

CHAPTER-III : Civil Departments

SECTION B- AUDIT PARAGRAPHS

Forest Department

3.4 Unfruitful expenditure on overseas training under Madhya Pradesh Forestry Project

Overseas training to ineligible candidate/training during last year of the Project resulted in unfruitful/irregular expenditure

An overseas Training Plan for study of forest economics and management, geographical information system, fodder development, nursery management, tree improvement etc. was provided under the Madhya Pradesh Forestry World Bank aided project. As per training plan 135* officers were required to be trained up to March 1999. The selection of the officers for study tour was to be made out of the (i) officers working in the field of project; (ii) officers having at least 1 year service left after their return from study tour; (iii) officers on deputation whose services were to be utilised by the forest department after training abroad and (iv) by matching the responsibilities expected from the trainee after return with his previous experience, aptitude and capability.

A test-check of the records (July 2001 and February 2002) of Director of Madhya Pradesh Forestry Project revealed:

(i) The overseas trainees included, 2 Ministers, 3 IAS Officers and one Scientist, who were not eligible as per approved training plan under the project. Their services were also being utilised elsewhere. The expenditure of Rs.24.72 lakh incurred on their training was irregular.

(ii) An officer who was to retire within 10 months after return from training was not eligible as per condition of overseas Training Plan. The expenditure of Rs.6.22 lakh incurred on his training was irregular.

On this being pointed out (February 2002), the Project Director stated (February 2002) that the overseas training during 1999-2000 was pre-decided and overseas training programme (31 December 1999 to 18 January 2000) of 2 officers was approved (December 1999) by the Food and Agriculture Organisation New Delhi. The services of the retired officer who was given training were being utilised as consultant of the department. No reply was given regarding training to Ministers and IAS officers under the project.

* CCF: 14, CF:29, DFO:66, ACF:22 and RO:04

The matter was reported to the Government/Principal Chief Conservator of Forests (May 2002); their reply has not been received so far (February 2003).

3.5 Infertuous expenditure on raising and maintenance of plants in nurseries in excess of requirement

Infertuous expenditure of Rs.38.79 lakh incurred on raising/maintenance of plants remained unutilised in nurseries

Seedlings raised in polythene bags remain in good condition for an optimum period of 5 to 7 months. Thereafter the roots begin to circle around the bags resulting in stunted growth of plantation. Similarly, seedlings raised in beds and transplanted after an optimum period have a low survival rate due to damage to the roots, which go deeper into the soil.

Test-check of records of the Divisional Forest Officer, Capital Project Forest Division, Bhopal (January 2002) and further information collected (April 2003) revealed that-

(i) At Rajendra Nagar Nursery, 2.72 lakh plants were awaiting plantation in the beginning of 1997-98 and 2 lakh plants raised during the year. Out of these only 1.26 lakh plants could be utilised during the year leaving a balance of 3.46 lakh plants. No plants were utilised during the period 1998-2001. Thus there was no necessity for raising the plants during 1997-98. As a result Rs.29.75 lakh incurred on raising (2 lakh plants) and maintenance of (3.46 lakh) plants was infertuous.

(ii) Similarly in by-pass nursery 1.73 lakh plants were available in the beginning of 1998-99 and one lakh plants were raised during the year. Out of this only 1.11 lakh plants were utilised leaving a balance of 1.62 lakh plants at the end of the year. 7954 plants were shown as dead during 1999-2000. 1.73 lakh plants in stock were thus sufficient for the period 1998-2001 and there was no necessity for raising one-lakh new plants in 1998-99. Rs.9.04 lakh incurred on raising (one lakh) and maintenance of (1.54 lakh) plants was not justified.

The entire stock of 5 lakh seedlings lying un-utilised in nurseries for the last 3 to 4 years became unfit for plantation and expenditure of Rs.38.79 lakh incurred on its raising/maintenance became infertuous.

On this being pointed out in Audit, the Divisional Forest Officer stated (January 2002) that un-utilised plants would be used in future on receipt of scheme from the Government. The reply is not tenable, as the seedlings of 3 to 4 years old may not be fit for plantation.

The matter was reported to the Government/PCCF (March 2002); their reply had not been received (February 2003).

Housing and Environment Department

3.6 Undue financial assistance to Special Area Development Authority, Gwalior

Due to lack of monitoring by Director, Town and Country Planning, a loan of Rs. 1 crore advanced by State Government in May 1992 and interest/penal interest of Rs.1.36 crore were irregularly retained by SADA, Gwalior, for the last 10 years.

Government of India (GOI) sanctioned (March 1992) a loan of Rs. 1 crore for National Capital Region Counter-magnet Gwalior Town Development Fund. State Government also contributed its matching share and an advance of Rs. 2 crore was drawn (May 1992) from Contingency Fund of the State and was provided to Special Area Development Authority (SADA), Gwalior. The term of GOI loan was 10 years, repayable in 8 annual equal instalments commencing from 3rd year of the drawal. Interest at 10.75 per cent per annum on outstanding balance was payable from the first anniversary date of the drawal of the loan with penal interest of 2.75 per cent, in case of any default in repayment of the instalments of loan. Terms for repayment of State share of the loan and interest/penal interest thereon, were, however, prescribed by the State Government only in January 1994 and not at the time of sanction of the loan.

Test-check (August 2001) of the record of Director, Town and Country Planning (Director) and further information collected in July 2002 revealed that while recoveries towards the GOI loan were being effected, repayment of State share of loan of Rs.1 crore and payment of interest/penal interest thereon was not made by SADA.

Thus, while SADA had not repaid the instalments of State loan and interest thereon and unauthorisedly retained Rs.2.36 crore (principal: Rs.1 crore and interest/penal interest: Rs.1.36 crore) as of July 2002 even after completion of the entire term of the 10-year loan in May 2002, effective measures were not taken by the Director to recover the amount from SADA.

On this being pointed out in audit, the Director replied (July 2002) that recoveries were not effected from SADA due to non-receipt of the directions from State Government about repayment of State loan. The reply was not tenable as directions had already been issued by State Government to the Director eight years earlier.

The matter was referred to Government in January 2002; reply had not been received (February 2003).

Medical Education Department

3.7 Unfruitful expenditure on dispensaries functioning without doctors

In Mandla, Chhindwara and Khandwa, 35 Ayurvedic and 7 Homeopathic dispensaries were functioning without doctors leading to an unfruitful expenditure of Rs.1.32 crore on pay and allowances of other staff and rent of buildings

Ayurvedic and Homeopathic dispensaries were established between 1954 and 1991 to provide medical treatment to people living in rural and remote areas. According to the staffing pattern, one doctor with supporting staff of one compounder, one dawasaj and one part-time sweeper under the Minimum Needs Programme was to be provided in each of the dispensaries. A Dai was also sanctioned for each of the Ayurvedic dispensaries.

Test-check (September 2001, February 2002 and April 2002) of the records of the Superintendent-cum-District Ayurvedic Officers (DAOs), Mandla, Khandwa and Chhindwara, revealed that 35 Ayurvedic and 7 Homeopathic dispensaries^{L*} were functioning without doctors during the period July 1988 to April 2002 and treatment to patients was being provided by the compounder and Dai.

Not only the treatment given to patients by Compounders and Dais was unauthorised but expenditure of Rs.1.32 crore on pay and allowances, and rent of buildings during the period from April 1996 to June 2002 was also unfruitful.

The DAO's Mandla, Khandwa and Chhindwara confirmed (September 2001) the absence of doctors due to Government ban on appointments. The Director, Indian System of Medicines and Homeopathy, intimated in September 2002 that 146 posts of doctors (124 Ayurvedic and 22 Homeopathic) were vacant due to non-availability of eligible candidates under SC/ST categories. Director also added that due to financial crises in the State, Government had imposed a ban (January 2000) on fresh recruitment.

The matter was referred to Government in December 2001 and March 2002; reply had not been received (February 2003).

^{L*} Mandla:11 Ayurvedic and 3 Homeopathic; Khandwa:2 Ayurvedic and 1 Homeopathic and Chhindwara:22 Ayurvedic and 3 Homeopathic

Public Health and Family Welfare Department

3.8 Unauthorised expenditure on pay and allowances of staff in excess of sanctioned strength

Expenditure of Rs.82.58 lakh incurred on pay and allowances of staff in excess of sanctioned strength was unauthorised

Test-check (July 2000 and February 2002) of the records of Chief Medical and Health Officer (CMHO) Panna, and Civil Surgeons, Jabalpur and Shahdol, and further information collected (June-July 2002 and March 2003) revealed that the pay and allowances amounting to Rs.82.58 lakh were drawn (Panna:Rs.12.64 lakh, Jabalpur: Rs.48.34 lakh and Shahdol: Rs.21.60 lakh) and paid to 11 employees deployed in excess of the sanctioned strength during varying periods from April 1992 to March 2003, as detailed below.

Sl. No.		Post	Sanctioned strength	Persons-in-position	Excess staff	Pay and allowances	
						Period	Amount (Rs.)
1.	2.	3.	4.	5.	6.	7.	8.
1.	C.M.H.O., Panna	District Leprosy Officer	0	1	1	April 1998 to January 2003	12,64,073
2.	Civil Surgeon, Jabalpur	Asstt. Surgeon	34	39	5	March 1999 to February 2003	37,13,844
		Sister Tutor	4	7	3	April 1999 to September 2002	11,20,570
4.	Civil Surgeon, Shahdol	Gynecologist	1	2	1	January 1995 to February 2003	14,56,671
		Surgeon	1	2	1	May 2000 to February 2003	7,03,083
	Total				11		82,58,241

Attributing the deployment of excess staff to the higher authorities/ Government, the CMHO/Civil Surgeons stated that the matter was taken up with the higher authorities to adjust/transfer the excess staff. It was further stated that salaries of the excess staff were drawn against the vacant posts in equivalent or higher cadres.

The deployment of excess staff over and above the sanctioned strength was in contravention of the rules and showed lack of monitoring and control at the level of cadre controlling officers and led to unauthorised expenditure of Rs.82.58 lakh.

The matter was referred to Government in August 2002; reply had not been received (February 2003).

Panchayat and Rural Development Department

3.9 Rural Housing Scheme -Indira Awas Yojana

3.9.1 Introduction

Indira Awas Yojana (IAY) was launched in 1985-86, as a component of the Rural Landless Employment Guarantee Programme (RLEGP), a Centrally sponsored wage employment programme fully funded by the Government of India (GOI), for providing houses to Scheduled Castes (SC) Scheduled Tribes (ST) and freed bonded labourers living below poverty line (BPL). It became an independent scheme with effect from 1st January 1996. The IAY, which was implemented, by DRDAs and Gram Panchayats in the State was ab-initio flawed as no survey was conducted for identification of beneficiaries. Sanitary latrines and smokeless chulhas were not provided in 50 and 62 per cent respectively of the 3.69 lakh houses claimed to have been completed. Forty-one (41) per cent houses were allotted in the names of male members alone. Funds for infrastructure development were not properly utilised and Rs.3.64 crore were diverted towards other items of expenditure. Utilisation certificates for Rs.41.03 crore were wanting in respect of 11 test-checked districts alone.

3.9.2 Financing pattern

The IAY cost was to be shared between the GOI and State Government in the ratio of 80:20 up to March 1999 and 75:25 thereafter. The Central assistance and also the share of State Government were released directly to Zilla Panchayats (ZP) in two equal instalments. The State Government was to release its share within one month of the release of Central assistance. The funds were to be kept by ZP in a scheduled bank in a separate savings bank account and were required to remit the funds to Gram Panchayats (GP) for further distribution to selected beneficiaries in three instalments as per norms fixed by GOI. The permissible assistance for construction of a new houses was Rs.20,000 per unit. From April 1999, 80 per cent of funds under IAY were to be utilised on construction of new houses and 20 per cent for upgradation of kutcha houses into semi-pucca/pucca houses at Rs.10,000 per unit.

During the period 1997-2002, Rs.637.26 crore were spent on new houses and Rs.59.93 crore on upgradation of old houses.

Diversion of funds to other schemes: Audit observed that ZPs, Jhabua and Ujjain, un-authorisedly diverted Rs.3.14 crore and Rs.20.70 lakh respectively to other schemes for periods ranging from one month to 35 months. This resulted in loss of interest for this scheme.

3.9.3 Programme implementation

Data on rural houseless not collected

3.9.3.1 Rural houseless not identified: The State Government did not conduct any survey to identify the houseless BPL persons living in the rural areas. Only survey in respect of BPL families was stated to have been conducted by the Department in 1997 and the number of houseless families was obtained from the 1991 Census. In absence of the survey, the targets were fixed by the ZP on the basis of the funds received.

3.9.3.2 Physical performance

Targets and achievements: The physical performance as intimated by Development Commissioner, was as under:

<i>(Number of houses)</i>			
Year	Target	Achievement (Houses completed)	Houses in progress
1997-98	74154	101549	66498
1998-99	103652	102901	56431
<u>1999-2000</u> New houses	48976	77886	29707
Up gradation of old houses	24488	13698	10498
<u>2000-2001</u> New houses	38064	42328	16783
Up gradation of old houses	19034	19445	8263
<u>2001-2002</u> New houses	37537	44449	10777
Up gradation of old houses	18768	20513	5682
Total New houses	302383	369113	10777
Total Up gradation of old houses	62290	53656	5682

3,69,113 houses were constructed during 1997-2002. The total expenditure incurred on construction of one unit worked out to Rs.16990 assuming that Rs.10,000 were spent on each incomplete house. This was less than the norm of Rs.20,000 per new construction.

The following further points were noticed:

Sanitary latrines not provided in 50 per cent dwelling units

(a) Non-construction of sanitary latrines: The amount set apart for construction of latrines was Rs. 2300 per unit during 1997-99 and Rs. 2500 per unit thereafter. However, in the State as a whole, in 50 per cent cases, sanitary latrine were not constructed. Apparently in 1,84,553 houses sanitary

latrines were not constructed and perhaps this was the reason for the average cost per new construction being Rs 16,990.

Test-check in 11 districts too revealed that in 41752 out of 88756 houses (47 per cent) sanitary latrines were not constructed.

Irregular payment of Rs.45.89 crore to beneficiaries

(b) Irregular payment of assistance meant for infrastructural development:- Rupees 2500 out of Rs.20000 per dwelling unit was meant for development of infrastructure like roads, water, sanitation etc. where houses were constructed in clusters. In other cases, the amount was to be paid to beneficiaries but only on completion of houses including construction of sanitary latrines and installation of smokeless chullah. However, the amount was paid in cash despite the failure of beneficiaries to construct sanitary latrines in their houses. For 184553 houses, the amount paid was Rs.45.89 crore.

The Development Commissioner / CEOs Zilla Panchayats, replied that the beneficiaries were not taking interest in construction of sanitary latrines. The reply was not acceptable as in that case there was no justification for release of such assistance.

Infrastructure funds of Rs.3.64 crore diverted towards inadmissible items

(c) Diversion of infrastructure development funds:- Where the houses under IAY were not constructed in clusters, the amount allocated for development of infrastructure during 1996-98 was lying unutilised. The Government in Panchayat and Rural Development Department issued instructions in May 1998 that the amount could be utilised in the vicinity of Indira Awas on digging of tubewells and open wells and laying of pipelines for supply of drinking water, electrification in the Majras/Tolas and Paras, construction of Kharanja/drains in the Majras, Tolas and Paras of SCs/STs and construction of link roads from the central point of a village to the Majras/Tolas /Paras if not already linked.

Test-check revealed that Rs.3.64 crore set apart for development of infrastructure was diverted as detailed below :-

Sl. No.	Name of CEO	Items of irregular expenditure	Amount (Rupees in lakh)
1.	CEO, Zilla Panchayat, Guna	Construction of additional houses	131.54
2	CEO, Zilla Panchayat, Khandwa	Amount paid in cash to beneficiaries in June 1999*	101.15
3	CEO, Zilla Panchayat, Khandwa	Construction of chabutara	12.83
4	CEO, Zilla Panchayat, Jhabua	Supply of cattle kits, mosquito nets and water containers to beneficiaries	118.50
Total			364.02

* Instead of utilising the amount earmarked for infrastructure development on specified items of work upto 1997-98 CEO, Zilla Panchayat, Khandwa paid it to beneficiaries in cash.

This deprived the beneficiaries of the intended benefits of infrastructure development to that extent in their areas.

Outside agencies were involved in construction activities

(d) Involvement of contractors:- The beneficiaries were to be involved in the construction of the houses and were required to make their own arrangements for procurement of construction material. Contractors or middle-men were not to be involved. CEOs, Zilla Panchayat, Hoshangabad and Jabalpur, released Rs.1.70 crore during June-October 1999 respectively to an NGO, and PHE Division, Jabalpur. PHE in turn awarded the work to 5 private contractors during June to October 1999 for construction of sanitary latrines. As of March 2002, the PHE Division was yet to construct 3570 (out of 8228) latrines and was retaining an unspent balance of Rs.0.56 crore. On this being pointed out, the CEO, Zilla Panchayat, Jabalpur, replied that beneficiaries were not taking interest in construction of latrines.

Smokeless chulhas not provided in 62 per cent houses

(e) Non-installation of smokeless chulhas : Though as per the guidelines the dwelling units were also to be provided with smokeless chulhas, audit observed that in 2,29,305 out of 3,69,113 houses (62 per cent) smokeless chulhas were not installed. This omission too was attributed to lack of interest on the part of beneficiaries.

3.9.4 Programme performance

3.9.4.1 Irregular selection of beneficiaries for allotment of houses :- Sixty (60) per cent of the total allocation during a year was to be utilised for construction of houses for SC / ST and the balance 40 per cent was to be set apart for non-SC / ST beneficiaries.

In Janpad Panchayat, Ujjain, the entire assistance of Rs.20.40 lakh for the targetted construction of 102 houses was released to SC / ST beneficiaries, depriving 41 potential non-SC/ST beneficiaries of the benefits.

41 per cent houses allotted in the names of male members alone

3.9.4.2 Allotment of houses in the name of male members:- Test-check of the records of the Development Commissioner revealed that 1,09,331 out of 2,67,564 houses (41 per cent) were allotted in the names of male members alone, and not in the names of female members of the family or in the joint names of husband and wife, as required.

Development Commissioner stated (December 2001) that instructions in this regard were being re-iterated.

Wanting utilisation certificates for Rs.41.03 crore in 11 districts

3.9.4.3 Non-receipt of utilisation certificates: In the 11 test-checked ZP, utilisation certificates for Rs.41.03 crore representing 25 to 100 per cent of the funds released had not been received from the Gram Panchayats.

3.9.5 Other points of interest

3.9.5.1 Non-electrification of IAY areas: The ZPs of Jhabua and Jabalpur, sanctioned and paid during 1998-2000 Rs.1.53 crore and Rs.11.30 lakh respectively to Madhya Pradesh Electricity Board (MPEB) for electrification

in the streets where IAY houses were located. No reports on programme of work had been received or called for from MPEB as of February 2002.

**Inventory of
houses
constructed
not maintained**

3.9.5.2 Non-maintenance of inventory/ record of IAY houses: Test-check of the records of Janpad Panchayats revealed that complete inventory of houses indicating name of beneficiary, date of start of construction, completion of house, etc. had not been maintained in most of the blocks. Only a register was maintained which was also not found complete in most of the Janpad Panchayats. Further the month-wise records of financial and physical performance were not maintained by Janpad Panchayats. In the absence of this information, monthly progress reports furnished by the Janpad Panchayats to the ZP could not be said to be fully reliable.

The CEOs, Janpad Panchayats stated that such information was not furnished by the Gram Panchayats. The reply was not acceptable as the CEOs had themselves failed to call for or collect the data from the Gram Panchayats.

3.9.6 Monitoring and evaluation

No evaluation studies of the scheme were got conducted by State Government for any mid-course corrective measures. Even physical verification of houses was not conducted at the State, district or block levels. A schedule of inspections prescribing a minimum number of field visits per month by District Collectors (5), CEOs, Zilla Panchayats (5), CEOs Janpad Panchayats (10), BDOs/Development Extension Officers (15), and ADEOs (all incomplete houses under their jurisdiction) had been prescribed by State Government in August 2000. However, the quarterly reports about the inspections actually carried out were not furnished to the higher authorities though required, nor was any record maintained thereof.

The points mentioned above were referred to Government in August 2002; reply had not been received (February 2003).

Revenue Department

3.10 Infructuous expenditure on pay and allowances of surplus staff

Government Press, Gwalior, incurred an infructuous expenditure of Rs.3.61 crore on pay and allowances of its surplus staff and also paid Rs.2.26 crore as overtime allowance, in spite of the availability of surplus staff. Government Press, Rewa, too incurred similar infructuous expenditure of Rs.42 lakh.

Consequent upon replacement of the manual (hand printing) system in Government Press by off set printing in 1995-96, the existing man power had largely become surplus.

(a) Test-check (January 2001 and March 2002), of the records of Deputy Controller (DC) Government Regional Press, Gwalior and further information collected from the Controller, Printing and Stationery (Controller), in September 2002 revealed that only 32 posts were justified after modernization against which 135 persons were working. The infructuous pay and allowance for the period April 1995 to February 2003 amounted to Rs.4.48 crore.

The Press also paid Rs.2.26 crore as overtime allowance during the period despite the availability of surplus staff.

The DC, Gwalior, stated (March 2002) that surplus staff was deployed on binding work. Reply was not tenable as 29 employees were working in binding section against 49 sanctioned posts, and the vacancy of 20 posts in binding section did not justify deployment of as many as 103 surplus employees.

Even assuming the contention of the DC to be correct, the infructuous expenditure would still work out to Rs.3.61 crore (on pro-rata basis for 83 employees). Further there was no justification for payment of overtime allowance to surplus employees.

(b) Government Press, Rewa, too had incurred similar infructuous expenditure of Rs.42 lakh as of February 2003 on 12 surplus staff with it.

The matter was referred to Government in January 2002; reply had not been received (February 2003).

3.11 Avoidable expenditure due to award of work at higher rate

Injudicious award of work at higher rate resulted in avoidable extra liability of Rs.1.92 crore.

Tenders were invited (December 1999) by Commissioner, Land Records and Settlement (Commissioner) for aerial survey of 39866 sq. km. area in six districts. Out of four offers received, the lowest offer was rejected due to ambiguity in rates quoted. The second lowest tenderer, firm 'A' of Hyderabad, quoted a rate of Rs.692.08 per sq. km., with stage payments -25 per cent at the beginning, 25 per cent on completion of 25 per cent work, another 25 per cent on completion of 50 per cent work and balance on completion of whole work. The highest rate of Rs.1160 per sq. km. was quoted by firm 'B' of Calcutta.

The purchase committee rejected (March 2000) the offer of firm 'A' on the plea that the terms of payment were not suitable and the firm was not having its own resources for execution of the work. But in the case of firm B the committee without assessing the present capability of firm 'B' approved (March 2000) the highest rate quoted by it on the grounds of its past experience and deemed capability to execute the work on its own without engaging other agencies like National Remote Sensing Agency (NRSA), a Government of India enterprise.

The agreement entered into (April 2000) with firm 'B' provided, inter alia, that 75 per cent of the cost of the aerial photography would be paid as advance and the balance was payable on delivery of photographs. This in itself was not favourable as compared to the quotation of firm 'A'.

The work was to be completed in the ensuing flying season of October 2000 to May 2001. The agreement, however, did not provide for levy of any penalty for delay in completion of the work.

In accordance with the terms of the agreement, the Commissioner released an advance of Rs.1 crore to firm 'B' in April 2000. The firm however, failed to complete the work within the stipulated period, engaged NRSA contrary to its deemed capability, and sought a further advance of Rs.2 crore with the request for release of Rs.1 crore direct to NRSA. This was also complied with (April 2001) by the Commissioner.

The firm thereafter completed the survey of 39365.8 sq. km. in May 2002 as full and final execution of work.

Thus, award of the work to firm 'B' ignoring the lower rate of firm 'A' with payment terms conforming to progress of work, and without assessing the capability of firm 'B', not only resulted in an avoidable extra liability of Rs.1.92 crore (Rs.1160 per sq. km. - Rs.692 per sq. km. = Rs.468 X 39365.8 plus CST of Rs.0.08 crore) but was flawed *ab-initio*. Firm 'B' merely acted as a middleman as it engaged NRSA a Government of India agency to execute the work, and made profit. The failure to include a provision for levy of penalty amounted to further undue benefit to the firm.

The matter was referred to Government in April 2002; reply had not been received (February 2003).