicles in the District as on 31 March 2012 was 57 per cent.

We also observed that against the requirement of 76 special vehicles³⁸ only 15 were available. Thus, the deficiency of special vehicles was 80 per cent of the requirement.

3.1.20.4 Weaponry

Phasing out of out-dated and old weapons was not done

Palamu being the oldest *Naxal* affected district in the State required adequate weapons as an important component under MoPF scheme. Inspector General (Provision), Jharkhand stated (May 2007) to phase out the out-dated and old weapons like .303 and SLR rifles and planned to replace it with modern firearms like AK 47 and INSAS rifles.

The scale of arms holding was fixed as a modern or main strike weapon³⁹ for each police personnel.

During audit scrutiny (July 2012), we observed that 489 (7.52 mm SLR) and 453 (.303 Rifles) were retained with the District Police as of March 2012. We also noticed that 157 SLR (out of 489) and 346 .303 Rifles (out of 453) were kept idle in the District armoury. As of March 2012, 2,194 weapons⁴⁰ were available for the sanctioned strength of 2,070 police personnel in the District. Besides, 163 weapons were not functioning as on March 2012. The same position prevailed as of December 2012.

Non-replacement of these weapons by modern strike weapons even six years after the decision taken in May 2007 to phase out old weapons could hamper the preparedness of the police in Palamu district.

3.1.20.5 Security equipment

There were large shortage of bullet proof jackets and helmets

Security equipment like Bullet Proof (BP) jackets and BP helmets are essential for safety of the police involved in anti-insurgency operations. Each combat personnel was to have one set of the above mentioned security equipment. We observed that out of total sanctioned strength of 2,070 combat personnel in the district, only 482 BP jackets and helmets (23 per cent) were available out of which 19 BP jackets and six BP helmets were permanently damaged in

³⁸ Ambulances, Medium Mines Protective Vehicles and Bullet proof vehicles.

³⁹ Main strike weapons: 5.56 mm INSAS Rifles, AK 47, 9mm Sten Guns, 9 mm Pistols, .38 Revolvers and VL Pistols.

⁴⁰ 5.56 mm INSAS Rifles, 7.62 mm SLRs, AK 47, 9mm Sten Guns, 9 mm Carbines, 9 mm Pistols, .38 Revolvers and .303 Rifles.

landmine blasts. Shortage of the security equipments left the combat force vulnerable to risk to life or serious injury.

3.1.20.6 *Mobile Forensic Van*

Bureau of Police Research and Development suggested providing a mobile forensic van to each district. Police headquarters provided (March 2004) one mobile forensic van to Palamu district police for improving the quality of crime investigation. The Log book of the van made available for the period from January 2012 revealed that only two trips for unspecified purposes to Bishrampur were recorded during January 2012. Thereafter, the van was found to be kept idle. In response to the audit query the Sergeant Major, Palamu stated (July 2012) that two trained police personnel deployed in mobile forensic van were transferred (May 2012) to Ranchi and Deoghar and no trained personnel were posted in their place. As such, in the absence of trained police personnel, the van remained idle. Thus, exhibits were being collected and packaged by investigating officers⁴¹ in absence of trained police personnel.

3.1.20.7 *Manpower management*

Efficacy and quality of police services largely depends on the availability of adequate number of trained police personnel. We observed that there were a shortage of Deputy Superintendent of Police (50 per cent), Sub-Inspector (44 per cent) Assistant Sub-Inspector (10 per cent) and 10 to 43 per cent in the constabulary cadre as on March 2012 (*Appendix-3.10*). Two sanctioned posts of Sergeant were also vacant. Thus, large scale vacancies may adversely affect the preparedness of the police force in the district which is a severely *Naxal* affected one.

Shortage of 10 to 100 per cent in the officer cadre and 10 to 43 per cent in the constabulary cadre was noticed

3.1.21 *Monitoring*

Under the provisions of Jharkhand Panchayati Raj Act (JPRA), the District Planning Committee (DPC) was required to review the progress of schemes in its meeting. Only one meeting was held in December 2011. In the solitary meeting of the DPC, no review of schemes was done.

Further, Sections 71 and 72 of the Act stipulate for constitution of seven standing committees for GPs and eight each for PSs and ZP to look after the functions within their jurisdiction. These committees could not be formed (December 2012) even after the election of PRIs during December 2010 due to non-transfer of functions as discussed in the preceding paragraph 2.1.6.2. Thus, due to non-constitution of standing committees at GP, PS and ZP levels monitoring of developmental works could not be achieved as envisaged in JPRA. However, prior to implementation of JPRA, monitoring of schemes was done through regular monthly meetings by the DC.

During the exit conference (December 2012), the District Planning Officer stated that formation of standing committees was in process.

Thus, absence of effective monitoring mechanism was one of the reasons for deficiencies noticed in scheme implementation.

The District Planning Committee did not monitor the progress of implementation of ongoing schemes

⁴¹ Assistant Sub-Inspector, Sub-Inspector, Inspector of Police and Dy. Superintendent of Police.

3.1.22 Conclusion

The district-centric audit of Palamu aimed to focus on devolution of finances and implementation of significant socio-economic development programmes in the district. Significant audit findings are narrated below:

- There is no mechanism in vogue to capture the entire sector-wise funds flow in the district in an aggregated manner at any given point of time. District Planning Committee in Palamu was constituted in December 2011 i.e. 18 years after the 74th Constitutional amendment. The DPC met only once and its functioning remained perfunctory and incomplete. Five year Perspective Plans as well as the Annual Action Plans for the district were not prepared. Transfer of funds, functions and functionaries to Panchayati Raj Institutions (PRIs), as envisaged in the Act, was also not done (December 2012).
- Despite intervention of SSA, large number of children remained out of school, Pupil-Teacher Ratio (PTR) was below the prescribed norm and the PTR was worse in the blocks located away from District headquarters. Construction of a large number of buildings and class rooms was either incomplete or was stopped mid way for want of land. There was shortfall in supply of free text books to children. There was lack of basic amenities in the schools.
- In implementation of MDM, 1,974.79 MT of rice valuing ₹ 4.12 crore was not taken into stock of schools, though shown issued by SFC godowns. We also observed diversion of MDM rice to other schemes and misutilisation of cooking funds. MDM was found disrupted in some schools due to inadequate supply of foodgrains.
- Even after implementation of NRHM there were shortages of health centres at district, block and village levels compared to the norms of NRHM. Basic health care services like blood storage, Obstetric care, facilities of Ultra Sound, ECG, services of gynaecologists etc. were not available in the CHCs. CT Scan Machine, Mechanised Laundry and Incinerator installed in Sadar Hospital remained non-functional. Despite implementation of Janani Suraksha Yojana, all the registered pregnant women did not receive all three ante-natal check ups and institutional delivery was only 40 *per cent* of the total number of women registered during 2009-12.
- In implementation of Supplementary Nutrition Programme (SNP) under ICDS, we observed that out of 2,583 Anganwadi Centres (AWCs), 2,484 had no toilets and 2,026 had no hand pumps during 2009-12. Shortfall in SNP also ranged between 36 and 38 *per cent*.
- Foodgrains valuing ₹ 44.96 crore for BPL, AAY, *Annapurna* and Additional BPL Schemes shown issued by SFC were not shown received by Fair Price Shops. The discrepancy was not reconciled.
- In Drinking Water & Sanitation Division two piped water supply schemes for a population of 75,000 were stopped midway and expenditure of ₹ 19.17 crore incurred on procurement of pipes was rendered unfruitful.

There was infructuous expenditure of ₹ 7.01 crore due to non-functioning of fluoride removal attachment units.

- Thirty one roads completed at a cost of ₹ 27.86 crore during 2007-12 under PMGSY were not maintained and 86 roads covering 181 habitations remained incomplete after incurring an expenditure of ₹ 42.60 crore.
- Under RGGVY, only 668 villages out of 1,457 villages were electrified. Unfruitful expenditure of ₹ 3.86 crore was incurred on providing meters to electrified BPL connections, as the consumers were billed at a flat rate.
- Under SGSY, 861 *swarojgaris* were deprived of bank finance as they were not imparted training for want of a building
- Police force in Palamu lacked infrastructure like police station and outpost buildings, quarters for lower and upper sub-ordinates, barracks, vehicles etc. Phasing out of old and outdated weapons was also not done in the district.
- District Planning Committee (DPC) was required to review the progress of schemes in its meetings. In the solitary meeting of DPC, no review of schemes was done. Besides this, the committees of GPs, PSs and ZP were also to be constituted for looking after the functions within their jurisdiction but due to non-constitution of these standing committees monitoring of developmental works could not be done.

3.1.23 Recommendations

- *Government should ensure the involvement of PRIs in planning and implementation of schemes.*
- *Government should ensure that adequate infrastructure and basic amenities are provided in schools.*
- *Government should ensure basic infrastructure/health care facilities at (Community Health Centres) CHCs, (Primary Health Centres)PHCs etc. under NRHM*
- *Under PMGSY, Government should ensure providing all weather road connectivity to unconnected habitations.*
- *Government should ensure strengthening of the monitoring mechanism to achieve the desired objectives.*

The matter was reported to the Government (February 2013). Reply had not been received (March 2013).