

CHAPTER – III
PERFORMANCE REVIEWS

PUBLIC WORKS AND RURAL WORKS DEPARTMENT

3.1 Pradhan Mantri Gram Sadak Yojana (PMGSY)

Highlights

The review inter-alia highlights non-execution of approved projects during 2000-01. Taking up of works during 2001-03 without proper survey and investigation led to failure in achieving the goal of providing desired connectivity, besides non-achievement of physical targets during 2001-03 as well as execution of works beyond the scope of approved estimates. On line management and monitoring system remained ineffective and overall impact of the implementation of the scheme remained unevaluated.

Against Rs.127.46 crore released by the Government of India, during 2000-03 expenditure of Rs.124.81 crore was shown to have been incurred upto March 2005. There was also short release of funds of Rs.1.59 crore by the DRDAs during 2001-03.

(Paragraph 3.1.9)

Central fund of Rs.34.95 crore allocated during 2000-01 for completion of incomplete roadworks under BMS were utilised for State plan Works leading to non-execution of approved projects during the year.

(Paragraph 3.1.9)

100 per cent achievement under Phase I during 2000-01 as reported to the Government of India was not based on facts. During 2001-05 physical achievement under Phase II was 87 per cent although 98 per cent of the funds were utilised. 100 per cent achievement in coverage of habitations as shown by the test checked districts was also not correct as six road works remained incomplete till date.

(Paragraph 3.1.9)

There was delay in submission of proposals for Phase III by more than two years.

(Paragraph 3.1.9)

Due to partial execution of work, intended connectivity to a village could not be provided and the expenditure of Rs.69.06 lakh remained unproductive.

(Paragraph 3.1.10)

Improper selection of road-work for providing connection to a village already connected led to injudicious expenditure of Rs.1.29 crore

(Paragraph 3.1.10)

Irregular expenditure of Rs.2.99 crore was incurred by changing the scope of approved works without prior approval from the competent authority.

(Paragraph 3.1.10)

There was deficiency in supervision of quality control in respect of road works executed by the executing divisions.

(Paragraph 3.1.14)

3.1.1 Introduction

The *Pradhan Mantri Gram Sadak Yojana* (PMGSY), a 100 per cent Centrally Sponsored Scheme, was launched by the Government of India (GOI) in December 2000 to provide all weather access to unconnected rural habitations for promoting access to economic and social services and thereby generating increased agricultural income and productive employment opportunities. The main objective of the programme is to provide connectivity in rural areas by way of all weather roads to all unconnected habitations with a population of more than 1000 within three years (2000-03) and all habitations with a population of more than 500 (250 for hill States) by the year 2007. The programme components were as under :

- Phase I Incomplete road works under the erstwhile Basic Minimum Service (BMS) to be completed during 2000-01;
- Phase II To provide connectivity to the rural unconnected habitations by all weather roads as approved by the Ministry of Rural Development (MoRD), Government of India during 2001-03 and 2003-04 respectively.
- Phase III

Under the programme 'road' means an all weather road (AWR) to be constructed to connect an un-connected habitation with an existing road. It may be constructed either as one work or in different parts, depending on the volume of work, each being called a 'road-work'. Sometimes construction of a road upto WBM level has been taken as one 'road-work' and black topping has been taken up as a separate 'road-work'. Each 'road-work' has been sanctioned as a package. An un-connected habitation is treated as connected only on completion of black-topping for the entire road length.

3.1.2 Organisational set up

According to the PMGSY guidelines, the State Government initially nominated the Rural Development Department (upto June 2003) followed by the Public Works Department (upto November 2003) and finally the Rural Works Department (RWD) (wef December 2003) as the nodal department

responsible for implementing the scheme. The Government constituted (February 2004) the Arunachal Rural Road Development Agency (ARRDA) to function as the State Level Agency (SLA) for management of funds under PMGSY and vetting project proposals for scrutiny by the State level Standing Committee (SLSC) which was constituted in June 2000. From 2001-02, Government of India released funds to the District Rural Development Agencies (DRDAs) identified as the District Project Implementation Unit (DPIU). DRDAs in turn released the same to the executing agency.

The actual execution of works was done by the Executive Engineers, PWD and RWD under the direct control of Chief Engineer (CE), PWD (EZ) & (WZ) and Chief Engineer (CE), RWD respectively.

3.1.3 Audit Coverage

Records of the Finance Department, Rural Development (RD) Department, CE, PWD (EZ & WZ), CE, RWD, six DRDAs (out of 14), five PW divisions[#] out of 28 and six RW divisions^ψ out of 14 relating to 30 selected packages out of 137 (22 *per cent*) of six districts^β covering the period from December 2000 to March 2005 were test checked between January and June 2005. Of the total expenditure of Rs.124.81 crore, the packages test checked accounted for Rs.23.20 crore (19 *per cent*). The results of the test check are discussed in the succeeding paragraphs.

3.1.4 Audit Objectives

The main audit objective was to make an assessment as to how far the scheme has been able to achieve the goal of providing connectivity through good all weather roads in the rural areas in an economical and efficient manner as per quality parameters/specifications prescribed.

The sub-objectives were as follows :

- ❖ Proper utilisation of funds for the purpose for which allotted by Government of India;
- ❖ Compliance with MoRD guidelines;
- ❖ Accuracy and reliability of data of unconnected habitations;
- ❖ Adequacy of planning;
- ❖ Adherence to prescribed quality parameters by the executing agencies; and
- ❖ Existence of proper monitoring and evaluation system.

3.1.5 Audit Criteria

The following audit criteria were adopted for achieving the audit objectives:

[#] Bomdila, Yingkiong, Basar, Tawang and Daporijo.

^ψ Singchung, Papumpare, Along, Yingkiong, Tawang and Daporijo

^β Papumpare, West Kameng, West Siang, Upper Siang, Tawang and Upper Subansiri.

- ❖ Assessment of planning, preparation and submission of Detailed Project Reports (DPR);
- ❖ Utilisation of funds in implementation of the scheme;
- ❖ Examination of physical targets with financial progress and deviations; and
- ❖ Adherence to the guidelines issued by MoRD.

3.1.6 Audit Methodology

In attempting the review, the following methodologies were adopted :

- ❖ Analysis of allocation of funds received from Government of India and its utilisation including scrutiny of release orders, sanctions, monthly accounts, progress reports, audited accounts and relevant records of the DRDAs as well as Public Works and Rural Works Departments;
- ❖ Analysis of Detailed Project Reports with rates adopted, awarding of works, execution of approved works *etc.*, including scrutiny of survey reports, DPRs, work orders, vouchers, measurement records, progress reports, etc; and,
- ❖ Analysis of the Quality Control Mechanism through scrutiny of the reports of the DPIUs, State Quality Monitors (SQM), National Quality Monitors (NQM) and action taken reports of the executing agencies on the recommendations of DPIU/SQM/NQM.

3.1.7 Audit Findings

The review of the scheme revealed that Central funds of Rs.34.25 crore allocated during 2000-01 for completion of incomplete roadworks under BMS were utilised for State Plan works leading to non-execution of approved projects during the year. There was also short release of funds by the DRDAs during 2001-03, delayed submission of core network data (from Phase II onwards) to the Government of India, selection of projects without proper survey and investigation leading to revision of estimates as well as non-completion of the works to provide connectivity as well as non-achievement of physical target during 2001-03 *etc.* Quality control at the state level was deficient and no action on defects in the road works pointed out by National Quality Monitors was taken. On line Management and Monitoring system has not been updated.

The audit findings are discussed in the succeeding paragraphs :

3.1.8 Planning process

Proper planning is imperative for achieving the objectives of a programme in a systematic and cost effective manner. Under the programme, the EEs, PWD and RWD are responsible for selection of block-wise villages to be connected by roads and preparation of project proposals after conducting proper survey and investigation and in consultation with the respective Chief Engineers. The project cost is to be determined as per technical parameters approved under the

PMGSY Scheme by the State Technical Agency (STA) as well as the Government of India. The block-wise projects selected are submitted to the respective DPIU for scrutiny and formulation of District Rural Roads Plan (DRRP). The governing body of the DRDA considers the proposals and assesses the viability of the projects in consultation with the respective EEs, RWD and PWD and the local Members of Parliament and Members of Legislative Assembly. The DRRP approved by the Governing Body, is forwarded to the Nodal Department for preparation of Core Network and Comprehensive New Connectivity Priority List (CN & CNCPL) for selection of road-works and placing before the SLSC for approval and onward transmission to the Government of India.

The Core Network and Comprehensive New Connectivity Priority List were submitted to the MoRD only during January 2005. Audit scrutiny revealed that in many cases habitations with low prioritisation took precedence over habitations with high prioritisation due to late finalisation of CNCPL. This has been discussed in the subsequent paragraphs.

Non-conducting of detailed survey and investigation prior to taking up of road works, non-adherence of the provisions of PMGSY guidelines leading to changes in the scope of works requiring revision of estimates in three road works under three RW divisions as detailed in subsequent paragraphs were indicative of poor planning.

3.1.9 Implementation

Financial Management

Details of funds released by the Government of India under PMGSY Scheme for Phases I, II and III during 2000-01 to 2004-05 and yearwise expenditure thereagainst as furnished by the Department are shown below:

Table 3.1

(Rupees in crore)

Phase	Year	Funds released by GOI	Funds released by DRDAs	Expenditure	Excess (+) Savings (-)
Phase I	2000-01	40.95	Nil	34.34	(-) 6.61
	2001-02	--	Nil	6.00	(+) 6.00
Total		40.95	Nil	40.34	(-) 0.61
Phase II	2001-02	80.00	17.22	16.77	(-) 63.23
	2002-03	6.51	56.12	38.57	(+) 32.06
	2003-04	Nil	10.14	24.47	(+) 24.47
	2004-05	Nil	1.44	4.66	(+) 4.66
Total		86.51	84.92	84.47	(-) 2.04
Phase III	2003-04	Nil	Nil	Nil	Nil
	2004-05	Nil	Nil	Nil	Nil
Grand Total		127.46	84.92	124.81	(-) 2.65

The following shortcomings were noticed:

- There was overall saving of Rs.2.65 crore. The saving was mainly due to non-completion of 18 road works under Phase II till March 2005.
- According to the PMGSY guidelines of December 2000, the State Government was to transfer funds to the DRDAs concerned within 15 days of release by Government of India. On the basis of approved proposals and recommendations of the MoRD, the Ministry of Finance, Government of India released (March 2001) Rs.40.95 crore under PMGSY (Phase I). Out of Rs.40.95 crore, Rs.34.95 crore were to be utilised for completion of incomplete road works under the erstwhile BMS programme and the balance Rs.6 crore was to be transferred to RWD for utilisation as per PMGSY guidelines. Accordingly, RD Department was to release Rs.34.95 crore to 13 DRDAs. Only Rs.0.70 crore were released (March 2001) to eight DRDAs for implementation of PMGSY. As regards the release of balance amount of Rs.34.25 crore, the 11 test checked executing agencies intimated that they had not received any funds for executing BMS works. On this being pointed out, the CE, RWD stated (August 2005) that no separate funds for PMGSY were provided by the State Government. The funds were drawn as State Plan funds and were utilised for State Plan Works as per the Annual Operating Plan 2000-01. The fact remains that funds were not released for the purpose for which the same were allocated. The incomplete roadworks under the erstwhile BMS thus remained unattended and the desired connectivity to the rural population was not achieved. The CE, RWD, released Rs.6 crore through LOC between July 2001 and October 2001 to 12 RW divisions.
- According to the monthly progress report (March 2005) sent to Government of India, the total expenditure incurred was shown as Rs.123.99 crore (Phase I: Rs.40.95 crore and Phase II: Rs.83.04 crore) against expenditure of Rs.124.81 crore (Phase I: Rs.40.34 crore and Phase II: Rs.84.47 crore) shown to have been incurred as per the records of the Rural Development Department. Reasons for reporting less/incorrect expenditure to the Government of India were not on record.
- According to the guidelines of December 2000, funds released by Government of India were to be credited into a separate bank account opened by the DRDAs concerned. The interest earned on this account was not to be diverted for any other purpose. This practice was discontinued from March 2004 when the State Level Agency (ARRDA) was authorised to maintain a single account for PMGSY funds from which all payments were to be made. Accordingly, the RD Department, directed (July 2004 and September 2004) all the DRDAs to transfer the unspent balance of PMGSY (Phase II) funds lying in their respective bank accounts alongwith interest accrued to the account of ARRDA. Scrutiny of records revealed that an amount of Rs.47.37 lakh was transferred by six out of 14 DRDAs till March 2005. The remaining eight DRDAs had not transferred the unutilised balance alongwith interest till May 2005. No action was initiated against the defaulting DRDAs. The CE, RWD in reply stated (August 2005) that four DRDAs out of the remaining eight had also transferred the unutilised balance to ARRDA's account. The reply was silent about action taken against the remaining four defaulting DRDAs.

From the year 2001-02, the Government of India released funds directly to 14 DRDAs of the State as per the total project cost approved for each district worked out on the basis of the packages cleared. The DRDAs were required to open a separate savings bank account under PMGSY with a scheduled bank for depositing the amount. The interest earned was not to be diverted for any other programme.

On the basis of detailed estimates of the packages approved by the Government of India and technical clearance of STA, the DRDAs were to release the funds to the executing agencies concerned through cheques in a phased manner depending on the progress of work.

Deviating from the prescribed norms, the Government of Arunachal Pradesh decided (March 2002) that the CEs, PWD and RWD would ensure safe custody of funds so released to their departments by opening bank account with the approval of the State Finance Department or as per established procedure of deposit works prevailing in the Works Department.

The executing departments, however, followed the procedure of deposit works and accordingly, the executing divisions on receipt of cheques from the DRDAs concerned remitted it into treasuries under '8782 Cash Remittance'. The funds so deposited are being controlled by the CEs and disbursed to the executing agencies by issuing LOC.

Deviation from the prescribed procedure of depositing the funds into bank account resulted in loss of interest of Rs.35.17 lakh (**Appendix – XXIII**) on funds received in respect of 12 packages (Phase II) under the seven divisions[#] test checked.

Out of Rs.86.51 crore released by the Government of India during 2001-02 and 2002-03 under PMGSY (Phase II), the DRDAs released only Rs.84.92 crore till March 2005 to the executing agencies for implementation of the Projects. Thus, there was a short release of funds of Rs.1.59 crore by the DRDAs. Reasons for short-release of funds were neither on record nor stated to Audit.

Diversion of PMGSY funds

PMGSY guidelines provide that the State Level Agency will ensure that the accounts of the DRDAs are audited by Chartered Accountants within six months from the close of the financial year.

Scrutiny of records, however, revealed that the RD Department received only 14 audit reports (AR) and balance sheets (BS) from 10 DRDAs (against 41 AR and BS due from 14 DRDAs) for the period from 2001-02 to 2004-05. Scrutiny of the available AR/BS including cash book of DRDA, Papumpare (2004-05) revealed that four DRDAs incurred expenditure of Rs.24.83 lakh on items of work beyond the scope of the PMGSY. Details are as under :

[#] PWD, Tawang, Yingkiong, Basar and Daporijo
RWD, Tawang, Along and Daporijo

Table 3.2

Account for the year	Name of DRDA	Particulars of Expenditure	Amount (Rupees)
2001-02	DRDA, Dibang Valley	(i) Supply of CGI sheets	8,30,640
		(ii) Contingency Expenses	19,600
2002-03	DRDA, East Kameng	Maintenance	1,05,115
	DRDA, Papumpare	Office expenses	1,63,640
2003-04	DRDA, Changlang	Purchase of new car	3,99,277
	DRDA, Papumpare	Office expenses	1,09,989
2004-05	DRDA, Papumpare	Office expenses	2,54,615
		Temporary loan for administration expenses	6,00,000
Total:			24,82,876

Balance sheets of all the DRDAs were not made available to Audit. Hence, utilisation of the PMGSY funds in conformity with the guidelines during 2001-05 could not be verified in audit.

Works Management

According to the 2001 Census, there were 2,728[#] unconnected habitations in the State as on 31 March 2001. The target set during 2000-01 (for Phase I) and 2001-03 (Phase II) for the number of road works, habitations to be covered as per approved project proposals as well as achievement till March 2005 thereagainst as reported (April 2005) to Government of India were as under :

Table 3.3

	Target					Achievement				
	No. of road works	Road length in Km	Habitation to be covered			No. of road works	Road length in Km	Habitation covered		
			>1000	500-999	250-499			>1000	500-999	250-499
2000-01 (Phase I)	202	317.97	6	18	21	202	317.97	6	18	21
2001-03 (Phase II)	137	728.76	10	22	52	119	700.16	10	22	51

Source : Department

• **Phase I**

Achievement of the target for Phase I as reported was not based on facts in view of utilisation of Rs.34.25 crore for State Plan Works. Rupees 6 crore, however, remained unspent with the RWD which was to be utilised during 2001-02. Rupees 0.70 crore allotted to eight DRDAs were utilised for maintenance (Rs.0.34 crore) and construction (Rs.0.36 crore) of Rural Link

[#] 1000 and above – 48; 500 to 999 – 119; 250 to 499 – 285 and below 250 - 2276

Roads (RLR) as per orders of the Minister, RD & PR which was beyond the scope of the PMGSY scheme.

In the six districts test checked, 100 *per cent* achievement was shown by completing 78 road works and providing connectivity to 12 habitations with population from 500-999 (four habitations) and 250-499 (eight habitations). Achievement so reported was not based on facts as funds were not released to the executing divisions as mentioned in the foregoing paragraphs.

- ***Phase II***

According to the approved Project Proposal for PMGSY (Phase II), the projects were to be completed by March 2003. Although almost 100 *per cent* achievement in coverage of habitations was reported to the Government of India, the habitations actually covered till March 2005 were evidently less as there were still 18 incomplete works in the State. Completion of only 87 *per cent* of the sanctioned road works (119 out of 137) as of March 2005 at a total cost of Rs.84.47 crore being 98 *per cent* of funds released was indicative of poor planning. Reasons for delay in completion of works under Phase II was attributed by the nodal agency to delayed clearance of projects by the Government of India and late release of funds by DRDA. The contention was not tenable as the Government of India cleared only one project belatedly as a special package and DRDAs released 50 *per cent* cost immediately after receipt of funds from Government of India and thereafter on the basis of progress of work.

Scrutiny of records in the six test checked districts revealed that 100 *per cent* achievement in coverage of habitation was reported although 55 roadworks out of 59 were only shown to have been completed and four road works remaining incomplete. Further scrutiny revealed that out of 55 roadworks reported to have been completed, two roadworks (Package Nos.AR0704RWD and AR0803RWD) could not be completed due to change in approved specification as mentioned in succeeding paragraphs. Therefore, six road works remained incomplete in the test checked districts depriving the desired connectivity to six habitations. Thus, achievement reported to Government of India for Phase II was also not correct.

- ***Phase III***

Proposals for Phase III were due for submission to Government of India in October 2002. MoRD, Government of India stipulated (September 2002) that roadworks included in Phase III proposal should be a part of the Core Network and Comprehensive New Connectivity Priority List. The MoRD further directed (March 2004) the State Governments for updating Online Management and Monitoring System (OMMS) to full accuracy on a regular basis.

Delay in finalisation of CN & CNCPL by the nodal agency consequently led to delayed submission (January 2005) of project proposals for Phase III with

consequential delay in providing connectivity to 54[#] eligible unconnected habitations. The proposal for Phase III has not been approved by Government of India till date (May 2005). OMMS also has not been updated as of May 2005.

Tendering of works

PMGSY guidelines provide for tendering through competitive bidding for all projects. Test check of records of 16 selected packages for Phase II, however, revealed that the executing agencies (PWD and RWD) did not invite any tender. All the packages were either executed departmentally or through contractors by issue of work orders. Due to such deviation from the prescribed procedure, the executing agencies could not maintain the time schedule for completion of works as could be seen from the succeeding paragraphs. On being pointed out the CE, RWD stated (August 2005) that tendering as per standard bidding document (SBD) would be done from Phase III. Works under Phase III not having been taken up as of date, tendering as per SBD remained unascertained.

Habitation coverage having population less than 250

Objective of the PMGSY scheme was to provide road connectivity through good all-weather roads to all rural habitation with a population of more than 500 persons (250 in case of hilly region) and where a state had no uncovered habitation of this size, smaller habitations could also be covered.

Though there were 415 uncovered habitations with population more than 1000 (43), 500-999 (105) and 250-499 (267) prior to taking up of Phase II, it was seen that the State Government proposed (August 2001) inclusion of 103 habitations with less than 250 persons. Out of 119 completed packages, 34 packages provided connectivity to habitations having population less than 250 as detailed in **Appendix – XXIV**. Out of those, population of 13 habitations were even below 100.

The above facts proved that the prioritisation of the projects proposed by the State Government was defective.

3.1.10 Execution of work

Unproductive expenditure

With a view to connect Lote village to the Sippi-Sera PWD Road, Daporijo RW Division in Upper Subansiri district had taken up construction of a road from Sera Tapapu to Lote under Package No.AR1004RWD1 (Phase II) for a length of four km at an estimated cost of Rs.80.24 lakh. Scrutiny of the project report revealed that to connect Lote a road of 6.5 km length passing through two river crossings beyond four km with span of 18 mtr and 40 mtr was required to be constructed. Although there was no approved proposal for

[#] 1000 and above – 12; 500 to 999 – 14; 250 to 499 - 28

construction of bridges over the river crossings, the division executed earthwork in formation cutting only for a road length of 4.300 km at a total cost of Rs.69.06 lakh as of March 2005. Reasons for inclusion of the project with a road length less than the required road length in the proposal for approval of Government of India was not available on record.

Thus, due to partial execution of the road having no other habitation between Sera-Tapapu and Lote as well as non-construction of the required bridges, the purpose for construction of the road was not achieved and expenditure of Rs.69.06 lakh remained unproductive so far.

Injudicious expenditure

According to the guidelines, only single road connectivity is to be provided and if a habitation is already connected to another connected habitation by way of an all-weather road, then no further work can be taken up under the PMGSY at that habitation. The road from Dong to Lillydong in Upper Subansiri district was sanctioned under Package No.AR1002 RWD1 to connect Lillydong with Dong lying on the Border Road Task Force road. Scrutiny revealed that Lillydong was already connected by an all-weather road (BRTF road to Mona). Thus, selection of the road providing dual connectivity to ‘Lillydong’ was in violation of the norms of the guidelines and Rs.1.29 crore spent on the project till date (June 2005) proved injudicious. On this being pointed out, the Department stated (June 2005) that proposal was made due to public demand as the road would minimise the distance between these two villages. The reply is not tenable as inclusion of the proposal was in violation of the provision of the guidelines and the prioritisation was misplaced as there were so many unconnected habitations in the State.

Irregular execution of work

The PMGSY guidelines provided that the alignment of the road, after approval, should not be changed without the concurrence of the District Panchayat, the State Technical Agency and the SLSC.

- Test check of records of Package No. AR0704 RWD (Laptap to Pech) in Papumpare district revealed that the work was approved for a road length of 6.89 km at an estimated cost of Rs.1.24 crore. The original approved estimate was, however, revised subsequently (based on SE’s inspection dated August 2003) by including seven slab culverts, one RCC bridge and retaining wall, etc. To keep the estimated cost unaltered, the department executed the road length only upto 4.90 km at a cost of Rs.1.22 crore without obtaining any concurrence from the competent authorities. As such, the village Pech intended to be covered could not be covered, thereby frustrating the objective of the PMGSY scheme. Further, the report made to Government of India that village Pech was connected was also factually incorrect.
- Test check of records of the road from Nacho to Ringling in Upper Subansiri district under Package No.AR1005RWD2 sanctioned for a length of seven km at an estimated cost of Rs.1.25 crore revealed that the estimate for the work was revised by reducing the water bound macadam (WBM) from

seven km to two km to accommodate scopes of work like survey, retaining walls etc. The revised estimate was, however, not approved by competent authority. In the absence of WBM for the entire road length the road from Nacho to Ringling remained only a fair weather road and connectivity to the eligible habitations by an all weather road was not achieved.

- Test check of records of the road from Lhou-Jangda to Shyro in Tawang district (AR0803 RWD) revealed that the work was approved for 3.51 km at an estimated cost of Rs.51.64 lakh. The approved estimate was revised subsequently by reducing the road length to 2.525 km and the savings utilised for retaining wall, breast wall, side drain, etc. This was, however, not approved by the competent authority. Thus, due to unauthorised change in approved specification the road remained incomplete as of May 2005 denying intended connectivity although completion of the work at an expenditure of Rs.51.64 lakh had already been reported.

Delay in execution of work

The approved projects under PMGSY were to be executed within a period of nine months from the date of approval and in exceptional cases, this period could be extended upto 12 months. Scrutiny of 16 packages revealed that completion of 12 packages were delayed by five to 19 months and four packages remained incomplete till date, as per details given in **Appendix - XXV**.

Test check of the completed packages shown in **Appendix - XXV** revealed that out of six packages inspected by National Quality Monitors (NQM) between May 2003 and March 2004, three were graded as 'Average' and one remained un-graded. Guidelines required that average and poor roadworks be rectified and reported to NQM for re-inspection. Rectification of the defects pointed out by NQM could not be ascertained as no report was available.

3.1.11 Plantation Work

The scheme provided for plantation of fruit bearing and other suitable trees from State funds along the roads constructed under PMGSY. Scrutiny of 16 roadworks (Phase II) in six districts[#], however, revealed that provision for plantation work was not provided in any of the estimates and no plantation work was executed. Hence, soil conservation work was not carried out on the roads as specified under the programme.

3.1.12 Photography of road work

The scheme envisaged photography of road works at three stages – beginning, middle and at final stage. Scrutiny of records of 16 roadworks (Phase II) in six districts[#] revealed that photographs in respect of five roadworks^ψ were not

[#] Papumpare, West Kameng, West Siang, Upper Siang, Tawang and Daporijo.

^ψ (i) AR1203 PWD – Basar to Estrichiku (ii) AR1204 PWD – Gensi. Litemori – Tatamori
(iii) AR0704 RWD – Laptap to Pech (iv) AR1204 RWD – Ringi to Paimuri
(v) AR1301 PWD – Pugging to Likor

sent to the Government of India along with the Project Report. Photographs in respect of the remaining 11 roadworks, although stated to have been forwarded to the Government of India alongwith the Project Report, were not made available to Audit.

3.1.13 Performance Guarantee

A well-established procedure for tendering through competitive bidding was to be followed for all projects and the States were to follow the standard bidding document (SBD), prescribed by the MoRD, for all tenders. Para 15.2 of the guidelines further stipulated that the roads constructed under this programme were expected to be of very high standard, requiring no major repairs for at least five years after completion of construction. In order to realise this objective, suitable clauses relating to performance guarantee/ routine maintenance were to be included in the contract documents, as per the provisions in the SBD. In particular, the State Government was required to obtain a bank guarantee @ 10 *per cent* of the value of the work from the contractors with validity period of five years.

Scrutiny of 11 roadworks completed at a cost of Rs.7.26 crore in eight PIUs (**Appendix – XXVI**) revealed that all the works were executed partly departmentally and partly through petty contractors on work order basis without having scope for obtaining performance guarantee As a result, assets valued at Rs.7.26 crore created under the programme were not covered by warranty for the next five years.

3.1.14 Quality control mechanism

For effective supervision, a three tier quality control mechanism was envisaged. In the first tier, each programme implementation unit (PIU) would ensure that the workmanship and materials utilized on works conform to the prescribed specifications. In the second tier, the State Quality Monitors (SQM) were to inspect all the works periodically including testing of materials used in works. Independent monitors to be engaged by NRRDA as NQM would be the 3rd tier and inspect the road work with particular reference to quality and furnish reports to NRRDA. The NRRDA in turn would send NQM's report to the State Government for appropriate action.

In Arunachal Pradesh, SQM was created in March 2004 with Superintending Engineer, Rural Works Circle, Rupa as State Quality Control Co-ordinator (SQC) and four EEs as monitors. The SQMs were to inspect the works frequently and submit monthly reports to SQC. The SQC was responsible to submit a report in prescribed format to the CE, RWD, the State Technical Nodal Officer and the DPIUs after every inspection.

The DPIUs did not appoint the 1st tier Quality Monitors nor did any Quality Control Laboratory exist in the entire State (March 2005). The road works executed under PMGSY (Phase I) were not inspected either by the SQM or by the NQM till March 2005. Out of 119 road works completed till March 2005 under Phase II, records of inspection of only four roads by SQM in two

districts (Changlang and West Kameng) during June-July 2004 were made available to Audit. In the absence of a Quality Control Laboratory, only onsite inspection was carried out by the SQM. The reports of inspection of SQM were not available on record. However, the State Technical Nodal Officer in his report (September 2002) pointed out certain major deficiencies in the works executed under PMGSY. Quality of road works executed thus remained unassessed by the SQM and quality control as required remained deficient to that extent.

The NQM inspected 81 works between February 2003 and April 2005. Twenty four works were graded as good, 47 as average and four as poor. Six works remained ungraded. The action taken report for 18 out of 81 packages only were sent to NRRDA between February 2003 and January 2005.

3.1.15 Monitoring and evaluation

Submission of monthly/quarterly progress report on implementation of the programme by the DPIU and the executing agencies to the State Level Agencies were irregular till February 2003. From March 2003, monthly/quarterly progress report were submitted by the implementing agencies regularly to the authorities concerned but actual achievement of progress made against the works were not evaluated by the State Government as is evident from the delay in completion of work, diversion of funds, *etc.*, by the implementing agencies. Though on-line Management & Monitoring System was installed in the nodal agencies, information pertaining to all the 16 districts was not updated (March 2005) due to non-availability of internet facilities and power supply in all the districts.

The matter was reported to the Government/Department (July 2005); reply had not been received (October 2005).

3.1.16 Conclusion

The State Government utilised Central funds of Rs.34.25 crore towards State Plan works and the incomplete roadworks under BMS for which the funds were allocated remained unexecuted under Phase I and as a result 202 roadworks approved by Government of India for execution during 2000-01 had not been executed and 45 eligible habitations due to be connected were deprived of the benefit of connectivity through all weather roads. Due to delay in submission of core network for the programme (from Phase II onwards), short release of funds by DRDAs during 2001-03 and taking up of the works without proper survey and investigation, and thus requiring change in scope of works and revision of the estimates subsequently, resulted in 18 roadworks remaining incomplete depriving 23 eligible habitations from the intended benefit of connectivity by AWR. In the test checked districts six road works including two roads were reported to have been completed though incomplete, depriving six habitations of the connectivity by AWR. Works under Phase III due to be executed during 2003-04 had not yet been taken up and 54 eligible habitations due to be covered remained unconnected as of date. After implementation of the scheme for five years, 394 eligible habitations

remained unconnected. Monitoring and evaluation were ineffective and the on-line Management and Monitoring System was not updated.

3.1.17 Recommendations

The following recommendations are made :

- Timely release of funds to the executing agencies should be ensured;
- Detailed Project Report (DPR) should be prepared after conducting detailed survey;
- Works should be prioritised as per scheme guidelines;
- Execution of works should be as per approved DPR;
- Execution of works should be completed within the prescribed time frame;
- Tendering through competitive bidding, as per standard bidding document prescribed by the MoRD should be done; and
- On-line management & monitoring system for effective monitoring should be geared up.

**SOCIAL WELFARE, WOMEN AND CHILD
DEVELOPMENT DEPARTMENT**

**3.2 Nutrition Programme under Pradhan Mantri Gramodaya
Yojana (PMGY)**

Highlights

The review brings out the failure of the State Government in providing increased nutrition to children below the age of three years for eradication of malnutrition. Malnutrition amongst children below three years also had not been assessed through growth monitoring and health check-up. Besides, the monitoring system was ineffective and evaluation was not done.

Total additional central assistance of Rs.56.07 crore for nutrition meant exclusively for children below the age of three years was diverted for implementation of the State Plan scheme which covered children in the age group zero to six years, pregnant women and lactating mothers.

(Paragraph 3.2.7)

The State failed to implement ICDS scheme in 27 blocks out of 85 in spite of the Supreme Court's judgement. Out of 717 villages in seven CDPOs test checked only 354 villages were covered under the scheme and 363 villages remained uncovered.

(Paragraph 3.2.7)

Registration of beneficiaries including children in zero to three years age group below poverty line as well as in marginalised group were not done through proper estimation.

(Paragraph 3.2.7)

None of the 117 Anganwadi centres in the seven CDPOs audited had maintained records of distribution of food (take home ration) to children in the age group zero to three. Distribution of food as supplementary nutrition could therefore not be verified in audit.

(Paragraph 3.2.7)

Growth monitoring through recording of weight and health checkup of children was not conducted for early detection of growth faltering and prevention of malnutrition.

(Paragraph 3.2.7)

Procurement of food with short shelf-life and at a higher rate led to loss of Rs.3.42 crore and extra expenditure of Rs.2.64 crore respectively.

(Paragraph 3.2.8)

Monitoring remained ineffective and impact of implementation of the programme remained un-evaluated.

(Paragraph 3.2.10)

3.2.1 Introduction

Pradhan Mantri Gramodaya Yojana (PMGY) introduced in July 2000 as a 100 per cent Centrally sponsored scheme (CSS) was a new initiative for achieving the objective of sustainable human development at the village level. The scheme envisaged an additional central assistance (ACA) for the various components of Basic Minimum Services (BMS) including nutrition. The nutrition component of the PMGY had been specifically outlined with the objective of eradicating malnutrition amongst children below three years by supplementary feeding of these children through the Integrated Child Development Services (ICDS) Scheme. The PMGY envisaged that (i) the ACA allocated to States/UTs for nutrition component of PMGY be specifically utilised for supplementary feeding cost to children of the age group of zero to three years, (ii) the funds earmarked for nutrition component be utilised only for the purpose, and, (iii) the cost of supplementary feeding under ICDS for children upto six years, pregnant women and lactating mothers would continue to be borne by the State Government from its existing plan/non-plan sources.

3.2.2 Organisational set-up

The Secretary, Social Welfare, Women and Child Development (SW,W&CD) is the head of the Department. The Director, SW,W&CD, is the nodal officer responsible for co-ordination and implementation of the nutrition component in the State. He is assisted by a Deputy Director (DD), ICDS and a Programme Officer. The Child Development Project Officer (CDPO) is directly responsible for implementation of the programme at project level. At village level the programme is implemented through Anganwadis run by Anganwadi Workers (AWs) and Anganwadi Helpers (AHs) under the supervision of Supervisors/Extension Officers and Gram Sevikas. At present, there are 2,359 Anganwadi centres under 58 ICDS projects in the State to be covered under PMGY.

3.2.3 Audit coverage

The implementation of the nutrition programme was reviewed during March–April 2005 by test check of records of the DSW,W&CDD, seven CDPOs[#] in five districts^ψ (out of 16) and 117 Anganwadi centres (AWCs) out of 377 under the seven CDPOs relating to the period from 2000-01 to 2004-05 covering 43 per cent (Rs.23.88 crore) of total expenditure (Rs.54.95 crore).

[#] Sagalee, Hayuliang, Basar, Liromoba, Pasighat, Hunli-Kronli and Namsai Chowkham.

^ψ Papumpare; West Siang; Lohit; East Siang and Lower Dibang Valley.

3.2.4 Audit objectives

The audit objectives were to assess whether :

- ❖ methods for identification of the target group were effective;
- ❖ the plan was drawn up to achieve fulfilment of the policy objectives to cover the entire targeted population;
- ❖ survey was conducted for identification and registration of the mal-nourished children;
- ❖ funds provided were sufficient to achieve the annual targets;
- ❖ supplementary feeding provided to the zero to three years age group children was based on proper estimation;
- ❖ procurement of food was made in an economical, efficient and effective manner considering the quality parameters; and,
- ❖ the monitoring system evolved was effective and evaluation had been made to assess the achievement of the desired objectives.

3.2.5 Audit Criteria

Audit examination was based on the following criteria :

- ❖ adequacy of coverage of the target population;
- ❖ proper survey for identification and registration of malnourished children;
- ❖ sufficiency of funds vis-à-vis the requirement;
- ❖ growth monitoring, health checkup of children and counselling of mothers etc. and effective distribution system of food items;
- ❖ economic and efficient procurement procedure keeping in view the quality of food; and,
- ❖ monitoring, evaluation and impact assessment machinery.

3.2.6 Audit methodology

Following methodologies were adopted :

- ❖ to check the number of CDPOs/Anganwadi centres operational in the State for coverage of the programme in each village;
- ❖ verification of data regarding identification and registration of mal-nourished children below three years;
- ❖ analysis of data in respect of supplementary feeding provided to children in the age group of zero to three years;
- ❖ examination of procurement procedure for economy and efficiency and quality of food; and
- ❖ verification of reports and returns with documents maintained at CDPO/AWC.

3.2.7 Implementation

Financial management

The allocation under PMGY was an additional central assistance (ACA) given specifically to prevent malnutrition in children in the age group zero to three years and not as a substitute for the State's own plan outlays for supplementary nutrition. The State Government was required to make provisions for meeting supplementary nutrition requirements of zero to six years children, pregnant women and lactating mothers as per guidelines and norms in this regard.

Scrutiny revealed that the State had utilised the ACA released by the Government of India (GOI) during 2000-01 to 2004-05 towards procurement of food items for consumption of all groups of children (zero to six years), pregnant women and lactating mothers for supplementary nutrition programme (SNP) under ICDS scheme. This indicated that the entire funds of Rs.56.07 crore received under PMGY during 2000-01 to 2004-05 were diverted for implementation of SNP under ICDS and the objective of the PMGY of eradicating malnutrition amongst children below three years by increased nutritional coverage of supplementary feeding remained unattained.

Year-wise allocation of ACA against 'Nutrition' under PMGY, provisions made in the State budget under the State plan of SNP and expenditure incurred thereagainst during the period from 2000-01 to 2004-05 were as under :

Table 3.4

(Rupees in crore)				
Year	ACA allocated against Nutrition under PMGY	Provision made in the State budget under SNP (State plan scheme)	Expenditure	Excess (+) Savings (-) with reference to Budget provision
2000-01	10.23	9.28	9.28	-
2001-02	11.46	11.46	11.34	(-) 0.12
2002-03	11.46	11.46	11.41	(-) 0.05
2003-04	11.46	11.46	10.54	(-) 0.92
2004-05	11.46	12.38	12.38	-
Total:	56.07	56.04	54.95	(-) 1.09

Source : Appropriation Accounts

During 2000-01, the State Government made budget provision of Rs.2.28 crore for the Special Nutrition Programme (SNP) under General Plan. On receipt of ACA from Government of India in July 2000 under the Nutrition component of PMGY, the allocation under SNP was augmented by providing additional amount of Rs.7 crore thereby raising the total provision to Rs.9.28 crore. The balance ACA of Rs.0.95 crore (Rs.10.23 crore – Rs.9.28 crore) was to be adjusted against ACA for 2001-02 under PMGY. As mentioned in para 3.4 of the Audit Report for the year 2001-02, Rs.2.28 crore was utilised

for implementation of SNP under ICDS scheme and Rs.7 crore was allotted (March 2001) to the Director of Supply and Transport (DST) under the instructions (March 2001) of State Planning Department.

The Public Accounts Committee in its meeting (May 2005) while discussing the Audit Report 2001-02 (Para 3.4) felt that all children in the age group zero to three years should be covered under the programme. The Committee also observed that diversion of Rs.7 crore to Civil Supplies Department was highly irregular requiring responsibility to be fixed and suggested that the Finance Department should not allow such irregularities in future. Action on the above recommendations was awaited.

Although the unspent ACA of Rs.0.95 crore during 2000-01 was to be adjusted against ACA for 2001-02 under PMGY, the Department stated (December 2002) that the State Government had utilised the amount in high priority sectors such as primary education, health and water supply during 2001-02. The expenditure was incurred without providing for it in the budget. Further, minimum sectoral allocation under the programme was not utilised during 2000-01 as required in the guidelines. Reasons for incurring expenditure of Rs.94.55 lakh without making provision in the budget for that year and in violation of norms fixed by the Government of India for utilisation of minimum sectoral allocation were neither on record nor stated.

Reasons for savings of Rs.1.09 crore from 2000-01 to 2004-05 also were not on record.

Physical

The PMGY was introduced to specifically provide for nutritional supplementation/ supplementary feeding cost to children from six months to three years age group through ICDS with special emphasis on marginalised children who were to be given preference for food supplementation. The cost of supplementary feeding under ICDS for children in the age group of three to six years, pregnant women and lactating mothers was to be borne by the State Government from the existing plan/non-plan sources of the State.

During the period covered under the review the State Government diverted the entire amount of ACA towards supplementary nutrition under the State Plan scheme. On this being pointed out, the Government, stated (May 2005) that due to financial crunch, funds could not be provided for supplementary feeding and the funds received under PMGY were being utilised for feeding children (zero to six years), pregnant women and lactating mothers in the Anganwadi centres under SNP.

The purpose of eradicating malnutrition amongst children below three years by increased nutritional coverage as intended in the nutrition component of the programme was thus frustrated and the malnourished children below three years in the State were deprived of the benefit of increased nutritional support.

The targets fixed by the State Government and achievements reported in respect of coverage of beneficiaries under SNP during 2000-01 to 2004-05 is shown below:

Table 3.5

Year	Target		Achievement		Shortfall	
	Children (0-6 years)	Mother	Children (0-6 years)	Mother	Children (0-6 years)	Mother
2000-01	1,08,208	27,105	1,08,208	27,105	Nil	Nil
2001-02	1,14,518	28,755	1,14,518	28,755	Nil	Nil
2002-03	1,16,518	29,255	1,16,518	29,225	Nil	30
2003-04	1,19,518	29,725	1,16,725	29,545	2793	180
2004-05	1,19,518	29,772	1,18,665	28,352	853	1,420

Source : State Government's figures

Reasons for the shortfall were not on record.

The State Government claimed to have met the target of coverage of children under SNP in all years except 2003-04 and 2004-05.

Test check of six districts however revealed that as compared to the 2001 Census figures of children upto the age of six years, the shortfall in coverage as reported by the CDPOs, ranged between 10 to 61 *per cent*. Details are given in **Appendix – XXVII**.

The Supreme Court of India in its judgement (November 2001) directed all the State Governments to implement ICDS scheme in full and ensure that every ICDS disbursing centre in the country provided food with specified food value to each child.

Test check revealed that the State Government failed to implement the ICDS scheme in 27 blocks as the scheme is implemented in only 58 out of 85 blocks in the State. All the blocks were covered in only three districts namely West Kameng, Lower Subansiri and Tawang. In the other 13 districts coverage was only partial. Again, out of 717 villages, in seven CDPOs test checked only 354 villages were covered under the scheme leaving 363 villages uncovered.

On this being pointed out in audit, the Director, SW,W&CD stated (July 2005) that the uncovered blocks were either newly created or bifurcated from old ones. The reply is not tenable as these blocks were created during 1961-62 (one block), 2001-02 (two blocks) and 2002-03 (24 blocks).

The veracity of the figures shown under achievement by the State Government could not be verified in audit due to non-registration of beneficiaries as stated below.

Registration of beneficiaries

The Government of India while clarifying (February 2002) the doubts raised regarding SNP under ICDS and nutrition component of PMGY stated that the States have to ensure (i) registration of all eligible beneficiaries in accordance with the applicable norms and also register all children below the poverty line including marginalised children in zero to three years age group and, (ii)

provision of requisite nutrition for meeting the gap in the Recommended Dietary Allowance (RDA) by supplementing the State's commitment for supplementary nutrition.

Scrutiny of records of the seven CDPOs test checked in audit revealed that there was no registration of children in the zero to six years age group in general and children below poverty line in the zero to three years age group in particular in any of the CDPOs. As a result, the number of malnourished children requiring supplementary feeding could not be ascertained in audit.

Director, SW,W&CD stated (July 2005) that necessary instruction for registration of all eligible beneficiaries had already been issued and implementation of the instruction by the field units would be confirmed. Implementation of the instructions issued by the Directorate had thus never been monitored.

Take Home Ration Strategy

For distribution of food to children in the age group zero to three years, take home ration (THR) strategy was to be adopted and food for one to four weeks distributed at a time to mothers for feeding at home. For this purpose, the mothers were to be called alongwith the child on a specific day to the AWCs for food distribution as well as growth monitoring, health checkup, immunisation, *etc.*, and for nutrition and health education. For growth monitoring, proper record in the growth chart was to be maintained in each Anganwadi.

The 117 AWCs under the seven CDPOs test checked had neither maintained growth chart of children nor maintained records of distribution of THR. There was also no record of conducting health checkup of children in the age group zero to three years. In the absence of these records the basis of distribution of THR as supplementary feeding to the malnourished children could not be verified in audit. Counselling of mothers for imparting health care education also could not be ascertained in audit due to non-maintenance of records in this regard.

Regular growth monitoring is a tool for prevention of malnutrition and early detection of growth faltering. In the absence of growth monitoring in any of the AWCs malnutrition among children below three years remained unascertained and the children requiring additional nutrition for meeting gap in the RDA were deprived of the benefit.

On this being pointed out, the Director, SW,W&CD, stated (May & July 2005) that non-maintenance of growth chart by the CDPOs is being looked into. Further developments in this regard are awaited (July 2005). Reply of the DSW,W&CD was silent about non-maintenance of record of distribution of THR, non-conducting of health checkup of children as well as health education to mothers.

3.2.8 Procurement of food items

Extra expenditure on purchase of Poshahar (weaning food)

For the implementation of nutrition component of PMGY during 2002-03, SW,W&CD Department invited (October 2002) sealed tenders for supply of four food items[#] including poshahar. In response, 58 offers^ψ were received from different tenderers. The Board recommended (November 2002) the lowest rates for the respective items quoted by 35 valid tenderers. While the rates for groundnut, peas and biscuit were accepted (November 2002) by the Government, that of poshahar was scrapped on the grounds of (i) submission of ISO 9001 certificate instead of ISO 9002, (ii) non-availability of nutritive value content in the analysis report produced by the firm, (iii) overwriting and corrections in the tender papers, and, (iv) rejection of a few tenders by the Board without valid reasons.

Accordingly, fresh tenders were invited (January 2003) which included *inter alia* the condition that the manufacturer should have supplied in his own name to government departments directly in any of the North Eastern States. Against this, five tenderers submitted their rates and the rate of the 2nd lowest tenderer (Rs.48.34 per kg) was accepted (February 2003) by the Government on the basis of recommendation made by the Board, although the rate quoted by the same firm for supply of the same item was Rs.29.00 per kg in response to the earlier tender notice of October 2002 and the same firm supplied the same material in Meghalaya during 2002-03 and 2003-04 at Rs.29.11 per kg.

However, the Government did not take these facts into consideration before approving the much higher rate for reasons not on record.

Accordingly, order for supply of 2,24,707 kg poshahar @ Rs.48.34 per kg was issued (March 2003) to the firm and payment of Rs.1.09 crore was released (March 2003) against supply of materials during 2002-03. As the firm expressed (April 2003) its willingness to supply poshahar during subsequent years at the same rate further quantity of 11,37,780 kg of poshahar for 2003-04 was procured from the firm (March 2004) on payment of Rs.5.50 crore.

Thus, the decision of the Government in approving the higher rate even without considering the substantially lower rate (Rs.29 per kg) offered by the same supplier only four months earlier as well as the substantially lower rate of supply of the material by the same supplier in Meghalaya resulted in extra expenditure of Rs.2.64 crore^β on procurement of poshahar for the years 2002-03 and 2003-04.

[#] Groundnut, peas, fortified biscuit and poshahar (weaning food)

^ψ Groundnut = 14 numbers
Peas = 15 numbers
Biscuit = 18 numbers
Poshahar = 11 numbers

^β 2,24,707 kg (2002-03)
11,37,780 kg (2003-04)

Total : 13,62,487 kg × Rs.19.34 (Rs.48.34 – Rs.29.00) per kg = Rs.2,63,50,499
Say Rs.2.64 crore

Procurement of Poshahar with short shelf life

Scrutiny further revealed that for supply of 11,37,771 kg of poshahar during 2003-04 the department entered into (September 2003) an agreement with the firm (M/s Continental Milkose India Ltd, New Delhi) without any warranty clause about the quality of the material although the agreement executed for the supply during 2002-03 included a warranty to the effect that the item would continue to conform to the description and quality for a period of one year from the date of delivery. Reasons for non-imposition of the warranty clause in the subsequent agreement was neither on record nor stated.

The firm supplied (January 2004 to February 2004) 11,37,780 kg (37,926 bags @ 30 kg per bag) and payment of Rs.5.50 crore was released between February 2004 and June 2004.

A Board constituted (December 2003) for inspection of the food item observed that the poshahar was to be used within six months from the date of manufacture as clearly superscribed on each packet. The items were manufactured during October 2003 (2,04,000 kg), November 2003 (5,27,550 kg) and December 2003 (4,06,230 kg) and their shelf life thus would expire between April 2004 and June 2004. The department issued 10,90,530 kg (36,351 bags of 30 kg each) to the respective CDPOs between January 2004 and April 2004 for distribution to the beneficiaries through AWCs leaving a balance of 47,250 kg in stock.

Reasons for accepting the materials having short shelf life for distribution throughout the year *i.e.* beyond the shelf life, was neither on record nor stated.

Based on four feeding days of poshahar in a month as prescribed, monthly requirement of poshahar for feeding 1,19,518 children and 29,772 women has been worked out in audit as 71,625 kg[#]. Accordingly, a maximum of 4,29,750 kg of poshahar (71,625kg × 6 months) could be issued to the beneficiaries within the shelf life and the balance 7,08,030 kg of poshahar valued at Rs.3.42 crore including 47,250 kg lying in stock as of April 2005 would be unfit for consumption due to expiry. Due to improper maintenance of the records of distribution in AWCs it was not ascertainable whether the poshahar was distributed to the beneficiaries even after expiry.

Injudicious procurement of food items with short shelf life and without safeguarding the Government's interest by incorporation of a warranty clause in the agreement resulted in loss of Rs.3.42 crore due to expiry of 7,08,030 kg poshahar @ Rs.48.34 per kg.

On this being pointed out the Director, SW, W&CD stated (July 2005) that the matter had been taken up with the Government to write off the losses. Response of the Government is awaited.

[#] Requirement of poshahar per month :

1,19,518 children @ 100 grams per child per day × 4 days = 47807.20 Kg

29,772 women @ 200 grams per woman per day × 4 days = 23817.60 Kg

Total = 71624.80 Kg

Say 71625Kg

Extra avoidable expenditure in procurement of Farex Rice

Mention was also made in para 3.5 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2002 regarding extra avoidable expenditure of Rs.9.91 lakh incurred by the DSW,W&CD on procurement of Farex Rice (Baby rice cereal) during 2001-02 at higher rates. The Public Accounts Committee in its meeting (May 2005) asked the department to furnish the reasons for procurement at a higher rate; reply of the department is awaited.

3.2.9 Irregular payment of additional honorarium

Performance linked additional honorarium @Rs.50 pm was to be paid to the AWWs and helpers out of the ACA for implementation of nutrition component of PMGY subject to (i) budgetary provisions made by the State Government for supplementary nutrition, (ii) distribution of supplementary nutrition in the AWCs covered under PMGY for not less than 21 days in a month under certification of the CDPO, (iii) regular maintenance of growth charts of zero to three years children by the AWs and weighing was done regularly on monthly basis, and, (iv) providing supplementary nutrition to all Grade III and Grade IV malnourished children of six months to three years as per norm.

Scrutiny of records of the AWCs under the test checked CDPOs revealed that records showing distribution of supplementary nutrition items were not maintained by any of the AWCs. Weighing on monthly basis was never done since 2000-01, nor were the growth charts maintained till the date of audit. However, the AWs and the helpers were paid additional honorarium regularly since 2000-01 till the date of audit.

Payment of additional honorarium of Rs.21.06 lakh to the 406 AWWs and 296 helpers maintained on an average under the seven CDPOs test checked despite non-fulfilment of the conditions for such payment was irregular. CDPO-wise details of AWCs, AWWs, helpers and additional honorarium paid are shown in **Appendix – XXVIII**.

3.2.10 Monitoring, evaluation and impact study

Prescribed reports/returns required to be sent for proper monitoring of the programme at field level were not sent by the Anganwadi workers. Monthly progress reports (MPR) required to be submitted to the Directorate and the Government of India were not submitted by most of the CDPOs regularly. The CDPOs also had not involved the Panchayati Raj Institutions, Mother's Committee etc., actively in monitoring of the scheme as required.

Reduction in overall levels of malnutrition amongst the under three years children was also not assessed by the test checked CDPOs through recording of weight of the children regularly.

The Director, SW,W&CD had, however, regularly sent yearly status reports to the Government of India during the period from 2000-01 to 2003-04, showing

only nutritional status of children without giving the position of children weighed. Basis on which the nutritional status of the children was arrived at without the children being weighed on a regular basis was neither on record nor stated.

The monitoring system thus remained ineffective and the overall impact of implementation of the component of PMGY remained unevaluated.

The Director, SW,W&CD stated (July 2005) that the Government is yet to evaluate the activities of the programme and efforts were being made to streamline the reporting system.

The matter was reported to the Government (July 2005); reply had not been received (October 2005).

3.2.11 Conclusions

The Government failed to implement the ICDS scheme in 27 blocks of the State and in 363 out of 717 villages of the seven test checked CDPOs, Government also diverted entire funds under PMGY to meet their obligation under SNP and failed to provide increased nutritional coverage of supplementary feeding to children below three years. Identification and registration of beneficiaries through survey was not done and as a result the number of malnourished children in the state remained unassessed. Growth monitoring and health checkup of children for detection of growth faltering and prevention of malnutrition was not done. Food items with short shelf life procured at a higher rate had resulted in loss and extra expenditure. Impact evaluation of the scheme had not been done and the monitoring system was ineffective.

3.2.12 Recommendations

- All uncovered blocks/villages should be covered under the programme;
- All eligible children in zero to three years age group should be registered;
- Additional Central Assistance should be utilised for meeting supplementary feeding cost to children in the age group of zero to three years and the State Government should provide funds for ICDS scheme from its own sources;
- Records of distribution of take home ration (supplementary nutrition) to children in the age group zero to three years must be maintained.
- Regular growth monitoring should be done for early detection of growth faltering and prevention of malnutrition in children;
- Food should be procured as per actual requirement for issue within the shelf-life after ascertaining the competitive rates; and
- Monitoring system as per the scheme should be observed scrupulously and impact of implementation of the scheme should be evaluated.