

CHAPTER V

5.1 Inadmissible payment of Transport Allowance

According to Government circular (May 2003) transport allowance shall not be admissible to government servants who are on vacation or on leave exceeding 30 days.

Transport Allowance of Rs.10.61 lakh was paid for vacation period exceeding 30 days during the year 1998 to 2004

In 3 PSs³⁵ under ZPs, Aurangabad and Amravati, scrutiny of records revealed that transport allowance was paid to the teaching staff even though the vacation period was more than 30 days during the months of May and June for the period 1998 to 2004. This resulted in inadmissible payment of Rs.10.61 lakh.

The ZP accepted the facts and agreed to effect the recovery.

5.2 Loss of Government Property

Scrutiny of records revealed that the Panchayat Samiti building in Bhore Municipal limits was destroyed by fire in May 2001 resulting in loss of Government property worth Rs.70 lakh. This was attributable to non installation of fire fighting machinery in Bhore Municipal Council, non insurance of the property and inadequate security measures like watch and ward security staff.

In January 2004, Government granted Rs.25 lakh for the construction of new Panchayat Samiti office building at Bhore in lieu of the old one. However, ZP Pune failed to utilize this amount during the year 2003-04. The unutilised grant was to be surrendered to Government at the end of the year, which was not done till date.

In reply ZP stated that the fire fighting machinery and insurance were not purchased due to non availability of fund and the grant of

³⁵ Morshi, Silod and Soaigaon

Rs.25 lakh was retained in anticipation of Government approval for utilization of grant on above work during 2004-05.

The reply is not tenable as non surrendering of unutilised grants was irregular. Further non-procurement of fire fighting equipment and non-insurance of building exposes Zilla Parishad to continuing risk of fire and other hazards.

5.3 Non payment of attendance allowance

With a view to change the negative attitude towards the girl child and to improve enrolment and retention of girls in school, an attendance allowance was payable at the rate of Re 1 per girl student per day to girl students who attended 75 per cent of the school days.

Attendance allowance of Rs.12.22 lakh not paid for the year 2003-04 in ZP,Nasik

In ZP,Nasik the payment of attendance allowance amounting to Rs.12.22 lakh to 6319 girl students for the year 2003-04, was not paid .

The ZP stated that the bills were prepared but due to non-availability of funds payment could not be made (May 2006).

5.4 Non recovery of rent from shop holders

A shopping complex consisting of 68 shops constructed by 3 ZPs³⁶ was let out on rent during the period between January 1986 and August 2001. Rent of Rs 28.29 lakh due from the tenants was, however, not recovered for periods falling between January 1986 and February 2004.

It was stated by Zilla Parishad Akola that court cases against 14 Shopkeepers were initiated in Gadchiroli. In legal proceedings

³⁶ Akola, Gadchiroli and Thane

were initiated and property was given to DRDA. In Thane the ZPs stated that special squad would be formed to effect recovery.

5.5 Non recovery of license fee

The Finance Department had prescribed (February 2001) the rate of license fee to be recovered from the Medical Officers drawing pay of Rs.5,000 and above as Rs.460 per month

License fee of Rs.13.45 lakh was not recovered from 68 allottees.

In ZP, Nasik between April 2001 and October 2004, license fee of Rs.13.45 lakh at the prescribed rate was not recovered in respect of 68 Government quarters allotted to Medical Officers of Primary Health Centres.

The ZP stated that the amount of license fee due would be recovered.

5.6 Outstanding loan recovery under District Village Development Fund (DVDF)

A District Village Development Fund (DVDF) was to be created with contribution from every GP at 5 *per cent* of their total receipts. The proceeds of the fund were to be utilised for advancing loans to the GPs for developmental activities in the village. The loan was recoverable in 10 annual instalments, along with interest at the rate of 5 *per cent* per annum. In case of default, penal interest at the rate of 2 *per cent* per annum was leviable. Recovery of loan was to commence after a moratorium period of one year.

DVDF loan of Rs 2.76 crore and contributions of Rs 1.23 crore to the fund were recoverable from GPs.

Scrutiny of records relating to DVDF in 8 ZPs³⁷ revealed that loan of Rs 2.76 crore was outstanding from the GPs as on 31 March 2004. Audit scrutiny further revealed that contribution of Rs 1.23 crore as per the Act towards DVDF was outstanding from GPs under 8 ZPs³⁸ as of 31 March 2004.

³⁷ Aurangabad, Bhandara, Hingoli, Jalgaon, Jalna, Nashik, Pune and Washim

³⁸ Amravati, Aurangabad, Bhandara, Gadchiroli, Jalna, Nasik Hingoli and Washim

Recovery of misappropriation of Rs 9.92 crore was pending.

5.7 Misappropriation of Government money

Scrutiny of records of 11 ZPs³⁹ revealed that in respect of 2634 cases of misappropriation, recoveries amounting to Rs 9.92 crore were pending at the end of March 2004. No effective steps were taken by the ZPs/PSs for finalisation of the cases and for recovery of the losses.

The ZPs stated that action to recover the amount misappropriated by the officials of the GPs concerned was in progress.

5.8 Arrears of taxes

5.8.1 According to Section 124 (1) of the Bombay Village Panchayat Act, 1958 and the Maharashtra Gram Panchayat Fee Rules, 1960 read with Government resolution of June 1989, the GPs have been empowered to levy and collect taxes/charges annually from the beneficiaries.

In 9 ZPs⁴⁰ water charges and house tax amounting to Rs 10.17 crore as of 31 March 2004 were pending recovery from the beneficiaries.

5.8.2 For availing irrigation facilities, cultivators are required to pay water cess to Government. Arrears of dues were recoverable as arrears of land revenue.

Scrutiny of records of ZPs Akola, Amravati, Aurangabad Gadchiroli and Washim revealed that water cess of Rs.31.15 lakh was outstanding against the beneficiaries as of March 2003.

Action taken for recovery of the outstanding dues was not furnished.

Tax of Rs 10.17 crore were pending recovery.

³⁹ Akola, Amravati, Aurangabad, Bhandara, Dhule., Jalgaon, Jalna, Nasik, Nandurbar, Thane and Washim.

⁴⁰ Akola, Amravati, Aurangabad, Hingoli, Jalgaon, Nashik, Nandurbar, Thane and Washim

5.8.3 Scrutiny of records of ZP, Thane revealed that out of 492 water supply schemes, 112 schemes were non-functional and water was being supplied from the remaining 380 water supply schemes under 6 Talukas, for which water charges were recoverable from the beneficiaries. As against recovery of Rs.756.71 lakh, recovery effected up to Feb-2004 was only Rs.84.70 lakh leaving a balance of Rs.672.01 lakh. The poor recovery of the dues had an adverse effect on the Maintenance and Repairs of the scheme for which a certain per cent of the revenue is earmarked, affecting the efficient running of the scheme.

5.9 Non recovery of repairs & maintenance charges

The cost of repairs and maintenance of hand pumps and electric pumps installed on bore wells of GPs carried out by the ZPs were required to be recovered from the GPs by the PSs and paid to the ZP.

Rs 6.68 crore was pending recovery towards repairs and maintenance charges of pumps.

Scrutiny of records of 12 ZPs⁴¹ revealed that for period between 1997-98 and 2003-04, Rs 6.68 crore was outstanding on account of recovery of cost of repairs and maintenance of hand and electric pumps (March2004).

The ZPs stated that special efforts were being made to recover the arrears. .

5.10 Nugatory expenditure

Government of Maharashtra resolution of April 2002 continued the scheme of employment of volunteers in Padas* in tribal areas for providing basic health care during rainy season. The Director General of Health Services, Maharashtra State, Mumbai authorised

⁴¹ Akola, Amravati, Aurangabad, Bhandara, Gadchiroli, Hingoli, Jalgaon, Jalna, Nandurbar, Nasik, Thane and Washim

* Padas:- A group of houses in tribal areas (Mohallas)

Inadmissible expenditure of Rs.28.80 lakh was incurred due to appointment of 1200 extra volunteers.

(23 April 2002) appointment of one volunteer for each pada on a honorarium of Rs.300 per month.

Scrutiny of records of ZP, Gadchiroli revealed that there were 398 padas and 1634 villages in the district, as such only 398 volunteers should have been appointed. However, ZP had appointed 1598 volunteers during 2002-03 for 8 months from 1.5.2002 to 31.12.2002 and incurred an extra expenditure of Rs.28.80 lakh.

In reply ZP stated that the matter would be referred to Government for regularization.

5.11 Non-recovery of local cess

Water cess of Rs.56.35 crore was not recovered

Under the jurisdiction of Thane Zilla Parishad there are several lakes like Tansa, Vaitarna, Bhatsa, Upper Vaitarna, Sakhare and Barvi. The water from these lakes is being supplied by the BMC, Irrigation Department of the Government, Maharashtra Jeevan Pradhikaran and MIDC. As these lakes are under the jurisdiction of the ZP, it is entitled to recover water cess at the rate of Rs 0.20 per rupee of the total water charges collected by the BMC, Irrigation Department, MJP and MIDC.

However, as per the information furnished by the Zilla Parishad, an amount of Rs56.35crore was pending recovery from the concerned authorities as shown below:-

(Amount in crore of rupees)

Name of Agency	Supplying lake	Period	Amount of cess recoverable
BMC	Tansa	1.1.62 to 31.12.99	2.89
	Vaitarna	1.1.62 to 31.12.99	3.47
Irrigation Department	Bhatsa	1.1.72 to 31.12.99	12.73
	Upper Vaitarna	1.1.62 to 31.12.99	2.59
MJP	Sakhara Dam	1961 to 12/2000	26.27
MIDC	Barvi	1976 to 12/2000	8.40
	Total		56.35

An amount of Rs 7.21 crore was payable by the ZP to BMC/Irrigation Department, MJP and MIDC for the supply of water in the areas under jurisdiction of the ZP, Thane. Even if this were to be adjusted against the cess due to the Zilla Parishad, an amount of Rs.49.14 crore was still pending recovery.

ZP replied that the matter is taken at Government level and final decision is awaited from Government. The details of recovery would be intimated to audit.

5.12 Non-recovery of TCL Power charges from BDOs

With a view to eradicate water borne diseases and to make safe water available for drinking, TCL powder is mixed in the Wells/Tank water. GPs are supplied TCL Powder at subsidised rates through BDOs and 50 per cent of the cost is to be recovered from the GPs.

Rs.20.66 lakh were not recovered from the GPs

Scrutiny of records revealed that 2 ZPs⁴² had supplied TCL Powder worth Rs.41.32 lakh during 2003-04, of which Rs.20.66 lakh (50 per cent amount) required to be recovered had not been recovered from the concerned GPs through BDOs

The ZP stated that the recovery would be made from the GPs.

5.13 Non-recovery of cost of Primary Health Centre (PHC) building from corporation

As per Government of Maharashtra Rural Development and Water Conservation Department letter of January 2003, the PHC buildings at Belapur and Uttan owned by ZP, Thane were transferred to New Mumbai Municipal Corporation and Mira Bhayander Municipal Corporation respectively ZP, Thane vide general resolution no.125 dated 26 March 2003 stated that the cost

Rs.4.85 crore being the cost of PHC building and expenditure on the establishment remaining to be recovered from two Municipal Corporation

of building and the pay and allowances of staff working in PHCs were required to be recovered from the concerned corporation.

It was noticed in audit that an amount of Rs.440.33 lakh towards cost of building and Rs.44.42 lakh towards pay and allowances for the period January 2003 to March 2004 of the staff had not been recovered.

The ZP stated that the matter would be taken up with the Government.

5.14 Short recovery of taxes due to non revision of rates

As per Government of Maharashtra, Rural Development and Water Conservation Department resolution (December 1999), the rates of house tax, street lights , health protection tax, general/special water tax etc. were revised with effect from April 2000.

Scrutiny of records of 4 ZPs⁴³ revealed that GPs had not revised the rates of taxes. This resulted in short realisation of taxes of Rs.89.29 lakh for the period 2000-01 to 2002-03.

ZPs agreed to recover the taxes as per revised rates.

5.15 Outstanding loan under NCDC Scheme

Under the National Co-operative Development Corporation Programme for assistance to poultry farmers for development of poultry activities, Government sanctioned loans repayable in 14 years along with interest. As per Government resolution of September 2002, the scheme was transferred to ZPs

Scrutiny of records of Jalgaon and Pune ZPs revealed that under the scheme, 6 societies were sanctioned loan of Rs.3.66 crore during the period 1991-93 to 1996-98, out of which Rs.6.36 crore (Principal Rs.2.58 crore + Interest Rs.3.78 crore) was outstanding as of 31 March 2004.

The ZPs replied that efforts will be made to recover the dues.

**Non revision of taxes
resulted in short
recovery of Rs.89.29
lakh**

**Rs.6.36 crore
was pending
recovery from 6
poultry societies.**

⁴³ Akola, Amravati, Bhandara and Jalna

5.16 Irregular utilization of 7 per cent forest revenue grant

Grant of Rs.1.72 crore was utilized on items of expenditure which were not permissible

Under the Maharashtra Zilla Parishad and Panchayat Samiti Act, 1961 share of 7 per cent forest revenue is released to ZPs for spending on schemes for development of tribal people in forest areas. A list of items on which the grant could be utilised was notified under GR dated 12 January 1993.

Scrutiny of records of Gadchiroli and Hingoli ZPs revealed that an expenditure of Rs.1.72 crore was incurred on items which were not permissible.

5.17 Drawal of funds to avoid surrender

Rs. 15 lakh was withdrawn and retained by ZP, Bhandara

The Government of Maharashtra vide Rural Development and Water Conservation Department resolution (March 2000), placed Rs.15 lakh at the disposal of the Chief Executive Officer (CEO) ZP, Bhandara for construction of road.

Scrutiny of records revealed that Rs.15 lakh was drawn from Bhandara Treasury on 31 March 2000 and kept in the District Fund by CEO. This was neither utilised for the purpose nor refunded to Government as of March 2003.

Drawal of funds and its retention without utilisation for the purpose was against the norms of financial propriety.

The reply is awaited from Zilla Parishad.