

Chapter-2

Subject Specific Compliance Audit of District Plan Scheme

CHAPTER 2

Finance Department

2. Subject Specific Compliance Audit of District Plan Scheme

2.1 Introduction

Decentralisation of Planning process has acquired considerable significance with 73rd and 74th Constitutional Amendment Act. The basic idea to formulate District Plan (DP) was to involve Panchayati Raj Institutions (PRIs) and local bodies in preparation of area plans and implementation of schemes for economic development and social justice. This process was expected to result in efficient use of resources, equitable sharing of benefits from development and giving power to local bodies. The District Plan scheme was introduced in Haryana in the year 2008-09 for carrying out various development works in the State. “District Plan” is a development scheme running in the Department of Economics and Statistical Analysis (DESA), Haryana for carrying out various development works in the State. It has two components, General component and Scheduled Castes Sub Plan (SCSP) component. As per the Government of Haryana (GoH) instructions, 40 *per cent* of total funds are to be spent on the development works for Scheduled Castes and balance 60 *per cent* for General component. GoH constituted District Development and Monitoring Committees (DDMCs) in all the districts during the year 2012-13 with a view to ensure proper and timely utilisation of District Plan Funds in public interest. The Committee in each district is chaired by the Minister heading the District Public Relations and Grievances Committee. The Deputy Commissioner (DC) is the Vice-Chairman of the Committee and also chairs the meeting of DDMC in the absence of Chairman. The Chief Planning and Development Officer (CPDO) is the Budget Controlling Officer (BCO) as well as Drawing and Disbursing Officer (DDO) for drawal/ release of funds which are allocated/ released to districts under “District Plan” scheme. The DDMC is empowered to approve various development works. The DDMC is required to work strictly as per the guidelines on the subject matter issued by the State Government *i.e.* the District Plan Scheme Guidelines (2016).

2.2 Audit Scope, Sampling and Methodology

Subject Specific Compliance Audit (SSCA) covering the period 2018-19 to 2020-21 was conducted between August 2021 and February 2022. Out of 22 districts in the State, seven districts¹ were selected by random sampling through

¹ Ambala, Bhiwani, Charkhi Dadri, Faridabad, Fatehabad, Gurugram, Karnal.

IDEA. Audit exercise included analysis of budget documents, records relating to agenda and minutes of meeting of DDMC, physical and financial progress reports, monitoring by the department, funds receipts and expenditure *etc.*

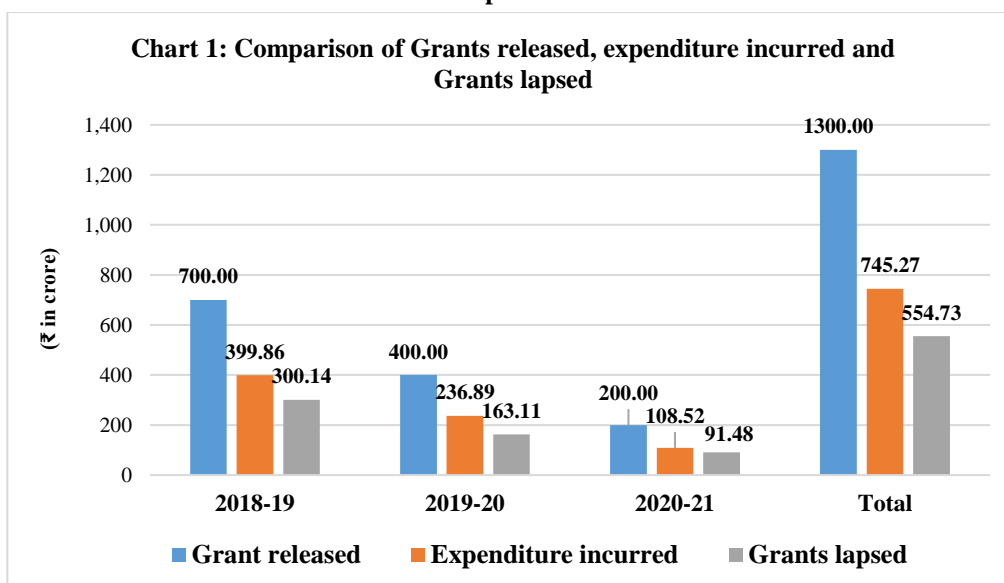
2.3 Budget and Expenditure under development scheme 'District Plan'

Grants released, expenditure incurred and grants lapsed under the scheme for the years 2018-19 to 2020-21 was as given in **Table 2.1** below:

Table 2.1: Detail of Grants released, expenditure incurred and Grant lapsed

Year	Grants Released	Expenditure incurred	Grants lapsed	Lapsed Grant as Percentage of released Grant
	₹ in crore)			
2018-19	700.00	399.86	300.14	42.88
2019-20	400.00	236.89	163.11	40.78
2020-21	200.00	108.52	91.48	45.74
Total	1,300.00	745.27	554.73	42.67

Source: Information collected from the department



There has been a significant decline in the allocation amount in the progressive years from 2018-19 to 2020-21 *i.e.* from ₹ 700 crore in 2018-19 to ₹ 200 crore in 2020-21. This decline is a direct fallout of the inability of the Department to utilise the allocated funds within the scheduled timeframe. The lapsed funds, as a percentage of funds released increased from 42.88 *per cent* in 2018-19 to 45.74 *per cent* in 2020-21 with a minor drop in 2019-20 at 40.78 *per cent*.

The District Plan scheme was intended to strengthen the District Planning in order to achieve optimum outcomes in terms of balanced development with convergence of resources and enforcement of inter-sectoral priorities. For this purpose, the DDMCs included elected representatives as well as official members who were expected to devise plans taking into account locally available resources, infrastructure status and gaps and the aims and vision of the

local people to foster inclusive development and growth. However, the consistent lapse of funds has severely compromised the ability of the Department to achieve the desired objectives.

In reply, the Director, DESA stated (May 2022) that the initial Budget allocation under District Plan scheme for the year 2018-19 was ₹ 400 crore. Further allocation of ₹ 300 crore was made to provide funds for execution of development works under Shivdham Yojana. Out of these ₹ 700 crore, all districts could utilise only ₹ 399.86 crore. Accordingly, a Budget provision of ₹ 400 crore was made for the year 2019-20. The Budget allocation was reduced to ₹ 200 crore for the year 2020-21 keeping in view the restricted developmental activities in lockdown due to COVID-19 pandemic. Thus, the audit observation remains that consistent lapse of funds is assessed to have severely compromised the ability of the Department to achieve the desired objectives.

Audit Findings

Planning

2.4 Delays in submission of approved District Plan

Para 4.4 (Annexure-“I”) of “District Plan” Guidelines provided that approved “District Plan” for the year was to be submitted by CPDO offices to the Director, DESA, Haryana (Planning Department) by 15th March every year and DESA, Haryana is required to release the budget for these development works by 30th of April every year.

During scrutiny of records of selected CPDO offices, it was noticed that approved “District Plan” by DDMC had not been sent to DESA by any of the field offices in time *i.e.* by 15th March of each year. It was noticed that in all seven selected CPDO offices an arbitrary system of preparing the District Plan in three installments during 2018-19 was followed. During 2019-20 and 2020-21, six out of seven selected CPDO offices prepared a single District Plan each year while CPDO Charkhi Dadri did not prepare any District Plan for which no reasons were recorded. There had been delays in sending approved “District Plan” by CPDO offices ranging from 74 to 509 days by selected districts (*Appendix 2.1*). In one particular case, Faridabad District sent the District Plan for the year 2020-21 in August 2021, after a delay of 17 months (509 days) thereby rendering the objective of submitting ‘District Plan’ redundant.

Further, scrutiny of records of DESA, Haryana relating to release of budget/grants revealed that grants under District Plan scheme were released with delays ranging from 24 to 270 days for audit coverage period as detailed in the *Table 2.2* below:

Table 2.2: Details of delay in fund released

Year	Prescribed time	Date of fund released	Delay in days
2018-19	30 April 2018	(i) 02 July 2018	63
		(ii) 12 September 2018	135
		(iii) 25 January 2019	270
2019-20	30 April 2019	(i) 24 May 2019	24
		(ii) 12 June 2019	43
2020-21	30 April 2020	(i) 18 December 2020	232

Source: Information collected from the department

It was also seen that DESA also did not make any efforts to seek the approved District Plans from the CPDO offices. Audit noticed that the submission of approved District Plan was more of a gap filling exercise. Further, delayed release of funds facilitated the possibility that the funds may not be utilised within the envisaged timeframe. The same was noticed and has been detailed in Paragraph 2.6 of this Report.

However, for all the three years of 2018-19, 2019-20 and 2020-21, the funds were released by DESA before receiving the approved District Plans from the CPDO offices, for which no recorded reasons existed, thereby reflecting complete disconnect between submission of District Plans and release of budget by DESA.

In reply, the Director intimated (May 2022) that all CPDOs will be directed to follow the activity chart for preparation of their District Plans. Thus, the audit observations remains that the activity plans of District Plan Guidelines was not followed.

2.5 Lapse of grant under “District Plan” Scheme ₹ 148.81 crore

The District Plans were to be based on a long-term vision, reflecting the needs of the people and providing for convergence of programmes and resources so that implementation of the plan yielded optimal outcomes and helped addressing the regional imbalances. The District Development and Monitoring Committees (DDMC) were constituted in the districts with objective of proper and timely utilisation of District Plan Funds in public interest and avoiding non-utilisation of funds. Further, as per Para 5.3 of the Guidelines of District Plan, CPDO is Budget Controlling Officer as well as DDO for drawal/ release of funds which are allocated/released to the district under “District Plan” Scheme. The unutilised amount lying as on 31st March with DDO lapses which is neither available for revalidation nor reallocation in subsequent financial years.

During scrutiny of records in DESA, it was noticed that funds were allocated to various CPDOs in lump sum and on a discretionary basis without assessing their actual requirement and identifying the underlying purpose for which funds were required to be utilised.

As a result, out of ₹ 376.45 crore grant received in the test checked districts during 2018-19 and 2019-20, only ₹ 227.64 crore was utilised and ₹ 148.81 crore (39.53 per cent) lapsed (**Appendix 2.2**). This lapsed amount is assessed to have negatively impacted the desired outcomes envisaged in the approved District Plans. The reasons for lapse of funds were mainly on account of sanction of funds prior to or without carrying out feasibility study of works, delayed release of funds, works already carried out under other scheme, work sites being disputed, etc.

On being pointed out, office of the CPDOs Ambala and Gurugram stated that it will be taken care of in future. CPDO, Fatehabad stated that during the year 2018-19 and 2019-20 some approved works were not found feasible/not started. The CPDO Bhiwani stated that due to COVID 19, delayed release of funds and stoppage of mining work by National Green Tribunal were main reasons for the lapse of funds, whereas CPDO Faridabad intimated that reply will be sent after examining the matter. Reply of ADC-cum-CPDO, Karnal and Charkhi Dadri was awaited (February 2022).

In reply, the Director DESA intimated (May 2022) that proposals/demands for development works were received from different sources such as Gram Panchayats/Urban Local Bodies/PRI, etc. which took time to compile these proposals/demands before submitting to DDMC for approval. However, instructions have been issued to all CPDOs to utilise the district Plan funds. Thus, the audit observation remains that the activity plan of District Plan Guidelines was not followed.

Works related issues

2.6 Expenditure made on the works not permissible under District Plan Scheme ₹ 5.52 crore

Para 4.5 of District Plan guidelines provided that only the works mentioned in Annexure-II of the guidelines were permissible under “District Plan” and works mentioned in Annexure-III were not permissible. Para 3.1 of guidelines provided that DDMC was to work strictly as per guidelines on the subject matter issued by the State Government. If any doubt arose on permissibility of a work, the same was to be clarified from DESA, Haryana (Planning Department) before the start of work.

Scrutiny of records of the office of CPDOs for the period 2018-19 to 2020-21 revealed that an expenditure of ₹ 5.52 crore (sanctioned amount ₹ 5.65 crore) was incurred on 128 (**Appendix 2.3**) different works on the development schemes that were assessed ineligible under this scheme as these works were not covered under District Plan Scheme. These works mainly pertained to outdoor fixed children multi activities play system in various schools, open

fixed Gym², activities for religious purpose, construction works undertaken in Khera compound³, constructions works of vridh ashram⁴, works of roundabouts on roads *etc.* The district wise summary and number of non-permissible works, funds sanctioned and actual amount incurred is given in **Table 2.3**.

Table 2.3: Non-permissible works undertaken in selected districts during 2018-19 to 2020-21

Sr. No	CPDO	No. of works	Sanctioned amount	Actual expenditure
			(Amount in ₹)	
1	Ambala	2	16,00,000	15,63,711
2	Bhiwani	49	2,15,70,000	2,16,84,410
3	Fatehabad	65	2,71,75,000	2,66,28,130
4	Faridabad	05	23,65,000	18,98,000
5	Gurugram	03	24,90,000	22,70,994
6	Karnal	04	12,84,000	11,75,297
	Total	128	5,64,84,000	5,52,20,542

On being pointed out, office of the ADC-cum-CPDO Ambala and Gurugram stated (December 2021 to January 2022) that matter will be examined and audit will be intimated accordingly whereas CPDO, Fatehabad stated (January 2022) that clarification will be taken from Directorate and audit will be intimated accordingly. ADC-cum-CPDO Bhiwani stated (February 2022) that the works of multi play system for government schools are helpful for increasing the admission/enrollment in the government school and also beneficial for extracurricular activities and health of the students/people. CPDO Faridabad intimated that reply will be sent after examining the matter whereas reply of ADC-cum-CPDO Karnal was awaited (February 2022).

In reply, the Director DESA intimated (May 2022) that all CPDOs will be directed for strict compliance of scheme guidelines in this regard in future.

2.7 Incomplete/unutilised works

(i) Incomplete works

Para 4.7 of the District Plan Guidelines provided that the works approved by DDMC should be completed within the same financial year otherwise unspent funds will lapse on 31st March. Further, Para 4.9 of the District Plan guidelines provided that after completion of works, the created assets were to be handed over to the concerned Gram Panchayat/ Municipality by the executing agency for its proper utilisation and maintenance. Any kind of recurring expenditure on the created assets was to be borne by the concerned Gram Panchayat/ Municipality or end-users at their own level. No recurring expenditure was allowed under this scheme.

² Open Fixed Gym: Gym equipments fixed in an open area such as in park.

³ Khera Compound: Khera Compound is an open area associated as a symbol of God which is constructed in most of villages in the State of Haryana.

⁴ Vridh Ashram: Vridh ashram is a place where old people live together, often managed by a trust or some people.

During scrutiny of records of selected CPDOs, it was noticed that in three units (Ambala, Faridabad and Gurugram) approved work by DDMC were started but remained incomplete till the date of audit. Due to non-completion of work, objective of construction of specific work remained unfulfilled. Thus, expenditure made on the works was assessed as unfruitful. Details of incomplete works are mentioned in **Table 2.4** as under:

Table 2.4: Incomplete Works

Sr. No.	Name of Block/MC/ Gram Panchayat/ District	Year	Name of works	Approved	Expenditure	Status
				(Amount in rupees)		
1.	BDPO, Pataudi, Gurugram	2018-19	B/Wall of Shamshan Ghat, Village-Heraheri	7,40,000	2,60,602	Out of four sides of B/wall only three sides has been constructed.
			Shed & B/Wall of Shamshan Ghat, Village-Gauriawas	8,00,000	5,53,370	Out of four sides of B/wall only two sides has been constructed.
			Shed & B/Wall of Shamshan Ghat, Village-Khetiyawas	5,00,000	1,66,315	Only shed has been constructed. B/wall not constructed.
2.	MC Naraingarh, Ambala	2018-19	Street Near Plot of Ajay	2,82,000	1,08,664	Work was started but not completed.
3.	BDPO Ballbgarh, Faridabad	2018-19	B/Wall of community centre at village Gharoda	5,00,000	3,05,934	Out of three sides of B/wall only two sides has been constructed.
Total				28,22,000	13,94,885	

Audit did not come across any mechanism being followed by the Department for timely monitoring towards execution of works despite being provided in District Plan Guidelines (Paragraph 8). An exit conference was held with the Additional Chief Secretary, Finance and Planning Department (ACS) on 17 May 2022. The ACS stated that a set of instructions would be issued by the Directorate to field offices with respect to monitoring of works carried out under the scheme so as to achieve better results of works carried out under District Plan. Final action was awaited.

(ii) Unutilised works

Para 4 of the District Plan guidelines mandated that the District Plan was to be based on realistic assessment of the ground realities, potentials, problems and local needs of the people in the respective district. The genuine requirement of works with regard to locally felt needs based on their urgency/priority was to be kept in view.

During joint inspection of works carried out under District Plan on 16 February 2022 along with CPDO Charkhi Dadri, it was noticed that two works namely; (i) construction of Aanganwadi Centre (Indrawati) under SCSP component which was constructed in 2018-19, for which the sanctioned amount was ₹ 10 lakh against which actual expenditure incurred was ₹ 10.07 lakh and (ii) construction of Hall at Kheri Bura which was constructed

in 2018-19 with sanctioned amount of ₹ 10 lakh against which actual expenditure was ₹ 4.33 lakh were in poor condition. Both the buildings were unused and in shabby condition. There was no boundary wall around the building, no gate or fencing was done to cover the area around the hall and no approach was provided to enter the building from the main street. Audit sought the copies of the estimates and payment vouchers from the CPDO, Charkhi Dadri. However, the same were not provided to Audit.

In the Aanganwadi Centre at Indrawati, the building was not plastered from inside or outside and not painted despite incurring expenditure more than the estimated cost. Windows and doors were also not provided for in the building. Expenditure on both the works rendered to be unfruitful as it was not intimated to audit that that whether the buildings have been handed over to the beneficiaries after completion of work.

Photographs showing unutilised completed structures



In reply, the Director DESA (May 2022) intimated that details regarding missing elements in the estimates prepared by the Executing Agency which led to non-utilisation of assets and status of handing over these assets to intended beneficiaries will be sought from CPDO, Charkhi Dadri and the necessary directions will be issued for completion of these incomplete works to make them usable.

2.8 Execution of works undertaken without tender

Para 5.1 of “District Plan” guidelines provided that the executing agencies were to ensure that the works were executed departmentally as per the prescribed specifications. For cost effectiveness, transparency and eradicating the corruption the scheme/works were to be executed through tendering, particularly for schemes/works costing more than ₹ five lakh. The amount of ₹ five lakh was revised to ₹ 10 lakh by DESA (February 2017).

During scrutiny of records of the selected offices, it was noticed in the Office CPDO, Gurugram that three works amounting more than ₹ 10 lakh were conducted without tendering process in violation of guidelines as mentioned in the *Table 2.5* below:

Table 2.5: Works conducted without tendering process

Sr. No.	Year	Name of MC/ Block/ Gram Panchayat	Name of Village/ Ward no	Name of Work	Amount approved (in ₹)	Amount utilized (in ₹)	Status
1.	2019-20	Block-Farukh Nagar	Kaintawas	Pond Rejuvenation	25,00,000	24,74,336	Work in Progress
2.		Block-Sohna	Kharoda	Development works in School	15,00,000	8,20,759	Work in Progress
3.		Farukh Nagar	Jodi Khurd	Rasta from Jodi Khurd to Main road	13,00,000	13,00,000	Completed
Total					53,00,000	45,95,095	

In reply, the Director DESA intimated (May 2022) that all CPDOs will be directed to strictly adhere to the scheme guidelines in this regard.

2.9 Common Deficiencies in execution of works executed under District plan scheme

During scrutiny of records of selected districts, audit noticed the following common deficiencies in the works executed under District Plan Schemes as mentioned below:

Common deficiencies in the works executed under District Plan

Sr. No.	Criteria for works as per “District Plan” guidelines	Status in selected districts
1.	Para 4.9 of the guidelines stated that after completion of works, the created assets were to be handed over to the concerned Gram Panchayat/ Municipality by the executing agency for its proper utilisation and maintenance. Any kind of recurring expenditure on the created assets was to be borne by the concerned Gram Panchayat/ Municipality or end-users at their own level.	Out of 61 MCs/BDPOs/Agencies working under six CPDOs this provision was not implemented by 57 MCs/BDPOs/Agencies in six CPDOs. On being pointed out CPDOs Ambala, Gurugram and Fatehabad replied that instructions in this respect will be issued to concerned MCs/BDPOs/Agencies. In Reply to audit memo CPDO Bhiwani, Charkhi Dadri and Karnal stated that this practice would be followed in future.
2.	Para 5.5 of the guidelines stated that funds were to be released/spent only on the works approved by DDMC. Ex-post-facto approval/ sanction for any work was to be accorded only under special circumstances by Director, DESA, Haryana. In case, any work was required to be replaced, approval of the same was to be obtained by referring the matter to Director, DESA, Haryana with full justification and an undertaking that sufficient funds were available with that district for the execution of this work.	In five out of seven test checked CPDOs, in Charkhi Dadri, Fatehabad, Faridabad, Gurugram and Karnal 124 works (<i>Appendix 2.4</i>) having sanctioned cost of ₹ 594.38 lakh and with an expenditure incurred being ₹ 487.97 lakh during 2018-19 to 2020-21 were replaced without justification for change of work and without approval from DESA. It was noticed in CPDO Fatehabad that the location of executing of a work relating to construction of a shed was changed without approval of DDMC. The absence of justification in these cases renders the provision futile. No such cases were found in Bhiwani and Ambala. On being pointed out CPDOs Fatehabad Faridabad and Gurugram stated (December 2021 to January 2022) that matter will be examined and audit will be intimated accordingly. Reply of CPDO Charkhi Dadri and Karnal was awaited (February 2022).

Sr. No.	Criteria for works as per “District Plan” guidelines	Status in selected districts
3.	Para 7.5 of the guidelines stated that CPDO as well as Panchayats/Municipalities were to maintain an asset register indicating the requisite details of works both in financial and physical terms executed under District Plan Scheme.	<p>Out of 69 Panchayats/Municipalities corresponding to the seven CPDOs, asset registers were not maintained by 29 Panchayats/Municipalities of three CPDOs Ambala, Gurugram and Fatehabad. Further Assets Register was not maintained in the office of the CPDO Fatehabad and Faridabad. Asset Register was maintained in remaining five out of seven CPDOs.</p> <p>In absence of asset register with the end users, the system of ensuring dual check on financial and physical details of works could not be enforced.</p> <p>On being pointed out, CPDO Ambala, Gurugram and Fatehabad stated that instructions in this respect will be issued to concerned MCs/BDPOs/Agencies while CPDO Faridabad intimated that reply will be sent after examining the matter.</p>
4.	Para 7.9 stated that the works of cement concrete streets or pavers block streets with drains for disposal of dirty water were to be executed after obtaining assurance from Public Health, Electricity and Telephone Departments that the pavement would not be dug for laying pipelines, wiring <i>etc.</i> at least in the next 5 years.	<p>Audit noticed that in 1,901 works of cement concrete streets/paver block streets with drains for disposal of dirty water executed in seven CPDO offices, assurance/ certificates were not obtained in any of the seven selected offices. In absence of these assurances/certificates, there is a possibility that these works may be destroyed/damaged as a result of digging by other public utility departments.</p> <p>On being pointed out, CPDO Ambala, Gurugram and Fatehabad stated that instructions in this regard will be issued to concerned MCs/BDPOs/Agencies. CPDO Bhiwani stated that practically it was not possible to take permission/ No Objection Certificate (NOC) from many Departments. In reply to audit memo, executing agencies under jurisdiction of CPDO Karnal and Charkhi Dadri, stated that this practice would be followed in future.</p>
5.	Para 7.11 stated that a sign board of the scheme was to be installed at the site of work showing the name of scheme and other details on each work site.	<p>Out of 61 MCs/BDPOs/Agencies of six selected CPDOs, 58 MCs/BDPOs/ Agencies of six CPDOs Ambala, Bhiwani, Charkhi Dadri, Gurugram, Fatehabad and Karnal intimated that that installation of signboard was not being carried out.</p> <p>On being pointed out, CPDOs Ambala, Fatehabad and Gurugram stated that instructions in this regard will be issued to all MCs/Blocks/Agencies. Reply of CPDO Bhiwani, Karnal, and Charkhi Dadri was awaited.</p>

During exit conference (May 2022), the ACS stated in respect of audit objection at Sr. No. 1 and 3, that data relating to assets created under District Plan scheme for a period of five years in reverse chronological order from 2020-21 to 2017-18 would be uploaded on the official website of the Planning Department.

In reply, the Director DESA intimated (May 2022) that all CPDOs will be directed to ensure that Executing Agencies will take care of such common deficiencies in future while executing the works.

2.10 Non-submission of utilisation certificate to DESA

As per para 7.6 of District Plan guidelines, CPDO was to furnish a Utilisation Certificate (UC) of each work, duly signed by him, to Director, DESA, Haryana after collecting the same from Executing Agency immediately after completion of the work stating the amount sanctioned and utilised for the aforesaid work.

Scrutiny of records revealed that in six out of seven selected CPDOs, UCs had been submitted to the DESA, Haryana. In CPDO Fatehabad, UC amounting ₹1,980.64 lakh for the period 2018-19 and amounting to ₹ 1,121.58 lakh for the period 2019-20 had not been sent to DESA (January 2022). In the absence of the UC, audit cannot provide the assurance that the work had been completed and amount utilised for approved work.

On being pointed out (January 2021) CPDO, Fatehabad stated that Utilisation Certificates will be sent to headquarter and audit will be intimated accordingly.

During exit conference, the ACS stated (May 2022) that the District Plan in future would be reviewed in two phases in every year. If the work progress in the first phase is not assessed to be satisfactory, a mechanism would be devised to transfer the remaining funds to other districts and the second instalment would be released only after satisfactory utilisation of funds along with furnishing of corresponding UCs. In reply, the director DESA (May 2022) intimated that instructions will be issued to CPDO, Fatehabad to submit the pending utilisation certificates as soon as possible and intimated to audit accordingly.

Monitoring

2.11 Non/short monitoring of works by DDMC quarterly

Para 3.2 of District Plan guidelines stated that DDMC was to meet at least once in every quarter for the transaction of business including the activities. Further, Para 3.3 of guidelines provided that Director, DESA, Haryana could be requested to attend meeting himself or to depute his representative to attend the DDMC meeting as special invitee. In addition, as per Para 3.9 of the guidelines, DDMC was to review the progress of works/schemes under District Plan in quarterly meeting and a copy of the minutes of quarterly meeting was to be sent to Director, DESA, Haryana.

During scrutiny of records of selected units, audit noticed that none of the DDMCs met as per the time schedule provided in the guidelines and neither the Director, DESA nor his representative attended the DDMC meetings even once. In place of 12 quarterly meetings due in three years, only three to six quarterly meetings were held by CPDOs during the years 2018-19 to 2020-21 as detailed in the *Table 2.6*.

Table 2.6: Details of DDMC Meetings held during 2018-19 to 2020-21

Sr. No.	Name of District	Number of meetings during 2018-19 to 2020-21		
		To be held as per guidelines	Held	Held short
1.	Ambala	12	3	9
2.	Fatehabad	12	5	7
3.	Gurugram	12	6	6
4.	Faridabad	12	5	7
5.	Karnal	12	5	7
6.	Bhiwani	12	5	7
7.	Charkhi Dadri	12	4	8

Source: Information collected from the department

The provisions for monitoring were assessed as a critical tool to ensure the achievement of optimum outcomes in terms of balanced development with convergence of resources and enforcement of inter-sectoral priorities brought out in the District Plan. A direct impact of lapses on part of monitoring was seen in lapsing of budget, as brought out in Paragraph 2.5 of this Report.

On being pointed out CPDOs Ambala, Fatehabad and Gurugram stated (December 2021 to January 2022) that it will be taken care in future. CPDO Bhiwani stated that due to busy schedule and COVID, the targeted number of quarterly meeting was not achieved. CPDO Faridabad intimated that reply will be sent after examining the matter.

In reply, the Director DESA (May 2022) stated that the meeting of DDMC could not be conducted on regular basis because of restrictions imposed due to spread of COVID-19 pandemic. Reply was not acceptable as COVID-19 pandemic was spread during 2020-21 but non/short monitoring of works by DDMC was in all the three years.

2.12 Non-submission of physical and financial progress report to head office

As per Para 8.8 of District Plan guidelines, quarterly/ annual physical and financial progress reports of the works undertaken in the prescribed formats were required to be sent on-line to the Director, DESA, Haryana within 15 days after the end of every quarter/ year without awaiting any communication from the head office.

Scrutiny of the records of the selected CPDO offices revealed that while CPDO Ambala did not send any physical and financial progress reports; CPDO Fatehabad, Gurugram and Faridabad sent lesser number of physical and financial progress reports than due. CPDO Karnal, Bhiwani and Charkhi Dadri had did not provide the record. The provision of progress reports was to ensure effective monitoring of the works being undertaken. The fact that no action was taken by DESA to address the issue highlighted the gaps in implementation of this provision. The details of progress reports sent to DESA

by the selected CPDOs is given in **Table 2.7**.

Table 2.7: Number of progress reports sent to DESA by CPDOs

Sr. No.	Name of District	Number of progress reports to be sent during 2018-19 to 2020-21					
		Due as per guidelines		Actually Sent		Gap between due and actually sent	
		A	Q	A	Q	A	Q
1.	Ambala	3	12	-	-	3	12
2.	Fatehabad	3	12	2	4	1	08
3.	Gurugram	3	12	3	12	0	0
4.	Faridabad	3	12	3	0	0	12
5.	Karnal	3	12	Record not provided			
6.	Bhiwani	3	12	-do-			
7.	Charkhi Dadri	3	12	-do-			

Annual: A, Quarter: Q.

On being pointed out (January 2022) CPDO Ambala and Fatehabad stated that it will be taken care in future. CPDO Faridabad intimated that reply will be sent after examining the matter. Reply of CPDO Bhiwani, Charkhi Dadri and Karnal was awaited.

In reply, the Director DESA (May 2022) intimated that the financial progress was monitored regularly at Headquarters level on the basis of online expenditure. It was also intimated that all CPDOs will be instructed to send the quarterly/annually physical as well as financial progress reports of the works undertaken in the prescribed formats of District Plan Guidelines. Reply was not acceptable as concerned CPDOs admitted the facts regarding non-submission of physical and financial reports to the head office regularly.

2.13 Physical inspection not conducted for development works executed under District Plan

Para 8.5 of 'District Plan' guidelines provides that planning officers were to conduct physical inspection of development works executed under District Plan scheme at least once in a week. The CPDO and Deputy Commissioners were to conduct physical inspection of development works executed under District Plan scheme at least once in a month. These inspection reports were required to be sent to Director, DESA, Haryana.

Scrutiny of records of selected CPDOs revealed that while the physical inspection of development works was not conducted by CPDO Ambala and Fatehabad whereas Planning Officer, Gurugram conducted 71 physical inspections out of 156 inspections due during audit period. Physical inspection was conducted by CPDO Faridabad from February 2021 onwards. However, CPDO Bhiwani, Charkhi Dadri and Karnal had not maintained any record for their field inspection. As such audit is not in a position to comment upon any deficiency with respect to the field visits carried out in these offices.

On being pointed out (September 2021 to February 2022) CPDO Ambala, CPDO Fatehabad, CPDO Gurugram stated that the matter will be taken care in

future whereas CPDO Faridabad intimated that reply will be sent after examining the matter. Reply of CPDO Bhiwani, Charkhi Dadri and Karnal was awaited.

In reply, the Director (DESA) intimated (May 2022) that reports were being sought from the concerned CPDOs regarding physical inspection of development works executed under the scheme.

2.14 Work not found constructed at site with expenditure of ₹ 9.90 lakh

As per Para 8.3 of the District Plan guidelines, the CPDOs were to monitor regularly/periodically the development schemes/works sanctioned under District Plan.

During scrutiny of records of CPDO, Gurugram, it was noticed that a work was approved by DDMC during the year 2018-19 for construction of a road from Mata Mandir to house of Laxmi Narain in Ward No. 2 Haily Mandy on which an expenditure of ₹ 9.90 lakh was incurred. During joint physical verification of work (December 2021), it was noticed that this road had not been constructed. In the joint inspection, it was stated by Secretary, MC Haily Mandi that Water Bound Macadam⁵ (WBM) was started but the matter went to court. Details of the work have been given in **Table 2.8** below:

Table 2.8: Details of Work not found on site

Name of MC	Year of Work	Name of Work	Sanctioned Amount	Expenditure	Status of Payment
MC, Haily Mandy	2018-19	Construction of road from Mata Mandir to House of Laxmi Narain in ward no. 2, Haily Mandy	₹ 9,90,000	₹ 9,90,000	Payment was made to the supplier

The payment against works was made without any corresponding physical verification. In absence of an effective monitoring mechanism, adequate safeguards were required to be built in while making payments against works, which was not done. No such case was noticed by Audit in any other selected CPDO.

On being pointed out (December 2021) office of the CPDO, Gurugram stated that now the matter is sub-judice and that Audit will be intimated after judgment of court. On being specifically asked, the copy of court case was not made available to audit.

⁵ Water Bound Macadam: Water Bound Macadam is a road construction procedure. It is a type of flexible pavement in which the base and surface layer contains crushed stone or broken rock pieces and materials are well interlocked with the help of a mechanical roller. Then the voids are filled with the help of screening material and binding materials (stone dust) along with water and compaction.

The Department intimated (September 2022) that a fact finding inquiry was conducted by Additional Director, DESA which found that an expenditure of ₹ 9.90 lakh was incurred but mentioned road had not been constructed.

2.15 Conclusion

- Plans were prepared and sent to HQ with considerable delay the corollary of which was delayed start of work and consequential lapse of funds.
- The allocation of amounts under the District Plan scheme was on lump sum and discretionary basis, without identifying the underlying purpose.
- Due to lack of monitoring, works which are not permissible under this scheme have been undertaken by field offices.
- Out of 61 MCs/BDPOs/Agencies working under six CPDOs, the created assets in 57 MCs/BDPOs/Agencies were not handed over to the concerned Gram Panchayats/Municipalities.

2.16 Recommendation

The Government/Department may consider the following action for improvement:

- Need to continue funding through this scheme may be reviewed.
- Formulation and submission of District Plans should strictly adhere to guidelines that have been issued by the Government.
- Works should be monitored regularly by field offices as well Directorate office by all designated officers so as to ensure timely completion of work besides completion of work as per approved estimates.
- Works should be undertaken which are permissible under this scheme and in case of any work not covered under the scheme needs to be executed; approval of competent authority should be obtained.