

**CHAPTER – 7**  
**EXECUTION OF SCHEMES**



## Chapter 7

### Execution of Schemes

#### 7.1 Works Execution

MGNREGS ensures basic employment guarantee in rural areas to strengthen the livelihood resource base of the rural people. The focus of the scheme is on works such as water conservation, drought proofing (including afforestation and tree plantation), minor irrigation works, provision of irrigation facility to land owned by weaker sections, etc. Creation of durable assets is another important objective of MGNREGS. As per the Operational Guidelines the ratio of wage costs to material costs should not be less than the minimum norm of 60:40 stipulated in the Act. This ratio is to be applied at all levels<sup>1</sup>. Further, the Operational Guidelines, 2008 prescribes that the State Government should devise a mechanism for transparent method of purchase of materials to be used under the Scheme.

As per information furnished (April 2012) by the Rural Development Department (RDD), a total of 9.84 lakh works were taken up under MGNREGS during the period 2007-12, out of which 2.69 lakh works were reported to have been completed. Actual completion of works against those taken up during 2007-12, ranged between 13 and 47 *per cent* (**Appendix 7 A**). Similarly, in the six test checked districts, out of 3.40 lakh works taken up for construction during 2007-12, 1.11 lakh works were reported to have been completed. Actual completion of works against those taken up during 2007-12 ranged between 14 and 48 *per cent* (**Appendix 7 B**).

During audit we noticed several deficiencies in execution of work such as violation of wage material ratio, execution of inadmissible works, sub-standard works, procurement of materials without tender and quotation, wasteful expenditure on abandoned works, etc. which are discussed in the succeeding paragraphs:

##### 7.1.1 Violation of the norms of wage material ratio

As per Guidelines of Rural Development Department, GoJ, model estimates were required to be prepared to remove any anomaly in measurement and amount for similar kinds of works executed within the State, and to bring uniformity in construction work within the scheme in the State.

Scrutiny of records in the RDD as well as in the test checked districts revealed that while preparing the model estimates for construction of wells and Grade I roads, fixed for wages and material ratio had been violated. The proportion of wage material ratio under these estimates is described in **Table 12**:

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<sup>1</sup> GPs, Blocks and Districts

**Table 12: Particulars of model estimates relating to well and grade-I road**

Particular of Model estimate	Estimated cost (₹ in lakh)	Ratio of wage component (in percentage)	Ratio of material component (In percentage)
Well of (12'x35') Stone masonry	1.397	51.05	48.95
Well of (12'x35') Brick masonry	1.520	45.24	54.76
Well of (15'x35') Stone masonry	1.790	53.43	46.57
Well of (15'x35') Brick masonry	1.948	46.50	53.50
Grade I Road	5.33	21.92	78.08

**Violation of the 60:40 norms of wage material ratio resulted in lesser generation of 38.73 lakh extra person days**

It would be seen from the above that against the prescribed ratio of 60 *per cent* on wages, ratio on wages provided ranged between 22 and 53 *per cent*. Thus, execution of works on such model estimates resulted in violation of the norms at each level during execution. Specific instances are discussed below:

- Out of the six test checked districts, in West Singhbhum and Pakur districts wage material ratio during 2007-10 ranged between 35 and 56.31 *per cent* (wage) and 43.68 to 65 *per cent* (material). Excess expenditure on material component was ₹ 33.22 crore. Had the prescribed ratio been maintained by the two districts, 38.73 lakh extra persondays could have been generated (*Appendix 8 A*).

The matter was discussed with the concerned DPCs in the exit conference during which DPC, Pakur accepted (July 2012) the fact and stated that due to material intensive works the ratio was compromised. No reply was furnished by the other DPC.

- In 80 test checked schemes relating to 34 GPs and two blocks,<sup>2</sup> due to non-maintaining the prescribed wage material ratio, ₹ 50.06 lakh was spent on material component in excess of the prescribed ratio, which could have been utilised on creation of 0.42 lakh person days<sup>3</sup> (at the rate of ₹ 120 per day) of employment (*Appendix 8 B*).

In reply BDOs Chainpur, Jama, Lesliganj and Sadar block Gumla accepted the audit observations (June-August 2012).

- In NREP, Dumka, 348 schemes of ₹ 21.15 crore were taken up during 2007-10 of which 318 schemes were completed after incurring expenditure of ₹ 15.95 crore. It was noticed from the divisional records that expenditure on material component was ₹ 7.81 crore instead of ₹ 6.38 crore<sup>4</sup> permissible as per norms. Thus, excess expenditure of ₹ 1.43 crore was incurred on material component which could have been utilised on creation of 1.19 lakh<sup>5</sup> person

<sup>2</sup> Chainpur and Lesliganj

<sup>3</sup> ₹ 50.06 lakh ÷ ₹ 120 (labour rate) = 41717 persondays

<sup>4</sup> ₹ 15.95 crore x 40 *per cent* = ₹6.38 crore

<sup>5</sup> ₹ 1.43 crore ÷ ₹ 120 (labour rate) = 1,19,166 persondays

days (at the rate of ₹ 120 per day) of employment. The Executive Engineer, NREP division Dumka stated that works executed by the division were sanctioned by the district (August 2012).

The reply is not acceptable since the wage material ratio of 60:40 should have been maintained while taking up the MNREGS works.

### 7.1.2 Execution of inadmissible work

As per paragraph 4 (viii- e) of MGNREGA Works Field Manual, works of Earthen and *Mitti-Murram* roads were inadmissible since they become muddy in the rainy season and dusty in the summer season. Therefore, they are non-durable and are not fit for all weather use.

Scrutiny of records of 16 blocks and five line departments of the six test checked districts however, revealed that during 2007-12, 1,408 *Mitti-Murram* works amounting to ₹ 50.57 crore were taken up for construction and ₹ 33.74 crore was spent thereby violating the prescribed norms. Thus, Government failed to create any durable asset despite incurring expenditure of ₹ 33.74 crore (*Appendix 9*).

During the exit conference the Principal Secretary stated that if the guidelines do not provide for *Mitti-Murram* roads necessary instructions will be issued to DPCs not to undertake *Mitti-Murram* roads in future.

### 7.1.3 Execution of sub-standard work

Paragraph 1.2 (b) of the Operational Guidelines, 2008 envisages that all assets created under the scheme must be productive and durable, and should conform to the prescribed standards. As per paragraph 4 (iv) 1 of MGNREGA Works Field Manual, the design for the construction of a pond must include inlet and outlet with reference to catchment, rainfall and topography, leaving proper berm, breaking clods and dressing with required slide slopes.

During scrutiny of records as well as during joint physical verification with Junior Engineer / Panchayat Secretary / Mukhiya, several instances of execution of sub-standard works in the test checked districts were noticed which are discussed below:

#### *Ponds*

- In Minor Irrigation Division, West Singhbhum, 77 ponds were sanctioned for construction at a cost of ₹ 11.62 crore. A sum of ₹ 4.65 crore was released for construction and renovation of Ponds (September 2009) as first instalment. However, construction of inlet and outlet of ponds was not included in the estimate. Thus, the estimates approved by the Executive Engineer for the Ponds were faulty. During audit we noticed that after incurring expenditure of ₹ 2.08 crore (April 2012) on partially constructed ponds based on such sub-standard estimate, the remaining ₹ 2 crore was surrendered on the instruction of DC by the division (March 2011). Since then all the 77 ponds were left incomplete resulting in siltation and non completion of the ponds (August 2012). Thus, the entire expenditure of ₹ 2.08 crore incurred was rendered

Expenditure of ₹ 33.74 crore was made on inadmissible works under MGNREGS

Partially constructed 77 ponds resulted in unfruitful expenditure of ₹ 2.08 crore

unfruitful. Besides, in all the test checked districts, the codal provisions were also not followed while constructing the ponds/tanks.

In reply the DC, West Singhbhum stated (August 2012) that sometimes works remain incomplete due to selection of improper worksites and land disputes.



Photograph showing pond without inlet and outlet in Kumarpur Panchayat in Sadar block of Pakur

#### ***Irrigation wells***

- As per paragraph 4 (iv) 1 of MGNREGA Works Field Manual, dug well should be sanctioned and constructed on the advice of the Ground Water Department for ascertaining the availability of water and well-to-well spacing. Peep holes packed with grit should be constructed/ provided to ease outside pressure and facilitate entry of clean water into the well and a recharge structure should be part of the estimate to be constructed simultaneously at least five feet away from the wells.

However, during joint physical verification of works with the JEs/Panchyat Sevaks carried out by audit in Dumka and Pakur districts works were found carried out without adhering to the prescribed specifications.



Photograph showing well without recharge well at Kalidaspur GP at Pakur

During joint physical verification of irrigation wells at Dumka Sadar block (60 wells) and Sadar Block at Pakur (31 wells) it was seen that the depth of the well was less than the depth as recorded in Measurement Book by 2'6" to 6'3" in Dumka (two cases) and in Pakur (three cases). The diameter was less by 3" to 1'6" at Dumka (in three cases) and Pakur (in one case). The details are as given in **Table 13**:

**Table 13: Results of physical verification of irrigation wells**

Sl. No.	Scheme No.	Measurement Book	Physical Verification	Difference
1.	4/11-12, Nashipur, Pakur sadar Block, 15'x35'	Depth 30'3"	Depth 24'0"	6'3"
2.	4/11-12, Madanmohanpur, Pakur sadar block, 15'x35'	Depth 34'6"	Depth 32'0"	2'6"
3.	29/11-12, Kumarpur, Pakur Sadar block, 15'x35'	Depth 35'0"	Depth 32'0"	3'
4.	4/11-12, Madanmohanpur, Pakur Sadar block, 15'x 35'	Diameter 15'0"	Diameter 14'8"	4"
5.	6/10-11, Bartalli, Dumka Sadar Block, 15'x 30'	Diameter 15'	Diameter 14'9"	3"
6.	8/08-09 Kerabani Dumka Sadar Block 15'x 30'	Diameter 15'	Diameter 14'7"	5"
7.	16/08-09 Bartalli Dumka Sadar Block, 15'x30'	Diameter 15'	Diameter 13'6"	1'6"
8.	16/08-09 Bartalli Dumka Sadar Block, 15'x30'	Depth 30'	Depth 24'	6'
9.	54/10-11 Haripur Dumka Sadar Block 15'x30'	Depth 27'.6"	Depth 24'.5"	3'1"

Source: Results of joint physical verification.

During joint physical verification of wells at Pakur and Dumka districts, it was seen that the depth and diameter was less than that recorded in the MBs, as indicated in **Table 13**. Further, test check of files disclosed that the model estimate did not include the provision of recharge structure, though it should have

been given due care while framing the model estimate for irrigation wells. These are essential to keep the well recharged for a longer period and to overcome depletion of ground water level. The advice of the concerned Ground Water Department for availability of water and well-to-well spacing was also not obtained, considered and documented in the work files. Irrigation wells were sanctioned without giving due care, to these factors.

We observed that the total depth of five wells recorded in the MB was 157'3" whereas joint physical verification of the wells revealed that the actual depth was only 136'5". Thus, ₹ 1.49 lakh<sup>6</sup> was paid in excess for 20'10" (157'3"-136'5") of depth which was not actually dug.

DPC, Pakur accepted the observations (July 2012) and directed the BDOs to recover the excess payment while DPC, Dumka stated (July 2012) that works were carried out on the basis of model estimate. The reply of DPC Dumka was not acceptable as execution of work on model estimates does not mean execution of inferior quality of work.

### **Roads**

As per paragraph 6.1(ix) of the Operational Guidelines, 2008, material intensive works (pucca works) should not be taken up. However, Plain Cement Concrete (PCC) roads were constructed in Pakur district. As per the MB (scheme no. 2/07-08), P.C.C road (Dimension 700'x6'x0'6") was constructed in Sitapahari GP of Pakur Block. The width of the road was found between 4'9" and 5'0" (approx 300 feet) during physical verification (June 2012) as against the estimated width of 6 feet.

We observed that ₹ 0.10 lakh was paid in excess in respect of construction of PCC road to the executing agency for the work (4.24 M<sup>3</sup>) which was not actually carried out.

Besides, earthen-*murram* road (estimated provision 1300'x10'x3", scheme no. 1/10-11) was to be constructed at Hiranandpur Panchayat in Pakur Sadar block. During joint physical verification the width of the entire road was found to be between 3' and 4' which was less than those booked in the MB (Dimension 1410'x 6'x 3").

The DPC, Pakur accepted the observations (July 2012).

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<sup>6</sup> Dumka Sadar Block (2 schemes; ₹ 0.46 lakh), Pakur Sadar Block ( 3 schemes ₹ 1.03 lakh)= ₹ 1.49 lakh.





Photograph showing sub standard PCC road at Sitapahari GP in Pakur district



Photograph showing sub-standard Earthen- *murram* road at Pakur district Hiranandpur GP

#### 7.1.4 Procurement of material without floating tender and quotation

Rule 131 (C and D) of Jharkhand Financial Rules, 2001 prescribes purchase of goods above ₹ 15,000 on the basis of inviting quotations/tenders. RDD, GOJ also directed (May 2010) to purchase all material to be utilised under MGNREGS costing up to ₹ 50,000 through inviting quotation/open tenders and directed DPCs to fix the rate of material at the district level after inviting open tenders. Names of block wise panel of agencies/firms were to be made available to BDOs thereafter. All implementing agencies including line departments had to purchase material from the empanelled firms only.

**Material worth ₹ 4.37 crore was purchased from registered/ un-registered suppliers without inviting tenders**

Scrutiny of records in four blocks<sup>7</sup> (in 26 GPs) and ten<sup>8</sup> line departments in the six test checked districts however, revealed that during the period 2007-12, the aforesaid norms were not followed and materials were purchased without inviting

<sup>7</sup> Jarmundi, Jama, Hiranpur and Lesliganj

<sup>8</sup> ZIIa Parishad, Gumla and Ranchi, RDSD, Dumka, and Pakur; RDSD, Gumla, DFO, Pakur, DFO (Tasar), Dumka, DFO (Territorial), Dumka, DFO Social Forestry, Dumka, NREP, Dumka.

quotation/ open tenders, as a result of which material worth ₹ 4.37 crore was purchased from registered/ un-registered suppliers without inviting tenders by violating the norms.

The matter was discussed with DPCs concerned and DPC Ranchi stated that tender has been published in the newspaper but no tenderers turned up while DPCs (Palamu, Pakur, Dumka and Gumla) accepted the audit observations (July-August 2012).

#### **7.1.5 Wasteful expenditure**

MGNREGA Works Field Manual prescribes that to avoid failure of wells and optimum utilisation of expenditure made, a certificate from the concerned Ground Water Department for the availability of water and well-to-well distance to be maintained should be taken before sanctioning the work. Further, as per the model estimate of the well, proper survey and investigation of the work site was required to be carried out to avoid detection of rocks during execution and to decide the suitability of the site as per work requirements.

**A sum of ₹ 1.72 crore was rendered wasteful on collapsed /abandoned irrigation wells**

Scrutiny of records revealed that during the period 2007-12, a sum of ₹ 1.72 crore<sup>9</sup> was rendered wasteful on collapsed/ abandoned irrigation wells (2472 works) in Dumka district and in 244 GPs of two test checked blocks<sup>10</sup> of Ranchi and West Singhbhum districts. The primary reasons for these were emergence of hard rock strata, land disputes and delay in issue of work order during execution. Expenditure incurred on incomplete schemes was rendered wasteful due to poor site selection. Thus, the objective of the scheme to provide durable assets to communities remained un-fulfilled despite incurring of expenditure.

The BDO Kanke accepted the audit observations (August 2012) and stated reasons of high rainfall and delay in carriage of material, while the DDC Dumka stated ( June 2012) that due to land dispute, emergence of hard rock and delay in issue of work order, schemes were closed pre-maturely.

#### **7.1.6 Expenditure incurred in excess of estimated cost**

Scrutiny of the records relating to four works of three GPs<sup>11</sup> revealed that against the estimated cost of ₹ 24.24 lakh expenditure amounting to ₹ 28.10 lakh was incurred due to excess expenditure of ₹ 3.86 lakh on material component. No reasons for excess expenditure were found on record.

<sup>9</sup> Kanke block of Ranchi district (198 scheme ₹ 70.99 lakh ); Dumka district (2250 scheme ₹ 92.76 lakh); Chakradharpur block of West Singhbhum district (24 schemes ₹ 8.35 lakh) = ₹ 172.10 lakh or say ₹ 1.72 crore.

<sup>10</sup> Chakradharpur block of West Singhbhum district and Kanke blocks of Ranchi district.

<sup>11</sup> Atkora, Dumbo and Karaundajor Panchayat of Bharno block of Gumla district.

### 7.1.7 Execution of works without measurement

As per paragraph 6.7.5 of the Operational Guidelines, 2008 measurement will be recorded in the Measurement Books (MB) maintained by qualified technical personnel in charge of the worksite. Verification should be done by qualified personnel a week before payment of wages. Measurement should be done on a daily basis and in a transparent manner.

**₹ 9.16 crore was paid to labourers and suppliers in 587 works without recording measurements in MBs**

- We however, noticed that in Angara block of Ranchi district, 587 works were executed under 20 GPs at ₹ 9.16 crore during 2007-12 in which measurement had not been recorded by the JEs in the MBs. Thus, ₹ 9.16 crore paid to labourers and suppliers against estimated value of ₹ 18.07 crore was irregular as works and services executed by them were not verified by qualified technical persons.
- As per RDD resolution issued in January 2001, measurement of a work is required to be finally approved by the Executive Engineer if the value of work is more than ₹ one lakh. However, we observed that in Bharno Block, district Gumla, ₹ 19.19 lakh was paid to an executing agency without the approval of the competent authority.

The BDO, Bharno accepted the mistake and stated that the building was physically complete and the signature of the Executive Engineer is awaited.

- Further, in five GPs<sup>12</sup> of Bharno block and Minor Irrigation division of Gumla district, an expenditure of ₹ 9.68 lakh was incurred on purchase of material in 12 schemes after final measurement recorded between June 2008 and July 2011. However, the same has been stated to have been utilised in the said schemes between September 2008 and March 2012 i.e. after three to twelve months from the date of completion of the work. DPC, Gumla accepted the audit observation (August 2012).

### 7.1.8 Non-maintenance of created assets

As per paragraph 1.2 (b) of the Operational Guidelines, 2008, through the process of providing employment on works that address causes of chronic poverty, such as drought, deforestation and soil erosion, the Act seeks to strengthen the natural resource base of rural livelihood and create durable assets in rural areas. The maintenance of assets created under the Scheme (including protection of afforested land) was a permissible work under MGNREGS. Further, as per paragraph 9.1 (viii) of Operational Guidelines, 2008 an Asset Register containing details of the asset, its cost, location, current status, benefits derivable and the details of works which have been taken on the asset is required to be maintained by the PO/GP/other implementing agencies.

<sup>12</sup> Atakora, Marashili, Karaundajor, South Bharno and North Bharno.

Neither funds were provided for maintenance of created assets nor were the asset registers maintained in the test checked districts in prescribed formats

During audit we observed that no funds for the maintenance of created assets were provided to any of the test checked districts since budget provision for maintenance of assets was not made by the State Government. None of the test checked districts, blocks and GPs maintained the Assets Registers in the prescribed format. However, as per the information furnished to audit by the six test checked districts, 1,02,727 assets were shown to have been created during 2007-12 after incurring an expenditure of ₹ 553.32 crore. Thus, due to non-maintenance of assets register in the prescribed format, the current status of the created assets could not be ascertained and hence pre-mature loss of 1.03 lakh assets created due to wear and tear and onslaught of weather cannot be ruled out.

In reply, the DPCs accepted (July-August 2012) the audit observations, and assured to take necessary action in this regard.

### 7.1.9 Maintenance of plantation work

According to paragraph 6.1.3 of the Operational Guidelines, 2008, the maintenance of assets created under the scheme including protection of afforested land was to be considered as permissible works under MGNREGS.

₹ 13 crore was rendered infructuous as plantation works allotted to 18 NGOs remained incomplete

We noticed that in Gumla district, 18 Non Government Organisations (NGO) were allotted 24 works relating to plantation of Mango trees, Jatropha, different kinds of fruit plantation, mixed intensive lac orchard, *Safed Musli* and Stevia in 10435.419 acres, at an estimated cost of ₹ 19.41 crore under MGNREGS during 2007-08. We noticed that DRDA, Gumla released ₹ 13 crore for completion of the plantation work. The balance amount was to be released during successive years for maintenance of the plantation. In this connection we observed the following:

- Works like Stevia Crop Plantation and *Safed Musli* cultivation were not to be carried out as per clarification of MoRD.
- None of the 24 plantation works were approved by the Gram Sabha but were approved by DPC.
- Works of Stevia crop plantation and *Safed Musli* were awarded on contract basis to M/s Brahmanand Farms and Research Center, Jamshedpur for ₹ 4.92 crore against which ₹ 4.86 crore were released in contravention of the provisions of the Act.
- ₹ 59 lakh against the estimated cost of ₹ 69 lakh for Jatropha plantation in 679.34 acres were released to an NGO.
- The district administration cancelled all MOUs and agreements with the agencies and lodged FIRs (July 2008) against them (except NGO 'Pradan') for fake purchase of compost. Thereafter physical verification were conducted by the Department (August 2008 to February 2009) and it was found that plantations on only 2433.74 acres (23 per cent) were done, against the approved area of 10435.419 acres. During physical verification survival of 13 lakh plants as against 74.73 lakh plants sanctioned, were reported.

- Consequent to the verification, cases were filed against all agencies for recovery of ₹ 10.13 crore paid to them. The amount was not recovered till June 2012.

DDC, Gumla stated that FIRs had been lodged against the NGOs and certificate cases<sup>13</sup> had also been filed for recovery of Government money. Notwithstanding the post-facto action initiated by the district administration, the entire amount of ₹ 13 crore released was rendered infructuous.

#### **7.1.10 Incomplete Schemes**

**2949 works remained incomplete though ₹ 27.91 crore was incurred on them**

We during audit noticed that in 117 test checked GPs of six sampled districts, 2,949 works which were sanctioned during 2007-12 remained incomplete after a lapse of time of upto five years due to improper planning, slow progress of work, engagement of GRS in multiple works etc. Expenditure on incomplete works was ₹ 27.91 crore. Thus, the State failed to create durable assets with respect to the incomplete works for the use of community, despite incurring huge expenditure.

The DPC, Gumla accepted the audit observations and stated (August 2012) that most of the schemes are physically complete and some schemes are being shown as incomplete due to non-entry of data in MIS. However, he assured to take necessary corrective measures. DPC, Pakur (July 2012) stated that necessary action would be taken to complete the schemes.

#### **7.1.11 Non/short deduction of Royalty and Sales tax**

##### **7.1.11.1 Non /short deduction of royalty**

As per Rule 55 of the Jharkhand Minor Mineral Concession (JMMC) Rules 2004, purchase of minor minerals can be made from lessees/permit holders and authorised dealers only for which submission of challans along with affidavits in form 'O' and particulars in form 'P' is required. Claim of payment will be inclusive of the details of sources of purchase of minerals, the prices paid and the quantities procured, along with the bills. Photocopies of forms 'O' and 'P' so obtained will be submitted to the Mining Department by the implementing agency for verification of the details furnished. If the details furnished were found to be false, either wholly or partly, it was to be presumed that the minerals were obtained by illegal mining and the defaulters were liable to pay the royalty at double the rate as penalty.

We noticed that although minerals were procured without challans and affidavits in the requisite forms, royalty at the prescribed rates were not deducted. This had resulted in short deduction of royalty. Instances are as discussed below:

<sup>13</sup> Certificate Case means recovery case under State Public Demand Recovery Act.

**There was short deduction of royalty amounting to ₹ 12.07 lakh and non deduction of royalty amounting to ₹ 4.12 lakh**

During test check of 25 GPs of six sampled districts and in three line departments<sup>14</sup> in 90 works, there was short deduction of royalty amounting to ₹ 12.07 lakh (2007-12). Similarly, in test checked 11 GPs and three line departments<sup>15</sup> of two districts (Dumka and Pakur), royalty amounting to ₹ 4.12 lakh was not deducted in 45 works.

On this being pointed out the concerned officers stated that action would be taken in this respect.

#### **7.1.11.2 Non-deduction of Sales tax**

Under the provision of Jharkhand Value Added Tax, 2005 and notification<sup>16</sup> issued thereunder, sales tax is deductible at the time of payment at the prescribed rate in respect of the sale or supply of taxable goods to Government departments for any other body/authority of the Government. Guidelines of MGNREGS prescribes that vouchers of materials containing supply of more than ₹ 5,000 will bear the TIN<sup>17</sup> of suppliers.

**Sales tax amounting to ₹ 8.37 lakh was not deducted**

In four line departments<sup>18</sup> materials amounting to ₹ 2.44 crore were procured from unregistered suppliers and sales tax was not deducted. This had resulted in non-deduction of sales tax amounting to ₹ 8.37 lakh<sup>19</sup>.

Executive Engineer, RDS division Gumla, District Engineer, Zila Parishad, Gumla and DFO, Saranda division West Singhbhum accepted the audit observations, while MI Division, Dumka stated that matter would be examined (July-August 2012).

#### **7.1.11.3 Non-deposit of revenue in treasury**

As per financial norms prescribed by the Government any revenue collected on behalf of the Government should be deposited into the proper head of account soon after its collection.

**A sum of ₹ 22.03 lakh deducted as royalty and sales tax was not remitted into the treasury**

Contrary to these instructions, in Zila Parishad, West Singhbhum, ₹ 22.03 lakh in the shape of royalty and sales tax collected from different implementing agencies during the period 2008-11 was not remitted into the treasury for which no reasons were found on records. No reply was furnished by Zila Parishad though called for (July 2012).

<sup>14</sup> Zila Parishad, Ranchi, RDS Division, Gumla, RDS, Dumka

<sup>15</sup> DFO (Tasar), Dumka, DFO(Territorial), Dumka, DFO (Social forestry), Dumka

<sup>16</sup> Letter no. SO 209 Dated 31 March 2006

<sup>17</sup> Tax Identification Number

<sup>18</sup> RDS Division, Gumla, Zila Parishad, Gumla, DFO, Saranda, Forest Division, West Singhbhum and MI, Division Dumka

<sup>19</sup> RDS Division, Gumla (₹ 3.59 lakh), Zila Parishad, Gumla (₹ 3.74 lakh) and DFO, Saranda, Forest Division, West Singhbhum (₹ 0.14 lakh) and MI, Division Dumka(₹ 0.90 lakh)

Similarly in three blocks (Lesliganj, Sisai and Bharno) of Palamu and Gumla districts, ₹ 8.04 lakh<sup>20</sup> deducted as royalty during 2007-10 was not remitted/deposited into Government account (as of June 2012), the reasons for which were not available on the record.

In reply the concerned BDOs stated that action will be taken to remit the Government revenue (May-June 2012).

## **7.2 Conclusion**

Execution of works suffered from several deficiencies such as execution of inadmissible works, sub-standard works and non-adherence of procedures /norms devised for purchase of materials. The Government failed to create durable assets for the use of the community as 2,949 works sanctioned during the period 2007-12 remained incomplete even after lapse of time of upto five years due to improper planning, slow progress of work, engagement of GRS in multiple works etc., despite incurring expenditure of ₹ 27.91 crore.

## **7.3 Recommendations**

- Execution of qualitative works and maintenance of created assets should be ensured;
- Prompt action to deposit the Government receipts in the Government account should be ensured; and
- Efforts should be made to get the incomplete works completed at the earliest to create durable assets for the use of community.

<sup>20</sup> BDO Lesliganj (₹ 2.15 lakh), BDO Sisai (₹ 2.28 lakh) and BDO, Bharno (₹ 3.61 lakh)