



CHAPTER – II
COMPLIANCE AUDIT

Chapter – II Panchayati Raj Department

2.1 Unfruitful expenditure on incomplete works

Construction of 42 *Aanganwadi* Centres remained incomplete for a period ranging from three to eight years resulting in an unfruitful expenditure of ₹ 1.27 crore.

Section 61 (c) and (d) of Bihar Panchayat Raj Act, 2006 stipulate that the Executive Officer (EO) of Panchayat Samiti (PS) shall supervise and control the execution of all works under PS and take necessary measures for speedy execution of works and developmental. Rule 90 and 113 (b) of Bihar Panchayat Samitis and Zila Parishads (Budget and Accounts) Rules, 1964 envisaged that no continuing schemes shall be left in an incomplete state and the second advance for any work shall not be granted until the first advance has been accounted for and unspent balance of advance should be refunded immediately by the executing agencies.




As per direction issued (December 2011) by the Panchayati Raj Department, Government of Bihar, grants under the 13th Finance Commission (13th FC) recommendations were to be utilised for the construction of *Aanganwadi* Centres (AWCs) on a priority basis. The objectives for the construction of AWCs were to provide food, pre-school education, primary health care *etc.*, to children less than six years of age.

Scrutiny (August 2014 and status updated in September 2017 and February 2019) of records relating to construction of AWCs in seven PSs²⁹ revealed that staff³⁰ of the Gram Panchayats and the Panchayat Samitis were made the executing agents for construction of AWCs departmentally. As per work order, the work was to be completed within three to six months from the date of issue of work order. A total number of 137 AWCs with estimated cost of ₹ 9.15 crore were taken up for construction under the 13th FC grant head during 2010-11 to 2015-16 and out of that 42 AWCs (31 *per cent*) remained incomplete and left abandoned till January 2021.

The executing agents were paid a total sum of ₹ 1.62 crore as advance (May 2012 to March 2017) in two to ten instalments for execution of the aforesaid 42 works but only ₹ 1.27 crore was spent on these works and an amount of ₹ 0.35 crore (22 *per cent* of advance made) was lying with them for the last three to eight years (*Appendix-2.1*).

²⁹ Barahaiya, Bihta, Dobhi, Gurua, Maner, Pakribarawan and Ramgarh Chowk

³⁰ Panchayat Secretaries/Technician/ Jan Sewak/ Block Cooperative Officer

		
<p>Scheme no. 02/12-13 (PS-Bihta) Estimated Cost: ₹ 6.06 lakh Expenditure: ₹ 3.09 lakh Date of JPV: 23/01/2021</p>	<p>Scheme no. 04/14-15 (PS-Bihta) Estimated Cost: ₹ 7.48 lakh Expenditure: ₹ 3.37 lakh Date of JPV: 25/01/2021</p>	<p>Scheme no. 17/14-15 (PS-Maner) Estimated Cost: ₹ 7.48 lakh Expenditure: ₹ 3.94 lakh Date of JPV: 29/01/2021</p>

(JPV: Joint Physical Verification)

The EOs had attributed the reasons for not completing the works mainly to shortage of funds and transfer/death of executing agents. However, the audit observed that EOs of the PSs paid second and subsequent advances to the executing agents without adjusting the previous ones and did not supervise and monitor the execution of works. Also, EOs did not take the necessary measures to complete the works and recover the outstanding amount lying with the executing agents except issuing a few reminders to the executing agents concerned. Besides, in four PSs³¹, construction of AWCs was undertaken without ensuring the availability of funds.

Thus, due to improper planning, weak internal control and lack of effective monitoring of the works by EOs, 42 works of seven PSs remained incomplete for three to eight years which led to unfruitful expenditure of ₹ 1.27 crore besides outstanding advance of ₹ 35.36 lakh lying with the executing agents as of January 2021. Further, it resulted in non-fulfilment of the objective of construction of AWCs.

The matter was reported (25 March 2021) to the Department and reminder was issued on 1 September 2021. The reply was not received (May 2022).

³¹ Barahaiya, Gurua, Maner and Pakribarawan