Chapter 2

Performance Audit

2.1 Implementation of Total Sanitation Campaign/Nirmal Bharat Abhiyan

Executive Summary

Government of India (GoI) launched in the year 1999 the Total Sanitation Campaign (TSC), a community-led comprehensive programme to ensure sanitation facilities in rural area. To provide a boost to the programme, a post achievement award scheme, the *Nirmal Gram Puraskar* (NGP) was introduced in 2003 as an incentive scheme for fully sanitized and open-defecation-free *Gram Panchayats*, blocks, districts and States. Encouraged by the success of NGP, TSC was revamped as *Nirmal Bharat Abhiyan* (NBA) with effect from 01 April 2012 with the objective to accelerate the sanitation coverage to achieve the vision of *Nirmal Bharat* by 2022 with all *Gram Panchayats* (GPs) in the country attaining *Nirmal* status. The Performance Audit on the implementation of the Scheme in Uttar Pradesh was conducted covering the period from 2009-10 to 2013-2014 (five years). Some of the major audit findings are discussed below.

• During 2009-14, expenditure of ₹ 1,867.90 crore was incurred on implementation of the scheme out of available fund of ₹ 2,259.94 crore. There was delay ranging from one to four months in release of State matching share.

(Paragraphs 2.1.7.3 and 2.1.7.4)

• Registration of State Sanitation Mission and 10 District Sanitation Missions under Society Registration Act, 1860 were expired and these were not renewed since last two to seven years. Block Resource Centers to be set up for Information, Education and Communication (IEC) and capacity building were also not established as of June 2014.

(*Paragraph 2.1.8.1*)

• During 2012-14, under NBA, 0.84 lakh IHHLs for BPL families were constructed in the test-checked districts as against the target of 1.62 lakh IHHLs (48 *per cent* shortfall). Further, 1.56 lakh out of 2.96 lakh IHHLs planned for APL families were constructed (47 *per cent* shortfall). Out of 23 lakh BPL IHHLs constructed under TSC till March 2012, 12.18 lakh (53 *per cent*) IHHLs were found defunct in baseline survey of 2013.

(*Paragraph 2.1.9.1*)

• The activities under convergence from Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) amounting to ₹ 15.84 lakh were not ensured timely, which resulted in non-provision of 35,200 IHHLs in test-checked districts.

(*Paragraph 2.1.10.3*)

• District implementing agencies were required to transfer central grants alongwith matching state share received for works to GPs. However, 10 test-checked DSMs, while transferring funds during 2010-14 deducted ₹ 10.93 crore for purchasing 2.42 lakh rural pans/pipes though it was inadmissible.

(*Paragraph 2.1.10.5*)

• IEC activities were not taken up vigorously. Out of ₹ 239.09 crore available for IEC in the State during 2009-14, the expenditure on various IEC activities was only ₹ 83.55 crore (35 per cent).

(*Paragraph 2.1.11.1*)

• IHHLs provided to 438 beneficiaries were not found in beneficiary survey conducted by Audit. Of the 2,644 beneficiaries responded in the survey, 1,266 beneficiaries stated that they were defecating in open areas.

(*Paragraph 2.1.12*)

• Inadequate monitoring resulted in slow progress of the scheme. Evaluation study of the scheme was not conducted, though required under the scheme guidelines.

(Paragraphs 2.1.13.2 and 2.1.13.5)

2.1.1 Introduction

Government of India (GoI) launched in the year 1999 the Total Sanitation Campaign (TSC), a community-led comprehensive programme to ensure sanitation facilities in rural areas with broader goal to eradicate the practice of open defecation. TSC has evolved from Central Rural Sanitation Programme (CRSP), which was a supply-driven programme launched by GoI in 1986 for providing sanitation facilities in rural areas. TSC was demand-driven and gives emphasis on Information, Education and Communication (IEC), capacity building and hygiene education for effective behavioral change among the rural people and to generate demand for sanitary facilities. The objective of TSC was to accelerate the sanitation coverage in the rural areas to access toilets to all by 2017.

To provide a boost to the programme, GoI launched (October 2003) the *Nirmal Gram Puraskar* (NGP), an award based on incentive for fully sanitized and open defection free *Gram Panchayat*, Block, District and State level. Encouraged by the success of NGP, the TSC was revamped as *Nirmal Bharat Abhiyan* (NBA), with effect from 01 April 2012 through renewed strategies and saturation approach. The objective of NBA was to accelerate the sanitation coverage in the rural areas so as to comprehensively cover the rural community to achieve the vision of *Nirmal Bharat* by 2022 with all *Gram*

Panchayats in the country attaining Nirmal status and to cover the remaining schools not covered under Sarva Shiksha Abhiyan (SSA) and Anganwadi Centres.

The Scheme was started in 1999-2000 in four districts¹ of the Uttar Pradesh and 70 districts were covered up to 2003-04. Subsequently, one district, Kanshiram Nagar, was taken up in 2010-11 and four new districts (Amethi in July 2010, Hapur, Sambhal and Shamli in September 2011) created after reorganisation of the existing 71 districts were also covered under the scheme (TSC/NBA).

2.1.2 Components of TSC/NBA

Various components of TSC/NBA are discussed in *Appendix 2.1.1*. The Start-up Activity component was taken up for preliminary survey, baseline survey, orientation to key personnel and preparation of State Plan. For awareness generation, Information, Education and Communication activity (IEC) and for providing toilets, Construction of IHHL activity, were taken up. Hardware was to be ensured under Rural Sanitary Mart and Production Center activity. Construction of Community Sanitary Complex (CSC), Institutional toilets and Solid and Liquid Waste Management (SLWM) were taken up under the respective activity components. Revolving funds and administrative charges were also the components of TSC/NBA. Two new components viz. Capacity Building and Maintenance of Assets were incorporated under NBA.

2.1.3 Organisational structure

Panchayati Raj department is the nodal department for implementing the scheme. State Sanitation Mission is set up at the State level and District Sanitation Mission is established in each district. Block Resource Center and Village Water and Sanitation Committee (VWSC) implement the TSC/NBA at block and GP levels. The organisational structure at the State, District, Block and Village level are depicted in **Chart 1**.

Chart 1: Organisational structure at State, District, Block and GP level

State Sanitation Mission Communication and Capacity Supervision and implementation of TSC/ **Development Unit** NBA in the project districts. Deal with the State level Ensure convergence among line departments, IEC and HRD. Preparation of Annual Implementation Plan, Plan communication receipt of grant-in-aid from GoI and State strategy for the State. Government. Provide support to districts Disbursement of the grants to the DSMs. in developing good IEC.

District Sanitation Mission

- Preparation of Annual Implementation Plan.
- Ensure Fund Flow to the GPs.
- Implementation of the district TSC/ NBA project with appropriate IEC strategies and convergence mechanisms.
- Review and monitor of the programme implementation to achieve sustainable Nirmal Grams.

¹ Chandauli, Lucknow, Mirzapur and Sonbhadra.

Block Resource Centre

- Provide guidance, support and monitor sanitation status in GPs.
- To help the village community in formation of VWSCs.
- Take up awareness generation.
- Conduct training courses at block and village level for members of VWSCs, GPs and other grassroots level workers *viz*. Accredited Social Health Activist, *Anganwadi* workers, school teachers, self-help groups, *Mahila* and *Yuvak mandals etc*. on various aspects of sanitations.



Village Water and Sanitation Committee

• Provides support in terms of motivation, mobilisation, implementation and supervision of the programme at GP level.

(Source: Guidelines of the scheme)

2.1.4 Audit Objectives

The Performance Audit of the TSC/NBA was undertaken to ascertain whether:

- Funds were released, accounted for and utilised in accordance with the guidelines issued under the scheme;
- Planning for the implementation of the scheme at different levels was adequate, effective and was aimed towards achievement of the objectives of the scheme;
- Targets set in terms of number of units under various components of the scheme were sufficient to achieve and sustain the vision of *Nirmal Bharat* by 2022 with all GPs in attaining *Nirmal* status;
- System of selection of *Gram Panchayats* was transparent and construction of infrastructure under various components of the scheme was in accordance with parameters set out in the scheme guidelines. Activities under convergence from other programmes/stakeholders as envisaged was effectively achieved;
- IEC under the scheme was effective in generation of demand of TSC/NBA services through community mobilization; and
- Mechanism for monitoring and evaluation of outcomes of the scheme was adequate and effective.

2.1.5 Audit Criteria

The main sources of audit criteria for the Performance Audit were:

- TSC guidelines, NBA guidelines, IEC guidelines, Guidelines for the award of *Nirmal Gram Puraskar*, Guidelines for engagement of *Swachchata Doot / Prerak*, notifications and circulars issued by Ministry of Drinking Water and Sanitation (GoI);
- Provisions of Financial Hand Books; and
- Physical and financial progress reported under Management Information System (MIS) available on website of the scheme (tsc.gov.in).

2.1.6 Scope and methodology of audit

The Performance Audit covered activities of TSC/NBA for the period of 2009-14. Records were examined in the offices of the Principal Secretary (*Panchayati Raj*), SSM and implementing agencies in the 15 sampled districts (Auraiya, Azamgarh, Bijnor, Deoria, Gorakhpur, Hardoi, Jalaun, Kaushambi, Kushinagar, Lakhimpur Kheri, Mirzapur, Pilibhit, Pratapgarh, Sitapur and Varanasi). These districts were selected using PPSWR² method. In the sampled districts, 42 blocks and 420 *Gram Panchayats* (GPs) were selected (*Appendix 2.1.2*) using SRSWOR³ method. For beneficiary survey and joint physical inspection of toilets, 2,683 beneficiaries using SRSWOR method were also sampled.

The Performance Audit commenced with an Entry Conference with the Principal Secretary (*Panchayati Raj*) on 26 May 2014, wherein the audit objectives, methodology, scope and criteria were discussed. After completion of audit, draft report was issued to the State Government on 30 September 2014. Replies received from the Government have been suitably incorporated.

An Exit Conference with the State Government was also held on 4 February 2015 to discuss the audit findings and recommendations. The Government accepted the recommendations. The outcome of the Exit Conference has been suitably incorporated in the report.

Audit findings

2.1.7 Financial management

2.1.7.1 Fund flow

The **Chart 2** depicts fund flow under the scheme during 2009-14. The figures given in the **Chart 2** are the status of funds flow.

Government of India
(₹ 1,135.13 crore)

State Government
(₹ 595.61 crore State share/incentive)

State Sanitation Mission
(₹ 1,867.90 crore)

District Sanitation Missions

Chart 2: Fund flow under the scheme

2.1.7.2 Funding pattern

TSC/NBA is funded on cost-sharing basis among GoI, State Government and beneficiary. For implementation of the scheme, one district was considered as one project and funds were earmarked for various activities in terms of percentage of the total project outlay of the district. During 2009-14, the funding pattern for IHHLs kept changing under TSC/NBA. The component wise funding pattern is given in **Table 1**.

² PPSWR- Probability Proportional to Size With Replacement.

³ SRSWOR- Simple Random Sampling Without Replacement.

Table 1: Component-wise earmarking of funds and funding pattern under NBA

Sl.	Component	Fund earmarked		Share (<i>Per cei</i>	nt)
No.		(As a percentage of a district/ project outlay)	GoI	State Government	Beneficiary
1.	IEC, Start Up Activity and Capacity Building	Up to 15 per cent	80	20	0
2.	Revolving Fund	Up to 5 per cent	80	20	0
3.	Individual Household Latrines	Actual amount required for full coverage	₹ 3,200 ⁴	₹ 1,400	₹ 900
4.	Community Sanitary Complexes	Actual amount required for full coverage	60	30	10
5.	Institutional Toilets	Actual amount required for full coverage	70	30	0
6.	Administrative charges	Up to 4 per cent	80	20	0
7.	Solid and Liquid Waste Management (Capital cost)	Actual amount as per SLWM project cost within limits permitted	70	30	0

(Source: NBA guidelines issued by MoDWS)

We noticed that the test-checked districts did not maintain records of component-wise sharing of funds, restricting its examination by Audit.

The Government stated (February 2015) that instruction to the districts for recording of component wise sharing of funds have been issued.

2.1.7.3 Financing of the scheme

Status of funds released, total availability of funds and the expenditure incurred under the scheme in the State during 2009-14 is given in **Table 2**.

Table 2: Fund released, total availability of funds and expenditure

(₹ in crore)

							(/
Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	Status of 2009-14
1.	Opening balance	393.36	378.91	400.09	299.46	374.68	393.36
2.	Funds released by GoI	115.05	225.94	169.77	256.85	367.52	1,135.13
3.	Funds released by State Government	242.93	78.14	22.96	35.47	79.30	458.80
4.	Incentive/other release	82.39	18.28	26.83	9.31	0	136.81
5.	Interest	17.46	29.00	14.01	12.77	14.79	88.03
6.	Other receipts	0	0	15.47	13.17	19.17	47.81

⁴ ₹ 3,700 were prescribed for hilly and difficult areas.

7.	Total availability of funds	851.19	730.27	649.13	627.03	855.46	2,259.94
8.	Expenditure	451.63	341.93	348.26	325.47	400.61	1,867.90
9.	Closing Balance	399.56	388.34	300.87	301.56	454.85	454.85 ⁵

(Source: Data provided by SSM)

Financing of the Scheme in the 15 test-checked districts during 2009-14 is given in **Table 3**.

Table 3: Fund released, total availability of funds and expenditure of the test-checked districts

(₹ in crore)

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	Status of 2009-14
1.	Opening balance	101.17	83.37	94.12	85.12	101.04	101.17
2.	Funds released by GoI	33.05	73.35	59.45	83.30	95.04	344.19
3.	Funds released by State Government	70.15	12.99	11.57	11.11	24.60	130.42
4.	Incentive/other release	14.86	5.39	20.45	0.00	0.00	40.70
5.	Interest	2.96	5.24	2.92	3.29	3.05	17.46
6.	Other receipts	13.74	7.39	6.13	11.38	6.25	44.89
7.	Total availability of funds	235.93	187.73	194.64	194.20	229.98	678.83
8.	Expenditure	152.56	93.61	109.52	93.16	102.82	551.67
9.	Balance	83.37	94.12	85.12	101.04	127.16	127.16

(Source: Test-checked districts)

It would be seen from the **Table 3** that test-checked districts spent ₹ 551.67 crore out of the total available fund of ₹ 678.83 crore during 2009-14 leaving unspent balance (₹ 127.16 crore) ranging between ₹ 83.37 and ₹ 127.16 crore.

The Government stated (February 2015) that the funds to the districts were received delayed due to which balance of funds was created.

2.1.7.4 Release of State share

As per Paragraph 13.2 of the NBA guidelines, the Central share was to be released alongwith the matching State share to the District implementing agency within 15 days of receipt of Central grants. The District Implementing

⁵ At the end of 2013-14, the closing balance ₹ 454.85 crore is equal to ₹ 2,259.94 crore minus ₹ 1,867.90 crore + ₹ 62.81 crore. As informed by SSM, the differences were because of the grants in transit and un-cashed cheques not taken into UCs prepared by district auditors.

Agency was to transfer funds to GPs within 15 days of its receipt and interest accrued on NBA funds was to be treated as receipt of fund under the scheme.

Audit noticed that during 2012-14, the SSM released Central share to test-checked districts with a delay ranging between two and 20 days and the State matching share by one to four months. During 2009-14, the State shares released through State treasuries were drawn and credited to DSM's TSC/NBA bank accounts in test-checked districts with delays ranging between 16 and 348 days (*Appendix 2.1.3*). Further, there was delay of more than two months in transfer of funds from test-checked districts to GPs.

In reply, Government stated (February 2015) that the TSC/NBA funds were drawn delayed from treasuries due to State Government's order for drawl of funds for two months requirement at a time. However, during Exit Conference (February 2015), the Government assured to issue directives for timely release of funds.

2.1.7.5 Operation of Fund

As per Paragraph 13.1 and 14.1 of the TSC guidelines, funds under the scheme were to be kept in a separate saving bank account opened in nationalised banks. The household/beneficiary contribution was not to be deposited in this account. Further, the interest accrued on TSC funds was to be treated as part of the TSC resources.

Audit noticed that prior to 2009-10, funds under the scheme were released directly to project districts. From 2009-10, these were released in saving bank account of SSM. From 2011-12, funds from other scheme viz. *e-Panchayat* were also credited in the SSM's bank account.

Separate bank account for TSC at GP level was not opened and funds were kept (*Gram Nidhi-1*) alongwith the 12th and 13th Finance Commission Grants and State Finance Commission Grants. Consequently, the interest earned on TSC funds could not be determined in audit. However, for NBA, separate bank accounts (*Gram Nidhi-6*) in test-checked GPs were opened (October 2012). Further, DSM Kushinagar and Jalaun operated two parallel bank accounts from October 2012 to June 2014.

The Government, while accepting the observations stated (February 2015) that separate bank account for SSM had been opened and the additional bank account in the districts had been closed. During Exit Conference (February 2015), the Government confirmed that the funds are now being kept separately.

2.1.7.6 Non-utilisation of funds provided for IHHLs

As per Paragraph 13.2.2 of the NBA guidelines, funds were to be transferred by DSMs to the implementing agencies (GPs) for works of IHHLs or construction of other components of the scheme in a financial year.

Audit noticed that the funds transferred by the DSMs in 84 test-checked GPs during 2009-13 for providing IHHLs remained unutilised. The closing balances of these GPs aggregated to ₹ 17.18 lakh (2009-10), ₹ 34.15 lakh (2010-11), ₹ 39.58 lakh (2011-12) and ₹ 7.34 lakh (2012-13) (*Appendix 2.1.4*). Further, in Kushinagar, ₹ 0.52 lakh sanctioned for construction of IHHLs was spent on non-sanitation activities by GP, Madhopur Gaujahi of block Vishunpura in 2009-13.

The Government stated (February 2015) that under NBA, the funds required under convergence from MGNREGS were not received timely which caused parking of funds in bank accounts.

Reply was not acceptable as ₹ 90.91 lakh out of ₹ 98.25 lakh fund balance was pertaining to pre-NBA period during which convergence was not provisioned.

The Government should ensure timely release of funds and ensure that there should not be blockage of funds.

2.1.8 Planning

2.1.8.1 Institutional set up

At the State level, a State Sanitation Mission (SSM) and at district level a District Sanitation Mission (DSM) were to be set up and registered under Society Registration Act, 1860. Further, at block level, Block Resource Centers (BRCs) were to be set up and manned with Block and Cluster Coordinators to help village community, create awareness generation and conduct training courses at block and village level.

Audit noticed the following deficiencies in establishment of institution arrangement for the scheme in the State:

- State Sanitation Mission was set up and registered under Society Registration Act, 1860 in February 2002. The registration of SSM expired in February 2012 but the registration was not renewed as of September 2014.
- District Sanitation Missions (DSMs) in test-checked 15 districts under the chairmanship of District Magistrates were set up and registered under the Society Registration Act during 2002-04, except DSMs of Kaushambi, Lakhimpur Kheri and Sitapur. The registration of 10 DSMs ⁶ had expired since five to seven years back, but it was not renewed as of June 2014.
- BRCs were not set up as of June 2014 in any of the test-checked districts. Consequently, the envisaged objectives for creation of the BRCs remained unachieved.

The Government, while accepting the audit observations stated (February 2015) that DSM Kaushambi has been registered and registration of the

⁶ Auraiya, Azamgarh, Bijnor, Deoria, Hardoi, Jalaun, Kushinagar, Mirzapur, Pratapgarh, and Varanasi.

remaining DSMs is under process. Directions for renewal of registration of SSM/DSMs have been issued and suitable action for setting up of BRCs is underway.

2.1.8.2 Implementation Plans

As per Paragraph 18.1 of the NBA guidelines, a revised Project Implementation Plan (PIP) for the period 2012-2022 was to be prepared by the DSMs. The project proposal including all components of NBA was to be based on baseline survey report, latest Census data of districts. As per Paragraph 12.2 of the NBA guidelines, an Annual Implementation Plan (AIP) was also to be prepared by identification of *Gram Panchayats* to be saturated for attaining the project objectives. The GP plans were to be consolidated into Block Implementation Plan and further into district AIP.

An analysis of PIP and AIP revealed the following:

- Audit noticed that the revised PIP (2012-22) based on the results of base line survey was prepared in January 2013. However, data incorporated in PIPs were at variance with that of the baseline survey reports of the districts. In the revised PIPs, eight districts⁷ short planned for 6.36 lakh IHHLs and five districts⁸ planned for 0.22 lakh IHHLs in excess of the IHHL's requirement indicated in the baseline survey reports.
- The data of total number of households, households with and without toilets as per baseline survey report (January 2013) and that as per Census Report-2011 also did not match (*Appendix 2.1.5*). However, the fact of deviation was not incorporated in the project proposal though it was to be incorporated as per guidelines for preparation of PIP.
- The AIPs prepared at the district level were not originated from GPs and were not consolidated into Block level Implementation Plans and district AIPs as envisaged.
- In view of PIPs, 1,67,926 IHHLs (1/10 of PIP) for BPL families in each year were required to be planned by these DSMs. However, only 88,204 and 73,419 IHHLs in 2012-13 and 2013-14 respectively were planned by the DSMs. Similarly, 1,23,328 and 1,72,738 IHHLs for APL families were planned in 2012-13 and 2013-14 respectively against the required planning of 3,55,457 IHHLs in each year. Details of short planning in other components are given in *Appendix 2.1.6*.

The Government stated (February 2015) that the funds under convergence from MGNREGS were received delayed which caused non-achievement of the targets. However, the Government did not furnish reply for non-fixation of the targets in AIPs as per scheme guidelines.

⁷ Deoria, Hardoi, Jalaun, Kaushambi, Mirzapur, Pratapgarh, Sitapur and Varanasi.

⁸ Auraiya, Bijnor, Gorakhpur, Lakhimpur Kheri and Pilibhit.

- For ensuring sustainable development of sanitation facilities, the prescribed institutions at each level should be made functional by the Government.
- The Government should ascertain that the proportionate (1/10 of PIP) NBA activities should be planned every year to achieve the objective of NBA timely.

2.1.9 Execution of the scheme

2.1.9.1 Physical progress of the scheme

In order to declare the country *Nirmal Bharat*, a plan for ensuring IHHL in every rural household was to be prepared and executed during 2012-22. Community, particularly all family members were to be trained for proper upkeep and maintenance of the toilets. Priority for girl's toilets and toilets for the differently abled children in schools was to be given. *Anganwadi* workers were to be trained to impart hygiene education to the children and mothers for behavioral change from very early stage in life. The assistance of professional agencies/NGOs to develop/test/implement SLWM projects was also to be taken.

The performance of different components of the TSC compared to the targets fixed in test-checked districts indicated shortfalls ranging between zero (CSC) and 97 per cent (SLWM) (*Appendix 2.1.7*). The physical progress vis-a-vis planned activities is discussed below:

Individual household latrines

We during Performance Audit noticed that under TSC, 23 lakh IHHLs against the project objective of 24.86 lakh IHHLs for BPL families were provided in the test-checked districts. Of these 12.18 lakh toilets (53 *per cent*) were found defunct in the baseline survey conducted in January 2013 (*Appendix 2.1.8*). Further, the test-checked districts provided 21.56 lakh IHHLs against the objective of 28.71 lakh APL IHHLs.

Table 4 depicts year wise physical progress of IHHL of BPL and APL families under NBA in test-checked districts during 2012-14.

Table 4: Physical progress of IHHLs in NBA

(In number)

Year	Planned in PIP	Planned in AIP	Actual Progress	Shortfall	Percentage shortfall				
	IHHL BPL								
2012-13	16,79,264	88,204	19,718	68,486	78				
2013-14		73,419	64,416	9,003	12				
Total	16,79,264	1,61,623	84,134	77,489	48				
		IHH	L APL						
2012-13	35,54,572	1,23,328	37,800	85,528	69				
2013-14		1,72,738	1,18,338	54,400	31				
Total	35,54,572	2,96,066	1,56,138	1,39,928	47				

(Source: AIP and PIP of test-checked districts)

As evident from **Table 4** that 0.84 lakh IHHLs for BPL families out of 1.62 lakh IHHLs planned and 1.56 lakh IHHLs for APL families out of 2.96 lakh IHHLs planned were provided during 2012-14. Thus, there was a shortfall of 48 and 47 *per cent* under IHHL BPL and IHHL APL respectively in the test-checked districts. The community, particularly the members of the family were not trained for proper upkeep and maintenance of the sanitation facilities created.

Table 5 indicates shortfall in various other components of NBA in test-checked district during 2012-14.

Table 5: Physical progress of other components in NBA

(In number)

Sl. No.	PIP Components	Planned in PIP	Planned in AIP	Actual Progress	Shortfall	Percentage shortfall					
	2012-13										
1.	Community Sanitary complex	1,282	323	5	318	98					
2.	School toilets	5,021	1,085	60	1,025	94					
3.	Anganwadi toilets	7,592	174	33	141	81					
4.	SLWM	13,384	4,831	49	4,782	99					
			2013-14								
1.	Community Sanitary complex	1,282	89	0	89	100					
2.	School toilets	5,021	952	0	952	100					
3.	Anganwadi toilets	7,592	0	0	0	0					
4.	SLWM	13,384	1,996	21	1,975	99					

(Source: AIP and PIP of test-checked districts)

• Community Sanitary Complexes

In 2012-13, a shortfall of 98 *per cent* (318 CSCs) in planned Community Sanitary Complexes was noticed. Further 100 *per cent* shortfall in construction of CSCs (89) was noticed in 2013-14. CSCs were constructed only when there is lack of space in the households and at the places in the village acceptable and assessable to all. Department did not analyse reasons for shortfall in achievement to take corrective actions.

• School toilets

Adequate number of toilet units was not constructed to meet the requirements of schools as per strength of the students attending the schools. Priority to girl's toilets was given but not to the children with special needs. Assurance for provision of adequate funds for maintenance of school/*Anganwadi* toilets was not obtained from concerned departments. The implementing agencies did not ensure good co-ordination with Department of Education in order to provide a safe and healthy learning environment to all children in the schools. No teacher in the schools was trained in hygiene education to train the children through interesting activities and community projects emphasizing importance of hygiene.

Further shortfall in progress of providing toilets to schools was 94 *per cent* (1,025 toilets) during 2012-13 and toilets during 2013-14 were not constructed. Department did not analyse reasons for shortfall in achievement to take remedial action.

• Anganwadi toilets

Baby friendly toilets were constructed in all *Anganwadis* operating out of Government buildings. But all other *Anganwadis* (operating from private buildings) were not covered for construction of toilets and no incentive was paid to the private owner of the *Anganwadis*. *Anganwadi* workers were not trained to impart hygiene education to the children and mothers for behavioral change from very early stage in life.

Further, shortfall of toilets for *Anganwadis* during 2012-13 was 81 *per cent* (141 toilets) and toilets for *Anganwadis* during 2013-14 were not planned. Department did not analyse reasons for shortfall in achievement.

• Solid and Liquid Waste Management

Shortfall in progress of SLWM was 99 per cent (4,782 SLWM) during 2012-13 and against 1,996 SLWM planned, only 21 SLWM were provided during 2013-14. The financial assistance to implement sustainable SLWM projects in all GPs was capped on number of household basis and in accordance with varying cost sharing pattern. The activities like compost pits, vermin-composting, common and individual biogas plants, low cost drainage, soakage channels/pits, reuse of waste water and system for collection, segregation and disposal of household garbage were not taken up under SLWM. The assistance of professional agencies/NGOs to develop/ test/implement SLWM projects was also not taken. Reasons for shortfall in achievement were not analysed and corrective actions were not taken.

Thus the programme was not accelerated to achieve the target of *Nirmal Bharat* by 2022.

The Government stated (February 2015) that delay in convergence from MGNREGS was the reason for non-achievement of the targets. No reply was given for the period 2009-12 during which convergence was not provisioned in the TSC guidelines. However, during Exit Conference (February 2015), the Government assured to issue necessary instruction in this regard.

The Government should ensure timely completion of different activities of the scheme.

2.1.10 Construction of infrastructure

2.1.10.1 Incorrect identification of GPs

As per Paragraph 12.5 of NBA guidelines, the enlistment of *Gram Panchayats* was to be done in such a manner that all GPs in a Block/District are covered progressively.

We during Performance Audit noticed that:

- DSM did not follow the envisaged approach for selection of GPs. During 2009-12, the test-checked districts preferentially provided toilets under TSC to the beneficiaries of 2,431 villages identified under the State Government flagship programme 'Dr. Ambedkar *Gram Vikas Yojana*'. Similarly, during 2012-14, 885 villages identified under 'Dr. Ram Manohar Lohia *Gram Vikas Yojana*' were preferred by the districts for providing toilets under NBA (*Appendix 2.1.9*).
- DSM Kushinagar identified 83 GPs and released (2011-12) ₹ 63.05 lakh for construction of 2,866 IHHLs of BPL families. However, as per records, these GPs were already saturated in 2010-11. Thus, the BPL families in these GPs were allowed additional unit of IHHLs.

The Government in its reply stated (February 2015) that the villages were selected on the directives of the State Government. Further, an enquiry for double release of funds for toilets in Kushinagar district was assured by the Government.

Reply was not acceptable as the selection of villages was not based on saturation approach prescribed in the NBA guidelines.

The Government should ensure identification of GPs as per the directives of the guidelines.

2.1.10.2 Construction of toilets by implementing agencies

As per Paragraph 5.4.1 of the NBA guidelines, construction of household toilet was to be undertaken by household itself and on completion and use of the toilet, cash incentive was to be given to the household in recognition of its achievement. The demand for sanitary facilities in rural areas was to be triggered through behavioral change. Village level motivators were to be engaged for inter-personnel communication and door to door contact for motivating rural people to adopt hygiene behaviour as a way of life and thereby develop and maintain sanitation facilities.

We during Performance Audit noticed that village level motivators were not engaged and the objective of behavioral change for developing and maintaining the IHHLs by the rural people was not ensured. Consequently, beneficiaries of the scheme continued practice of defection in open area as discussed in Paragraph 2.1.12.

We further noticed that the construction of IHHLs was done by the scheme implementing agencies (GPs) instead of by the beneficiaries. Thus, IHHLs were not provided in demand driven mode, which defeated the scheme objective of construction of IHHLs by the beneficiaries.

The Government accepted the audit findings (February 2015) related to the behavioral aspect and stated that the construction of the toilets was done by the beneficiary with the help of the GPs.

Reply was not acceptable because the toilets were to be constructed by beneficiaries and incentive was to be given by GPs only after ensuring their usage. Positive behavioral change in the beneficiaries was to be ensured through IEC by the Government.

2.1.10.3 Non-completion of IHHLs due to delay in convergence

As per NBA guidelines, the convergence of the programme was to be ensured with MGNREGS. All the unskilled and skilled work was to be carried out from the MGNREGS funds. For completion of the IHHLs, the activities under convergence from MGNREGS were to be completed timely.

Audit noticed that seven out of 15 DSMs of test-checked districts released funds (₹ 27.63 crore) to GPs for construction of 60,072 IHHLs during 2012-14. However, construction of 35,200 IHHLs was not completed due to delay in release of funds (₹ 15.84 lakh) under convergence from MGNREGS as of July 2014 (*Appendix 2.1.10*). Thus, lack of co-ordination among the departments implementing the two schemes, MGNREGS and NBA, resulted in non-completion of 35,200 IHHLs.

Scrutiny of records further revealed that dovetailing of funds from other resources like MPLADS, MLALADS and State/GP funds was not ensured to meet the additional cost of Institutional toilets, SLWM and to meet the community contribution. Thus, the envisaged convergence of NBA with other schemes was not ensured fully.

The Government accepted the facts and assured (February 2015) that suitable action will be taken.

The Government should ensure timely availability of funds from the scheme covered under convergence of NBA.

2.1.10.4 Sanitary Hardware Marts

As per Paragraph 5.5.1 of NBA guidelines, Rural Sanitary Mart (RSM) was a recognised outlet for sanitary hardware. The aim of having RSM was to provide materials, services and guidance needed to the beneficiaries for constructing different types of latrines and other sanitary facilities for clean environment. Interest free loan recoverable in 12-18 instalments after one year from the date of receiving the loan was to be provided for establishing RSM/Production Center (PC).

Audit noticed that five out of 15 test-checked districts provided funds of ₹ 49.74 lakh to the RSMs/PCs without indicating conditions for recovery of loan. Due to which, recovery of the loan amount was not made as of June 2014 (*Appendix 2.1.11*).

In reply, the Government (February 2015) stated that instruction for recovery of the loans has been issued to the districts.

2.1.10.5 Purchase of rural pans and other items

As per Paragraph 13.2 of the NBA guidelines, district implementing agency required to transfer central grants alongwith matching state share received for works to GPs and as per Paragraph number 5.5.1 of the guidelines, RSMs were to ensure that a variety of pans (ceramic, mosaic, HDP, fiberglass) are available for choice of the beneficiaries.

We during Performance Audit noticed that:

- At the instance (May 2010) of Director (*Panchayati Raj*), 10⁹ out of 15 test-checked DSMs, while transferring funds to GPs, deducted (₹ 10.93 crore) estimated cost of sanitary rural pans, pipes etc. during 2010-14 and purchased 2.42 lakh rural pans/pipes at districts level by engaging *Zila Panchayat Udyogs/ Zila Swachchata Kendras* on contract basis without inviting open tenders. Payments to the suppliers were released in advance without its admissibility under the TSC/NBA guidelines. Moreover, purchase of these items by the implementing agencies was not admissible.
- Documents confirming actual supply of the rural pans etc. by *Zila Panchayat Udyog*, Khairabad, Sitapur were not produced to audit though called for (June 2014).
- In Kushinagar, an amount of ₹ 18.23 lakh deducted for purchase and supply of 3,086 pans, 1,351 pit covers etc. was not utilised by the district as of June 2014.
- Rural pans/pipes (8,217 rural pans, pipes and pit covers) etc. purchased for 210 GPs of seven blocks by the DSM Jalaun for ₹ 74.70 lakh remained unused since August 2010. Photograph below depicts the states of unutilised stores.



Rural pans, pipes etc., dumped in GP, Lohargaon, block Kadaura, district Jalaun.

⁹ Auraiya (₹ 69 lakh), Azamgarh (₹ 20.40 lakh), Deoria (₹ 53.93 lakh), Gorakhpur (₹ 29.85 lakh), Hardoi (₹ 125.63 lakh), Jalaun (₹ 182.56 lakh), Kushinagar (₹ 331.20 lakh), Mirzapur (₹ 152.51 lakh), Pilibhit (₹ 33.04 lakh) and Sitapur (₹ 94.41 lakh).

Thus, the deficiencies mentioned above adversely impacted the functioning of the scheme on various accounts viz. advance payments, non-confirmation of actual purchase, non-provision of funds to GPs and non-utilisation of pans purchased etc.

The Government in reply (February 2015) stated that during inspections, non-availability of rural pans in GPs was noticed. Hence the decision to purchase the rural pans from outside the State through *Zila Panchayat Udyogs/ Zila Swachchata Kendras* was taken by the Director (*Panchayati Raj*). Replies on other issues were not furnished.

Reply was not acceptable as purchase of rural pans at district level was in contravention to the scheme guidelines.

IHHLs should be constructed by beneficiaries and availability of variety of pans at RSMs for the choice of the beneficiaries should be ensured.

2.1.10.6 Nirmal Gram Puraskar

Nirmal Gram Puraskar (NGP) was to be awarded on the basis of eligibility criteria prescribed in NGP guidelines 2010. The award money was to be released in two equal instalments: the first instalment was to be given at the time of award of NGP and the second instalment after two years of maintenance of Open Defecation Free (ODF) status by the GP. As per NGP guidelines 2012, the instalments were to be released in the ratio of 25:75 and the award money was to be utilised on sanitation purposes only.

• Declaration of Nirmal Grams

Audit noticed that at the direction of Director (*Panchayati Raj*) (September 2007), DSM Pilibhit submitted applications of 10 *per cent* of GPs for NGP-2008. While forwarding applications, DSM Pilibhit stated that works in the GPs as per prescribed standard was not completed. Despite this, seven GPs were awarded NGP in October 2008.

It was also observed that the NGP awarded GPs did not implement:

- the SLWM component of the TSC;
- the resolution to ban open defecation and impose penalty on the offenders; and
- functional mechanism for garbage disposal.

Thus, NGP status was given to seven GPs though these GPs did not qualify for declaration as *Nirmal* (open defecation free).

• Delay in release of award money

We further noticed that the award money of ₹ 12 lakh to the seven GPs of Pilibhit was released in 2010 in a single instalment. Similarly, there was delay of release in the award money (₹ 0.82 lakh) of NGP-2012 to GP, Badshahpur Laxmisen of block Dhampur of the district Bijnore, as it was released in July

2014. However, before releasing the total award money in one installment, fulfillment of the condition of two years of ODF status by the GPs was not ascertained.

• Utilisation of award money in non-sanitation purposes

Three GPs¹⁰ of 3 test-checked districts spent an amount of NGP (₹ 1.94 lakh) on non-sanitation purposes such as purchase of tin and benches for primary school, flooring tiles and painting of *Panchayat Bhawan*, *Anganwadi* Centers and construction of *Khadanja* roads etc.

During Exit Conference (February 2015), the Government stated that delayed release of funds from GoI was the reason for providing the NGP in one installment. Further, the NGP is given to the GPs as untied fund for sanitation and sanitation related activities.

Reply is not convincing as maintenance of ODF status by the GPs was not ascertained before release of the award money in one instalment. Further, while incurring expenditure from the award money, the conditions of the NGP guidelines was not adhered to.

2.1.11 Information, Education and Communication activities

Keeping in view the significance of Information, Education and Communication (IEC) activities in generating 'participatory community awareness' and 'felt need' triggering 'behavioral change' under TSC/NBA, 15 per cent of district project cost shared in the ratio of 80:20 between GoI and the State Government was earmarked for IEC activities. The fund was to be utilized for door to door visit, group meetings, street theatre, wall painting hoardings, print media etc. During Performance Audit of TSC/NBA, the following shortcomings were noticed:

2.1.11.1 Short achievement of IEC activities

As per Paragraph 12 of the TSC guidelines 2007 and Paragraph 5.2.3, 5.2.4 and 5.2.5 of the NBA guidelines, a Communication and Capacity Development Unit (CCDU) was to be set up at the State level for developing a good IEC plan and also to provide support to the districts in implementing it. Observance of Sanitation Day/ Sanitation Week / Sanitation Fortnight was to be made an essential component of the Annual Action Plan. For interpersonal communication and door to door contact *Swachchata Doots* were to be engaged. Funds for IEC activities were to be provided to Blocks and GPs also.

The deficiencies noticed during Performance Audit are discussed below.

• During 2009-14, ₹ 83.55 crore (35 per cent) out of ₹ 239.09 crore available for IEC in the State was spent by the districts (Appendix 2.1.12). Over the period of 2009-14, the expenditure ranged between 17 and 99 per cent.

In Bijnore, the GP Dharmpura of block Haldhaur spent the amount of NGP (₹ 0.95 lakh), GP Meerpur, block Chayal of Kaushambi spent (2009-11) the amount of NGP (₹ 0.52 lakh) and GP Lamhi of block Harahua, Varanasi spent ₹ 0.47 lakh of NGP.

- During 2009-11, CCDU set up (2010) for State level IEC, spent ₹ 70.20 lakh out of ₹ 70.32 lakh released against sanction of ₹ 1.41 crore. The amount was spent on *Nukkar Nataks*, purchase of IEC material, training to *Gram Preraks* and departmental functionaries etc. engaging *Zila Panchayat Udyogs* on contract basis without calling open tenders. It was stated that the *Panchayat Udyogs* are free from tender proceedings as per State Government orders of 1976/1984. Audit noticed that the relaxation in tender process to the *Panchayat Udyogs* was for their own productions only. Whereas the amount spent on various items mentioned above was not the own production of the *Zila Panchayat Udyogs*. After 2011, it took no activity and funds received (₹ 6.08 crore), from GoI for State level IEC activities in 2011 remained parked in bank account of the CCDU since February 2011 till June 2014.
- Test-checked districts prepared IEC plan only under NBA. Out of the GoI and State Government releases ₹ 474.60 crore during 2009-14, ₹ 71.19 crore (15 per cent) was available for various IEC activities. But the IEC expenditure (₹ 21.05 crore) was only four per cent of the funds released. Thus, the IEC activities were not taken up vigorously. The financial performance of the districts ranged between 10 and 63 per cent of the funds available for IEC as given in **Table 6**.

Table 6: Funds available and expenditure on IEC

(₹ in crore)

Year	State and GoI releases	Funds available for IEC	Expenditure on IEC	Percentage of IEC expenditure
2009-10	103.20	15.48	5.45	35
2010-11	86.34	12.95	3.53	27
2011-12	71.02	10.65	6.75	63
2012-13	94.40	14.16	1.45	10
2013-14	119.64	17.95	3.87	22
Total	474.60	71.19	21.05	30

(Source: Test-checked districts)

- SSM banned (November 2012) IEC activities from November 2012 to December 2013 in the State for streamlining it. However, it is evident from the **Table 6** above that only 22 *per cent* of available funds for the year could be utilised in 2013-14 even after streamlining of the IEC activities.
- Sanitation day, Sanitation week and Sanitation fortnight were neither included in IEC plan nor were observed as per the frequency prescribed in the guidelines in test-checked districts.
- Swachchata Doots (Village level motivators) were not engaged in test-checked GPs for interpersonal communication and door to door contact.
- Funds for various IEC activities at the Block and *Gram Panchayat* levels were not provided. Further, TSC fund (IEC), ₹ 2.53 crore, was diverted by DSM Sitapur (2011-12) at the instance of the Minister of *Panchayati Raj*, from TSC Central (₹ 0.99 crore) and State share (₹ 1.54 crore), to the State Government special incentive scheme for providing IHHLs. The diversion was

irregular and the diverted amount was not recouped by the State Government as of July 2014.

• Vigorous IEC at various levels for ensuring usage of the toilets was not done. Results of beneficiary survey and joint physical verification of toilets showed cases of open defecation in the villages provided with toilets.

Absence of vigorous IEC activities impacted in least generation of demand for toilets due to which toilets were provided after constructing by the implementing agencies. Further, behavioral change in the beneficiaries was not achieved, leading thereby, many of the constructed toilets remained unused.

The Government assured (February 2015) to take vigorous IEC activities in future.

2.1.11.2 Installation of Retro-reflective board

Hon'ble Minister-in-charge of the *Panchayati Raj* Department directed all the DPROs (January 2011) for erection of Retro Reflective Boards in Ambedkar Villages provided with IHHLs indicating name of beneficiaries. SSM provided design and specification (4*3 ft.) of the board and also fixed its cost of supply and erection (₹ 18,000 per Sqm.).

We during Performance Audit noticed that DSM Pilibhit paid $\stackrel{?}{\underset{?}{?}}$ 22.80 lakh and DSM Kushinagar paid $\stackrel{?}{\underset{?}{?}}$ 1.50 lakh to the *Panchayat Udyog Kendras* of their district for supply and erection of 76 and five retro reflective boards having same quality and dimensions. The supply of the boards was taken at the rate of $\stackrel{?}{\underset{?}{?}}$ 30,000 per retro reflective board without calling open tenders. This had resulted in extra expenditure of $\stackrel{?}{\underset{?}{?}}$ 9.72 lakh on procurement of 81 retro reflective boards.

The State Government during Exit Conference (February 2015) assured to enquire into the matter soon.

The Government should ensure vigorous IEC for increasing awareness among the public and generating demand for IHHLs.

2.1.12 Joint survey of beneficiaries

We conducted survey of 2,644 beneficiaries¹¹ out of 2,683 sampled¹² in 289 GPs of the test-checked districts. The results of the survey are summarised in **Table 7**:

¹² Desired number of beneficiaries (4,200) was not available in the sampled villages.

¹¹ 39 beneficiaries were either died or not found during survey.

Table 7: Findings of beneficiary survey

Sl. No.	Title of observation	Survey findings
1.	Whether beneficiary has IHHL?	IHHLs provided to 438 beneficiaries were not found in the beneficiary survey.
2.	Whether beneficiary has a bucket latrine?	Surveyed beneficiaries have no bucket latrines.
3.	Where normally goes for defecation?	1,378 beneficiaries stated that they use IHHLs for defecation and 1,266 beneficiaries stated that they defecate in open areas.
4.	Where child faeces were disposed of?	 870 beneficiaries dispose child faeces away from house. 1,074 beneficiaries dispose child faeces outside house. 657 beneficiaries dispose child faeces in pits. 43 beneficiaries dispose child faeces at other places.
5.	What were the sources of drinking water?	Source of drinking water for 2,639 beneficiaries was hand pumps and for 5 beneficiaries it was well/tube-well.
6.		The surveyed beneficiaries had the knowledge of hand washing at each of the occasions.

It is evident from the **Table 7** that 1,266 out of 2,644 beneficiaries surveyed, were defecating in open areas. Thus, the beneficiaries having IHHLs were also defecating in open areas. IHHLs provided to 438 beneficiaries were not found during the beneficiary survey.

During physical verification the following deficiencies were also noticed:

• As depicted in the photographs below, the hardware supplied against purchases made at the district level remained dumped (June 2014) at the residence of *Gram Pradhan* of GP Anghora, block Nadigaon of district Jalaun. Consequently the funds provided to the GP for 56 IHHLs in 2010-11 remained blocked and only 15 IHHLs were constructed.



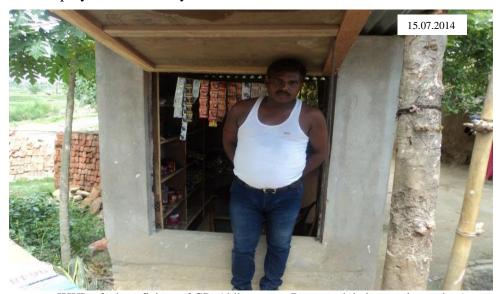
(Hardware lying dumped at the residence of Gram Pradhan of GP, Anghora, block Nadigaon, Jalaun)

• Eight out of 10 IHHLs constructed in 2009-10 in GP Dhavarkan, block Bhatpar Rani of Deoria were either not found or found in damaged condition. Photograph of one of the IHHLs, is given below:



(Broken IHHL of a beneficiary of GP, Dhavarkan, block-Bhatpar Rani, Deoria)

• The photograph given below indicates that the IHHL constructed for a beneficiary of GP Ahibaranpur, Block Kunda, Pratapgarh has been converted into shop by the beneficiary.



IHHL of a beneficiary of GP, Ahibaranpur, Pratapgarh being used as a shop)

The Government, while accepting the results of the beneficiary survey stated (February 2015) that instructions to take corrective action have been issued to all the districts.

The Government should ensure usages of IHHLs for ensuring ODF status of villages.

2.1.13 Monitoring and Evaluation

2.1.13.1 Monitoring meetings

SSM at the State level and DSM at the district level were to comprise Governing Body (GB) and Executive Bodies (EB) to review progress of the

scheme and day to day monitoring of the scheme respectively. Meetings of the GB and EB were to be held every six months and one month respectively.

We during Performance Audit noticed that meetings of the GB of the SSM were not held and only one or two meetings of the EB were held during 2009-14. Governing body of the test-checked DSMs did not meet and only a few meetings of their executive body were held. Thus the monitoring by the institutions was inadequate.

2.1.13.2 Inadequate inspections of the scheme

As per Paragraph 15.1 of NBA guidelines, monitoring through regular field inspections by officers from the State and the district levels was essential for effective implementation of the project.

We during Performance Audit noticed the following shortcomings in inspection of the scheme activities:

- Team/panel of experts for reviewing the implementation of the scheme at district/State level was not constituted.
- Regular inspections by senior State and District level officers were not made to verify progress of implementation at grass root level and ensure that the execution of works was in accordance with the prescribed procedures and specifications.
- The test-checked District *Panchayati Raj* Officer (DPRO) and District Project Co-ordinators (DPC) conducted composite inspections during 2009-14 of various schemes in the villages and prepared inspection reports of all the schemes including TSC/NBA except Jalaun, Kaushambi, Pratapgarh and Varanasi.
- Total inspections conducted during 2009-14 by DPRO, DPC and Regional Deputy Director were 2,255, 3,441 and 262 villages respectively. However, no norms for such inspections were fixed under TSC/NBA. As a result adequacy of inspections carried out could not be established in audit. Details of inspections carried out are given in (*Appendix 2.1.13*).
- Inspection reports of the DPROs and DPCs reflected deficiencies in terms of quality of IHHLs. Cases of non/improper use of sanitary latrine were also noticed.

Thus, lack of robust functioning of the inbuilt monitoring mechanism contributed towards non-achievement of the Scheme's objectives.

The Government while accepting the observation stated that in future, monitoring as envisaged in guidelines would be done. In Exit Conference, while accepting the facts the Government assured (February 2015) that adequate record keeping in this regard will be ensured.

¹³ Zero meeting in 2009-10, two meetings in 2010-11 and 2011-12 each, one meeting in 2012-13 and two meetings in 2013-14.

¹⁴ Against prescribed 60 meetings during 2009-14, only four to 13 meetings were held.

2.1.13.3 Grievance redressal mechanism

Specific grievance redressal mechanism was not in place at the State/district/ GP levels.

The Government assured (February 2015) to develop a mechanism in future.

2.1.13.4 Data validation

Online MIS has been developed by the Ministry of Drinking Water and Sanitation. Correctness of the data uploaded on the MIS was to be ensured through cross checking with Annual Performance Report.

Audit noticed that the credibility of MIS data was not ensured through cross checking as MIS data was not matched with the data of Monthly Progress Report/ Utilisation Certificates. Further, data provided by the districts in data formats furnished to Audit was inconsistent with that of the AIP/PIP.

The Government stated (February 2015) that suitable measures would be taken for ensuring validation of MIS data in coming years.

2.1.13.5 Evaluation of the scheme

As per Paragraph number 20.1 of the NBA guidelines, the State Government was to conduct periodical evaluation studies of the implementation of NBA by reputed Institutions and Organizations. Copies of these reports were to be furnished to GoI and remedial action was to be taken by the States thereon and also on the concurrent evaluation conducted by or on behalf of GoI. The cost of the study was to be charged to Administrative expenses.

Audit noticed that the periodical evaluation studies were not conducted by engaging institutions and organizations of repute to effect remedial action for lapses in the implementation of the scheme. No research agency was engaged as of June 2014 to study present technology of disposal of human excreta and waste in rural areas. The specialized organizations/NGOs for research in sanitation were also not engaged as of June 2014.

The Government while accepting the fact assured (February 2015) that evaluation study would be conducted in future.

Adequate monitoring by different level officers/functionaries should be ensured.

2.1.14 Conclusion

The primary objectives of behavioral change in the rural people, generation of demand for sanitation facilities and acceleration of the sanitation coverage in rural areas through renewed strategies and saturation approach in the State were achieved partially due to following weaknesses:

- During the period 2009-14, the expenditure of ₹ 1,867.90 crore was incurred by State Implementing Agency out of available fund of ₹ 2,259.94 crore. There were delays in release of State matching shares by one to four months and further, this was drawn and deposited in TSC/NBA bank accounts after a delay ranging from 16 to 348 days.
- Registration of State Sanitation Mission and 10 District Sanitation Missions, set up under Society Registration Act, were expired and these were not renewed since last two to seven years. BRCs meant for capacity building and IEC at the Block/GP were not established.
- For preparing the revised PIP, DSMs did not capture data correctly from baseline survey reports of the districts. District AIPs prepared were not originated from GP level.
- Physical progress of different activity components of the TSC in test-checked districts represented a shortfall ranging between zero (CSC) and 97 per cent (SLWM). In test-checked districts, 12.18 lakh out of 23.00 lakh toilets (53 per cent) constructed under TSC were found defunct in the baseline survey reports of the districts.
- During 2012-14, under NBA, 0.84 lakh IHHLs for BPL families were constructed in the test-checked districts as against the target of 1.62 lakh IHHLs (48 *per cent* shortfall). Further, 1.56 lakh out of 2.96 lakh IHHLs planned for APL families were constructed (47 *per cent* shortfall).
- IHHLs were not constructed by beneficiaries as envisaged in the scheme guidelines, these were constructed by the implementing agencies. Hardware was purchased by the DSMs at district level without tender. Further, there were delays in completing activities under convergence which affected physical progress of the scheme.
- IEC activities were stipulated as key intervention under the scheme for generating demand for IHHLs through behavioral changes. However, implementing agencies did not take up IEC vigorously, as expenditure incurred on IEC was only 35 *per cent* of the available funds. CCDU set up for State level IEC did not conduct any IEC activity since 2011 and funds of ₹ 6.08 crore received by CCDU from GoI for IEC activities remained parked in the bank account of the CCDU as of June 2014.
- Inadequate monitoring at various levels resulted in slow progress of the scheme. Grievance redressal mechanism was absent. Periodical evaluation study of the scheme was not conducted.

Long Paragraph

2.2 Working of Panchayati Raj Institutions in three Zila Panchayats

2.2.1 Introduction

The 73rd Constitutional amendment of 1992 provided for decentralised governance to *Panchayati Raj* Institutions (PRIs) and accordingly Uttar Pradesh *Kshetra Panchayat and Zila Panchayat Adhiniyam* (KP and ZP Act), 1961 was amended in 1994 to establish a three-tier¹⁵ system of elected bodies. The amended Act envisaged devolution of powers of 29 subjects (as mentioned in *Appendix 1.1*) contained in Eleventh Schedule of the Constitution of India to rural self-governing bodies *viz. Gram Panchayat* (GP) at village level, *Kshetra Panchayat* (KP) at block level and *Zila Panchayat* (ZP) at district level.

The working of three ZPs, viz., Kaushambi, Mirzapur and Varanasi, nine KPs¹⁶ of these districts and 45 GPs of the KPs (*Appendix 2.2.1*) was reviewed to ascertain as to whether allotment and release of funds to these PRIs were in accordance with the provisions of guidelines of the various scheme; mechanism for revenue realization was efficient; utilisation of funds and implementation of projects was effective and monitoring was adequate.

2.2.2 Organisational Structure

Principal Secretary, *Panchayati Raj* and Principal Secretary, Rural Development Department assisted by Director, *Panchayati Raj*; Deputy Director, Monitoring Cell and Commissioner, Rural Development were overall responsible for implementation of Schemes and Programmes of ZPs, KPs and GPs. At the district level, Chief Development Officers (CDOs) were overall in-charge for implementation of the programme/scheme, the Project Director, District Rural Development Agencies (DRDAs), District Development Officers (DDOs) and District *Panchayat Raj* Officers were responsible for receipts and release of funds alongwith maintenance of accounts. *Apar Mukhya Adhikaris* (AMAs) at ZPs, Block Development Officers at KPs and *Gram Panchayat Adhikaris* at GPs level were responsible for implementation of the programme at grass root level. The responsibilities of ZPs also include effective implementation of rural development programme at KPs and GPs level. Detail of PRIs is given in *Appendix 1.3*.

2.2.3 Audit Scope, Methodology and Criteria

The records for the period 2009-14 of the three ZPs, selected KPs and GPs (*Appendix 2.2.1*) were examined. The KPs and GPs were selected on the basis of Statistical Sampling using Probability Proportionate to Size with Replacement method. Audit also covered the Grants under State Finance Commission (SFC), Twelfth and Thirteenth Finance Commissions (TFCs) and

¹⁵ Act no. 9 of 1994. Zila Panchayat at district level, Kshetra Panchayat at block level and Gram Panchayat at village level.

Kaushambi - Muratganj, Sirathu, Sarsawan; Mirzapur - Halia, Patehra kala, Rajgarh; Varanasi - Baragaon,
 Cholapur and Sevapuri.

Backward Regions Grant Fund (BRGF). Further, records of revenue receipts maintained at PRIs' level were also examined in test-checked ZPs, KPs and GPs.

The main sources of audit criteria were - Provision of Uttar Pradesh *Kshetra Panchayat* and *Zila Panchayat Adhiniyam*, 1961 (KP and ZP Act) and rules framed thereunder; Uttar Pradesh *Panchayat Raj* Act, 1947 (PR Act) and rules framed thereunder; and guidelines, orders, notifications and instructions issued by Government of India (GoI) and Government of Uttar Pradesh (GoUP) for centrally sponsored and State funded schemes.

The audit findings were discussed in the Exit Conference held (February 2015) with the Principal Secretary, *Panchayati Raj*. The response of Department during the Exit Conference has been suitably incorporated.

Audit findings

Zila Panchayat, Kaushambi

The ZP Kaushambi is administered under provisions of KP and ZP Act. It has 24 elected members and is headed by *Adhyaksh*. It is responsible for providing civic amenities in rural areas in co-ordination with eight KPs and 440 GPs of the district.

2.2.4 Financial Management

For execution of various development schemes, ZPs receive grants as BRGF, TFC, SFC etc alongwith receipts from own revenue.

The flow of funds to the PRIs at the grass root level is depicted earlier in Paragraph 1.9.1 and **Chart 2** for fund flow of Chapter 1. Year-wise receipt and expenditure of the ZP, Kaushambi is given in **Table 1**.

Table 1: Financial position

(₹ in crore)

					()
Year	2009-10	2010-11	2011-12	2012-13	2013-14
Opening balance	15.96	5.59	5.62	11.17	9.33
Receipt from Grants	10.32	6.16	16.24	9.13	17.18
Receipt from own resources	1.41	1.46	1.61	3.21	2.93
Total receipt during year	11.73	7.62	17.85	12.34	20.11
Total available fund	27.69	13.21	23.47	23.51	29.44
Expenditure	16.81	7.59	12.30	12.44	16.79
(percentage of available fund)	(61)	(57)	(52)	(53)	(57)
Amount surrendered	5.29	0.00	0.00	1.74	0.00
Closing Balance	5.59	5.62	11.17	9.33	12.65

(Source: Records of Zila Panchayat Kaushambi)

Table 1 indicates that the percentage of expenditure ranged between 52 and 61 *per cent* of the total available fund (2009-14). Further we noticed in audit that ₹ 7.03 crore was surrendered and ₹ 12.65 crore remained unutilised at the end

of March 2014. The short utilisation of funds was due to slow implementation of the schemes as discussed in Paragraph 2.2.7.1 and 2.2.7.2.

In reply (February 2015), the Government stated that efforts are being made for utilising available grants under various schemes.

2.2.5 Revenue realisation

Under section 119 of UP KP and ZP Act, 1961, ZPs are collecting revenues from various sources. Further, section 239(2) of the Act empowers ZP to make bye-laws¹⁷ to mobilise more revenue resources.

The budget estimate of revenue of the ZP and actual realisation thereagainst during 2009-14 are given in **Table 2**.

Table 2: Budget estimate of revenue and actual realisation

(₹ in crore)

Year	Budget estimate	Actual realisation	Shortfall (per cent)
2009-10	1.66	1.41	15
2010-11	1.75	1.46	17
2011-12	1.70	1.61	5
2012-13	4.13	3.21	22
2013-14	2.77	2.93	0

(Source: Zila Panchayat Kaushambi)

Table 2 indicates the shortfall in actual realisation of revenue ranged between Zero and 22 *per cent* during 2009-14. The year-wise realisation of revenue under various heads of own resources of the ZP is given in **Table 3**.

Table 3: Revenue realised under own resources in the ZP

(₹ in lakh)

Sl. No.	Sources of revenue realisation	2009-10	2010-11	2011-12	2012-13	2013-14
1.	Circumstances & Property (CP) Tax	23.76	20.91	25.98	27.92	26.99
2.	License Fees	23.92	34.71	33.75	34.39	33.63
3.	Haddi Chamrha	3.38	4.92	6.08	7.58	9.77
4.	Cattle Pond	0.40	0.20	0.21	0.39	0.38
5.	Tehbazari	26.91	19.50	20.17	18.24	0.00
6.	Income from Shops	1.05	1.81	2.50	2.56	10.04
7.	Sand Morem/Stone mines	13.59	19.65	29.84	134.80	143.93
8.	Fisheries/Naukaghat	3.10	7.24	0.00	27.29	0.00
9.	Fairs & Exhibition	0.02	0.00	0.21	0.02	0.05
10.	Others	44.84	37.05	42.53	67.56	68.10
	Total	140.97	145.99	161.27	320.75	292.89

(Source: Records of Zila Panchayat, Kaushambi)

Table 3 indicates that realisation of revenue under CP Tax and License Fees were decreased in 2013-14 as compared to 2012-13. No revenue was realised

¹⁷ Section 239 of UP KP and ZP Act, 1961 read with H-Miscellaneous.

from *Tehbazari* and Fisheris/ *Naukaghat* in 2013-14. The reason for non-realisation of revenue from Fisheries/ *Naukaghat* in 2013-14 was attributed to arrangement of sharing fisheries receipts between Kaushambi and Chitrakoot in alternate year.

Reason for increase of 452 *per cent* under Sand Morem/Stone Mines in 2012-13 as compared to 2011-12 was attributed to amendment in bye-laws *w.e.f* April 2012.

We noticed that bye-laws of various sources were not amended during 2009-14 except Sand Morem/ Stone Mines which affected the mobilization of revenues of ZP. Further, ZP did not realise outstanding rent worth ₹ 30.63 lakh¹⁸ due from schools and shops for the period 1994 to March 2014.

In reply (February 2015), the Government stated that source of revenue from *Tehbazari* and Parking Stand were abolished and efforts were being made to increase the rent of the shops. Regarding non-realisation of rent, the Government stated that ₹ 3.42 lakh has been recovered and efforts are being made for realisation of the balance amount.

2.2.6 Planning

As per section 63 of KP and ZP Act, the ZPs were to prepare their annual development plans with the help of Works Committee and obtain approval in the General Body meeting of *Zila Panchayat*. The ZP was to prepare a consolidated development Plan after inclusion of development plans of GPs and KPs for submission to District Planning Committee (DPC) for preparation of District Development Plan (DDP).

We during audit noticed that the ZP Kaushambi did not prepare a consolidated DDP during 2009-14 by compiling the plans of KPs and GPs.

During Exit Conference (February 2015) the Government assured to issue directions for consolidation of the annual development plans by ZP.

ZP should prepare a consolidated annual development plan after compiling the plans of GPs and KPs.

2.2.7 Implementation of Schemes

2.2.7.1 Backward Regions Grant Fund

Government of India introduced (January 2007) BRGF with the objective to redress regional imbalances in developmental works and to bridge critical gaps in local infrastructure in backward regions.

We during audit noticed that in ZP, Kaushambi, the fund of ₹ 40.75 crore for 571 sanctioned projects was released by GoUP under BRGF during 2009-13. Sixty projects pertaining to 2010-13 amounting to ₹ 7.00 crore remained incomplete as of March 2014. Incomplete projects mainly included

^{18 ₹ 23.24} lakh (nine schools of Kaushambi), ₹ 1.20 lakh (five shops at Muratganj and 14 shops in campus of the ZP Kaushambi) and ₹ 6.19 lakh (17 lessees at Bharwari).

construction of GP *Sachivalays*, *Anganwadi* buildings, water supply schemes and road works.

We further noticed that ZP Kaushambi prepared an Annual Action Plan for 635 BRGF projects of ₹ 23.55 crore for 2013-14. Out of this, ₹ 22.95 crore was to be met from BRGF and rest from other sources. However, no project was started during 2013-14.

Regarding non-execution of the projects sanctioned for 2013-14, *Apar Mukhya Adhikari* replied (September 2014) that projects could not be started due to non-release of BRGF fund by GoUP. Government further replied (February 2015) that projects were delayed due to ban (August 2012 to August 2013) imposed by GoUP on execution of works.

2.2.7.2 Finance Commission Grants

Government of India and GoUP releases grants on the recommendations of the Finance Commission to ZP, KPs and GPs for implementation of various programmes. As per condition of TFC, 1st instalment of the Grants was only to be utilised for maintenance of basic civic amenities like drinking water, sewerage, solid waste management, street lights, roads etc.

We during audit noticed that under SFC and TFC, 420 projects amounting to ₹ 32.72 crore were sanctioned during 2009-14. Out of these, 43 projects (bituminous roads, cement concrete roads, interlocking and *Khadanja*) pertaining to 2012-14 amounting to ₹ 3.21 crore were lying incomplete as of March 2014. We further noticed that no project on water supply, solid waste management and street light was taken up.

During Exit Conference (February 2015), the Government stated that projects under SFC/TFC were incomplete due to shortage of technical staff and efforts for timely completion were being made.

2.2.8 Monitoring: Meetings of Zila Panchayat and its Committees

Government of Uttar Pradesh issued order (July 1999) for constitution of six committees for proper functioning in three tiers of PRIs. Each committee was to consist of a chairman and six elected members and was to meet at least once in a month. Committees were responsible for planning for development of the area, implementation of the programmes and monitoring of the works etc. Moreover, section 61 of UP KP and ZP Act, 1961 provides for holding up at least one meeting of *Zila Panchayat* in two months.

We during audit noticed that out of six Committees, only Works Committee and Administrative Committee were functional. Only 17 against 30 meetings as per norms of *Zila Panchayat* were held in the ZP during 2009-14. However, the ZP did not supervise the works executed by the KPs and GPs as required under Section 33(3) of UP KP and ZP Act, 1961.

¹⁹ Planning and Development Committee, Works Committee, Education Committee, Public Health Welfare Committee, Administrative Committee and Water Management Committee.

On this being pointed out, the Government replied (February 2015) that meetings of ZP were held as per provision of the Act and meetings of the committees were held as per requirements. Regarding non-supervision of KPs and GPs by ZP it was stated that the matter is under consideration.

The reply was not acceptable as there was 43 *per cent* shortfall in the meetings of *Zila Panchayat* and only two out of six committees were functional which indicates inadequate monitoring.

During Exit Conference (February 2015), the Government assured that required meetings of different committees of *Panchayats* will be held in future.

Kshetra Panchayats

Three KPs Muratganj, Sarsawan and Sirathu out of eight KPs of district Kaushambi were test-checked to review the working of these KPs. KPs are administered under UP KP and ZP Act. The elected body of KP, headed by *Pramukh*, is responsible for implementation of development programmes, levy and realisation of tax/ non-tax revenue etc.

2.2.9 Preparation of budget

In terms of section 115 of KP and ZP Act, executive committee of each KP was to prepare its revised budget (receipts and expenditure) for the current year and estimated budget of receipts and expenditure for the next year in the month of October and get it approved in the general meeting of *Kshetra Panchayat*.

We noted in audit that none of the three test-checked KPs prepared budget during 2009-14. The reason for non-preparation of budget by these KPs was not available on record.

During Exit Conference (February 2015), the Government assured to issue fresh directives for preparation of budget in KPs.

2.2.10 Generation of revenue in KPs

Section 131(A) and 142-145 of UP KP and ZP Act provides for levy of water tax, electricity charges, license fees *etc*. by KPs so as to increase their own revenue.

We during audit noticed that the test-checked KPs did not levy taxes/fees for revenue generation during the period 2009-14. These KPs also could not provide the reason for non-levy of taxes/fees.

During Exit Conference (February 2015), Government assured to take suitable action for revenue generation by KPs.

2.2.11 Planning

As per section 86 of KP and ZP Act, the KPs were to prepare their development plans including plans of GPs and submit the consolidated development plan to ZP. However, we noticed in audit that KPs did not submit the consolidated development plan of KP and GPs to the ZP.

During Exit Conference (February 2015), Government assured to issue directions in this regard.

KP should submit its consolidated annual development plan to the ZP.

Gram Panchayats

Out of 440 GPs of district Kaushambi, 15 GPs (*Appendix 2.2.1*) of three KPs Muratganj, Sarsawan and Sirathu were test-checked to review the working of these GPs. The GPs are administered under provisions of PR Act for providing civic amenities in villages. The elected body of the GP, headed by *Pradhan*, is responsible for implementation of various projects/schemes, levy & realisation of its tax/non-tax revenue etc.

2.2.12 Preparation of budget

As per section 41 of UP PR Act, 1947 every GP shall prepare a statement of the estimated receipts and expenditure of the GP for the financial year commencing on the first day of April which shall be passed by the Gram Panchayat. However, we noted in audit that none of the 15 test-checked GPs prepared budget during 2009-14. The reason for non-preparation of budget was not available on record.

During Exit Conference (February 2015), the Government assured to issue fresh directives for preparation of budget in GPs.

2.2.13 Generation of revenue in GPs

Section 37 of UP PR Act, 1947 provides for levy of taxes and fees²⁰ by GPs so as to increase their revenue for meeting their own expenses.

We during audit noticed that no revenue was generated during 2009-14 from the own resources in all the 15 test-checked GPs so the objective of GPs to become self-reliant could not be achieved.

During Exit Conference (February 2015), the Government assured to take suitable action for generation of revenue by GPs.

2.2.14 Land Management

As per provision of Chapter 6, Para 2 of Accounts Manual for Maintenance of Finance and Accounts in *Gram Panchayats* each GP was to maintain a Register for the immovable assets vested with the GP. Further, section 117 of

Taxes on animals, sale of animals, goods for sale in market/ haat or mela, sarais etc and non- tax revenue as water charges, lighting fees, license fees etc.

Uttar Pradesh Zamindari Abolition and Land Reform Act, 1950, provides that all the Gram Sabha (GS) lands within the jurisdictions of GPs were to be managed by Land Management Committee headed by Gram Pradhan and concerned Lekhpal as Secretary. In case of any encroachment on GS land, a notice to the occupant was to be issued followed by institution of a case against such encroachment in Hon'ble Court under section 122(B) of the said Act.

We noticed that test-checked GPs did not maintain immovable assets registers. In absence of these, details of GS land could not be ascertained in audit. However, information collected from concerned *Tehsils* of the test-checked GPs in the district revealed 39 cases of encroachment of 8.482 hectare GS land valuing ₹ 0.76 crore by local people (*Appendix 2.2.2*). Against this, action was taken up in respect of only one case of encroachment.

The Government in its reply (February 2015) stated that suitable action against encroachment will be taken.

Appropriate action should be initiated to remove the unauthorised encroachment from the Government land.

Zila Panchayat, Mirzapur

The ZP Mirzapur is administered under provisions of KP and ZP Act. It has 36 elected members and is headed by *Adhyaksh*. It is responsible for providing civic amenities in rural areas in co-ordination with 12 KPs and 758 GPs of the district.

2.2.15 Financial Management

The year-wise receipt and expenditure of the ZP, Mirzapur is given in **Table 4.**

Table 4: Financial position

(₹ in crore)

Year	2009-10	2010-11	2011-12	2012-13	2013-14
Opening balance	7.29	6.89	6.94	6.82	12.52
Receipt from Grants	13.18	9.41	17.88	12.07	30.66
Receipt from own resources	1.28	0.71	1.01	1.45	2.51
Total receipt during year	14.46	10.12	18.89	13.52	33.17
Total available fund	21.75	17.01	25.83	20.34	45.69
Expenditure	14.86	10.07	19.01	7.78	27.09
(percentage of available fund)	(68)	(59)	(74)	(38)	(59)
Amount surrendered	0.00	0.00	0.00	0.04	0.00
Closing Balance	6.89	6.94	6.82	12.52	18.60

(Source: Records of Zila Panchayat Mirzapur)

Table 4 indicates that the percentage of expenditure ranged between 38 and 74 *per cent* of the total available fund (2009-14). Further we noticed that ₹ 0.04 crore was surrendered and ₹ 18.60 crore remained unutilised at the end of March 2014. The short utilisation of funds was due to slow implementation of the schemes as detailed in Paragraph 2.2.18.1 and 2.2.18.2.

In reply (February 2015), the Government stated that grants had been utilised. Reply is not acceptable as ₹ 18.60 crore was lying unspent as of March 2014 due to slow implementation of the schemes.

2.2.16 Revenue realisation

As per provisions discussed in Paragraph 2.2.5 *ante*, ZPs are empowered to make bye-laws to mobilise more revenue. The budget estimate of revenue of the ZP and actual realisation thereagainst during 2009-14 is given in **Table 5**.

Table 5: Revenue realised under own resources in the ZP

(₹ in crore)

Year	Budget estimate	Actual realisation	Shortfall (per cent)
2009-10	1.29	1.28	1
2010-11	1.71	0.71	58
2011-12	1.46	1.01	31
2012-13	2.04	1.45	29
2013-14	3.03	2.51	17

(Source: Zila Panchayat Mirzapur)

Table 5 indicates that shortfall in realisation of revenue ranged between one and 58 *per cent* during 2009-14. The year-wise realisation of revenue under various heads of own resources of the ZP is given in **Table 6**.

Table 6: Revenue realised under various own resources in the ZP

(₹ in lakh)

Sl. No.	Items	2009-10	2010-11	2011-12	2012-13	2013-14
1.	Circumstances & Property Tax	17.94	8.40	20.15	34.99	34.66
2.	License Fees	13.86	10.53	16.47	24.01	24.22
3.	Haddi Chamrha	0.28	0.28	1.15	2.05	2.29
4.	Cattle Pond	0.05	0.04	0.11	0.04	0.06
5.	Tehbazari/ Car Parking	27.42	13.56	17.54	27.50	9.95
6.	Income from Shops	3.41	2.61	2.38	5.44	5.93
7.	Sand Morem/ Stone mines	50.28	25.23	31.90	43.82	132.26
8.	Fisheries/Naukaghat	0.95	0.79	1.67	1.80	3.15
9.	Fairs & Exhibition	0.00	0.00	0.00	0.00	0.00
10.	Others	17.16	10.03	9.53	5.42	38.87
	Total	128.35	71.47	100.90	145.07	251.39

(Source: Zila Panchayat records)

Table 6 revealed that no revenue was realised from *Tehbazari* in 2013-14 and Fair and Exhibition during 2009-14. Scrutiny further revealed that no amendment of bye-laws was made during 2009-14 for the mobilisation of revenues of the ZP, except in case of Sand Morem/Stone Mines which was revised in April 2013.

In reply (February 2015), the Government stated that items of receipt, i.e. *Tehbazari* and Parking Stand were abolished and attributed the reasons behind short realisation of revenue to shortage of staff.

2.2.17 Planning

As discussed in Paragraph 2.2.6 *ante*, ZPs were to prepare their annual development plans after inclusion of development plans of GPs and KPs for preparation of District Development Plan (DDP). However, we during audit noticed that the ZP Mirzapur did not prepare consolidated DDPs during 2009-14. Thus, the integrated roadmap for development of rural areas in Mirzapur was not prepared during these years.

During Exit Conference (February 2015) the Government assured to issue directions for consolidation of the annual development plans by ZP.

ZP should prepare a consolidated annual development plan after compiling the plans of GPs and KPs.

2.2.18 Implementation of Schemes

2.2.18.1 Backward Regions Grant Fund

As discussed in Paragraph 2.2.7.1 *ante*, ZPs were to redress regional imbalances in developmental works and to bridge critical gaps in local infrastructure of backward regions.

We noticed in audit that in ZP Mirzapur, the fund of ₹ 16.98 crore for 160 sanctioned projects was released by GoUP under BRGF during 2009-14. Sixty four projects pertaining to 2011-14 amounting to ₹ 6.52 crore remained incomplete as of March 2014. Incomplete projects mainly included construction of GP *Sachivalays*, *Anganwadi* buildings, water supply schemes and road works.

On this being pointed out in audit, the Government replied (February 2015) that projects were delayed due to ban (August 2012 to August 2013) imposed by GoUP on execution of projects and works for the year 2013-14 have been completed. The reply was not acceptable as ban lasted upto August 2013 and 64 projects (40 per cent) were incomplete as of March 2014.

2.2.18.2 Finance Commission Grants

As discussed earlier in Paragraph 2.2.7.2 ante, ZPs were to utilize the grant of TFC and SFC for maintenance of basic civic amenities like drinking water, sewerage, solid waste management, street lights etc.

Scrutiny of records revealed that 445 projects for ₹ 38.94 crore sanctioned under SFC and TFC during 2009-14. 110 projects (bituminous roads, cement concrete roads, interlocking and *Khadanja*) pertaining to 2012-14 amounting to ₹ 11.15 crore were lying incomplete as of March 2014. We also noticed that no projects on water supply, solid waste management and street light were taken up.

During Exit Conference (February 2015), the Government stated that projects under SFC/TFC are incomplete due to shortage of technical staff.

2.2.19 Land management

Rule 3 to 6 of ZP and KP (Movable and Immovable Assets) Rule, 1965 provides for maintenance of Assets Register and its verification by competent authority at least once in three years of all assets vested with ZP.

We during audit noticed that in ZP, Mirzapur assets were not verified since 1997. It was further noted that no development works was taken up on 28.49 hectare open land amounting to \mathfrak{T} 2.05 crore²¹ situated in four *Tehsils*.

During Exit Conference (February 2015), the Government stated that proper upkeep of assets register and timely verification of assets is being ensured.

The Government should ensure physical verification of the assets periodically.

2.2.20 Monitoring: Meetings of *Zila Panchayat* and its Committees

As per provisions discussed in Paragraph 2.2.8 *ante*, six committees²² were to be constituted in the ZPs responsible for planning the development of the area, implementation of programmes, monitoring of the works *etc*. and the ZP was to hold meeting of General Body at least once in two months.

We noticed that out of six Committees, only Works Committee and Planning & Development Committee were functional. Only 20 against 30 meetings as per norms of *Zila Panchayat* were held in the ZP during 2009-14. Further, we noticed that the ZP did not supervise the works executed by the KPs and GPs as required under Section 33(3) of UP KP and ZP Act, 1961.

On this being pointed out, the Government replied (February 2015) that meetings of ZP were held as per provision of the Act and meetings of the committees were held as per requirements. Regarding non-supervision of KPs and GPs by ZP it was stated that the matter is under consideration.

The reply was not acceptable as there was 33 *per cent* shortfall in the meetings of *Zila Panchayat* noticed against the norms and only two out of six committees were functional which indicates inadequate monitoring.

During Exit Conference (February 2015), the Government assured that required meetings of different committees of ZP will be held in future.

Kshetra Panchayats

Three KPs Halia, Patehara Kalan and Rajgarh out of 12 KPs of district Mirzapur were test-checked to review the working of these KPs. KPs are administered under UP KP and ZP Act. The elected body of KP, headed by

²¹ Calculated at minimum rate of the GP of concerned *Tehsils*. *Tehsil* Lalganj: 0.8505 hectare @ ₹ 6,24,653= ₹ 5.31 lakh; *Tehsil* Madhiyan: 0.6399 hectare @ ₹ 4,20,280=₹ 2.69 lakh; *Tehsil* Sadar: 14.06241 hectare @ ₹ 9,08,500= ₹ 127.76 lakh and *Tehsil* Chunar: 12.93651 hectare @ ₹ 5,32,000= ₹ 68.82 lakh

Planning and Development Committee, Works Committee, Education Committee, Public Health Welfare Committee, Administrative Committee and Water Management Committee.

Pramukh, is responsible for implementation of development programmes, levy and realisation of tax/ non-tax revenue etc.

2.2.21 Preparation of budget

As per provisions discussed earlier in Paragraph 2.2.9 *ante*, the KPs were to prepare an estimated budget of receipt and expenditure. However, we noted in audit that none of the three test-checked KPs prepared budget during 2009-14. The reason for non-preparation of budget was not available on record.

During Exit Conference (February 2015), the Government assured to issue fresh directives for preparation of budget in KPs.

2.2.22 Generation of revenue in KPs

As per provisions discussed in Paragraph 2.2.10 *ante*, the KPs were to generate revenue from own sources. However, we during audit noticed that these KPs did not generate any revenue during the period 2009-14. No effort was made by these KPs for revenue generation as required under the Act.

During Exit Conference (February 2015), the Government assured to take suitable action for generation of revenue by KPs.

2.2.23 Planning

As per provisions discussed earlier in Paragraph 2.2.11 *ante*, the KPs were to prepare their development plans including plans of GPs and submit the compiled plan to ZP. However, we during audit noticed that though KPs prepared their annual plan, but they did not submit the consolidated development plan of KP and GPs to the ZP which affected the preparation of District Development Plan by incorporating theirs requirements.

During Exit Conference (February 2015), Government assured to issue directions in this regard.

KP should submit its consolidated annual development plan to the ZP.

Gram Panchayats

Out of 758 GPs of district Mirzapur, 15 GPs (*Appendix 2.2.1*) of three KPs Halia, Patehara Kalan and Rajgarh were test-checked to review the working of these GPs. The GPs are administered under provisions of PR Act for providing civic amenities in villages. The elected body of the GP, headed by *Pradhan*, is responsible for implementation of various projects/schemes, levy & realisation of its tax/non-tax revenue etc.

2.2.24 Preparation of budget

As per provisions discussed in Paragraph 2.2.12 *ante*, GPs were to prepare an annual statement of the estimated receipt and expenditure. However, we noticed in audit that none of the 15 test-checked GPs prepared budget during 2009-14. The reason for non-preparation of budget was not available on record.

During Exit Conference (February 2015), the Government assured to issue fresh directives for preparation of budget in GPs.

2.2.25 Generation of revenue in GPs

As per provisions discussed earlier in Paragraph 2.2.13 *ante*, GPs were to generate revenue from own resources. However, we noticed during audit that no revenue was generated during 2009-14 from their own resources in any of the test-checked GPs, so the objective of GPs to become self-reliant could not be achieved.

During Exit Conference (February 2015), the Government assured to take suitable action for generation of revenue by GPs.

2.2.26 Land Management

As per provisions discussed in Paragraph 2.2.14 *ante*, GPs were to maintain a register for immovable assets and in case of any encroachment on GS land, a notice to the occupant was to be issued followed by institution of a case against such encroachment.

However, scrutiny revealed that test-checked GPs did not maintain immovable assets register. In absence of these, encroachment on GS land could not be ascertained in audit. However, information collected from the concerned *Tehsils* of the district revealed 24 cases of encroachment in 1.398 hectare of *Gram Sabha* land which were subjudice.

Zila Panchayat, Varanasi

The ZP Varanasi is administered under provisions of KP and ZP Act. It has 39 elected members and is headed by *Adhyaksh*. It is responsible for providing civic amenities in rural areas in co-ordination with eight KPs and 702 GPs of the district.

2.2.27 Financial Management

The year-wise receipt and expenditure of the ZP Varanasi is given in **Table 7**.

Table 7: Financial position

(₹ in crore)

Year	2009-10	2010-11	2011-12	2012-13	2013-14
Opening balance	7.90	3.58	3.62	6.81	5.91
Receipt from Grants	6.23	7.25	7.82	10.36	20.55
Receipt from own resources	0.68	0.66	0.73	1.74	1.86
Total receipt during year	6.91	7.91	8.55	12.10	22.41
Total available fund	14.81	11.49	12.17	18.91	28.32
Expenditure	11.23	7.87	5.36	13.00	23.39
(percentage of available fund)	(76)	(68)	(44)	(69)	(83)
Amount surrendered	0.00	0.00	0.00	0.00	0.00
Closing Balance	3.58	3.62	6.81	5.91	4.93

(Source: Records of Zila Panchayat, Varanasi)

Table 7 indicates that the percentage of expenditure ranged between 44 and 83 *per cent* of the total available fund (2009-14) and \mathbb{Z} 4.93 crore remained unutilised at the end of March 2014. The short utilisation of funds was due to slow implementation of the schemes as detailed in Paragraph 2.2.30.

During Exit Conference (February 2015), the Government assured that funds will be utilised soon.

2.2.28 Revenue realisation

As per provisions discussed in Paragraph 2.2.5 *ante*, ZPs are empowered to make bye-laws to mobilise more revenue. The budget estimate of revenue of the ZP and actual realisation thereagainst during 2009-14 are given in **Table 8**.

Table 8: Revenue realised under own resources in the ZP

(₹ in crore)

Year	Budget rstimate	Actual realisation	Shortfall (<i>per cent</i>)
2009-10	0.78	0.68	13
2010-11	0.97	0.66	32
2011-12	1.03	0.73	29
2012-13	2.50	1.74	30
2013-14	1.86	1.86	0

(Source: Zila Panchayat, Varanasi)

Table 8 indicates that shortfall in actual receipts ranged between 13 and 32 *per cent* during 2009-13.

The year-wise realisation of revenue under various heads of own resources of the ZP is given in **Table 9.**

Table 9: Revenue realised under various own resources in the ZP

(₹ in lakh)

Sl. No.	Source of revenue	2009-10	2010-11	2011-12	2012-13	2013-14
1.	Circumstances & Property Tax	42.00	43.22	51.44	59.26	68.97
2.	License Fees	13.67	11.48	16.12	30.03	25.85
3.	Haddi Chamrha	0.00	0.00	0.00	0.00	0.00
4.	Cattle Pond	0.00	0.00	0.00	0.00	0.00
5.	Tehbazari	0.00	0.00	0.00	0.00	0.00
6.	Income from Shops	0.00	1.54	0.25	0.17	0.32
7.	Sand Morem/Stone mines	0.00	0.00	0.00	0.00	0.00
8.	Fisheries/Naukaghat	11.91	9.98	5.15	13.51	6.24
9.	Fairs & Exhibition	0.00	0.00	0.00	0.00	0.00
10.	Others	0.00	0.00	0.00	71.52	84.65
Total		67.58	66.22	72.96	174.49	186.03

(Source: Zila Panchayat Varanasi's record)

Table 9 revealed that no revenue was realised from *Haddi Chamda*, Cattle Pond, *Tehbazari* and Fair and Exhibition during 2009-14 and license fee decreased in 2013-14 as compared to 2012-13. We noticed in audit that no amendment of bye-laws was made during 2009-14 for the mobilisation of revenues of the ZP.

On being pointed out *Apar Mukhya Adhikari* stated that efforts were being made to enhance the revenue. Reply is not acceptable as bye-laws were not amended during 2009-14.

2.2.29 Planning

As discussed in Paragraph 2.2.6 *ante*, the ZPs were to prepare their annual development plans after inclusion of development plans of GPs and KPs for preparation of District Development Plan (DDP). However, we during audit noticed that the ZP did not prepare integrated DDPs during 2009-14 by compiling the plans of KPs and GPs.

During Exit Conference (February 2015), the Government assured to issue directions for consolidation of the annual development plans by ZP.

ZP should prepare a consolidated annual development plan after compiling the plans of GPs and KPs.

2.2.30 Implementation of Schemes: Finance Commission Grants

As discussed earlier in Paragraph 2.2.7.2 ante, ZPs were to utilize the grant of TFC and SFC for maintenance of basic civic amenities like drinking water, sewerage, solid waste management, street lights etc. We noticed that 358 projects for ₹ 22.88 crore sanctioned under SFC and TFC during 2009-14. 80 projects (bituminous roads, cement concrete roads, interlocking and khadanja) pertaining to 2011-14 amounting to ₹ 5.59 crore were lying incomplete as of March 2014. We also noticed that no projects on water supply, solid waste management and street light were taken up.

During Exit Conference (February 2015), the Government stated that projects under SFC/TFC are incomplete due to shortage of technical staff.

2.2.31 Monitoring: Meetings of Zila Panchayat and its Committees

As per provisions discussed in Paragraph 2.2.8 *ante*, six committees²³ constituted in the ZP were responsible for planning for development of the area, implementation of the programmes and monitoring of the works *etc.* and the ZP was to hold meeting of General Body at least once in two months. However, 22 against 30 meetings as per norms of *Zila Panchayat* were held in the ZP during 2009-14. Further, we noticed that the ZP did not supervise the works executed by the KPs and GPs as required under Section 33(3) of UP KP and ZP Act, 1961.

²³ Planning and Development Committee, Works Committee, Education Committee, Public Health Welfare Committee, Administrative Committee and Water Management Committee.

On this being pointed out, the Government replied (February 2015) that meetings of ZP were held as per provision of the Act and meetings of the committees were held as per requirements. Regarding non-supervision of KPs and GPs by ZP it was stated that the matter is under consideration.

The reply was not acceptable as there was 27 *per cent* shortfall of meetings of *Zila Panchayat* and only two out of six committees were functional which indicates inadequate monitoring.

During Exit Conference (February 2015), the Government assured that required meetings of different committees of *Panchayats* will be held in future.

Kshetra Panchayats

Three KPs Badagaon, Cholapur and Sewapuri out of eight KPs of district Varanasi were test-checked to review the working of these KPs. KPs are administered under UP KP and ZP Act. The elected body of KP, headed by *Pramukh*, is responsible for implementation of development programmes, levy and realisation of tax/ non-tax revenue etc.

2.2.32 Preparation of budget

As per provisions discussed earlier in Paragraph 2.2.9 *ante*, the KP was to prepare estimated budget of receipt and expenditure. However, we noted in audit that none of the three test-checked KPs prepared budget during 2009-14. The reason for non-preparation of budget could not be ascertained from record.

During Exit Conference (February 2015), the Government assured to issue fresh directives for preparation of budget in KPs.

2.2.33 Generation of revenue in KPs

As per provisions discussed in Paragraph 2.2.10 *ante*, the KPs was to generate revenue from own sources. However, we during audit noticed that no revenue was generated during the period 2009-14 from own resources in any of the test-checked KPs as required in the Act. Thus, the objective of KPs to become self-reliant could not be achieved.

During Exit Conference (February 2015), the Government assured to take suitable action for generation of revenue by KPs.

2.2.34 Planning

As per provisions discussed earlier in Paragraph 2.2.11 *ante*, the KPs were to prepare their development plans including plans of GPs and submit the compiled plan to ZP. However, we during audit noticed that though KPs prepared their annual plan, but they did not submit the consolidated development plan of KP and GPs to the ZP. The reason for non-submission of

integrated development plan of rural areas of the district could not be ascertained from record.

During Exit Conference (February 2015), the Government assured to issue directions in this regard.

KP should submit its consolidated annual development plan to the ZP.

Gram Panchayats

Out of 702 GPs of district Varanasi, 15 GPs (*Appendix 2.2.1*) of three KPs Badagaon, Cholapur and Sewapuri were test-checked to review the working of these GPs. The GPs are administered under provisions of PR Act for providing civic amenities in villages. The elected body of the GP, headed by *Pradhan*, is responsible for implementation of various projects/schemes, levy & realisation of its tax/non-tax revenue etc.

2.2.35 Preparation of budget

As per provisions discussed in Paragraph 2.2.12 *ante*, GPs were to prepare an annual statement of the estimated receipt and expenditure. However, we noticed in audit that none of the 15 test-checked GPs prepared budget during 2009-14. The reason for non-preparation of budget was not available on record.

During Exit Conference (February 2015), the Government assured to issue fresh directives for preparation of budget in GPs.

2.2.36 Generation of revenue in GPs

As per provisions discussed earlier in Paragraph 2.2.13 ante, GPs were to generate revenue from own resources. However, we noticed during audit noticed that no revenue was generated during 2009-14 from their own resources in all the test-checked GPs so the objective of their becoming self-reliant could not be achieved.

During Exit Conference (February 2015), the Government assured to take suitable action for generation of revenue by GPs.

2.2.37 Land Management

As per provisions discussed in Paragraph 2.2.14 *ante*, GPs were to maintain a register for immovable assets and in case of any encroachment on GS land, a notice to the occupant was to be issued followed by institution of a case against such encroachment.

Test-checked GPs did not maintain immovable assets register. However, information collected from the concerned *Tehsils* of the district revealed 26 cases of encroachment in 1.964 hectare of *Gram Sabha* land which were subjudice. In the absence of immovable asset register, the assets of these GPs and encroachment on other GS land could not be ascertained in audit.

2.2.38 Conclusion

- In all the three ZPs, an amount of ₹ 36.18 crore (ZP Kaushambi: ₹ 12.65 crore ZP Mirzapur: ₹ 18.60 crore and ZP Varanasi: ₹ 4.93 crore) was remained unutilised as of March 2014 due slow progress of projects.
- There was short collection of revenue as compared to estimated revenue. The planning was also inadequate as ZPs did not prepare the district development plans of PRIs. Land management was ineffective as physical verification of assets was not carried out. Prescribed Committees for monitoring the development projects were not functional and ZPs also did not supervise works executed by KPs and GPs as required under Section 33(3) of UP KP and ZP Act, 1961.
- None of the test-checked KPs prepared the budget during 2009-14. These KPs also did not generate the income from their own sources. Further, KPs did not submit the compiled annual plans of GPs to ZP.
- Test-checked GPs did not prepare the budget during 2009-14 and they also could not generate the income from their own sources. Further, land management in the test-checked GPs was ineffective.

2.3.1 Unfruitful expenditure

Expenditure of ₹ 11.61 lakh on construction of shops in *Zila Panchayat*, Rampur during 2008-09 was rendered unfruitful due to non-allotment.

Government Order²⁴ (G.O.) provided that *Zila Panchayat* (ZP) may increase their income by constructing shops and shopping complexes on lands having commercial utility. The cost of construction was to be met out of the premium received in advance from the selected highest bidders among the interested parties. The premium was to be deposited immediately after completion of the bidding process.

Scrutiny of the records (October 2013) of ZP, Rampur revealed that administrative, financial and technical sanction for ₹ 16.26 lakh²⁵ was accorded (October and December 2008) under State Finance Commission (SFC) grant and was revised to ₹ 17.11 lakh²⁶ (March 2009) for construction of 22 shops²⁷ in *Tehsil Vilaspur* by the *Adhyaksh/ Apar Mukhya Adhikari* (AMA) of the ZP. The construction of 20 shops and two stair cases was completed (March 2009) by spending ₹ 17.11 lakh. It was observed that ZP made efforts 28 times to auction these shops during February 2009 to October 2013, but only six shops could be auctioned at a total cost of ₹ 5.50 lakh (February 2009) and remaining 14 shops were lying un-auctioned even after lapse of more than five years since their completion.

On this being pointed out in audit, AMA, ZP, Rampur replied (October 2013) that the shops were constructed after obtaining approval of ZP and allotment of shops did not take place as shops were situated on the first floor. Reply of the AMA was not acceptable because six auctioned shops were also situated on the first floor.

Thus, construction of shops out of SFC grant for commercial purpose, instead of from the premium collected in advance from the interested parties was in contravention to the G.O. dated 27 December 1997 and SFC guidelines. Further, demand for shops was also not assessed before their construction which led to non-allotment of the shops rendering expenditure of $\rat{11.61}$ lakh ($\rat{17.11}$ lakh - $\rat{5.50}$ lakh) unfruitful.

In reply, the Government stated (February 2015) that premium for the shops was fixed at higher rates and the same would be revised for re-auction of the shops in future. The reply is not acceptable as the construction of shops was to be done from the premium amount and not from the grant of SFC.

During Exit Conference (February 2015) the Government, while accepting the facts and figures, assured that necessary action would be taken.

²⁴ 6336/33-3-97-185 G/97 dated 27 December 1997.

 $^{^{25}}$ ₹ 8.97 lakh for 12 shops and ₹ 7.29 lakh for 10 shops.

²⁶ ₹ 9.86 lakh for 12 shops (10 shops + two staircase) and ₹ 7.25 lakh for 10 shops.

²⁷ At the time of construction 20 shops and two stair case were constructed within the sanctioned cost.

2.3.2 Loss due to construction of sub-standard road

Sub-standard cement concrete road in Zila Panchayat, Sant Kabir Nagar constructed at a cost of \mathbb{Z} 28.98 lakh during 2009-10 was damaged prematurely and subsequently got repaired by incurring avoidable expenditure of \mathbb{Z} 20 lakh.

As per para 3.3 of Indian Road Congress: SP: 62-2004, concrete pavements designed and constructed will have a design life of not less than 20 years. Para 7.1 of Indian Road Congress: SP: 62-2004, applicable for rural roads, provides that the concrete pavement for rural roads is to be laid on a properly compacted sub-base and to be constructed on a subgrade of selected coarse-grained soil. Any loss to the *Zila Panchayat* (ZP)²⁸ due to substandard work or overpayment to the contractor, would attract recovery of 50 *per cent* of the loss from the contractor.

Scrutiny of the records (March 2013) of ZP, Sant Kabir Nagar revealed that estimate for construction of Cement Concrete Road from 'Khalilabad Mehdawal Mukhya Marg to Vikas Bhawan at village Badgo' (length 410 metre and width 6 metre) for ₹ 29 lakh from the Twelfth Finance Commission grants was prepared in 2008-09 for which the technical sanction of ₹ 29 lakh was accorded by the Government of Uttar Pradesh (January 2009). The administrative and financial approval of the work for ₹ 29 lakh was accorded by the Adhyaksh of the ZP (January 2009). Contract for the work was awarded to the Contractor (January 2009). The work was completed in December 2009 after incurring expenditure of ₹ 28.98 lakh. It was observed that the road was damaged in less than two years as the work was executed without ascertaining proper compaction of earth under sub-base. The fact was reflected in the inquiry report of the Engineer, ZP (September 2011). Subsequently, the same road was got repaired in two phases, by incurring an expenditure of ₹ 20 lakh (₹ 10 lakh in December 2012 and ₹ 10 lakh in April 2013) under the State Finance Commission grant.

On this being pointed out in audit, the *Apar Mukhya Adhikari* (AMA), ZP stated (March 2013) that the work was executed in haste due to administrative pressure but the required quality was maintained. The reply of the AMA was not acceptable as the entire road was damaged in less than two years after its completion against the expected life of 20 years. Further, no proceeding for recovery of loss from the contractor was initiated as per the terms of the agreement.

Thus, due to non-adherence of the quality norms during construction of the road, the Government suffered a loss of ₹ 20 lakh.

In reply, the Government stated (February 2015) that district Sant Kabir Nagar is flood affected zone and due to high ground water level, the road gets cracked when overloaded. The reply is not acceptable as the inquiry report of Engineer ZP clearly states that damage was due to not ensuring proper compaction of earth under sub-base.

²⁸ The agreement between contractor and *Apar Mukhya Adhikari*, ZP provided.

During Exit Conference (February 2015), the Government, while accepting the facts and figures, assured that necessary action would be taken.

2.3.3 Avoidable expenditure

Non-observance of specifications in construction of rural link roads led to an avoidable expenditure of ₹ 35.07 lakh in *Zila Panchayat*, Aligarh.

Specifications²⁹ relating to rural road issued by Uttar Pradesh Public Works Department (UPPWD), to be followed in construction of all rural roads by the *Panchayati Raj* Department, states³⁰ (June 2007) that Premix Carpeting (PC) and Seal Coat shall be laid directly by applying prime coat over top coat/Water Bound Macadam (WBM) surface i.e. first coat painting (P-1) was not required as per specification.

Scrutiny of the records (September 2013) of the *Zila Panchayat* (ZP), Aligarh revealed that administrative, financial and technical approval (April 2011 to January 2013) of ₹ 1.84 crore was accorded by the *Apar Mukhya Adhikari* (AMA) and Engineer, ZP respectively for construction of 20 rural link roads (7,773 metres). The roads were constructed between July 2011 and May 2013 for ₹ 1.82 crore. However, in contravention of PWD specifications, P-1 was laid between WBM and PC, leading to an avoidable expenditure of ₹ 35.07 lakh (*Appendix 2.3.1*).

On this being pointed out in Audit, the AMA, ZP stated (September 2013) that roads were constructed as per requirement of the site and provision of P-1 in the estimates has now been discontinued.

The reply was not acceptable as the specifications mentioned in the circular dated 13 June 2007 did not provide P-1 for rural roads, irrespective of site conditions. The reply confirms that the prescribed specification of UPPWD regarding construction of rural roads was not adhered to by the ZP resulting in an avoidable expenditure of ₹ 35.07 lakh.

During Exit Conference (February 2015), the Government, while accepting the facts and figures, assured that necessary action would be taken.

2.3.4 Fraudulent payment

Fraudulent payment of ₹ 1.01 lakh, indicating the same labourer's name and dates of execution on two muster rolls, was made during 2011-12 in *Kshetra Panchayat*, Narakhi, District Firozabad.

Section 101 A of the UP Kshetra Panchayat and Zila Panchayat Adhiniyam, 1961 states that all withdrawal of money from the fund of Kshetra Panchayat and disbursement thereof shall be made jointly by the Pramukh and Khand Vikash Adhikari/ Block Development Officer (BDO). Further, Rule 69 of UP Zila Panchayat and Kshetra Panchayat (Budget and General Accounts) Rules, 1965 stipulates that it will be the duty of concerned officers (Zila Panchayat

²⁹ Clause 511 and 513 of MORT&H specification 2001.

³⁰ Circular No. 3583 MT/60 MT/2007 dated 13.06.2007.

and *Kshetra Panchayat*) to maintain account of expenditures, keep it within budgetary/sanctioned limits and to scrutinize the bills to stop double payments.

Scrutiny of the records (March 2013) of *Kshetra Panchayat* (KP), Narakhi, District Firozabad revealed that for *khadanja work* "Vinod kumar ki dukan se sahkari samiti hote huye nala puliya tak" in village Jaudhari, under grants of the Second State Finance Commission (SFC), Technical sanction (\mathbf{T} 9.16 lakh) was accorded by the Executive Engineer, Rural Engineering Department and Financial and Administrative sanction by BDO of the KP, respectively (September 2011). For the work executed between 25 November 2011 and 24 December 2011, payment of \mathbf{T} 95,580³¹ (including expenditure on carted earth \mathbf{T} 33,600) was made through muster roll number 28 and 32 and a further payment of \mathbf{T} 1.01 lakh³² on the same name and same execution dates (including expenditure on carted earth \mathbf{T} 43,200) was made through muster roll number 31 and 33 (*Appendix 2.3.2*).

Thus, fraudulent payment of ₹ 1.01 lakh, was made in *Kshetra Panchayat*, Narakhi, District Firozabad during 2011-12.

The Government accepted the audit contention (September 2014) and intimated that recovery proceedings have been initiated.

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^{31 29} labourers for 413 mandays @ ₹ 120 per day; 4 mistri 54 mandays @ ₹ 230 per day and 3 tractors for 42 man days @ ₹ 800 per day.

adys @ ₹ 800 per day.

32 28 labourers for 395 man days @ ₹ 120 per day; 4 *mistri* 46 mandays @ ₹ 230 per day and 4 tractors for 54 man days @ ₹ 800 per day.