

CHAPTER-IV
AUDIT OF TRANSACTIONS

4.1 Fraudulent drawal/ misappropriation/ embezzlement/ losses

WATER RESOURCES DEPARTMENT

4.1.1 Defalcation of cash

Failure of the Deputy Collector, Revenue Division, Purnea to handle cash as per the codal provision and lack of internal control mechanism led to defalcation of Rs 70.11 lakh.

Rule 86 of Bihar Treasury Code provides that all monetary transactions should be entered into the cash book as soon as they occur and attested by the head of the office in token of check exercised by him. The cash book should be closed and balanced daily. The head of the office should check the totaling of cash book and physically verify the cash balance and record a certificate to that effect at the end of each month. Provision of rules under Bihar Public Works Accounts code prescribes that temporary advance should be given against only passed vouchers and after adjustment/recovery of previous advance. Further the advance should be immediately recovered/adjusted positively before the end of the financial year.

Test check of records of Revenue Division, Purnea disclosed (July 2004) that there was opening balance of Rs 1.10 crore in the divisional cash book on 2 April 2000. A sum of Rs 7.67 crore was drawn from the treasury between 2 April 2000 and 29 April 2003 and there was expenditure of Rs 7.94 crore during this period. Thus, the closing cash balance on 29 April 2003 worked out to Rs 83.94 lakh. Against this the Divisional cash book reflected closing balance of only Rs 83.39 lakh resulting in shortage of cash of Rs 0.55 lakh as detailed below:

Closing cash balance as on 29 April 2003

	Actual	Required
Details of C.B.	Amount in Rupees	
Temporary advance	7503708.28	548238.28
Unadjusted voucher	107659.86	107659.86
Advances to office staff	87542.00	87,542.00
Cash in Bank	640045.30	640045.30
Cash in hand	Nil	7010752.28
Total	8338955.44	8394237.44

Further scrutiny of the closing balance revealed that cash in hand was reduced to nil and temporary advances were increased from Rs 5.48 lakh to

Rs 75.04 lakh against eight revenue circles¹ of Revenue Division, Purnea for disbursement of pay and allowances, GPF, Pension and other petty payments to staff during April 2000 to April 2003. In this way, Rs 69.56 lakh was defalcated as there was no record in the revenue circles in support of receiving temporary advance of Rs 69.56 lakh. As the claims of staff were not paid due to defalcation of the amount, the Water Resources Department later sanctioned (July 2004) additional allotment of Rs 24.30 lakh for payment of pensionary benefits to staff.

Thus, lack of internal control mechanism and failure of the Deputy Collector, Revenue Division, Purnea to verify the cash balances daily and to check totaling of cash as required under the codal provisions led to defalcation of Government money of Rs 70.11 lakh.

The matter was referred to Government (April 2005). The Deputy Secretary replied (September 2005) that on the basis of the departmental enquiry (January 2005) all the charges against the cashier has been proved and subsequently the second show cause notice has been issued in August 2005 to him.

RURAL DEVELOPMENT DEPARTMENT

4.1.2 Non-accountal and doubtful distribution of rice

Failure of monitoring the implementation of SGRY by DRDAs/Zila Parishads, Bhojpur, Bhagalpur and Jehanabad led to non-accountal of 3854 MT rice valued Rs 5.09 crore. Besides due to improper maintenance of MRs, distribution of 2156 MT rice valued at Rs 2.85 crore could not be authenticated.

As per the guidelines (Para 2.5 and 2.6) of Sampoorna Gramin Rojgar Yojana (SGRY) the rice allotted under the scheme is lifted by Bihar State Food Corporation (SFC) from Food Corporation of India (FCI) depot on release order issued by District administration. Monthly and annual progress report of the schemes are required to be submitted by BDOs/Panchayats and Zila Parishads to DRDA in the prescribed format. The DDC in charge of DRDA is required to monitor the proper delivery of rice from SFC to PDS dealers.

The primary objective of the SGRY is to provide additional wage employment in rural areas and thereby provide food security. SGRY guidelines envisaged that muster rolls (MRs) should be maintained for every work separately showing the details of wages paid to workers and rice distributed. The MRs should have entries showing the number and details of SC/ST/Women and others who have been provided employment. It should be maintained in stitched forms and all its pages must be numbered. Executing agencies would be responsible for measurement of work, maintenance of MRs and payment of wages to workers.

¹ Banmakhi (Rs 5.20 lakh); Bihariganj (Rs 11.39 lakh); Dhamdaha (Rs 29.11 lakh); Kasba (Rs 8.56 lakh); Korha (Rs 3.71 lakh); Katihar (Rs 2.49 lakh); Murliganj (Rs 12.15 lakh), Purnea (Rs 02.42 lakh) and Staff (Rs 0.01 lakh).

Besides, payment of wages is to be made on a fixed day in the presence of village pradhan/sarpanch of the panchayat. Zila Parishad/DRDA/Panchayat Samities are overall responsible for guidance, co-ordination, supervision, reporting and monitoring of implementation of the schemes under SGRY in order to ensure effective safeguard against leakages. Distribution of rice to the workers under the programme was to be made through the PDS.

Stock accounts of rice was required to be maintained by Gram Panchayats, Intermediate Panchayats (Blocks), Zila Parishad, DRDA and executing agencies, which were to be verified and certified by the Project Director of DRDA and Chief Executive Officer of Zila Parishad.

In Bhojpur district test-check of records viz. permits, challans, stock and distribution register of 210 Panchayats of 14 Blocks¹, it was noticed that as per delivery challans issued by SFC, 6396 MT of rice were dispatched to above implementing agencies during 2001-04. Against this, 5092 MT of rice was accounted for in the record of panchayats. Thus, 1304 MT of rice valued Rs 1.72 crore remained unaccounted for.

In Jehanabad district test-check of records, viz permits, challans, stock and distribution register of Zila Parishad, six blocks² and 44 Panchayats revealed that as per permits issued by DRDA, 5259 MT of rice was lifted by 98 PDS dealers for execution of SGRY works from SFC godowns during 2001-05. The executing agencies distributed 4184 MT of rice to the beneficiaries leaving a balance of 1075 MT of rice (Rs 1.42 crore) with PDS/executing agencies unaccounted for.

In Bhagalpur district test-check of records viz permits, challans, stock and distribution register of Zila Parishad and seven blocks³ revealed that DRDA allotted 4750 MT of rice to PDS dealers who lifted the said quantity from SFC godowns for execution of SGRY works during 2001-04. The executing agencies distributed 3275 MT of rice to the beneficiaries leaving a balance of 1475 MT of rice (Rs 1.95 crore) with PDS/executing agencies unaccounted for.

Stock registers and monthly accounts return were not submitted by the Blocks (Intermediate Panchayats), Zila Parishad and Panchayats to DDC. There was nothing on record to show why permits for excess quantity of rice were issued by the DRDA. DDC failed to monitor and evaluate whole process of receipt and utilisation of rice by PDS dealers as well as the implementing agencies.

Thus, 3854 MT rice valued Rs 5.09 crore in test-checked Zila Parishad/Blocks/Panchayat of Bhojpur, Jehanabad and Bhagalpur Districts were not accounted for in the records of the executing agencies.

¹ *Agiaon, Ara Sadar, Barhar, Bihiyan, Charpokhari, Garhani, Jagdishpur, Koilwar, Piro, Sagar, Sandesh, Shahpur, Tarari, Udwant Nagar*

² *Arwal, Ghoshi, Jehanabad, Karpi, Kurtha and Makhdumpur*

³ *Gopalpur, Jagdishpur, Kahalgaon, Rangar Chowk, Pirpaiti, Sabour, Shahkund*

Improper maintenance of Muster Rolls

In Bhojpur and Jehanabad districts audit scrutiny (between November 2004-May 2005) of 2425 Muster Rolls of 707 SGRY works executed in 20 Blocks⁴, eight Panchayats⁵ and two Zila Parishads (Ara and Bhagalpur) showed that 2156 MT of rice were distributed by the executing agencies on MRs during 2001-05. Scrutiny of permits issued by BDOs/Zila Parishad/Panchayats for lifting of rice by executing agencies from PDS dealers and scheme files showed that :

Out of the 2156 MT of rice, 1299 MT rice was shown as distributed one to 12 months prior to receipt of the rice from the SFC by the executing agencies.

In respect of distribution of balance of 857 MT of rice valued at Rs 1.13 crore the muster rolls were neither numbered nor stitched. They were also not signed, authenticated and passed by competent authorities.

Further, rice was not distributed in the presence of Village Pradhan/Panch and employment registers were not maintained by the implementing agencies.

Thus, distribution of 2156 MT of rice valued Rs 2.85 crore could not be verified from the records.

On being pointed out DDC, Bhojpur stated (April 2005) that action would be taken after enquiry. DDCs of Jehanabad (May 2005) and Bhagalpur (June 2005) stated that an enquiry committee has been set up to examine facts and figures in view of the audit observations.

The matter was referred to Government (May-June 2005); their reply had not been received (December 2005).

WATER RESOURCES DEPARTMENT

4.1.3 Fraudulent payment on carriage of materials to contractors

Executive Engineers of Western Kosi Canal Divisions, Darbhanga and Jhanjharpur made fraudulent payment of Rs 1.33 crore on account of carriage charges of materials.

Audit of Western Kosi Canal Divisions (WKCD) of Darbhanga and Jhanjharpur disclosed (April/June 2005) that four¹ agreements for works were executed with two contractors by Executive Engineer (EE), WKCD,

⁴ ***Bhojpur-*** Hulasganj, Ara Sadar, Barhara, Bihiyan, Charapokhari, Garhani, Jagdishpur, Koilwar, Piro, Sahar, Sandesh, Shahpur, Tarari, Udwnnagar. Hulasganj, Jehanabad, Kako, Makhdumpur, Ghosi, Modanganj

⁵ ***Panchayat-*** Bandhuganj, Bishunpur, Deora, Jaitipur Kurva, Modanganj, Okari, Punahda, Sohlanda of Jehanabad District.

¹ ***1. Residual earth work from RD 27.00 to RD 93.75 construction of SLR Bridge at RD 31.70 and 42.04 cart bridge at RD 54.20, CD work at RD 59.62, 64.60, 80.17 and 83.07 (Total 42 items). 2. Construction of CD structure at RD 132.60 of Jhanjharpur Branch Canal (Total 27 items). 3. Construction of CD works at RD 63.65, 63.90, 84.65 and 87.55 of Jhanjharpur Branch Canal (28 items). 4. Construction of CD works at RD 22.00 of Ghoghardiha Distributory. (Total 19 items).***

Darbhangha and EE, WKCD, Jhanjharpur between May 2003 and October 2004 at a cost of Rs 4.53 crore. As per the agreements materials viz. stone metals and chips were to be carried from Jamalpur quarry to Karpurigram railway yard by rail and from Karpurigram railway station to work sites in trucks. Sand was to be brought from Kiul river. The works were executed between May 2003 and March 2005 and these divisions paid Rs 1.33 crore² for carriage of above materials between October 2004 and March 2005.

During scrutiny of bills paid to the contractors, it was noticed that divisions made payments without obtaining vouchers in support of carriage of above materials from Jamalpur quarry. In all the four cases, Forms 'M' and 'N'³ were neither submitted by the contractors nor asked for by the divisions for further verifications. Instead, the divisions deducted royalty from the bills of the contractors for the minerals. In the absence of forms 'M' and 'N', which are the proof of purchase of minerals from authorised permit holders, audit could not verify from the records of concerned District Mining Officer whether minerals were lifted from authorised lease holders. Moreover, the contractors also did not attach any vouchers with their bills. Therefore audit checked with the Goods Superintendent of Karpoorigram railway station who also confirmed (May/July 2005) that no material of contractors was carried by railways from Jamalpur to Karpoorigram during the period of contracts.

On being pointed out (June 2005) EE, WKCD, Darbhanga accepted the audit's contention and stated that contractors would be asked to submit vouchers while EE, WKCD, Jhanjharpur replied that vouchers were not required for payment of carriage of finished items of work. However, as per Rule 84 of Bihar PWA Code, payment should not have been made in the absence of vouchers. The reply was unacceptable because carriage of minerals had been separately incorporated in the rate analysis and it also figured as a separate item in the running account bills and final bills. Thus, the payment of Rs 1.33 crore on account of carriage of materials was inadmissible.

The matter was referred to Government (July 2005); The Commissioner-cum-Secretary of the Department stated (September 2005) that the matter would be thoroughly investigated and suitable action would be taken.

² Western Kosi Canal Division Darbhanga (Rs 47.93 lakh); Western Kosi Canal Division Jhanjharpur (Rs 85.34 lakh)

³ BMCC Rules provide that the work contractors shall submit to Works Department an affidavit in form 'M' and particulars in form 'N' indicating therein the source of purchase of minerals, price paid and quantity procured along with the bill. The Department in turn sends form 'M' and 'N' for verification to the Mining Officers

RURAL DEVELOPMENT DEPARTMENT

4.1.4 Misappropriation/fraudulent drawal of Government money

Failure of the DDC-cum-CEO, Sitamarhi to comply with the codal provisions relating to handling of cash and exercising proper checks and control led to misappropriation/fraudulent drawal of Rs 31.77 lakh.

As per provision under Bihar Panchayat Samitis and Zila Parishad (Budget and Account) Rule 1964 all sums received on account of Zila Parishad should be immediately remitted into Zila Parishad Fund and such deposits should be verified by the Chief Executive Officer (CEO) of Zila Parishad himself. Further, Rule provides that every cheque should be drawn in favour of the person to whom the money is actually to be paid and money drawn for disbursement by self cheque should be entered in the subsidiary cash book and the CEO should satisfy himself that every cheque drawn in his favour has been properly entered in it. Besides money should not be drawn unless it is necessarily required for immediate disbursement.

Scrutiny of records of Zila Parishad, Sitamarhi disclosed (June-August 2004) that Rs 13.49 lakh was drawn from conjoint¹ provident fund account during July 2001 to November 2002 for provident fund payments to 15 transferred and two retired employees. But the same was not accounted for in the subsidiary cash book. Payments of Rs 10.70 lakh were not made to the 15 transferred employees while the two retired employees were paid (Rs 2.79 lakh) out of grant of Tenth and Eleventh Finance Commission.

Further, it was seen that Rs 6.79 lakh collected by the cashier as per the money receipts between March 2001 to April 2003 on account of settlement of ghats and ponds (Rs 4.29 lakh), sale proceeds of fruits on roadside land and agriculture land (Rs 1.09 lakh), sale proceed of pond (Rs 0.03 lakh), rent of inspection bungalows and shops (Rs 0.12 lakh) and security money of contractors (Rs 1.26 lakh) were neither accounted for nor remitted to the Zila Parishad fund.

Besides, Rs 5.27 lakh was drawn (April 2003) for payment of Rs 4.79 lakh to four agencies as printing charges. The excess of Rs 0.48 lakh drawn was not refunded in the Zila Parishad Fund and misappropriated by fictitiously showing payment to one agency in the cash book as Rs 1.91 lakh against vouchers of Rs 1.43 lakh.

Further, Rs 6.48 lakh² drawn and encashed through 23 cheques during September 2001 to May 2003 was neither accounted for in the cash book nor shown disbursed. Rupees 4.53 lakh was again drawn through four cheques between February 2003 to April 2003 from Sunischit Rojgar Yojana fund against an Assistant Engineer, who denied (July 2004) receipt of the amount. The amount was also not accounted for in the cash book of Zila Parishad.

¹ It is a joint account operated by the DDO in which GPF subscription of all the employees of the unit is credited.

² Rs 5.79 lakh (Account of Self Financing Scheme); Rs 0.21 lakh (Rent Account) and Rs 0.48 lakh (District planning Grants from DRDA)

Thus, the failure of Deputy Development Commissioner-cum-Chief Executive Officer (DDC-cum-CEO), Sitamarhi to exercise controls and comply with the financial provisions relating to handling of cash resulted in fraudulent drawal/misappropriation of Government money of Rs 31.77 lakh. The DDC-cum-CEO, Sitamarhi accepted (April 2005) that fraud has been committed and FIR for misappropriation of Rs 31.77 lakh was lodged (December 2004) with the Police against the then DDC-cum-CEO and the clerk.

The matter was referred to Government (May 2005); the reply had not been received (December 2005).

SECONDARY, PRIMARY AND ADULT EDUCATION DEPARTMENT

4.1.5 Double drawal of fund

Due to failure of internal control mechanism and non-adherence of codal provision by DSE and TO, Rs 22.17 lakh was drawn twice from the Gopalganj treasury.

Rule 86 of the Bihar Treasury Code (BTC) provides that all monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check exercised by him. Rule 189 of the BTC stipulates that the Treasury Officer should ensure that the claim is valid and the payee has actually received the sum charged. Further Rule 305A and 306 A prescribes that DDO should ensure that the accounts have been maintained in the prescribed manner.

Test check of records of District Superintendent of Education (DSE), Gopalganj revealed (April 2005) that the Secretary, Secondary, Primary and Adult Education Department released (March 2004) Rs 22.17 lakh to DSE Gopalganj for repair/ renovation of school buildings in the Gopalganj district under Pradhan Mantri Gramodaya Yojana (PMGY).

Against the allotment of Rs 22.17 lakh the DSE, Gopalganj submitted to the Treasury Officer two bills of Rs 22.17 lakh each in March 2004 and both the bills were passed by the Treasury Officer on 31 March 2004. DSE drew amount of both the bills, took the amount as receipt in the cash book and then deposited the amount in the bank on 5th and 7th April 2004.

On being pointed out DSE, Gopalganj stated (May 2005) that excess amount of (Rs. 22.17 lakh) was drawn from treasury inadvertently. However the Treasury Officer, Gopalganj stated (May 2005) that both the bills were passed in the rush of the last day of financial year.

The reply was not acceptable as both the DSE and the Treasury Officer were required to have a check on excess/double drawal of fund from treasury. At the instance of audit, the DSE refunded (May 2005) Rs 22.17 lakh into treasury. Thus the failure of internal control mechanism and non-adherence of codal provisions by DSE and the Treasury Officer Gopalganj led to double drawal of fund amounting to Rs 22.17 lakh.

The matter was referred to the Government (May 2005), the reply had not been received (December 2005).

REVENUE AND LAND REFORMS DEPARTMENT

4.1.6 Misutilisation of miscellaneous receipts

Rupees 1.06 crore collected as miscellaneous receipts was misutilised by DM Gaya and nine SDOs for departmental expenditure and kept in banks.

Rules 37 and 52 of Bihar Financial Rule read with Rule 7 of Bihar Treasury Code envisaged that revenue receipts on behalf of Government should be forthwith deposited into treasury and should not be diverted towards departmental expenditure.

Scrutiny of records of District Nazarat Gaya and nine¹ Sub-Divisional Nazarat disclosed (April 2005) that miscellaneous receipts of Rs 1.66 crore was collected by them during 2002-05 as detailed below:

(Rs in lakh)

Name of the office	Sairat ²	Sale of map	Motor Vehicle tax	Examination fee	Cattle pound charges	Rent of field	Total
District Nazarat, Gaya	4.99	0.82	-	-	-	-	5.81
Sub-Division Nazarat, Gaya	-	-	-	5.34	-	2.75	8.09
Sub-Division Nazarat, Sherghati	3.66	-	5.02	0.93	0.59	0.82	11.02
Sub-Division Nazarat, Tekari	-	-	2.52	-	-	0.69	3.21
Sub-Division Nazarat, Bathani	-	-	-	-	-	0.44	0.44
Sub-Division Nazarat, Muzaffarpur (East)	-	-	-	4.51	-	-	4.51
Sub-Division Nazarat, Muzaffarpur (West)	4.02	-	-	-	-	55.63	59.65
Sub-Division Nazarat, Hajipur	0.22	-	-	10.47	-	5.22	15.91
Sub-Division Nazarat, Biharsharif	-	-	-	13.41	-	4.99	18.40
Sub-Division Nazarat, Patna	0.78	-	-	37.90	-	-	38.68
Total	13.67	0.82	7.54	72.56	0.59	70.54	165.72

Out of Rs 1.66 crore collected as miscellaneous receipts, Rs 47.55 lakh was remitted into treasury by four SDOs³ during 2002-05. Rupees 12.19 lakh was also remitted (April/July 2005) in treasury by two SDOs⁴ at the instance of audit.

Out of the balance Rs 1.06 crore⁵, Rs 98 lakh was misutilised by the nine SDOs and DM Gaya for departmental expenditure and Rs 7.69 lakh kept in banks. Diverting miscellaneous receipts for departmental expenditure is highly irregular as it entails expenditure without legislature authorisation.

¹ Bathani, Biharsharif, Gaya, Hajipur, Muzaffarpur (East), Muzaffarpur (West), Patna Sadar, Sherghati, Tekari.

² Lease proceeds of market space, pond etc.

³ Biharsharif: Rs 12.82 lakh; Muzaffarpur (East): Rs 2.62 lakh; Muzaffarpur (West): Rs 4.83 lakh; Patna :Rs 27.28 lakh.

⁴ Gaya Sadar (Rs 8.09 lakh), Patna (Rs 4.10 lakh)

⁵ Rs 165.72 lakh - (Rs 47.55 lakh + Rs 12.19 lakh) = Rs 105.98 lakh i.e. Rs 1.06 crore

The matter was referred to Government (May 2005); their reply had not been received (December 2005).

URBAN DEVELOPMENT DEPARTMENT

4.1.7 *Misutilisation of grant*

SJSRY grant and cash balance of Rs 76.18 lakh payable to ULB was misutilised by DM Patna for USEP training.

As per guidelines of Swarna Jayanti Shahari Rojgar Yojana (SJSRY) there were three components of Urban Self Employment Programme (USEP) viz. SJSRY financial assistance to urban poor beneficiaries for carrying on their own enterprises, financial assistance for Development of Women and Children in Urban Areas (DWCUA) societies and providing training to the USEP beneficiaries. The training was to be provided in government managed training institutes, voluntary organisation or even in private institutes by arranging training of two to six months for minimum 300 hours and the applications of eligible candidates for training were to be scrutinised and forwarded by the Community Development Samiti (CDS).

Under SJSRY, the State Government sanctioned (May 2004) Rs 69.63 lakh to District Urban Development Agency (DUDA), Patna for distribution amongst 11 urban local bodies (ULBs) of Patna district based on their population ratio. The amount was to be spent by the ULBs on payment of subsidy under USEP for DWCUA (Rs 17.99 lakh), USEP training (Rs 23.99 lakh), Thrift and Credit Society to DWCUA (Rs 14.99 lakh), Infrastructure¹ (Rs three lakh) and for Community structure² (Rs 9.66 lakh).

Scrutiny of records of DUDA, Patna (March/April 2005) disclosed that the District Magistrate-cum-Chairman, DUDA, Patna instead of distributing the amount to ULBs, paid Rs 76.18 lakh (Rs 69.63 lakh + Rs 6.55 lakh out of cash balance) to 17 NGOs³/private training institutes between 8 June 2004 and 26 June 2004.

On scrutiny of records, the following deficiencies were noticed in the execution of training programmes:

¹ Construction of kiosks, Rehri Market and Hand Tubewell etc.

² Community hall, Sales Centre etc.

³ 1. Jan Kalyan Samiti, Chiraiyatar, Patna 2. Bindyawasini Sewasahsthan, Alka colony, Kumhrar, Patna 3. Asahay Samajik Vikash Samiti, Nand Lal chapra Patna 4. Pramila Gramin Mahila Vikas Sansthan, Begampur, Patna 5. Sumedha, Nehru Nagar, Patna 6. Jeewan Prabha Educational & charitable Trust, P.C. colony, Patna 7. Sita Mahila & Bal vikas Kendra, Rajendra Nagar, Patna 8. Atyant Pichra Barg Muzdoor vikas samiti, Kaushal Nagar, Patna 9. Jan Jagriti Prayas Sansthan Jaiprakash Nagar, Patna 10. Pragatishil Kala Sansthan, South Mandiri, Patna, 11. Srijan Bharti, Musalhahpur, Patna 12. Ambedkar wadi Samaj Vikas Parishad, Near museum, Patna 13. Janbandhu Kalyan Sansthan, Gulzarbagh, Patna, 14. Unique Social Association, Patna 15. Rama Vishwanath Sarwangin vikas Sansthan, East Lohanipur, Patna 16. Ashok, Budha Vihar, Jagdeo Path, Patna 17. Yuva Bahumukhi Berojgar Kalyan Sansthan, Anishabad, Patna.

The procedure for selection of training institutions lacked transparency. No advertisement was issued inviting training institutes to submit training proposals. Government managed training institutes were not selected for imparting training. DUDA did not determine any criteria for the selection of training Institutes;

No record was kept in the office to watch registration number and experience of the Institutions as four Institutes⁴ did not have past experience of training as they were registered in 2003-04;

No inspection/supervision was made by the DUDA authorities on the operation of the Institute's training programmes;

The trainees were not surveyed and identified by the CDS, rather 17 institutes themselves submitted list of trainees which was in violation of SJSRY guidelines;

Only five training institutes rendered account of expenditure amounting to Rs 31.01 lakh without any supporting vouchers. One of the institutes⁵ showed training of 300 candidates between 15 February 2004 and 30 June 2004 while work order was given to the institute on 23 June 2004 and cheque of Rupees three lakh was issued on 24 June 2004;

DUDA rendered utilisation certificate of Rs 69.63 lakh (September 2004) under USEP training while the total grant available for 11 ULB's under training was of Rs 23.99 lakh and the actual expenditure incurred by DUDA was Rs 76.18 lakh.

Thus, the DM Patna unauthorisedly misutilised the grant of Rs 69.63 lakh and Rs 6.55 lakh out of cash balance for training purposes in violation of clear instructions of the State Government to DUDA to distribute the grant to ULBs. At the instance of audit DUDA authorities had entrusted (April 2005) three officers to inquire into the functioning of the training institutes and a report on this is awaited.

The matter was referred to Government (May 2005); in reply the Deputy Director, Urban Development Department submitted (August 2005) enquiry report of DM Patna addressed to the Secretary, Urban Development Department in which the DM Patna accepted (June 2005) that SJSRY fund of Rs 76.18 lakh has been misappropriated.

⁴ *Bindyawasini Seva Sansthan, Patna, Pragatishil Kala Sansthan, Patna, Ram Vishwanath Sarvangin Vikas Sansthan, Patna and Yuva Bahumukhi Berojgar Kalyan Sansthan, Patna*

⁵ *Jan Bandhu Kalyan Sansthan, Gulzarbagh, Patna*

LABOUR, EMPLOYMENT & TRAINING DEPARTMENT

4.1.8 *Unadjusted advances for disbursement of old age pension*

Failure of the BDOs to ensure adjustment of advances given to the Panchayat Sewaks for disbursement of old age pension for long was fraught with risk of misappropriation to Government funds.

As per the guidelines of Social Security Pension Scheme, payment of old age pension was to be made by disbursing officer to the persons who were above 60 years of age and were destitute having total annual family income not more than Rs 5000 (rural areas) and Rs 5500 (urban areas). Payments were to be made to the beneficiaries by the Block Development Officer (BDO) through open distribution camp in the presence of Mukhiyas, member of Gram Panchayats, Panchayat Samitis or Zila Parishads concerned either in cash or by cheque or by depositing the amount in saving bank/ post office account of the person concerned.

Test check of cash book, advance register, vouchers relating to payment of old age pension of 23 blocks¹ of eight districts revealed (August 2004) that the BDOs sanctioned advances of Rs 1.58 crore to 108 Panchayat Sewaks during 2001-05 for payment of old age pension to the beneficiaries of their respective Panchayats. Scrutiny revealed that 61 Panchayat Sewaks did not submit vouchers against advances of Rs 77.26 lakh received by them. Further 47 Panchayat Sewaks, against advances of Rs 80.74 lakh, submitted vouchers of only Rs 61.41 lakh and retained Rs 19.33 lakh with them.

The BDOs did not organise open distribution camps for disbursement of old age pension to the beneficiaries and irregularly advanced Rs 96.59 lakh to Panchayat Sewaks in violation of the guidelines. Besides, they failed to ensure immediate adjustment/recovery of such advances paid to the 108 Panchayat Sewaks for a period ranging from seven months to 50 months as of April 2005. Meanwhile 34 Panchayat Sewaks with outstanding dues of Rs 9.71 lakh were transferred to other blocks, two Panchayat Sewaks with dues of Rs 0.87 lakh outstanding were dismissed, one Panchayat Sewak with dues of Rs 0.25 lakh outstanding retired and one Panchayat Sewak with dues of Rs 2.05 lakh outstanding was suspended.

On being pointed out (April 2005) it was stated by eight BDOs² that action for recovery of outstanding advances is being taken. However 15 BDOs did not respond to audit query. The Deputy Secretary to Government replied (August 2005) that Rs 0.81 lakh has since been recovered from five panchayat sewaks of Manpur and Nursarai block.

¹ ***Bihar Sharif*** - Noor Sarai; ***Chapra***- Jalalpur; ***Darbhanga*** - Benipur, Biroul, Ghanshyampur; ***Gaya***- Manpur; ***Madhubani***- Babubarhi, Basopatti, Benipatti, Bisfi, Kaluahi, Khutuna, Laukahi, Phulparas, Rahika, Rajnagar; ***Motihari*** - Chakia, Chiraiya, Dhaka, Motihari Sadar, Sagauli; ***Samastipur*** - Warisnagar ***Supaul*** - Marauna

² ***Motihari***- Chiraiya, Dhaka, Motihari; ***Madhubani***- Babubarhi, Benipatti, Bispi, Rahika, Rajnagar

Thus failure of the BDOs to comply with the codal provisions for granting old age pension to the beneficiaries was fraught with risk of misappropriation of government funds.

The matter was referred to Government (June 2005); their reply had not been received (December 2005).

RURAL DEVELOPMENT DEPARTMENT

4.1.9 Loss due to non-recovery of empty gunny bags

Government sustained a loss of Rs 63.08 lakh due to non-recovery of empty gunny bags by the departmental authorities.

Government of India (GOI) provides rice for distribution to labourers in the execution of Sampoorna Grameen Rojgar Yojana (SGRY). Rice is supplied in gunny bags weighing 50 kg each. SGRY guidelines envisage that empty bags are to be received back from the executing agents and should be sold in open market to meet the cost of transportation and handling charges.

Test check (November 2004 to May 2005) of stock records, statements of lifting and distribution of rice for under SGRY schemes in 45 Blocks¹ 601 Panchayats and three Zila Parishads² disclosed that rice in 1051387 gunny bags were lifted by executing agents during 2001-04 as detailed below :

(in numbers)

Year	Ara	Jehanabad	Gaya	Total
2001-02	88428	18374	117856	224658
2002-03	111759	72294	121968	306021
2003-04	120566	84522	315620	520708
Grand Total	320753	175190	555444	1051387

Further, it was noticed that the empty bags were not returned by the executing agents which valued at Rs 63.08 lakh³. Hence due to non-observance of provisions of the guidelines by the departmental authorities, Government had sustained a loss of Rs 63.08 lakh.

Deputy Development Commissioner (DDC), Bhojpur stated (April 2005) that the action will be taken after investigation. Further, Accounts Officers of DRDA Jehanabad and Gaya stated that correspondence is being made for empty bags.

The matter was referred to Government (July 2005); their reply had not been received (December 2005).

¹ Ara : 1 Agiaon, 2 Ara Sadar, 3 Barahara, 4 Bihiya, 5 Charapokhari, 6 Garhani, 7 Jagdishpur, 8 Koilwar, 9 Piro, 10 Sahar, 11 Sandesh, 12 Shahpur, 13 Tarari, 14 Udwant Nagar;

Jehanabad : 1 Arwal, 2 Ghosi, 3 Hulasganj, 4 Jehanabad, 5 Kako, 6 Makhdumpur, 7 Modanganj

Gaya : 1 Gaya Sadar, 2 Manpur, 3 Khizer Sarai, 4 Wazirganj, 5 Bathani, 6 Atri, 7 Mohra, 8 Tekari, 9 Belaganj, 10 Mohanpur, 11 Barachatti, 12 Dobhi, 13 Sherghati, 14 Imanganj, 15 Dumaria, 16 Gurua, 17 Guraru, 18 Paraiya, 19 Tankuppa, 20 Banke Bazar, 21 Fatehpur, 22 Bodh-Gaya, 23 Konch, 24 Amas

² Ara, Jehanabad and Gaya

³ Value of bags : 1051387 bags X Rs 6 = Rs 6308322 or Rs 63.08 lakh

RURAL DEVELOPMENT DEPARTMENT (RURAL ENGINEERING ORGANISATION)

4.1.10 Temporary advances outstanding

Failure of the Executive Engineer REO (W) Division, Sasaram to comply with the codal provisions relating to sanction/adjustment of temporary advances led to advances of Rs 77.80 lakh remaining outstanding.

As per Rule 609 (b) of Bihar Treasury Code subsequent advance should be given to a person only after adjustment/recovery of previous advance and every attempt should be made by the Drawing and Disbursing Officer to ensure its immediate recovery/adjustment. Further, Bihar Public Works Accounts Code Rules also stipulates that temporary advances should be given against only passed vouchers and its recovery/adjustment should be positively made before the end of the financial year.

Test check of records of Rural Engineering (Works) Division, Sasaram transpired (November 2004) that the Executive Engineer (EE) sanctioned Rs 2.33 crore as temporary advance to Shri K.P. Singh, Assistant Engineer (AE), Dehri-on-Sone, who was also in additional charge of Bikramganj sub-division (February 1998 to November 1998) during 1997-1999 for construction of road works (Rs 2.29 crore) and for payment to work charged staff (Rs 0.04 crore). Out of this, Rs 1.55 crore was adjusted during 1998-99 by the EE. Meanwhile the officer transferred to his parent Department i.e. PWD in June 1999 and his LPC was not issued to his place of joining. However, non-submission of account and non-handing over charge on transfer by the AE and failure of EE in monitoring adjustment/recovery of advances led to advances of Rs 77.80 lakh remaining outstanding against the AE as of June 2005.

Thus failure to comply with the codal provisions relating to sanction/adjustment of temporary advances by the EE, REO Sasaram led to advances of Rs 77.80 lakh remained outstanding against the AE for seven years which was fraught with the risk of its misappropriation.

The matter was referred to Government (April 2005/August 2005); The Joint Secretary replied (August 2005) that since the officer had been posted in Jharkhand, it was proving difficult to obtain his response in this regard. However the concerned SE/AE had been directed to submit the relevant documents for further action.

ROAD CONSTRUCTION DEPARTMENT

4.1.11 Loss due to auction of Government building

Failure of the Executive Engineer/departmental authority to file a counter affidavit in the Court of the Sub Judge led to auction of office building.

Scrutiny of records of Road Construction Division (RCD) Siwan revealed (February 2004) that Executive Engineer allotted repair work of Siwan

Paigambarpur road (July 1993) and special repair of new Siwan Hansua road (July 1995) to a contractor at an estimated cost of Rs 10.35 lakh and Rs 1.62 lakh for completion by July 1994 and August 1995 respectively. The contractor second running bill of Rs 1.88 lakh submitted for payment in July 1993 for repair work of Siwan Paigambarpur road was not paid and against fifth and final bill of Rs 1.43 lakh submitted in July 1995 for special repair work of new Siwan Hansua road, the Division paid (March 1996) only Rs 0.64 lakh to the contractor.

The contractor filed a case (1996) in Patna High Court for his residual payment. The High Court ordered (August 1997) the contractor to represent before the Secretary, Road Construction Department, Bihar Patna for getting payment of his claim and also directed the Secretary of the department to clear the amount of the bill within six months from the date of representation, failing which the contractor would be allowed to move the Civil Court for realisation of amount. The Secretary, RCD rejected (June 1998) representation (September 1997) of the contractor regarding the claim. As the contractor was not paid, he filed (August 2000) a money suit in the court of Sub-judge, Siwan for realisation of Rs 2.67 lakh including interest from the department.

The department failed to file a counter affidavit in the court in time. The Sub-Judge allowed (September 2001) money suit of Rs 2.67 lakh with 10 per cent interest unilaterally in favour of the contractor (total decretal amount Rs 4.50 lakh). But the matter remained hanging between the Department and Division and neither the decretal amount was paid nor any appeal against the order of Sub-Judge filed before the High Court. Subsequently attachment order was passed (August 2002) by the Sub-Judge in which office building of the RCD, Siwan (valued Rs 26.02 lakh) was attached and auctioned in favour of contractor in January 2003 at Rs 4.89 lakh. The Department filed (March 2003) a case in Patna High Court after lapse of more than 18 months from the date of passing order of Sub-Judge. The appeal had been dismissed for default. After dismissal of this appeal another case was filed (February 2005) by the Department for restoration of the first appeal which is pending as of November 2005. In the meantime possession of auctioned building was given to the contractor (August 2003) who demolished the building after removing records of the office.

Thus, the failure of the Executive Engineer/departmental authorities to file a counter affidavit in the Court of the Sub Judge stating that the claim of the contractor was rejected by Government led to auction of office building and loss to Government amounting to Rs 26.02 lakh¹.

The matter was referred to Government (April 2005); the reply had not been received (December 2005).

¹ *Value of land fixed by Registrar, District Registration Office, Siwan i.e. 9.075 katha of land x Rs 2.73 lakh = Rs 24.77 lakh + Rs 1.25 lakh (value of office premises)*

4.2 Infertuous/ wasteful expenditure and overpayment

URBAN DEVELOPMENT DEPARTMENT

4.2.1 Augmentation of Patna Water Supply Scheme

Undue favour to an agency for purchase of motor pumps at a cost of Rs 3.25 crore by the Patna Water Board and infertuous expenditure of Rs 1.17 crore on purchase of materials (Rs 99.49 lakh) and one non-functional tubewell at Murtuliganj (Rs 17.98 lakh).

The State Government allotted Rs 12.17 crore (May 2002) under EFC for "augmentation of Patna water supply scheme" to Patna Water Board with the objective to fulfil the water demand by installation of 49 tubewells¹. On scrutiny of the records of Patna Water Board it was noticed (March/April 2005) that tenders were invited (May 2002) for supply of 49 number of 120/60HPVT Jyoti VT motor pump by name and not as per specification. Accordingly, M/s Jyoti Limited, the manufacturer and one of its distributor submitted the tender in June 2002 and 49 Jyoti VT motor pump sets valued Rs 3.25 crore were purchased (September 2002). However, neither the technical expert committee nor the Government specified purchase of Jyoti VT motor pump by name.

Further, it was seen that as per the project report the installation of motor pumps was to be started on five tube wells already sunk by Bihar Rajya Jal Parishad but the work was not started as dispute persisted between Bihar Rajya Jal Parishad and Patna Water Board regarding suitability of discharging capacity. Patna Water Board purchased materials worth Rs 99.49 lakh² between October 2002 and May 2003. The materials are lying dumped and the five tubewells were non-functional as of August 2005. Besides out of 44 tube wells newly replaced (October 2004), one tube well at Murtuliganj valued Rs 17.98 lakh was not made operational as of August 2005 due to non construction of pump chamber and non supply of electricity.

Thus there was undue favour to an agency for purchase of motor pumps at a cost of Rs 3.25 crore by the Patna Water Board and infertuous expenditure of Rs 1.17 crore on purchase of materials for five tubewells (Rs 99.49 lakh) and one non-functional newly replaced tubewell at Murtuliganj (Rs 17.98 lakh).

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

¹ By replacing 44 defunct tubewells and energising of 5 tubewells already sunk by Bihar Rajya Jal Parishad.

² 5 nos Jyoti VT pump Rs 34.78 lakh, CI Spun pipes 4194.5 meters Rs 58.13 lakh, CI special pipes 16409 Kg Rs 5.23 lakh and 12 nos sluice valve Rs 1.35 lakh.

HEALTH AND FAMILY WELFARE DEPARTMENT

4.2.2 Setting up of Regional Diagnostic Centres

Infructuous expenditure of Rs 4.02 crore on incomplete building besides blockage of Rs 22.77 crore due to non-purchase of equipments.

The Eleventh Finance Commission recommended for setting of nine Regional Diagnostic Centres (RDCs) in the State at an estimated cost of Rs 27 crore¹ to provide modern diagnostic facilities at regional level. Test check of records (April, May 2005) of Director Health Services, Bihar Patna revealed that the Government of India (GOI) sanctioned Rs 24.30 crore during 2001-05. However, the Health Department, Government of Bihar released Rs 27 crore during 2001-05 for the work and requested (March 2005) GOI to release the balance grant (Rs 2.70 crore), which has not been received (September 2005). It was noticed that out of Rs 27 crore, Rs 4.23 crore was released between September 2002 and May 2003 to the Secretary, Building Construction Department (BCD) for the construction of building of RDCs. The BCD spent Rs 4.02 crore for construction of seven² completed buildings and two³ other buildings which were partially incomplete. However, the RDCs were non functional due to non purchase of necessary equipments. The Deputy Secretary, BCD stated (July 2005) to audit that the Secretary, Health Department was requested (August 2004) to release extra fund of Rs 25 lakh for completion of the buildings which was yet to be provided.

Scrutiny of records of eight Divisional Commissioners⁴ (DCs) pertaining to purchase of equipment of RDCs further revealed that out of Rs 22.77 crore sanctioned to them, Rs 15.56 crore was kept in Civil Deposit during 2003-05 and Rs 7.21 crore was lying unutilised in the accounts of the State Government due to non-drawal of funds in time. The process for inviting tenders for purchase of equipment was not initiated as of June 2005 as the buildings for keeping equipments were not handed over by BCD to RDCs. Thus there was infructuous expenditure of Rs 4.02 crores besides Rs 22.77 crore remained unutilised due to non purchase of necessary equipments for the RDCs.

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

¹ 9 x Rs 3 crore per centre (Rs 0.47 lakh for building and Rs 2.53 crore for equipments)

² Ara, Bhagalpur, Gaya, Chapra, Motihari, Munger and Purnea.

³ Muzaffarpur, Saharsha

⁴ Patna, Muzaffarpur, Munger, Bhagalpur, Gaya, Chapra, Saharsa and Purnea.

4.3 Violation of contractual obligation/undue favour to contractors

ROAD CONSTRUCTION DEPARTEMENT

4.3.1 *Undue financial aid to contractor and unfruitful expenditure*

Due to incomplete construction of Gaya-Panchananpur-Daudnagar road expenditure of Rs 2.16 crore was rendered unfruitful besides loss of Rs 49.25 lakh on account of undue aid to contractor by Executive Engineer, RCD, Aurangabad.

Work for widening and strengthening of Gaya-Panchananpur-Daudnagar Road from 35.20 km to 70.50 Km was administratively approved (November 2000) for Rs 6.03 crore and technically sanctioned (November 2000) for Rs 5.63 crore. The work was allotted by tender committee (February 2001) to a contractor at three per cent above the estimated cost for completion of work by August 2001. Subsequently Executive Engineer, Road Construction Division (RCD), Aurangabad executed an agreement (February 2001) with the contractor. Another supplementary agreement was also made (March 2003) for Rs 52.87 lakh for widening of road by 2.05 meter on both sides and strengthening of road by providing 20 mm semi dense carpet (SDC). Bitumen was to be supplied departmentally. Contractor stopped (July 2003) the work after receiving payment of Rs 1.98 crore. The work was finally rescinded (December 2003) under orders of Executive Engineer and final payment was made in December 2003.

On scrutiny of records (March 2005), the following deficiencies were noticed:

The work of widening and strengthening from 35.20 Km to 51 Km was not taken up whereas from 52 Km to 70.50 Km only widening work was completed. Thus no portion of road was completed in all respect and expenditure of Rs 1.98 crore incurred on incomplete construction of roads was rendered unfruitful.

As per terms of agreement, cost of bitumen supplied to agency was to be recovered at the rate of Rs 10505 per MT. It was noticed that against recoverable amount of Rs 29.74 lakh towards cost of consumed bitumen (283 MT) only Rs 8.10 lakh was recovered resulting in short recovery of Rs. 21.64 lakh. Further cost of empty drums valued at Rs 0.63 lakh was also not recovered.

As per codal provisions, quantity of bitumen issued to contractor should be restricted to 15 days consumption. Cost of unutilised quantity of bitumen was to be recovered at double of issue price or at current market rate which ever is higher. The contractor was issued 380 MT bitumen between January 2002 and March 2003 out of which only 283 MT was consumed in work and balance remained with the contractor. It was noticed that no recovery of cost of balance 97 MT bitumen amounting to Rs 20.35 lakh at double of issue price from the contractor.

Further, work against supplementary agreement (March 2003) could not be completed within time and the work was abandoned (July 2003) by the contractor after receiving payment of Rs 17.68 lakh. However, recovery of cost of unutilised bitumen (Rs 6.29 lakh) and empty drums (Rs 0.33 lakh) was not made from the contractor.

Thus there was unfruitful expenditure of Rs 2.16 crore on incomplete construction of road works besides undue aid to the contractor amounting to Rs 49.25 lakh.

The matter was referred to Government (July 2005); their reply had not been received (December 2005).

4.4 Avoidable/excess/unfruitful expenditure

RURAL DEVELOPMENT DEPARTMENT

4.4.1 Misutilisation of Indira Awas Fund

The fund of Rs 30.79 lakh meant for housing needs of rural people living below poverty line was used for ineligible persons.

The target group under Indira Awas Yojna for providing houses was the people living below poverty line (BPL) in rural areas belonging to Scheduled Castes/Scheduled Tribes (SC/ST), freed bonded labourers of SC/ST and non-SC/ST categories. People living below poverty line in rural areas were to be identified by Gram Sabha of the Panchayat. The Block Development Officer (BDO) after verification of their name in the BPL list was required to recommend the list of beneficiaries to Sub-divisional Officer (SDO) for sanction. The fund allotted under the scheme was to be given in lump sum to the beneficiaries living below poverty line for construction of dwelling units.

Audit scrutiny of the list of beneficiaries and other records of BDO Sanhaura (Bhagalpur) transpired (July 2004) that the BDO did not verify BPL list before recommending the names to the SDO and funds of Rs 30.79 lakh were paid (April 2002 - February 2005) to 215 persons who were not included in BPL list as per BPL survey report.

Thus the fund which was meant to fulfil the housing need of rural people living below poverty line was misutilised for the construction of dwelling units for ineligible people in violation of the guidelines of Indira Awas Yojana. In reply to the audit objection, BDO Sanhaura stated (July 2004) that the said provision would be strictly followed in future.

The matter was referred to Government (April 2005); their reply had not been received (December 2005).

4.4.2 Misutilisation of MPLADS Fund

Rupees 98.45 lakh was misutilised for nonspecified works under MPLADS.

The guidelines of Member of Parliament Local Area Development Scheme (MPLADS) prescribed the illustrative list of works to be undertaken under the scheme which included provision of civic amenities like electricity, water, pathways, public toilets etc. in slum areas of towns/villages, installation of computer in education project of high schools. Further, construction of office buildings, residential buildings and other buildings relating to Central or State Government, departments, agencies or organisations, repair and maintenance works of any type other than special repairs for restoration/upgradation of any durable asset, memorials and memorial buildings and purchase of stock of any type were not permitted under the scheme.

Test-check of records of District Rural Development Authority (DRDA), Motihari and Deputy Development Commissioner (DDC), Patna and Nalanda revealed (September 2004 to November 2004) that MPLADS funds amounting to Rs 98.45 lakh were misutilised during 2000-04 for different non-specified works, which included expenditure on electricity in non-slum areas of Patna (Rs 9.44 lakh), establishment of computer centre in Nalanda district headquarter and five block offices (Rs 17.75 lakh) instead of in schools, construction of town hall at Motihari (Rs 57.12 lakh) and construction of memorial and memorial buildings in Nalanda and Motihari (Rs 14.14 lakh).

Thus the intended objective of providing developmental works based on locally felt needs with emphasis on creation of durable assets as envisaged under for scheme was not fulfilled and funds amounting to Rs 98.45 lakh were misutilised for ineligible works.

The matter was referred to government (May 2005) ; their reply had not been received (December 2005).

4.4.3 Misutilisation of SGSY fund

Five DRDAs misutilised SGSY infrastructure fund of Rs 1.93 crore in violation of norms.

The Para 2.2 of the Sampoorna Gram Swarojgar Yojana (SGSY) guideline stipulates creation of additional infrastructure in order to provide critical missing links. Further as per para 2.5 of the guidelines, funds available for providing infrastructure support should be primarily used to bridge small gaps in infrastructure which can make the programme implementation more effective. The proposals should clearly spell out the time span envisaged for building infrastructure and funds should be given to the executing agency in phases depending upon progress of the work.

Scrutiny of records of four¹ District Rural Development Agencies (DRDAs) revealed (April- July 2004) that SGSY infrastructure funds amounting to

¹ Biharsharif, Bhabhua, Bhagalpur and Nawada

Rs 3.39 crore were provided to Bihar State Cooperative Milk Producers Federation Limited (COMFED) for creation of altogether non-existing infrastructure i.e. execution of civil and electrical works, procurement, installation and commissioning of milk chilling plants, construction of milk parlours and buildings for training and workshop of swarojgaris during 2001-2004. The details are as follows:

Name of DRDA	Purpose for which fund was released	Period of payment	Estimated value	Amount released to COMFED, Patna by the DDC/DRDA	Value of work executed	Balance amount with the agency	Remarks
(Rupees in lakh)							
Biharsharif	Establishment of chilling plant	2000-01	115.13	115.00	Nil	115.00	Due to land dispute work could not be started.
Bhabhua	-do-	2001-02	102.00	102.00	78.03	23.97	Effluent treatment plant not commissioned and problems relating to two boilers were not sorted out.
Bhagalpur	-do-	2002-03	111.94	107.48	107.48	-	No reasons for the incomplete works.
Nawada	Construction of 12 milk parlours	2001-02	14.05	14.05	7.03	7.02	Six booths were incomplete as of April 2005.
Total			343.12	338.66	192.54	145.99	

Scrutiny further disclosed that out of Rs 3.39 crore released to COMFED, Patna during 2001-04, it executed works valued Rs 1.93 crore only as of April 2004 and retained the balance of Rs 1.46 crore for two to four years (2001-2005). Funds were released to COMFED for creation of altogether non-existent infrastructure i.e. establishment of chilling plants and milk parlours in violation of SGSY guidelines.

The concerned Deputy Development Commissioners (DDCs) failed to monitor the execution of works undertaken in the scheme which led to misutilisation of SGSY infrastructure fund amounting to Rs 1.93 crore and denial of intended benefit of the scheme to the families living below poverty line

The matter was referred to Government (May 2005); their reply had not been received (December 2005).

URBAN DEVELOPMENT DEPARTMENT

4.4.4 Misutilisation of NSDP fund

In violation of NSDP guidelines, Executive Officers of Madhubani and Darbhanga districts misutilised Rs 2.76 crore for development of non-slum areas apart from doubtful expenditure of Rs 94.67 lakh on purchase of materials.

As per guidelines of the National Slum area Development Programme (NSDP) persons living below poverty line in slum areas were to be surveyed, identified and social and economic benefits under the scheme were to be provided to them. The scheme was required to be implemented by Neighbourhood Committee or Community Development Society (CDS) at the grass root level.

The State Government allotted Rs 2.51 crore during 2000-2004 to Nagar Parishad, Madhubani and Rs 1.40 crore to Municipal Corporation, Darbhanga in December 2000 for development of slum areas to provide facilities like water supply, storm water drains, community centres for education and health, widening and paving of existing lanes, sewers, community latrines and street lighting.

Scrutiny of records of Nagar Parishad, Madhubani and Municipal Corporation, Darbhanga revealed (February 2005) that instead of widening and paving of existing lanes in slum areas, the Nagar Parishad, Madhubani spent Rs 1.52 crore during 2000-04 on construction of plain cement concrete (PCC) road and drains in non-slum areas. Similarly the Municipal Corporation Darbhanga spent Rs 1.24 crore during 2001-02 on construction of PCC road, bituminous road, brick soling, road drains and repair of roads in non-slum areas. Thus the works undertaken by the Nagar Parishad, Madhubani and Municipal Corporation, Darbhanga were not in consonance with the guidelines of NSDP to execute works in slum areas. Besides the works were also not implemented by the Neighbourhood Committee or CDS though required under the guidelines.

It was also noticed that materials valued at Rs 76.82 lakh¹ purchased during 2001-04 by Nagar Parishad, Madhubani and Rs 17.85 lakh² in 2001 by Municipal Corporation Darbhanga were not accounted for in their respective stock registers and material-at-site accounts. Thus, expenditure of Rs 94.67 lakh on purchase of materials was doubtful.

In reply the Executive Officer, Nagar Parishad, Madhubani stated (February 2005) that the works were executed in non-slum areas on the directions of the District Magistrate (DM). The Chief Executive Officer, Municipal Corporation Darbhanga replied (Feb 2005) that all the schemes were selected by District Urban Development Agency (DUDA) and administratively approved by DM, Darbhanga.

Thus, Rs 2.76 crore were misutilised by Nagar Parishad, Madhubani and Municipal Corporation, Darbhanga for the development of non-slum areas which denied the intended benefits of the programme to the slum dwellers, the real beneficiaries. Besides there was doubtful expenditure of Rs 94.67 lakh on purchase of materials.

The matter was referred to Government (June 2005); their reply had not been received (December 2005).

¹ Stone chips and sand (Rs 53.85 lakh); cement (Rs 22.97 lakh)
² Bitumen (Rs 6.98 lakh), Cement (Rs 10.87 lakh).

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

4.4.5 Avoidable expenditure on energy charges

Injudicious decision to charge energy charges at the rate prescribed for domestic connection from residential consumers and others instead of rate for HT connection led to avoidable expenditure of Rs 68.60 lakh during 2001-04.

The Indira Gandhi Institute of Medical Science (IGIMS), Patna obtained 11 KV High Tension (HT) power connection with contract demand of 670 KVA from Bihar State Electricity Board (BSEB), Patna and it was required to pay prescribed rate (Rs 1.78 per unit + other charges) for HT consumers category I at the time of the establishment for its Hospital Complex Area and residential area. About 300 occupants residing in this residential area in addition to one Dharamshala building, one school and a few shops having total load of about 400 KVA (approx) were also energized by the same power supply system. IGIMS has been paying energy charges to the BSEB at a rate¹ prescribed for HT consumers category - I.

A test-check of records of the Institute disclosed (February 2005) that no electric sub-meters were installed by the institute in the residential complex, shops etc. and electricity charges from residents were being recovered at the average rate of Rs 1.37 per unit for different categories of staff after averaging the monthly units aggregating to 51408 units only. Thus, energy charges were being recovered at a rate which was less than what was actually being paid by the IGIMS to BSEB. There was nothing on record to show the basis of fixation of average units and different rates charged from different categories of staff.

It was noticed that the Institute paid Rs 98.08 lakh on account of electricity consumed by residential and other consumers to BSEB though it realised only Rs 29.48 lakh from them during 2001-04.

This resulted in avoidable expenditure of Rs 68.40 lakh by the IGIMS on account of payment of electricity charges for residential and other consumers.

On being pointed out, the Director, IGIMS, Patna stated (March 2005) that correspondence had been made with BSEB for getting domestic connections for residential consumers and others. However, IGIMS should have moved BSEB for domestic connection when the staff quarters were being constructed. Due to delayed action of IGIMS they had to incur avoidable expenditure of Rs 68.40 lakh on electricity.

The matter was referred to Government (May 2005); their reply had not been received (December 2005).

¹ Rs 1.78 per unit + maximum demand charge at the rate of Rs 125/- per KVA + Fuel surcharge at the rate of Rs 2.44 per unit + EDC 6 per cent of value of energy

4.5 Idle investment/Idle establishment/blockage of funds

REVENUE AND LAND REFORMS DEPARTMENT

4.5.1 Denial of housing and road facilities to SC/ST and other backward classes

Against the target of 542 acres of land, only 26.22 acres of land was acquired. As a result target group of beneficiaries were deprived of the intended benefits and also funds of Rs 5.57 crore remained blocked.

The Contingency Fund of the State is in the nature of imprest placed at the disposal of the Government to meet unforeseen expenditure pending authorisation by the State Legislature.

Advance of Rs 10 crore from the Contingency Fund of the State was sanctioned by the Finance Department (March 2001). It was subsequently recouped (3rd Supplementary Budget of 2000-01) and amount was released (March 2001) by Revenue and Land Reforms Department to 17 Districts¹ for purchase of land for construction of approach roads and houses (Targeted beneficiaries area - 541.93 acre) for the homeless families of Scheduled Caste/Tribes/Other backward classes at district level on emergency basis. The purchases were to be made within three months from the date of drawal of advance.

Scrutiny of records of six District Magistrates² and Land Acquisition Officers (DMs & LAOs) revealed (April-May 2005) that Rs 6.90 crore was allotted and withdrawn (March 2001) for aforesaid project/scheme in these districts from the treasuries and was deposited (March 2001 to March 2002) by the concerned District Magistrates under the head-8443- 'Civil Deposit' as per the directives (March 2001) of the Commissioner-cum-Secretary, Revenue and Land Reforms Department. Government subsequently issued (September 2001 to March 2002) instructions to the District Magistrates for withdrawal/release of funds from Civil Deposit to meet expenditure on the project. Five DMs/LAOs³ withdrew (February 2002 to October 2004) Rs 4.14 crore from Civil Deposit and instead of utilising the fund on the scheme credited (February 2002 to October 2004) the amount of Rs 2.81 crore to the saving/current bank accounts and deposited Rs 50 lakh (March 2002) in treasury under the receipt head "0029 - Land Revenue" in Jamui district. However Rs 83 lakh was utilised for acquisition of 26.22 acres of land.

The officers at the district level failed to utilise the funds and the intended object of the scheme for the benefit of SC/ST and other backward class families was not realised. Revenue and Land Reforms Department also failed to monitor the progress of the scheme. As a result Rs 2.81 crore remained blocked in saving bank account and Rs 2.76 crore was kept in Civil Deposits for a period of over four years.

The matter was referred to Government (July 2005); their reply had not been received (December 2005).

¹ Aurangabad, Begusarai, Buxar, Darbhanga, Gopalganj, Jamui, Khagaria, Madhubani, Motihari, Muzaffarpur, Nawadah, Samastipur, Saran, Sitamarhi, Siwan, Supaul and Vaishali

² Jamui, Motihari, Madhubani, Muzaffarpur, Sitamarhi, Vaishali

³ Jamui (Rs 0.50 crore); Motihari (Rs 1.59 crore); Muzaffarpur (Rs 0.80 crore); Sitamarhi (Rs 0.70 crore); Vaishali (Rs 0.55 crore)