

CHAPTER -3

IMPLEMENTATION OF SCHEMES

3.1 Irregular Cash payment of Birth grant under Balika Samridhi Yozana

With a view to discourage the practice of early marriage of girls and to change negative family and community attitude towards girl child and her mother, Government of India, Ministry of Human Resources Development, introduced Balika Samridhi Yozana in August 1997 under which a grant of Rs 500 was payable in cash to the mother of a newly born girl child in the BPL families. The Government of India further revised the guidelines in February 2000 which provided that the grant was to be deposited in the name of beneficiary girl child so as to earn maximum possible interest. The deposit along with interest was payable to her on production of a certificate of her not being married at the age of 18. The State Government circulated revised guidelines and directed that grant available in scheme should be utilised according to the revised guidelines (November 2000).

It was observed that 17 PSs made a cash payment of birth grant amounting to Rs 11.61 lakh in cash to 2322 beneficiaries during April 2001 to March 2003 (Annexure IX) against the revised guidelines. Despite pointing out the irregularity to PS Jhalrapatan during audit for the period April 2000 to March 2002, it continued payment of grant to beneficiaries in cash and paid Rs 0.13 lakh to 26 beneficiaries during April 2002 to March 2003. Thus, the objective of discouraging the practice of early marriage of girls and providing benefits to an unmarried girl child on her attaining the age of 18 years could not be achieved as cash was likely to be immediately used by parents of the girl child.

3.2 Unfruitful Expenditure of Rs 24.52 lakh in Special Educational Development Programme for Girls from SC community

The Central Sector Scheme of Special Educational Development Programme for girls from SC community with very low literacy levels was run from 1996-97 to 2001-02 by Ministry of Social Justice and Empowerment, Government of India. In Rajasthan, the grant was provided by the Ministry to the ZP/PS for setting up of residential schools for class -I girls.

During test check of the records of the scheme in three ZPs, following irregularities were noticed :-

I. The ZP Nagaur was sanctioned Rs 45.36 lakh (Rs. 8.50 lakh dated 30 March 1999, Rs 32.02 lakh on 8 March 2000 and Rs 4.84 lakh on 14 July 2000). It was observed that

(i) due to closure of the scheme the material purchased like bed sheets, utensils, tables etc. worth Rs 4.56 lakh remained unutilized with concerned PSs.

(ii) although only five schools were opened in PS Jayal but the material purchased under the scheme was shown as distributed to seven schools.

(iii) Rs 24.39 lakh¹ remained unutilised with PSs and ZPs instead of being surrendered to the Government of India. UCs and audited statement of accounts in respect of expenditure of Rs 20.97 lakh incurred on programme were not sent to GOI.(July 2003)

II. In ZP Sriganganagar out of Rs 8.58 lakh received under the scheme during 1997-2001 an expenditure of Rs 1.15 lakh only was incurred and remaining amount of Rs 7.43 lakh was retained by the ZP(March 2004)

III. During year 1998-2000 the GOI released a sum of Rs 7.08 lakh to ZP Bharatpur which transferred the grant to three PSs for opening of five schools. It was noticed that Rs 2.40 lakh only was spent and Rs 4.68 lakh remained blocked with the PSs as the schools were inactive /closed.

Thus, expenditure of Rs 24.52 lakh² was rendered unfruitful due to nonfunctioning/ closure of schools and Rs 36.50 lakh remained unutilised with PRIs.

3.3 Financial Irregularities in implementation of Total Sanitation Campaign

Government of India launched Total Sanitation Campaign (TSC) from 1.4.99 and selected nine districts in Rajasthan. The funding was from GOI and State Government in 70:30 ratio. The TSC project works covered sanitary latrines, toilet cum urinal complex for clean environment. The funds would be released in four instalments (30:30:30:10) by GOI. The release of second/ third/fourth instalments was subject to contribution provided by the state to the implementing agency.

Following irregularities were noticed:

(i) The Department of Drinking Water, Ministry of Rural Development released Rs 77.37 lakh in March 2000 as part of the first instalment representing 30 per cent of GOI share of Rs 10.07 crore for Sikar district. The remaining amount of first instalment i.e.Rs 2.25 crore was released by the GOI

¹. PS Jayal Rs 4.03 lakh, PS Nagaur Rs 4.88 lakh, PS Degana Rs 1.34 lakh, PS Parwatsar Rs 4.82 lakh, PS Kuchaman Rs 2.13 lakh and ZP Nagaur Rs 7.19 lakh.

² ZP Naguar Rs 20.97 lakh; ZP Sriganganagar Rs 1.15 lakh and ZP Bharatpur Rs 2.40 lakh

on 4.9.2000 but transferred in PD Account of the ZP by the state government as late as 31.3.2002 and the state's own share of Rs 16 lakh received in ZP on 23.9.2002. Consequently, balance amount of Rs 7.05 crore due from GOI for the TSC project was also not released to the ZP and the sum of Rs 3.18 crore remained blocked.

The ZP's reply (October 2003) that the works were in progress and there was balance of Rs 2.04 crore in cash book on this account on 1.10.2003, was not tenable because non release of state share in due time not only deprived the area of development works to the extent of Rs 7.05 crore but fund of Rs 3.18 crore also remained blocked for two years.

(ii) In the project of Rs 19.12 crore for Barmer district, the share of the GOI was Rs 12.50 crore. Against funds of Rs 3.75 crore released by GOI (Rs. 96.08 lakh, March 2000 and Rs 2.79 crore, September 2000), the State government released a share of Rs 30 lakh only (September 2002 to September 2003).

Out of Rs 4.05 crore, the ZP spent only Rs 37.97 lakh on developmental works in the project and Rs 3.67 crore were lying unspent (September 2003).

(iii) In ZP Alwar only Rs 67.83 lakh were spent against sum of Rs 5.45 crore made available by GOI (Rs.4 crore) and GOR (1.45 crore) during March 2000 to November 2003. This not only deprived execution of developmental works under the scheme but also led to non utilisation and blocking of Rs 4.77 crore in the ZP (March 2004).

3.4 Irregularities in Sampurna Gramin Rojgar Yojna (SGRY)

The Ministry of Rural Development, GOI, launched Sampurna Gramin Rojgar Yojna (SGRY) from 25th September 2001 primarily to provide additional wage employment and food security to rural poor through creation of community, social and economic assets. The scheme envisaged payment of wages in the form of cash as well as food grain. Cash component was to be borne by GOI and the State Government in the ratio of 75:25, and the food grain was to be made available free of cost by GOI. 22.5 per cent of the annual allocation under the first stream of the scheme should be spent on the individual beneficiary schemes for SC/ST families living Below the Poverty Line (BPL). The Scheme also envisaged that 50 per cent of the annual allocation to the Gram Panchayats (inclusive of food grains) should be earmarked for the creation of need based village infrastructure in SC/ST habitations/ wards under the second stream of the SGRY.

Following irregularities were noticed:-

(a) Funds not utilised on individual beneficiary schemes for SCs/STs.

During 2002-03, out of Rs 26.30 lakh earmarked for individual beneficiary scheme for SCs/STs in four PSs, only Rs 3.16 lakh (12 per cent) was spent for their benefits and Rs 13.02 lakh (50 per cent) was diverted towards construction of village drains and water tanks etc. which were not individual SC/ST beneficiary works, where as Rs 10.12 lakh (38 per cent) remained unutilised at the end of the year thus depriving the SC/ST beneficiaries of intended benefits.

(b) Sanction to Non- BPL families

In Zila Parishad Chittorgarh, Rs 24 lakh were sanctioned to 120 non BPL beneficiaries of PSs against the guidelines of the scheme.

(c) Diversion of funds meant for SC/ST areas

In 85 Gram Panchayats of three PSs³, out of Rs 66.69 lakh earmarked in second stream of SGRY for the creation of infrastructure in SC/ST habitation/ward, Rs 38.10 lakh (57 per cent) were diverted towards development of non SC/ST inhabited areas.

(d) Excess expenditure on Administration/ Contingency

Scheme guidelines provide that 7.5 per cent of the annual allocation or Rs 7500, whichever is less, could be incurred by GPs in a year on administration and contingencies. It was noticed that expenditure in excess of the ceiling amounting Rs 0.68 lakh was incurred by 16 GPs of two PSs (PS Karoli 10 GPs Rs 0.57 lakh and PS Dungarpur six GPs Rs 0.11 lakh) during 2002-03.

(e) Unauthorised expenditure of Rs 2.41 lakh on proscribed activities

As per guidelines, charges on account of transportation/ handling of food grains were to be borne by the State Government. However, a sum of Rs 2.41 lakh was incurred on transportation/ handling of wheat in two PSs (PS Dungla, Chittorgarh, Rs 0.52 lakh and PS Bhadesar Rs 0.25 lakh) and in ZP Bhilwara (Rs 1.64 lakh) from the GOI grant given under this scheme.

(f) Annual Action Plan

In terms of the schemes guidelines, no work could be taken up under the SGRY scheme unless it formed part of the Annual Action Plan. Contrary to this, ZP Chittorgarh and 52 GPs of two PSs (Jhalrapatan and Khanpur) spent Rs 177 lakh (Rs 131.92 lakh, Rs 25.46 lakh and Rs 19.62 lakh respectively) during 2002-03 without Annual Action Plan.

³. Rajgarh- Rs 29.87 lakh, Karoli- Rs 21.32 lakh and Bhinmal- Rs 15.50 lakh.

(g) Miscellaneous

In two GPs of PS Kushalgarh, assistance of Rs 0.32 lakh was paid to four BPL SC/ST beneficiaries for rejuvenation of wells for irrigation in their land. However, scrutiny of details mentioned in list of BPL families revealed that they were landless farmers. The payment was therefore doubtful.

3.5 Discrimination in distribution of funds under Tenth Finance Commission (TFC) and State Finance Commission (SFC) grants

As per State Government instructions (June 2002) PSs are required to distribute the TFC/SFC grants to GPs in proportion to population as per 1991 census.

The funds of Rs 49.07 lakh distributed during 1996-2001 by PS Laxmangarh, Sikar to its GP were not found as per instructions issued by State government. While funds of Rs 26.41 lakh were given to 17 GPs less than their due share on the basis of population, a sum of Rs 22.67 lakh was given to 20 GPs in excess of their share (Annexure X). Thus, PS Laxmangarh violated the instructions of the State Government by releasing disproportionate funds to GPs.

3.6 Irregularities in utilisation of grants of Eleventh Finance Commission (EFC) and State Finance Commission (SFC)

(i) Delayed transfer of EFC/SFC grants

As per guidelines⁴ for EFC/SFC grants as well as state government order⁵, the funds allotted for maintenance of civic services are to be transferred to all tiers of PRIs without any delay. ZPs and PSs should transfer the whole amount released under EFC to GPs in one instalment without any delay. Of the funds allotted under SFC for a district, three percent was to be kept by ZP, 12 percent was to be transferred to PSs for their use and the remaining 85 percent was to be transferred to GPs through the concerned PS.

The State Government, Finance Department issued financial sanctions of grants amounting to Rs 530.76 crore under EFC/SFC along with matching grant of EFC to PRIs during 2001-03 (Annexure XI). However, in all sanctions Finance Department simultaneously imposed ban on withdrawal of funds from PD accounts and stated that the amount could not be withdrawn without Finance Department's concurrence. Panchayati Raj Department also

⁴. Para 4.7 of Guidelines of GOI for utilisation of Local Bodies grants recommended by EFC.

⁵. State Government letter No F 165(12)(2) account/SFC11/guideline/2002/4422 dated 11.6.02.

instructed (May 2001) all CEOs that no expenditure out of the funds transferred under EFC/SFC should be incurred till the guidelines for utilization of these funds were issued, although the guidelines from EFC were available with the department since April 2000. The aforesaid guidelines without any change were issued in March 2002 and June 2002.

It was noticed that during 2001-02, 2002-03 and 2003-04, funds of Rs 354.83 crore (67 per cent) were frozen in PD account of ZPs for nine to 12 months out of Rs 530.76 crore transferred under EFC/SFC. ZP in turn also delayed distribution of funds to the other tiers of PRIs. ZP Jaipur transferred the funds of Rs 4.28 crore pertaining to the year 2000-01 under SFC to PSs after a delay of four to 12 months. Similarly, ZP Dungarpur transferred Rs 7.96 crore EFC/SFC funds to its PSs during 2002-03 which were allotted for the year 2000-01 (Rs 3.25 crore) and 2001-02 (Rs 4.71 crore).

Imposing ban on use of funds after issue of the financial sanction made the sanctions meaningless and was against the recommendations of EFC.

(ii) Release of Grants recommended by EFC:-

Following irregularities were noticed regarding use of grants recommended by the EFC:-

- (a) Non transfer and Short release of Grant :-
 - (i) The PS Jhotwara did not transfer amount of Rs 8.70 lakh received as grant during 2002-03 to the GPs (November 2003).
 - (ii) Although the PS Baitu received grant of Rs 62.03 lakh but transferred only a sum of Rs. 38.56 lakh during 2002-03 to the GPs.
- (b) Grant released without receipt of UCs of previous grants:-

Four PSs transferred sum of Rs 64.34 lakh to their GPs (PSs-Alsisar-Rs. 2.53 lakh, Bair -Rs 20.03 lakh, Bayana - Rs 19.69 lakh and Chabra- Rs 22.09 lakh) without obtaining UCs in respect of grants given in previous years.

Thus the PRIs not only violated guidelines of scheme for utilisation of EFC grant but also did not secure UCs of previously given grant which could have ensured proper and timely use of the earlier grants.

3.7 Financial Irregularities in 'Janta Awas Yojana' Rs 1.11 crore

The Government of Rajasthan, Department of Rural Development and Panchayati Raj launched 'Janta Awas Yojana' in May 1995. The scheme aimed at construction of a one room house by the beneficiary at an estimated cost of Rs 12,000. The Scheme envisaged that a loan of Rs 11,500 obtained from HUDCO would be given to the beneficiary for construction of one room house. Further, subsidy of Rs 5,200 from department and Rs 6,000 from his own source (Total Rs 11,200) would be kept as fixed deposit in the post

office account in the name of beneficiary. The fixed deposit was to be pledged with ZP, and the repayment of principal and the interest of HUDCO loan would be made from the interest earned on the fixed deposit. After 15 years, an amount of Rs 12,900 would again be available to the beneficiaries for construction of an additional room. Thus, no additional liability was to be borne by the Government, except one time subsidy of Rs 5200

During audit, it was noticed that due to reduction in rate of interest on fixed deposit's a sum of Rs 1.11 crore in excess of interest received from individuals account was paid up to March 2003 by five ZPs⁶ to HUDCO towards repayment of the loan. The excess amount was met from funds of other schemes lying in their PD Account.

The ZPs did not initiate any proposal for obtaining government sanction to renegotiate the interest rates with HUDCO or explore the possibility of borrowing from other financial institutions at lower interest rate to repay HUDCO.

3.8 Irregularities in Mid - Day Meal Scheme (MDMS)

The State Government had issued instructions for implementation of Mid Day Meal Programme in all the districts from 1.7.02, by providing 100 grams of cooked wheat (*Ghoogri*) to primary school children. The work of transportation of wheat, provided free of cost by Government of India at Food Corporation of India (FCI) godowns to such schools as instructed by Additional Chief Executive Officer Elementary Education (EE)/ District Education Officer was to be done under the supervision of the Chief Executive Officer (CEO), Zila Parishad. The cost of transportation upto Rs 50.00 per quintal was reimbursable from Government of India (1997).

In PS Nohar, during October 2001 to September 2002 the contractor engaged for transportation of wheat embezzled 6279.61 quintal of wheat worth Rs 28.89 lakh (@ 460 per quintal) due to lack of supervision and monitoring.

As per terms and conditions, the contractor had to transport the quantity of wheat as intimated by District Education Officer (DEO)/Block Education Officer to concerned schools within 15 days of allocation. The receipts of wheat obtained from the schools were to be produced to BEO (EE) by contractor for getting order for lifting further allotment of wheat. The contractor who was awarded the work by PS had quoted transportation charges at the rate of Rs 4.17 per quintal, which was lowest. The transportation work included lifting of wheat bags from FCI Godowns at Nohar and carrying to 163 schools spread over about 500 Km area of PS which at quoted rate was unremunerative. Despite this, the PS allotted the work to the contractor without increasing monitoring level and security deposit commensurate with the value of wheat lifted by the contractor in a

⁶. Rajsamand Rs 28.20 lakh, Bundi Rs 9.06 lakh, Jalore Rs 3.67 lakh, Jaipur Rs 50.37 lakh and Sawaimadhopur Rs 19.84 lakh.

month. The average quantity of wheat lifted per month was 1084 quintal worth Rs 5 lakh where as security deposit was increased to Rs 40,000 only.

The transporter continued getting allocation of wheat from October 2001 without submitting accounts of wheat delivered to schools. Thus, by September 2002 the Contractor had embezzled 6279.61 quintal wheat. FIR was lodged in December 2002.

Thus, acceptance of very low rates for transportation coupled with absence of effective monitoring or commensurate increase in security deposit led to embezzlement of wheat of Rs 28.89 lakh by contractor. Similar low rates were also reported from various other PSs for the current year (Sanganer: Rs 0.74 per quintal). The government may consider to revise suitably the security deposit/bank guarantee to protect the interests of the government.

It was further noticed that :-

(i) Empty wheat bags worth Rs 4.27 lakh were lying undisposed in four PSs (Nadoti, Kishanganj, Bakani and Sardarshahar) which deprived the PRIs of additional own income.

(ii) As per instructions⁷ issued by the state government, the wheat lifted from FCI godown should be of fair average quality and wheat of poor quality lifted had to be got replaced from FCI. However, in PS Gangrar inferior quality of food grain supplied by FCI amounting to Rs 0.12 lakh was not got replaced .

(iii) In PS Pali, Rs 5.82 lakh received for the programme in September 2002 were lying unutilised (May 2003).

(iv) Three ZPs⁸ and six PSs⁹ are yet to receive from Government of India, Ministry of Rural Development Rs 83.08 lakh and Rs 27.36 lakh respectively being the cost of transportation for wheat during 2001-2003 (October 2003).

(v) In two ZPs, Utilisation certificates for Rs 3.19 crore (Chittorgarh- Rs 1.83 crore and Bundi- Rs 1.36 crore) transferred to PSs during 2002-03 for transportation charges were awaited (September 2003).

3.9 Irregularities in National Family Benefit Scheme

The National Family Benefit Scheme was launched in 1995 under National Social Assistance Programme to provide *immediate* assistance of Rs 10,000 to the dependents, on natural or accidental death of the head of family or the earning member of BPL family whose age is between 18-64 years.

⁷. Panchayati Raj Department No.F4/PC/Mid Day Meal /2002/705 dated 3/5/ 02.

⁸. ZPs Churu, Barmer and Dausa.

⁹. PSs Sajjangarh, Gari, Bayana, Khatumar, Laxmangarh and Khanpur.

A sum of Rs 50000 was sanctioned to five beneficiaries (Rs. 10,000 each) in four GPs (Bhim Ji, Pareu, Baitu Panji and Kosaria) of PS Baitu (In March 2003). However, the assistance was actually paid in September, 2003, defeating the motive of providing immediate relief. Similarly, relief of Rs 90,000 to nine beneficiaries in eight GPs (Cheemanji, Panji, Bhinda, Kampulia, Lapundara, Shahar, Jakhda and Dhudhna Khawas) of PS Baitu were also provided to the bereaved families with delay of two to five months.

Assistance of Rs 1.10 lakh to 11 beneficiaries was irregularly given since the individuals expired were above the age of 64 years. (Annexure XII)