

P R E F A C E

1. This report has been prepared for submission to the Government of Madhya Pradesh in accordance with terms of Technical Guidance and Supervision over the audit of Panchayati Raj Institutions (PRI) and Urban Local Bodies (ULBs) by the Comptroller and Auditor General of India as envisaged by the Eleventh Finance Commission.
2. Chapter I of this report contains a brief introduction on the functioning of Urban Local Bodies (ULB's) and various levels of Panchayati Raj Institutions (PRI's) in the State. Chapter II deals with observations and comments on the accounts of ULB's and the PRI's
3. Chapter III of the report deals with audit comments with regard to implementation of the scheme- 'Total Sanitation Campaign'
4. Chapter IV deals with execution of works, Chapter V includes observation on revenue receipts and Chapter VI includes other points of interests. Chapter VII consists of recommendations.
5. The cases mentioned in the report are those which came to notice in the course of audit of transactions/inspection of accounts relating to periods 2005-06 and earlier years.

OVERVIEW

The Report consist of seven chapters containing introduction, audit comments on accounting procedures, deficiencies/lacunae in implementation of schemes, irregularities in execution of works, loss of revenue receipts and other important points of interest. A synopsis of audit findings contained in paragraphs is presented in this overview.

An overview of the Panchayati Raj Institutions and Urban Local Bodies

Formats for data base on finances, preparation of budget and keeping of accounts for the LBs were prescribed by the CAG but the final action for adoption was awaited.

(Paragraph 1.5.1)

Reconciliation of expenditure figure with those booked by AG (A&E) was not maintained in the Directorate of Urban Administration Department and the reconciliation work in 13 district of Directorate of Panchayat and Social Justices was yet to be completed.

(Paragraph 1.5.2)

There was delay of 15 days to 3 months in crediting of grants of TFC.

(Paragraph 1.5.4)

Accounting Procedures

Bank-reconciliation statement of Rs. 5.65 crore not prepared by 16 ULBs.

(Paragraph 2.2)

Non-recovery of advances of Rs.10.83 crore from individuals of 19 Nagar Nigam/ Nagar Palika.

(Paragraph 2.3)

Funds amounting to Rs.1.44 crore were diverted in eight ULBs

(Paragraph 2.4)

Non-utilisation of government grants of Rs.3.17 crore of EFC in 11 ULBs.

(Paragraph 2.5)

Non recovery of taxes of Rs. 308.66 crore in 33 Nagar Nigam/Nagar Palika/ Nagar Panchayat.

(Paragraph 2.6)

Non depositing of amount in GP Fund
(Paragraph 2.7)

Non creation of Reserve Fund of ULBs.
(Paragraph 2.8)

Expenditure incurred without approval of budget.
(Paragraph 2.9)

Irregular deposit of Rs. 4.45 crore in non-schedule bank.
(Paragraph 2.11)

Non reconciliation of balances of cash book and bank pass book of PRIs.
(Paragraph 2.13)

Non surrender of unspent balances of Rs. 1.17 crore of inactive/closed schemes.
(Paragraph 2.14)

Excess expenditures of Rs. 5.75 crore on works not regularised.
(Paragraph 2.16)

Incomplete works amounting to Rs. 46.03 crore in 38 units.
(Paragraph 2.17)

Implementation of Schemes

The Government of India introduced (1999) a programme of “Total Sanitation Campaign” to promote sanitation facilities in Rural houses, Schools and Aganwadis. Implementation of the Campaign was not carried out during the year 1999-2000 and 2000-2001. In 46 districts the achievement in the main component Individual House Hold Latrines (IHHLs) remained eight per cent (Above Poverty Line) and seventeen per cent (Below Poverty Line). Against the sanctioned cost of the project (Rs. 411.10 crore) only Rs. 162.72 crore (41 per cent) could be received (September 2006) whereas completion period of these districts was going to be over by the end of 2006-07. Similarly, two per cent of total project cost (Rs. 422.55 crore) of 48 districts was spent on Information Education and Communication (IEC) against the approval of 15 per cent. Funds for maintenance of school and Aganwadis latrines were not provided by the concerned departments. Convergence of Water Supply Programme with TSC did not take place. Only 190 Gram Panchayat out of 23051 were awarded with Nirmal Gram Puraskar. Preliminary survey was not conducted in test checked districts. Separate units of toilets for girls and boys were not provided. 2302 works (Estimated cost Rs. 6.08 crore) relating to hardware activities and alternate delivery mechanism were executed in excess of approval of the GOI. Monitoring of the campaign through regular field inspections was not conducted.

(Paragraph 3.1)

Execution of Works

Release of Bank Guarantee despite non recovery of mobilisation advance of Rs. 2.71 crore

(Paragraph 4.1)

Revenue Receipts

Non recovery of Urban Development Cess of Rs. 18.78 crore.

(Paragraph 5.2)

Non recovery of Worker Welfare Cess to the tune of Rs. 8.76 crore.

(Paragraph 5.3)

Loss of revenue of Rs. 6.64 crore on unsold property as well as undue interest liability of Rs. 4.15 crore payable to HUDCO.

(Paragraph 5.4)

Other Points of interest

Undue benefit of Rs. 1.56 crore to the coloniser.

(Paragraph 6.2)

Undue financial aid of Rs. 1.26 crore to the resident beneficiaries.

(Paragraph 6.3)

CHAPTER I

An Overview of the Panchayati Raj Institutions and Urban Local Bodies

Introduction

1.1.1 Constitutional background and brief profile

In keeping with the provisions of the 73rd and 74th Constitutional Amendments a three-tier system of PRIs and ULBs has been established in the State as under: -

PRIs

- Gram Panchayat (GP) at the village level
- Janpad Panchayat (JP) at the block level and
- Zilla Panchayat (ZP) at the district level.

At present there are 48 ZPs, 313 JPs and 23051 GPs in the state. The three-tier system of PRIs which was governed by Madhya Pradesh Panchayat Raj Avam Gram Swaraj Adhiniyam (Act), 1993 came into force in January 1994. The last general elections for the panchayats were held during 2004-05.

ULBs

- Municipal Corporations (For a large urban area),
- Municipal Councils (Municipalities - for smaller urban area) and
- Nagar Panchayats (For a transitional area)

At present there are 14 Municipal Corporations, 87 Municipal Councils and 237 Nagar Panchayats in the State. Three-tier system of ULBs which was governed by Municipal Corporation (MC) Act 1956 and Madhya Pradesh Municipalities (MPM) Act 1961 came into force in 1993. The last general elections for the ULBs were held during 2005-06.

A State Finance Commission (SFC) was to be appointed to review the financial position of the PRIs/ULBs and recommend as to (i) the distribution of the net proceeds of taxes, duties, tolls and fees leviable by the state, between the state and the panchayats and the allocation between the Panchayats at all levels of their respective shares of such proceeds (ii) taxes, duties, tolls and fees to be assigned to the Panchayats; and (iii) grants-in-aid to Panchayats. For these purposes, Ist, IInd and IIIrd SFC were constituted vide MP Gazette notification dated 17 June 1994, 17 June 1999 and 30th August 2005 respectively. Out of 149 recommendations submitted by the Ist and IInd SFC, 77 recommendations were accepted by the State Government (as detailed in **Appendix I**). Third SFC did not submit their report (July 2007).

1.1.2 Devolution of functions, functionaries and funds -

According to articles 243 (G and W) of the Constitution, the devolution of functions, functionaries and funds to PRIs and ULBs was required for implementation of schemes of economic development and social justice including those in relation to matters listed in the Eleventh and Twelfth Schedule of the Constitution as shown in the **Appendix II**. According to records made available by the State Government, audit observed that all functions (PRIs : 29 and ULBs : 18) were devolved but functionaries of 12 departments and funds of 11 functions of PRIs (as detailed in **Appendix II**) were not transferred. Similarly, functionaries and funds related to the functions of ULBs were not transferred. Reasons for the same were not given although called for (August 2007).

1.1.3 Population covered

Total areas (3,08,000 sq. km.) of the state was covered by 4.44 crore of rural population (74 per cent) and 1.59 crore of Urban population (26 per cent) of the total population (6.03 crore) as per 2001 census. Of this, 0.90 crore (15 per cent) and 1.21 crore (20 per cent) were Schedule Caste and Schedule Tribe.

1.2 Organisational Set Up

The Department of Panchayat and Rural Development (For PRIs) and the Department of Urban Administration and Development (For ULBs) were headed by the Principal Secretary/Secretary who was assisted by Deputy Secretary and Under Secretary in the State departments for administrative control and regulation. The organogram depicting the organisational structure of the Departments, PRIs and ULBs at District, Block and Village levels is given in **Appendix III**.

1.3 Financial Profile

1.3.1 Sources of funds

There were mainly two sources of funds for Local Bodies (i) Government grants (ii) own revenues. Funds required for the execution of various development activities were provided by the State Government and the Government of India.

1.3.2 Financial outlay and application of funds

Funds allocated to Local Bodies by Government of India (including Eleventh & Twelfth Finance Commission grants) and State Government during 2003-04 to 2005-06 through state budget were as under:-

(Rs. in crore)

Sl. No.	Year	Grant Number and Major Head		Total grant ¹ (Budget Provisions)		Actual Expenditure ¹		Excess(+)/ Savings (-)	
		PRI	ULB	PRI	ULB	PRI	ULB	PRI	ULB
1	2	3	4	5	6	7	8	9	10
1.	2003-04	15,80,82 and 68 (Complete grant), 30 (2515)	22,53,81,83, and 94 (Complete grant)	1320.29	1095.21	1149.90	918.41	(-) 170.39	(-) 176.80
2.	2004-05	15,80,82,62 and 68 (Complete grant), 64 (2515)	22,53,81,83, and 94 (Complete grant)	1576.30	1020.30	1437.45	933.41	(-) 138.85	(-) 86.89
3.	2005-06	15,80,82 and 62 (Complete grant), 64 (2515)	22,53,81,83, and 94 (Complete grant)	1957.96	1266.87	1839.30	1177.57	(-) 118.66	(-) 89.30
	Total			4854.55	3382.38	4426.65	3029.39	(-) 427.90	(-) 352.99

The expenditure shown above was mainly on financial assistance, basic services, training, preparation/maintenance of accounts and data base, Solid Waste Management and Sinhasth Mela 2004 (Kumbh Mela) etc. The above figures also indicate that the budget provisions increased by 32 and 14 per cent respectively in PRIs and ULBs sectors during the year 2005-06 with reference to the year 2003-04.

The information regarding own revenues (Tax, Non tax and others) collected by local bodies and the revenues actually collected and assigned to the local bodies was not made available by both the Directorates.² It was stated (July & October 2006) that the same would be collected from the districts and produced to audit. But the same was still awaited (January 2008). Absence of details regarding utilisation of the allotted funds is a matter of grave concern, since it could not be ascertained whether expenditure was incurred for the purpose for which it was allotted and the desired objectives were fulfilled.

Besides, the financial position of major schemes implemented in PRIs and ULBs' sectors (As detailed in **Appendix IV**) were as under:

(Rs. in crore)

S. No.	No. of Schemes implemented in		Amount allocated during the year					
	PRI Sectors	ULB Sectors	2003-04		2004-05		2005-06	
			PRI	ULB	PRI	ULB	PRI	ULB
1.	11	22	995.25	211.62	1075.58	121.25	NA	222.69

¹ The figures of budget provisions and actual expenditure were worked out on the basis of the Appropriation Accounts of State Government.

² Panchayat and Rural Development Department (Panchayat Directorate).
Urban Administration and Development Department (Directorate).

The above table shows that the central and state share for implementation of the schemes increased by eight per cent for PRIs during the year 2004-05 and five per cent for ULBs during the year 2005-06 with reference to the year 2003-04.

1.3.3 Overall financial position of PRIs and ULBs

For depiction of the overall financial position, physical progress of programmes/schemes etc., formats of data base on finances and formats for preparation/ maintenance of budget and accounts were prescribed by the CAG. The PRIs and ULBs are yet to compile data in the prescribed formats in the absence of which overall financial position could not be ascertained by audit.

1.4 Accounting arrangements

1.4.1 The Eleventh Finance Commission (EFC) recommended that the Comptroller and Auditor General of India (CAG) would be responsible for exercising control and supervision over the proper maintenance of the accounts and their audit for all the three tiers/levels of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs). But PRIs' and ULBs' Acts were neither amended to empower the CAG (February 2007) nor any response was given even after regular correspondence with the State Government. Besides, EFC instructed that the Director for Panchayats or for ULBs was in no case be entrusted with the work of audit of accounts of LBs, but the audit of Gram Panchayat was still being conducted by the Panchayat Department which was contrary to the guidelines of EFC.

1.4.2 Adoption of accounts and budget formats

Formats for preparation of budget and keeping of accounts for the LBs were prescribed by the CAG which were accepted by the State Government. PRI although adopted the accounts format and developed software (Panch lekha), yet the accounts were not compiled at State Level due to non-receipt of informations from District Committees. Whereas the Government of Madhya Pradesh, Urban Administration and Development Department had agreed (June 2004) in principle to adopt the formats yet the final action for adoption was awaited (July 2007). However, it was found (August 2007) that the department published (July 2007) a Madhya Pradesh Municipal Accounts Manual in which these formats were published for implementation.

1.4.3 Pending reconciliation work

Financial rules require Departmental Controlling Officers to reconcile periodically the departmental figures of expenditure with those booked by the Accountant General (A&E). The reconciliation work of expenditure figures related to the Department of Panchayat and Social Justices for the year 2005-06 was yet to be completed by 13 districts. On being pointed out, the department stated (July 2006) that the reasons for the same would be obtained from the districts and intimated to audit. In case of ULBs, the position regarding reconciliation was not available in the Directorate of Urban Administration and Development (October 2006).

1.4.4 Delay in crediting of Twelfth Finance Commission Grants

The position of release and utilisation of grants of Twelfth Finance Commission during the year 2005-06 was as under:

(Rs. in crore)

Year	Particulars	Grant received from the centre ³	Grant allocated by State Govt. to local bodies ³	Grant utilised	Remarks
1	2	3	4	5	6
2005-06	PRI's	332.60	332.60	162.55	utilised amount pertained to water supply, civic services and sanitation only.
--do--	ULB's	72.20	72.20	72.20	NA

As envisaged in para 6.1 and 6.4 of the guidelines for release and utilisation of grants recommended by Twelfth Finance Commission and circulated vide GOI Ministry of Finance, Department of Expenditure (June 2005), States were required to mandatorily transfer the grants released by the centre to PRI's and ULB's within 15 days of the same being credited to the State's Account concerned. In case of delayed transfer to PRI's/ULB's beyond the specified period of 15 days, the State Government shall transfer an amount of interest to PRI's/ULB's at the rate equal to the RBI Bank rate alongwith such delayed transfer of grants.

Based on the information and certificate received from the State Government, a test check of bank accounts of 131 PRI's and 35 ULB's in various units was conducted in January 2006. The test check of these units revealed that there was delay of 15 days to 3 months in crediting the funds to their respective bank accounts. On being pointed out regarding payment of interest on delayed transfer of grants (February 2006 and August 2007), no reply was furnished so far by the State Government.

1.4.5 Status of creation of Data base on finances:

Data base on finances was to be collected and compiled in standard formats as prescribed by CAG and accepted by the State Government. Out of eight formats, the financial information for Format Nos. 1,2,3,4 and 5 was to be compiled from the accounts/budget formats. The information required in Format No.6&7 was to be collected and compiled from the additional records maintained by PRI's/ULB's. The information in Format No.8 was to be compiled at State level which was not being compiled in the absence of informations to be received from the districts.

Against the total grant of Rs. 16.93 crore⁴ for computerisation, creation of data base and networking, an expenditure of Rs. 6.53 crore was incurred on

³ Grants were allocated to PRI's and ULB's for creation of accounts, O&M costs of water supply, schemes of Solid Waste Management and maintenance of civic Services etc.

⁴ Rs. 16.93 crore: (2003-04: Rs. 3.56 cr + 2004-05: Rs. 6.29 cr and 2005-06: Rs. 7.08 crore).

providing computers, training and development of Panch Lekha Software by PRIs. The total grant and actual expenditure there against during the year 2003-04 to 2005-06 for development of data base on finances and account formats of PRIs and ULBs at district level were as under:

(Rupees in crore)

S. No.	Particulars	Head of Accounts	Year	Total grant or Appropriation	Actual expenditure	Excess (+)/ Saving (-)
1	2	3	4	5	6	7
1.	PRIs	G.No.68/2515/1560 and 5184 Financial assistance to local bodies computerisation and preparation of data base recommended by EFC.	2003-04	3.56	6.53	(+) 2.97
	ULBs	----do-----		NA*	NA	NA
2.	PRIs	----do-----	2004-05	6.29	--	(-) 6.29
	ULBs	----do-----		NA	NA	NA
3.	PRIs	G.No. 80/2515/6905 Financial Maintenance of local bodies	2005-06	3.98	3.98	--
		G.No. 82/2515 Financial assistance to local bodies	---do---	1.76	1.76	--
	ULBs			NA	NA	NA

*Not Available

On being enquired by audit, the Directorate (Panchayat) stated (July 2006) that the Committee constituted at the district level for feeding the information was required to submit the position of finances and review-report of expenditure incurred on scheme to his office but the said information/review-report were not made available by the district committees. In case of ULBs, implementation of the formats was pending. The details of computerisation work done, if any, were also not made available by the Directorate of Urban Administration and Development to audit.

1.5 Audit arrangement and coverage

- The audit of PRIs and ULBs was entrusted to the Director, Local Fund Audit (DLFA) vide section 4 (i) (Notification dated 30th June 1975) under Madhya Pradesh Sthaniya Nidhi Sampariksha Adhiniyam, (Act) 1973. The Act was further modified (December 2001) to include the audit of Gram Panchayats but the audit of GPs is still being conducted by Director Panchayat, in contrary to the provisions of the DLFA Act. Besides, the Madhya Pradesh Finance Department (MPFD) decided (November 2001) that DLFA would be made responsible for audit of accounts of local bodies and would work under the Technical Guidance and Supervision (TGS) of the CAG as recommended by EFC.

- The DLFA was required to prepare the audit plan in consultation with the Principal Accountant General (PAG), as a part of the TGS assignment. However, the audit plan of DLFA were not got approved by the PAG.
- MPFD informed (December 2001) that the XIth Finance Commission recommended that the report of CAG relating to audit of accounts of PRIs and ULBs was to be placed before Committee of the State legislature constituted on the same lines as Public Accounts Committee. The Committee is yet to be constituted.
- The consolidated position of units planned and actually covered in the State by the DLFA was not made available. It was further noticed that the audit of 47 Gram Panchayats (out of 23051) was conducted by the DLFA from the year 2001-02 to date which was not adequate. On enquiry, the DLFA stated (August 2007) that audit could not be conducted due to lack of staff and facilities.

CHAPTER – II

Accounting Procedures

(i) Urban Local Bodies

2.1 Non implementation of Budget and Accounts Format recommended by C&AG's task force

A state level steering committee was to be constituted to over see and help speed up the implementation of Budget and Accounts format. Secretary Urban Administration and Development Department (December 2003) intimated that the Budget and Accounts Format as recommended by the C&AGs task force have been accepted by the Government but the implementation has not been made in the State. No instructions were issued by the Government to the field units to prepare the Budget and maintain Accounts in the prescribed format. Scrutiny of records of ULB's revealed that the Budget and Accounts Format have not been implemented in any of the test checked ULB's. The details are given in the **Appendix V**.

Non adherence of recommendations of task force regarding Budget and Accounts format shows ineffective control over the administration of the ULB's.

2.2 Bank-reconciliation statement not prepared

Rule 86-90 of Financial Rules (Madhya Pradesh Nagar Palika Nigam Act 1971), provide that the reconciliation of any difference between the balances of cash book and bank accounts was required to be conducted every month. Difference of cash balance of Rs. 5.65 crore between Cash book and Bank statement at the close of the year (2002-2003 to 2004-2005) was not reconciled by 16 ULB's. Due to non-reconciliation of cash balance, possibility of theft, defalcations and misappropriations of funds could not be ruled out. The cash balance in the cash book also remained doubtful in the absence of reconciliation with bank statement **Appendix VI**.

2.3 Non-recovery of advances from individuals

Temporary advances were paid to Staff / officials for making petty payments. The accounts of the same should be closed as soon as possible and unutilised cash balances should be refunded / recovered. In 19 Nagar Nigam/ Nagar Palika a sum of Rs. 10.83 crore paid to Officials / Staff for various purposes were outstanding against them for the last one to forty six years. **Appendix VII**. Lack of effective action to recover/ adjust the old outstanding advances may lead to loss due to non-recovery over long period of time.

2.4 Diversion of funds

Central Government released funds in the shape of grants-in-aid for development of urban area which were to be exclusively spent on the projects

for which these were sanctioned. Diversion of funds from one scheme to another was not to be made without prior approval of the Central Government.

Scrutiny of records revealed irregular utilisation or diversion of funds amounting to Rs. 1.44 crore for the purposes not covered under the schemes or for routine municipal activities **Appendix VIII.**

2.5 Non utilisation of government grants

Centrally Sponsored Schemes such as National Slum Development Programme (NSDP), Integrated Development of Small and Medium Towns (IDSMT) Scheme, Swarna Jayanti Shahari Rojgar Yojna (SJSRY) etc. and State Plan Schemes were being implemented through ULB's during 1999-2005.

Scrutiny of records revealed that grants of Rs. 3.17 crore released to 8 ULB's for specific purpose (IDSMT) by Eleventh Finance Commission were lying unspent for a period ranging one year to eight years (**Appendix IX**). No action was taken to refund unspent grants to government. The ULB's also did not review the implementation of schemes to ascertain reasons for the non-utilisation of grants.

This resulted in idling of funds and deprived the public from intended benefits.

2.6 Non recovery of taxes

Urban Local Bodies earn their revenue from their own resources through taxes, rent, fees, issue of licenses. In 32 Nagar Nigam/Nagar Palika/Nagar Panchayat demand for Rs. 401.92 crore was raised for the year 2002-2006 out of which only Rs. 93.26 crore was recovered during the years. A sum of Rs. 308.66 crore was outstanding against the Tax payers **Appendix X.**

Due to lack of action for recovery of outstanding dues by the ULBs under Madhya Pradesh Municipalities Act, 1956 the units were deprived of revenue to that extent.

2.7 Non depositing of amount in General Provident Fund

Rule 102 (4) of M.P. Nagar Palika Lekha Niyam 1971 provides that the deduction of G.P. subscription will be credited in G.P. Fund Account. Government of Madhya Pradesh, Department of Local Bodies further directed (February 1998) to all Commissioners / Chief Municipal Officers that General Provident Fund (GPF) subscriptions collected by deductions from salary was required to be credited to the fund account of the employees and Dy. Directors will keep a note on records of irregularities, if any, while visiting the units. However it was noticed that seven Nagar Nigam, five Nagar Palika and six Nagar Panchayat did not deposit provident fund subscription of Rs. 20.58 crore in the account of the employees during 1995-96 to 2004-2005 which resulted not only in loss of interest on provident fund account but also additional burden on the ULBs **Appendix XI.**

2.8 Non-creating of Reserve Fund of ULB's

Madhya Pradesh Nagar Palika (Budget Rules 1962 sub rule 3 (3)) provides that every Nagar Palika is required to create a reserve fund account (Sanchit Nidhi) and five per cent of net income should be deposited in this account every year.

Scrutiny of records of thirteen Nagar Palika / Nagar Nigam revealed that a sum of Rs. 21.61 crore was not deposited in the reserve fund account from their net income during 2001-06 **Appendix XII**.

(ii) PANCHAYATI RAJ INSTITUTIONS

2.9 Expenditure incurred without approval of budget

Rule 17 of the Madhya Pradesh Janpad (Budget Estimates) Rules, 1997 provides that sanctioning of the budget shall not by itself be deemed to authorise the Janpad Panchayat to incur all the expenditure provided therein unless the individual scheme or items with details of expenditure and staff have already been approved by the Janpad Panchayat or any other competent authority. However two Janpad Panchayat did not prepare, approve and adopt the budget in accordance with the prescribed procedure and un-authorisedly incurred expenditure of Rs. 4.97 crore without approval of the budget by the competent authority **Appendix XIII**.

2.10 Expenditure incurred in excess of budget allocation

Three Janpad Panchayat had incurred expenditure of Rs. 36.45 lakh **Appendix XIV** in excess of their respective budget provision under different heads without obtaining sanction from competent authority as prescribed in Rule 18 of the Madhya Pradesh Janpad Panchayat (Budget Estimate) Rules – 1997.

2.11 Irregular deposit in non schedule bank

Rules 4 of Madhya Pradesh District Panchayat Raj Fund Rules, 1998 provides that the Fund Administrator shall, in accordance with the instructions issued by the State Government from time to time, keep the fund in Saving Bank Account in the State Bank of India or if no branch of the State Bank of India exists then with its associated Bank or if such associated Bank also does not exist at the District or Block headquarters then in a Nationalised Bank as may be notified by the State Government.

Test-check revealed that C.E.O, Zilla Panchayat, Vidisha, deposited Rs. 4.45 crore in Vidisha Bhopal Kchhetriya Gramin Bank Vidisha during August 2004 to March 2005 in contravention of the provision of PRI Rules.

2.12 Blocking of funds due to irregular deposit in non schedule bank

In contravention to Rules 4 *ibid*, C.E.O, Janpad Panchayat, Sagar, deposited Rs. 52.73 lakh in Zilla Sahkari Kendriya Bank Maryadit, Sagar during August 2001 to March 2004. Due to some financial irregularities in the Bank, the

Reserve Bank of India imposed ban on financial transactions. This resulted in avoidable blocking of Rs. 52.73 lakh.

2.13 Non reconciliation of balances of cash book and bank pass book.

Madhya Pradesh Zilla Panchayat Rule 25 enjoin that the balance of pass book shall be checked with reference to the cash book at the close of every month by way of reconciliation. However, a total amount of Rs. 6.58 crore in 4 Zilla Panchayat, 12 Janpad Panchayat and 6 Gram Panchayat remained un-reconciled at the end of financial year 2005-06 **Appendix XV.**

2.14 Non-surrender of unspent balances of inactive schemes

As per instructions of the State Government, the unspent balances of closed and inactive Schemes/Programmes should be surrendered to the concerned department. However, a sum of Rs. 1.17 crore pertaining to various dead/closed schemes and programmes were lying in the bank and not surrendered to the Department which resulted in blocking of these funds **Appendix XVI.**

2.15 Outstanding advances against individuals/work agency

Madhya Pradesh Zilla Panchayat (Accounts) Rule 51 provides that advances to individuals/executing agency (Sarpanchs/Pradhans/Officials etc.) should be got adjusted immediately after incurring such expenditure failing which the entire amount of advance should be deducted from the next salary or sums payable to them.

In contravention/violation of the above provision a sum of Rs. 93.43 lakh was outstanding against individuals/work agency for the last five years **Appendix XVII.** Action to recover/adjust the advances needs to be initiated and the monitoring mechanism should be strengthened to ensure speedy and timely recovery.

2.16 Excess expenditure on works not regularised

Expenditure on works should not exceed the sanctioned amount and in case excess expenditure was incurred, the revised sanction is required to be obtained from the competent authority to regularise the expenditure.

Scrutiny of case file and completion certificate revealed that the expenditure of Rs. 5.75 crore was incurred in excess of sanctioned amount without obtaining revised sanction of the competent authority **Appendix XVIII.**

2.17 Incomplete works

Works taken up by Janpad Panchayat and Gram Panchayat should be completed within one year.

Scrutiny of records in 6 Zilla Panchayat 31 Janpad Panchayat revealed that works taken up under various schemes were lying incomplete from 2001-02

on wards on which expenditure of Rs. 40.62 crore was incurred **Appendix XIX.**

As the works e.g. buildings, roads and deepening of tanks etc. were lying incomplete for 1 to 5 years, possibility of deterioration of quality of works can not be ruled out.

2.18 Pending Utilisation Certificate

Funds for execution of works were to be given to executive agencies in two or three installments and they were required to submit utilisation certificates (UCs) within 14 days of incurring expenditure to obtain subsequent installments of funds. UCs/CCs worth Rs. 100.92 crore in Zilla Panchayat, Rs. 3.05 crore in Janpad Panchayat and Rs. 3 lakh in Gram Panchayat were awaited for the last five years pertaining to various schemes **Appendix XX.**

CHAPTER – III
IMPLEMENTATION OF SCHEMES

Public Health Engineering Department

3.1 Total Sanitation Campaign

Highlights

With a view to promoting sanitation facilities in Rural houses, Schools and Aganwadis etc., the Government of India (GOI) introduced a programme of “Total Sanitation Campaign” (TSC) in April 1999. The programme was initially not implemented in the year 1999-2000 and 2000-2001. The achievement of Individual House Hold Latrines (IHHLs) was eight (Above Poverty Line) and seventeen (Below Poverty Line) per cent of the fixed target. Similarly, two per cent of total projects cost (Rs. 422.55 crore) was spent on Information Education and Communication (IEC) against 15 per cent as approved. Funds for maintenance of Schools and Aganwadis latrines were not provided by the concerned departments. Only 190 Gram Panchayats out of 23051 could be awarded with Nirmal Gram Puraskar. Preliminary survey was found not conducted in test checked districts. Some other important findings of the review are given below:

The shortfall in release of funds was 38 per cent of the total provision.

(Paragraph 3.1.7.1)

The percentage of shortfall in expenditure ranged between 35 and 93 (with reference to total funds available) and 78 to 99 (with reference to sanctioned cost of project).

(Paragraph 3.1.7.2)

Against the sanctioned cost of project sanctioned (Rs. 411.10 crore) for 46 districts, only Rs. 167.72 crore (41 per cent) were received whereas completion period in these districts was scheduled to be over by the end of 2006-07. The shortfall in receipt of funds is likely to delay attainment of targets.

(Paragraph 3.1.7.4)

Unspent balance of IEC/HRD cell amounting to Rs. 0.22 crore was not transferred.

(Paragraph 3.1.9.6)

Only Rs. 12.23 lakh (six per cent) of Communication and Capacity Development Unit (CCDU) funds were utilised after lapse of 1-2 year against total receipt of Rs. 1.90 crore.

(Paragraph 3.1.9.7)

Separate units of toilets for girls and boys were not provided.

(Paragraph 3.1.11.3)

2302 works relating to hardware activities and alternate delivery mechanism (Estimated cost: Rs. 6.08 crore) were executed in excess of approval of the GOI.

(Paragraph 3.1.14)

Monitoring of progress through regular field inspections and review of project in each district and Periodical Evaluation Study were not conducted.

(Paragraph 3.1.19.1 and 3.1.20)

3.1.1 Introduction

The national programme “Total Sanitation Campaign” (TSC) was introduced by Government of India (GOI) in April 1999 and implemented in all districts of Madhya Pradesh from the same date as a Centrally sponsored scheme after revamping the Central Rural Sanitation Programme. The TSC intended to promote sanitation in a project mode through demand creation for sanitation facilities in rural-houses, schools and for cleaner environment and alternate delivery mechanisms for supply of services and products. The programme was being implemented with focus on community-led and people centered initiatives. The revised approach in the programme emphasises more on Information, Education and Communication (IEC), Human Resource Development (HRD) and Capacity Development (CD) activities to increase awareness among the rural people. The programme, also intended to tap the potential of the children as the most persuasive advocates of good sanitation practices in their own households and in schools.

3.1.2 Campaign objectives

The main objectives of the scheme were to:

- Bring about an improvement in the general quality of life in rural areas.
- Accelerate sanitation coverage in rural areas.
- Generate demand for sanitation facilities through awareness creation and health education.
- Cover Schools /Anganwadis in rural areas with sanitation facilities and promote hygiene education and sanitary habits among students.
- Encourage cost effective and appropriate technologies in sanitation.
- Eliminate open defecation to minimize risk of contamination of drinking water sources and food.
- Convert dry latrines to pour/flush latrines and eliminate manual scavenging practice wherever in existence in rural areas.

3.1.3 Organisational Setup

At the national level, the Department of Drinking Water Supply, Ministry of Rural Development GOI is authorised for implementation of the TSC. At State level, a State Water Sanitation Committee (SWSC) known as Shikhar Samiti headed by the Additional Chief Secretary, Government of Madhya Pradesh and the Project Director, Total Sanitation Campaign/Swajaldhara (PD-TSC) were responsible for implementation, co-ordination, monitoring and evaluation of the programme and facilitate implementation in the districts. An Executive Committee headed by Principal Secretary, Public Health Engineering Department (PHED) was responsible to implement the decisions taken by SWSC (i.e. Shikhar Samiti) at field level. PHED was also nominated

as nodal department to implement the campaign with the co-operation of other departments like School-Education Department, Rural Development Department and Industry Department.

At district and village levels, the programme was being implemented by the Panchayati Raj Institutions. The programme was implemented by District Water and Sanitation Committee (DWSC) at district level, Block Water & Sanitation Committee (BWSC) at Block level and Village Water & Sanitation Committee (VWSC) at Village level under the control of ZP, JP and GP respectively. The scheme was also implemented through Parents Teachers' Associations (PTA) Non-Governmental Organisations (NGO) Self Help Groups (SHGS).

3.1.4 Audit objectives

Performance audit was conducted to examine and assess whether:

- Adequate funds were timely provided and utilised efficiently and effectively.
- The efficacy of planning and economy in implementation of various components of the programme.
- Major programme intervention was according to the norms.
- Sufficient manpower was available for programme implementation.
- Demands for sanitation facilities through awareness creation and health education were generated.
- The monitoring system was proper and effective.

3.1.5 Audit Criteria

Audit criteria included the norms as per the scheme guidelines (TSC) for conducting preliminary survey, preparation of project implementation plan, IEC action plan, norms of infrastructure facilities provided to sanitary objectives in each component, availability of Staff, adequacy of training programme for key programme managers and hygiene education to the people as well as children in school. General Financial Rules/Treasury Rules and Circulars issued by Government of Madhya Pradesh and practices/recommendations published by Review- Mission of GOI were also taken into account.

3.1.6 Audit coverage and methodology

The performance audit was based on test check of records for the period 1999-2006 conducted during September 2006 to January 2007 in offices of Seven Zilla Panchayats (ZPs), 25 Janpad Panchayats (Janpads), 70 Gram Panchayats (GPs), 57 PTAs and three NGOs/Rural Sanitation Marts (RSMs) as shown in **Appendix-XXI** Informations and data were also collected from the PD (TSC) established in office of the Engineer in Chief (E-in-C), PHED Bhopal. The

districts were selected by sampling method of Probability Proportional to Size With Replacement (PPSWR) with total expenditure. Janpad Panchayats (Janpads), Gram Panchayats (GPs), PTAs. & NGOs were selected at random. The discussions were held with State Implementation Authorities (i.e. E-in-C, PHED and PD-TSC/ Swajaldhara Cell of PHED), Finance officer and other officers of project from time to time through courtesy visits. The points noticed during audit are discussed in succeeding paragraphs.

Audit findings

3.1.7 Financial management

The funding from the Ministry of Rural Development Department, Government of India and the State Government under TSC were on sharing basis **Appendix-XXII**. The State share was to be released to the concerned project districts at least in the same proportion as Central share within a fortnight of release of the Central share. For all the hardware activities executed, the corresponding household / community contribution was required to be taken and reflected appropriately in the progress report. According to the norms, seventy percent of the expenses were to be incurred on infrastructure (i.e. hardware activities like latrines and Sanitation Complexes etc.), fifteen percent on IEC, five percent on Start-up activities, five percent on Alternate Delivery Mechanisms i.e. Production Centre & Rural Sanitary Marts (PCs/RSMs) and five percent on administrative expenses. Annual accounts including utilisation certificate certified by Chartered Accountants were to be submitted to GOI. Certificate to the effect that inadmissible items had not been purchased was also to be submitted.

The year-wise details of receipts and expenditure incurred in the State during 1999-2006 were as under:

Year (Progressive)	No. of districts for which projects were sanctioned by GOI		Central share released	State share released	Beneficiaries Contribution received	Total funds available	Expendi- ture incurred	Percentage of Shortfall in expenditure	
	No. of districts/ Projects	Cost of project sanctioned						With reference to total available funds	With reference to cost of project Sanctioned
1	2	3	4	5	6	7	8	9	10
99-2000	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2000-2001	5	39.01	7.73	NIL	*NA	7.73	NA	--	--
upto 2001-2002	6	50.13	9.92	NIL	*NA	9.92	0.70	93	99
upto 2002-2003	15	127.07	16.37	3.84	*NA	20.21	9.09	55	93
upto 2003-2004	46	411.10	58.20	20.43	2.32	80.95	25.35	69	94
upto 2004-2005	48	422.55	83.05	28.62	5.13	116.80	69.26	41	84
upto 2005-2006	48	422.55	103.30	35.51	6.56	145.37	94.62	35	78

*NA – Not Available

Following shortcomings were noticed in financial management:

3.1.7.1 Short release of funds:- The total cost of Rs. 422.55 crore was to be met through Central share (Rs. 272.76 crore), State share (Rs. 94.03 crore) and beneficiaries contribution (Rs. 55.76 crore). As against the Central and State share amounting to Rs. 366.79 crore, only Rs. 138.81 crore (38 per-cent) was released as Government share which resulted to short release of funds.

3.1.7.2 Poor utilisation of available funds: - The percentage of shortfall in expenditure ranged between 35 and 93 (with reference to total funds available) and 78 to 99 (with reference to cost of projects sanctioned) which shows poor utilisation of available funds. The shortfall was attributed by the Department (November 2006) to low demand which was indicative of poor performance of IEC activities. The PD stated (June 2007) that the shortfall in the year 2003-04 to 2005-06 was justified as these years were primary for IEC activities only and new projects were sanctioned in the year from 2004-05 to 2005-06. The reply is not acceptable as the expenditure on IEC activities during these years was only Rs. 7.07 crore (five per cent) as compared to requirement of Rs. 21.81 crore (15 per cent) with reference to available funds (Rs. 145.37 crore) up to 2005-06. Further consuming three years (2003-04 to 2005-06) in a total project period of 3-4 years for implementation on one component (IEC) was unjustified. Even from 2004-05 to 2005-06 only two projects were sanctioned which was also negligible.

3.1.7.3 Non-release of State share: - The state share was to be released according to the funding pattern as prescribed in para 17-19 of guideline within a fortnight of release of the Central share. Test check of information made available by PD (TSC) revealed that no corresponding State share was released during the year 2000-01 to 2001-02 while GOI had released Rs. 9.92 crore as Central share. In reply, PD (TSC) stated (November 2006 and June 2007) that State share could not be released during the aforesaid years due to non-provision of budget for such type of new-programme. The reply was not acceptable as this was mandatory for the State Government.

Above shortcomings in Financial Management implied partial implementation, non-implementation and neglect of some critical areas that affected the overall implementation of the scheme.

3.1.7.4 Slow progress in receipt of funds:- According to terms and conditions for TSC, the project completion period was 3-4 years. Therefore the projects of 46 districts sanctioned between 2000-01 and 2003-04 were required to be completed from 2003-04 to 2006-07 as per details given below -
(Rs. in crore)

Year of Completion (Progressive)	No. of districts involved	Cost of projects Sanctioned	Total funds to be received	Total funds received	Percentage of receipt with reference to the project cost sanctioned
1	2	3	4	5	6
upto 2003-04	5	39.01	39.01	19.71	51
upto 2004-05	6	50.13	50.13	25.39	51
upto 2005-06	15	127.07	127.07	47.03	37
upto 2006-07	46	411.10	411.10	167.72	41 (September 2006)

The above table reveals that only 41 per cent funds (Rs. 167.72 crore) were received by the said districts upto 2006-07(September 2006) against the sanctioned cost of Rs. 411.10 crore while the period of 46 projects (3-4 years) was completed during 2006-07 and 15 projects had to be completed up to 2005-06. This resulted in slow execution of the projects. In reply, the PD (TSC) agreed to the fact of slow progress and stated (November 2006) that the proposals for releasing subsequent instalment were not finalised because (i)

proposals were objected by the GOI (4 Districts), (ii) proposals were kept pending with the GOI (4 Districts), (iii) proposals were to be obtained from the concerned districts (20 Districts) and (iv) utilisation of funds was not more than 60 per cent (14 Districts). These reasons clearly reveal poor demand generation, poor formulation of proposals and under utilisation of funds leading to slow/non-release of funds. It was however stated (June 2007) that the GOI has extended the completion of the project period by 2012. However terms and conditions, i.e. project period of 3-4 years for TSC project still remained unchanged. Therefore, the units sanctioned in the each district project were required to be completed within 3-4 years.

The slow progress implied that it would take longer to cover the entire State and the aim of TSC would take longer to achieve

Results of audit in test checked districts revealed violations of norms, non-maintenance of records etc. leading to weak control and heightened risks as detailed in the subsequent paragraphs: -

3.1.7.5 Delay in release of funds: - According to GOI guidelines (January 2004) the State share must be released within a fortnight of release of the Central share. In five test checked districts¹, it was noticed that State share amounting to Rs. 2.33 crore was released with delay of 2 to 29 months. In reply, PD stated (June 2007) that the funds were released as per availability of budget and demands made. The reply is not acceptable as the State share must be released within a fortnight of release of the Central share. There is no question of demands etc. made by the districts. Scrutiny of records in test checked districts revealed that in Gwalior and Sagar districts, the State share of Rs. 1.70 crore received by the Chief Executive officers (CEOs) Zilla Panchayats was also remitted with delay of 45 to 81 days into Bank accounts of TSC. The PD also stated (June 2007) that the CEOs were being instructed to deposit the funds in proper time.

3.1.7.6 Non-maintenance of ledgers: - The accounts of the TSC project (like: Receipts & payment accounts, Income and Expenditure accounts and Balance sheet) were to be audited annually by a Chartered Accountant. The accounts were required to be maintained on double entry system in which maintenance of ledger was necessary. Audit noticed that ledgers were not maintained in Zilla Panchayats of six test checked districts² for the accounts of the TSC project. In the absence of ledgers the classification of expenditure to concerned head of account could not be verified. In reply, test checked districts stated (November-December 2006 and April 2007) that the ledger would be maintained.

*Conference of State Ministers of Rural Drinking Water Supply and Sanitation, New Delhi (31 January- 1 February 2006)

¹ Bhopal (Rs. 11.74 lakh - 4 Months), Gwalior (Rs. 38.02 lakh - 24 - 29 Months), Jhabua (Rs. 61.63 lakh - 2 -7 Months), Narsinghpur (Rs. 55.87 lakh - 17 Months), Sagar (Rs.65.67 lakh-2-6 Months).

² Bhopal, Jabalpur, Jhabua, Narsinghpur, Sagar and Seoni district.

3.1.7.7 Improper maintenance of Cash Book: - According to Rule 53 of Madhya Pradesh Treasury Code (MPTC) volume- I, Drawing and Disbursing Officer (DDO) in charge of cash-book was required to record analysis of cash balance and to verify it personally at the end of each month under his dated signature. Daily totals of the cashbook were to be checked. Apart from this the cashbook was to be maintained in the format of double entry system. Test check of records revealed that the Zilla Panchayats of Gwalior, Jabalpur and Sagar districts were not following the prescribed formalities. In reply, it was stated (September-December 2006) that the cashbook would be maintained as required.

3.1.7.8 Non-adjustment of advances: - Rule 53 (IV) of MPTC (Volume-I) lays down that temporary advances were to be adjusted as early as possible and should not remain outstanding for more than three months. PD (TSC) also circulated (August 2005) that amount should be recovered immediately where the amount has been released but the work could not be started/completed for a long time. Audit observed that advances for Rs. 11.70 crore were lying unadjusted for periods ranging between 4 and 57 months in all the seven test checked Zilla Panchayats³ as detailed in **Appendix XXIII**. On this being pointed out in audit, it was stated (September - December 2006 and April 2007) that the action to adjust/recover these advances would be taken. The PD also informed (June 2007) that the concerned were being informed again.

3.1.7.9 Lapse of Rs. 5 lakh as State share: - CEO (ZP) Jhabua received (November 2006) Rs. 85.86 lakh as State share against the requirement of Rs. 90.86⁴ lakh whereas the receipt of Rs. 90.86 lakh was reported in the monthly progress report. On being pointed out in audit, the CEO. (ZP) Jhabua stated (November 2006) that the bill of Rs. 5 lakh was not passed by the District Treasury due to lack of budget allocation. The reply was not acceptable, as the budget allocation was available at that time (March 2004). This resulted in lapse of budget allocation to that extent and non utilisation of same for TSC activities.

3.1.7.10 Non-maintenance of VWSC wise payment register: - The audit report of the Chartered Accountant (CA) was to be submitted in the format annexed (Annexure -V to IX) to GOI guidelines (January 2004). Annexures - VIII to IX were prescribed for maintaining of VWSC wise payment registers. In six of seven test-checked districts², it was noticed that these registers/details were not being maintained and the audit report of CA was submitted without these formats. On being pointed out in audit, the CEOs (ZP) of six test checked districts⁵ stated (September-December 2006 and April 2007) that the registers/details would be maintained. In this connection, PD replied (June 2007) that the instructions were being issued to follow the rules.

³ Gwalior, Bhopal, Jabalpur, Jhabua, Narsinghpur, Sagar and Seoni district.

⁴ (i) Total cost of the project for Jhabua: Rs. 1330.01 lakh (C.S.:Rs. 848.34 lakh, S.S.:Rs. 302.88 lakh, and Beneficiaries share: Rs. 178.80 lakh) (ii) C.S. received: Rs.254.50 lakh (Nov.06) (iii) S.S. required: Rs. 90.86 lakh $\left(\frac{302.88}{848.34} \times 254.50\right)$

⁵ Gwalior, Jabalpur, Jhabua, Narsinghpur, Sagar and Seoni district.

3.1.7.11 Unauthorised procedure for releasing funds:- Govt. of M.P., PHED ordered (August 2003) that the District Water and Sanitation Committee (DWSC) would be responsible for further release of funds in instalments to the Village Water and Sanitation Committees (VWSCs)/Village Health Committees / Parents' Teachers' Associations (PTAs) and Beneficiaries groups. But the DWSCs of test checked districts released the funds aggregating to Rs. 9.36 crore **Appendix XXIII** to Janpad Panchayats and AEs, PHE-Sub-divisions which in turn released the fund to the executing agencies. This resulted in further delay in depositing funds to bank accounts which ranged between 30 and 222 days in four Janpads⁶ and was contrary to the intention of speedy release of funds to executing agencies as desired by the State Government/GOI. On enquiry it was stated by Sagar district that the matter would be reviewed. The CEO (ZP) Seoni replied (April 2007) that the funds of VWSCs and PTAs were released through Janpad Panchayat for monitoring purposes. The reply is not acceptable as this was contrary to the orders. On this issue, the PD replied (June 2007) that the necessary instructions were being issued to follow regular procedure.

3.1.7.12 Operation of more than single bank account:- According to the provision of GOI guidelines a single bank account was to be maintained for execution of the scheme. But five bank accounts were being maintained in the test checked district Sagar. This was against the provision of the guidelines as well as creating difficulty in reconciliation of bank accounts and weakens control on accounts. In reply, it was assured (December 2006) that the single account would be maintained.

3.1.8 Programme management / implementation

Implementation of TSC was proposed on a project mode. While GOI introduced TSC in April 1999, the implementation of the campaign could not be started in the same year due to non-receipt of Central share. As detailed in **Appendix XXIV**, 48 projects were sanctioned during 1999-2000 to 2004-05 at a total cost of Rs. 422.55 crore. Of these 46 projects were stipulated to be completed by the years 2003-04 to 2006-07. It was noticed that none of the projects were completed as of September 2006. Further short comings in the programme components and activities for TSC implementation were as follow:-

3.1.8.1 Start-up activities: -

TSC was required to be implemented with start up activities like preliminary survey, initial orientation and training of key programme managers and publicity etc. which were main activities for success of campaign. Short fall in start-up activities are discussed below:-

3.1.8.2 Preliminary survey not conducted: - In keeping with the aim of the TSC to generate/create demand for sanction and implementation with a focus on community led and people centered initiatives, a preliminary survey was to

⁶ Jhabua Janpad (Jhabua District), Shahgarh, Mallthon & Reheli Janpad (Sagar District).

be conducted to assess the status of sanitation and hygiene practices, people's attitude and demand for improved sanitation. This was expected to prepare the District TSC projects proposals for seeking Government of India assistance. However the preliminary survey was not conducted in any of the test checked districts and the projects for these districts were sanctioned without the preliminary survey. In reply, the PD stated (June 2007) that preliminary survey was conducted under some other programme at district level and there was no need of conducting separate preliminary survey. The reply is not acceptable as the approval for exemption conducting preliminary survey for objective of TSC was not obtained from the competent authority (i.e. GOI or Shikhar Samiti of TSC). Besides, no record relating to preliminary survey conducted was on record and no circular was issued for districts in this regards. In absence of preliminary survey, the demand and quantum of sanitary coverage were not identified and the stated aim and objectives of the TSC were therefore not fully complied with.

3.1.8.3 Initial orientation and training not conducted: - According to the guidelines of GOI (January 2004) initial orientation and training of key programme managers was a part of the start-up activities which was also not conducted in Bhopal, Gwalior and Jhabua districts. In reply, CEO (ZP) Bhopal stated (November 2006) that such training was not imparted due to lack of time. Reasons for not-conducting such training in Gwalior and Jhabua were not given. This also affected smooth of the running of campaign and the implementation of project.

3.1.8.4 Earmarked funds not utilised: - The shortfall in complying with requirements of start-up activities were borne out by the actual amounts utilised towards this purpose. According to the funding pattern, five per cent (Subject to a ceiling of Rs. 20 lakh per district) were earmarked for start-up activities. As against Rs. 21.13 crore⁷ which should have been spent for above activities, the funds actually utilised were only to the tune of Rs. 2.64 crore (0.62 per cent). This affected the aim of startup activities as envisaged. In reply, PD stated (June 2007) that the programme did not suffer due to non-utilisation of earmarked funds since the programme commenced in time with less utilisation of funds. The reply is not acceptable as the records of implementation shows that not a single project in any districts could be completed even after lapse of 6-7 years. For effective implementation it is essential that the correct requirement of personal is assessed and availability of trained manpower and publicity is ensured. This required that maximum expenditure as per norms should be incurred first.

⁷ Five percent of total cost of project for 48 districts: Rs. 422.55 crore, earmarked for start-up activities.

3.1.9 IEC Activities

Since the scheme was based on generation of demand and people/ community led initiatives, Information, Education and Communication (IEC) including Motivational Awareness, Educative Campaigns and Advocacy etc constituted important components of the programme. These were intended to create demand for sanitary facilities in rural areas for households, schools, Anganwadies, Balwadies and Community Sanitary Complexes and focus on health and hygiene practices and environmental sanitation aspects. Inadequate efforts for IEC activities, under utilisation of available funds in this regard and non adherence to available guideline can reduce the effectiveness of a scheme such as TSC, the success of which depends on changing attitudes, habits and mindsets of people at large. Shortfalls in IEC are discussed below: -

3.1.9.1 Less expenditure on IEC: - Funds were made available for preliminary IEC work. IEC funding would be in the ratio of 80:20 between GOI and the State Government and the total IEC cost should not be less than 15 per cent of the project. Audit observed that the expenditure on IEC in all 48 districts was Rs. 8.01 crore upto September 2006 against the sanctioned IEC-cost of Rs. 63.38 crore⁸ which was only 1.90 per cent of total project cost.

Further scrutiny of records of seven test checked districts revealed that against the total project cost for IEC component, sanctioned IEC cost was less than the norms. Further, the actual expenditure on IEC was only 9 to 35 per cent of the sanctioned IEC cost and 3 to 25 per cent of expenditure incurred on the project as shown below: -

(Rs. in crore)

S. No.	Name of districts test checked	Total project cost sanctioned for district	IEC cost to be sanctioned by the GOI (@ 15 per cent)	IEC cost actually sanctioned by the GOI	Expenditure incurred on		Percentage of IEC expenditure with reference to	
					IEC	Project	IEC cost actually sanctioned	Expenditure incurred on project
1	2	3	4	5	6	7	8	9
1	Bhopal	2.70	0.41	0.40	(Sep. 06) 0.14	0.57	35	25
2	Gwalior	5.60	0.84	0.76	(Aug. 06) 0.18	2.56	24	7
3	Jabalpur	12.20	1.83	1.36	(Oct. 06) 0.44	3.53	32	11
4	Jhabua	13.30	1.99	1.50	(Oct. 06) 0.36	3.40	24	11
5	N' pur	9.42	1.41	1.36	(Oct. 06) 0.42	5.46	31	8
6	Sagar	15.12	2.27	1.68	(Nov. 06) 0.15	4.53	9	3
7	Seoni	10.16	1.52	1.15	(Oct. 06) 0.34	6.00	30	6

⁸ Total IEC cost (15% of total PC): Rs. 63.38 crore (422.55×15%).

The CEOs (ZP) replied (September-December 2006 and April 2007) that the expenditure would be raised on IEC. The PD stated (June 2007) that due to shortage of trained manpower, electronic software, print media, hardware and certain machines the expenditure was less in IEC. The reply of the department is indicative of lapses on their part.

3.1.9.2 Very low expenditure on incentive to motivator: - The motivators were to be given suitable incentive (Rs. 20/- each as decided in May 2005) from the funds earmarked for IEC. The incentive would be performance based i.e. in terms of motivating the number of households and schools/anganwadis to construct latrines and soakage pits and also use the same subsequently. Audit scrutiny revealed that no incentive to motivators was given in Bhopal, Jabalpur, Jhabua, Narsinghpur and Seoni districts. Whereas the expenditure of Rs. 0.25 lakh (Gwalior: Rs. 0.02 lakh & Sagar Rs: 0.23 lakh) towards payment of incentive to motivators (Gwalior: 01 and Sagar: 16) was very nominal with reference to the works of hardware executed in seven test checked districts⁷. This has also resulted in poor performance of execution as commented in succeeding sub paragraph 3.1.10.2 and 3.1.11.1.

3.1.9.3 Non-imparting of hygiene education: - Funds available under IEC might be used for imparting hygiene education to people as well as children in schools. In this connection, GOI's guidelines required that at least one teacher in each school must be trained in hygiene education, who in turn should train the children through interesting activities and community projects that emphasize hygiene behavior. According to the information made available five⁹ of seven test checked districts did not impart such training. In Jabalpur district, only three teachers could be trained for 2086 schools of the district. In reply, PD stated (June 2007) that it was not possible to impart hygiene education at a time at all the places by the department. The reply is not acceptable as there was no such requirement to impart training at a time at all the places. Besides, the State Government had also ordered (July 2005) that each school should spend Rs. 100 to Rs.150 to purchase a big Mirror, Combs and Nail cutters etc. and provide to each student for developing hygiene practices among them. Scrutiny of information made available by Bhopal, Gwalior, Narsinghpur, Sagar and Seoni revealed that the funds for this purpose were not released. In reply, it was stated (October-December 2006 and April 2007) that the action would be taken.

3.1.9.4 IEC action plan not prepared:- Each project district should prepare a detailed IEC action plan with defined strategies to reach all sections of the community. The aim of such a communication plan is to motivate rural people to adopt hygiene behaviour as a way of life and thereby develop and maintain all facilities created under the programme. Scrutiny of records of TSC project revealed that in six¹⁰ of seven test checked districts, the IEC action plan was not prepared. In reply, the CEOs (ZP) confirmed the facts. The PD also stated (June 2007) that all the districts have been instructed to prepare the IEC action plans.

⁹ Five Districts: Bhopal, Jhabua, Narsinghpur, Sagar and Seoni.

¹⁰ Six Districts: Bhopal, Gwalior, J.pur, Jhabua, Narsinghpur and Seoni.

3.1.9.5 Prescribed activities not performed:- Under IEC, wall painting on a community building or hoarding should display the details of activities undertaken in that Panchayat. Further, audio/video clippings in AIR, Doordarshan and Cable TVs may be screened for demand generation. In four¹¹ of seven test checked districts neither expenditure was incurred on the above activities nor any amount was released to Panchayats under IEC component. In reply, It was stated (September-November 2006 and April 2007) that action would be taken in this regard. In this connection, the PD stated (June 2007) that all the prescribed activities under IEC can not be performed in each districts. Clipping in AIR and Doordarshan were being shown at state level. The reply is not acceptable as under IEC, wall painting and clipping in cable TVs were an important component indirectly reaching out to the people. Besides, state level IEC as conducted on audio and video clipping in AIR/ Doordarshan was met out from CCDU funds as discussed in the next sub para. In addition to that IEC was also to be conducted by districts through their funds.

3.1.9.6 Unspent balance of IEC and HRD programme not transferred so far:- According to GOI guidelines (January 2004), common IEC and HRD activities / programmes for the whole state were to be taken up at the state level under Water Supply and Sanitation sector. In this connection, GOI had restructured (June 2004) the IEC and HRD programme and set up a Communication and Capacity Development Unit (CCDU) in place of IEC and HRD cell supported by GOI earlier in the state for this purpose. Against approval of Rs. 2.12 crore for establishment of new CCDU to conduct IEC and HRD activities / programmes in Madhya Pradesh, Rs. 1.90 crore were released by the GOI (March 2005) after deduction of Rs. 0.22 crore towards unspent balance available with IEC and HRD programme cell. The unspent balance of the fund available with the State Government under IEC and HRD programmes supported earlier by the GOI was to be transferred to this unit (CCDU). Audit scrutiny revealed that the such unspent balance was not transferred (June 2007) for further utilisation. In reply, PD (TSC) stated (June 2007) that the TSC cell has requested the E-in-C (Head of Department) PHED office in this matter.

3.1.9.7 Under utilisation of CCDU funds:- According to GOI's guidelines, Specialist consultants from the fields of Communication, Human Resource Development (HRD), Social Mobilization and School sanitation & hygiene education can be engaged at the State level. Similarly common IEC and HRD activities for the whole State was to be taken up at the State level. Audit observed that only seven per cent of CCDU funds (Rs. 12.53 lakh)¹² were utilised (November 2006) against the total receipt of CCDU funds (Rs. 1.90 crore received in April 2005) even after lapse of 1-2 years under Rural Water and Sanitation Programme. In reply, the PD stated (June 2007) that due to support of UNICEF the expenditure was less. The reply is not acceptable as the UNICEF funds were not required to be linked with CCDU funds.

¹¹ Four Districts:- Bhopal, Gwalior, Jhabua and Seoni.

¹² Total expenditure Rs. 12.53 lakh (IEC: Rs.8.64 lakh, HRD: Rs. 1.16 lakh, Consultant fees: Rs. 0.81 lakh, Contingencies: Rs. 1.92 lakh),

3.1.10 Construction of Individual Household latrines (IHHLs)

With a view to cover all the rural families in eliminating open defecation to minimise risk of contamination of drinking water sources and food, the component of IHHLs was introduced. Incentive as provided under the scheme was to be extended only to Below Poverty line (BPL) families, if the same was considered necessary for full involvement of the community. The financing pattern including the incentive for BPL households for construction of individual household latrines was as follows: -

Basic low cost unit (sanctioned in Madhya Pradesh)	Contribution					
	GOI		State		Household	
	BPL	APL	BPL	APL	BPL	APL
1	2	3	4	5	6	7
Upto Rs. 625/- (Single pit)	60%	NIL	20%	NIL	20%	100%

Scrutiny of records revealed as under: -

3.1.10.1 Low performance in the component of IHHLs: - Scrutiny of Monthly Progress Report (MPR) as on September 2006 made available by PD (TSC) revealed as under: -

No. of districts	Year of Completion of Projects (Progressive)	IHHLs Approved		IHHLs achieved		Shortfall with percentage	
		APL	BPL	APL	BPL	APL	BPL
1	2	3	4	5	6	7 (3-5)	8 (4-6)
46	2006-07	4306016	3228685	324784	548088	3981232 (92)	2680597 (83)
2	2007-08	138971	82628	500	19100	138471 (100)	63528 (87)

The above table revealed that in 46 districts where the projects were to be over by the end of 2006-07 the shortfall in this component was 92 (APL) and 83 (BPL) per cent respectively with reference to approved targets. This indicated very poor performance. In reply, the PD (TSC) stated (November 2006) that the slow progress was due to low-generation of demand which was indicative of inadequate attention on IEC as highlighted in the preceding paragraphs. The PD further stated (June 2007) that the low performance of IHHLs was not only due to inadequate IEC, but also due to large SCs/STs population, mental setup and low per capita income etc. The reply is not acceptable as the reasons cited by the PD only go to reinforce the audit observation that the expenditure on IEC should be stepped up and that performance in this regard was not satisfactory.

3.1.10.2 Approved targets not achieved: - According to the projects sanctioned by GOI for test checked districts, the projects were to be completed within 3-4 years. Scrutiny of MPRs revealed that the construction of IHHLs for BPL families was not completed according to the targets approved (No. of units approved) in the projects sanctioned as per details given below: -

Name of test checked districts	Year of sanction of the projects	Year of completion of the project	Total targets of IHHLs for BPL approved by GOI in the project	No. of IHHLs for BPL constructed (incentive was given)	Shortfall (with percentage)	No. of IHHLs constructed for SC and ST (with percentage)
1	2	3	4	5	6	7
Bhopal	2002-03	2005-06	20010	1622 (Sep. 06)	18388 (92)	568 (35)
Gwalior	2000-01	2003-04	30166	10480 (Aug. 06)	19686 (65)	2937 (28)
Jabalpur	2003-04	2006-07	106290	28959 (Sep. 06)	77331 (73)	5704 (20)
Jhabua	2003-04	2006-07	109136	20770 (Oct. 06)	88366 (81)	19735 (95)
Narsingpur	2000-01	2003-04	67857	21270 (Oct. 06)	46587 (69)	10926 (51)
Sagar	2003-04	2006-07	145037	45148 (Nov. 06)	99889 (69)	19868 (44)
Seoni	2003-04	2006-07	84536	45102 (Oct. 06)	39434 (47)	18828 (42)

On being pointed out in audit, the CEOs (Z.P) stated that the construction could not be completed due to less-generation of demand. Further, PD reply (June 2007) that these targets were only indicative and now the GOI has extended the project upto 2012. The reply is not acceptable as number of units (Targets) to be completed were approved finally in the districts projects, and were not merely indicative. Besides, the period of project (3-4 year) was still not changed by the GOI in the terms and conditions as discussed earlier in the para 3.1.7.3. As per GOI guidelines a demand driven approach was to be adopted to achieve the target. The slow progress implied that it would take longer to cover the entire state and the aim of the TSC would take longer to achieve.

3.1.10.3 Information of availability/non-availability of IHHLs not collected:- According to PHED's orders (March 2003) the CEOs (Janpad) were required to ensure the collection of information regarding availability/non-availability of IHHLs for the families under BPL during BPL survey. A list thereof was to be made available to the Executive Engineer (PHED) of the concerned district. But the required information was not collected in any test checked district during BPL survey conducted from 2002-03 on wards. This resulted in non-confirmation of reality regarding availability/ non-availability of IHHLs for BPL family and releasing of advances thereto at the time of sanction. In inquiry, the facts were confirmed (September – December 2006 and April 2007) by the seven CEOs (ZP)⁷ during test check. But the PD replied (June 2007) that the information was available with the Block Officials. The reply was not acceptable as the required information was to be collected and incorporated in the list of BPL which was prepared after conducting survey.

3.1.10.4 Un-realistic progress-report of special group:- Out of the total incentive earmarked for the construction of household latrines, a minimum of 25 per cent was to be earmarked for the individual households of Scheduled Castes (SCs) and Scheduled Tribes (STs). To monitor these aspects, the GOI prescribed a separate column in the format of monthly progress-report which was required to be compiled on the basis of block-wise information. However

the block wise information was not being obtained and the progress-reports were being prepared by the test checked districts showing fulfillment of special provision of construction of individual household latrines ranging between 20 per cent and 95 per cent for SCs/STs on an adhoc basis. Thus the progress reports were not realistic. On being pointed out in audit, the CEOs (ZP) of seven test checked districts⁷ confirmed the same (October-December 2006 and April 2007). With reference to un-realistic progress-report of special group, the PD also replied (June 2007) that every care was being taken to verify the report.

3.1.10.5 Construction of super structure not confirmed: - A duly completed household sanitary latrine comprised of a Basic Low Cost unit upto Rs. 625/- without the super structure. Additional amount could be spent by the beneficiaries or the State Government for the construction of super structure and/or of one extra pit. Scrutiny of records of test checked districts revealed that no additional fund for super structure was provided by the State Government for IHHLs constructed (567188) in 48 districts (September 2006). Besides, no records were available to show as to whether beneficiaries had constructed the super structure. Non-construction of super structure leads to the possibility of non-utilisation of IHHLs. On being pointed out, the CEOs (ZP) of seven test checked districts⁷ stated (September-December 2006 and April 2007) that the position regarding construction of super structure by beneficiary would be got verified. The PD informed (June 2007) that part cost of super structure had been added in the incentive since 1st April 2006 and that this would improve the system more effectively.

3.1.11 School Sanitation

School Sanitation formed an integral part of TSC project since the experience gained by children through use of toilets in school and Sanitation education imparted by teachers would reach home and would also influence parents to adopt good sanitary habits. Funding for school sanitation (Unit cost: Rs. 20,000 for each school) in a TSC project was provided by the Central Government, State Government and Parents Teachers Association in the ratio of 60: 30: 10. Gram Panchayat can also contribute the 10 per cent share of Parents Teachers' Association. Audit scrutiny revealed the following:-

3.1.11.1 Non achievement of targets: - The GOI sanctioned 56583 school latrines¹³ during 2000-2001 to 2004-2005 for 48 districts against which only 30859 latrines (55 per cent) were got constructed (September 2006) after lapse of 3-6 years. Scrutiny of MPRs of seven test checked districts⁷ also revealed that the shortfall in the physical progress of latrines completed ranged between 14 and 69 per cent as detailed in **Appendix XXV**. On being pointed out in audit the CEOs (ZP) of seven districts stated (September-December 2006 and April 2007) that efforts would be made to complete the works. Besides, the PD stated (June 2007) that Madhya Pradesh was a backward tribal state and any new programme was not easily acceptable. However, efforts were being made to expedite this work.

¹³ Total sanction 56583 (2000-01: 5063, 2001-2002: 1388, 2002-03: 6320, 2003-04: 41770 and 2004-2005: 2042).

3.1.11.2 Drawing / Design of school latrines suitable to the disabled students not obtained: - While constructing toilets in schools and other institutions, the construction should be made in such a way that the facilities could also be used by the disabled students and persons. Therefore, the State Government ordered (March 2005) that the school latrines constructed should be suitable for disabled students also and design should be same as available in the Rajya Shiksha Kendra Bhopal (RSK). Scrutiny of records revealed that such design was not obtained from the RSK. On being pointed in audit, the CEOs (ZP) of seven test checked districts⁷ admitted (September-December 2006 and April 2007) to the facts. Further, the PD informed (June 2007) that districts were directed to obtain the suitable design.

3.1.11.3 Separate units of toilets for girls and boys not provided: - Separate toilets for girls and boys should be provided and these should be treated as two separate units and each unit was entitled to central assistance upto Rs. 12000/- for a unit cost of Rs. 20,000/-. Scrutiny of records of seven test checked districts⁷ revealed that in 5829 schools, latrines were constructed but two separate units (Rs. 20,000/- for each unit cost) were not sanctioned in 4018 schools of co-education. On being inquired, the CEOs (ZP) of seven test checked districts stated (September-December 2006 and April 2007) that action would be taken in this regard. On this issue, the PD replied (June 2007) that such provision was not there in the initial projects. However, in the revised detailed project report proposal, such provision had been made. The reply is not acceptable as such provision was also mentioned in the each guidelines of the GOI since inception (April 1999).

3.1.11.4 Irregular expenditure on latrines constructed in Police Stations:- Latrines costing Rs. 20,000 each were to be constructed in all Government schools only (as approved in the project). But 17 latrines costing Rs. 3.40 lakh were irregularly constructed in the Rural Police Stations of Gwalior district by diverting funds meant for construction of latrines in Government Schools. In reply, the CEO (ZP) stated (September 2006) that the construction of such latrines was sanctioned after approval of DWSC. The reply was not acceptable as this was contrary to the items of the project sanctioned by the GOI. The PD also informed (June 2007) that the matter was being looked into and CEO Zilla Panchayat, Gwalior was asked to explain the irregular construction made in the Police Stations from this fund.

3.1.12 Anganwadi Toilets- Shortfall in coverage:-

In order to change the behaviour of the children from very early stage in life, it was essential that Anganwadis were used as platform of behaviour change of the children as well as the mothers attending the Anganwadis. For this purpose each Anganwadi was to be provided with a baby friendly toilet. One toilet of unit cost upto Rs. 5000 was to be constructed for each Anganwadi or Balwadi in the rural areas.

The GOI sanctioned the TSC project for all 48 districts of Madhya Pradesh. Scrutiny of information and data made available by the PD (TSC) revealed

that the component of Anganwadi toilets was not sanctioned in Eight¹⁴ out of 48 districts. Against 6923 Anganwadi toilets sanctioned in 40 districts, only 2252 (33 per cent) Anganwadi toilets were completed upto September 2006. This affected the objectives of the component. In this connection, the PD stated (June 2007) that the efforts were being made to provide sanitary latrines in all Anganwadis by March 2008.

3.1.13 Rural Sanitary Marts and Production Centres

The Rural Sanitary Mart (RSM) was an outlet dealing with materials required for the constructions of not only sanitary latrines but also other sanitary facilities required for individuals, families and the environment in the rural areas. The main aim of having a RSM was to provide materials, services and guidance needed for constructing different types of latrines and other sanitary facilities which are technologically and financially suitable to the area. Production Centres (PCs) were the means to improve production of cost effective affordable sanitary materials. Funding for this component was in the ratio of 80:20 between the GOI and the State Government. Further, under the TSC project, maximum amount of Rs. 3.5 lakh per RSM/PC was permissible for construction of shed, training of masons and also as a revolving fund for working capital. The revolving funds provided to the implementing agencies was refundable after RSM/PC attained a level of sustainability or after the expiry of period as mentioned in the agreements executed by the District. The results of test check were as under: -

3.1.13.1 Non-functioning of RSMs:- In test checked district Sagar, revolving funds to the tune of Rs. 12 lakh (Rs. 2 lakh for each) were sanctioned (2003-04 to 2005-06) for establishment of six RSMs. The sanctioned amount was to be released in eight equal monthly instalment of Rs. 0.25 lakh to the SHGs. It was noticed that only Rs. 1.75 lakh¹⁵ were released to six SHGs as first/second instalment. Scrutiny of sanctions and agreements revealed that neither further instalment was released nor inspections, as prescribed, were conducted to ensure that they were in functioning condition. On being pointed out in audit, the CEO (ZP) Sagar stated (December 2006) that the proposals for sanction of remaining amount would be put up in next meetings. Reasons for non-releasing the next instalments was not intimated. The reply was not acceptable as non-release of further instalments was indicative of non-functioning of RSMs.

3.1.13.2 Non-refund of revolving fund: - The CEOs (ZP) Bhopal and Gwalior released (2003-04 and 2004-05) revolving funds amounting to Rs. 4.50 lakh to five NGOs¹⁶ to establish RSMs. Scrutiny of records of agreements

¹⁴ Bhopal, Gwalior, Chhindwara, Indore, Mandasour, Rajgarh, Raisen and Rewa.

¹⁵ (I) Shakti SHG Jamuniya (Rs. 0.50 lakh), (ii) Sapna SHG Khairana (Rs. 0.25 lakh), (iii) Prajeev Educational Society Sagar (Rs. 0.25 lakh), (iv) Shri Mahendra Kumar Tiwari ((Rs. 0.25 lakh), (v) Milk Dairy SHG Hinotiya Kala (Rs. 0.25 lakh) and (vi) Shri Mahesh Kumar Soni, Sagar (Rs. 0.25 lakh).

¹⁶ (i) Gwalior -SHG Ramgarh, Dabra (Rs. 0.50 lakh), (ii) Shri Gangaram Sharma, Bhitrawar (Rs. 0.50 lakh) Bhopal – (i) Ahirwar SHG (Rs. 0.50 lakh), (ii) Yuva Shakti SHG Fanda Kala (Rs. 1.00 lakh) (iii) Basera Building centre, Bhopal (Rs. 2.00 lakh).

revealed that the refunds of revolving funds was to be started after 1-2 years, but only Rs. 0.24 lakh were refunded by M/s Ganga Ram Sharma, SHG, Bhitwarwar in Gwalior district and remaining amount of Rs. 4.26 lakh was not refunded by these NGOs so far. In reply, it was stated (September 2006 and November 2006) that the said amounts would be recovered. Besides, RSMs of Gwalior districts were also lying defunct as confirmed (September 2006). On this observation, the PD replied (June 2007) that efforts would be made to get the refund of the revolving fund.

3.1.14 Execution of works without GOI approval

Works relating to hardware activities and alternate delivery mechanism were to be executed in the numbers as approved by GOI. Scrutiny of MPR of 48 districts (September 2006) revealed that 26 out of 48 districts executed 2302 works (Estimated cost: Rs. 6.08 crore) in excess of approval of the GOI thereby neglecting other activities and with less expenditure thereon **Appendix XXVI**. On being inquired the PD agreed (June 2007) that the works were executed in excess of approval of the GOI as these were necessary and provision for these works have been made in the revised DPR of the districts.

3.1.15 Maintenance

3.1.15.1 Funds not provided for maintenance of school/anganwadi toilets:-

According to the GOI's guidelines, the funds for maintenance of school/anganwadi toilets were to be provided by the concerned departments. Scrutiny of monthly progress-report (September 2006) made available by the PD (TSC) revealed that 30859 schools latrines (Expenditure: Rs. 56.19 crore) and 2252 anganwadis latrines (Expenditure: Rs. 0.98 crore) were constructed in 48 districts of the state. Audit observed that funds for maintenance thereof were provided neither under TSC nor by the concerned departments to Janpads/Gram Panchayats. No information regarding provision of funds for maintenance of school/anganwadi latrines was made available though called for (January 2007). On being enquired from the concerned departments (i.e. School Education Department, Rajya Shiksha Kendra and Mahila Evam Bal Vikas Department, Bhopal), Mahila Evam Bal Vikas Department stated (June 2007) that the funds for maintenance of aganwadies were not provided due to lack of information. Besides, Rajya Shiksha Kendra (part of School Education Department) also informed that the funds for maintenance of school latrines were not provided.

3.1.15.2 Maintenance of complexes not proved:- The maintenance of CSCs was very essential and Gram Panchayats should own the ultimate responsibility or make alternative arrangements at the Village level. It was observed in five test checked districts in which 75 complexes (**Appendix XXV**) were constructed that ZPs were not monitoring the maintenance of these complexes as records/reports of maintenance of complexes were not being kept. On enquiry, it was informed that these facts would be confirmed. The PD also agreed with the reply of CEOs (June 2007).

3.1.16 Role of Non-Governmental organisations (NGOs)

NGOs had an important role in the implementation of TSC in the rural areas. They were required to involve actively in IEC (Software) activities as well as hardware activities. Shortcomings noticed in audit were as under:-

3.1.16.1 Blocking of funds:- District Water and Sanitation Committee (DWSC), Jhabua sanctioned (December 2003) Rs.1.50 crore in the favour of M/S M.P. Jeewan Vigyan Academy Indore (NGO) to conduct IEC work in all twelve blocks of Jhabua district. Out of sanctioned amount of Rs. 1.50 crore the DWSC released Rs. 50 lakh (December 2003) as 1st instalment in the shape of advance. Subsequently further payment to Academy was stopped by the PD (June 2004). The reasons were not given although called for (July 2007). Scrutiny of records revealed the followings:-

- Open tender/Offer was not invited by the DWSC for the execution of IEC work costing to Rs. 1.50 crore and copy of agreement was not sent to the Accountant General for perusal, as required under M.P. Store Purchase Rules.
- IEC and training materials used by the NGO was not got approved by the DWSC, as required.
- Inspection/ Evaluation of the activities performed by the said NGO was not conducted (November 2006).
- The records of progress-reports, utilisation certificates/ expenditure vouchers in support of expenditure if any against the advance were not produced to the audit.
- The agreement executed for three years expired in December 2006. But no action was taken to recover/adjust the advance after lapse of 2-3 years. Therefore, the possibility of misutilisation / blocking of funds can not be ruled out. On being pointed out in audit, DWSC Jhabua replied (December 2006) that the matter would be reviewed. The PD also informed (June 2007) that the matter regarding blocking of funds in Jhabua was under enquiry.

3.1.16.2 Selection of NGO not done by following a transparent criterion: - GOI guidelines (January 2004) required that the selection of NGOs was to be done by following a transparent criterion. The PD (TSC) and PHED further issued (May 2004 and August 2005) the guidelines for selection of NGOs in which Offer was to be published for selection. During scrutiny of records in test checked district Sagar revealed that the work relating to the IEC and hardware activities costing Rs. 29.73 lakh were executed through NGOs/SHGs without inviting offer. On being enquired (December 2006), the CEO (ZP) stated that NIT was not issued as IHHLs were constructed through NGOs / SHGs with the consent of beneficiaries. The reply was not acceptable as the publication of Offer was essential. Further, the PD stated (June 2007) that the matter was being looked into.

3.1.16.3 Non-recovery of grants provided to NGOs: - The EE (PHED) Bhopal Division cancelled (October 2004 and May 2005) the agreements executed with nine NGOs¹⁷ of Bhopal district due to unsatisfactory work on the basis of decisions taken by the DWSC. Therefore, the grant provided to NGOs amounting to Rs. 1.56 lakh was to be recovered and blacklisted as envisaged in the agreements but no such action was taken. On being pointed out, it was replied (November 2006) that action would be taken for recovery and blacklisting of NGOs. In this connection, the PD also informed (June 2007) that the necessary action would be issued to DWSC.

3.1.17 Nirmal Gram Puraskar (NGP)

To add vigour to implementation of TSC, GOI separately launched (January 2004) an award scheme called the “Nirmal Gram Puraskar” for fully sanitised and open defecation free Gram Panchayats, Blocks and Districts. But only 190 GPs out of 23051 GPs could be awarded during five years since introducing TSC. On being pointed out, the PD stated (June 2007) that it was a difficult job as a whole GP was to achieve certain standards to qualify for NGP. The reply was not acceptable as it was mandatory to make GPs fully sanitised and open defecation free but it could not be achieved after a lapse of three and half year.

3.1.18 Research

Research Institutes, organisations and NGOs with proven track record in the areas of Sanitation and National/State level Institutions involved in the research related to the issue of Health, Hygiene, Water Supply and Sanitation should be involved to study the present technology of human excreta and Waste disposal systems in the rural areas. The GOI would be organizing such studies. However, the States might also take up such studies for improving the content of the programme. The cost thereto could be charged to the HRD component of the project. No records relating to organisation of such studies by the GOI as well as State Government could be made available (December 2006). The PD stated (June 2007) that the GOI was doing this work separately.

3.1.19 Monitoring

3.1.19.1 Inspections / Supervisions

Monitoring through regular field inspections by officers from the State level and the district level was essential for the effective implementation of the programme. On being enquired about such inspections conducted from State level, the PD (TSC) stated (November 2006) that action was taken on the receipt of complaints. The reply was not tenable, as regular inspections were

¹⁷ (i) Hope and Faith Education welfare society (Rs. 0.20 lakh) (ii) Gayatre - Chitranshi Vidhya Mandir (Rs. 0.10 lakh) (iii) Varun Manav Vikas Samati (Rs. 0.21 lakh) (iv) Society for Institute of Development (Rs. 0.15 lakh) (v) Paryavaran Avam Shodh Sansthan (Rs. 0.19.lakh) (vi) Impact (Rs. 0.13 lakh,) (vii) Sanpanden (Rs. 0.10 lakh) (viii) All India Uberous Rs. 0.16 lakh) (ix) NYK (Rs. 0.32 lakh).

required to be conducted from State level. The PD further replied (June 2007) that a senior IAS Officer and SE of PHED have been made in charge of each and every district to monitor the progress. The reply is not acceptable as the observation was about non-conduct of regular field inspections. In test checked districts Gwalior, Narsinghpur and Sagar the facts of non-conducting the required inspections were admitted. Separate records/reports for the inspections conducted were not being maintained in Bhopal, Jabalpur, Jhabua and Seoni districts.

As per scheme guidelines issued by GOI (January 2004), District Project authorities should constitute a team of experts in the district who should review the implementation in different block frequently. Such review should be held at least once a quarter. Similarly the State Government should conduct review of project in each district once a quarter. Scrutiny of information made available by the PD (TSC), revealed that no reviews of such nature were conducted so far. In reply it was stated (November 2006) that the reviews would be started in future. The PD further replied (June 2007) that the review of district projects was done at state level. The reply is not acceptable as the state Government should conduct review of projects in each district once a quarter as per guidelines of GOI (January 2004) and not at state level. Similarly seven test checked districts did not conduct review of the implementation in different blocks frequently. In reply CEOs (ZP) stated (September - December 2006 and April 2007) that a team of experts would be constituted.

The State Government directed (March 2003) that the regular supervision of implementation was to be conducted by the E-in-C, PHED. On being called for (November 2006) the details of regular supervisions conducted, the E-in-C replied (June 2007) that the review of progress and inspections were done but the details of inspections/supervisions and reports thereof for the period 1999-2006 were not made available although again called for (June 2007). The Chief Engineers (CEs) were also required to carry out random inspection of the works. The CE, Bhopal circle replied (June 2007) that the inspections were done but the information of random inspections and reports thereof were not made available as the same was not maintained.

The Commissioner (Revenue Divisions) would also monitor the progress through monthly meetings of divisional-level. Details of such monthly meetings were also not made available by the Commissioner, Gwalior division (September 2006).

Thus in the absence of reports relating to inspection/supervision, audit could not verify whether proper monitoring through regular inspections were carried out for proper implementation.

Joint monitoring not conducted: - According to scheme guidelines a system of joint monitoring was to be evolved to ensure that the RSMs and PCs were successful as an enterprise and function in accordance with the objectives of the programme. RSMs/PCs established in six of seven test checked districts were not monitored jointly as envisaged in the GOI guidelines. In reply, the

CEOs¹⁸ (ZP) admitted (September-December 2006 and April 2007) the facts. The PD replied (June 2007) that the districts were directed to monitor jointly.

3.1.19.2 Reports

A Block wise Monthly Progress Report (MPR) and Cumulative Annual Report (CAR) were required to be sent by the districts to the State. Scrutiny of records revealed that the Block wise MPR was not prepared by the test checked districts. Only MPR for whole district was being sent without compiling block wise figures, which indicated the preparation of the MPR on the basis of estimation. On being pointed out in audit, the CEOs (ZP) of six test checked districts confirmed the facts and stated (September-December 2006 and April 2007) that the block wise MPR could not be prepared due to non-receipt of such MPR from blocks and lack of time and the same would be maintained. The reasons for the same were not given by the CEO (ZP) Seoni (April 2007). The CARs were also not sent by Bhopal, Gwalior, Jhabua and Seoni districts. The PD informed (June 2007) that the district level officers have been directed to prepare block wise MPRs.

General Administration Department ordered (August 2003) that minimum four meetings of Shikhar Samiti in a year were to be organised. But only six meetings were organised during September 2003 to October 2006 against the requirement of twelve. Position regarding compliance with the following decisions adopted in the meetings of Shikhar Samiti was not furnished (June 2007) to audit:-

- To make available an amount of 10 per cent of total project cost sanctioned in M.P. for State Water and Sanitation Mission to perform their duties (Para 4 of minutes of meeting held on 5th August 2003).
- To conduct the evaluation of TSC from outside agencies and technical inspection (Para 10 of minutes of meeting held on 5th August 2003).
- To monitor the use of latrines constructed (Para 5 of minutes of meeting held on 9th February 2004).

The reply thereof and reasons for shortfall in organising the meetings were awaited (June 2007). Similarly the quarterly meetings were also to be arranged by the District Water and Sanitation Mission (DWSM) as ordered by PHED (August 2003). Scrutiny of records revealed that no meetings of DWSM were conducted in Bhopal and Narsinghpur, whereas eleven (31 per cent) meetings were arranged in Gwalior, Jhabua and Sagar district against the requirement of 36 during September 2003 to October 2006. In reply, the concerned CEOs (ZP) stated (September-December 2006) that the meetings would be conducted in future as required. The information of meetings of DWSM was not made available by Seoni district (April 2007). However, the PD stated (June 2007) that the efforts would be made to conduct the meetings of Shikhar Samiti regularly and district collectors and CEOs have been directed to arrange DWSM meetings regularly.

¹⁸ Bhopal, Gwalior, Jabalpur, Narsinghpur, Sagar and Seoni district.

3.1.20 Evaluation

The State Government was required to conduct Periodical Evaluation Study (PES) on the implementation of TSC. For a group of TSC project in the State, implementation progress review was to be organised by the GOI for two times in a year. The PD replied (June 2007) that there was no funds for PES. The department requested the GOI to provide funds for PES. The reply is not acceptable as the cost of such study could be charged to the HRD component (i.e. CCDU funds) as per GIO guidelines (January 2004). In the five test checked districts (Gwalior, Jabalpur, Jhabua, Narsinghpur and Seoni), it was noticed (September-November 2006 and April 2007) that neither PES nor implementation progress review was conducted. While the CEOs (ZP) Bhopal and Sagar district stated (November - December 2006) that a team nominated by the GOI evaluated the implementation but no Evaluation Report was received so far.

3.1.21 Conclusion

A preliminary survey was not conducted by the test checked districts. IEC expenditure ranged between 9 to 35 per cent with reference to IEC cost sanctioned in test checked districts. The performance was deficient in all types of hardware activities which was main goal of the campaign. Only 41 per cent (Rs. 167.72 crore) funds could be received (September 2006) in 46 districts against the required funds of Rs. 411.10 crore whereas the completion period of the projects in these districts was going to be over by the end of 2006-07. Utilisation of the funds available in 48 districts of the state ranged between 7 and 65 per cent during the year 2001-02 to 2005-06. Unspent balance of IEC/HRD cell amounting to Rs. 0.22 crore was not transferred so far. Funds for maintenance of Schools/Aganwadis toilets were not provided by the concerned Departments. The slow progress in receipt of funds implied that it would take longer to cover the entire State and the aim of TSC would take longer to achieve. Short release of funds and poor utilisation of funds implied partial implementation, non-implementation and neglect some critical areas that effected the over all implementation of the scheme. Monitoring and Evaluation as prescribed at various levels have not been conducted for effective implementation of the campaign.

3.1.22 Recommendations

- Separate formats in MPR should be prescribed to collect the full information regarding use/ maintenance of hardware works and three per cent reservation of incentive for disabled persons in the component of IHHLs.
- Codal provisions for maintenance of cashbook, ledger on the basis of double entry system, Advance register and Assets- register should be adhered to.
- A system of close monitoring should be evolved so as to ensure speedier execution and completion of works for effective implementation of the campaign.
- Sufficient funds should be released by the Government and the available funds should be utilised by the districts project authorities to achieve the aim of TSC.

**CHAPTER – IV
EXECUTION OF WORKS**

(Urban Administration and Development Department)

4.1 Release of Bank Guarantee despite non-recovery of mobilisation advance.

**Release of Bank Guarantee despite non-recovery of mobilisation advance
Rs. 2.71 crore**

A Project of Rs. 110.73 crore on augmentation of existing water supply of Bhopal city from Kolar Dam was sanctioned by the Government of Madhya Pradesh (March 1999). The implementing agency for the project was Municipal Corporation Bhopal (Nigam). The work of the project was divided into five groups and the work of groups I, II & IV were awarded (February 2002) to M/S Larsen & Toubro Ltd. (Contractor) According to the agreement executed by Contractor (January 2002) the mobilisation advance was payable to the contractor on their submitting bank guarantee for an amount equal to the advance. The advance carried an interest @ 15 per cent per annum. Such bank guarantee was to remain effective for two years or until the advance was completely repaid by the contractor.

Test check of records (June, 2006) of Municipal Corporation Bhopal (Nigam) revealed that the contractor was given (August 2002 & May 2003) mobilisation advance of Rs. 1.94 crore against a bank guarantee of Rs. 2.00 crore. As against it, mobilisation advance of Rs. 19.42 lakh has been adjusted.

The Government of Madhya Pradesh decided (December 2003) to defer the above work and also not to make payments to contractor. The Government further issued revised administrative sanction of Rs. 66.47 crore (March 2004) and relaxed the order issued in December 2003. According to revised sanction the work awarded to the contractor was not to be executed. The Nigam made a payment of Rs. 2.88 crore to the contractor in August 2004 but mobilisation advance was not recovered despite the fact that no further work was to be got executed through the contractor as per revised sanction. The Nigam decided to close the work and asked (October 2004) contractor to submit their claims as per tender and agreement conditions. Nigam released the bank guarantee (November 2004) duly discharged without adjusting the outstanding mobilisation advance aggregate to Rs. 2.71 crore (Advance: Rs. 1.75 crore; Interest: Rs. 0.96 crore) including interest thereon upto March 2006. No action to recover the amount was taken, resulting to loss to the Nigam.

The commissioner replied that in pursuance of Government orders (March 2004) the work orders issued to the contractor were cancelled, hence the retention of bank guarantee was not justified as contractor might have demanded bank charges.

The reply of the department was not acceptable as the release of bank guarantee without adjustment of mobilisation advance with interest was in

violation of the agreement. Further, other recoveries of Rs. 1.47 crore were also not made from the contractor.

Matter was reported to Government (February 2007); reply was awaited. (March 2008).

4.2 Infructuous expenditure due to construction of auditorium-cum-commercial shops on disputed land

Infructuous expenditure of Rs. 53.18 lakh due to construction of auditorium-cum-commercial shops on disputed land

The Nagar Nigam Ratlam had approved a plan for construction of auditorium-cum-commercial shops (August 1995) in Azad Chowk area Ratlam. The work was awarded to M/S Burhani Engineers and Consultant Pvt.Ltd. Indore for Rs. 97.42 lakh (August 1995) When the work was in progress a Public Interest Litigation was filed in the Hon'ble High Court of M.P. Bench at Indore (November 1998) stating that the construction being raised by Ratlam Municipal Corporation in Azad Chowk was illegal as the corporation did not have legal title of this land and the premises were meant for park and holding of public meetings, etc. The High Court, based on the facts passed a judgement (February 1999), restraining the Corporation from any construction in Azad Chowk.

Test check of records (November 2005) of Commissioner Nagar Nigam Ratlam revealed that during the year 1965-66 Collector had instructed Nigam not to construct any commercial shops in Azad Chowk. Contrary to these instructions, the Nagar Nigam had started construction of auditorium cum commercial shops in that area (May 1998). An expenditure of Rs. 53.18 lakh was incurred till May 2002. The complainant again approached the High Court (December 2001) and the Hon'ble High Court passed an order (May 2002) that the Nagar Nigam shall not make any construction work until further orders. Non compliance of the instruction of State Government and order of the Hon'ble High Court resulted in infructuous expenditure of Rs. 53.18 lakh.

Matter was reported to the Government (February 2006); the reply was awaited (March 2008).

**CHAPTER – V
REVENUE RECEIPTS**

(Urban Administration and Development Department)

5.1 Loss of revenue as premium and rent on vacant shops in Sehora (Jabalpur)

Loss of revenue of Rs. 38.36 lakh as premium and rent on vacant shops in Sehora (Jabalpur)

Under the Centrally Sponsored Scheme of Integrated Development of Small and Medium Towns (IDSMT) State Government of Madhya Pradesh had accorded sanction of Rs. 2.02 crore for construction of shops in Sehora at Jabalpur district (April 1996) against which an amount of Rs. 1.00 crore (Central share Rs.60 lakh and State share Rs.40 lakh) was released during 1997-98 to 2002-03 by Housing and Environment Department, Govt. of Madhya Pradesh, Bhopal.

During the scrutiny (July 2005) of records of Nagar Palika Sehora (Jabalpur) and further information collected (January 2007) it was observed that an expenditure of Rs. 95.32 lakh had been incurred on construction of 113 shops in different areas upto January 2004 as per details given below: -

Name of work	Total Expenditure (Rs. in lakh)	No. of shops constructed	Year of completion	Date of possession	No. of shops lying vacant
1. Shopping complex at Hospital Road	34.01	48	1998-99	25.8.2000	33
2. Truck terminal shopping	22.40	18	2002-03	16.1.2004	11
3. Shops near forest office	18.30	34	2001-02	30.4.2001	16
4. Shops and community Hall in Khitola	20.61	13	2002-03	15.11.2002	03
	95.32	113			63

Out of 113 shops constructed during 1998-2003, only 50 shops could be allotted to public while the remaining 63 shops were lying vacant for 3 to 6 years. The reason for shops lying vacant were attributed to division of Tehsil area which effected the business hence the business men were not interested for the allotment of shops.

Government had replied (July 2007) that notices were issued 25 times for auction of these shops but the shop-keepers were not interested to purchase the shops.

The reply of the department was not acceptable as the shops were not constructed on demand basis.

Thus expenditure incurred was unfruitful defeating the objective of the scheme as well as the loss of revenue of Rs. 38.36 lakh (premium of Rs. 26.73 lakh and rent Rs. 11.63 lakh) to the Nigam (upto February 2007) **Appendix XXVII** Besides, avoidable liability of maintenance of shops and deterioration of shops by passage of time can not be ruled out.

5.2 Non-recovery of “Urban Development Cess” by Indore Municipal Corporation

Non-recovery of “Urban Development Cess” by Indore Municipal Corporation amounting to Rs. 18.78 crore

Urban Development Cess imposed by the Government of Madhya Pradesh in 1982 was recoverable through Local Bodies in respect of all lands and buildings falling under their jurisdiction having annual rental value/annual value exceeding Rs.10,000 at following rates prescribed by the State Government.

- All the rental lands and building at 5 per cent of the annual rental value (ARV) / annual value.
- All lands and building in the possession and use of owner at 2.5 per cent.

As per the instructions contained in the Gazette Notification (February 1982), the Urban Development Cess was required to be recovered from the property owners and deposited in the Government fund meant for utilization on power generation programme, etc. approved by the Government.

Audit scrutiny of the records of Municipal Corporation Indore (May-July 2005) revealed that contrary to the above directions, the cess was not being realised from the property owners.

Cess for the period from 2000-01 to 2004-05, which worked out to Rs.18.78 crore has not been recovered by the Nigam as detailed in **Appendix – XXVIII.**

Commissioner Nagar Nigam accepted (February 2006) that Urban Development cess had been imposed but not recovered. The reasons for non-recovery were however not intimated.

The matter was reported to Government (June 2006) but no reply has been received (March 2008).

5.3 Non levy of Workers Welfare Cess by Nagar Nigam, Bhopal

Non levy of Workers Welfare Cess by Nagar Nigam, Bhopal – Rs.8.76 crore

As per provisions contained in Rule 4(4) of Building and Other Construction Workers Welfare Cess Rules 2002 (framed by the M.P. State Govt. and published in gazette 1.1.2003), where the approval of construction work by a local authority is required, every application for such approval shall be accompanied by a crossed demand draft in favour of M.P. Building & other Construction Workers Welfare Board and payable at the station at which the Board is located for an amount of Cess payable at the notified rates on the estimated cost of Construction.

The Labour Commissioner Indore issued instructions (Feb. 2003) to ensure that demand draft of the Cess amount @ 1 % of the estimated cost of building above Rs.10.00 lakhs is obtained along with the application received for according permission for the construction of building and remitted by challan to the Board.

Scrutiny of the records of Commissioner Nagar Nigam Bhopal (May-June 2006) revealed that contrary to the rules and instructions issued by the Labour Commissioner permission for the construction of the building was issued without obtaining cess charges @ 1% during the years 2003-06. This has resulted in non-recovery of cess and loss to the Board to the tune of Rs. 8.76 crore.

The matter was reported to the Government (August 2006) but no reply has been received (March 2008).

5.4 Loss of revenue on unsold property as well as undue interest liability payable to HUDCO

Loss of revenue of Rs 6.64 crore on unsold property as well as undue interest liability of Rs. 4.15 crore payable to HUDCO

A commercial scheme “Rajiv Gandhi Civic Center” was launched during 1994-95 by Town Improvement Trust, Ratlam which was merged with Municipal Corporation, Ratlam vide Government of Madhya Pradesh, Urban Administration and Development orders (August 1994) Under the scheme houses for various income group, shopping complexes and office chambers were to be constructed on a plot of land measuring 4.54 hectares (survey No. 131) located in Ratlam. For implementation of the scheme loan of Rs. 3.71 crore was sanctioned and Rs. 3.24 crore was paid by Housing and Urban

Development Corporation (HUDCO) during 1994-95 against the estimated development cost of Rs. 5.79 crore.

Test check of records (November 2005) of Commissioner, Nagar Nigam, Ratlam revealed that two hundred and fifty three flats were constructed at a cost of Rs.4.27 crore without obtaining the prior approval of the State Government despite revenue authorities asking to produce the legal documents regarding land title. Of 253 flats, 132 flats were temporarily allotted during 1995 to 1999. As against the total expected sale value of Rs. 3 crore for 132 flats, Nigam received Rs.1.49 crore as advance and balance to be received on transfer/registry of flat to the allotted. Meanwhile a notice was served by the Nazul Adhikari on the Commissioner, Nagar Nigam (December 1998) stating that the construction carried out was unauthorized. Due to land dispute the Collector imposed (December 1998) ban on sale and transfer of flats. Since then the work has been stopped.

The Government sanctioned (February 2000) the allotment of above land at a premium of Rs.1.49 crore and lease rent of Rs. 11.22 lakh per annum payable from 1993-94 and ordered to deposit within six months. Nagar Nigam could not deposit requisite amount (January 2007). Consequently, the land was not allotted to Nigam and the ban on sale/transfer of flats was not lifted. Due to this, remaining 121 flats were not allotted and 132 flats already allotted temporarily were not transferred resulting in loss of revenue of Rs. 6.64 crore (121 flats: Rs.5.13 crore and already allotted 132 flats not yet transferred: Rs.1.51 crore). More over the interest liability of Rs. 4.15 crore was due for payment to HUDCO.

Thus construction of flats on disputed land resulted in loss of revenue as well as undue liability of interest payment to HUDCO.

The department accepted the objection and stated that only Rs.1.68 crore could be deposited in Government account against Rs.2.96 crore due for payment of premium and lease rent (up to March 2006) More over Rs. 7.39 crore were due for payment to HUDCO for loan and interest.

Matter was reported to Government (February 2006) but the reply was awaited (March 2008).

CHAPTER – VI
OTHER POINTS OF INTEREST

(Urban Administration & Development Department)

6.1 Loss to Government due to non-depositing of guarantee fees by the Indore Municipal Corporation

Loss of Rs. 56 lakh to Government due to non-depositing of guarantee fees by the Indore Municipal Corporation.

Government of M.P. Urban Administration and Development Department consented (September 2003) to guarantee for a loan of Rs. 45 crore by Housing and Urban Development Corporation (HUDCO) to Indore Municipal Corporation for widening, strengthening and improvement of roads, with certain conditions. As per conditions the borrower was to pay guarantee fees at half percent every year on the borrowed funds to the guarantor and deposit in the treasury.

Scrutiny of records of Municipal Corporation Indore (July 2006) revealed that the guarantee fees at half percent of the borrowed funds were not deposited in Government treasury. Thus the government had been put to a loss of Rs. 56.25 lakh (Rs. 45 crore X 0.50X2.5) up to March 2006 due to non-depositing guarantee fees in the treasury.

On being pointed out in audit the reply to the observation was not furnished by the department.

Matter was reported to Government (March 2007); reply was awaited (March 2008).

6.2 Undue benefit to the coloniser due to irregular release of reserved plots for Economically Weaker Sections (EWS)

Undue benefit of Rs. 1.56 crore to the coloniser due to irregular release of reserved plots for Economically Weaker Sections (EWS)

Madhya Pradesh Nagar Palika (Registration of Coloniser, Terms and Conditions) Rules, 1998 (Published in Madhya Pradesh Gazette in 3.7.2002) provide that 15 percent of the plots, developed by coloniser, shall be reserved for the persons of EWS in each housing colony of urban areas.

Further, rules also provide that if the coloniser does not want to develop plots or construct house for EWS he shall have to make payment of Ashray fees in Ashray Nidhi for whole areas of colony at the prescribed rates. The coloniser

may exercise this option within six months from the date of publication in the gazette.

Scrutiny of records (August 2006) of Municipal Corporation, Sagar (Nigam) revealed that the layout of 7.55 acres of land in Sneh Nagar Colony, Madhukarsah ward was approved by Town and Country Planning in favour of coloniser (April 1992). The land was developed by the coloniser (March 1998) who opted to reserve the 15 percent plots of the colony measuring 49332 sq. ft (4584.76 sq. mt). The coloniser applied to deposit Ashrya fees in Nidhi (June 2003). On the recommendation of Commissioner, Nigam, Additional Collector released the plots reserved for EWS (November 2003).

According to the rules *ibid* the coloniser could exercise his option to deposit in Nidhi within six months from the date of publication in the gazette i.e. 2nd January 2001. But it was exercised (June 2003) after 31 months. The acceptance of the option by the Commissioner (August 2003) and release of reserved plots for EWS (November 2003) to the coloniser resulted in undue advantage to the coloniser to the tune of Rs. 1.56 crore **Appendix XXIX**.

On being pointed out Commissioner, Nigam replied that the amount was deposited and the reserve plots were released on the orders of Commissioner, Town and Country Planning, Bhopal (July 2003)

The reply of the Nigam is not acceptable as the Commissioner, Town and Country Planning directed (July 2003) to take action according to provision of Rules 1998 and Gazette Notification (January 2003). As there was no amendment in the notification about the option to deposit Ashraya Nidhi, after 6 months of notification, action taken by the Nigam was in contravention of Rules.

Matter was reported to Government (February 2007); reply was awaited. (March 2008).

6.3 Undue financial aid to the resident beneficiaries in Gwalior during 2002-04

Undue financial aid of Rs. 1.26 crore to the resident beneficiaries in Gwalior during 2002-04

Govt. of Madhya Pradesh had decided in 1982-83 to convert dry latrines to water pour flush latrines under the centrally sponsored scheme. The state Govt. identified 5,06,571 dry latrines for conversion to water pour flush latrines of which 294893 dry latrines were converted up to December 2001. The financial management to meet out the expenditure under scheme was as under: -

50 Per cent subsidy from central Govt.

45 per cent loan from HUDCO

5 Per cent to be borne by beneficiaries.

The scheme was to be implemented by the Municipal Corporations (Nigam). The loan from HUDCO was to be repaid by the Director, Urban Development department by deduction of amount of Octroi compensation payable to Nigam. The Nigam was required to recover the loan amount from beneficiaries in seven years. As per procedure prescribed by the Nigam the beneficiaries were required to deposit Rs. 146/- and to execute an agreement on stamp paper of Rs. 5/- to the effect. The contractor would take up the work in the residence of beneficiaries. M/S Social Equity Welfare Society was appointed by the Govt. for conversion of dry latrines to water pour flush latrines. The Commissioner Nagar Nigam Gwalior placed work order (June 2002) on M/S Social Equity Welfare Society for construction of 5000 dry latrines to water pour flush latrines @ Rs. 2910 per unit. The work was to be taken up within 15 days from the date of award of work order and to be completed with in a period of 1 ½ year.

Test check of the records of Corporation (Sept. 2005) revealed that 4984 dry latrines were converted to water flush latrines during 2002-03 (2750) and 2003-04 (2234) against which prescribed contribution was received only from 655 beneficiaries. 4329 number of latrines valuing Rs.1.26 crore were constructed without receiving contribution and agreement on stamp paper of Rs. 5/- from beneficiaries.

This has resulted in undue financial aid of Rs. 1.26 crore to the beneficiaries and also financial loss of Rs. 0.63 crore to Nigam due to non-recovery of beneficiary's contribution and loan amount.

The matter was reported to Government (December 2005), The reply was awaited (March 2008).

CHAPTER – VII
RECOMMENDATIONS

In the light of findings by audit, the following recommendations are made for consideration of Government:-

- (1) In pursuance of recommendations of task force the Budget and Accounts format should be implemented in the local bodies for the effective control over the administration of the ULBs/PRI.
- (2) Reconciliation of cash book with the bank pass book should be carried out on a regular basis.
- (3) Proper administrative control should be exercised to keep budget excess/saving under control.
- (4) Effective steps should be taken to clear the various outstanding advances granted to individuals/staff/ working agencies
- (5) Assessment of grants should be a time bound programme so that unutilised grants could be refunded.
- (6) Expeditious action should be taken to recover revenue from their own resources through taxes, rent, fees and issue of licenses.
- (7) ULBs should deposit regularly the GP Fund subscription in the accounts of employees.
- (8) ULBs should deposit in the Reserve Fund Account from their net income.
- (9) The PRI's units should keep their fund strictly in the Schedule Bank.
- (10) The unspent balances of inactive schemes/closed schemes should be surrendered to the Department.
- (11) Expenditure on works should not exceed the sanctioned amount and in case of excess expenditure was incurred, it should be regularised by obtaining revised sanction.

Date: 21 April 2008
Gwalior

(SANAT KUMAR MISHRA)
Principal Accountant General
(Civil and Commercial Audit)
Madhya Pradesh

Appendix - I

(Reference: Paragraph 1.1.1 page. 2)

Details of State Finance Commissions regarding Constitution, Submission of their reports, No. of recommendations Submitted and accepted thereof etc.

Sl. No.	Month of constitution of SFC	Month of Submission of SFC's report	No. of recommendations submitted and accepted				Major recommendations accepted by the Finance Department
			Details of tasks (recommendations)	No. of recommendations submitted by SFC	No. of recommendations included in Action Taken Report (ATR) by the Finance Department	No. of recommendations accepted in ATR by the Finance Department	
1	2	3	4	5	6	7	8
1.	I st SFC (June 1994)	July 1996	(i) The distribution of the net proceeds of taxes, duties, tolls and fees leviable by the state and assignment thereof etc. <u>(Urban Local Bodies)</u> (ii) -----od----- <u>(Rural Local Bodies)</u>	15 23	15 23	7 14	- Allocation of total tax and non-tax revenue of the State Government on percentage bases (Also by II nd SFC) - Adoption of budget indicators and system of distribution under the grant number 80, 82 and 84 etc. (Also by II nd SFC) - Preparation of annual plan of operation for PRIs at the district level and regular monitoring thereof.

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							<ul style="list-style-type: none"> - Establishment of data bank and strengthening of present system of internal audit. - System for disposal of waste through private institutions.
2.	II nd SFC (June 1999)	July, August and December 2003	<p>(i) Recommendations of the SFC relating to State Government Finances and their restructuring</p> <p>(ii) Recommendations of the SFC relating to the Finances of Municipalities and their restructuring (Urban Local Bodies)</p> <p>(i) Recommendations of the SFC regarding devolution of the fiscal package to rural local bodies (Rural Local Bodies)</p>	44	6	2	<ul style="list-style-type: none"> - To explore new areas for increasing of property tax, license fee and other taxes. - Computerisation of records in ULBs with reference to all heads of accounts. - Maintenance of accounts in the formats prescribed by the C&AG for PRIs and ULBs including details of own buildings and lands of ULBs - Constitution of a expert committee for delegation of financial and administrative powers, district planning committees and model center in State Administration Academy for training
				11	7	6	

			(i) Municipalities finance and restructuring (ii) Panchayat finance and restructuring (<u>Beyond the Fiscal Package</u>)	56	56	48	- Transfer of assets created by various departments to PRIs for maintenance - Priority to be given to Water Supply, Sanitation and Waste Management
3.	III rd SFC (August 2005)	Awaited	Awaited	--	--	--	--
		Total¹		149	107	77	--

¹ Reasons for non inclusion of recommendations in ATR were not given although called for (August 2007)

Appendix - II

(Reference: Paragraph 1.1.2 page. 2)

Statement Showing the details regarding extent of devolution of functions, functionaries and funds with reference to 73rd and 74th Constitutional Amendments etc

Sl No.	Name of functionaries devoluted to PRI and ULB as per Eleventh and Twelfth Schedule	Name of Department	Position of functions devoluted	Position of funds devoluted	Position of functionaries devoluted
1	2	3	4	5	6
	PRIs				
1	Agriculture including agricultural extension.	Agriculture	Devoluted all function	Devoluted	Devoluted
2	Land improvement, implementation of land reforms, land consolidation and soil conservation.	Revenue	-----do-----	Devoluted	--
3	Minor irrigation, water management and watershed development.	Water Resourres	-----do-----	--	--
4	Animal husbandry, dairying and poultry.	Veterinary	-----do-----	Devoluted	Devoluted (08 employeess)
5	Fisheries.	Fishries	-----do-----	Devoluted	Devoluted
6	Social forestry and farm forestry.	Forest	-----do-----	--	--
7	Minor forest product.	Forest	-----do-----	--	--
8	Small scale industries including food processing industries.	Commercial and Industry	-----do-----	--	--
9	Khadi, village and cottage industries.	Village Industries	-----do-----	Devoluted	Devoluted
10	Rural housing.	Rural Development	-----do-----	--	Devoluted

11	Drinking water.	P.H.E.	-----do-----	--	--
12	Live stock and fodder.	Veterinary	-----do-----	--	--
13	Roads, culverts, bridges, ferries, waterways and other means of communication.	Rural Development	-----do-----	Devoluted	Devoluted
14	Rural electrification, including distribution of electricity.	Rural Electrification	-----do-----	--	--
15	Non-conventional energy sources.	Rural Electrification and Energy	-----do-----	--	--
16	Poverty alleviation programme.	Rural Development	-----do-----	Devoluted	Devoluted
17	Education including primary and secondary schools.	School Education	-----do-----	Devoluted	Devoluted (20)
18	Technical training and vocational education.	Man power and Technical Education	-----do-----	--	--
19	Adult and non-formal education.	School Education	-----do-----	Devoluted	--
20	Libraries.	School Education	-----do-----	Devoluted	Devoluted
21	Cultural activities.	School Education	-----do-----	Devoluted	Devoluted
22	Markets and fairs.	Panchyat	-----do-----	Devoluted	Devoluted
23	Health and sanitation including hospitals, primary health centres and dispensaries.	Heath Education	-----do-----	Devoluted	Devoluted (all employess 3 rd and 4 th Grade)

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24	Family welfare.	Public Health and Family Welfare	-----do-----	Devoluted	Devoluted
25	Women and child development.	Women and Children Dev.	-----do-----	Devoluted	Devoluted (04 employes)
26	Social welfare including welfare of the handicapped and mentally retarded.	Social Justice	-----do-----	Devoluted	Devoluted
27	Welfare of the weaker sections, and in particular of the Scheduled Castes and the Scheduled Tribes.	Tribes	-----do-----	Devoluted	Devoluted (06 posts) Out of 48 districts cost of BDEOs were devoluted in 21 districts only.
28	Public distribution system.	Food and Civil Supply	-----do-----	--	--
29	Maintenance of community assets.	Panchayat and Rural Development.	-----do-----	Devoluted	Devoluted

Sl No.	Name of functionaries devoluted to PRI and ULB as per Eleventh and Twelfth Schedule				
1	2	3	4	5	6
ULBs					
1.	Urban planing including town planning.	Urban admn. and Development	All function devoluted	Not devoluted	Not devoluted
2.	Regulation of land-use and construction of buildings.	-----do----	-----do----	-----do----	-----do----
3.	Planning for economic and social development.	-----do----	-----do----	-----do----	-----do----
4.	Roads and bridges.	-----do----	-----do----	-----do----	-----do----
5.	Water supply for domestic, industrial and commercial purposes.	-----do----	-----do----	-----do----	-----do----
6.	Public health, sanitation conservancy and solid waste management	-----do----	-----do----	-----do----	-----do----
7.	Fire services.	-----do----	-----do----	-----do----	-----do----
8.	Urban forestry, protection of the environment and promotion of ecological aspects.	-----do----	-----do----	-----do----	-----do----
9.	Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded.	-----do----	-----do----	-----do----	-----do----
10.	Slum improvement and upgradation.	-----do----	-----do----	-----do----	-----do----

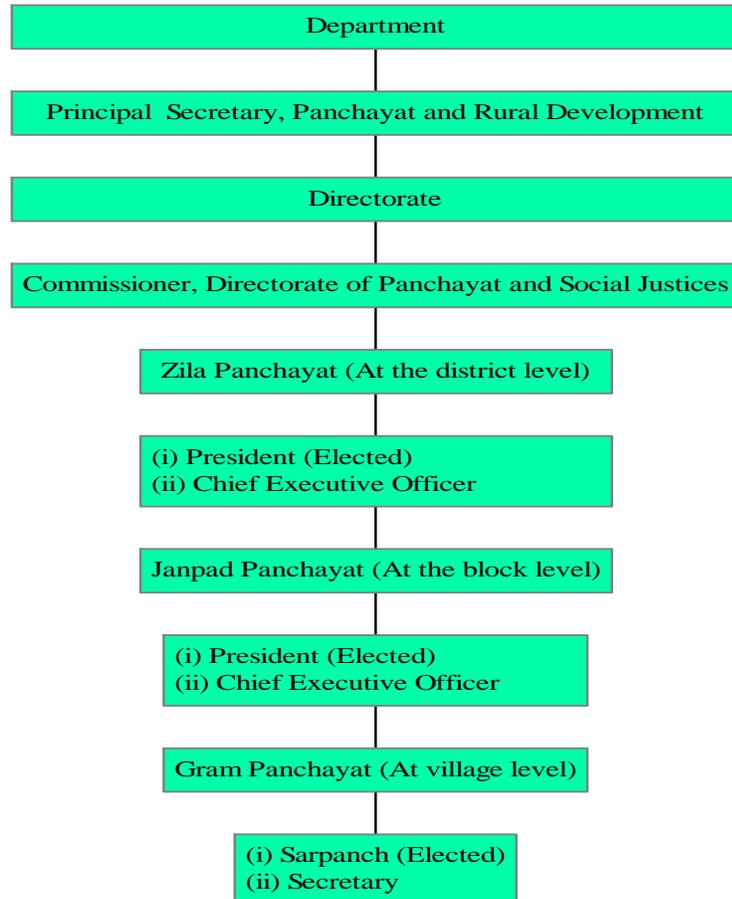
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11.	Urban poverty alleviation.	-----do----	-----do----	-----do----	-----do----
12.	Provision of urban amenities and facilities such as parks, gardens, play grounds.	-----do----	-----do----	-----do----	-----do----
13.	Promotion of cultural, educational and aesthetic aspects.	-----do----	-----do----	-----do----	-----do----
14.	Burials and burial grounds; cremations, cremation grounds and electric crematoriums.	-----do----	-----do----	-----do----	-----do----
15.	Cattle pounds; prevention of cruelty to animals.	-----do----	-----do----	-----do----	-----do----
16.	Vital statistics including registration of births and deaths.	-----do----	-----do----	-----do----	-----do----
17.	Public amenities including street lighting, parking lots, bus stops and public conveniences.	-----do----	-----do----	-----do----	-----do----
18.	Regulation of slaughter houses and tanneries.	-----do----	-----do----	-----do----	-----do----

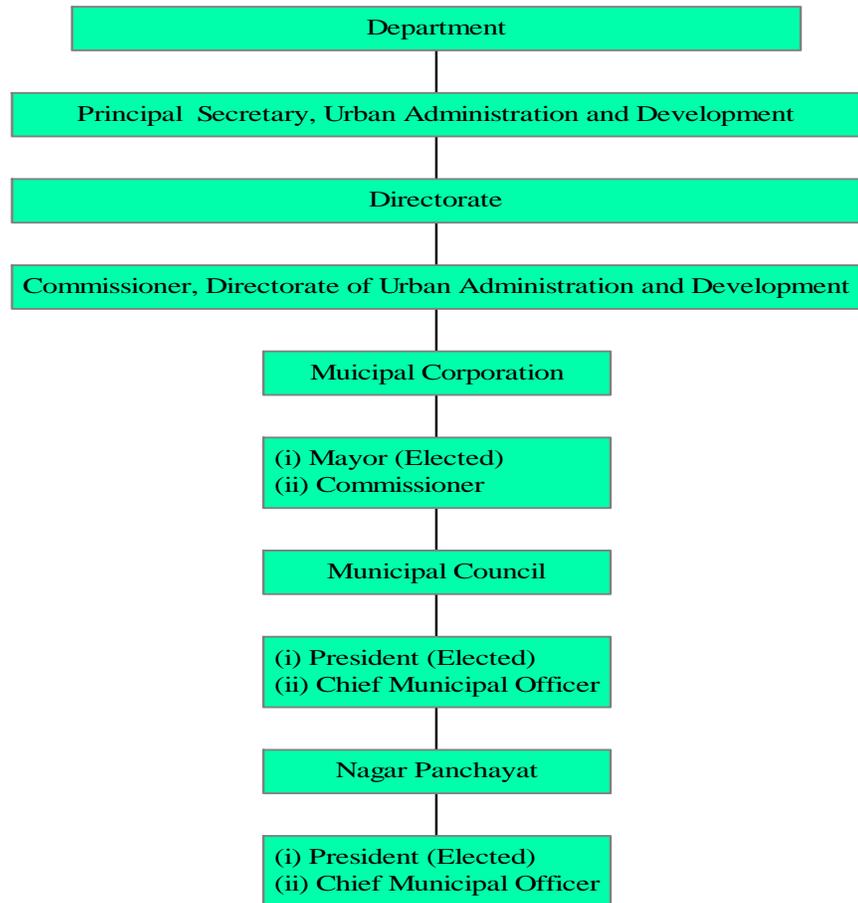
Note:- Quantum of funds devoluted was mentioned in the sub para 1.3.2

Appendix – III
Reference: Paragraph 1.3 page 2)

(i) Organisational Chart of PRIs



(ii) Organisational Chart of ULBs



Appendix IV
(Reference: paragraph 1.3.2, page 3)

Details of schemes implemented in PRIs and ULBs' sectors

(Rupees in crore)

S. No.	Name of the scheme	Amount allocated during the year (Central. + State's share)		
		2003-04	2004-05	2005-06
	(PRIs sector)			
1.	Swarn Jayanti Gram Swarojgar Yojana	64.00	80.10	NA
2.	Sampurna Gramin Rojgar Yojana	372.02	377.44	NA
3.	Indira Awas Yojana	110.61	143.08	NA
4.	Drought Prone Area Eradication Programme	68.57	97.92	NA
5.	Integrated Waste Land Development Scheme	30.44	38.04	NA
6.	Pradhan Mantri Gram Sadak Yojana	290.90	--	NA
7.	Indira Gandhi Poverty Elevation	8.40	167.96	NA
8.	National parallel Development Yojana	22.50	115.00	NA
9.	Administrative Scheme (District place)	21.44	23.29	NA
10.	MP Rural livelihood Project	--	20.00	NA
11.	Prime Minister Gramodaya Yojana	6.37	12.75	NA
		995.25	1075.58	NA

(ULBs sector)

(Rupees in crore)

S. No.	Name of Schemes	2003-04	2004-05	2005-06
1	2	3	4	5
1.	Arrangement of drinking Water and Toilets in slum areas	1.34	1.73	1.14
2.	Resettlement of Juggis in urban slum and Environment improvement	0.31	0.25	--
3.	Swarna Jyanti (Shari Rajgar yojana) (Urban Employment scheme)	5.55	4.93	6.35
4.	Other development work			
	Grant	2.55	2.50	2.49
	Loan	0.76	0.08	0.34
5.	Conversion of dry Latrines	2.12	1.30	0.11
6.	Training	0.14	0.10	0.10

7.	Compensation of 15% Reserve land in Private Colonies	0.19	0.21	0.01
8.	Works related to I.T.	0.05	0.01	0.05
9.	Urban Improvement Incentive Programme	--	26.18	28.20
10.	Urban water supply programme	--	1.00	--
11.	Development of Slum Area Grant Loan	6.24	2.50	10.08
		14.55	8.00	23.51
12.	Eleventh Finance Commission	25.42	25.42	--
13.	Twelfth Finance Commission	--	--	72.20
14.	Ayodhya Basti Yojana	--	--	20.00
15.	Sinhast Mela	151.43	46.14	9.00
16.	A.D.B. Yojana	--	--	40.00
17.	Group Insurance Scheme for Scavengers	0.06	0.08	0.07
18.	Cleaning Beutification and other Development works Grant Loan	0.86	--	--
		0.05	--	--
19.	Solid waste management in Gwalior city	--	--	6.04
20.	Construction of Fly over in Rewa city	--	--	1.00
21.	Electricity, Maintenance and Purchase of cleaning Equipment in Bhopal	--	--	2.00
22.	Narmda Water Yojana for Bhopal City	--	0.82	--
	Total	211.62	121.25	222.69

Appendix - V
(Reference: Paragraph 2.1 Page 9)
Non maintenance of prescribed accounting formats

SL. No.	Name of Unit	Period of audit	Name of formats not prepared	Outstanding from which year
1.	Nagar Nigam Satna	2003-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
2.	Nagar Nigam Sagar	2003-05	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
3.	Nagar Nigam Burhanpur	2003-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
4.	Nagar Nigam Katni	2002-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
5.	Nagar Nigam Jabalpur	2002-05	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
6.	Nagar Nigam Khandwa	2003-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
7.	Nagar Nigam Dewas	2003-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
8.	Nagar Nigam Gwalior	2003-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
9.	Nagar Nigam Ujjain	2002-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
10.	Nagar Nigam Rewa	2001-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
11.	Nagar Nigam Bhopal	2002-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
12.	Nagar Nigam Indore	2003-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02
13.	Nagar Nigam Ratlam	2003-04	Receipts and Payments A/c, Income and Expenditure A/c, Balance Sheet, Budget	2001-02

Appendix - VI
(Reference: Paragraph 2.2 Page 9)
Discrepancy between Cash book and Pass book

SL. No.	Name of Units	Period of Audit	Amount as per Cash book (in Rs.)	Amount as per Passbook/Bank Statement (in Rs.)	Net Balances remains unreconciled (in Rs.)
1.	Nagar Nigam Satna	1/4/2003 31/3/2004	53,78,925.36	90,44,856.64	3665931.28
2.	Nagar Nigam Burhanpur	1/4/2002 31/3/2003	2416030.37	6228717.47	3812687.10
3.	Nagar Nigam Burhanpur	1/4/2003 31/3/2004	6921908.52	6974009.65	52101.13
4.	Nagar Nigam Katni	2001-02 2002-03 2003-04	17357099.84 21941023.26 18820002.62	23305167.44 29372330.87 21300728.50	5948067.60 7431307.61 2480725.88
5.	Nagar Nigam Jabalpur	2002-03	13989333.75	10969826.00	3019507.75
6.	Nagar Nigam Dewas	2003-04	1952735.21	1983926.96	31191.75
7.	Nagar Nigam Ujjain	2003-04	327961.00	703884.00	375923.00
8.	Nagar Nigam Khandwa	2001-03	6927152.28	2229425.50	4697726.78
9.	Nagar Nigam Rewa	2001-04	256232.81	814899.87	558667.06
10.	Nagar Nigam Ratlam	2003-04	--	17296524.43 4620829.81	17296524.43 4620829.81
11.	Nagar Palika Dabra	2004-05	3286207.90	4452816.26	1166608.36
12.	Nagar Palika Dhanpuri	2001-04	9941369.00	9075917.59	865451.41
13.	Nagar Palika Betul	2001-04	9621593.00	9709333.00	87740.00
14.	Nagar Palika Beora	2001-04	1280011.73	1644124.45	364112.72
	Total				5,64,75,103.67

Appendix - VII
(Reference: Paragraph 2.3 Page 9)
Details of amount of advances recoverable from individuals
(Rupees in lakh)

Sl. No.	Name of Unit	Period of Audit	Amount	Period from which outstanding
1.	Nagar Nigam Ujjain	2002-04	66.47	2000-04
2.	Nagar Nigam Indore	2003-04	514.22	2003-04
3.	Nagar Nigam Dewas	2003-04	73.19	2000-03
4.	Nagar Nigam Katni	2002-04	4.28	1993-04
5.	Nagar Nigam Khandwa	2003-04	29.41	1958-04
6.	Nagar Nigam Burhanpur	2003-04	4.42	1995-04
7.	Nagar Nigam Rewa	2001-04	100.71	2000-04
8.	Nagar Nigam Sagar	2003-04	83.89	2001-04
9.	Nagar Nigam Jabalpur	2003-05	22.90	2003-05
10.	Nagar Palika Dabra	2004-05	5.66	1965-04
11.	Nagar Palika Jabra	2002-05	86.64	2002
12.	Nagar Palika Beora	2001-04	1.13	2001-04
13.	Nagar Palika Khargon	2002-05	16.14	2000-03
14.	Nagar Palika Sanabad	2002-05	11.88	1995-04
15.	Nagar Palika Pandurna	2001-03	1.61	1995-03
16.	Nagar Palika Sendhwa	2002-05	17.08	1992-04
17.	Nagar Palika Nimach	2002-05	21.63	1983-04
18.	Nagar Palika Umariya	2001-04	1.97	1991-2000
19.	Nagar Palika Chindwara	2001-03	20.25	1972-03
	Total		1083.48	

Appendix – VIII
(Reference: Paragraph 2.4 Page 10)
Diversion of Funds

(Rupees in lakh)

Name of unit	Period	Scheme for which grant was released,	Scheme for which grant was diverted	Amount
1. Nagar Nigam Satna	4/03 to 3/04	Solid waste Management	Traffic Signal	12.00
2. Nagar Nigam Jabalpur	4/03 to 3/05	Fire Project	Computer software	1.05
3. Nagar Nigam Ratlam	4/03 to 3/04	XI th Finance	Labour charges	7.48
4. Nagar Palika Vidisha	2001- 2004	Bus stand	To meet out the Borrowed funds	100.00
5. Nagar Palika Datia	2002- 2004	Maintenance of road	Pay & allowances	10.62
6. Nagar Palika Shahdol	2000- 2003	Maintenance of road	Electricity & water Charges	4.01
7. Nagar Palika Betul	2001 -2004	Maintenance of road	Digging of well	3.00
8. Nagar Panchayat Kothi	2001- 2004	Maintenance of road	Parshad Allowances	5.93
	Total			144.09

Appendix – IX
(Reference: Paragraph 2.5 Page 10)
Non utilisation of Grant within stipulated period

(Rupees in lakh)

SL. No.	Name of Unit	Period of audit	Purpose	Period From which outstanding	Amount outstanding
1.	Nagar Nigam Ujjain	2001-2004	Const. of Pump house. Water tank and underground Sump well	Jan- 03	23.84
2.	Nagar Palika Vidisha	2001-04	Specific Purposes	99 to 2003-04	69.00
			Member of parliament fund		27.38
			Vidhayak Fund		03.72
			Water Crisis		0.99
			XI th Finance Commission		14.23
			Commercialisation of Unclean Occupation		0.25
			Development of S.C.		07.82
			Slum area		09.61
			Swarn Jyanti		01.85
3.	Nagar Palika Amla	2001-04	TFC/SFC	2000-03	34.26
4.	Nagar Palika Mandla	2001-04	I.D.S.M.T	1999-03	82.36
5.	Nagar Palika Shahdol	2000-03	Rain Basera in Slum area	1993-94	0.60
			Rain Basera in Slum area	1995-96	0.60
6.	Nagar Palika Betul	2001-02	Fire Brigade	2001-04	5.88
7.	Nagar Palika Raheli	2001-03	State Finance Commission	2001-02	1.35
			Road Maintenance	2001-02	3.85
			State Finance Commission	2001-02	1.35
			Water Charges	2001-02	8.47
			XI th Finance	2001-02	3.24
			Road Maintenance	2001-02	2.88
			State Finance Commission	2001-02	2.51
			Fundamental amenities	2001-02	3.78
			XI th Finance	2001-02	2.34
8.	Nagar Palika Balaghat	2001-03	Harigan Visheshank		0.60
			Janbhadari		3.02
			Slum area		1.10
				Total	316.88

Appendix - X
(Reference: Paragraph 2.6 Page 10)
Statement of arrears of Taxes not recovered

(Rupees in lakh)

Sl. No.	Name of Unit	Period of audit	Total cumulative demand	Total collection	Total un-recovered amount
1.	Nagar Nigam Ujjain	(02-04)	2953.75	608.19	2345.56
2.	Nagar Nigam Indore	(03-04)	23083.53	5362.00	17721.53
3.	Nagar Nigam Santa	(03-04)	853.99	106.96	747.03
4.	Nagar Nigam Sagar	(03-04)	95.61	17.42	78.19
5.	Nagar Nigam Dewas	(03-04)	664.83	200.49	464.34
6.	Nagar Nigam Katni	(02-04)	502.11	210.70	291.41
7.	Nagar Nigam Rewa	(01-04)	546.26	66.61	479.65
8.	Nagar Nigam Gwalior	(03-04)	2197.35	463.45	1733.90
9.	Nagar Nigam Jabalpur	(03-05)	3104.98	--	3104.98
10.	Nagar Nigam Bhopal	(04-06)	3771.54	1473.83	2297.71
11.	Nagar Nigam Ratlam	(03-04)	729.32	158.42	570.90
12.	Nagar Palika Chanderi	(03-05)	47.73	6.64	41.09
13.	Nagar Palika Badwah	(01-03)	32.80	21.68	11.12
14.	Nagar Palika Nowgong	(01-04)	30.02	14.14	15.88
15.	Nagar Palika Dabra	(03-04)	118.03	28.24	89.79
16.	Nagar Palika Jawara	(02-05)	59.52	35.89	23.63
17.	Nagar Palika Astha	(01-03)	52.35	32.12	20.23
18.	Nagar Palika Biowara	(01-04)	69.92	15.01	54.91
19.	Nagar Palika Khargon	(02-05)	112.21	73.33	38.88
20.	Nagar Palika Sanavad	(02-05)	30.21	25.83	4.38
21.	Nagar Palika Itarsi	(01-03)	154.33	55.90	98.43
22.	Nagar Palika Shendhwa	(02-05)	65.47	26.29	39.18
23.	Nagar Palika Mandla	(01-04)	101.10	46.50	54.60
24.	Nagar Palika Dabra	(04-05)	124.25	28.60	95.65
25.	Nagar Palika Sehora	(01-04)	28.07	14.45	13.62
26.	Nagar Palika Aamla	(01-04)	14.37	11.10	3.27
27.	Nagar Palika Nimach	(02-05)	342.08	127.31	214.77
28.	Nagar Palika Hata	(01-04)	48.25	13.62	34.63
29.	Nagar Palika Badnagar	(01-04)	57.38	24.65	32.73
30.	Nagar Palika Chindwara	(01-03)	57.25	28.10	29.15
31.	Nagar Palika Shepurkala	(01-03)	107.60	26.99	80.61
32.	Nagar Palika Gohad	(2000-03)	35.99	2.12	33.87
	Total		40192.20	9326.58	30865.62

Appendix – XI
(Reference: Paragraph 2.7 Page 10)
Deduction of GPF not deposited in prescribed Head

(Rupees in lakh)

SL. No.	Name of Unit	Period of which fund not deposited	Amount
1.	Nagar Nigam Jabalpur	1/1/96 to 31/3/99	648.90
2.	Nagar Nigam Ratlam	6/97 to 4/2000	17.60
3.	Nagar Nigam Katni	2001-04	194.44
4.	Nagar Nigam Burhanpur	83/84 to 99/2000	716.00
5.	Nagar Nigam Dewas	03-04	97.00
6.	Nagar Nigam Khandwa	02-03	1.48
6. (a)	Nagar Nigam Khandwa	03-04	4.00
7.	Nagar Nigam Gwalior	01-03	241.25
8.	Nagar Palika Harda	02-03	0.32
9.	Nagar Palika Balaghat	upto 12/1999	16.28
10.	Nagar Palika Sironj	02-04	10.73
11.	Nagar Palika Chindwara	01-03	39.24
12.	Nagar Palika Chanderi	03-05	15.00
13.	Nagar Panchayat Kari (Tikamgarh)	01-03	3.82
14.	Nagar Panchayat Narvar (Shivpuri)	03-04	9.23
15.	Nagar Panchayat Bhandar (Gwalior)	02-04	3.03
16.	Nagar Panchayat Tarana (Ujjain)	01-02 to 03-04	3.98
17.	Nagar Panchayat Badarwas (Shivpuri)	01-02 to 03-04	11.50
18.	Nagar Panchayat Rahatgarh (Sagar)	02-03 to 03-04	24.00
		Total	2057.80

Appendix – XII
(Reference: Paragraph 2.8 Page 11)
Non depositing of amount in Sanchit Nidhi (Consolidated fund)

(Rupees in lakh)

Sl. No.	Name of Unit	Year	Outstanding Amount	
			2003-04	2004-05
1.	Nagar Nigam Khandwa	2001-02 to 02-03	8.58	
2.	Nagar Nigam Indore	2003-04	822.29	
3.	Nagar Palika Shajapur	2002-04	21.45	
4.	Nagar Palika Nowgaon	2001-04	18.20	
5.	Nagar Palika Dabra	2003-04	15.18	
	Nagar Palika Dabra	2004-05	91.73	
6.	Nagar Palika Raghogarh	2003-04	11.15	
7.	Nagar Palika Sihora	2001-03	2.84	
8.	Nagar Palika Biaora	2001-04	17.03	
9	Nagar Panchayat Pichor	2003-04	15.16	
10.	Nagar Palika Sironj	2002-04	3.84	
11.	Nagar Palika Sanabad	2002-05	3.34	12.73
12.	Nagar Palika Khargoan	2002-05	11.92	13.00
13.	Nagar Nigam Ujjain	2004-06	564.54	528.37
		Total	1607.25	554.10

Grand Total = 2161.35

Appendix - XIII

(Reference: Paragraph 2.9 page 11)

Expenditure incurred in without approval of Budget

(Rupees in crore)

Sl. No.	Name of the Unit	Period of AIR	Amount
1.	Janpad Panchayat Prathvipur	2002-05	1.94
2.	Janpad Panchayat Rampur Baghelan (Satna)	2001-05	3.03
		Total	4.97

Appendix - XIV

(Reference: Paragraph 2.10 page 11)

Expenditure incurred in excess of budget allocation

(Rupees in lakh)

Sl. No.	Name of the Unit	Period of AIR	Amount
1.	Janpad Panchayat Fanda (Bhopal)	2004-06	12.90
2.	Janpad Panchayat Ishagarh (Ashok Nagar)	2001-05	12.19
3.	Janpad Panchayat Mawai (Mandla)	1998-04	11.36
		Total	36.45

Appendix - XV

(Reference: Paragraph 2.13 page 12)

Non reconciliation of balances of cash book and bank pass book

(Rupees in lakh)

Sl. No.	Name of the Unit	Period of AIR	Amount
1.	Janpad Panchayat Katangi (Balaghat)	2000-05	11.98
2.	Janpad Panchayat Bhitawar (Gwalior)	2001-04	49.38
3.	Janpad Panchayat Baldevgarh (Tikamgarh)	2001-04	7.74
4.	Janpad Panchayat Rampur Baghelan (Satna)	2001-04	22.00
5.	Janpad Panchayat Laundi (Chatarpur)	2001-05	13.04
6.	Janpad Panchayat Tamiya (Chhindwara)	2003-06	19.20
7.	Janpad Panchayat Raheli (Sagar)	2001-05	1.25
8.	Janpad Panchayat Kundam	2002-05	18.82
9.	Janpad Panchayat Kukchi (Dhar)	2001-05	0.12
10.	Janpad Panchayat Sailana (Ratlam)	2001-05	22.46
11.	Janpad Panchayat Bhikangaon (Khargaon)	2000-05	1.35
12.	Janpad Panchayat Manabar (Dhar)	2002-06	15.93
13.	Zilla Panchayat Sheopur	2004-05	85.26
14.	Zilla Panchayat Vidisha	2004-05	192.82
15.	Zilla Panchayat Satna	2004-06	62.29
16.	Zilla Panchayat Chhindwara	2003-06	132.68
17.	Gram Panchayat Bamhory (Tikamgarh)	2001-05	0.02
18.	Gram Panchayat Chaitpura (Tikamgarh)	2001-05	0.12
19.	Gram Panchayat Ranipura (Tikamgarh)	2001-05	0.69
20.	Gram Panchayat Mohangard (Tikamgarh)	2001-05	0.16
21.	Gram Panchayat Malpitha (Tikamgarh)	2001-05	0.24
22.	Gram Panchayat Khajurinag (Mandsor)	2001-05	0.45
		Total	6.58 crore

Appendix - XVI

(Reference: Paragraph 2.14 page 12)

Non-surrender of unspent balances of inactive schemes

(Rupees in lakh)

Sl. No.	Name of the Unit	Period of AIR	No. of Schemes	Amount
1.	Zill Panchayat Sheopur	2004-05	3	83.98
2.	Janpad Panchayat Panagar (JBP)	2001-04	5	8.93
3.	Janpad Panchayat Shahpura (Dindori)	2002-05	7	11.54
4.	Janpad Panchayat Kushmi (Sidhi)	2000-06	4	10.03
5.	Janpad Panchayat Majholi (JBP)	2004-06	6	2.72
			Total	117.20

Appendix - XVII

(Reference: Paragraph 2.15 page 12)

Outstanding advances against individuals/work agency

(Rupees in lakh)

Sl. No.	Name of the Unit	Period of AIR	Amount
1.	Zilla Panchayat Chhindwara	2003-06	23.57
2.	Janpad Panchayat Rajgard	2001-04	1.05
3.	Janpad Panchayat Palera	2001-04	0.99
4.	Janpad Panchayat Sehora (Jabalpur)	2001-04	1.36
5.	Janpad Panchayat Badamalhara (Chhatarpur)	2001-04	1.79
6.	Janpad Panchayat Shivpuri	2001-04	0.10
7.	Janpad Panchayat Hoshangabad	2001-04	2.00
8.	Janpad Panchayat Panagar (Jabalpur)	2001-04	1.77
9.	Janpad Panchayat Bajag (Dindori)	2001-04	0.99
10.	Janpad Panchayat Pusprajgarh (Anuppur)	2002-04	0.50
11.	Janpad Panchayat Sohagpur (Shahdol)	2003-04	1.47
12.	Janpad Panchayat Gotegaon (Narsinghpur)	2002-04	1.07
13.	Janpad Panchayat Betul	2003-05	2.82
14.	Janpad Panchayat Bawai (Hosangabad)	2001-05	3.14
15.	Janpad Panchayat Seoni Malwa (Hosangabad)	2003-05	5.13
16.	Janpad Panchayat Depalpur (Indore)	2002-04	3.38
17.	Janpad Panchayat Vidisha	2001-05	1.77
18.	Janpad Panchayat Punasa (Khandwa)	2002-04	1.14
19.	Janpad Panchayat Mandsour	2002-04	4.33
20.	Janpad Panchayat Kushmi (Sidhi)	2000-06	13.94
21.	Janpad Panchayat Gunnor (Panna)	2002-05	0.71
22.	Janpad Panchayat Rampur Baghelan (Satna)	2001-05	1.08
23.	Janpad Panchayat Tamiya (Chhindwara)	2003-06	7.28
24.	Janpad Panchayat Sailana (Ratlam)	2002-05	8.75
25.	Janpad Panchayat Bhikangaon	2002-05	2.48
26.	Gram Panchayat Sund (Satna)	2001-05	0.53
27.	Gram Panchayat Nabalpur (Sagar)	2001-05	0.29
		Total	93.43

Appendix - XVIII

(Reference: Paragraph 2.16 page 12)

Excess expenditure not regularised

(Rupees in crore)

Sl. No.	Name of the Unit	Period of AIR	Amount
1.	Zilla Panchayat Shivpuri	2004-05	1.12
2.	Zilla Panchayat Shahdol	2003-06	3.10
3.	Zilla Panchayat Ujjain	2003-06	1.53
		Total	5.75

Appendix - XIX
(Reference: Paragraph 2.17 page 13)
Incomplete works

(Rupees in crore)

Sl. No.	Name of the Unit	Period of AIR	Amount
1.	Zilla Panchayat Sheopur	2004-05	0.24
2.	Zilla Panchayat Katni	2004-06	1.54
3.	Zilla Panchayat Ujjain	2003-06	0.61
4.	Zilla Panchayat Sagar	2004-06	0.73
5.	Zilla Panchayat Rewa	2002-06	3.57
6.	Zilla Panchayat Shahdol	2003-06	27.62
7.	Janpad Panchayat Multai (Betul)	2004-05	0.34
8.	Janpad Panchayat Ratlam	2002-04	0.05
9.	Janpad Panchayat Prabhatpattan (Betul)	2001-06	0.10
10.	Janpad Panchayat Nagod (Satna)	2002-05	0.10
11.	Janpad Panchayat Majholis (Jabalpur)	2004-06	0.06
12.	Janpad Panchayat Dabra (Gwalior)	2003-05	0.12
13.	Janpad Panchayat Katangi (Balaghat)	2000-05	0.22
14.	Janpad Panchayat Baraseoni (Balaghat)	2002-05	0.54
15.	Janpad Panchayat Depalpur (Indore)	2002-04	0.07
16.	Janpad Panchayat Khaniyadhana	2004-06	0.73
17.	Janpad Panchayat Vidisha	2001-04	0.01
18.	Janpad Panchayat Bhagvanpura (Khargaon)	2001-06	0.22
19.	Janpad Panchayat Kirnapur (Balaghat)	2005-06	0.31
20.	Janpad Panchayat Kusmi (Sidhi)	2000-06	0.24
21.	Janpad Panchayat Baidhan (Sidhi)	2004-06	0.43
22.	Janpad Panchayat Datia	2001-03	0.03
23.	Janpad Panchayat Sidhi	2002-06	0.58
24.	Janpad Panchayat Baldevgard (Tikamgarh)	2002-04	0.06
25.	Janpad Panchayat Gunor (Panna)	2002-05	0.13
26.	Janpad Panchayat Londi (Chhatarpur)	2001-05	0.07
27.	Janpad Panchayat Tamiya (Chhindwara)	2003-06	0.38

28.	Janpad Panchayat Raheli (Sagar)	2001-05	0.35
29.	Janpad Panchayat Sailana (Ratlam)	2001-05	0.03
30.	Janpad Panchayat Bhikamgaom (Khargoan)	2002-05	0.11
32.	Janpad Panchayat Mandsour	2002-06	0.21
33.	Janpad Panchayat Shahpura (Dindori)	2002-05	0.02
34.	Janpad Panchayat Ishagarh (Asholnagar)	2001-05	0.11
35.	Janpad Panchayat Rampur baghelan (Satna)	2001-05	0.28
36.	Janpad Panchayat Nagod (Satna)	2001-05	0.26
37.	Janpad Panchayat Ratlam	2001-04	0.05
38.	Janpad Panchayat Prabhatpattan (betul)	2001-06	0.10
		Total	40.62

Appendix - XX

(Reference: Paragraph 2.18 page 13)

Pending Utilisation Certificate

(Rupees in crore)

Sl. No.	Name of the Unit	Period of AIR	Amount
1.	Zilla Panchayat Ujjain	2004-06	12.35
2.	Zilla Panchayat Raisen	2004-05	9.80
3.	Zilla Panchayat Harda	2005-06	10.73
4.	Zilla Panchayat Rewa	2002-06	9.61
5.	Zilla Panchayat Chhindwara	2003-06	29.89
6.	Zilla Panchayat Shahdol	2003-06	25.97
7.	Zilla Panchayat Sagar	2000-06	2.57
		Total	100.92
8.	Janpad Panchayat Shivpuri	2001-04	0.02
9.	Janpad Panchayat Tarana	2002-04	0.03
10.	Janpad Panchayat Pipariya (Hosanagaba)	2001-04	0.08
11.	Janpad Panchayat Multai (Betul)	2004-05	0.01
12.	Janpad Panchayat Rewa	2002-04	0.06
13.	Janpad Panchayat Betul	2003-05	0.22
14.	Janpad Panchayat Babai	2001-05	0.49
15.	Janpad Panchayat Seoni Malwal (Hosangabad)	2003-05	0.08
16.	Janpad Panchayat Badan	2004-06	1.44
17.	Janpad Panchayat Laudi (Chhatarpur)	2002-05	0.02
18.	Janpad Panchayat Tamiya (Chhindwara)	2003-06	0.24
19.	Janpad Panchayat Sailana (Ratlam)	2001-05	0.02
20.	Janpad Panchayat Manawar (Dhar)	2002-06	0.34
		Total	3.05
21.	Gram Panchayat Deore (Jabalpur)	2004-06	0.01
22.	Gram Panchayat Bargawan (Jablpur)	2004-06	0.01
23.	Gram Panchayat Kanpa (Jablpur)	2004-06	0.01
		Total	0.03

Appendix - XXI
(Reference: Paragraph 3.1.6 Page 18)
Details of test-checked units

Sl. No.	Name of district	No. of blocks	No. of GPs	No. of PTAs	No. of NGOs/RSMs
1.	Bhopal	1	2	5	1
2.	Gwalior	2	1	--	--
3.	Jabalpur	2	9	--	--
4.	Jhabua	6	4	17	--
5.	Narsinghpur	2	15	--	--
6.	Sagar	10	13	35	2
7.	Seoni	2	26	--	--
	7	25	70	57	3

Appendix – XXII

(Reference: Paragraph 3.1.7 Page 19)

TSC- Component-wise earmarking and funding pattern

S.N.	Component	Amount earmarked as percent of the project outlay	Contribution percent		
			GOI	State	Household/Community
a.	Start-up Activities (Preliminary Surveys, Publicity etc.)	Less than 5% (subject to a ceiling of Rs. 20 lakh per district)	100	0	0
b.	IEC, Including Motivational Awareness and Educative Campaigns, Advocacy etc.	More than 15%	80	20	0
c.	Alternate Delivery Mechanism (PCs/RSMs)	More than 5% (Subject to a maximum of Rs. 35 lakh per district)	80	20	0
d.	(i) Individual Latrines for BPL/ disabled house holds (ii) Community Sanitary Complexes	Less than 60% (Subject to para 9 (d) of the Guidelines)	60	20	20
e.	Individual house hold Latrines for APL	Nil	0	0	100
f.	School Sanitation Including Anganwadis (Hardware and Support Services)	More than 10%	60	30	10
g.	Administrative charges, including training, staff, support services, Monitoring & Evaluation etc.	Less than 5% (subject to a ceiling of Rs. 40 lakh per district)	80	20	0

Appendix - XXIII

(Reference: Paragraph 3.1.7.7 & 3.1.7.10 Page 22 & 23)

Statement showing the details of Unadjusted advances

Name of district test checked	Name of institutions/ persons to whom advances were sanctioned	Amount of Advances (in Rupees)			Period of sanction of advance	Object of Advance	Amount of advance adjusted	Period of pending adjustment up to 9/06
		CEO/AE	Other	Total				
1	2	3	4	5	6	7	8	9
Bhopal	S. K. Gupta (AE)	--	15750	15750	9/2003	For Work Shop	Nil	36 month
	R.C. Gupta (CEO)	--	12000	12000	9/2003	For Work Shop	Nil	36 month
	(CEO) Janpad Fanda	90950	--	90950	9/2003	B.L.S.	Nil	36 month
	(CEO) Janpad Berasia	110184	--	110184	9/2003	B.L.S.	Nil	36 month
	(CEO) Janpad Fanda	2446950	--	2446950	11/03 to 4/05	Latrines construction	Nil	17 month
	(CEO) Berasia	2314184	--	2314184	11/03 to 4/05	Latrines construction	Nil	17 month
	Total (Bhopal)	4962268	27750	4990018				
	Gwalior	R.K. Gupta (CEO) Ghatigoan	--	2000	2000	12/2001	Latrines/Sanitary Complex Const.	Nil
B.S. Jatav (CEO) Ghatigoan		--	5000	5000	4/2002	Latrines/Sanitary Complex Const.	Nil	53 month
B.S. Jatav (CEO) Ghatigoan		--	5000	5000	12/2002	Latrines/Sanitary Complex Const.	Nil	45 month

1	2	3	4	5	6	7	8	9
	M. P. Jain (CEO) Bhitarwar	--	5000	5000	12/2002	Latrines/Sanitary Complex Const.	Nil	45 month
	D. S. Sharma (CEO) Morar	--	5000	5000	12/2002	Latrines/Sanitary Complex Const.	Nil	45 month
	B. S. Hunsh Dabra	--	5000	5000	4/2002	Latrines/Sanitary Complex Const.	Nil	53 month
	Rajeev Suhkla Dabra	--	5000	5000	12/2002	Latrines/Sanitary Complex Const.	Nil	45 month
	Sahara Woman S.H.G. Ramgarh	--	50000	50000	7/2003	Establishment of RSM	Nil	38 month
Gwalior	G.R. Sharma S.H.G. Bhitarwar	--	14000	14000	3/2004	Establishment of RSM	Nil	30 month
	B.T.I. Bhitarwar	--	10000	10000	11/2003	Latrines/Sanitary Complex Const.	Nil	34 month
	Mukash Sharma	--	15000	15000	8/2005	Latrines/Sanitary Complex Const.	Nil	13 month
	Mukesh Sharma	--	25000	25000	9/2005	Latrines/Sanitary Complex Const.	Nil	12 month
	Mukesh Sharma	--	10000	10000	5/2006	Latrines/Sanitary Complex Const.	Nil	4 month
	K.G. Saxena	--	5000	5000	1/2006	Latrines/Sanitary Complex Const.	Nil	8 month

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1	2	3	4	5	6	7	8	9
	Ashok Shrivastava	--	10000	10000	8/2005	Latrines/Sanitary Complex Const.	Nil	13 month
	B.K. Sagar	--	2000	2000	8/2005	Latrines/Sanitary Complex Const.	Nil	13 month
	Sanjay Gupta	--	5000	5000	5/2002	IEC Activities	Nil	52 month
	M.P. Agro. Devp. C. ltd. Bhopal	--	16000	16000	5/2002	Biogass Traning	Nil	52 month
	G. S. Agarwal AE, PHE, Gwl.	--	19523	19523	12/2001	For TSC	Nil	57 month
	U.C. Goyal (W.D.T.)	--	35000	35000	12/2001	For TSC	Nil	57 month
	P.S. Thakur	--	10000	10000	2/2002	For TSC	Nil	55 month
	Officer Saingit Minch Gw.	--	25000	25000	2/2002	IEC Activities	Nil	55 month
	CEO, B.G. Murar	5131500	--	5131500	2001-02 to 2004-05	Construction of B.P.L. and Latrines School	Nil	18 month
	CEO, B.G. Ghatigoam	4881455	--	4881455	2001-02 to 2004-05	Construction of B.P.L. and Latrines School	Nil	18 month
	CEO, B.G. Dabra	4354500	--	4354500	2001-02 to 2004-05	Construction of B.P.L. and Latrines School	Nil	18 month

1	2	3	4	5	6	7	8	9
	CEO, B.G. Bhitbar	4010500	--	4010500	2001-02 to 2004-05	Construction of B.P.L. and Latrines School	Nil	18 month
	Total - (Gwalior)	18377955	283523	18661478				
Jabalpur	AE, PHE. Jabalpur	50000	--	50000	5/2006	For Work Shop	Nil	4 month
	AE, PHE, Jabalpur	15000	--	15000	12/2003	Work Shop and Survey	Nil	33 month
	Kundam	10000	--	10000	12/2003	Construction of Latrines	Nil	33 month
	Patan	159000	--	159000	12/2003	Construction of Latrines	Nil	33 month
	Sehora	16000	--	16000	12/2003	Construction of Latrines	Nil	33 month
	Majholli	260000	--	260000	12/2003	Construction of Latrines	Nil	33 month
	Total (Jabalpur)	510000	--	510000				
Jhabua	PTA's	--	1800000	1800000	2/2004	Construction of School Latrines	Nil	31 month
	PTA's	--	79000	79000	6/2004	Construction of School Latrines	Nil	27 month

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1	2	3	4	5	6	7	8	9
	PTA's	--	108000	108000	7/2004	Construction of School Latrines	Nil	26 month
	PTA's	--	261000	261000	9/2004	Construction of School Latrines	Nil	24 month
	PTA's	--	3150000	3150000	10/2004	Construction of School Latrines	Nil	23 month
	PTA's	--	675000	675000	12/2004	Construction of School Latrines	Nil	21 month
	PTA's	--	3150000	3150000	1/2005	Construction of School Latrines	Nil	20 month
	CEO Ranapur	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month
	CEO Sondwa	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month
	CEO Alirajpur	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month
	CEO Katthiwada	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month
	CEO Jobat	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month
	CEO Udaigarh	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month
	CEO Bhabra	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month
	CEO Rama	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month
	CEO Jhabua	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month
	CEO Meghnagar	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month

1	2	3	4	5	6	7	8	9
	CEO Thandla	500000	--	500000	10/2004	Individuals Latrines	Nil	23 month
	CEO Petlawad	1000000	--	1000000	10/2004	Individuals Latrines	Nil	23 month
	220 Anganwadies	--	990000	990000	4/2005	Construction of Latrines in Anganwadies	Nil	17 month
	M.P. G.V.A. Indore	--	5000000	5000000	12/03	IEC Activities	Nil	33 month
	Total (Jhabua)	6500000	15213000	21713000				
N. Pur	Shri K.K. Shrivastava	--	5000	5000	3/2004	Tour Advance	Nil	30 month
	Shri A.K. Khare	--	3000	3000	6/2004	Tour Advance	Nil	27 month
	Shri Sazed Khan	--	3000	3000	6/2004	Tour Advance	Nil	27 month
	AE, PHE Sub. Dr of Distt.	9743000	--	9743000	2002-03 to 05-06	Construction of Latrines	Nil	6 month
	Total (Narsinghpur)	9743000	11000	9754000				6 month
Sagar	JP, Sagar	4205000	--	4205000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month
	JP, Rahli	5580000	--	5580000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month

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1	2	3	4	5	6	7	8	9
	JP, Banda	4110000	--	4110000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month
	JP, Shahgarh	3050000	--	3050000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month
	JP, Deori	3430000	--	3430000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month
	JP, Kesali	3440000	--	3440000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month
	JP, Rahatgarh	2825000	--	2825000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month
	JP, Jaisinagar	2630000	--	2630000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month
	JP, Khurai	3035000	--	3035000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month

1	2	3	4	5	6	7	8	9
	JP, Bina	2100000	--	2100000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month
	JP, Malthon	2010000	--	2010000	5/2005	IEC Activities and Construction of Latrines	Nil	16 month
	Total (Sagar)	36415000	--	36415000				
Seoni	All Palak Shikshak Sansh Distt. Seone (P.T.A)	--	7829000	7829000	2002-03 to 05-06	School Latrines construction	Nil	6 month
	CEO Seoni	3695750	--	3695750	24/3/06	School Latrines construction	Nil	6 month
	CEO Kurai	1573550	--	1573550	24/3/06	School Latrines construction	Nil	6 month
	CEO Keblari	1104800	--	1104800	24/3/06	School Latrines construction	Nil	6 month
	CEO Barghat	4049100	--	4049100	24/3/06	School Latrines construction	Nil	6 month
	CEO Ghansore	2020000	--	2020000	24/3/06	School Latrines construction	Nil	6 month
	CEO Chhapara	985200	--	985200	24/3/06	School Latrines construction	Nil	6 month

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1	2	3	4	5	6	7	8	9
	CEO Lakhnadon	955000	--	955000	24/3/06	School construction Latrines	Nil	6 month
	CEO Dhanora	2758000	--	2758000	24/3/06	School construction Latrines	Nil	6 month
	Total (Seoni)	17141400	7829000	24970400				
	Grand Total	9,36,49,623	2,33,64,273	11,70,13,896				

Appendix - XXIV

(Reference: Paragraph 3.1.8 Page 23)

Details of the year wise no. of projects sanctioned, their estimated cost and no. of projects completed etc.

S. No.	Year of sanction (Progressive)	No. of projects sanctioned	Estimated cost of projects sanctioned (Rs. in crore)	Stipulated Year of completion of the project	No. of project completed (as on September 2006)
1	2	3	4	5	6
1.	99-2000	NIL	NIL	NIL	NIL
2.	2000-01	5	39.01	2003-04	NIL
3.	2001-02	1	11.12	2004-05	NIL
4.	2002-03	9	76.94	2005-06	NIL
5.	2003-04	31	284.03	2006-07	NIL
6.	2004-05	2	11.45	2007-08	NIL
	Total	48	422.55		

Appendix – XXV

(Reference: Paragraph 3.1.11.1 and 3.1.15.2 Page 30 & 33)

Details of complexes, school latrines approved for construction and actual achievement

S. No.	Name	Year of sanction	Year of completion	To be Constructed		Month of MPR	Actually completed		Shortfall with percentages	
				Complexes	Schools Latrines		Complexes	School Latrines	Complexes	School Latrines
1	2	3	4	5	6	7	8	9	10	(6 - 9) 11
1.	Bhopal	2002-03	2005-06	--	361	9/06	--	112	--	249 (69%)
2.	Gwalior	2000-01	2003-04	13	990	8/06	12	637	1 (8%)	353 (36%)
3.	Jabalpur	2003-04	2006-07	44	1387	9/06	23	1055	21 (48%)	332 (24%)
4.	Jhabua	2003-04	2006-07	5	2000	10/06	04	1336	1 (20%)	664 (33%)
5.	Narsinghpur	2000-01	2003-04	31	993	10/06	34	850	(-) 3	143 (14%)
6.	Sagar	2003-04	2006-07	22	1599	11/06	02	737	20 (91%)	862 (54%)
7.	Seoni	2003-04	2006-07	--	1493	10/06	--	1102	--	391 (26%)
				115			75		40	

Appendix - XXVI

(Reference: Paragraph 3.1.14 Page 33)

Statement showing the details of work executed in excess of approval

(As per Monthly Progress – 9/06 Provided by PD (TSC) Bhopal)

(Rupees in lakh)

Distts	Sanitary Complexes (Estimated cost: Rs.2.00 lakh)				School Latrines (Estimated cost: Rs. 0.20 lakh)				Anganwadi Latrines (Estimated cost: Rs. 0.05 lakh)				RSMs (Estimated cost: Rs.3.50 lakh)				PCs (Estimated cost: Rs.3.50 lakh)				Total	
	*APP	*Achi.	Exc.	Amt.	*APP	*Achi.	Exc.	Amt.	*APP	*Achi.	Exc.s	Amt.	*APP	*Achi.	Exc.	Amt.	*APP	*Achi.	Exc.	Amt.	Exc.	*Est. Cost
(1) Bhopal	0	1	01	2.00	--	--	--	--	--	--	--	--	02	04	2	7.00	0	1	1	3.50	04	12.50
(2) Raisen	--	--	--	--	985	1076	91	18.20	--	--	--	--	--	--	--	--	0	1	1	3.50	92	21.70
(3) Sehore	--	--	--	--	--	--	--	--	0	572	572	28.60	--	--	--	--	--	--	--	--	572	28.60
(4) Rajgarh	--	--	--	--	--	--	--	--	--	--	--	--	10	33	23	80.50	--	--	--	--	23	80.50
(5) Betul	--	--	--	--	--	--	--	--	0	28	28	1.40	--	--	--	--	0	1	1	3.50	29	4.90
(6) H. bad.	--	--	--	--	--	--	--	--	0	70	70	3.50	--	--	--	--	--	--	--	--	70	3.50
(7) Harda	3	4	1	2.00	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	01	2.00
(8) Ujjain	--	--	--	--	--	--	--	--	0	2	2	0.10	5	7	2	7.00	0	7	7	24.50	11	31.60
(9) Khandwa	--	--	--	--	--	--	--	--	0	3	3	0.15	--	--	--	--	--	--	--	--	03	0.15
(10) Ratlam	--	--	--	--	--	--	--	--	--	--	--	--	5	7	2	7.00	1	2	1	3.50	03	10.50
(11) Dewas	--	--	--	--	--	--	--	--	--	--	--	--	9	20	11	38.50	--	--	--	--	11	38.50
(12) S. Pur	--	--	--	--	--	--	--	--	--	--	--	--	7	9	2	7.00	--	--	--	--	02	7.00
(13) Guna	--	--	--	--	--	--	--	--	39	60	21	1.05	--	--	--	--	--	--	--	--	21	1.05
(14) Sagar	--	--	--	--	--	--	--	--	6	36	30	1.50	--	--	--	--	1	2	1	3.50	31	5.00
(15) Panna	--	--	--	--	--	--	--	--	0	50	50	2.50	--	--	--	--	--	--	--	--	50	2.50
Contd.	03	05	02	4.00	985	1076	91	18.20	45	821	776	38.80	38	80	42	147.00	02	14	12	42.00	923	250.00

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Distts	Sanitary Complexes (Estimated cost: Rs. 2.00 lakh)				School latrines (Estimated cost: Rs. 0.20 lakh)				Anganwadi Latrines (Estimated cost: Rs. 0.05 lakh)				RSMs (Estimated cost: Rs. 3.50 lakh)				PCSs (Estimated cost : (Rs. 3.50 lakh)				Total	
	*APP	*Ach.	Exc.	Amt.	*APP	*Ach.	Exc.	Amt.	*APP	*Ach.	Exc.	Amt.	*APP	*Ach.	Exc.	Amt.	*APP	*Ach.	Exc.	Amt.	Exc.	*Est. cost
(17) Tikamgarh	--	--	--	--	--	--	--	--	0	30	30	1.50	6	9	3	10.50	0	1	1	3.50	34	15.50
(18) Damoh	--	--	--	--	--	--	--	--	--	--	--	--	6	7	1	3.50	--	--	--	--	01	3.50
(19) Anuppur	11	15	4	8.00	--	--	--	--	--	--	--	--	3	4	1	3.50	--	--	--	--	05	11.50
(20) Jabalpur	--	--	--	--	--	--	--	--	0	69	69	3.45	6	13	7	24.50	--	--	--	--	76	27.95
(21) Narg. pur	--	--	--	--	--	--	--	--	0	30	30	1.50	--	--	--	--	--	--	--	--	30	1.50
(22) Balaghat	--	--	--	--	1600	1831	231	46.20	--	--	--	--	--	--	--	--	--	--	--	--	231	46.20
(23) Mandla	--	--	--	--	500	1110	610	122.00	--	--	--	--	--	--	--	--	--	--	--	--	610	122.00
(24) Dindori	--	--	--	--	--	--	--	--	--	--	--	--	6	7	1	3.50	--	--	--	--	01	3.50
(25) Seoni	--	--	--	--	--	--	--	--	0	72	72	3.60	4	22	18	63.00	--	--	--	--	90	66.60
(26) Rewa	--	--	--	--	500	801	301	60.20	--	--	--	--	--	--	--	--	--	--	--	--	301	60.20
Total = 26	14	20	06	12.00	3585	4818	1233	246.60	45	1022	977	48.85	69	142	73	255.50	02	15	13	45.50	2302	608.45

* Approved (APP) * Achieved (Ach) * Estimated (EST) * Excess (Exc.)

Appendix – XXVII

(Reference: Paragraph 5.1 page 42)

Calculation of loss of revenue as premium and rent on vacant shops

Name of work	Date of possession	No. of shops vacant	Amount of premium (in Rs.)	Amount of rent upto 2/2007 (in Rs.)
1. Shopping complex at Hospital Road	25.8.2000	33	835000	7000X78 = 546000
2. Truck terminal shopping	16.1.2004	11	792000	5500X37= 203500
3. Shops near forest office	30.4.2001	16	680000	4800X70 = 336000
4. Shops and community Hall in Khitola	15.11.2002	03	366000	1525X51 = 77775
Total		113	2673000	1163275

2673000

1163275

Grand Total = 3836275

Appendix – XXVIII

Reference: Paragraph 5.2 Page 42)

Non-recovery of Urban Development Cess

Calculation Sheet of “Urban Development Cess” from 2000-01 to 2004-05

•	Total amount of the annual rental value of the land/ building exceeding Rs.10,000 and in possession and use of owners	2.5 % of Rupees 7, 11, 70, 94, 416	Rs. 17,79,27,360
•	Total amount of the annual rental value/ annual value of land/ building exceeding Rs. 10,000	5% of Rupees 19,73,55,773	Rs. 98,67,800
	Total		Rs. 18,77,95,160

Appendix – XXIX

(Reference: Paragraph 6.2 Page 46)

Calculation Sheet of Cost of plot reserved for E.W.S. (per Sq. meter)

(in Rupees)

Sl. No.	Item of expenditure	Rate	Cost
1.	Cost of land for 7.55 Acre or 328878 sq. ft.	@ Rs. 40/ per sq. ft.	131,55,120
2.	Internal Development Cost (According to Estimate)	--	21,54,700
3.	Supervision Charges	2% of IDC	43,094
4.	External Development Cost 328878 sq. ft. or 30564.86 sq. mt.	@ Rs. 10/ per sq. mt.	305,649
5.	Total investment		156,58,563
6.	Total area of land (-) Area of roads & open land = Plot area 328878-87815 (60,350+27465) = 241063 sq. ft.		
7.	Total cost of investment per sq. mt.		
	(i) Area of plots reserved for approved layout.	191731 sq. ft. or 17818.87 sq. mt.	
	(ii) Area of plots reserved for E.W.S	<u>49332 sq. ft. or 4584.76 sq. mt.</u> 241063 sq. ft. or 22403.63 sq. mt.	
8.	Cost of plot per sq. mt. (5 ÷ 7)	Rs. 698.93 per sq. mt.	
9.	Rate of sale of plot in 2004-05	Rs. 4200/- per sq. mt.	
10.	Profit to coloniser (9 - 8)	Rs. 3501.07 per sq. mt.	
11.	Total profit to the coloniser on sale of 4584.76 sq. mt. of plots of E.W.S. @ Rs. 3501.07/- per sq. mt.	Rs. 1,60,51,566	
12.	Ashrya Fees deposited by the coloniser (-)	Rs. 4,27,653	
13.	Net profit to colonizer (10-11)	Rs. 1,56,23,913	