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PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

2. Chapters I and III of this Report contain observations arising from examination of accounts and finances of Panchayati Raj Institutions and Urban Local Bodies respectively.

3. Chapter II contains findings of performance audits of Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme and Implementation of Backward Regions Grant Fund Programme and findings emerging from transactions audits of Panchayati Raj Institutions. Chapter IV contains findings of the performance audit of Integrated Housing and Slum Development Programme and findings emerging from transactions audits of Urban Local Bodies.

4. The Report covers significant matters arising out of the compliance and performance audits of Local Bodies. The Reports containing points arising from audit of the financial transactions relating to General and Social Sector departments, Economic Sector departments, Statutory Corporations & Government Companies and Revenue Receipts are presented separately.

5. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the years 2010-12 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports. Matters relating to the period subsequent to 2010-12 have also been included wherever necessary.

OVERVIEW

This Report includes four Chapters. Chapters-I and III represent an overview of the accounts and finances of the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) respectively. Chapter-II comprises two performance audits and four audit paragraphs and Chapter-IV comprises one performance audit and four audit paragraphs arising out of the financial transactions of the PRIs and ULBs respectively.

A synopsis of important findings contained in this report is presented in this overview.

(A) Panchayati Raj Institutions

1. An Overview of Accounts and Finances of Panchayati Raj Institutions

Panchayati Raj Institutions continue to maintain the accounts in conventional formats though the State Government had accepted the simplified Accounting Formats prescribed by the Comptroller and Auditor General of India. Database on the finances of PRIs was not yet developed. There was no system of consolidation and compilation of accounts at the State level in respect of receipts and expenditure of the various tiers of PRIs. Inspite of direction of Panchayati Raj Department, five Zila Parishads (Panchayat Cell) did not transfer share of royalties on minerals of ₹ 4.85 crore to Gram Panchayats.

(Paragraphs 1.6.2 and 1.8.1)

2. Performance Audit of Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme

Performance Audit of implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in 16 districts revealed that State Government released its share with delay, there were instances of unauthorised advances to Sarpanches (₹ 40.19 lakh), excess administrative expenditure (₹ 73.59 crore), mis-classification of funds (₹ 7.34 crore), non-recovery from Post Offices (₹ 4.18 crore) and non-transfer of unspent balance of ₹ 2.33 crore of two schemes to MGNREGA. Instances of deficiencies viz. delayed/non-payment of wages to workers, infructuous expenditure (₹ 10.22 crore), unauthorised employment of ₹ 48.21 crore, expenditure of ₹ 64.68 crore on material cost beyond the prescribed limit, expenditure of ₹ 277.12 crore on incomplete works, expenditure of ₹ 30.66 crore on non-permissible works and purchase of material without adherence to financial provisions (₹ 20.79 crore) were also noticed. 12 works were not found in existence in physical verification by Audit and lack in maintenance of records, deficiencies in social audit and monitoring were noticed.

(Paragraph 2.1)

3. Performance Audit of Implementation of Backward Regions Grant Fund Programme

Performance Audit of implementation of Backward Regions Grant Fund Programme in seven districts revealed that the State lost support of ₹ 188.99 crore from the Central Government due to tardy utilisation of grants and ₹ 163.83 crore was lying unutilised in the developmental fund. Together they accounted for *35 per cent* of the total outlay for the programme. In addition, instances of blocking of funds of ₹ 2.98 crore on purchase of computers, diversion of funds of ₹ 13.73 crore, submission of inflated utilisation certificates of ₹ 19.98 crore, irregular expenditure of ₹ 5.85 crore on unapproved works and non-utilisation of funds for training programme were noticed. Only one *per cent* of targeted personnel were provided employment oriented training.

(Paragraph 2.2)

4. Audit of Transactions

Sanction of funds of ₹ 1.75 crore by six Zila Parishads (Rural Development Cell) from Swarnjayanti Gram Swarojgar Yojana infrastructure funds to line department and cooperative societies instead of utilising the same towards filling critical gaps to enable Swarojgaries to utilise their assets, was in contravention of the guidelines.

(Paragraph 2.3)

Improper planning of Zila Parishad (Rural Development Cell), Bharatpur in construction of residential school buildings without the consent and coordination of Education Department rendering the expenditure of ₹ 1.59 crore unfruitful.

(Paragraph 2.4)

(B) Urban Local Bodies

5. An Overview of Accounts and Finances of Urban Local Bodies

'Own revenue' of Urban Local Bodies accounted for only 35.21 *per cent* of their total receipts during 2010-11 and as such they were dependent on grants and loans from the Central and State Governments. The receipts and expenditure figures for the year 2011-12 were not compiled at Directorate level. Annual accounts of ULBs for the year 2010-11 were still being maintained in the conventional formats on cash basis instead of accrual basis.

(Paragraphs 3.3.1 and 3.4)

6. Performance audit of Integrated Housing and Slum Development Programme

Performance audit of Integrated Housing and Slum Development Programme revealed that out of total sanction of ₹ 1,059.77 crore for 69 projects, only ₹ 236.44 crore (22 *per cent*) was utilised resulting in construction of only 13 *per cent* of the houses targeted. Audit also observed that execution of works worth ₹ 123.43 crore were in areas which did not qualify as slums. Instances of extending assistance to households not covered within the scope of the programme (₹ 37.55 crore), expenditure on infrastructure development works (₹ 13.54 crore) which were not envisaged, diversion of funds (₹ 3.84 crore), and houses remaining un-occupied (₹ 23.75 crore) or encroached (₹ 1.13 crore), etc were also noticed.

(Paragraph 4.1)

7. Audit of Transactions

Even after Government order, 22 municipal bodies did not levy registration (one time) and annual charges of ₹ 1.81 crore on mobile towers during 2010-12.

(Paragraph 4.2)

Municipal Council, Beawar incurred a loss of revenue of ₹ 93.49 lakh due to non-realisation of external development charges.

(Paragraph 4.3)

Construction of houses under Valmiki Ambedkar Awas Yojana without identification of beneficiaries and non-recovery of their initial contribution by Municipal Corporation, Jaipur led to blocking of funds of ₹ 2.22 crore.

(Paragraph 4.5)

CHAPTER-I

AN OVERVIEW OF ACCOUNTS AND FINANCES OF PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

The Rajasthan Panchayat Act, 1953 was enacted keeping in view the philosophy enshrined in Article 40 of the Constitution of India, which lays down that the State shall take steps to organise Village Panchayats and endow them with such powers and authority so as to enable them to function as units of self government. Subsequently, with a view to conform to the new pattern of Panchayati Raj, the Rajasthan Panchayat Samiti and Zila Parishad Act was enacted in 1959 which provided for a three tier[1] structure of local self governing bodies at district, block and village levels and enhance decentralisation of powers. Consequent to 73rd Constitutional Amendment, the Rajasthan Panchayati Raj Act (RPRA), 1994 came into effect from April 1994, which delineated functions and powers of Panchayati Raj Institutions (PRIs). Later, Rajasthan Panchayati Raj Rules (RPRRs), 1996 were incorporated thereunder to ensure the smooth functioning of PRIs.

There are 33 Zila Parishads (ZPs) with two cells in each ZP viz. Rural Development Cell (RDC) and Panchayat Cell (PC), 248 Panchayat Samitis (PSs) and 9,177 Gram Panchayats (GPs) in the State as of March 2012.

1.2 State profile

Rajasthan is the largest State in the country in terms of size and spans an area of 3.42 lakh square kilometers (sq km). As per the census 2011 (provisional), the total population of the State was 6.86 crore, of which 5.15 crore (75.07 *per cent*) lived in rural areas. The comparative demographic and developmental profile of the State vis-à-vis the national profile as per census 2011 is given in **Table 1.1** below:

Table 1.1: Important statistics

Indicator	Unit	State as per Census		National (as per Census 2011)
		2001	2011	
Population	Crore	5.65	6.86	121.02
Population (Rural)	Crore	4.33	5.15	83.31
Population (Urban)	Crore	1.32	1.71	37.71
Population Density	Persons per sq km	165	201	382
Decadal Growth Rate	Percentage	28.33	21.44	17.64
Sex Ratio	Per 1000 males	922	926	940
Literacy Rate	Percentage	61.03	67.06	74.04

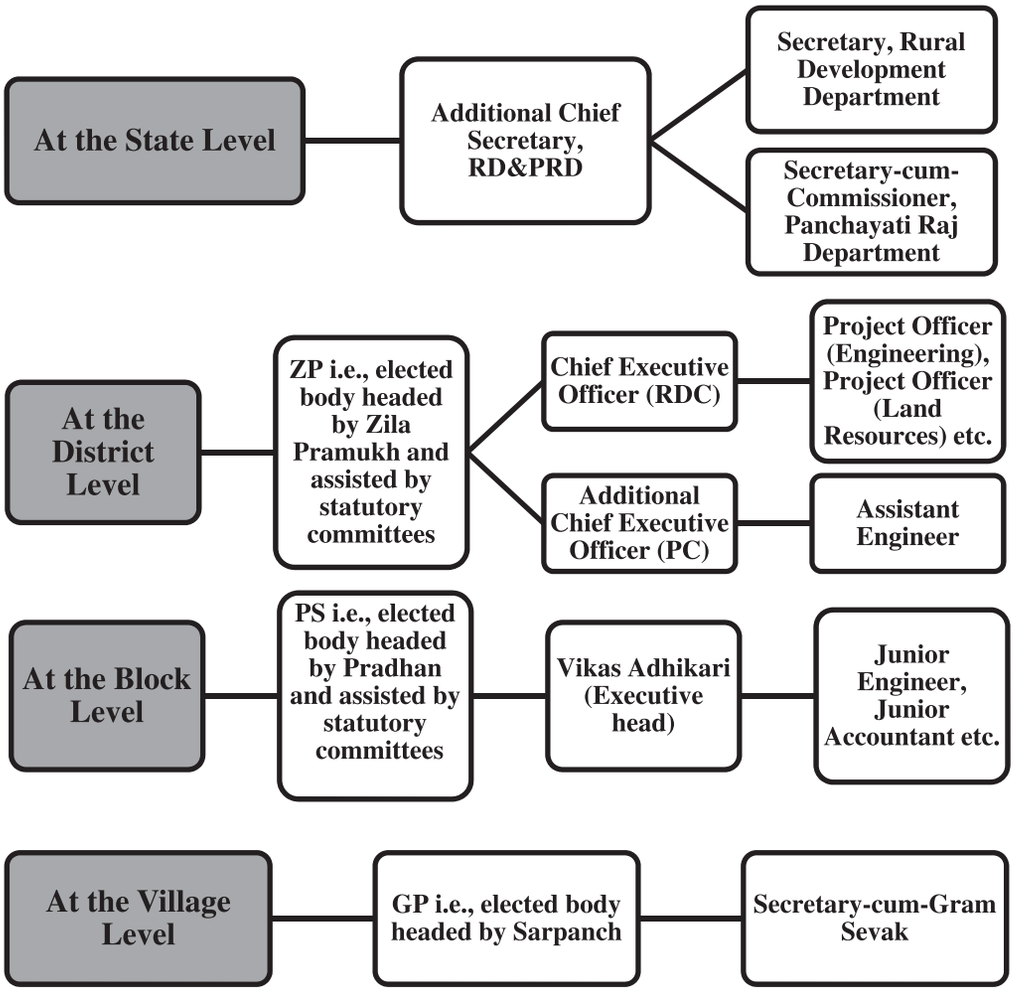
(Source: Economic Survey 2011-12 published by Directorate, Economic and Statistics Rajasthan, Jaipur)

1. Zila Parishad at District level, Panchayat Samiti at Block level and Gram Panchayat at Village level.

1.3 Organisational set up

The administrative department dealing with affairs of the PRIs is Rural Development and Panchayati Raj Department (RD&PRD). The organisational set up of the PRIs is given in **Chart 1.1** below:

Chart 1.1 Organisational set up of PRIs



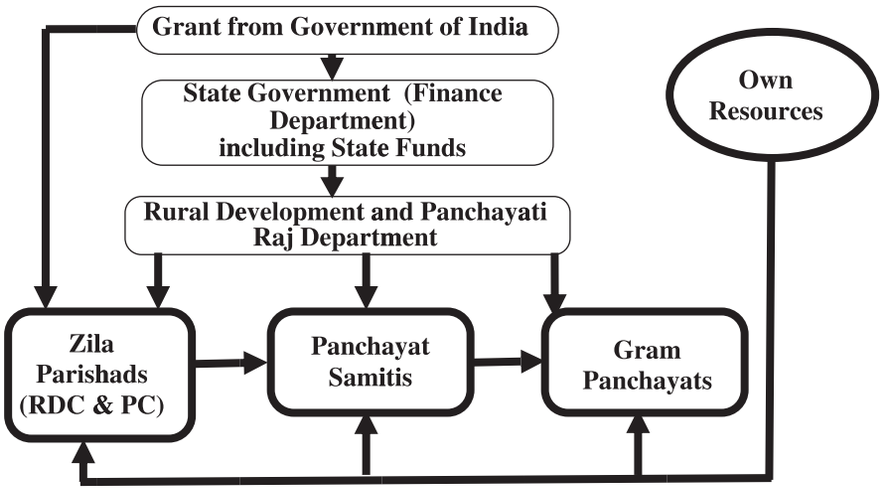
1.4 District Planning Committee

In pursuance of Article 243ZD of the Constitution of India and Section 121 of RPRA, 1994, the State Government constituted District Planning Committee in all the districts of the State. The main objective of District Planning Committee is to consolidate the annual plan prepared by PSs and Municipalities for integrated development of the district and forward it to the State Government in order to ensure economic and social development of the area so that local needs and priorities could be met in accordance with available resources. It was observed that the Plan for the year 2011-12 had already been prepared. However, it was noticed that the minimum of four meetings in a year as prescribed by the Panchayati Raj Department (PRD) were not held in 18 and 32 districts during 2010-11 and 2011-12 respectively.

1.5 Financial position of PRIs

1.5.1 The fund flow of PRIs is given in **Chart 1.2** below:

Chart 1.2: Fund flow of PRIs



1.5.2 Financial position of Panchayati Raj Department

In addition to own sources of tax and non- tax revenue i.e. fair tax, building tax, fees, rent from land and buildings, water reservoir etc. and capital receipts from sale of land, the PRIs receive funds from the State Government and Government of India (GoI) in the form of grants-in-aid/loans for general administration, implementation of developmental schemes/works, creation of infrastructure in rural areas etc. Funds are also provided under recommendations of the Central/State Finance Commissions. The position of receipts and expenditure of PRIs for the period 2007-12 based on data made available (August 2012) by the PRD is given in **Table 1.2** below:

Table 1.2: Financial position of PRIs

(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
(A) Revenue receipts					
Own Tax	2.04	NA	NA	NA	NA
Own Non-Tax	12.45	NA	NA	NA	NA
Total Own Revenue	**14.49**	**-**	**-**	**-**	**-**
Grants-in-aid from State Government	166.27	540.40	853.21	1,051.77	2,197.21
12th /13th Finance Commissions grants	146.04	369.00	246.00	370.10	609.40
Total Receipts	**326.80***	**909.40**	**1,099.21**	**1,421.87**	**2,806.61**
(B) Expenditure					
Revenue expenditure (Pay and allowances and maintenance expenditure)	297.60	881.88	1,024.09	1,416.22	2,805.64
Capital expenditure	29.20	27.52	75.12	5.65	0.97
Total Expenditure	**326.80***	**909.40**	**1,099.21**	**1,421.87**	**2,806.61**

(Source: As per data provided by PRD). NA : Not available

** In addition, grants of ₹ 180.10 crore were released during 2007-08 to the PRIs as per recommendations of Third State Finance Commission and same amount was booked as expenditure by PRD in the relevant year in their own accounts.*

The above position indicates that:

- Grant-in-aid from the State Government increased by 23.27 *per cent* and 157.52 *per cent* in 2010-11 and 2011-12 respectively over ₹ 853.21 crore in 2009-10.

- Similarly, 12th and 13th Finance Commissions (FC) grants also increased by 50.45 *per cent* and 147.72 *per cent* in 2010-11 and 2011-12 respectively over ₹ 246 crore in 2009-10.

- Total receipts and expenditure increased by 29.35 *per cent* and 155.33 *per cent* in 2010-11 and 2011-12 respectively over ₹ 1,099.21 crore in 2009-10.

- There was a decreasing trend in capital expenditure (developmental works) since 2007-08.

- Data in respect of 'Own tax' and 'Own non-tax' revenue of PRIs for the years 2008-09 to 2011-12 was not made available by PRD. This indicates that adequate arrangements for consolidation of data at State level were not available. Hence, the financial position of PRD does not reflect the complete picture.

1.5.3 Financial position of Rural Development Department

Rural Development Department (RDD) deals with schemes sponsored by Central/State Government. The position of receipts and expenditure of RDD for the years 2008-12 is given in **Table 1.3** below:

Table 1.3: Financial position of RDD

(₹ in crore)

Particulars	2008-09			2009-10			2010-11			2011-12		
	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total
Opening balance	648.17	248.41	**896.58**	455.67	124.25	**579.92**	378.26	157.59	**535.85**	745.84	206.32	**952.16**
Receipts	7,796.57	194.15	**7,990.72**	775.29	185.25	**960.54**	977.99	248.81	**1,226.80**	1,010.65	259.01	**1,269.66**
Total available funds	8,444.74	442.56	**8,887.30**	1,230.96	309.50	**1,540.46**	1,356.25	406.40	**1,762.65**	1,756.49	465.33	**2,221.82**
Expenditure	6,972.86	275.84	**7,248.70**	811.34	154.53	**965.87**	849.14	182.09	**1,031.23**	1,070.03	216.69	**1,286.72**
Closing balance	1,471.88	166.72	**1,638.60**	419.62	154.97	**574.59**	507.11	224.31	**731.42**	686.46	248.64	**935.10**
Percentage of expenditure to total available fund	82.57	62.33	**81.56**	65.91	49.93	**62.70**	62.61	44.81	**58.50**	60.92	46.57	**57.91**

(Source: As per data provided by RDD)
(CSS: Centrally Sponsored Scheme, SSS: State Sponsored Scheme)

The above table indicates that:

- There was a difference of ₹ 220.74 crore between the closing balance of 2010-11 and the opening balance of 2011-12. RDD attributed (August 2012) the difference to non-inclusion of releases made by the Central and State Governments at the end of relevant year. Further the closing balances were based on monthly progress reports (MPRs) in which interest and other

receipts were not included. RDD also stated that in most of the schemes opening balances were taken on the basis of audited accounts that were different from the closing balances of MPRs. Thus, accounting procedure does not reflect the complete picture of receipts and expenditure of the RDD.

- Percentage of expenditure to the total available funds decreased from 81.56 *per cent* in 2008-09 to 57.91 *per cent* in 2011-12. This indicated management weakness in the organisation resulting in under-utilisation of financial resources available for providing basic facilities and improving the quality of life of rural people.

1.5.4 Thirteenth Finance Commission grants

The position of grants released by GoI and further releases by the State Government to PRIs under 13th FC is given in **Table 1.4** below:

Table 1.4: Grants of 13th FC

(₹ in crore)

Year	Head	Grants released by GoI to the State Government		Grants released by the State Government to PRIs	
		Amount	**Date**	**Amount**	**Date**
2010-11	General Basic Grant I	183.34	21.07.2010	183.34	28.07.2010
	General Basic Grant II	183.34	25.01.2011	183.34	31.01.2011
	Special Area Basic Grant I	1.69	21.07.2010	1.69	29.07.2010
	Special Area Basic Grant II	1.73	25.01.2011	1.73	31.01.2011
	Total	**370.10**		**370.10**	
2011-12	General Basic Grant I	225.18	29.07.2011	225.18	02.08.2011
	General Basic Grant II	234.47	01.03.2012	234.47	06.03.2012
	General Performance Grant I	78.35	30.01.2012	78.35	02.02.2012
	General Performance Grant II	79.98	28.03.2012	67.98	31.03.2012
	Extra Performance Grant	54.98	31.03.2012	-	-
	Special Area Basic Grant I	1.71	29.07.2011	1.71	02.08.2011
	Special Area Basic Grant II	1.71	01.03.2012	1.71	06.03.2012
	Total	**676.38**		**609.40**	

(Source: As per data provided by PRD)

There was short release of general performance grants of ₹ 12 crore and extra performance grants of ₹ 54.98 crore pertaining to 2011-12 to PRIs.

1.6 Devolution of funds and functions

State Government decided (June 2003) to devolve all 29 subjects listed in the Eleventh Schedule of the Constitution to the PRIs. However, PRD informed (January 2013) that funds and functionaries of 15 subjects and functions of 23 subjects had been transformed to PRIs as per details given in ***Appendix-I***. The shortcomings noticed in devolution of these subjects are given below:

1.6.1 Non- devolution of funds to PRIs

The State Government issued (October 2010) orders for transfer of five Departments namely Elementary Education, Women and Child Development, Medical and Health, Social Justice and Empowerment and Agriculture to

PRIs. Finance Accounts for the year 2011-12 revealed that funds for execution of only some schemes of three Departments[2] were disbursed to PRIs. In case of Elementary Education, pay and allowances were paid from PRIs and the Education Department. No funds were transferred for Medical and Health Department. This indicates that administrative and financial functions of these Departments have not been fully transferred to PRIs.

1.6.2 Non-devolution of funds to GPs by ZPs

While accepting (March 2007 and 2008) the recommendations of Second and Third State Finance Commissions (SFC) regarding transfer of one *per cent* of net receipts of royalties on minerals (both major and minor) to GPs, PRD, Government of Rajasthan directed (December 2007) all ZPs that one *per cent* of share of royalties so transferred to ZPs should be distributed in accordance with the formula determined by the general body of the respective ZPs, amongst the GPs for infrastructure and other rural developmental works, where mining activities were carried out and royalties recovered.

Scrutiny of records of five ZPs (PC) revealed that during March 2007 to March 2011 the State Government transferred ₹ 20.58 crore[3] in Personal Deposit (PD) accounts of these ZPs (PC) on account of GPs share in royalties on minerals pertaining to years 2001-02 to 2010-11. Out of ₹ 20.58 crore, these ZPs (PC) distributed only ₹ 15.73 crore[4] amongst GPs as of June to August 2012 and balance ₹ 4.85 crore remained lying in their PD accounts for a period more than one to five years.

1.7 Outstanding utilisation certificates

As of March 2012, against the amount of ₹ 1,934.33 crore released (up to March 2012) by RDD to ZPs (RDC), utilisation certificates (UCs) of ₹ 1,415.11 crore were yet to be received from the executing agencies by RDD. Similarly, against funds of ₹ 2,895.95 crore given by PRD to ZPs (PC) under grants of Third SFC, Fourth SFC and 13th FC, UCs of ₹ 1,669.01 crore were to be received by PRD as per details given in ***Appendix-II***. Secretary-cum-Commissioner, PRD stated (February 2013) that all the Chief Executive Officers and Additional Chief Executive Officers of ZPs had been directed to furnish UCs to PRD without any delay.

1.8 Accounting arrangements and maintenance of accounts

1.8.1 Accounting arrangements

As per 13th FC's recommendations an accounting framework and codification pattern consistent with the Model Panchayat Accounting System should be

2. Social Justice and Empowerment Department: 11 schemes, Agriculture Department: three schemes and Women and Child Development Department: one scheme.
3. ZPs (PC): Bharatpur - ₹ 0.70 crore, Nagaur - ₹ 2.92 crore, Pali - ₹ 2.87 crore, Rajsamand - ₹ 7.15 crore and Udaipur - ₹ 6.94 crore.
4. ZPs (PC): Bharatpur - ₹ 0.47 crore, Nagaur - ₹ 2.41 crore, Pali - ₹ 0.72 crore, Rajsamand - ₹ 6.81 crore and Udaipur - ₹ 5.32 crore.

adopted. In addition, for proper monitoring of the budget allocation and consolidation of accounts of PRIs at State level, the States are required to allot specific codes to each ZPs, PSs and GPs.

It was observed that annual accounts for the years 2010-11 and 2011-12 were maintained by the PRIs in conventional formats prescribed under Chapter 11 of RPRRs, 1996. Meanwhile, Simplified Accounting Formats 2009 issued by Ministry of Panchayati Raj, Government of India in consultation with Comptroller & Auditor General of India (CAG) have been adopted for mandatory implementation with effect from 1 April 2011. PRD intimated (January 2013) that out of 9,458 PRIs only 175 PRIs closed their yearbooks for the period 2011-12 on Panchayati Raj Institution Accounting Software (PRIASoft) which is a centralised accounting package that facilitates maintenance of accounts under Model Accounting System. This indicates that in absence of closure of books of accounts by all the PRIs, consolidation of annual accounts was not made at the State level, as recommended by 13th FC.

Besides, database formats for district and State level as recommended by CAG was also not being maintained by the PRD. For implementation of aforesaid database formats necessary amendment in the Rule 245 of RPRRs, 1996 was under consideration with Law Department (January 2013).

1.8.2 Delayed submission of annual accounts

1.8.2.1 Annual accounts of ZPs (RDC) for the years 2009-10 and 2010-11 were required to be sent to RDD by 30 September of 2010 and 2011 respectively.

It was observed that 29 ZPs (RDC) sent their annual accounts for the year 2009-10 with delays ranging from 92 days to 644 days while ZPs (RDC), Jalore, Jodhpur, Pali and Pratapgarh did not send their annual accounts to RDD. Similarly, 23 ZPs (RDC) sent their annual accounts for the year 2010-11 with delays ranging from 59 days to 279 days and ZPs (RDC), Alwar, Barmer, Churu, Jaipur, Jalore, Jodhpur, Nagaur, Pali, Pratapgarh and Sriganganagar did not send their annual accounts to RDD as of August 2012.

1.8.2.2 Annual Accounts of ZPs (PC) for the years 2009-10 and 2010-11 were required to be sent to PRD by 15 May of 2010 and 2011 respectively.

It was observed that 32 ZPs (PC) sent their annual accounts for the year 2009-10 with delay ranging from three days to 233 days while ZP (PC), Pratapgarh did not send annual accounts to PRD. Similarly, 28 ZPs (PC) sent their annual accounts for the year 2010-11 with delays ranging from three days to 180 and ZPs (PC), Baran, Bharatpur, Hanumangarh, Tonk and Pratapgarh did not send their annual accounts to PRD as of July 2012. Although irregularities regarding delayed submission of annual accounts were also pointed out in all the previous five Audit Reports, no remedial action was taken by the State Government.

1.9 Audit arrangement

The Director, Local Fund Audit Department (LFAD) is the primary Auditor of the accounts of the PRIs under the RPRA, 1994. Section 18 of the Rajasthan Local Fund Audit Act, 1954 empowers Director, LFAD to lay its Annual Audit Report on PRIs before the State Legislature. No Annual Audit Report of Director, LFAD has been laid before the State Legislature as of January 2013.

CAG conducts audit of PRIs under Section 14 of CAG's (Duties, Powers and Conditions of Service) Act, 1971. The State Government had entrusted (February 2011) audit of PRIs under Technical Guidance and Supervision module to the CAG. Section 75(4) of the RPRA, 1994 as amended (March 2011) also empowers the CAG to conduct audit of the accounts of PRIs and to place the Audit Report before the State Legislature.

1.9.1 Certification of accounts

As per Rajasthan Local Fund Audit Rules, 1955, LFAD is to certify the accounts of PRIs. Director, LFAD intimated (April 2011) that they conduct only transaction audit of accounts and do not certify the accounts of PRIs. Hence, correctness of the accounts of PRIs cannot be verified in audit.

1.10 Audit coverage

The position of audit coverage is indicated in **Table 1.5** below:

Table 1.5: Audit coverage of PRIs

Name of PRI	Audit coverage in numbers				Audit coverage in expenditure (Average basis)			
	2010-11		2011-12		2010-11		2011-12	
	Total	Audit coverage	Total	Audit coverage	Total expenditure	Audit coverage	Total expenditure	Audit coverage
					(₹ in crore)			
GPs	9,177	1,286	9,177	776	937.74	131.41	2,073.00	175.29
PSs	248	188	248	109	421.91	319.84	573.35	252.00
ZPs (PC)	33	22	33	33	62.22	41.88	160.26	160.26
ZPs (RDC)	33	22	33	33	1,031.23	687.49	1,286.72	1,286.72

(Source: As per information supplied by PRD and RDD)

1.11 Arrears of Audit

The Director, LFAD is the Statutory Auditor for the accounts of PRIs. There were arrears of audit of 6,368 units of PRIs (ZPs: 15, PSs: 168 and GPs: 6,185) as of May 2012 due to vacant posts and election duties of staff as intimated by Director, LFAD (August 2012).

1.12 Lack of response to Audit observations

1.12.1 Up to May 2012, 51,040 paragraphs of 6,259 inspection reports (IRs) of PRIs issued by Director, LFAD were pending settlement. Audit observations include 7,440 paragraphs of embezzlement involving ₹ 19.19 crore, were also pending action as of August 2012.

1.12.2 As of September 2012, 2,063 IRs of ZPs and PSs (including GPs) comprising 23,820 paragraphs issued by Office of the Principal Accountant General were pending for settlement as detailed in **Table 1.6** below:

Table 1.6: Outstanding IRs and paragraphs

Year	IRs	Paragraphs
Up to 2003-04	435	1,740
2004-05	302	2,872
2005-06	237	2,462
2006-07	182	2,037
2007-08	195	2,610
2008-09	206	3,579
2009-10	165	2,801
2010-11	123	2,015
2011-12	218	3,704
Total	**2,063**	**23,820**

This indicated lack of prompt response on the part of officials of PRIs which had not only resulted in recurrence of the deficiencies and lapses pointed out earlier but also eroded the accountability of PRIs.

1.13 Conclusion

- Annual accounts were neither maintained in the prescribed format nor submitted to RDD/PRD within stipulated time.
- Certification of accounts of PRIs was not being done by Director, LFAD.
- There was no system of consolidation and compilation of accounts at the State level in respect of receipts and expenditure of the various tiers of PRIs.
- Substantial portion of Centrally/State sponsored scheme grants was not utilised.
- There was huge pendency of audit and audit observations for settlement.

CHAPTER-II

PERFORMANCE AUDIT AND AUDIT OF TRANSACTIONS OF PANCHAYATI RAJ INSTITUTIONS

This chapter contains two Performances Audits of 'Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme' and 'Implementation of Backward Regions Grant Fund Programme' and four paragraphs relating to transaction audit of Panchayati Raj Institutions.

Rural Development and Panchayati Raj Department

PERFORMANCE AUDITS

2.1 Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme

Executive Summary

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 came into force from 2 February 2006 providing legal right of employment for 100 days in a financial year to every rural household whose adult members volunteer to do unskilled manual work on demand. The Scheme was financed by GoI except 25 per cent State share of material cost, wages of skilled and semi-skilled workers and 100 per cent State share of unemployment allowance and expenditure on State Employment Guarantee Council. The Scheme is being implemented in all the districts of the State.

A Performance Audit of implementation of the Scheme in selected districts revealed that State Government released its share with delay, there were instances of unauthorised advances to Sarpanch (₹ 40.19 lakh), excess administrative expenditure (₹ 73.59 crore), mis-classification of funds (₹ 7.34 crore) and non-recovery from Post Offices (₹ 4.18 crore).

Instances of deficiencies viz. delayed/non-payment of wages to workers, infructuous expenditure (₹ 10.22 crore), execution of non-permissible works (₹ 30.66 crore), material purchased without adherence to financial provisions (₹ 20.79 crore) were also noticed. Lack of maintenance of records, deficiencies in social audit and monitoring were noticed.

Beneficiary survey revealed that there was substantial improvement in socio-economic conditions of rural masses, more than 70 per cent of total labourers were women and SC/ST employment was substantial.

2.1.1 Introduction

Government of India (GoI) enacted (September 2005) National Rural Employment Guarantee Act (henceforth referred to as the Act) for providing employment to rural population. In Rajasthan, the Act was made applicable from 2 February 2006 initially in six districts[1] and extended to all the districts by April 2008. The Act was renamed as "Mahatma Gandhi National Rural Employment Guarantee Act" (MGNREGA) from 2 October 2009. Under the Act, Government of Rajasthan (GoR) notified (July 2006) the National Rural Employment Guarantee Scheme, Rajasthan (henceforth referred to as Scheme).

The basic objective of the Act is enhancement of livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to any rural household (HH) whose adult members volunteer to do unskilled manual work on demand. Other auxiliary objectives were generating productive assets, protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equity among others.

2.1.1.1 Organisational structure

Additional Chief Secretary (ACS), Rural Development and Panchayati Raj Department (RD&PRD) is the head of nodal agency. The organisational structure for implementation of MGNREGA is given in ***Appendix-III***.

2.1.2 Audit objectives

The main objectives for the performance audit were to ascertain whether:

- preparatory steps were taken for implementation of the Act;
- funds released, accounted for and utilised were according to provisions of the Act;
- MGNREGA works were properly planned, executed and durable assets created and accounted for;
- wages and unemployment allowances were paid in accordance with the Act and the guidelines and the intended objective of providing 100 days of annual employment at the specified wage rate was effectively achieved; and
- mechanisms for monitoring of the Scheme at different levels, social audit and grievance redressal were effective.

1. Districts : Banswara, Dungarpur, Jhalawar, Karauli, Sirohi and Udaipur.

2.1.3 Audit criteria

The audit criteria for the performance audit were based on the following:

- The Act, 2005 and notification and circulars issued there under by Central and State Government.
- MGNREGA Operational Guidelines (2006 and 2008).
- Gramin Karya Nirdeshika (GKN), 2004 and 2010.
- Rajasthan Panchayati Raj Rules (RPRRs), 1996.

2.1.4 Audit coverage and methodology

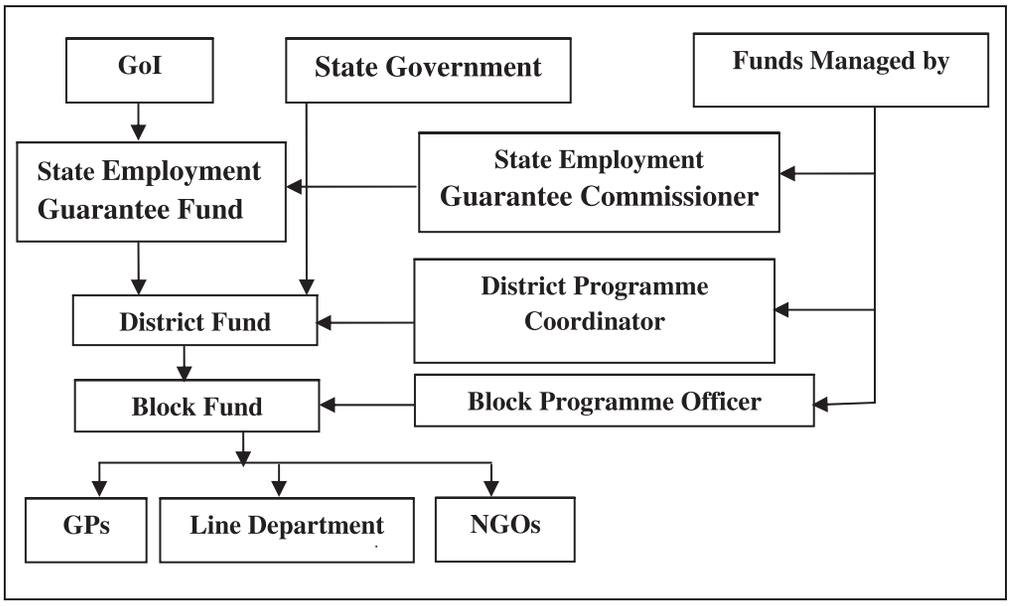
Audit sampling for the study of MGNREGA was done on the basis of Simple Random Sampling without Replacement method for the selection of districts and blocks by using random tables. The performance audit of the Scheme was conducted in two phases (***Appendix-IV***), in phase-I during June 2010 to August 2011, audit of eight districts, 16 blocks, 64 Gram Panchayats (GPs) and five works in each GP (total 320 works) were taken up for the period February 2006 to March 2011. In phase-II during February 2012 to June 2012, audit of eight districts, 18 blocks, 180 GPs and 10 works in each GP (total 1,794 works) was conducted for the period of 2007-08 to 2011-12. An interview with 10-15 beneficiaries in each GP was also held by the audit parties. Entry conferences were held in May 2010 and February 2012 for Phase-I and II respectively with Secretary, RD&PRD and Commissioner, MGNREGA in which audit methodology, scope, objectives and criteria were discussed. An exit conference was held (November 2012) with ACS, RD&PRD in which the audit observations were discussed. Reply had been received from the State Government and same incorporated suitably.

Audit acknowledges the cooperation and assistance of the State Government officials in conducting this audit.

2.1.5 Financial management

The Scheme was implemented as a Centrally Sponsored Scheme. GoI share was 100 *per cent* of cost for payment of wages for unskilled labourers and administrative expenses and 75 *per cent* of material cost, wages of skilled and semi skilled workers. State share was 25 *per cent* of material cost, wages of skilled and semi skilled workers and 100 *per cent* of unemployment allowances and administrative expenses of State Employment Guarantee Council (SEGC). The fund flow of the Scheme followed in the State is given in **Chart 2.1** below:

Chart 2.1: Fund flow of the Scheme



GoI share is kept in bank accounts at State level. State share is directly transferred to districts. At District, Block and GP level funds are kept in bank accounts. At District and State level audit of accounts is being done by Chartered Accountants (CAs).

2.1.5.1 Financial position of the scheme

GoI released central share directly to District Programme Coordinator (DPC) up to 2009-10 and thereafter to SEGC while the State Government released State share to DPC directly. The position of funds received and expenditure incurred there against at DPC and SEGC level for the year 2005-06 to 2011-12 are given in **Tables 2.1** and **2.2** below:

Table 2.1: Position of funds received, expenditure incurred and adjusted at DPC level

(₹ in crore)

Year	Opening Balances*	Funds received from		Miscellaneous receipts[2]	Total	Expenditure (MPRs)	Fund adjusted	Closing balance of funds unutilised	Percentage of fund lying unutilised
		Central**	State						
1	2	3	4	5	6	7	8	9(6-8)	10
2005-06	Nil	40.23	4.71	0.85	45.79	22.27	10.94	34.85	76
2006-07	110.26[1]	763.13	79.62	5.03	958.04	693.06	631.69	326.35	34
2007-08	339.89[2]	1,050.49	118.59	17.38	1,526.35	1,511.65	1,322.50	203.85	13
2008-09	228.73[3]	6,125.65	454.21	62.81	6,871.40	6,175.55	4,959.74	1,911.66	28
2009-10	1,911.66	5,350.15[$]	406.57	56.50	7,724.88	5,669.05	5,072.07	2,652.81	34
2010-11	2,653.23[4]	3,422.67	285.88	87.71	6,449.49	3,300.33	4,225.90	2,223.59	34
2011-12	2,223.59	1,868.05	200.86	93.13	4,385.63	3,184.47	3,399.98	985.65	22
Total	**18,620.37**	**1,550.44**	**323.41**		**27,961.58**	**20,556.38**	**19,622.82**		

Source: Chartered Accountant Report and information furnished by State Government.

* *Opening balances had been taken as per finalised accounts*

** *Central release for DPC.*

$ *₹400.52 crore transferred directly to DPC by the GoI.*

1. Includes ₹34.88 crore of Sampoorna Gramin Rojgar Yojana and ₹40.53 crore of National Food for Work Programme.

2. Includes ₹13.54 crore opening balance of six new districts.

3. Includes ₹24.88 crore opening balance of 20 new districts.

4. Includes ₹0.50 crore opening balance of Pratapgarh district and excludes ₹0.08 crore pertain to Amrita Devi Scheme.

2. Bank interest, earnest money, tender fees, securities etc.

Table 2.2: Position of funds received and expenditure incurred at SEGC level

(₹ in crore)

Year	Opening balance	Central fund received	Miscellaneous receipts[2]	Total fund available	Expenditure			Closing balance (funds in SEGC bank account)
					Expenditure on MGNREGA Cell	Fund Transferred to DPC	Total	
2008-09	Nil	0.35	0.01	0.36	0.32	-	0.32	0.04
2009-10	0.04	5,942.64	7.71	5,950.39	1.40	4,949.63	4,951.03	999.36
2010-11	999.36	2,788.82	34.52	3,822.70	4.65	3,422.67	3,427.32	395.38
2011-12	395.38	1,619.76	16.40	2,031.54	6.25	1,868.05	1,874.30	157.24
Total		**10,351.57**	**58.64**		**12.62**	**10,240.35**	**10,252.97**	

(Source: Balance sheet and related document of SEGC).

The major shortcoming/irregularities noticed in audit as regards financial management are summarised as under:

- Unutilised balances of ₹ 1,142.89 crore (at DPC level ₹ 985.65 crore and SEGC level ₹ 157.24 crore) were lying in the Scheme accounts as of March 2012. The State Government stated (June and November 2012) that the Scheme was demand based and funds were utilised in the next year. Reply was not acceptable because actual employment was 96 *per cent* to 100 *per cent* of employment demanded during 2006-07 to 2011-12, which indicates that the labour budget was prepared in excess of the trend of previous year's employment.

- Funds for execution of works were lying unutilised to the extent of 13 *per cent* to 34 *per cent* of available funds at DPC level during the year 2006-07 to 2011-12.

- The State Government did not create a revolving fund at SEGC level as envisaged in the Act, but transferred its share directly to the districts through Personal Deposit (PD) accounts. The State Government stated (June and November 2012) that the procedure prescribed by Finance Department was followed. Reply was not acceptable as provision of the Act should be followed. As of March 2012, ₹ 784.28 crore were lying unadjusted in 16 test checked districts. The State Government stated that as of January 2013 only ₹ 94.33 crore were due for adjustment in these districts.

- As per the guidelines, State should transfer its share within 15 days of release of Central share but the State Government released its share amounting to ₹ 784.65 crore with delays of six to 289 days beyond the prescribed period. The State Government stated (June and November 2012) that delay was due to the time consuming procedure in sanctions. Reply was not acceptable as the procedures were laid down by State Government only.

- Against the provisions of the guidelines, an advance of ₹ 40.19 lakh[3] given (October 2007 to August 2010) to Sarpanch/ Secretaries of GPs for purchase of material were lying unadjusted without purchasing of material at

3. GPs: Booth Jethmal (Block, Barmer) - ₹ 5.11 lakh, Garu (Block, Kathumar) - ₹ 9.95 lakh, Jagpura (Block, Ghatol) - ₹ 1.65 lakh, Naharpura (Block, Anandpuri) - ₹ 6.98 lakh, Sameli - ₹ 5.02 lakh and Samrol - ₹ 11.48 lakh (Block, Manohar Thana).

the time of audit. The State Government stated (June 2012) that instructions had been issued for initiation of proper action against defaulters.

- Rupees 7.95 crore[4] were charged under the administrative head in excess of prescribed limit (two to four *per cent* upto February 2007 and thereafter upto six *per cent*) in six test checked districts during 2010-11 and 2011-12. The State Government stated (June and November 2012) that excess expenditure was due to less demand of works, hence less expenditure on wages but fixed salary of staff was paid and it was within limits at the State level. The reply was not correct as such prescribed limit was to be adhered to at the district level.

- Against the GoI directions, in two districts and eight blocks pay and allowances of ₹ 59.52 lakh[5] were paid to regular Government employees who were also performing duties of other schemes[6] alongwith MGNREGA. The Programme Officers of blocks stated (July 2011) that the payment was made as per GoR order of October 2009. The reply was not acceptable as GoR order was not in consonance with the GoI directions.

- In contravention of GoI order (March 2007), Zila Pramukh, Pradhan, Sarpanch and members of Zila Parishad and blocks were paid ₹ 51.96 crore on account of increased honorarium from the Scheme funds during October 2009 to September 2011. The State Government accepted (June and November 2012) the facts and stated that the order had been withdrawn in September 2011. However, reply is silent about recovery of excess amount paid to elected representatives of PRIs.

- Against the provisions of the Act, expenditure of SEGC amounting to ₹ 12.30 crore was charged to the Scheme funds during 2009-12. The State Government stated (June and November 2012) that expenditure charged was not of SEGC but was of a cell under Rajasthan Rural Employment Guarantee Council and expenditure was within the limit of administrative expenses. Reply was not acceptable as there was no provision of establishing a separate cell for assistance of SEGC.

- An expenditure of ₹ 77.64 lakh[7] relating to transportation of wheat, publicity of Harit Rajasthan, Keshav Badi Yojana, Chief Minister's visit and

4. 2010-11: Alwar (₹ 1.91 crore), Bundi (₹ 0.39 crore) and 2011-12: Dausa (₹ 1.01 crore), Dholpur (₹ 1.31 crore), Jaisalmer (₹ 0.23 crore) and Jalore (₹ 3.10 crore).
5. Districts: Jhalawar - ₹ 6.73 lakh and Karauli - ₹ 3.98 lakh and Blocks: Barmer - ₹ 7.25 lakh, Bikaner - ₹ 0.91 lakh, Bilara - ₹ 4.42 lakh; Ghatol - ₹ 4.51 lakh, Kolayat - ₹ 16.18 lakh, Pratapgarh - ₹ 4.26 lakh, Sindhari - ₹ 6.31 lakh and Umrain - ₹ 4.97 lakh.
6. Watershed development, Member of Parliament Local Area Development, Indira Awas Yojana, Member of Legislative Assembly Local Area Development and Swarnjayanti Gram Swarojgar Yojana, etc.
7. Districts: Ajmer - ₹ 0.29 lakh, Banswara - ₹ 0.64 lakh, Barmer - ₹ 1.58 lakh, Bikaner - ₹ 11 lakh, Dholpur - ₹ 1.85 lakh, Jaipur - ₹ 0.22 lakh, Jhalawar - ₹ 1.02 lakh, Jodhpur - ₹ 5.74 lakh and Karauli - ₹ 22.69 lakh, Blocks: Anandpuri - ₹ 0.16 lakh, Barmer - ₹ 3.68 lakh, Bikaner - ₹ 0.69 lakh, Dug - ₹ two lakh, Ghatol - ₹ 0.73 lakh, Hindaun - ₹ 3.08 lakh, Jhalrapatan - ₹ 14.70 lakh, Karauli - ₹ 1.30 lakh, Kathumar - ₹ 1.50 lakh, Kolayat - ₹ 0.50 lakh, Mandore - ₹ 0.70 lakh, Sindhari - ₹ 1.55 lakh and Umrain - ₹ 2.02 lakh.

rent of building was charged in nine districts and 13 blocks, which was not permissible by GoI.

- Guidelines envisaged that mate remuneration should be charged under material components. In contravention of guidelines, GoR allowed (May 2008 to February 2009) mate remuneration to be charged to wage component due to which 30 blocks of 14 districts wrongly charged ₹ 7.34 crore ***(Appendix-V)*** of mate remuneration in the wage component. The State Government stated (June and November 2012) that there was no clear instruction till February 2009. Reply was not acceptable as guidelines, issued in 2008 clearly stated that remuneration of mates was to be charged under material component.

- In seven districts and four blocks, ₹ 4.18 crore[8] deposited in Post Offices for opening of accounts of job card holders which were to be adjusted from first payment to labourer concerned, were lying unrecovered as of November 2012. The State Government stated (June and November 2012) that directions had been issued with the consultation of Chief Post Master General to recover the balance amount.

- As per guidelines, unspent balance of Sampoorna Gramin Rojgar Yojana (SGRY) and National Food for Work Programme (NFFWP) as of March 2007/March 2008 were to be transferred to the Scheme fund. Audit observed that in 13 districts unspent balances of SGRY and NFFWP of ₹ 10.50 crore was transferred with delay of five to 55 months and in five districts ₹ 2.33 crore[9] was not transferred (November 2012) to MGNREGA fund. The State Government stated (June and November 2012) that instructions had been issued (August 2008) for transfer of unutilised balances. Reply was not acceptable as the unutilised balances were yet to be transferred despite lapse of more than four years.

2.1.5.2 Irregularities in adjustment of fund and accounts

Guidelines stipulate that PO should scrutinise the utilisation certificates (UCs) furnished by executing agencies and furnish a consolidated report of fund duly adjusted to the DPC. The DPC should adjust the advance lying with PO after scrutinising the adjustment orders of PO. A Chartered Accountant (CA) is required to verify the UCs and to certify the correctness of UCs in his Audit Report at DPC level. Scrutiny revealed that:

- In Barmer and Sindhari blocks ₹ 257.70 crore were included in final accounts for the years 2007-08 to 2009-10 against which only ₹ 170.08 crore were adjusted by DPC. Thus, ₹ 87.62 crore[10] were included in the final

8. Districts: Bikaner - ₹ 0.20 crore, Dholpur - ₹ 0.08 crore; Jaipur - ₹ 0.45 crore, Jaisalmer - ₹ 0.17 crore, Karauli - ₹ 0.35 crore, Nagaur - ₹ 0.12 crore and Udaipur - ₹ two crore and Blocks: Barmer - ₹ 0.31 crore, Dug - ₹ 0.30 crore, Jhalrapatan - ₹ 0.10 crore and Umrain - ₹ 0.10 crore.
9. Districts: Bhilwara - ₹ 0.24 crore, Churu - ₹ 0.20 crore, Dholpur - ₹ 0.47 crore, Jaipur - ₹ 1.30 crore and Jalore - ₹ 0.12 crore.
10. Blocks: Barmer - ₹ 60.56 crore (₹ 123.22 crore included in final accounts - ₹ 62.66 crore actually adjusted) and Sindari - ₹ 27.06 crore (₹ 134.48 crore included in final accounts - ₹ 107.42 crore actually adjusted).

accounts without proper adjustment and supporting documents. The State Government accepted (June 2012) the facts.

- PO, Barmer transferred ₹ 1.88 crore to GP, Booth Jethmal upto March 2010. It was noticed that ₹ 1.94 crore were incorporated in final accounts of DPC whereas GP utilised only ₹ 1.41 crore. Thus, ₹ 0.53 crore were incorporated in final accounts without utilisation, including ₹ 0.06 crore which were not provided to GP. The State Government stated (June 2012) that actual position of funds of GP was called from PO and DPC, Barmer.

- In Block, Dug ₹ 2.87 crore were adjusted in excess of fund provided during 2005-06 to 2010-11 and in Dholpur district ₹ 0.71 crore[11] were included in excess of actual expenditure in CA reports for 2008-09 to 2011-12. The State Government stated that adjustment orders in GP, Pagaria (Block, Dug) (June 2012) would be examined and in Dholpur district (November 2012) adjustment order was based on the expenditure figures sent to DPC in middle of years. Reply was not acceptable as the adjustment was to be finalised on the basis of actual expenditure at the end of year, which was not done.

Above irregularities indicates that system of accounting, adjustment of funds and issue of UCs was not proper. Moreover, CAs failed in proper examination of actual expenditure, UCs and funds utilisation position while certifying the DPC accounts.

2.1.5.3 Non reconciliation of cash and bank balances

As per guidelines on Finance and Accounts, 2011, the CAs were required to reconcile the advances, opening and closing balances in cash book as well as in the accounts of Blocks/DPCs.

During test check it was observed that there were differences of ₹ 0.12 crore (March 2011), ₹ 0.30 crore (March 2012) and ₹ 0.42 crore (March 2012) in balances as per cash book and bank statement in Blocks, Jhalrapatan, Chaksu and Viratnagar respectively which were to be reconciled. Similarly upto year 2011-12 there was a difference of ₹ 0.47 crore in funds provided to Post Office and their adjustment in Dholpur district. The State Government intimated (November 2012) that instructions had been issued to comply with the deficiencies. This indicates weak internal controls.

2.1.6 Employment and wages

2.1.6.1 Unemployment allowance was not paid to HHs

The Act stipulates that State Government is required to provide employment to a registered applicant within 15 days from demand of work, failing which

11. Dholpur block: ₹ 0.14 crore (CA Report ₹ 18.86 crore - Actual expenditure ₹ 18.72 crore), Rajakhera block: ₹ 0.57 crore (CA Report ₹ 10.84 crore - Actual expenditure ₹ 10.27 crore).

unemployment allowance is payable from State share funds at the rate of one fourth of the wage rate for first thirty days and one-half of the wage rate for the remaining period of the financial year.

Scrutiny revealed that employment was not provided for 51,158 persondays during 2006-07 to 2010-11 and no unemployment allowance was paid. The unemployment registers were either not maintained or lying blank in test checked GPs. Beneficiaries survey conducted jointly with departmental officials by audit revealed that 95 *per cent* beneficiaries (out of 800 beneficiaries surveyed in phase-I) were not aware about the unemployment allowance.

The State Government stated (June and November 2012) that employment was provided to all demanded HHs and unemployment allowance was not demanded by any HH. The reply was not acceptable as it was observed in Dholpur district that employment for 3,103 days only was provided against 6,320 days demanded by 66 HHs of three GPs[12]. For the remaining 3,217 days neither employment was provided nor any unemployment allowance paid. Moreover, beneficiary survey had revealed that beneficiaries had no knowledge of the unemployment allowance and it was the responsibility of the Programme Officer to pay the unemployment allowance once employment could not be provided after demand by HHs.

2.1.6.2 Unauthorised Employment

The Act stipulates that every HH shall be entitled to employment subject to a maximum of 100 days in a financial year. Audit observed that more than 100 days employment was provided in contravention of provisions of the Act. The position of excess employment provided beyond 100 days in the State during 2008-09 to 20011-12 is given in **Table 2.3** below:

Table 2.3: Position of excess employment beyond 100 days

Year	Employment provided to HHs (in lakh)	Persondays generated by HHs more than 100 days (in lakh)	Average wages of State (in ₹)	Wages paid (₹ in crore)
1	**2**	**3**	**4**	**5 (3x4)**
2008-09	4.23	27.75	88	24.42
2009-10	3.44	16.94	87	14.74
2010-11	1.14	5.18	75	3.88
2011-12	1.22	5.56	90	5.00
Total		**48.04**		

(Source: MGNREGA website)

Besides this, during 2007-08, in Banswara district, employment for 24,935 persondays in excess of 100 days was provided and ₹ 0.17 crore paid in contravention of provisions of the Act. Thus, an amount of ₹ 48.21 crore was irregularly charged to the Scheme fund. As per Section 3(4) of the Act, the State Government may provide employment beyond 100 days but the wages in excess of 100 days should be paid either from State funds or from other schemes. The State Government accepted (June 2012) the fact and stated that

12. District, Dholpur: GPs, Basai Gheeyaram (3,000 days), Biparpur (1,860 days) and Saipau (1,460 days).

in Banswara district the amount had been recovered (June 2012) from concerned GPs.

2.1.6.3 Lack of deployment of women mates

Commissioner, State Employment Guarantee Scheme, instructed (March 2008) that women should be posted against 50 *per cent* posts of total mates. Audit observed that these instructions were not adhered to by all the GPs test checked in phase-I except Rawar, Olvi (Block, Bilara), Jagpura (Block, Ghatol), Patoda (Block, Hindaun). The State Government stated (June and November 2012) that those women were considered for mate as and when they applied and in Banswara district, literacy of women was very low.

2.1.6.4 Delay/non-payment of wages

- The Act stipulates that wages were required to be paid in 15 days to every worker under the Scheme at the minimum wage rate fixed by GoR. In the case of delay, workers were entitled to get compensation as per provisions of the payment of wages Act, 1936. Audit observed that the wages of ₹ 129.05 crore ***(Appendix-V)*** on 1,83,897 Muster Rolls (MR) were paid with delays upto 812 days in test checked works of 31 blocks of 15 districts but no compensation was paid for delay in payment of wages. Further, an amount of ₹ 1.31 crore[13] was not paid to the Scheme workers in 10 GPs despite lapse of one to four years. The State Government stated (June and November 2012) that delay was due to complaints relating to execution of works, improper accounting and procedural delay. The fact remains that due to non-disposal of complaints relating to execution of works in time and non-monitoring of procedure for timely payment, wages were not paid at all in 10 GPs and there was delay in payment of wages for which no compensation was paid.

- A sum of ₹ 0.84 lakh was transferred to Branch Post Office, Gandehi in Block, Rajakhera for payment of 127 Scheme workers of GP, Gandehi for the period August and September 2011. The funds were transferred by the DPC to the Post Office for payment of wages which was not made to the labourers even after lapse of 182 days as of March 2012. The State Government stated (March 2013) that payment to all labourers had now been made.

2.1.6.5 Improper maintenance of muster rolls

As per operational guidelines, MR is an important and basic document for attendance and payment of wages. MRs with a unique identity number were to be issued by the PO to the GPs and properly accounted for by PO and GPs. Audit noticed that ₹ 9.03 lakh were paid to unregistered workers on 271 MRs in 14 GPs between March 2006 and December 2009. In GPs, Dundhari and Gordha (Block, Kekri) ₹ 32.21 lakh were paid to the Scheme workers between January 2008 and January 2009 on 257 MRs, without verification of attendance, obtaining their signatures/thumb impressions and recording of requisite details of work i.e. measurement and quantum of work done, total

13. Blocks: Dug - GP, Parapipli (₹ 0.01 crore) and Kekri - nine GPs (₹ 1.30 crore).

persondays etc. Further, although registers of receipt and issue of MRs were maintained in all test checked blocks and GPs but audit observed that in 12 GPs of Blocks, Chaksu and Phagi, 490 MRs were not found recorded in their receipt registers. MR registers of GP, Kathwala (Block, Chaksu) were not produced to audit, failing which possibility of misuse of MRs could not be ruled out.

The State Government while accepting the facts stated (June and November 2012) that action would be taken after investigating the matter. Thus, no proper record of MRs was maintained for accounting of attendance of workers and payment of wages.

2.1.7 Execution of works

2.1.7.1 Operational guidelines provide that facilities (medical aid, drinking water, shade and crèche (if there are more than five children below the age of six years)) should be provided at work sites. It was observed that shade facilities were provided with delays ranging from three to 24 months in five districts[14], medical aid was delayed by one to 35 months in four districts[15] and crèche facility was provided with a delay of one to 34 months in six districts[16]. Moreover, in Dholpur block 100 medical kits of expiry date (4 December 2010) were distributed to the Scheme workers during December 2010 to June 2011. The State Government accepted (June and November 2012) the facts of delayed provision of facilities.

2.1.7.2 Non-availability of technical sanctions in GPs

Scrutiny of records of 1,794 works at executing agency level revealed that in 660 cases technical estimates were not found in GPs. State Government stated (November 2012) that no work could be executed without technical estimates. The reply was not acceptable as audit contention was non-availability of technical estimates with GPs in relevant records failing which execution of works as per estimation could not be verified.

2.1.7.3 Lack of revised technical and financial sanctions

GKN 2010 stipulates that if the expenditure incurred on the work, exceeds more than 10 *per cent* of sanctioned amount, revised technical and financial sanction is to be obtained. The position of sanctioned cost of works, expenditure incurred and fund adjusted in four test checked blocks is given in **Table 2.4** below:

Table 2.4: Position of works sanctioned in test checked blocks

(₹ in lakh)

Name of Block	Number of works	Sanctioned amount	Expenditure incurred	Excess expenditure (in percentage)	Expenditure adjusted	Excess fund adjusted
1	**2**	**3**	**4**	**5 (3-4)**	**6**	**7 (6-3)**
Anandpuri	02	2.02	3.14	1.12 (55)	3.14	1.12

14. Districts: Ajmer, Alwar, Banswara, Barmer and Karauli.
15. Districts: Banswara, Bikaner, Jhalawar and Karauli.
16. Districts: Alwar, Banswara, Bikaner, Jhalawar, Jodhpur and Karauli.

Name of Block	Number of works	Sanctioned amount	Expenditure incurred	Excess expenditure (in percentage)	Expenditure adjusted	Excess fund adjusted
Jhalrapatan	14	68.36	98.43	30.07(44)	98.43	30.07
Mandore	02	6.64	10.17	3.53(53)	10.17	3.53
Silora	100	523.61	858.09	334.48 (64)	549.58	25.97

Excess expenditure of ₹ 3.69 crore (ranging from 44 *per cent* to 64 *per cent*) was incurred against sanctioned cost, in above blocks and in respect of test checked individual works the excess expenditure than estimate was ranging between 11 *per cent* and 374 *per cent* but revised technical and financial sanctions were not issued. The State Government while accepting the facts stated (June 2012) that efforts were being made to recover the fund adjusted in excess.

2.1.7.4 Status of works in the State and selected districts

The Act provides that works of water conservation and harvesting should be given top priority and rural connectivity the last priority. The year-wise and category-wise position of works of districts test checked in phase-I are in given in ***Appendix-VI.*** Status of work in the State for the year 2005-06 to 2011-12 is given in **Table 2.5** below and priority wise status of works in eight districts test checked in phase-I is given in **Graph 2.1** below:

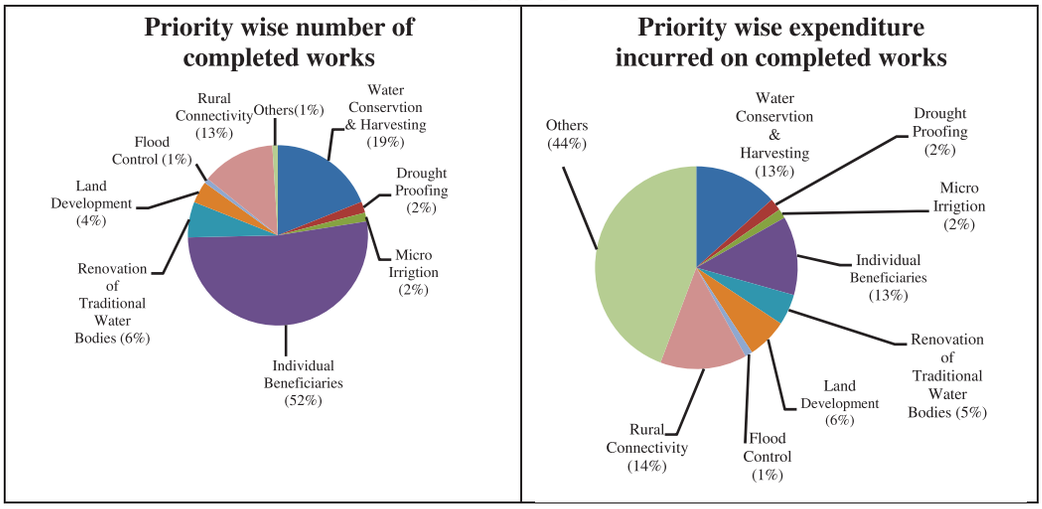
Table 2.5: Status of works at State level

(₹ in crore)

Year	Completed		Ongoing		Total	
	Number of works	Expenditure	Number of works	Expenditure	Number of works	Expenditure
2005-06	2	NA	3,475	20.44	3,477	20.44
2006-07	8,771	289.20	13,278	389.04	22,049	678.24
2007-08	34,028	451.54	68,998	1,027.79	1,03,026	1,479.33
2008-09	1,00,472	1,591.87	1,35,720	4,432.87	2,36,192	6,024.74
2009-10	92.251	1,906.41	1,10,996	3,830.67	2,03,247	5,737.08
2010-11	54.757	1,099.81	1,39,673	2,522.49	1,94,430	3,622.30
2011-12	29,950	374.27	3,59,949	2,629.74	3,89,899	3,004.01

(Source: Monthly Progress Reports)

Graph 2.1: Priority-wise status of works in test checked eight districts-Phase-I



Audit scrutiny revealed that:

Percentage of works remaining 'ongoing' to total works at State level ranged from 55 *per cent* to 92 *per cent* and in selected districts 53 *per cent* to 95 *per cent* during 2006-07 to 2011-12.

- Graph 2.1 indicates that a large proportion of the works (13 *per cent*) and expenditure was incurred (14 *per cent*) on the least priority work i.e. rural connectivity which indicates that focus on priority of works was not given. The State Government stated (November 2012) that keeping in view the geographical condition of the State, in majority cases rural connectivity roads were insisted upon by villagers and hence works were sanctioned. The priority to road works was not in conformity of the provision of the Act.

- An expenditure of ₹ 2.66 crore was incurred on 132 works in Jhalawar district during 2006-07, which were lying incomplete. These works were also not shown as spillover in the next financial year, resulting in wasteful expenditure on closed works. The State Government stated (March 2013) that DPC, Jhalawar has been instructed to submit factual position.

- GKN prescribes the time schedule for completion of works in maximum nine months. None of the district was in a position to provide year-wise breakup of expenditure incurred on incomplete works. Audit observed that an expenditure of ₹ 277.12 crore ***(Appendix-VII)*** was incurred on 6,369 works of tankas, jalkunds, anicuts, irrigation nalis, excavation of nadis/talabs and gravel roads in 36 Blocks of 17 districts which were lying incomplete since 2006-07 to 2011-12, due to land dispute or for want of material. The State Government stated (June and November 2012) that due to excess demand of employment during April to June months works had to be started and were left incomplete on arrival of monsoon in July. However, instructions for completion of works had been issued in December 2011. Reply was not acceptable as the labourers could have been engaged on priority to complete the incomplete works of previous years so that durable assets could be created. Due to non-completion of assets the intended benefits could not be extended. Moreover, due to passage of time and heavy rains, possibility of washout of earthen works can also not be ruled out. This indicates lack of monitoring of works and failure of creation of durable assets.

- Construction of Bharat Nirman Rajiv Gandhi Seva Kendras (RGSKs) was sanctioned (March 2010) under the Scheme and these were to be completed within three to six months. Scrutiny revealed that in eight test checked blocks, out of 80 RGSKs, 54 RGSKs were lying incomplete as of March 2012 after incurring an expenditure of ₹ 2.73 crore[17] and in 78 RGSKs of 12 blocks[18], solar systems were installed by incurring expenditure of ₹ 1.39

17. Blocks: Banera - ₹ 0.31 crore (seven), Chaksu - ₹ 0.25 crore (five), Nainwa - ₹ 0.67 crore (10), Rajakhera - ₹ 0.18 crore (three), Simalwara - ₹ 0.12 crore (three), Suwana - ₹ 0.25 crore (eight), Talera - ₹ 0.59 crore (nine) and Viratnagar - ₹ 0.36 crore (nine).
18. Blocks: Banera - seven, Chaksu - six, Phagi - nine, Raipur - 10, Rajakhera - three, Sagwara - nine, Sam and Sankra - 18, Simalwara - seven, Suwana - five, Talera - three and Viratnagar - one.

crore for power supply to computers but these were not in use in absence of computer machine, broad band facility and non-deployment of computer operators at GP level**.** Therefore, incomplete RGSKs and installation of solar system without ensuring the other components as above resulted in infructuous expenditure.

2.1.7.5 Specific audit findings on works

Shortcoming/irregularities noticed by audit on works are as under:

- As per the Act, the ratio of wage and material cost in execution of works should be in 60:40. Further, GoI extended (July 2009) this ratio to individual works. In four districts, the material cost was in excess of ₹ 61.96 crore of prescribed ratio as given in **Table 2.6** below:

Table 2.6: Excess expenditure on material beyond prescribed limit

(₹ in crore)

District (Year)	Expenditure incurred on material component		
	Actual	prescribed	Excess
Bikaner (2009-11)	196.99	149.31	47.68
Bundi (2011-12)	18.38	17.34	1.04
Dholpur (2011-12)	12.62	10.83	1.79
Jalore (2008-09 and 2011-12)	108.81	97.36	11.45
Total	**336.80**	**274.84**	**61.96**

The State Government stated (November 2012) that excess material consumption than prescribed limit was due to construction of RGSKs (material oriented work). The reply was not acceptable as the work plan of a GP should have been prepared keeping in view the mandatory material labour ratio.

- In Bikaner and Kolayat blocks the material cost in individual 734 Jal Kunds with plantation work was ₹ 2.72 crore in excess of the prescribed limit of 40 *per cent*. The State Government accepted (November 2012) the facts.

Thus, an expenditure of ₹ 64.68 crore incurred on material cost beyond the prescribed limit.

- Under the Act, no contractor/machine should be used in execution of works. In Hindaun and Karauli blocks, 290 works of Cement Concrete (CC) Boards were executed through contractors at a cost of ₹ 28.18 lakh. Four GPs incurred an expenditure of ₹ 13.70 lakh[19] on machinery for cutting of ghat section and levelling of earth work and gravel road without GoR permission. Execution of works through contractor/machine was against basic principles of employment generation of MGNREGA. The State Government stated (June 2012) that action was being taken against defaulting officers. Further, the State Government stated (March 2013) that due to technical nature of works, services of contractor were taken/machines were hired. The reply was not acceptable as execution of works through contractor/machine was not only

19. GPs: Chada - ₹ 0.16 lakh, Ghatol - ₹ 12.05 lakh, Kundi Khera - ₹ 0.88 lakh and Pipalia - ₹ 0.61 lakh.

against the scheme guidelines but also against the basic principles of employment generation of MGNREGA.

- As per operational guidelines, PO should adjust the funds transferred to implementing agencies on receipt of utilisation certificates/completion certificates. In seven GPs, expenditure of ₹ 28.95 lakh[20] incurred on 12 works (tibba stabilisation, gravel roads, tankas, etc.) during 2007-12 which were not found in existence on physical verification by Audit. Similarly, in physical verification, length of ten works (gravel/CC/kharanja[21] roads: seven works, facewalls: two works and irrigation water course: one work) completed at a cost of ₹ 15.80 lakh [22] in eight GPs was found short as recorded in measurement book.

The State Government stated (March 2013) that the works were actually executed but filled up with sand by passage of time and hence not found in existence. In case of Anandpuri block, District, Banswara works were found in existence on physical inspection (March 2013) by departmental officers and in case of short length of road, it was stated that audit party measured the work through milometer of vehicle, which was not proper mode of measurement. Reply was not acceptable as audit observations were based on physical verification and measurement of works carried out at the time of conducting the Audit in the presence of departmental officers on the basis of which joint inspection reports were prepared.

- It was observed that 287 works of construction of tankas in schools, check dams, anicuts, excavation of talai (ponds) and gravel roads executed in 110 GPs of 23 blocks by incurring ₹ 9.54 crore[23] were either not put to use or lying incomplete. In Banera and Raipur blocks ₹ 0.68 crore was incurred on construction of canals of two stretches without connecting with sources of water. Thus, expenditure of ₹ 10.22 crore proved wasteful.



View of incomplete canal work from Agar talab to Laxmi Sagar talab in Block, Banera

20. GPs: Bareth - ₹ 6.01 lakh on two works and Patia Galia - ₹ 7.68 lakh on two works (Block, Anandpuri), Kishorpura - ₹ 2.52 lakh on three works (Block, Phagi), Jodhpura - ₹ 0.09 lakh on one work (Block, Viratnagar), Bersiyala - ₹ 1.04 lakh on one work (Block, Sam), Arnay - ₹ 11.08 lakh on one work and Surawa - ₹ 0.53 lakh on two works (Block, Sanchore).
21. Pavement of small pieces of stone in cement mortar.
22. GPs: Kelu Khera - ₹ 1.75 lakh (Block, Dug), Jagpura - ₹ 1.04 lakh (Block, Ghatol), Mahu Khas - ₹ 2.81 lakh (Block, Hindaun), Ganjpur Naharpur - ₹ 1.03 lakh and Tigaria - ₹ 4.05 lakh (Block, Kathumar), Dundhari - ₹ 4.82 lakh and Gordha - ₹ 0.14 lakh (Block, Kekri) and Rajpura - ₹ 0.16 lakh on one work (Block, Talera).
23. Construction of Tankas: ₹ 0.29 crore (39 works), Damaged and closed works: ₹ 1.59 crore (29 works), Substandard and works without use: ₹ 0.40 crore (seven works) and roads finalised without material: ₹ 7.26 crore (212 works).

The State Government stated (June 2012, November 2012 and March 2013) that assets were created as per technical specifications of works, incomplete gravel roads and canals works are in progress and would be completed. Reply was not acceptable as the ponds were not constructed in the catchment area but in dunes where inflow of water was not ensured and ghat (bathing place of shore of nadi/talai) section were found damaged on physical inspection with departmental officers**.**

- The adjustment of fund was allowed upto expenditure incurred or valuation of work, whichever is less. It was observed that an excess expenditure of ₹ 2.27 crore ***(Appendix-VIII)*** over the valuation of works was allowed irregularly in 836 works in 18 blocks. The State Government stated (March 2013) that action for adjustment/recovery/regularisation had been initiated.

- In Bilara block, 22 works of excavation of talabs and stone pitching were carried out in 13 GPs but payment was made at the rate of kharanja works instead of actual works executed, which resulted excess payment of ₹ 16.48 lakh. The State Government stated (June 2012) that action would be taken as per actual execution of work at site.

- As per the guidelines, all weather roads providing rural connectivity should be taken up. Scrutiny revealed that an expenditure of ₹ 10.79 crore[24] was incurred on 117 rural gravel roads in 67 GPs of 25 Blocks, which neither provided rural connectivity nor could be covered under all weather roads. The State Government stated (June 2012 and March 2013) that roads were used for public of dhani/magara (small village) and are being completed to provide connectivity. Reply was not acceptable because all weather roads (durable assets) were not constructed.

- In 18 districts, an expenditure of ₹ 30.66 crore ***(Appendix-VII)*** was incurred on construction of 509 CC roads, guard walls, rest house and repair of office building which were inadmissible in the Scheme. The State Government stated (June and November 2012) that in the absence of clear directions CC roads were sanctioned in the Scheme. Reply was not acceptable as under the Scheme Guidelines only labour oriented works were to be taken and CC roads were prohibited.

- Expenditure of ₹ 22.96 lakh incurred in eight GPs[25] on digging of pits for plantation was wasteful as no plants were distributed or planted.

- As per the norms fixed (November 1990) by GoR, the survival rate of plantation below 40 *per cent* is treated as failure plantation. Survival rate of plantation in eight districts, one block and three GPs was below the prescribed

24. Non-connectivity: 82 works (₹ 7.96 crore), Not all weather roads: 22 works (₹ 1.80 crore) and neither connectivity nor all weather roads: 13 works (₹ 1.03 crore).
25. GPs: Jamura - ₹ 3.01 lakh, Kanchanpura - ₹ 1.12 lakh, Khedia - ₹ 1.37 lakh, Kota Chhapar - ₹ 0.64 lakh, Lohra - ₹ 2.06 lakh, Maholi - ₹ 0.75 lakh, Raghuvanshi - ₹ 4.88 lakh and Ratiapura - ₹ 9.13 lakh.

limit of 40 *per cent*, resulting in wasteful expenditure of 10.64 crore[26]. The State Government attributed (November 2012) the low survival rate to geographical condition of the State, low rainfall and damage by termite and stray animals. Reply was not acceptable as the threshold limit of 40 *per cent* was fixed by GoR taking into account all these factors.

2.1.7.6 Empowerment of rural women and fostering social equity

As per operational guidelines, women participation in the employment must be at least one third of workers.

It was observed that women workers were 68 *per cent* in the State and 28 to 77 *per cent* in test checked districts. Scheduled Castes (SCs) were 26 *per cent* in the State and five to 36 *per cent* in test checked districts while Scheduled Tribes (STs) were 23 *per cent* in the State and one to 78 *per cent* in test checked districts. Jobs provided in tribal predominantly Dungarpur district comprised only five *per cent* (minimum) to SCs and 78 *per cent* (maximum) to STs according to their population in the district. In Churu district, job provided to STs was only one *per cent* (minimum) but in the survey conducted by audit with departmental officials there was no case of denial of job noticed.

2.1.8 Purchases

RPRRs, 1996 stipulate that the requirement of material was to be properly assessed for the year to avoid splitting of purchases and the specifications laid down in purchase orders were to be strictly adhered. Further, payment of more than ₹ one thousand was to be made through account payee cheques. During scrutiny of records following shortcomings were noticed:

2.1.8.1 Irregular purchases of construction material

- As per prescribed procedure, GPs were responsible for deductions of value added tax (VAT) from supplier bills on purchases prior to 22 October 2010 and thereafter Sales Tax Department was to be intimated about the VAT to be paid by the suppliers. It was noticed that 111 GPs purchased materials costing ₹ 10.72 crore from suppliers (cement: ₹ 2.59 crore, gravel: ₹ 4.38 crore, bricks: ₹ 0.22 crore and others: ₹ 3.53 crore) but GPs neither deducted VAT from suppliers bill nor intimated to Sales Tax Department which resulted in loss of tax revenue of ₹ 1.15 crore.

- Material costing ₹ 20.79 crore was procured without adherence to the prescribed procedure (rate contract, limited and open tenders, valid and proper invoices etc.) in the all test checked GPs of selected districts and PO, Chaksu. Further, in contravention of RPRRs, 1996 an amount of ₹ 4.06 crore was paid in cash. The material was purchased from unregistered firms and hence tax applicable on purchases was not paid in Government account.

26. Districts: Ajmer - ₹ 3.81 crore, Alwar - ₹ 0.72 crore, Bharatpur - ₹ 1.69 crore, Bhilwara - ₹ 0.31 crore, Bundi - ₹ 0.23 crore, Dholpur - ₹ 0.55 crore, Jaipur - ₹ 0.06 crore and Karauli - ₹ 3.15 crore, Block: Anandpuri - ₹ 0.08 crore and three GPs (Bhagauro ka Khera, Dug and Palana) - ₹ 0.04 crore.

- The purchase of material costing ₹ 37.37 lakh[27] was made from the firms which were not found in existence during joint physical verification conducted by audit with villagers and Gram Sevaks and by collecting information in eight GPs of four blocks. Hence, tax applicable on purchases was not levied and paid to Government account.

The State Government accepted (June and November 2012) that the material purchased from local firms without adherence to prescribed procedure upto 2009-10 was due to non-availability of registered firms and lack of directions from GoI. Reply was not correct as RPRRs are very clear and are in force since 1996.

2.1.8.2 Avoidable expenditure on excess purchases

In three test checked districts an expenditure of ₹ 78.22 lakh (District**,** Bhilwara: ₹ 70.01 lakh, Dholpur: ₹ 6.56 lakh and Jaipur: ₹ 1.65 lakh) was incurred on procurement of materials[28] during May 2008 to March 2011 which was lying unutilised in store for the period one to more than three years as of March 2012. The State Government stated (November 2012) that the material would be utilised in the future. The contention of the government was not acceptable as purchases made in excess of requirement. Moreover, these were lying unutilised and possibility of medical kits crossing expiry dates cannot be ruled out.

2.1.9 Social audit, transparency and grievance redressal

2.1.9.1 Social Audit

MGNREGA provides a central role to Social Audit (SA) through the Social Audit Forum, a public assembly where all details of the Scheme are to be scrutinised involving beneficiaries and all stakeholders.

Audit observed that:

- SA Forum was not constituted in six GPs[29], line departments did not participate in SA proceedings in 40 GPs out of 64 test checked GPs of Phase-I. The State Government while accepting the facts stated (June 2012) that instructions had been issued to comply with the deficiencies.

- In Phase-II Audit, line department did not participated in Social Audit proceedings in 120 GPs out of 180 GPs test checked.

- Though SA was required to be conducted twice a year but it was not conducted in Jodhpur upto March 2009 and in Dungarpur district, it was conducted only once during 2009-10.

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27. Blocks: Bilara - ₹ 16.72 lakh, Dug - ₹ 0.70 lakh, Karauli - ₹ 12.80 lakh and Kolayat - ₹ 7.15 lakh.
28. Tent 332: (₹ 7.83 lakh), Medical kits 690: (₹ 2.50 lakh), Water tanks 810: (₹ 10.80 lakh), Jhulas 655: (₹ 4.70 lakh), Notice board 1,795: (₹ 37.53 lakh), Misc items: (₹ 14.86 lakh).
29. GPs: Dundhari, Khudasa, Hariyada, Olvi, Ramashani and Rawar.

During 2011-12, SA was conducted only once in the all test checked districts due to proposed change in SA pattern by GoI as decided in National workshop held in November 2011. SA on new pattern conducted in Block, Shiv (District, Barmer) on experimental basis was completed in June 2012 which was scheduled to be completed by March 2012. The State Government stated (March 2013) that SA in Jodhpur is being carried out and SA of Dungarpur for 2009-10 was conducted in 2010-11. The reply was not acceptable as no evidence in support of conduct of SA in respect of Jodhpur and in Dungarpur was made available to Audit.

- Only 20 Bharat Nirman volunteers were imparted training on SA in December 2011 conducted by Ministry of Rural Development (MoRD), GoI against the desired 100 volunteers. Besides this, training on SA was given to Gram Sabha members of selected GPs during March 2012 i.e. after four years of implementation of the Scheme in all districts.

- Vigilance and Monitoring Committees were not formed in 15 test checked GPs out of 64 GPs test checked in Phase-I Audit. Training was not provided to SA Forums in the all 12 test checked GPs of Kolayat, Srinagar and Umrain blocks. SA Forums did not physically inspect the works in 31 GPs.

2.1.9.2 Grievance redressal

- As per Section 36 of the Act, (amended in December 2008), complaints were to be disposed of within 15 days from the date of receipt. It was observed that 52 complaints (year 2010: 10, 2011: 17 and 2012: 25) were pending disposal as of January 2013 at State level. In selected districts, out of 10,228 complaints, 1,672 complaints (2007-08: 02, 2008-09: 127, 2009-10: 411, 2010-11: 730 and 2011-12: 402) were pending for disposal for more than three months to four years as of June 2012. This indicated that the system of timely and effective disposal of complaints was not effective. The State Government stated (November 2012) that investigating offices had been given directions.

- In pursuance of Section 27(1) of Act, GoI directed (September 2009) the State Government to set up the office of the ombudsman in each district within three months for effective redressal of grievances. GoR had not set up such offices in 13 districts[30] as of January 2013. State Government stated (March 2013) that out of 20 districts in which office had been set up, ombudsman in seven districts were working as on date and in three districts additional charge had been given and in the remaining, action was in process.

2.1.10 Non-maintenance of records and reports

Specified records and registers such as application registration register, job card register, employment register, MRs register, assets register and complaint register were required to be maintained at different levels. The position of

30. Districts: Alwar, Baran, Barmer, Bikaner, Chittorgarh, Churu, Dholpur, Dungarpur, Hanumangarh, Jaisalmer, Karauli, Rajsamand and Sirohi.

non-maintenance of records in the test checked GPs/Blocks noticed during the audit is given in **Table 2.7** below:

Table 2.7: Position of non-maintenance of records

Name of records	No. of units
Employment register	5 GPs[31] and 10 blocks
Assets register	31 GPs
Register of receipt and issue of Muster Roll	16 GPs
Works register	36 GPs
Material Stock register	24 GPs
Unemployment register	40 GPs
Complaint register	34 GPs

The State Government accepted (June and November 2012) that all records were not maintained due to lack of clear directions/non-deployment of staff and directions have been issued to all concerned offices for maintenance of records. Thus, the department failed to maintain basic records of the Scheme. Besides this, certification of accounts by CAs in absence of records/registers was also not proper.

2.1.11 Management Information System

The MoRD, GoI (May 2009) emphasised full operationalisation of Management Information System (MIS) from April 2009. State Nodal Officers directed (May 2009) all DPCs to fully computerise the activities with effect from 2009-10.

Audit observed that there was a difference in data of State Annual Report and the MGNREGA website for MIS in Job card issued to HHs, employment provided to HHs and persondays generated. In test checked districts details of technical, financial sanctions and measurements were not entered. The feeding of accounts of the Scheme workers, Below Poverty Line (BPL) status and photos of job cards holders were completed only in 0.34 *per cent* to 81 *per cent* cases. Illustration of differences in data of MPR and MIS for the month of March 2012 are detailed in ***Appendix-IX***.

The State Government accepted (June and November 2012) the facts and stated that MIS feeding was done through outsourcing for the years 2008-09 to 2010-11 without any monitoring. At present the system is online from the year 2011-12 (October 2011). Integrity and reliability of data fed by outside persons could not be relied upon in absence of effective monitoring and verification by departmental officials.

2.1.12 IT Audit of NREGASoft

The operational guidelines of MGNREGA envisaged extensive use of Information Technology (IT) in planning, execution and monitoring of all the vital aspects of the Scheme. IT tools would be used for increasing efficiency and enhance transparency of operations in the following stages:

31. GPs: Hariyada (Bilara block), Dodi, Parapipli (Dug block); Jagpura (Ghatol block) and Garai (Karauli block).

- planning to execution of projects/works undertaken;
- enrollment to employment and payment to workers; and
- transfer of funds to accounting of expenditure.

2.1.12.1 Examination of data

Data generated in the implementation process of the scheme gets collected in National Informatics Centre servers. The data forwarded by National Informatics Centre and relevant tables were checked in audit to ascertain accuracy of information forming the basis of the decision making process and the following were observed:

- In order to ascertain accountability and fix responsibility in data entry/authorisation tasks, the operational guidelines of MGNREGA specifies that "there should be a system of authentication of data to clearly identify the person who prepares and scrutinises the data and the date on which such data is prepared and scrutinised". However, during examination of data of work progress in respect of rural connectivity, water conservation, flood control and drought proofing, it was noticed that in 3,55,051 records these columns were either left blank or have been filled with ambiguous data such as "Guest", "Test", "Computer IP address", numbers or single/double alphabets etc. In the given circumstances, it would not be possible to identify users who actually entered data in database and trace back transactions to originators and fix any responsibility for erroneous data entry.

- Missing/invalid names (containing either numbers or special characters) were noticed of 2,092 registered HHs. Thus, it would not be possible in these cases to cross verify names of registered persons with other databases such as Election Commission, Census, BPL Census etc.

- Missing/invalid house numbers of registered HHs were noticed in 91,27,735 records. In the absence of valid house numbers, it would not be possible to ensure physical availability of beneficiaries.

- Missing/duplicate financial sanction numbers in relation to the works sanctioned were noticed in 1,23,796 records**.** Absence of any check on availability of financial sanction or duplicate sanction number renders the data unsuitable for mapping financial sanctions *vis-à-vis* the works carried out.

- 'Missing work name' in sanctioned works were noticed in 2,22,314 records. In the absence of this physical progress of works would not be verified. Moreover, it renders data unsuitable for checking instances of same work being shown as different works.

- 'Missing/invalid panchayat code' and 'block code' in works sanctioned were noticed in 37,819 records. Absence of this information renders data unsuitable for checking physical progress of work and may lead to instances of same work being shown at more than one place.

2.1.12.2 Faulty programming logic

A computer based transaction recording system can contain programming elements to perform basic calculations and cross check various interrelated bits of information to maintain correct data. It can also generate alerts about summarily incorrect figures being entered/already entered in the data. During the analysis of data collected by NREGASoft it came to notice that this software contains no programming elements even to perform basic calculations conforming to accounting logic. Following instances came to notice during the examination of data:

- Wrong calculation of wages were depicted in 48,03,463 instances which could be worked out by applying the logic "Total wages = wage rate x work days".

- Wrong carry forward of closing balance or wrong entry of closing balance in State, District, Block and Panchayat accounts tables were depicted in 4,83,040 instances which could be worked out by applying the logic "Closing balance = opening balance + all inflow – all outflow".

The above instances clearly indicate weak controls in the system which resulted due to insufficient checks.

2.1.13 Beneficiary survey

Audit and Gram Sevaks of concerned GPs jointly conducted survey/interaction with 2,600 beneficiaries (800 in phase-I and 1,800 in phase-II) for assessment of awareness and impact of the Scheme. Findings of the beneficiary survey were as under:

- More than 70 *per cent* beneficiaries of Phase-II stated that their level of living and capacity of purchasing of food articles, household articles, livestock, care of children's education has improved due to employment under the Scheme.

- All workers of society irrespective of their caste were engaged at one site of work, thus, social relationship among the community stated to have been improved.

- One thousand four hundred two beneficiaries of both Phases were paid their wages with delay ranging from 15 days to three months beyond prescribed time.

- In GP, Siloti (Karauli block) no payment was made to workers by Post Office while full payment was not made to 16 job card holders[32] of four GPs by Post Office. The State Government stated (March 2013) that payment had now been made to all labourers.

32. Blocks: Hindaun (GP, Mandawara: four cases), Dug (GP, Kelu Khera: three cases) and Karauli (GP, Garai: four cases and GP, Jahagirpur: five cases).

- One thousand one hundred eighty six beneficiaries of Phase-II were not aware of individual works of land reform on private land of SC/ST/BPL/beneficiaries and Indira Awas Yojana.

- Seven hundred fifty nine beneficiaries of Phase-I were not aware about unemployment allowance.

- One thousand one hundred twelve beneficiaries did not participate in the meeting of Gram Sabhas. 783 beneficiaries did not respond to the question.

- Five hundred forty three beneficiaries of Phase-I were not aware about the procedure of getting job card. The State Government accepted (June and November 2012) that due to lack of awareness, the public did not participate in Gram Sabha which shows lack of sufficient Information, Education and Communication activity even after lapse of five years of implementation of the Scheme.

2.1.14 Monitoring

2.1.14.1 Monitoring at SEGC level

SEGC constituted in March 2006 was responsible for advising the State Government on implementation, monitoring and evaluation of the Scheme. Half yearly meetings of SEGC were to be held but only three half yearly meetings (May 2007, February 2008 and February 2011) were held against stipulated 10 meetings up to March 2012. Quarterly meeting of a sub-committee which was constituted (March 2006) by SEGC was required to be held but not a single quarterly meeting of sub-committee was held as of March 2012.

Although Annual Reports of SEGC on the MGNREGA for the years 2006-07 to 2010-11 were placed before State Legislature between March 2007 and March 2012, no information about discussion in State Legislature was made available to Audit.

The State Government while accepting the facts stated (June and November 2012) that the Scheme was being monitored through video conferencing with State level officers. However, no documentary evidence was produced to Audit in this regard. This indicated that implementation of the Scheme was not regularly monitored and evaluated at SEGC level.

2.1.14.2 Monitoring at other levels

- Operational guidelines stipulate that (i) two *per cent*, 10 *per cent* and 100 *per cent* of executed works were to be inspected by State, district and block level officials respectively and (ii) Financial audit of all districts was mandatory and District Internal Audit Cell was to be constituted to scrutinize the reports of the GPs.

It was observed in Audit that the State level inspection of works could not be verified by Audit due to non furnishing of records. District level monitor did

not inspect the works in all the test checked districts except Jhalawar district. There was shortfall in inspection carried out at DPC level ranging from 17 *per cent* to 97 *per cent* and at block level from six *per cent* to 89 *per cent* as per details given in ***Appendix-X***. The inspection registers were not maintained in all test checked districts except Barmer district. This reflects that the works were not properly supervised. The State Government stated (June 2012) that instructions for maintenance of proper records and timely inspection of works have been issued. However, the facts remain that even after five years of coming in force of the scheme, the State Government did not developed appropriate system of checking of works.

- The State Government instructed (November 2009) that quarterly reports of inspected works were to be furnished to the Principal Secretary, RD&PRD by DPC and additional DPC but such reports were not furnished regularly in Ajmer, Bikaner, Jhalawar, Jodhpur and Karauli districts.

- Reports of CA on MGNREGA for the year ending March were to be finalised by 30 September of the following year and the second installment was to be released on the basis of CA reports. It was observed that CA reports for test checked districts were finalised with delays of 83 to 106 days for 2007-08 and 24 to 119 days except Churu and Dungarpur districts for 2008-09, 31 to 164 days for 2009-10 and six to 47 days except Churu and Jalore districts for 2010-11.

- The books of accounts and related documents at DPC level were found checked by CAs. But in respect of block level records, the CAs checked the consolidated statement of expenditure with reference to UCs and adjustment orders, but, no vouchers pertaining to block level were checked by CAs. Due to delayed finalisation of accounts, the timely release of second installment of fund could not be ascertained. The State Government accepted (November 2012) the facts and stated that instructions for timely submission of accounts had been issued.

- District Internal Audit Cell was not constituted in Ajmer, Banswara, Barmer, Bikaner, Dholpur, Jodhpur and Karauli districts.

2.1.15 Evaluation

Evaluation studies conducted during March 2008 in respect of six districts[33] for the period 2006-07 and 2007-08 by two private firms revealed that number and quality of human resources deployed so far were inadequate, definition of family needs to be clear and specific, there is need of creating awareness about the Scheme and procedure for demand of jobs by involving Civil Society Organizations, 100 days employment in a year was insufficient to sustain a family and once the work was completed the community did not take the responsibility of its maintenance etc.

The above deficiencies were still persisting, which indicates that suitable efforts have not been taken for redressal.

33. Districts: Banswara, Dungarpur, Jhalawar, Karauli, Sirohi and Udaipur.

2.1.16 Conclusion

There was lack of monitoring which resulted in misclassification of funds, excess expenditure on administrative head and items not related to the Scheme. The Scheme workers were not aware of their rights of compensation for delayed payment and for not providing employment. Slow progress of work, non-availability of year-wise details of incomplete works, non-inspection of executed works reflected lack of monitoring at block, district and State level.

2.1.17 Recommendations

Following recommendations are made:

Government should ensure:

- timely preparation of annual accounts by all the DPCs and their audit through CAs so that actual position of demand and utilisation of funds could be reflected. Data integrity and reliability of the MIS should be ensured;

- that technical sanctions and detailed estimates are available with the executing agencies to ensure proper execution of the works;

- a more vigorous awareness campaign about employment and unemployment allowances; and

- another round of the scheme evaluation.

2.2 Implementation of Backward Regions Grant Fund Programme

Executive Summary

Introduced in January 2007 the Backward Regions Grant Fund programme provides financial resources for supplementing and converging existing developmental inflows to identified backward districts of the Country. In Rajasthan, GoI identified 12 districts for implementation of the programme. Performance audit of the programme revealed that the State lost support of ₹ 188.99 crore from the Central Government due to tardy utilisation of grants and another ₹ 163.83 crore was lying unutilised in the developmental fund. Together they accounted for 35 per cent of the total outlay for the programme. In addition, instances of blocking of funds of ₹ 2.98 crore, diversion of funds of ₹ 13.73 crore, irregular expenditure of ₹ 5.85 crore and non-utilisation of funds for training programme were noticed.

2.2.1 Introduction

Government of India (GoI) introduced (January 2007) Backward Regions Grant Fund (BRGF) programme (henceforth referred to as the programme) for development of backward areas and to provide resources for supplementing and converging existing development inflows to selected backward districts. The objective was to reduce imbalances and speed up development, thereby contribute towards poverty alleviation. The programme was fully funded by GoI and was implemented during the 11th five year plan (2007-12) in 12 GoI identified backward districts[34] of Rajasthan.

2.2.2 Organisational set up

Rural Development and Panchayati Raj Department (RD&PRD) was designated as the Nodal Department to implement the programme in the State. A High Powered Committee (HPC) headed by the Chief Secretary of the State was constituted (March 2007) at the State level for approving, managing, monitoring and evaluating the works proposed by the District Planning Committees. In the field, the executive heads at district level (Zila Parishads (ZPs), block level (Panchayat Samitis (PSs)) and village level (Gram Panchayats (GPs)) were Chief Executive Officers (CEOs)/Additional Chief Executive Officer (ACEOs), Vikas Adhikaris and Secretary-cum-Gram Sevaks respectively and Urban Local Bodies (ULBs) were headed by Executive Officers/Commissioners.

2.2.3 Audit objective

The broad objective of the audit was to examine whether finances were managed effectively to bridge the critical gaps in local infrastructure and other development requirements.

34. Banswara, Barmer, Chittorgarh, Dungarpur, Jaisalmer, Jalore, Jhalawar, Karauli, Sawaimadhopur, Sirohi, Tonk and Udaipur.

2.2.4 Audit criteria

The Audit criteria for the performance audit were derived from:

- Guidelines of the programme and instructions issued by RD&PRD.
- District Annual Action Plans.
- Rajasthan Panchayati Raj Rules (RPRRs), 1996.
- General Financial and Accounting Rules (GF&AR).
- Gramin Karya Nirdeshika (GKN), 2004.

2.2.5 Audit coverage and methodology

The records of Panchayati Raj Department (PRD), seven ZPs[35], 16 PSs[36], 80 GPs (Five GPs in each block), two Municipal Councils[37] (MCs), eight Municipal Boards[38] (MBs) and Indira Gandhi Panchayati Raj Sansthan (IGPRS) were test checked along with physical verification wherever necessary, for the period 2006-07 to 2010-11 during October 2010 to April 2011 and June to August 2011 which were selected by Simple Random Sampling Method. Entry conference was held in September 2010 where audit methodology, audit scope and audit objectives were discussed. Exit conference was held in November 2012 wherein audit findings were discussed in detail.

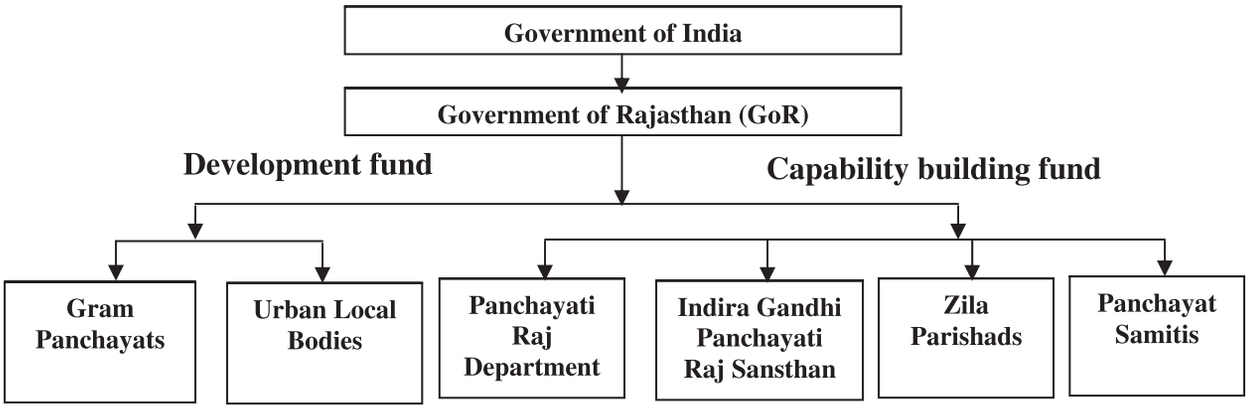
Audit acknowledges the cooperation and assistance of the State Government officials in conducting this audit.

2.2.6 Financial management

BRGF consists of two funding windows namely Capability Building Fund (CBF) and Development Fund. CBF was to be utilised primarily for planning, implementation, monitoring and improving accountability of GPs. Development fund was to be used to fill up critical gaps in integrated development, identified through the participative planning processes in GPs and ULBs. The fund flow of the programme is given in **Chart 2.2** below:

35. ZPs: Barmer, Chittorgarh, Jaisalmer, Jalore, Sawaimadhopur, Tonk and Udaipur.
36. PSs: Balotra, Baytu, Sindhari (District Barmer); Chittorgarh, Gangrar, Nimbahera (District Chittorgarh); Sankra (District Jaisalmer); Sanchore, Sayla (District Jalore); Bonli, Gangapur City (District Sawaimadhopur); Deoli, Tonk (District Tonk) and Jhadol, Kotra, Sarada (District Udaipur).
37. MCs: Tonk and Udaipur.
38. MBs: Barmer, Chittorgarh, Nimbahera (District Chittorgarh), Jaisalmer, Jalore, Sawaimadhopur, Niwai (District Tonk) and Fatehnagar (District Udaipur).

Chart 2.2: Fund flow of the programme



2.2.6.1 Capability Building Fund

- Under CBF, GoI released ₹ 48.40 crore for the plan years 2006-07 to 2010-11 out of which expenditure of ₹ 33.25 crore (68.70 *per cent*) was incurred (upto March 2011). The unspent balance of ₹ 15.15 crore was lying in the Personal Deposit (PD) account of PRD, ZPs, PSs and IGPRS.

- As per the programme guidelines, under CBF, GoI was to release ₹ one crore per BRGF district per year but GoI released ₹ 32.08 crore (against ₹ 36 crore) for the plan years 2007-08 to 2009-10 in lump sum during October 2009 without mentioning any reasons for not releasing funds every year.

2.2.6.2 Development fund

Under the development fund, GoI released ₹ 889.97 crore for the plan years 2006-07 to 2010-11, against which an expenditure of ₹ 726.14 crore (81.59 *per cent*) was incurred on developmental activities (construction of buildings etc.). The position of development funds during 2007-11 is shown in **Table 2.8** below:

Table 2.8: Position of development fund

(₹ in crore)

Financial year	Plan year	Funds released by GoI	Total	Fund released by GoR to implementing agencies	Expenditure incurred	Balance amount
2007-08	2006-07 2007-08	75.00 225.90	300.90	238.37	74.03	
2008-09	2007-08 2008-09	22.54 160.96	183.50	65.15	193.33	
2009-10	2008-09 2009-10	1.80 107.54	109.34	290.22	220.94	
2010-11	2009-10 2010-11	45.24 250.99	296.23	266.71	237.84	
Total		**889.97**	**889.97**	**860.45***	**726.14**	**163.83**

(Source: Information furnished by RD&PRD)

* *Balance amount ₹29.52 crore (₹889.97crore - ₹860.45 crore) was released by GoR to implementation agencies (GPs and ULBs) in 2011-12.*

It may be seen that an amount of ₹ 163.83 crore was lying unutilised.

- As per the programme guidelines, for plan year 2007-08, first installment was to be released on submission of application and the second installment was to be released after deducting unspent balance in excess of 40 *per cent* of the funds available during the previous year. Further, for the plan year 2008-09 and onwards, first installment of 90 *per cent* of grant was to be released after deduction of balance amount of previous year and the second installment was to be released on receiving physical and financial progress reports of full funds of previous year and 75 *per cent* funds of current year.

It was noticed that GoI deducted ₹ 188.99 crore[39] during years 2007-08 to 2009-10 (***Appendix-XI***) due to short utilisation of funds. The State Government stated (July 2012) that GoI initially released the funds by delay of one year, changed the formula for releasing of funds repeatedly and new sanctions of works could not be released due to enforcement of the model code of conduct for elections held during 2008-09 and 2009-10. The reply was not acceptable as the formula was changed in October 2008 and November 2009, which did not affect receipts of 2008-09 and the State Government should have appropriately framed the policy from 2009-10 as per revised formula of GoI to avoid the deduction. Works could also have been sanctioned well in advance keeping in view the enforcement of the model code of conduct. This indicates slackness in achieving the financial targets and lack of proper planning in implementation of the programme by the Department resulting in avoidable deduction of ₹ 188.99 crore by GoI. Together the unspent balance (₹ 163.83 crore) and the amount deducted by GoI (₹ 188.99 crore) add to 35 *per cent* of financial resources not being applied to the programme with the corresponding loss of the opportunity in developing backward regions.

2.2.6.3 Delayed release of funds and non-transfer of interest

As per the programme guidelines, BRGF grants were required to be transferred by the State Government to the GPs and ULBs within 15 days of the same being released to the Consolidated Fund of the State by GoI, failing which as per instruction (June 2009) of GoI, the State Government was liable to transfer penal interest at the rate equal to RBI bank rate, to the GPs and ULBs.

The RD & PRD transferred funds to GPs and ULBs with the concurrence of Finance Department with delays ranging from three to 177 days during 2006-07 to 2010-11, beyond the specified period of 15 days, but the State Government did not transfer penal interest of ₹ 0.63 crore from June 2009 to March 2011 at the rate of six *per cent* (RBI bank rate) to the GPs and ULBs concerned. The State Government stated (June 2010 and July 2012) that funds were released with delays due to insufficient provisions in the State budget. Reply was not acceptable as the State Government had made sufficient

39. 2007-08: ₹ 2.55 crore (Jaisalmer and Jhalawar districts), 2008-09: ₹ 88.23 crore (all BRGF districts) and 2009-10: ₹ 98.21 crore (eight BRGF districts).

provision in the budget for the period of 2009-10 in which major portion of interest amounting to ₹ 0.31 crore became due.

2.2.6.4 Incorrect reporting of UCs

In test checked districts, it was noticed that the State Government released ₹ 250.16 crore to the ZPs for execution of works. Out of this, ZPs submitted utilisation certificates (UCs) of ₹ 241.96 crore to the State Government leaving balance of ₹ 8.20 crore but as per information provided by PSs and ULBs there were actual unspent balances of ₹ 28.18 crore lying with implementing agencies as given in **Table 2.9** below.

Table 2.9: Details of unspent balances

(₹ in crore)

Sl. No.	Plan Year	Fund released by GoR	UCs Submitted by ZPs to GoR	Unspent balance as per ZPs	Actual unspent balance as per PSs and ULBs	Difference of unspent balances
1	2	3	4	5	6	7(6-5)
1	2006-07	40.00	40.00	-	1.53	1.53
2	2007-08	80.28	78.37	1.91	5.41	3.50
3	2008-09	67.14	63.59	3.55	10.00	6.45
4	2009-10	62.74	60.00	2.74	11.24	8.50
	Total	**250.16**	**241.96**	**8.20**	**28.18**	**19.98**

(Source: Information furnished by test checked units)

Above table indicates that UCs had inflated figures of expenditure by ₹ 19.98 crore. The State Government stated (July 2012) that the correct position would be intimated on receipt of actual position of UCs from ZPs. However, no further information was rendered by the State Government till December 2012.

2.2.6.5 Blocking of funds

- With a view to improve performance and service delivery system of GPs, RD&PRD purchased (February 2010) 1,100 computers and accessories at a cost of ₹ 5.09 crore to be supplied to 1,100 GPs. It was noticed that 235 computers and accessories (cost ₹ 1.09 crore) were supplied (April 2010) to 11 PSs of five test checked ZPs for supply to 235 GPs. Out of these 136 computers[40] and accessories costing of ₹ 0.63 crore were lying idle with PSs as of July-August 2011. The State Government stated (July 2012) that in ZP, Chittorgarh**,** computers were not being used in some GPs due to vacant posts of Gram Sevaks and in some GPs due to untrained Gram Sevaks, in respect of other ZPs no reply was furnished. The State Government further stated (November 2012) that in every GP two post of clerical cadre have been created and utilisation of computers will be ensured. The reply was not acceptable as computers were not distributed to GPs.

40. ZPs: Barmer - 18 (PS, Balotra: six, Baytu: three, Sindhari: nine), Chittorgarh - 32 (PS, Chittorgarh - 13, Gangrar: 10, Nimbahera: nine), Jalore - 11 (PS, Sanchore: 11), Sawaimadhopur - 48 (PS, Bonli: 25, Gangapur City: 23) and Udaipur - 27 (PS, Kotra: three and Sarada: 24).

- MB, Jaisalmer retained ₹ two crore for construction of a town hall (approved by District Planning Committee) out of allotted funds of ₹ 5.75 crore (June 2007 to August 2009) which was lying unutilised as of November 2012 for more than three years. The State Government stated (November 2012) that due to lack of approval of Archaeological Department, the work of town hall could not be commenced and the approvals of other works (other than town hall) have been obtained and funds will be utilised in the current financial year.

- The District Planning Committee, Barmer approved (March 2008) a proposal for procurement and installation of dairy machines at Zila Dugdh Utpadak Cooperative Society (ZDUCS), Barmer at a cost of ₹ 85 lakh in the annual Plan 2008-09. ZP, Barmer transferred (September 2009) ₹ 59 lakh to ZDUCS against which an expenditure of ₹ 61.04 lakh (BRGF: ₹ 59 lakh and own fund: ₹ 2.04 lakh) was incurred on procurement and installation of the ghee production machine. Of this, an expenditure of ₹ 11.54 lakh incurred on civil work for Effluent Treatment Plant, ₹ 19.10 lakh on purchase of ghee production machines and ₹ 4.40 lakh on tube well could not be put to use (August 2011). Managing Director, ZDUCS replied (August 2011) that Effluent Treatment Plant and ghee production machines required installation of more machines for their use and tube well required more boring, which could not be purchased/executed because of paucity of funds. Further, ZDUCS demanded ₹ 50 lakh more for functioning of ghee production unit. The State Government stated (July 2012) that after getting factual position of works, efforts would be made to put the machines to use. Thus, ₹ 35.04 lakh was lying blocked as the work was taken up without ascertaining the funds requirement.

Retention of funds for a town hall, execution of works for installation of a dairy without ascertaining the availability of required funds and purchase of computers without assessing requirement, resulted in blocking of ₹ 2.98 crore. Moreover, deterioration of the assets so created cannot be ruled out.

2.2.6.6 Unfruitful expenditure due to non-utilisation of assets

As per GKN, 2004, sanctioning authority should ensure proper utilisation of assets before issuing sanction of the work.

In test checked ZPs, 18 assets ***(Appendix-XII)*** created between March 2008 and March 2010 by incurring an expenditure of ₹ 73.64 lakh were lying unutilised due to non-handing over, non-availability of water and electricity, etc. for more than two to four years as of July 2012, rendering entire expenditure unfruitful. Photograph of some assets lying unutilised are given below:



ANM Quarter constructed at Avadi Bhimji, GP-Kamthai, PS-Sindhari (Barmer)



Nallah and Pulia in Palika Area, Nimbahera (Chittorgarh)

The State Government stated (July 2012) that clarification had been called from concerned ZPs. This indicates lack of control over sanctions, execution and utilisation of assets created.

2.2.6.7 Diversion of funds

As per the programme guidelines, CBF will be utilised primarily to build capacity in planning, implementation, monitoring, accounting, improving accountability and transparency. With the approval (February 2011) by the HPC, the RD&PRD diverted (March - April 2011) the unspent CBF grant of ₹ 13.73 crore available with IGPRS and ZPs to District Programme Coordinators, Employment Guarantee Scheme for establishing solar system in Rajiv Gandhi Seva Kendras (RGSKs) at 770 GPs of all the BRGF districts. The entire amount was utilised in RGSKs, however, these RGSKs were originally sanctioned in Mahatma Gandhi National Rural Employment Guarantee Scheme including provision of ₹ 1.70 lakh for solar system in each RGSK.

The State Government stated (July 2012) that the above decision was taken by HPC for effective operation of RGSKs. The reply was not acceptable as no sanction was obtained from GoI (July 2012) for diverting the funds to RGSKs. Thus, RD&PRD failed to build capacity in planning, implementation monitoring, accounting and improving accountability and transparency as CBF grant of ₹ 13.73 crore meant for imparting training and strengthening PRIs was diverted to provide solar system in 770 RGSKs.

2.2.7 Planning

2.2.7.1 Non-inclusion of suggestions of survey report in District Plans

As per the programme guidelines, integrated development plan in each district was to be prepared on the basis of a diagnostic study of its backwardness including a baseline survey.

It was noticed that RD&PRD awarded (October 2007) two contracts amounting to ₹ 0.75 crore for conducting study/survey on backwardness and development of baseline databank for all the 12 BRGF districts. The work was completed (June 2009) and ₹ 0.68 crore were paid to the two firms. It was noticed that in four districts[41] suggestions given in survey report were not included in their annual plans prepared by the District Planning Committees and survey reports of three districts (Barmer, Jaisalmer and Jalore) were not provided to audit, in the absence of which preparation of annual plans as per survey reports could not be ascertained.

The State Government stated (July 2012) that survey reports were made available to ZPs and instructions for inclusion of suggestion were given but it was for the District Planning Committees/GPs to include the suggestions in

41. Districts: Chittorgarh (Agriculture, Irrigation and Industry), Sawaimadhopur (Agriculture), Tonk (Agriculture and Irrigation) and Udaipur (Agriculture, Irrigation and Industry).

annual plans. Replies were not acceptable because annual plans were not based on the survey/study report as envisaged in the guidelines and the purpose of conducting survey/study was not fully achieved which rendered expenditure of ₹ 0.68 crore wasteful.

2.2.7.2 Expenditure on unapproved works

As per the programme guidelines, plan prepared by each GP or ULB was to be consolidated into the District Plan by District Planning Committee and to be further approved by the HPC at the State level.

It was noticed that MC, Udaipur and MB, Barmer incurred an expenditure of ₹ 1.55 crore[42] irregularly from the programme fund on 19 road works which were not included in the Annual Plan approved by District Planning Committee. MC, Udaipur stated (October 2010) that executed works were according to their plan. The reply was not acceptable as executed works were not included in the approved plan of District Planning Committee. The State Government stated (July 2012) that clarification from concerned ZPs had been called for.

2.2.7.3 Unjustified construction of houses without assessing critical gap

As per the programme guidelines, BRGF funds can be utilised for augmenting the funds of Indira Awas Yojana (IAY) to meet a portion of the backlog in the provision of new housing, if District Planning Committee aims at making the district free from housing problems and the local PRIs see this as a priority.

The ZP, Jaisalmer sanctioned (2008-09 and 2009-10) construction of 1,124 houses costing ₹ 3.93 crore for weaker sections without passing any resolution by the District Planning Committee in this regard and without conducting any survey for identification of critical gap of housing sector. Of this, 196 houses at the cost of ₹ 0.70 crore were completed (August 2011) in 27 GPs and remaining 928 houses were under construction. CEO, ZP, Jaisalmer stated (February 2011) that though District Planning Committee did not prepare any plan for making the district completely free from housing problem, the intention was to construct the houses under various schemes to make the district free from the housing problem. The reply was not acceptable as per information furnished by CEO, ZP, Jaisalmer the targets set for IAY during 2008-09 to 2011-12 were fully realised and there was no gap. The State Government stated (November 2012) that with effect from 25 June 2012 sanctions of IAY houses under BRGF was discontinued. Thus, construction of houses without assessing of requirement and following the procedure laid down in the guidelines was irregular.

42. MC: Udaipur - 17 road works (2006-07) (expenditure incurred ₹ 1.17 crore) and MB: Barmer - two road works (2009-10) (expenditure incurred ₹ 0.38 crore).

2.2.8 Execution of works

Basic objective of the programme was to execute the development works in backward areas, which were either not got executed under the other developmental activities or were essential to bridge the gap in critical areas.

At State level 32,968 works of human development, 19,292 works of infrastructure sector and 35 works of production sector were sanctioned under the programme, out of which 12,713, 9,054 and 24 works respectively completed by the implementing agencies. Out of 1,524 completed works in test checked GPs and ULBs of districts selected for Performance Audit, 718 works amounting to ₹ 24.45 crore (human development: 288 works of ₹ 8.12 crore and infrastructure development: 430 works of ₹ 16.33 crore) were scrutinised in the audit.

The irregularities noticed in execution of works are given in succeeding sub paragraphs.

2.2.8.1 Incomplete works

As per GKN, 2004 the time limit for completion of works should generally not exceed nine months. In test checked ZPs, as of August 2011 out of total 25,606 sanctioned works, 17,277 works were completed, 5,588 were incomplete and 2,741 works were not started. The percentage of works remaining incomplete ranged from 2.39 *per cent* in 2007-08 to 45.28 *per cent* in 2010-11 as per details given in **Table 2.10** below:

Table 2.10: Details of works executed under BRGF

Plan year	Works sanctioned during the year	Status of works			Percentage of incomplete works
		Not started	Completed	Incomplete	
2006-07	2,201	-	2,201	-	-
2007-08	6,453	57	6,242	154	2.39
2008-09	7,161	719	4,700	1,742	24.33
2009-10	4,080	368	2,606	1,106	27.11
2010-11	5,711	1,597	1,528	2,586	45.28
Total	**25,606**	**2,741**	**17,277**	**5,588**	**21.82**

(Source: Information furnished by test checked ZPs)

Audit observed that reasons for works lying incomplete/not started were neither mentioned in the Monthly Progress Reports of ZPs nor in the various reports of executing agencies submitted to ZPs. The State Government stated (July 2012) that incomplete works would be completed in next financial years. Incomplete/not started works, not only deprived the intended benefit of the programme to people of backward areas but also the possibilities of deterioration of assets could not be ruled out.

2.2.8.2 Irregular charging of administrative charges

It was noticed that IGPRS irregularly charged ₹ 37.06 lakh (up to March 2011) as administrative charges on training programmes without any provisions either in the programme guidelines or in GKN, 2004. The State

Government stated (July 2012) that factual position had been called from the IGPRS.

2.2.9 Procurement of construction material from unregistered suppliers/firms

RPRRs, 1996 stipulate that construction material should be procured from manufacturers or whole sellers at the minimum possible rate by inviting tenders.

In 31 GPs of seven PSs of five test checked districts, construction material worth ₹ 1.31 crore was procured (November 2007 to March 2011) from unregistered suppliers/firms without inviting tenders for execution of 146 works[43] of construction of building and roads. The State Government stated (July 2012) that after receiving the factual position necessary direction would be given to the concerned units.

2.2.10 Misuse of assets

GF&AR stipulates that assets created from the specific grants must be utilised for the purpose for which these were sanctioned. On joint inspection of 73 buildings conducted (February to April 2011) with executing agencies, it was observed that five buildings constructed under the programme at the cost of ₹ 21.48 lakh were being used unauthorisedly by local residents for purpose other than intended as shown in **Table 2.11** below:

Table 2.11: Details of misuse of assets

(₹ in lakh)

Sl. No.	Name of constructed building	Expenditure incurred	Date of completion	Building being used by
1.	Day care home for old age persons in MB, Sawaimadhopur	13.36	16.06.2009	MB, Sawaimadhopur for office purpose
2.	Work Shop for SC/ST, Avadi Bhimji in GP, Kamthai, PS-Sindari, Barmer	2.12	15.10.2009	A local resident
3.	Public Sabha Bhawan, (Daimani Meghwal Basti), GP-Kawas, PS-Baytu, Barmer	1.50	30.10.2009	A local resident
4.	Public Sabha Bhawan, Sammeloni Meghwalo ki Basti in GP, Kawas, PS-Baytu, Barmer	1.50	15.07.2008	Deputy Sarpanch of the GP
5.	Public Sabha Bhawan, Bakani Meghwalo ki Basti in GP, Kawas, PS-Baytu, Barmer	3.00	30.12.2009	Ex-Sarpanch of the GP
	Total	**21.48**		

The State Government stated (July 2012) that comments had been called for from the concerned ZPs. Thus, misuse of assets frustrated the very purposes of the programme.

43. ZPs: Barmer (four GPs of one PS) - 16 works, cost ₹ 22.10 lakh; Jalore (nine GPs of two PSs) - 44 works, cost ₹ 54.66 lakh; Sawaimadhopur (10 GPs of two PSs) - 51 works, cost ₹ 35.33 lakh; Tonk (five GPs of one PS) - 27 works, cost ₹ 16.12 lakh and Udaipur (three GPs of one PS) - eight works, cost ₹ 2.87 lakh.

2.2.11 Training

2.2.11.1 Shortfall in employment oriented training

As per the Annual Plans 2007-08 to 2010-11 of test checked districts, 55,522 candidates were to be given employment oriented training. It was noticed that after incurring expenditure of ₹ 16.43 lakh, only 576 candidates were trained in bare foot engineering during October 2007 to June 2008, in all the BRGF districts. Besides this, out of ₹ 10.11 crore (June-August 2009) provided to all the BRGF districts for conducting training, only ₹ 0.84 crore was utilised by Tonk district for training (details not furnished), ₹ 6.40 crore[44] were utilised for construction of hostels in eight districts as per instruction of the State Government and the remaining amount ₹ 2.87 crore[45] was lying idle (July 2012).

The State Government accepted the facts and stated (July 2012) that due to non-availability of qualified training institutes, training targets could not be achieved. Thus, purpose of capability building could not be achieved.

2.2.11.2 Non-creation of helpline centres and diversion of capacity building funds

As per the programme guidelines, 12 telephone help line centres at BRGF districts and one at the State Headquarter were to be set up to provide a speedy channel of clarification and information to trained persons and to link help seekers. It was observed that none of the BRGF district and State Headquarters had set up these centres even after providing funds of ₹ 1.15 crore[46] (November 2009) from CBF. Of this ₹ one crore was diverted (March 2011) for installation of solar system in RGSKs.

The State Government stated (July 2012) that help line centres were not created in view of available limited resources with ZPs. Reply was not acceptable as the available fund of ₹ one crore was not used and diverted.

2.2.12 Monitoring and controls

2.2.12.1 Non-formation of review committee at district level

As per programme guidelines, a review committee shall be constituted at district level consisting of Chairperson of district panchayat (ZP), intermediate panchayats (PSs) and ULBs in the district on rotation basis in such a way that

44. Districts: Banswara - ₹ 0.73 crore, Barmer - ₹ 0.86 crore, Chittorgarh - ₹ 0.60 crore, Dungarpur - ₹ 0.87 crore, Jaisalmer - ₹ 0.90 crore, Sirohi - ₹ 0.72 crore, Sawaimadhopur - ₹ 0.77 crore and Udaipur - ₹ 0.95 crore.
45. ZPs: Chittorgarh - ₹ 0.39 crore, Jalore - ₹ 0.85 crore, Jhalawar - ₹ 0.80 crore and Karauli - ₹ 0.83 crore.
46. State Headquarter: ₹ 15 lakh; ZPs: Banswara - ₹ 10.35 lakh, Barmer - ₹ 9.20 lakh, Chittorgarh - ₹ 16.10 lakh, Dungarpur - ₹ 5.75 lakh, Jaisalmer - ₹ 3.45 lakh, Jalore - ₹ 9.20 lakh, Jhalawar - ₹ 6.90 lakh, Karauli - ₹ 5.75 lakh, Sawaimadhopur - ₹ 5.75 lakh, Sirohi - ₹ 5.75 lakh, Tonk - ₹ 6.90 lakh and Udaipur - ₹ 14.90 lakh.

the committee does not consist of more than eight to 10 members. The committee would peer review reports prepared by GPs.

In seven test checked ZPs (except Sawaimadhopur) no such review committees at district level were constituted.

The State Government stated (July 2012) that monitoring of the programme was done by District Planning Committee only. The reply was not acceptable as constitution of separate review committee at district level in the Programme for monitoring was mandatory, which was not followed.

2.2.13 Evaluation

For conducting midterm evaluation of the programme, PRD transferred ₹ 60 lakh (November 2009) to own accounts from CBF which was further transferred (July 2010) to IGPRS but IGPRS did not conduct any evaluation and the amount was further transferred (July 2012) by PRD to National Institute of Rural Development, Hyderabad. Thus, evaluation was not conducted even lapse of more than two years as of July 2012 in spite of funds available since November 2009 to PRD, due to which the impact of implementation of the programme could not be studied. The State Government accepted (July 2012) the facts.

2.2.14 Conclusion

Planning, execution and monitoring of the funds were not adequate resulting in almost 35 *per cent* of the financial resources not being used. There were also instances of diversion of resources, incomplete works and assets not put to use. Only one per cent of targeted personnel were provided training in employment oriented trades. In the absence of specified monitoring and evaluation the State did not get assurance on the success of the programme.

2.2.15 Recommendations

- The State Government should take appropriate action for timely utilisation of funds to avoid deductions and unspent balances.

- ZPs and executive agencies should ensure that assets created are put to use for the intended purpose.

- Capacity building component should be fully utilised to derive envisaged benefits.

AUDIT OF TRANSACTIONS

Rural Development Department

2.3 Irregular utilisation of funds

Sanction of funds of ₹ 1.75 crore by Zila Parishads (Rural Development Cell) from Swarnjayanti Gram Swarojgar Yojana infrastructure funds to line department and cooperative societies instead of utilising the same towards filling critical gaps to enable Swarojgaries to utilise their assets, was in contravention of the guidelines.

Paras 2.1 to 2.7 of Chapter II of Swarnjayanti Gram Swarojgar Yojana (SGSY) guidelines, provide that the infrastructure funds (20 *per cent* of total SGSY funds) were required to be used to bridge small/critical gaps in investments which enable SGSY Swarojgaries full utilisation of the assets and in no case be used to augment resources of the line department for development of their general infrastructure, which is essentially the responsibility of the line department. Assistance for development of infrastructure to cooperative societies can be given with the condition that at least 50 *per cent* of members of the cooperative societies should be Swarojgaries on the date of sanction of funds from SGSY.

Test check (March 2008 to April 2009) of records of six Zila Parishads[47] (Rural Development Cell) (ZP RDC) for the year 2007-08 and 2008-09 revealed that ZPs (RDC) issued sanctions (November 2005 to February 2009) for ₹ 1.93 crore[48] from SGSY infrastructure fund to Animal Husbandry Department (AHD), Hanumangarh, 16 Gram Panchayats[49] (GPs) and five Dugdh Utpadak Sahkari Sangh Limited[50] (being cooperative societies), towards purchase of various items[51] which were not admissible under the scheme, without ascertaining the required percentage of Swarojgaries in the cooperative societies and an expenditure of ₹ 1.75 crore[52] was incurred (September 2006 to December 2009).

The State Government stated (December 2010 and July 2012) that (i) in Hanumangarh mobile laboratory was purchased for providing medical facilities to animals of Swarojgaries and bulls/buffaloes were purchased by GPs for the benefit of Below Poverty Line (BPL) families, (ii) in Chittorgarh,

47. ZPs (RDC): Bikaner, Chittorgarh, Churu, Hanumangarh, Karauli and Sirohi.
48. ZPs (RDC): Bikaner - ₹ 35.73 lakh, Chittorgarh - ₹ 13.47 lakh, Churu - ₹ 80.75 lakh, Hanumangarh - ₹ 36.03 lakh, Karauli - ₹ 16 lakh and Sirohi - ₹ 11.25 lakh.
49. ZP (RDC): Hanumangarh - 16 GPs.
50. Bhilwara-Chittorgarh Dugdh Utpadak Sangh, Chittorgarh; Churu Zila Dugdh Utpadak Sahakari Sangh Limited, Sardarshahar; Jalore-Sirohi Zila Dugdh Utpadak Sangh Limited, Sirohi; Sawaimadhopur-Tonk Zila Dugdh Utpadak Sahakari Sangh Limited, Hindaun and Uttari Rajasthan Cooperative Milk Union Limited, Bikaner.
51. Tanker, turbo truck, mobile laboratory, bulls, buffaloes, dairy equipments and packing machine, etc.
52. ZPs (RDC): Bikaner - ₹ 23.78 lakh, Chittorgarh - ₹ 13.34 lakh, Churu - ₹ 76.36 lakh, Hanumangarh - ₹ 34 lakh, Karauli - ₹ 16 lakh and Sirohi - ₹ 11.43 lakh.

Churu, Karauli and Sirohi districts, dairy and livestock are main occupations of rural area and more than 50 *per cent* families belonging to BPL benefited from these cooperative societies and (iii) Bikaner is desert area and looking at its climate and geographical conditions funds were sanctioned. The replies of the State Government were not acceptable as (i) purchase of mobile laboratory and bulls/buffalos were the responsibility of AHD, Hanumangarh, (ii) verification (August 2012) from ZPs revealed that 50 *per cent* of members of cooperative societies at time of sanction of funds from SGSY were not Swarojgaries and (iii) in Bikaner, funds from SGSY should have been sanctioned by taking into account numbers of Swarojgaries amongst the members of the cooperative society instead of considering its geographical conditions.

Thus, sanction of funds of ₹ 1.75 crore by six ZPs (RDC) from SGSY infrastructure funds to AHD and cooperative societies instead of towards filling critical gaps to enable Swarojgaries to utilise their assets, was in contravention of the SGSY guidelines.

2.4 Unfruitful expenditure on school buildings

Improper planning in construction of residential school buildings without the consent and coordination of Education Department by ZP (RDC), Bharatpur rendered the expenditure of ₹ 1.59 crore unfruitful.

Gramin Karya Nirdeshika (GKN), 2004 stipulates that authority issuing administrative and financial sanctions for a particular work should ensure that sanctions are not issued for work on which expenditure is likely to prove unfruitful.

Scrutiny (February-March 2011) of records of the Zila Parishad (Rural Development Cell) (ZP RDC), Bharatpur revealed that Mewat Region Development Board (MRDB)[53] decided (September 2006) to construct upper primary school buildings for girls with hostel facility for 30 girls at five villages of three Panchayat Samitis[54] (PSs) in Bharatpur district under Mewat Region Development Programme, a State sponsored scheme under Rural Development Department. As per decision of MRDB, these residential schools were to be run by either Education Department or Social Welfare Department.

The ZP (RDC), Bharatpur accorded (May-June 2007) administrative and financial sanction of ₹ 1.25 crore (subsequently revised to ₹ 1.88 crore in July 2008) for construction of these school buildings. Executive Engineer, Public Works Department, Division Kumher being executing agency, completed these buildings between March 2009 and January 2010 by incurring

53. Constituted by State Government in February 1987 for approving plan, supervising and reviewing progress of schemes of socio-economic development of Mewat Region (Alwar and Bharatpur) under Mewat Region Development Programme through Zila Parishad.
54. PSs: Deeg (Tora village), Kama (Sahsan and Jotruhalla villages) and Nagar (Gulpara and Kaithwara villages).

an expenditure of ₹ 1.59 crore[55]. The Minister, Rural Development and Panchayati Raj Department (RD&PRD) in a meeting directed (February 2010) that these schools buildings should be handed over to Sarva Shiksha Abhiyan (SSA), Education Department to run as residential schools on the lines of Kasturba Gandhi Residential Schools[56].

However, Divisional Commissioner (DC), Bharatpur found during his inspection conducted (September 2010) with public representatives that these buildings were unsuitable for residence of girls owing to social restrictions and unsafe atmosphere. He suggested shifting of the already running upper primary girls school at Sahsan to newly constructed building as existing building was not sufficient and to open new upper primary girls schools at remaining four villages[57] as there were no separate primary girls schools. Principal Secretary, Education Department and Commissioner, SSA did not accept this proposal (October 2010) because new upper primary school cannot be opened within the radius of one kilometer of existing upper primary school.

Further, Principal Secretary, RD&PRD decided (March and May 2011) to shift the already running upper primary girls school at Sahsan village and classes of 6th to 9th of existing upper primary schools at Jotruhalla, Tora villages to these residential school buildings, to transfer Gulpara building to Education Department for opening new upper primary girls school and to hand over building at Kaithwara to Minority Affairs Department, PS, Nagar. However, these proposals did not fructify and these buildings were not handed over to Education Department and PS, Nagar as of May 2012 and were lying unused for more than two to three years due to lack of coordination between Education, Social Welfare and Rural Development Departments defeating the objective of providing residential schools to girls.

Chief Executive Officer, ZP (RDC), Bharatpur intimated (March 2011) that sanctions were issued on approval of MRDB meeting held in September 2006 and opening of school was to be decided by Education Department. The fact remains that sanctioning authorities did not assess the requirement and suitability of the sites before sanction and construction of these buildings. Thus, improper planning of construction of residential school buildings without the consent and coordination of Education Department led to unfruitful expenditure of ₹ 1.59 crore on construction of these buildings lying unutilised.

The matter was referred to the State Government in February 2012; reply was awaited (February 2013).

55. Residential school building at Gulpara village: ₹ 0.39 crore; Jotruhalla: ₹ 0.32 crore; Kaithwara: ₹ 0.28 crore; Sahsan: ₹ 0.31 crore and Tora: ₹ 0.29 crore.
56. Scheme launched by GoI in July 2004 (merged with SSA from April 2007) for setting up residential schools at upper primary level for girls belonging to Scheduled Castes, Scheduled Tribes, Other Backward Class and minor communities in educationally backward areas of the country.
57. Gulpara, Jotruhalla, Kaithwara and Tora villages.

Panchayati Raj Department

2.5 Irregular diversion of grants

Panchayati Raj Department irregularly diverted Third State Finance Commission grants of ₹ 13.68 crore in 13 Zila Parishads for Indira Awas Yojana which was not in accordance with its recommendations.

Third State Finance Commission (SFC) recommended (February 2008) that funds should be transferred to Zila Parishads (ZP), Panchayat Samitis (PS) and Gram Panchayats (GP) in the ratio of 3, 12 and 85 respectively as untied grants for creation, up-gradation, maintenance of basic civic services, repair and maintenance of buildings, promotion of elementary education, better supervision and monitoring of various rural development schemes in their respective jurisdiction. The State Government accepted these recommendations in March 2008.

Scrutiny (December 2011 to February 2012) of records of ZPs (Panchayat Cell) (PC), Dausa and Jaisalmer and information collected (August 2012) from other 11 ZP[58] (PC) revealed that Principal Secretary-cum-Commissioner, Panchayati Raj Department (PRD) sanctioned (March 2010) second installment of Third SFC grants of ₹ 119.64 crore for the year 2009-10 against share of GPs of 13 ZPs (PC) with the condition that an amount of ₹ 15.98 crore[59] would be utilised for individual beneficiaries of Indira Awas Yojana (IAY) as additional State share of IAY for the year 2009-10. Finance Department of the State Government transferred (March 2010) the same amount in Personal Deposit accounts of ZPs (PC) concerned. Out of ₹ 15.98 crore, all 13 ZPs (PC) transferred ₹ 13.68 crore[60] to ZPs (Rural Development Cell) of concerned districts being implementing agency of IAY, as additional State share (₹ 15,000 per beneficiary) of IAY and nine ZPs had utilised ₹ 8.95 crore[61] on IAY beneficiaries. The objectives of IAY being to help construction/up-gradation of dwelling units of Schedule Castes/Schedule Tribes, etc. was not covered in the scope of grants recommended by Third SFC.

The Secretary-cum-Commissioner, PRD stated (February 2013) that Third SFC recommended transfer of State share to Panchayati Raj Institutions as untied grants and these grants were to be utilised as per the guidelines issued

58. ZPs (PC): Bhilwara, Bundi, Chittorgarh, Churu, Dholpur, Jalore, Jhunjhunu, Karauli, Sawaimadhopur, Sirohi and Udaipur.
59. ZPs (PC): Bhilwara - ₹ 1.34 crore, Bundi - ₹ 0.53 crore, Chittorgarh - ₹ 0.61 crore, Churu - ₹ 2.54 crore, Dausa - ₹ 1.45 crore, Dholpur - ₹ 0.92 crore, Jaisalmer - ₹ 0.98 crore, Jalore - ₹ 2.26 crore, Jhunjhunu - ₹ 1.56 crore, Karauli - ₹ 1.20 crore, Sawaimadhopur - ₹ 0.63 crore, Sirohi - ₹ 0.27 crore and Udaipur - ₹ 1.69 crore.
60. ZPs (PC): Bhilwara - ₹ 1.01 crore, Bundi - ₹ 0.26 crore, Chittorgarh - ₹ 0.61 crore, Churu - ₹ 2.54 crore, Dausa - ₹ 1.45 crore, Dholpur - ₹ 1.16 crore, Jaisalmer - ₹ 0.43 crore, Jalore - ₹ 0.87 crore, Jhunjhunu - ₹ 1.56 crore, Karauli - ₹ 1.20 crore, Sawaimadhopur - ₹ 0.63 crore, Sirohi - ₹ 0.27 crore and Udaipur - ₹ 1.69 crore.
61. ZPs (Rural Development Cell): Bundi - ₹ 0.14 crore, Chittorgarh - ₹ 0.37 crore, Churu - ₹ 1.40 crore, Dausa - ₹ 1.45 crore, Jalore- ₹ 0.87 crore, Jhunjhunu - ₹ 1.56 crore, Karauli - ₹ 1.20 crore, Sirohi - ₹ 0.27 crore and Udaipur - ₹ 1.69 crore.

by the department concerned. The reply was not acceptable as Third SFC recommended untied grants for creation, up-gradation and maintenance of basic civic services, promotion of elementary education etc. and not for construction of houses under IAY.

Thus, the diversion of Third SFC grants of ₹ 13.68 crore for individual beneficiaries of IAY was not in accordance with the recommendations of Third SFC.

2.6 Unfruitful expenditure on incomplete works

Panchayat Samiti, Bengu failure to raise funds by auctioning the shops resulted in unfruitful expenditure of ₹ 12.34 lakh provided under Member of Parliament Local Area Development Scheme, Member of Legislature Assembly Local Area Development Scheme and Third State Finance Commission. Besides, the villagers were deprived of envisaged bus stand and shopping complex.

Gramin Karya Nirdeshika (GKN), 2004 stipulates that works of all Central sponsored/State sponsored scheme running through Rural Development and Panchayati Raj Department (PRD) would be executed as per norms prescribed under GKN and the sanctioning authority should ensure not to issue any sanction for work on which expenditure is likely to be proved unfruitful.

Scrutiny (October 2008) of the records of Panchayat Samiti (PS), Bengu, Chittorgarh revealed that the General Body of PS approved (August 2004) the proposals for construction of a bus stand and a shopping complex of 42 shops on its land with the objective of raising its revenue and to solve the problem of bus stand. The work was to be constructed in two phases at an estimated cost of ₹ 79.54 lakh[62]. The construction cost was to be met by taking advance of ₹ 1.50 lakh per shop at the time of its allotment and drinking water and other facilities were to be met from the funds of Member of Parliament Local Area Development Scheme (MPLADS) and Member of Legislature Assembly Local Area Development Scheme (MLALADS). The buses from the bus stand were to be run by the Rajasthan State Road Transport Corporation (RSRTC) on monthly rental basis.

Commissioner, Panchayati Raj Department (PRD) sanctioned (November 2004) the project with the condition that consent of RSRTC to run the bus stand and to take administrative room on rent would be obtained first and construction work of first phase would be started only after collection of advance amount by auctioning 21 shops. PS, Bengu postponed auction of shops in January and August 2005 due to unavoidable reasons and thereafter no further action was taken. RSRTC issued (June 2005) no objection certificate with the condition that PS would construct by-pass road from main road to bus stand and also provide rooms for booking, shed, water hut and other facilities. However, PS neither executed any memorandum of

62. Construction of shops: ₹ 31.64 lakh, drinking water facility: ₹ five lakh, administrative room: ₹ 20.52 lakh, road and drainage: ₹ 22.38 lakh.

understanding with RSRTC for running of buses from bus stand nor collected advance amount by auctioning the shops. It incurred ₹ 12.34 lakh[63] upto March 2007 on construction of halls, toilets, cement concrete road and divider in the bus stand premises which were lying unutilised as of May 2012 for last five years. The PS, Bengu decided (November 2007) to transfer the incomplete bus stand to Municipal Board (MB), Bengu for completion and a proposal to this context was sent (January 2008) to PRD which was yet to be finalised (June 2012).

Vikas Adhikari, PS, Bengu stated (October 2008) that construction work was executed in compliance with orders of PRD (November 2004) and that the matter was pending with PRD for transfer of bus stand to MB. The reply was not acceptable as the PRD's instructions that the work was to be commenced only after collection of advance amount from 21 shops which was not adhered to resulting in incomplete works and unfruitful expenditure of ₹ 12.34 lakh. Besides, the villagers were deprived of envisaged bus stand and shopping complex.

The matter was referred to the State Government in February 2010; reply was awaited (February 2013).

63. Construction of hall from MLALAD funds: ₹ 4.99 lakh, cement concrete road from MPLAD funds: ₹ 4.98 lakh, gravel road, divider at bus stand and electricity fitting from Third State Finance Commission grant: ₹ 2.37 lakh.

CHAPTER-III

AN OVERVIEW OF ACCOUNTS AND FINANCES OF URBAN LOCAL BODIES

3.1 Introduction

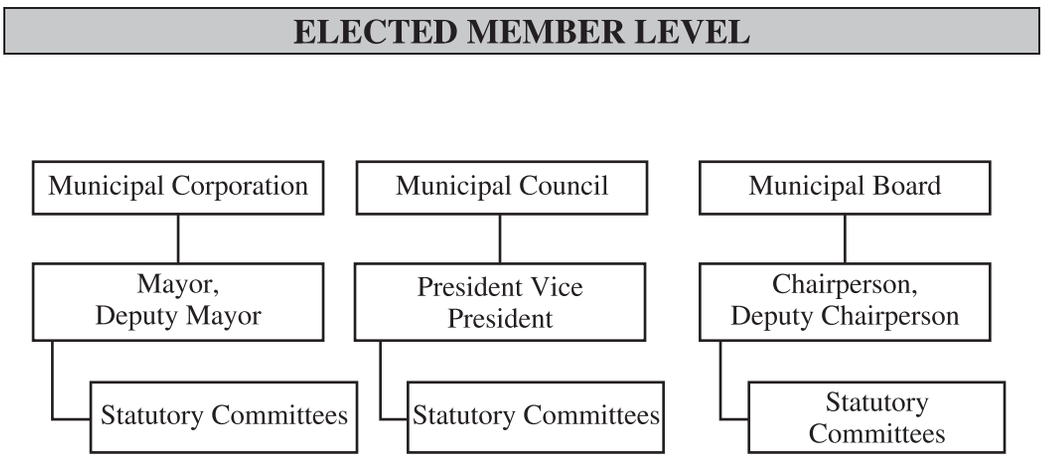
Consequent on the 74th Amendment in 1992, Articles 243 P to 243 ZG were inserted in the Constitution whereby the legislatures could endow certain powers and duties to the Municipalities in order to enable them to function as institutions of self-government and to carry out the responsibilities conferred upon them including those listed in the Twelfth Schedule of the Constitution. The Rajasthan Municipalities Act (RMA), 2009 was enacted by repealing all the prevailing municipal laws and enactments.

As per census 2011, the total population of Rajasthan State was 6.86 crore. The urban population of the State was 1.71 crore, which constituted 24.93 *per cent* of the total population of the State. In Rajasthan State, there were 184 Urban Local Bodies (ULBs) i.e., five Municipal Corporations[1] (M Corps), 13 Municipal Councils[2] (MCs) and 166 Municipal Boards[3] (MBs) as of March 2012. The last elections of the ULBs in Rajasthan State were held in five phases during November 2009 to February 2011.

3.2 Organisational set up

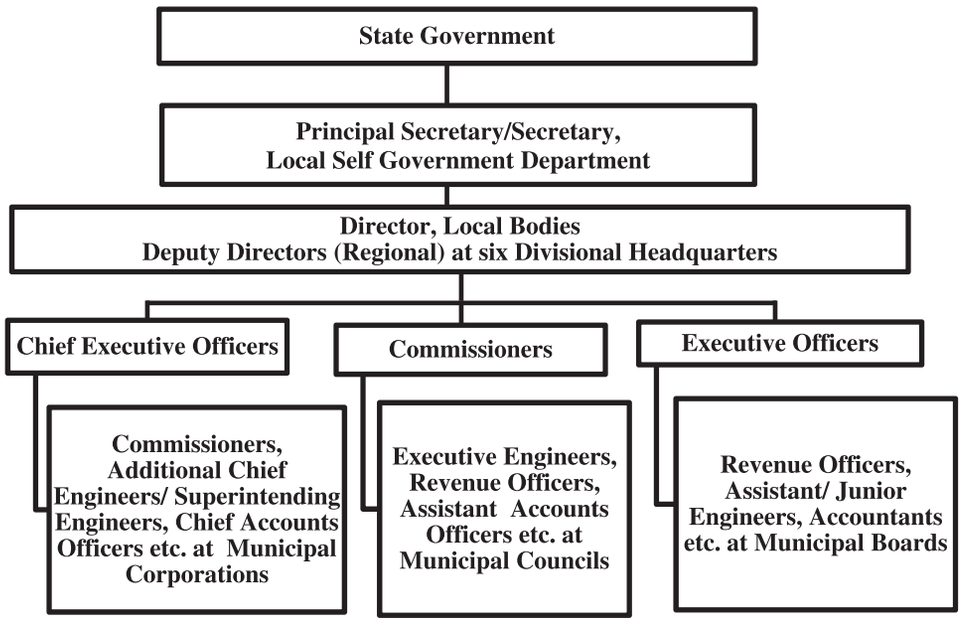
The administrative department dealing with affairs of the ULBs is Local Self Government Department (LSGD). An organisational chart combining the State Government administrative machinery with ULBs is given in **Chart 3.1** below:

Chart 3.1: Organisational chart of ULBs



1. Municipal Corporations: Ajmer, Bikaner, Jaipur, Jodhpur and Kota.
2. Municipal Councils: Alwar, Beawar, Bharatpur, Bhilwara, Churu, Hanumangarh, Jhunjhunu, Kishangarh, Pali, Sikar, Sriganganagar, Tonk and Udaipur.
3. Municipal Boards: Class-II (with population 50,000-99,999) - 36, Class-III (with population 25,000-49,999) - 58 and Class-IV (with population less than 25,000) - 72.

EXECUTIVE LEVEL



Financial management

3.3 Receipts and expenditure

3.3.1 Receipts

The position of receipts under various heads of the ULBs[4] during 2006-07 to 2010-11 is given in **Table 3.1** and break-up of receipts and expenditure of ULBs is given in **Table 3.2** below:

Table 3.1: Receipts of ULBs

(₹ in crore)

Sources of receipts	2006-07	2007-08	2008-09	2009-10	2010-11
(A) Own revenue					
(a) Tax revenue					
(i) House tax	19.50	8.38	7.03	39.90	17.59
(ii) Urban development tax[5]	-	-	11.99	21.61	38.94
(iii) Octroi/*Margasth* fee	2.50	3.66	4.00	54.49	25.51
(iv) Tax on vehicles	0.24	2.59	0.67	0.46	0.20
(v) Passenger tax	2.24	2.73	2.02	2.23	3.52
(vi) Terminal tax	0.14	0.54	0.12	0.10	0.08
(vii) Other taxes	2.94	4.97	3.00	4.42	21.26
(viii) Outsourcing	-	-	-	41.13	44.33
Total of tax revenue (a)	**27.56 (2.31)**	**22.87 (1.53)**	**28.83 (1.54)**	**164.34 (7.55)**	**151.43 (7.38)**

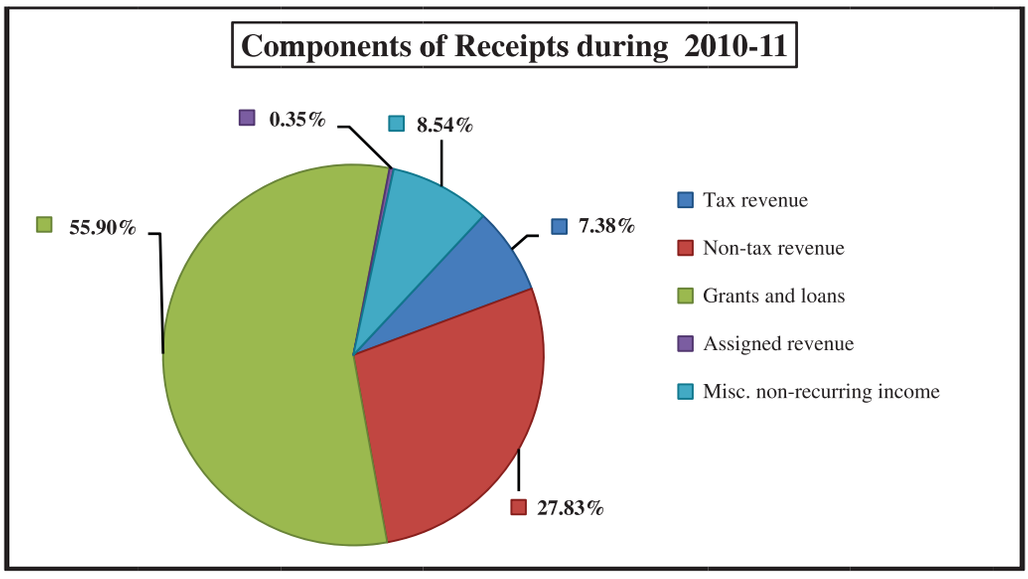
4. Excluding MBs: Aklera, Bandikui, Barmer, Bhinmal, Chaksu, Deeg, Deshnok, Gangapur, Hindaun, Kishangarh-Renwal, Laxmangarh, Malpura, Mandawa, Nava, Parbatsar, Pindwada, Piparcity, Sanchore, Sirohi, Surajgarh and Vair (information of receipts (except Sirohi) and expenditure for 2010-11 not received in Directorate, Local Bodies, Jaipur).
5. Urban Development tax was introduced from 29 August 2007 on abolition of House tax from 24 February 2007.

Sources of receipts	2006-07	2007-08	2008-09	2009-10	2010-11
(b) Non-tax revenue[6]					
(i) Revenue from bye-laws	70.21	67.93	68.30	83.72	99.39
(ii) Revenue from assets	13.55	14.42	17.22	46.43	26.75
(iii) Revenue from Acts	13.25	18.93	18.37	35.06	49.05
(iv) Revenue from penalties	4.15	6.71	6.09	8.66	11.73
(v) Revenue from waterworks	0.25	1.06	2.30	1.84	0.32
(vi) Interest on investments	7.15	61.37	14.21	8.61	22.13
(vii) Misc. non-tax revenue	50.30	63.96	91.92	81.85	56.29
(viii) Sale of land	141.67	210.38	249.33	210.52	305.34
Total of non-tax revenue (b)	**300.53 (25.15)**	**444.76 (29.84)**	**467.74 (24.91)**	**476.69 (21.89)**	**571.00 (27.83)**
Total of Own revenue (A)	**328.09 (27.46)**	**467.63 (31.37)**	**496.57 (26.45)**	**641.03 (29.44)**	**722.43 (35.21)**
(B) Assigned revenue (Entertainment tax)	**- -**	**- -**	**3.00 (0.16)**	**7.12 (0.33)**	**7.21 (0.35)**
(C) Grants and loans					
(i) General and special grant	44.80	41.93	65.27	51.91	40.87
(ii) Grant in lieu of octroi	544.46	566.64	627.65	747.70	754.09
(iii) Special assistance and loans	160.35	254.68	417.37	484.79	351.67
Total of Grants and loans (C)	**749.61 (62.74)**	**863.25 (57.91)**	**1,110.29 (59.13)**	**1,284.40 (58.99)**	**1,146.63 (55.90)**
(D) Miscellaneous non-recurring income[7]	**117.02 (9.80)**	**159.80 (10.72)**	**267.81 (14.26)**	**244.62 (11.24)**	**175.11 (8.54)**
Grand Total (A to D)	**1,194.72***	**1,490.68***	**1,877.67**	**2,177.17**	**2,051.38**

(Source: As per data provided by Directorate Local Bodies Department, Rajasthan, Jaipur)

Note: Figures in brackets denote percentage to the total receipts.

* *Figures in respect of 2006-07 do not include grants released under recommendations of Twelfth Finance Commission and Third State Finance Commission and in respect of 2007-08 do not include grants released under recommendations of Third State Finance Commission as intimated by the State Government (April 2010) and Chief Accounts Officer, Directorate Local Bodies Department, Rajasthan, Jaipur (August 2010) respectively.*



6. Income under Bye-laws and Acts, income from assets, sale of land, interest on investment and miscellaneous recurring income.
7. Including deposits and recoveries of loans and advances.

Table 3.2: Break-up of receipts and expenditure of ULBs

(₹ in crore)

Category of ULBs	2007-08		2008-09		2009-10		2010-11		Percentage of increase (+)/ decrease (-) of 2010-11 with reference to 2009-10	
	Receipts	Exp.	Receipts	Exp.	Receipts	Exp.	Receipts	Exp.	Receipts	Exp.
(A) Municipal Corporations										
(i) Ajmer*	-	-	55.43	54.13	48.65	55.13	79.67	60.91	(+)63.76	(+)10.48
(ii) Bikaner*	-	-	49.97	42.60	37.10	37.92	42.91	42.30	(+)15.66	(+)11.55
(iii) Jaipur	389.24	326.99	457.56	486.50	400.30	367.54	369.30	342.23	(-)7.74	(-)6.89
(iv) Jodhpur	62.77	65.42	84.46	71.18	93.28	110.09	115.43	109.33	(+)23.75	(-)0.69
(v) Kota	85.74	76.95	85.52	96.22	89.45	95.53	120.38	80.04	(+)34.58	(-)16.21
Total (A)	**537.75**	**469.36**	**732.94**	**750.63**	**668.78**	**666.21**	**727.69**	**634.81**	**(+)8.81**	**(-)4.71**
(B) Municipal Councils	274.04	272.07	338.87	347.98	353.71	342.68	427.74	384.53	(+)20.93	(+)12.21
(C) Municipal Boards	678.89	602.64	805.86	715.14	1,154.68	1,241.05	895.95	803.99	(-)22.41	(-)35.22
Grand Total (A+B+C)	**1,490.68**	**1,344.07**	**1,877.67**	**1,813.75**	**2,177.17**	**2,249.94**	**2,051.38**	**1,823.33**	**(-)5.78**	**(-)18.96**

(Source: As per data provided by Directorate Local Bodies Department, Rajasthan, Jaipur)

* *M Corps, Ajmer and Bikaner came into existence with effect from July 2008 and August 2008 respectively, hence figures of these M Corps in respect of year 2007-08 have been included in MCs.*

The above financial trends indicate that:

- The receipts and expenditure figures for the year 2011-12 were not made available by Director Local Bodies due to non-finalisation of accounts for the same year.

- ULBs were dependent on grants and loans from Central and State Governments, which ranged from 55.90 *per cent* to 62.74 *per cent* of total receipts during 2006-07 to 2010-11.

- The fall in own revenue in 2010-11 from 2009-10 was under various heads like house tax by ₹ 22.31 crore, revenue from assets by ₹ 19.68 crore, octroi/margasth fee by ₹ 28.98 crore and miscellaneous non-tax revenue by ₹ 25.56 crore.

- Non-tax revenues of M Corp, Kota decreased by 92.83 *per cent* from ₹ 11.86 crore in 2009-10 to ₹ 0.85 crore in 2010-11 due to less receipts of income from bye-laws/acts, assets, miscellaneous recurring income and sale of land.

- Receipts of M Corp, Jaipur decreased by 7.74 *per cent* from ₹ 400.30 crore in 2009-10 to ₹ 369.30 crore in 2010-11 due to less receipts of income from house tax, revenue from assets, revenue from acts and miscellaneous recurring income.

- Receipts of MBs decreased by 22.41 *per cent* from ₹ 1154.68 crore in 2009-10 to ₹ 895.95 crore in 2010-11 due to less receipts of income from house tax, revenue from assets, sale of land as well as less receipts from special grant, grant in lieu of octroi and special assistance and loan.

- ULBs received lesser general and special grants in 2010-11 as compared to the years 2008-09 and 2009-10. The general and special grant in 2010-11 was ₹ 40.87 crore while it was ₹ 65.27 crore and ₹ 51.91 crore in 2008-09 and 2009-10 respectively.

- There were differences in some figures of receipts and expenditure of M Corps maintained at Directorate level and at concerned M Corp level (***Appendix-XIII***), which need to be reconciled.

3.3.2 Expenditure

The position of expenditure in ULBs during 2006-07 to 2010-11 is given in **Table 3.3** below:

Table 3.3: Expenditure of ULBs

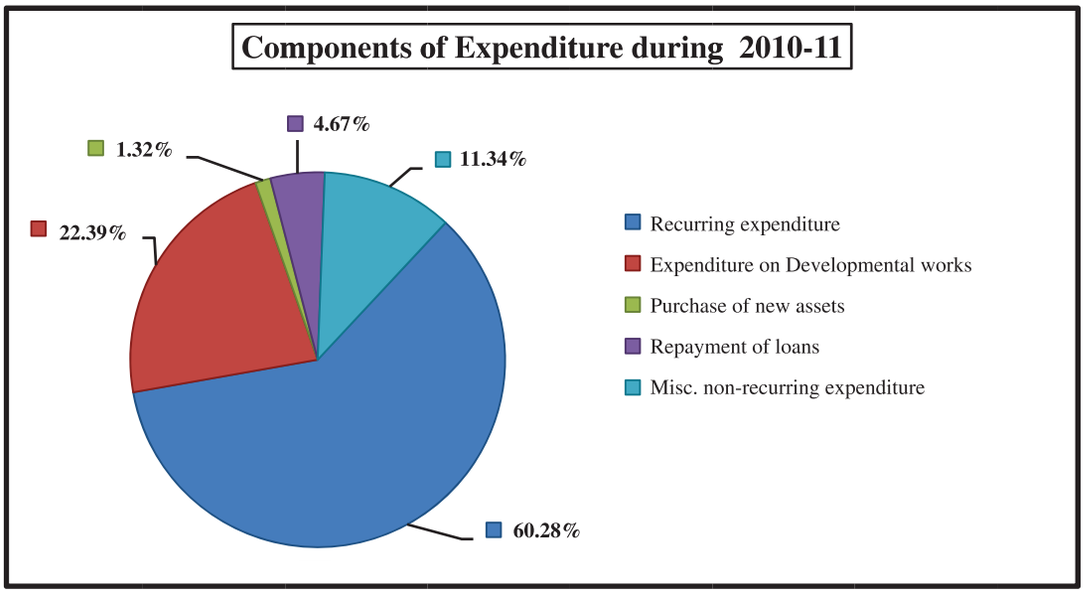
(₹ in crore)

Items of Expenditure	2006-07		2007-08		2008-09		2009-10		2010-11	
(A) Recurring expenditure										
(i) General administration	160.44	(14.85)	178.54	(13.28)	237.21	(13.08)	324.43	(14.42)	519.03	(28.47)
(ii) Public health and sanitation	316.91	(29.32)	355.25	(26.43)	440.33	(24.28)	623.40	(27.71)	359.19	(19.70)
(iii) Maintenance of civic amenities	117.18	(10.84)	132.51	(9.86)	147.35	(8.12)	230.60	(10.25)	220.89	(12.11)
Total of Recurring expenditure (A)	**594.53**	**(55.01)**	**666.30**	**(49.57)**	**824.89**	**(45.48)**	**1,178.43**	**(52.38)**	**1099.11**	**(60.28)**
(B) Non-recurring expenditure										
(i) Expenditure on developmental works	330.38	(30.57)	538.63	(40.08)	820.58	(45.24)	805.94	(35.82)	408.33	(22.39)
(ii) Purchase of new assets	7.41	(0.69)	4.29	(0.32)	9.27	(0.51)	11.69	(0.52)	24.03	(1.32)
(iii) Repayment of loans	8.42	(0.78)	13.42	(1.00)	13.69	(0.76)	40.76	(1.81)	85.08	(4.67)
(iv) Miscellaneous non-recurring expenditure[8]	139.98	(12.95)	121.43	(9.03)	145.32	(8.01)	213.12	(9.47)	206.78	(11.34)
Total of Non-recurring expenditure (B)	**486.19**	**(44.99)**	**677.77**	**(50.43)**	**988.86**	**(54.52)**	**1,071.51**	**(47.62)**	**724.22**	**(39.72)**
Grand Total (A+B)	**1,080.72***		**1,344.07***		**1,813.75**		**2,249.94**		**1,823.33**	

(Source: As per data provided by Directorate Local Bodies Department, Rajasthan, Jaipur)

Note : Figures in brackets denote percentage to the total expenditure.

* *Figures in respect of 2006-07 do not include expenditure incurred out of grants released under recommendations of Twelfth Finance Commission and Third State Finance Commission and in respect of 2007-08 do not include expenditure incurred out of grants released under recommendations of Third State Finance Commission as intimated by the State Government (April 2010) and Chief Accounts Officer, Directorate Local Bodies Department, Rajasthan, Jaipur (August 2010) respectively.*



8. It includes refund or deposits, investments made and disbursement of loans and advances.

The above financial trends indicate that:

- Non-recurring expenditure of ULBs decreased by 32.41 *per cent* from ₹ 1071.51 crore in 2009-10 to ₹ 724.22 crore in 2010-11 due to decrease in expenditure on developmental works.

- Expenditure on general administration increased to 28.47 *per cent* of total expenditure in 2010-11 from 14.42 *per cent* in 2009-10 due to inflation and progress in departmental works.

Similarly, expenditure on repayment of loan increased to 4.67 *per cent* of total expenditure in 2010-11 from previous years expenditure of 1.00 *per cent* (2007-08), 0.76 *per cent* (2008-09) and 1.81 *per cent* (2009-10) due to increase in repayment of loans of ₹ 48.58 crore by four M Corps (Ajmer: ₹ 5.73 crore, Bikaner: ₹ 2.61 crore, Jaipur: ₹ 25.96 crore and Jodhpur: ₹ 14.28 crore) in 2010-11 in comparison to 2009-10.

- Recurring expenditure in M Corp, Kota increased by 6.52 *per cent* in 2010-11 from the year 2009-10 due to increase in expenditure on general administration, public health and sanitation, while non-recurring expenditure decreased by 99.51 *per cent* in 2010-11 from 2009-10 due to decrease in expenditure on developmental works and miscellaneous expenditure.

- Expenditure on primary functions such as public health and sanitation decreased to 19.70 *per cent* of total expenditure in 2010-11 from the previous year expenditure of 26.43 *per cent* (2007-08), 24.28 *per cent* (2008-09) and 27.71 *per cent* (2009-10). Similarly, expenditure on developmental works decreased to 22.39 *per cent* of total expenditure in 2010-11 from previous year's expenditure of 40.08 *per cent* (2007-08), 45.24 *per cent* (2008-09) and 35.82 *per cent* (2009-10).

3.3.3 Devolution of functions

Accounts Officer, Directorate Local Bodies Department (DLBD) intimated (February 2013) that out of 18 functions listed in the Twelfth Schedule of the Constitution, 16 functions (***Appendix-XIV***) other than water supply and urban planning were being performed by ULBs.

3.3.4 Finance Commission grants

3.3.4.1 Thirteenth Finance Commission grants

The period of Thirteenth Finance Commission (13th FC) is from 2010-11 to 2014-15. After recommendations of 13th FC, GoI released ₹ 111.36 crore in 2010-11 (July 2010 and January 2011) and ₹ 209.49 crore in 2011-12 (July 2011 to March 2012) as general basic grant, general performance grant, special area basic grant and special area performance grant. However, Director, Local Bodies stated (January 2013) that even after fulfilling conditions laid down by GoI for release of special area performance grant, the GoI did not release the grant of ₹ 0.09 crore during 2011-12.

The position of release of grants under 13th FC and their utilisation by ULBs for the years 2010-11 and 2011-12 is given in **Table 3.4** below:

Table 3.4: Grants of 13th FC to ULBs

(₹ in crore)

Year	Grants to be released by GoI	Actual grants released by GoI	Grants released to ULBs by State Government	UCs received from ULBs		UCs pending	
				Amount	Percentage	Amount	Percentage
2010-11	111.36	111.36	111.36	51.96	46.66	59.40	53.34
2011-12	173.30	209.49	187.56	81.28	43.34	106.28	56.66
Total	**284.66**	**320.85**	**298.92**	**133.24**		**165.68**	

(Source: As per data provided by Directorate Local Bodies Department, Rajasthan, Jaipur)

Accounts Officer, DLBD intimated (February 2013) that the GoI released excess grants of ₹ 36.19 crore in 2011-12 due to redistribution of share of States which did not fulfill terms and conditions of general performance grant. Further, in respect of short release of ₹ 21.93 crore to ULBs (₹ 209.49 crore – ₹ 187.56 crore) in 2011-12, the Financial Advisor, DLBD stated (January 2013) that due to short provision in State budget for 2011-12, funds could not be released during 2011-12 and this amount was released to ULBs on 5 April 2012.

Further, during 2010-11, it was observed that in five ULBs[9], out of grants of ₹ 7.07 crore, ₹ 1.22 crore were diverted to works other than appropriate heads and ₹ 2.70 crore were lying unutilised as on 31 March 2012.

3.3.4.2 State Finance Commission grants

The period of Fourth SFC is from 2010-11 to 2014-15. The Fourth SFC was constituted on 11 April 2011. In the interim report (July 2011) the Commission recommended three *per cent* of State's net own tax revenue (excluding entertainment tax) for devolution to local bodies (Rural and Urban) in the ratio of 75.7:24.3 (PRIs:ULBs) for the year 2010-11 and 2011-12 on provisional basis and budgeted figures were to be adopted for quantifying the divisible pool. As per budget document, the State's net own tax revenue (excluding entertainment tax) for the year 2010-11 and 2011-12 worked out to ₹ 18,500.66 crore and ₹ 20,295.14 crore respectively and the amount to be transferable to ULBs for the year 2010-11 and 2011-12 works out to ₹ 134.87 crore and ₹ 147.95 crore respectively.

The position of grants released and utilisation under the Fourth SFC during 2010-11 and 2011-12 is given in **Table 3.5** below:

9. M Corp: Jodhpur (Total grants - ₹ 2.96 crore, grants diverted - ₹ 0.78 crore), MC: Udaipur (Total grants - ₹ 3.02 crore, grants not utilized - ₹ 2.68 crore), MC: Beawar (Total grants - ₹ 0.43 crore, grants diverted - ₹ 0.25 crore), MB: Mertacity (Total grants - ₹ 0.41 crore, grants diverted - ₹ 0.19 crore) and MB: Shri Dungargarh (Total grants - ₹ 0.25 crore, grants not utilized - ₹ 0.02 crore).

Table 3.5: Grants of Fourth SFC to ULBs

(₹ in crore)

Year	Grant to be released by the State Government	Grants released by the State Government	Grants released to ULBs	Short (-)/ Excess(+) release of grants	UCs received from ULBs		UCs pending	
					Amount	Percentage	Amount	Percentage
2010-11	134.87	132.12	45.00	(-) 87.12	15.60	34.67	29.40	65.33
2011-12	147.95	150.70	237.82	(+) 87.12	11.75	4.94	226.07	95.06
Total	**282.82**	**282.82**	**282.82**	**-**	**27.35**		**255.47**	

(Source: As per data provided by CAO, DLBD, Jaipur)

The CAO, DLBD attributed (October 2012) less utilisation of grants in 2010-11 to release of grants in last quarter of the financial year for specific purposes such as repair work of roads and drains and in respect of 2011-12 to delayed issue (October 2011) of guidelines by the Department for utilisation of grants by ULBs.

3.4 Database on finances and accounting arrangements

- National Municipal Accounts Manual (NMAM) for ULBs in India, developed by the Ministry of Urban Development, GoI under the guidance of Comptroller & Auditor General of India (CAG) of India was introduced in February 2005. On the lines of NMAM, Rajasthan Municipal Accounting Manual has been prepared. The State Government has decided to maintain accounts in Double Entry Accounting System. Accordingly, the LSGD directed (December 2009) all ULBs to maintain the accounts on Accrual Based (Double Entry) Accounting System from 1 April 2010. However, during audit it was observed that none of the ULBs was preparing the accounts on accrual basis.

As per RMA, 2009 read with Rajasthan Local Fund Audit Rules, 1955, Local Fund Audit Department (LFAD) is to certify the annual accounts of ULBs. The Director, LFAD intimated (January 2013) that his Regional offices have been instructed (September 2012) to certify the correctness of the accounts of ULBs while conducting audit. This indicates that accounts were not certified by Director, LFAD.

- The Ministry of Urban Development, GoI has issued (April 2011) database formats to be adopted by ULBs as prescribed by the 13th FC. The CAO, DLBD intimated (June 2011 and August 2012) that prescribed database formats have been forwarded to all 184 ULBs of the State and relevant information regarding database is being collected.

3.5 Arrears of Audit of Director, Local Fund Audit Department

Director, LFAD is the Statutory Auditor for audit of accounts of ULBs. The Director, LFAD intimated (August 2012) that out of 184 ULBs, audit of 84 ULBs (four M Corps[10], 11 MCs[11] and 69 MBs) was pending for the period

10. M Corps: (2007-11) Ajmer and Bikaner and (2008-11) Jaipur and Kota.
11. MCs: (2007-11) Churu, Hanumangarh and Tonk, (2008-11) Beawer, Bhilwara, Kishangarh, Pali, Sikar and Sriganganagar and (2010-11) Bharatpur and Udaipur.

2007-08 to 2010-11 as on 31 May 2012 due to shortage of staff and deployment of staff in election duties.

3.6 Audit arrangements and position of entrustment of TGS to CAG

The CAG conducts audit under Section 14 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. Section 99(A) of RMA, 2009, as amended in 2011 provides for audit of accounts of municipalities by the CAG. Further, the State Government has entrusted (February 2011) Technical Guidance and Supervision to CAG over audit of ULBs by the Director, LFAD.

3.7 Lack of response to Audit observations

For early settlement of audit observations, Departmental Administrative Officers were required to take prompt steps to remove defects and irregularities brought to their notice during the course of audit and/or pointed out through Inspection Reports (IRs).

It was observed that:

3.7.1 At the end of May 2012, 57,967 paragraphs of 5,027 IRs of ULBs issued by Director, LFAD were pending for settlement. Audit observations include 234 outstanding embezzlement cases (upto March 2012) involving monetary value of ₹ 1.49 crore were pending for settlement.

3.7.2 Similarly, 1,045 IRs containing 10,151 paragraphs of ULBs issued by Office of the Principal Accountant General (Civil Audit) involving monetary value of ₹ 4,338.86 crore, were also pending for settlement as of May 2012. Out of this, even first compliance report of 2,770 paragraphs of 230 IRs was not furnished (May 2012). The year-wise position of outstanding paragraphs is given in **Table 3.6** below:

Table 3.6: Outstanding paragraphs of ULBs

(₹ in crore)

Year	Pending			Outstanding first compliance reports	
	IRs[12]	Paragraphs	Monetary value		
Upto 2003-04	76	471	241.92	-	-
2004-05	129	1,229	570.97	-	-
2005-06	183	1,583	528.03	1	112
2006-07	192	1,842	573.02	1	142
2007-08	141	1,495	296.97	17	174
2008-09	150	1,508	269.54	74	873
2009-10	92	1,046	657.36	51	97
2010-11	41	545	705.98	33	801
2011-12	41	432	495.07	53	571
Total	**1,045**	**10,151**	**4,338.86**	**230**	**2,770**

12. It includes IRs of Secretary, LSGD, Director, Local Bodies and Deputy Directors (Regional) while IRs of these departments/offices were not included in the previous Audit Report (Civil - Local Bodies) 2008-10.

This indicated lack of prompt response on the part of the municipal/ departmental authorities which had not only resulted in recurrence of the deficiencies and lapses pointed out earlier but also eroded the accountability of the ULBs/departmental authorities. Only one meeting of Audit Committee was held on 7 December 2010, but no para was discussed and settled.

3.8 Impact of Audit

During 2010-12, recovery of ₹ 27.43 lakh in 20 cases was made at the instance of CAG's audit.

3.9 Conclusion

- Own resources of ULBs were not adequate and they were largely dependent on grants and loans from Central/State Government.

- The receipts of ULBs showed an increasing trend till 2009-10 but it decreased during 2010-11 due to less realisation of income mainly from house tax, assets and miscellaneous non-tax revenue. Expenditure on developmental works decreased in 2010-11 from previous years.

- The absence of timely finalisation of accounts in the formats prescribed and prompt audit of the same resulted in denial of information to stakeholders.

- The huge pendency of audit observations and delay in their settlement are fraught with the risk of continuance of irregularities/deficiencies observed during audit.

CHAPTER-IV

PERFORMANCE AUDIT AND AUDIT OF TRANSACTIONS OF URBAN LOCAL BODIES

This chapter contains Performance Audit of 'Integrated Housing and Slum Development Programme' and four paragraphs related to transactions audit of Urban Local Bodies.

Local Self Government Department

PERFORMANCE AUDIT

4.1 Integrated Housing and Slum Development Programme

Executive summary

Integrated Housing and Slum Development Programme, a sub-mission under Jawaharlal Nehru National Urban Renewal Mission (JNNURM), was launched on 3 December 2005 by the Government of India for ameliorating the conditions of slum dwellers who do not possess adequate shelter and reside in dilapidated conditions. The programme is applicable to all cities and towns as per Census of 2001, except the cities and towns covered under JNNURM. The mission period of the programme was fixed from December 2005 to March 2012, which has now been extended (April 2012) up to March 2014.

Performance audit of the programme revealed that out of total sanction of ₹ 1,059.77 crore for 69 projects, only ₹ 236.44 crore (22 per cent) was utilised resulting in construction of only 13 per cent of the houses targeted. Audit also observed that execution of works worth ₹ 123.43 crore were in areas which did not qualify as slums. Instances of extending assistance to households not covered within the scope of the programme (₹ 37.55 crore), expenditure on infrastructure development works (₹ 13.54 crore) which were not envisaged, diversion of funds (₹ 3.84 crore), and houses remaining un-occupied (₹ 23.75 crore) or encroached upon (₹ 1.13 crore) were also noticed .

4.1.1 Introduction

Integrated Housing and Slum Development Programme (IHSDP), a sub-mission under Jawaharlal Nehru National Urban Renewal Mission (JNNURM), was launched on 3 December 2005 by the Government of India (GoI). It aims at an integrated approach in ameliorating the conditions of slum dwellers who do not possess adequate shelter and reside in dilapidated conditions by combining of the existing Valmiki Ambedkar Awas Yojana

(VAMBAY) and National Slum Development Programme. The Programme is applicable to slum dwellers of all cities and towns as per Census 2001, except the cities and towns covered under JNNURM. The mission period of the programme, fixed from December 2005 to March 2012, has now been extended (April 2012) up to March 2014.

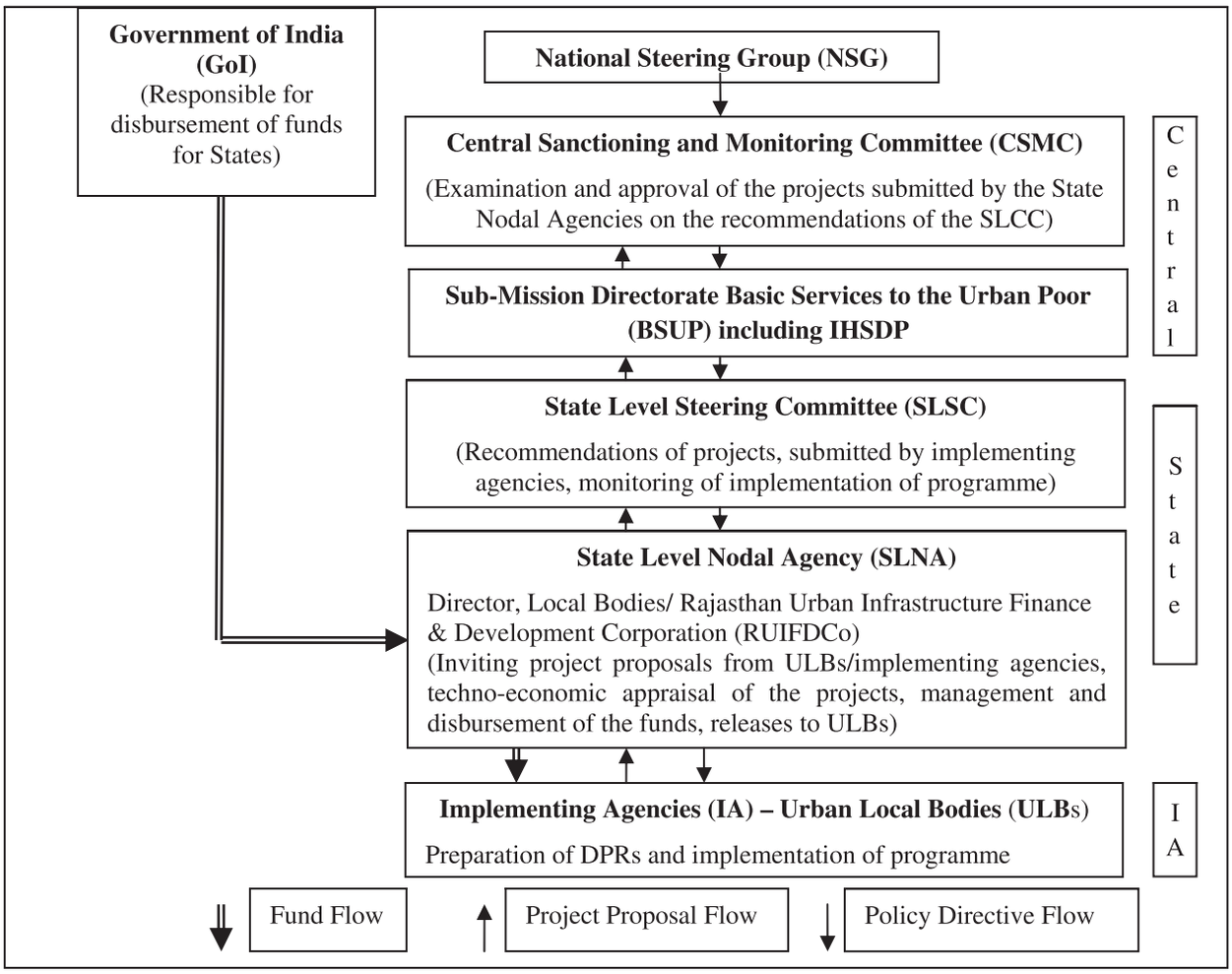
4.1.2 Programme objective

The basic objective of the programme is to strive for holistic slum development with a healthy and enabling urban environment by providing adequate shelter such as construction and up-gradation of houses and basic infrastructure facilities to the slum dwellers of the identified urban areas. The major components of the programme are providing shelter including up-gradation and construction of new houses, slum relocation and community infrastructure development.

4.1.3 Organisational set up

The organisational set up and fund flow of the programme is given in **Chart 4.1** below:

Chart 4.1: Organisational set up and fund flow



The Government of Rajasthan (GoR) designated (April 2010) RUIFDCo as SLNA for monitoring the programme in the State.

4.1.4 Audit objectives

The objectives of the performance audit were to assess:

- planning process including identification of slum areas and beneficiaries;
- financial management and physical performance of the programme;
- execution of housing as well as infrastructure developmental works;
- utilisation of assets created under the programme; and
- the achievement of reform agenda.

4.1.5 Audit criteria

The audit criteria for the performance audit were derived from the following:

- Guidelines issued by GoI for projects of IHSDP.
- Minutes of meetings of the CSMC and State Level Coordination Committee (SLCC).
- Detailed Project Reports (DPRs) of selected projects.
- Directions and instructions issued by the Finance Department, GoR.

4.1.6 Audit coverage

Out of the sanctioned 69 projects, 23 projects[1] (33 *per cent*) of Housing and Infrastructure Developments i.e. roads, drainage, community centres in the slum were selected for field study through Simple Random Sampling Method. Entry conference was held on 12 June 2012 with Principal Secretary, Local Self Government Department (LSGD), wherein objectives of the performance audit were discussed. The field study for the period 2005-06 to 2011-12 was conducted from May to July 2012. Exit Conference was held on 11 February 2013 with the Additional Chief Secretary, LSGD wherein the audit findings were discussed. Reply had been received from the State Government and same incorporated suitably.

Audit acknowledges the cooperation and assistance of the State Government officials in conducting this audit.

1. Bali, Baran, Barmer, Bhilwara, Bikaner, Chhabra, Hanumangarh, Jaisalmer, Jalore, Jodhpur-I, Kota-I, Kota-II, Pali, Pilibanga, Pokran, Pratapgarh, Rawatbhata, Rawatsar, Sawaimadhopur, Sumerpur, Suratgarh, Takhatgarh and Tonk-I.

4.1.7 Physical and financial progress

4.1.7.1 Short achievement of physical targets

The year wise position of projects sanctioned, targeted date of completion and houses completed up to 31 March 2012 is given in **Table 4.1** below:

Table 4.1: Year-wise position of projects sanctioned and houses completed

Year	Number of projects sanctioned	Number of houses planned	Targeted date of completion	Houses completed (as on 31 March 2012)
2005-06	03	136	30 March 2008	136
2006-07	16*	9,041	28 February 2010	3,667
2007-08	9*	9,070	26 February 2010	1,575
2008-09	04	3,186	29 September 2010	67
2009-10	05	3,215	27 July 2011	182
2010-11	18	12,647	31 March 2012	73
2011-12	12	7,447	31 March 2014	-
Total	**67**	**44,742**		**5,700**

** Two projects namely Alwar (2,456 houses) and Jhalawar (245 houses) had been abandoned.*
(Source: Information obtained from SLNA)

The above table indicates that during 2005-12, SLNA fixed physical targets of 44,742 houses, against which only 5,700 houses (13 *per cent*) were completed till March 2012 with the exception of Bhilwara, Barmer and Sikar districts where it was 55 *per cent,* 49 *per cent* and 46 *per cent* respectively (***Appendix-XV***). In 23 test checked projects it was observed that out of 19,979 houses, only 4,355 houses (22 *per cent*) were constructed as on 31 March 2012 showing poor performance.

The State Government while accepting the facts stated (February 2013) that 7,080 houses had since been completed out of 45,309 houses as on 31 December 2012 and efforts were being made to achieve the physical targets. However, the fact remained that there was no significant improvement on achievement of targets as it was only 16 *per cent*.

4.1.7.2 Poor absorption of financial allocations

The sharing of the programme funds between GoI and State Government is in the ratio of 80:20. The share of State Government also includes 10 *per cent* share of targeted beneficiaries [2] and 12 *per cent* for others in housing components. According to guidelines, after approval of the project, the GoI releases 50 *per cent* of central share to SLNA in a separate bank account on verification of deposit of the State share. Release of second installment is based on the progress of the projects and submission of utilisation certificates (UCs). On the basis of progress of the works SLNA released the funds to IAs.

2. Schedule Caste, Schedule Tribe, Other Backward Class, Physical Handicapped and other weaker section.

- The position of funds allocated, received and utilised by SLNA during 2005-12 is given in **Table 4.2** below:

Table 4.2: Funds allocated, received and utilized by SLNA

(₹ in crore)

Year	Funds			
	Allocated	**Released**	**Utilised**	**Percentage of utilisation**
2005-06	9.03	10.25	9.90	97
2006-07	124.35	106.95	83.62	78
2007-08	166.66	88.76	62.52	70
2008-09	83.37	29.44	17.80	60
2009-10	81.85	25.61	17.21	67
2010-11	304.28	73.40	45.39	62
2011-12	265.95	-	-	-
Total	**1,035.49**	**334.41**	**236.44**	**71**

(Source: Information obtained from SLNA)

The above table indicates that between 2005-06 and 2011-12, IAs could utilise only 23 *per cent* of the funds allocated for the projects and 71 *per cent* of the funds released. The State Government stated (February 2013) that out of ₹ 409.88 crore a sum of ₹ 316.17 crore (77 *per cent*) had been utilised as on 31 December 2012.

- Audit observed that funds were released by GoI to GoR (Finance Department) instead of directly to SLNA. For 39 projects, GoI sanctioned ₹ 642.72 crore, out of which Central share was ₹ 408.49 crore and GoI released its' share ₹ 210.51 crore to GoR as first installment during 2006-07 to 2010-11. UCs of first installments were not sent by SLNA to GoI in time, due to which ₹ 197.98 crore were not released to GoR by GoI as of March 2012. The State Government while accepting the facts stated (February 2013) that every possible effort is being made to improve the progress of works.

- During December 2006 to February 2011, though SLNA received ₹ 209.98 crore for 23 test checked projects, it released only ₹ 153.85 crore to ULBs retaining ₹ 56.13 crore ***(Appendix-XVI)***. The State Government while accepting the facts stated (February 2013) that funds were released to the ULBs as and when required. Reply was not acceptable as funds were required to be released by SLNA to ULBs within three days of receipt from GoI.

- CSMC decided and instructed (January 2008) State Government to release GoI funds to ULBs within two to three days of receipt of funds from GoI to avoid delay in completion of projects failing which interest at bank rate would be payable by GoR to GoI. It was, however, observed that the GoI released ₹ 29.18 crore[3] to GoR for nine ULBs (five ULBs: ₹ 19.39 crore on 28 June 2007 and four ULBs: ₹ 9.79 crore on 9 February 2010) but the same along with State share was released by GoR to the these ULBs on 29 April

3. Baran: ₹ 3.68 crore (interest liability ₹ 0.17 crore), Bhilwara: ₹ 4.14 crore (₹ 0.46 crore), Chhabra: ₹ 1.79 crore (₹ 0.08 crore), Chittorgarh: ₹ 2.56 crore (₹ 0.12 crore), Falna: ₹ 1.76 crore (₹ 0.08 crore), Hanumangarh: ₹ 4.80 crore (₹ 0.53 crore), Jhalawar: ₹ 0.95 crore (₹ 0.15 crore), Kota: ₹ 4.67 crore (₹ 0.75 crore) and Pali: ₹ 4.83 crore (₹ 0.53 crore).

2009 (₹ 13.77 crore), 5 March 2010 (₹ 5.62 crore) and 9 November 2010 (₹ 9.79 crore) with delay of nine to 32 months resulting in creation of liability of interest of ₹ 2.87 crore at the rate of six *per cent* (Reserve bank rate). The State Government while accepting the facts stated (February 2013) that reasons for late transfer of funds would be obtained from DLB and corrective measure for obtaining approval from GoI for waiver of interest would be taken.

- As per order (May 2007) of LSGD, interest bearing separate bank account of the programme fund was to be opened. In four tests checked ULBs, funds received from GoI and GoR were kept in non-interest bearing Personal Deposit (PD) accounts/current bank accounts for 45 to 806 days resulted in loss of interest of ₹ 0.45 crore[4] (at the rate of 3.5 *per cent* up to 2 May 2011 and four *per cent* with effect from 3 May 2011). The State Government while accepting the facts stated (February 2013) that at present every ULB has a separate bank account for IHSDP and reasons for keeping GoI and GoR share in PD Account will be investigated.

4.1.8 Planning and Execution

The programme envisages preparation of DPRs keeping in view the numbers of slums of the towns selected for IHSDP, identification of slum dwellers to be benefited and the other infrastructure development required as prepared by the IAs. On the basis of recommendations of SLCC, DPRs were approved by GoI. CSMC also decided (December 2007) that DPRs should be prepared on the basis of socio-economic surveys.

It was observed that DPRs of projects were not prepared on the basis of proper surveys, in the absence of which accuracy and reliability of DPRs could not be ensured. This led to lapses in selection and execution of project as illuminated in the succeeding paragraphs.

4.1.8.1 Selection of ineligible areas

IHSDP is applicable in slums of urban areas. The GoR did not formally notify slum areas under any Act. Slum was also not defined in the programme guidelines 2005 and 2009. As per VAMBAY Scheme a slum is defined as "a compact area of at least 300 or more population or about 60-70 households of poorly built congested tenements, in an unhygienic environment usually with inadequate infrastructure and lacking in proper sanitation and drinking water facilities". As per the Census 2001, GoI, Ministry of Home Affairs, identified 26 slum areas in 26 cities of Rajasthan. However, GoR adopted on adhoc basis kuchchi bastis as slums and executed the programme. Audit scrutiny revealed that out of sanctioned 69 IHSDP projects, 48 projects (sanction amount ₹ 653.55 crore) in 45 cities were executed by incurring an expenditure of ₹ 123.43 crore (***Appendix-XVII***) where no slum areas were identified in the Census of 2001. Moreover, population in these kuchchi bastis were scattered

4. MCs: Pali (26 May 2009 to 10 July 2009) - ₹ 0.02 crore, MBs: Jalore (24 March 2009 to 03 October 2009) - ₹ 0.05 crore, Sumerpur (07 March 2011 to 31 March 2012) - ₹ 0.06 crore and Takhatgarh (15 January 2010 to 31 March 2012) - ₹ 0.32 crore.

and thinly populated in contrast to compacted cluster of poorest of poor slum dwellers. Therefore, the works were actually undertaken in areas not falling under the definition of slum. Moreover, a joint inspection conducted (May-July 2012) by audit along with Junior Engineers of the concerned 16 Municipal Bodies (out of 23 test checked) revealed, that the beneficiaries were scattered thinly over large area s ranging from 0.43 to 117.35 hectares contrary to CSMC's directions of not covering thinly spread areas. These included areas where people of eminence had large size plots with good infrastructure facilities like roads, electricity.



A view of work executed in Babar Magra Area (kuchchi bastis) (virtually non-slum) of MC, Jaisalmer

Audit scrutiny also revealed that no project was proposed in 10 such cities[5] where slum population was identified in the Census 2001. Thus, expenditure of ₹ 123.43 crore was not only contrary to the scope of the programme but also had no impact in realising the objectives of the programme.

The State Government contended (February 2013) that since slums were neither defined in guidelines approved by GoI nor notified by the State Government, kuchchi bastis were treated as slums in DPRs and IHSDP projects were executed in these bastis. Reply was not acceptable as kuchchi bastis with scattered population of beneficiaries cannot be assumed as slum because National Sample Survey Organisation has defined 'undeclared slums' as "if 20 households live in a compact area with a collection of poorly built tenements, mostly of temporary nature, crowded together usually with inadequate sanitary and drinking water facilities in unhygienic condition".

4.1.8.2 Selection of ineligible beneficiaries

CSMC decided (September 2007) that houses built under IHSDP should preferably have two rooms with attached bath latrine and kitchen and the covered area should range between 25 to 30 square meters (sqm) whether it is a relocation house, in situ house or up gradation of houses. Contrary to this, the SLCC in its meeting decided (November 2010), without any approval from GoI, that all the ULBs may issue lease deeds up to an area of 110 square yards (sqys) (93 sqm), irrespective of the fact that more land is under possession of

5. Beawar (Ajmer), Bharatpur, Fatehpur (Sikar), Kishangarh (Ajmer), Makrana (Nagaur), Navalgarh (Jhunjhunu), Nagaur, Ratangarh (Churu), Sriganganagar and Sujangarh (Churu).

the beneficiaries and land in excess of 110 sqys may be left in their possession.

It was observed that in 18 IHSDP projects of in situ and up gradation of houses in kuchchi bastis, constructed and preferred by beneficiaries themselves, 17 ULBs regularised plots by giving lease deed of actual land or 110 sqys whichever is more or beneficiaries were residing scattered in the areas. Thus, the benefit (construction of houses) of the programme was extended to the beneficiaries having plots ranging from 41.69 sqys to 6,000 sqys, which resulted in extending benefit of ₹ 37.55 crore on construction of houses to 7,719 ineligible beneficiaries in 18 IHSDP projects (***Appendix-XVIII***).

The State Government stated (February 2013) that lease deeds (pattas) in slum area were issued up to 110 sqys as per State Government's order and if slum dweller is in possession of more land the efforts are being made to take possession of the remaining land in excess of 110 sqys by ULBs. State Government further stated that as per IHSDP guideline, the required covered area is 25 to 30 sqm and not the land area which can be upto 110 sqys. Reply was not acceptable as the construction of houses in 110 sqys cannot be termed as slums. Excess area in possession of beneficiaries has also not been acquired by the State Government (February 2013).

- As per circular issued (January 2010) by GoR, the assistance for in situ houses shall be released to the beneficiaries identified in the DPRs approved by CSMC. Scrutiny of records of three ULBs revealed that the benefit of the programme was extended to 488 beneficiaries who were neither included in the DPRs nor got approval from CSMC. This resulted in extending benefit of ₹ 2.20 crore [6] to ineligible beneficiaries. The State Government stated (February 2013) that ULBs had been directed from time to time to identify other beneficiaries in place of beneficiaries mentioned in the DPRs who were not eligible for IHSDP benefits due to having no interest in the programme, having bigger plot areas, holding constructed plots etc. from the list of kuchchi bastis survey with cut of date 15 August 2009. The State Government further stated that new beneficiaries had been identified as per the guidelines and therefore category wise number of beneficiaries were not more than the number sanctioned in DPRs. Reply was not acceptable because State Government instructed (March 2008) all ULBs not to change the works included in approved DPRs without approval by GoI. The facts remained that even ex-post facto approval for execution of works other than approved in DPRs was not obtained from GoI.

4.1.8.3 Selection of improper sites

Scrutiny of records of ULBs and SLNA revealed that in 20 IHSDP projects, construction of 5,216 houses (***Appendix-XIX***) costing ₹ 64.23 crore and 14 projects for infrastructure developmental works costing ₹ 17.75 crore (***Appendix-XX***) could not be started due to non availability of dispute free

6. MBs: Barmer (beneficiaries 260: ₹ 1.29 crore), Rawatsar (beneficiaries 30: ₹ 0. 17 crore) and Suratgarh (beneficiaries 198: ₹ 0. 74 crore).

sites, court cases, encroachments, increase in cost of construction etc. Beneficiaries too were not interested in leaving their original places of residence. This indicated improper site selection and planning of works, which resulted in short achievement of targets. The State Government while accepting the facts stated (February 2013) that action had been taken to black list a DPR consultant on this account. The State Government further stated that progress of construction of houses had improved.

4.1.9 Execution of work

4.1.9.1 Unjustified expenditure on infrastructure

As per the minutes of 18th meeting (September 2007) of CSMC, poorest among the poor should be covered under housing scheme who were not in position to build houses on their own, rather than spending money only for infrastructure facilities for already built houses. The State Government should give preference for integrated development of slums but may consider providing only infrastructure facilities by its own funds.

- Scrutiny of the records of Municipal Corporation (M Corp), Bikaner, revealed that out of selected 44 slums, there was no beneficiary in Phase-I and only 241 beneficiaries in 24 slums were approved (September 2008) in Phase-II. These beneficiaries were residing in thinly populated slums wherein infrastructure works of ₹ 7.11 crore (Phase-I: ₹ 3.11 crore and Phase-II: ₹ four crore) were undertaken in contravention of CSMC instructions and only two houses were constructed/upgraded in these slums as on 31 March 2012.



Construction of BT road in Kumhar Mohalla (Kuchchi Basti), Gangashahar, M Corp, Bikaner - Non-beneficiary area



Ranisar Bas behind M.G. College, M Corp, Bikaner – Construction of CC road in non-beneficiary area

- In Municipal Council (MC), Tonk, an expenditure of ₹ 2.90 crore[7] was incurred on various infrastructure development works in three approved projects of kuchchi bastis. During joint inspection (26 June 2012) with Departmental Junior Engineers, it was noticed that in Chhawani kuchchi basti there was no eligible beneficiary and all the houses were well built pucca houses, hence, not fulfilled the conditions of the programme. In other bastis,

7. Construction of cement concrete (CC) road with drain in Mehgaon Basti: ₹ 0.25 crore, Construction of CC road with drain in Chhawani Basti: ₹ 1.25 crore, Community centre in Chhawani: ₹ 0.16 crore; Three community toilets: ₹ 0.19 crore, Construction of CC road with drain in Bahir Basti: ₹ 0.74 crore and Construction of approach PMC work: ₹ 0.31 crore.

also there were no eligible beneficiaries in approved DPRs. Thus, expenditure of ₹ 2.90 crore was unjustified.



CC road in Chhawani kuchchi basti, MC, Tonk - Non-beneficiary area



BT road in Chhawani kuchchi basti, MC, Tonk - Non-beneficiary area

- In IHSDP Barmer, work of construction of bituminous (BT) road and drain was executed at cost of ₹ 2.04 crore in whole municipal area, instead of slum areas as observed in joint inspection (19 July 2012) with Junior Engineer, MB, Barmer which was against the IHSDP guidelines.

The State Government stated (February 2013) that all the works were executed as per sanctioned DPRs and there was no deviation in these towns. These DPRs were properly appraised by the appraisal agency i.e. Housing and Urban Development Corporation. Location of slums was approved in the respective CSMC meetings. In Bikaner-I and Tonk projects all the infrastructure works were executed as per sanctioned DPRs. These works were useful to slum dwellers who were scattered in the towns. In Barmer, the executed works were beneficial to the slum dwellers who were scattered in the area. Linking roads were constructed to connect slum areas. Similarly, construction of linking drains and nallahs were in overall interest of slum dwellers. Reply was not acceptable as these works were undertaken in contravention of the instructions issued in the 18th CSMC meeting.

- As per DLB's letter (March 2008), no change would be made in DPRs approved by GoI and works would be executed accordingly. Against this MB, Chhabra, executed works of covering of nallah, precast drain and approach road, by incurring expenditure of ₹ 1.35 crore without getting these works sanctioned/approved.

- It was observed that Municipal Board (MB), Chhabra constructed three Public Health Centres (PHCs) by incurring an expenditure of ₹ 0.14 crore which were neither covered by the programme nor approved by CSMC. Moreover, these were not included in DPR. Necessary, ex-post facto sanction of GoI was not obtained. As per guidelines these could have been constructed through convergence with funds from Member of Parliament Local Area Development and Member of Legislature Assembly Local Area Development. The State Government stated (February 2013) that constructions of three PHCs at Chhabra was done by Rajasthan Awas Vikas Limited (AVL). AVL and MB, Chhabra had been asked to explain the reasons for getting these non sanctioned works executed. The fact remained that the execution of works was

against programme guidelines. Moreover, no ex-post facto approval of GoI was obtained for its regularisation.

4.1.10 Diversion/wastage of funds

4.1.10.1 Improper appropriation of IHSDP funds

As per the programme guidelines, expenditure on DPRs and administrative matters was admissible up to five *per cent* of the total programme expenditure. Guidelines prescribed five specific posts[8] each for Project Monitoring Unit (PMU) and Project Implementing Unit (PIU) on contract/remuneration basis. The contractual staff was to be engaged only for three years and the remuneration of such staff was to be borne from administrative head on the decreasing trend i.e. 100 *per cent* in first year, 75 *per cent* in the second year and 50 *per cent* in the third year for PIUs. Full expenditure of PMUs was chargeable to administrative funds thus created. An expenditure of ₹ 3.84 crore was incurred on pay and allowances (from 2009-10 to 2011-12) of the regular staff of DLB and various project offices other than the PMU and PIU from withheld amount of ₹ 4.42 crore under administrative head. The State Government while accepting the facts stated (February 2013) that Director of Local Bodies has been directed to take corrective measures. The fact remained that programme funds were diverted irregularly.

4.1.10.2 Wasteful expenditure

- M Corp, Kota got approved (March 2007) from Ministry of Housing and Urban Poverty Alleviation the phase-I work for 1,478 dwelling units in 34 kuchchi bastis along with infrastructure development work. Subsequently in November 2011 it was decided in SLCC to relocate eight kuchchi bastis (out of above 34 bastis) having 752 beneficiaries in phase-III work (DPR approved in January 2012 for ₹ 33.91 crore), as they were located either under high tension electric line, or in a submergence area or in fort wall area. Meanwhile the Municipal Corporation, Kota incurred (March 2007 to January 2012) an expenditure of ₹ 1.01 crore[9] on infrastructure development alone without any integrated developmental works, in these six out of eight bastis which were ultimately to be relocated under phase-III. This resulted in wasteful expenditure of ₹ 1.01 crore in six bastis to be relocated due to erroneous planning. The State Government stated (February 2013) that out of 1,478 houses sanctioned for Kota phase-I, construction of 1,128 houses was not possible and infrastructure works were clubbed with the infrastructure works of phase-III. Thus, there was no wasteful expenditure as pointed out by audit. Reply was not acceptable as wasteful expenditure was incurred in the kuchchi

8. PMU: Project specialists (Housing and Slum Development), Specialists (Social Development), Specialist (Community Mobilisation and MIS), Urban Poverty Management Specialist, Research and Training Coordinator.
   PIU: Project Coordinator (Housing and Slum Development), Social Development Officer, Livelihood Development specialists, Research Officer, Research and Training Coordinator.
9. Road side drain: ₹ 0.08 crore, BT road: ₹ 0.25 crore, CC road: ₹ 0.20 crore, community centre: ₹ 0.25 crore, sulabh complex and park: ₹ 0.23 crore.

bastis situated under high tension electric line and in submergence area instead of relocating them.

- MB, Chittorgarh decided (January 2008) to carry out construction of three tube wells, one Over Head Water Supply Reservoir (OHSR), one Clear Water Reservoir (CWR) and laying of 2.56 km pipeline at Ramdevji ka Chanderiya costing ₹ 0.42 crore before obtaining prospects of availability of sustainable water resources from Ground Water Department (GWD). The GWD, opined (January 2008) that sustainable ground water would not be available, even then the Assistant Engineer, MB decided (February 2008) to carry out the work of one tube well on trial basis. Simultaneously, works of OHSR, CWR and laying of pipeline was executed and after incurring expenditure of ₹ 0.21 crore as of September 2008 the remaining work was stopped because no water was found in the tube well. Thus, in spite of a negative report of GWD, the MB carried out the work and incurred wasteful expenditure of ₹ 0.21 crore. The State Government while accepting the facts stated (February 2013) that request was being made to Public Health Engineering Department (PHED) for providing water and as such there would be no wasteful expenditure. Reply was not acceptable as even after lapse of more than four years constructed OHSR, CWR and pipelines could not be used due to lack of water resources and their condition may deteriorate with passage of time.

4.1.11 Lack of proper utilisation of constructed houses

4.1.11.1 Completed houses remained vacant

In nine ULBs, out of 2,285 houses completed up to March 2012, 1,868 relocation houses costing ₹ 23.75 crore[10] were not allotted to the beneficiaries upto July 2012 due to non-completion of other related infrastructure works like roads, sewerage, lights, water supply, allottees were not interested in taking possession of them and encroachments. Non-allotment and non-occupation of houses, resulted in blocking of funds ₹ 23.75 crore. Further, deterioration in conditions of these houses also could not be ruled out. It was observed that formal consent/willingness of beneficiaries was not taken before commencing the work. The State Government while accepting the facts stated (February 2013) that the houses were lying vacant because at some places beneficiaries are not coming forward to pay beneficiary share and at some places infrastructure works are yet not completed. Further, ULBs had been directed to allot relocation houses to beneficiaries. It was further stated that out of 2,594 houses constructed upto December 2012, 714 houses had been occupied.

10. Balotra: ₹ 3.21 crore (192 houses), Bhawani Mandi: ₹ 0.66 crore (60 houses), Chittorgarh-I: ₹ 1.91 crore (124 houses), Falna: ₹ 1.61 crore (147 houses), Hanumangarh: ₹ 3.08 crore (300 houses), Pali: ₹ 5.31 crore (450 houses), Sawaimadhopur: ₹ 4.83 crore (350 houses), Sikar: ₹ 1.19 crore (109 houses) and Tonk: ₹ 1.95 crore (136 houses).

4.1.11.2 Encroachment of constructed houses

Under the programme, MBs, Bhawani Mandi and Chhabra constructed 97 and 48 houses by incurring an expenditure of ₹ 1.06 crore and ₹ 0.66 crore respectively. Out of these houses, 76 houses (Bhawani Mandi) costing ₹ 0.83 crore and 22 houses (Chhabra) costing ₹ 0.30 crore were illegally encroached/occupied by unauthorised persons. This indicated weak monitoring of allocation of houses and control over up-keeping of assets created under the programme.

The State Government while accepting the facts stated (February 2013) that First Information Reports against these non eligible persons had been lodged in Police Station, Bhawani Mandi but 32 illegal occupants had obtained "Court stay orders". MB, Bhawani Mandi was trying to get the stay vacated. Similarly, MB, Chhabra had also served notices to all 22 illegal occupants for vacating the houses. Reply was not acceptable because these MBs failed to ensure proper security of constructed houses to avoid illegal occupation by unauthorised persons.

4.1.12 Miscellaneous

4.1.12.1 Unjustified utilisation

As per programme guidelines and directions issued (November 2009) by GoR, premium on tendered cost, if any, on execution of works was to be borne by ULBs. Scrutiny of records of 13 projects of 12 ULBs revealed that tenders premium of ₹ 17.36 crore[11] was charged to IHSDP funds which was not justified. The State Government while accepting the facts stated (February 2013) that total expenditure includes tenders premium. Reply was not acceptable as the same should have been borne by ULBs as per programme guidelines.

4.1.12.2 Funds not received back

- MB, Jaisalmer transferred (December 2008) ₹ 0.15 crore to Executive Engineer, PHED Division, Jaisalmer for execution of works. The entire amount was lying unadjusted with PHED. MB, Jaisalmer stated (July 2012) that efforts were made to get the work completed. Reply was not acceptable as neither the works were completed nor amount was refunded (January 2013) to MB, Jaisalmer even after lapse of four years.

- DLB transferred (June 2007) ₹ 2.66 crore (Jhalawar: ₹ 0.88 crore and Jhalrapatan: ₹ 1.78 crore) to Rajasthan Housing Board (RHB), Jaipur for construction of houses under the programme. RHB did not execute the works and returned ₹ 2.56 crore (August 2008) after lapse of 14 months and retained

11. Baran: ₹ 0.64 crore, Bhilwara: ₹ 3.91 crore, Chhabra: ₹ 0.04 crore, Hanumangarh: ₹ 0.80 crore, Jalore: ₹ 0.41 crore, Kota-I: ₹ 0.73 crore, Kota-II: ₹ 2.53 crore, Pali: ₹ 5.46 crore, Pratapgarh: ₹ 1.03 crore, Sumerpur: ₹ 0.01 crore, Suratgarh: ₹ 0.75 crore, Takhatgarh: ₹ 0.58 crore and Tonk: ₹ 0.47 crore.

₹ 0.10 crore (January 2013). Thus, non-utilisation of funds by RHB deprived beneficiaries of the intended benefit of programme. The State Government while accepting the facts stated (February 2013) that the matter was referred to the DLB for reply.

4.1.12.3 Abandonment of the projects

Two projects costing ₹ 24.28 crore at Alwar (₹ 19.70 crore) and Jhalawar (₹ 4.58 crore) were sanctioned (October 2007 and March 2007) for construction of 2,701 houses. After incurring an expenditure of ₹ 0.23 crore in MC, Alwar on infrastructure in kuchchi bastis, the projects were dropped due to non-availability of land, rendering expenditure infructuous. The State Government while accepting the facts stated (February 2013) that Alwar and Jhalawar projects were dropped due to defective DPRs and consultant had been black listed. The State Government, further, stated that amount released by GoI for these projects shall be adjusted against newly sanctioned projects.

4.1.13 Training and capacity building

As per the programme guidelines, the Central and State Governments were to organise suitable training for capacity building programmes through reputed institutions in the field, but except MB, Sumerpur no training was organised in any test checked ULBs. Also no provisions were made in the programme for this purpose.

The State Government stated (February 2013) that personnel responsible for the projects had been imparted proper training in different seminars and workshops organised for this purpose. All the personnel were well acquainted with IHSDP guidelines for execution of these projects. Reply was not acceptable as details of seminars and workshop organised and expenditure incurred thereon were not furnished to the audit.

4.1.14 Monitoring and internal control

As per the programme guidelines, SLNA and SLCC were required to periodically monitor the progress of sanctioned projects including funds mobilisation from financial institutions and review the implementation of the programme considering its broad objectives and to ensure that the projects taken up were in accordance with the guidelines and also review the progress of urban reforms being undertaken by ULBs. Though the SLCC issued instructions/directions from time to time to various executing agencies but follow up action on these instructions were not monitored. All the ULBs were required to furnish monthly and quarterly reports to SLNA by first week of next month but progress reports were not sent to SLNA. SLCC also failed in ensuring timely completion of projects as executing agencies did not adhere the time schedule laid down (February 2009) by SLCC.

4.1.15 Non-implementation of Agenda of Reforms

As per para 12 of the modified guidelines of IHSDP, the main thrust of the revised strategy of urban renewal including providing basic services to the urban poor, the State Government, ULBs and parastatal agencies were required to accept the agenda of reforms and implement reforms within mission period. The proposed reforms fall broadly into two categories:

(i) Mandatory reforms

(ii) Optional reforms

The State/ULBs needed to choose at least two optional reforms each year for implementation. Audit observed that one optional reform regarding 'introduction of property title certification system' in ULBs and one mandatory reform of 'property tax' with 85 *per cent* collection efficiency were still not implemented which deprived the ULBs of own revenue. Besides this two State level mandatory reforms i.e. urban planning including town planning (Town Planning Department) and water supply for domestic, industrial and commercial purposes (performed by PHED) were not implemented by the State Government (February 2013). Details of reforms implemented are given in ***Appendix- XXI.***

The State Government stated (February 2013) that all mandatory and optional reforms have been implemented. Reply was not acceptable as no details of route map of implementation was provided to audit.

4.1.16 Conclusion

The impact of the programme in Rajasthan State was rather limited since only 13 *per cent* and 16 *per cent* of targeted houses could be completed as of March 2012 and December 2012 respectively, representing insignificant progress. The SLNA utilised only ₹ 236.44 crore out of ₹ 334.41 crore released during the project period representing 71 *per cent* and a substantial amount of ₹ 123.43 crore (52 *per cent*) was spent on areas which were not slums. The State Government not only failed to cover 10 cities having identified slum areas under the programme but extended benefits to ineligible beneficiaries in contravention of the guidelines. There were several instances of selection of ineligible beneficiaries, selection of improper sites, unjustified expenditure on infrastructure and diversion/wastage of funds.

4.1.17 Recommendations

- In order to realise the objectives of the programme the State Government should enhance the absorptive capacity of its agencies and target the expenditure to the areas and beneficiaries for whom the programme is intended.

- There should be proper planning in site selection, execution of works, coordination of all auxiliary works and allotment process.

- The State Government may monitor the delays closely for timely completion of projects.

- The optional reform and mandatory reforms referred to should be expeditiously implemented.

- The programme should be evaluated by an independent agency to assess its impact and identify the reasons for failure.

AUDIT OF TRANSACTIONS

4.2 Non-levy of registration and annual charges

Even after Government order, municipal bodies did not levy registration (one time) and annual charges of ₹ 1.81 crore on mobile towers.

State Government, in accordance with the powers available under Rajasthan Municipalities Act (RMA), 2009 framed model bye-laws and forwarded (March 2010) them to all municipalities for adoption by boards of municipalities concerned and publication in official gazette for registration and levy of license fee on mobile towers from the mobile companies. In the model bye-laws State Government laid down registration fee of ₹ 50,000 for new mobile towers and ₹ 25,000 for existing mobile towers leviable from the concerned mobile companies. Besides this, monthly license fee of ₹ 10 per square feet or ₹ 5,000 whichever is more, was also chargeable. The registration charges (renamed as one time charges) were revised (March 2011/January 2012) to ₹ 25,000 per tower in Municipal Corporations (M Corps) and Municipal Councils (MCs) areas and to ₹ 15,000 per tower in Municipal Boards (MBs) areas for 2010-11 and 2011-12. In place of monthly license fee, annual charges were fixed to ₹ 5,000 per year per tower for all municipalities for 2010-12.

During (May 2011 to June 2012) test check of 22 municipal bodies, audit observed that except M Corp, Jodhpur, MC, Udaipur and MB, Mertacity (District Nagaur), 19 Municipal Bodies[12] have not adopted the bye-laws prescribed by the Government. Out of 22 municipal bodies only four MBs have recovered ₹ 2.89 lakh[13] against total recoverable ₹ 1.84 crore (one time charges ₹ 1.48 crore and annual charges ₹ 0.36 crore) (***Appendix-XXII***) of all the 22 municipal bodies on account of registration (one time) and annual charges for 2010-12 on 681 towers.

Thus, slackness on part of these municipal bodies led to non-recovery of due ₹ 1.81 crore (₹ 1.84 crore – ₹ 0.03 crore).

Twelve municipal bodies[14] stated (June 2011 to May 2012) that notices for registration and depositing registration and annual charges were issued to the concerned mobile companies.

12. M Corp: Kota, MBs: Anoopgarh (Sriganganagar), Badi Sadri (Chittorgarh), Bayana (Bharatpur), Behror (Alwar), Chirawa (Jhunjhunu), Dausa, Deogarh (Rajsamand), Deoli (Tonk), Kanod (Udaipur), Nadbai (Bharatpur), Nagaur, Nawalgarh (Jhunjhunu), Nimbahera (Chittorgarh), Pilani (Jhunjhunu), Rajgarh (Churu), Sawaimadhopur, Shahpura (Bhilwara) and Shahpura (Jaipur).
13. MBs: Dausa - ₹ 0.84 lakh, Anoopgarh (Sriganganagar) - ₹ One lakh, Nadbai (Bharatpur)- ₹ 0.80 lakh and Chirawa (Jhunjhunu) - ₹ 0.25 lakh.
14. MC: Udaipur, MBs: Anoopgarh (Sriganganagar), Bayana (Bharatpur), Behror (Alwar), Chirawa (Jhunjhunu), Dausa, Deoli (Tonk), Kanod (Udaipur), Mertacity (Nagaur), Nimbahera (Chittorgarh), Sawaimadhopur and Shahpura (Jaipur).

The matter was referred to the State Government in August 2012; reply was awaited (February 2013).

4.3 Loss of revenue

Loss of revenue of ₹ 93.49 lakh due to non-realisation of external development charges.

As per instructions issued (April 2008 and May 2009) by the State Government (Urban Development Department), external development charges (EDCs) at ₹ 50 per square yard/Square meter were *inter alia* recoverable in the cases of regularisation/conversion of agricultural land in a city having population more than one lakh.

Test check (December 2010) of the records of Municipal Council (MC), Beawar (District, Ajmer) for the year 2009-10 revealed that MC was not aware of Government order, hence it did not levy and realise the EDCs in respect of 838 cases [15] in which lease deeds of regularised/converted agricultural land were issued between 9 April 2008 and 5 February 2010 resulting in loss of revenue of ₹ 93.49 lakh.

The State Government stated (September 2012) that notices for recovery were being issued and recovery intimated in due time.

Thus, due to lack of updated knowledge of rules/instructions of the State Government resulted in loss of revenue ₹ 93.49 lakh.

4.4 Short-realisation of lease money

Municipal Councils, Beawar, Jhunjhunu, Sikar and Municipal Boards, Banswara and Suratgarh levied and realised one time lease money on reserve price of land, instead of four times of regularisation charges, which resulted in short realisation of lease money ₹ 63.71 lakh.

Rajasthan Municipalities (Disposal of Urban Land) Rules, 1974 envisage that land in municipal areas should be sold on lease hold basis for 99 years on realisation of premium and annual urban assessment (lease money) from the lease holder. Further, as per Rule 7 (1) *ibid,* lease money was recoverable annually on the basis of prevalent reserve price at 2.5 *per cent* in case of residential plots and five *per cent* in case of commercial and other purposes. As per Local Self Government Department order (November 1999), if ten times lease money was paid in lump sum by the lease holder for issuing lease deed, he could be exempted from further payment of lease money. Further, the Urban Development Department, Government of Rajasthan issued (November 2007) orders for levy of lease money on reserve price calculated at four times of regularisation charges and the lease money be recovered at the rate of 2.5 *per cent* (residential) or five *per cent* (commercial), as the case may be, of the

15. 610 cases regularised during 9 April 2008 to 31 March 2009: ₹ 69.56 lakh and 228 cases regularised during 20 May 2009 to 5 February 2010: ₹ 23.93 lakh.

reserve price thus calculated. Such relaxation would be allowed if the lease money is deposited by the applicant in lump-sum for eight years.

Test check (September-November 2010, September 2011 and March 2012) of records of three Municipal Councils (MCs), Beawar, Jhunjhunu, Sikar and two Municipal Boards (MBs), Banswara and Suratgarh revealed that lease money[16] was recovered at the rate of 2.5 *per cent* or 5 *per cent* of the prevalent reserve price fixed for the residential and commercial land of the area respectively, instead of the four times of the prescribed rates of the regularisation charges on change of land use from agriculture to non-agriculture in the areas of municipal bodies, which resulted in short realisation of lease money of ₹ 63.71 lakh as under:

(₹ in lakh)

Name of municipal bodies	Period	Area of land (Square yards)	Recoverable lease money	Amount of lease money recovered from lease holders	Short realised lease money
MC, Beawar	October 2008 to July 2009	27,670.88	13.38	4.16	9.22
MC, Jhunjhunu	December 2007 to March 2010	28,747.41	15.04	4.71	10.33
MC, Sikar	June 2008 to March 2010	18,501.72	9.02	3.22	5.80
MB, Banswara	May 2010 to January 2011	1,17,796.57	37.69	9.20	28.49
MB, Suratgarh	April 2008 to March 2010	26,670.19	12.80	2.93	9.87
Total		**2,19,386.77**	**87.93**	**24.22**	**63.71**

The State Government stated (October 2012) that November 2007 order was not applicable on municipal bodies and was applicable only to Urban Improvement Trusts/Development Authorities. The reply was not acceptable as the order was issued in accordance with the provisions of Rajasthan Municipalities (Disposal of Urban Land) Rules, 1974 and made applicable to all Local Bodies, Urban Improvement Trusts, Jaipur Development Authority and Housing Board.

Thus, non-observance of Government order by MCs, Beawar, Jhunjhunu, Sikar and MBs, Banswara and Suratgarh resulted in short realisation of lease money of ₹ 63.71 lakh.

4.5 Blocking of funds

Blocking of funds of ₹ 2.22 crore due to non-monitoring of scheme by the State Government, commencement of work without identification of beneficiaries and non-recovery of their initial contribution.

Under Valmiki Ambedkar Awas Yojana (VAMBAY), a centrally sponsored scheme, the Government of India (GoI) approved (March 2005) a project for construction of 335 Dwelling Units (DUs) in Kharda Kuchchi Basti,

16. To increase revenue of the Local Bodies.

Bhankrota, Jaipur for ₹ 1.68 crore to provide low cost housing to slum dwellers and weaker sections of the society. The cost of each DU was estimated to ₹ 50,000 and 50 *per cent* cost was to be received from the GoI as subsidy and balance by the beneficiaries (₹ 5,000 on start of scheme and ₹ 20,000 as loan from Municipal Corporation, Jaipur to each beneficiary, recoverable at ₹ six or ₹ seven per day as per the paying capacity of beneficiary).

Test check (January 2010 and May 2012) of records of the Municipal Corporation (M Corp), Jaipur revealed that the State Government issued (May 2005) financial sanction (FS) and administrative sanction (AS) of ₹ 1.68 crore for construction of 335 DUs for the beneficiaries of Kharda Kuchchi Basti, Jaipur.

Construction of 335 DUs was completed between November 2006 and December 2007 by incurring expenditure of ₹ 2.22 crore[17] without getting revision of FS and AS. It was further observed that out of GoI share of ₹ 83.75 lakh, an amount of ₹ 16.87 lakh was yet to be received as of August 2012. Balance expenditure ₹ 1.56 crore was incurred by the M Corp, Jaipur from its own fund. None of the DUs was allotted to beneficiary. On joint inspection of constructed DUs on 18 May 2012 by Audit with departmental officials, revealed that all DUs have been occupied by unauthorised persons.



View of unauthorisedly occupied DUs in Kharda Kuchchi Basti, Bhankrota, Jaipur

It was also observed that the M Corp, Jaipur did not identify the beneficiaries and also not recovered the initial contribution of ₹ 5,000 from each beneficiary. Had the M Corp identified beneficiaries and recovered initial contribution, unauthorized occupation of DUs could have been avoided. Further, the State Government did not constitute the committee for monitoring the construction and allotment as required under scheme guidelines.

The Executive Engineer-II, M Corp, Jaipur intimated (January 2013) that matter of evacuating the unauthorised occupied houses and allotment to rightful beneficiaries was in process among various offices of M Corp. The reply was not acceptable as M Corp, Jaipur had neither identified nor allotted

17. Block 'A' (86 DUs): ₹ 0.63 crore (July 2007), Block 'B' (66 DUs): ₹ 0.27 crore (November 2006), Block 'C' (89 DUs): ₹ 0.65 crore (December 2007) and Block 'D' (94 DUs): ₹ 0.67 crore (July 2007).

(January 2013) DUs to intended beneficiaries since completion of constructions over five years ago. Non-allotment of DUs resulted in blocking of Government funds of ₹ 2.22 crore and in illegal occupation by unauthorised persons.

The matter was referred to the State Government in June 2012; reply was awaited (February 2013).

JAIPUR,
The

(SUNIL BAHRI)
Principal Accountant General
(General and Social Sector Audit), Rajasthan

Countersigned

NEW DELHI,
The

(VINOD RAI)
Comptroller and Auditor General of India

Appendix-I

(Refer paragraph 1.6; page 5)

Details of devolution of 29 subjects listed in the Constitution to PRIs

Sl. No.	Subjects	Status of devolution to PRIs		
		Funds	Functions	Functionaries
1.	Agriculture including agricultural extension	Yes	Yes	Yes
2.	Land improvement, implementation of land reforms, land consolidation and soil conservation	Yes	Yes	Yes
3.	Minor irrigation, water management and watershed development	Yes	Yes	Yes
4.	Animal husbandry, dairy and poultry	No	No	No
5.	Fisheries	Yes	Yes	Yes
6.	Social forestry and farm forestry	Yes	Yes	Yes
7.	Minor forest produce	Yes	Yes	Yes
8.	Small scale industries including food-processing industries	No	Yes	No
9.	Khadi, village and cottage industries	No	Yes	No
10.	Rural housing	Yes	Yes	Yes
11.	Drinking Water	*	*	*
12.	Fuel and fodder	*	*	*
13.	Roads, culverts, bridges, ferries, waterways and other means of communication	*	*	*
14.	Rural electrification including distribution of electricity	No	Yes	No
15.	Non-conventional energy sources	No	Yes	No
16.	Poverty alleviation programmes	Yes	Yes	Yes
17.	Education including primary and secondary schools	Yes	Yes	Yes
18.	Technical training and vocational education	No	Yes	No
19.	Adult and non-formal education	No	Yes	No
20.	Libraries	No	Yes	No
21.	Cultural activities	No	Yes	No
22.	Markets and fairs	Yes	Yes	Yes
23.	Health and sanitation including hospitals, primary health centres and dispensaries	Yes	Yes	Yes
24.	Family welfare	Yes	Yes	Yes
25.	Women and child development	Yes	Yes	Yes
26.	Social welfare including welfare of the handicapped and mentally retarded	Yes	Yes	Yes
27.	Welfare of the weaker sections and in particular of the SCs and STs	Yes	Yes	Yes
28.	Public distribution system	*	*	*
29.	Maintenance of community assets.	*	*	*

(Source: Information supplied by PD&PRD) * Devolved but withdrawn temporarily.

Appendix-II

(Refer paragraph 1.7; page 6)

Statement showing district-wise position of outstanding utilisation certificates as on 31 March 2012

(₹ in crore)

Sl. No	Name of district	UCs pending against			
		13th FC grants of RDD	13th FC grants of PRD	Third SFC grants of PRD	Fourth SFC grants of PRD
1.	Ajmer	27.59	12.67	2.20	16.14
2.	Alwar	75.98	26.39	11.60	32.97
3.	Banswara	102.09	27.33	6.85	30.49
4.	Baran	40.30	14.65	0.79	17.35
5.	Barmer	0.00	39.75	24.55	42.39
6.	Bharatpur	45.68	16.34	1.70	22.97
7.	Bhilwara	31.76	22.19	1.72	26.15
8.	Bikaner	103.25	23.86	9.56	29.72
9.	Bundi	25.98	14.17	4.35	16.58
10.	Chittorgarh	21.98	12.14	5.80	19.82
11.	Churu	145.08	14.65	0.71	23.21
12.	Dausa	36.99	15.23	5.52	21.98
13.	Dholpur	28.41	13.63	4.10	14.57
14.	Dungarpur	12.75	9.61	0.51	13.12
15.	Hanumangarh	10.89	10.00	23.69	15.08
16.	Jaipur	122.14	30.89	4.34	41.98
17.	Jaisalmer	79.93	21.12	22.87	24.38
18.	Jalore	35.89	25.45	23.03	27.14
19.	Jhalawar	19.61	14.36	0.00	17.83
20.	Jhunjhunu	22.84	18.48	3.77	23.80
21.	Jodhpur	75.44	31.18	7.06	37.02
22.	Karauli	23.92	12.93	9.42	14.91
23.	Kota	26.15	12.51	5.53	14.20
24.	Nagaur	58.71	36.27	19.91	42.48
25.	Pali	56.19	24.72	7.69	28.73
26.	Pratapgarh	0.00	12.69	3.07	12.94
27	Rajsamand	17.78	13.42	7.78	16.53
28.	Sikar	13.67	24.41	11.89	29.16
29.	Sirohi	10.25	11.59	7.33	14.54
30.	Sriganganagar	31.33	17.99	4.71	26.53
31.	Sawaimadhopur	39.49	11.90	1.20	14.26
32.	Tonk	26.51	13.80	4.17	17.87
33.	Udaipur	46.53	26.75	4.21	37.47
	TOTAL	**1,415.11**	**633.07**	**251.63**	**784.31**

(Source: Information furnished by RD&PRD)

Appendix-III

(Refer paragraph 2.1.1.1; page 12)

Organisational structure of MGNREGA

Level	Authority responsible for implementation of the Scheme	Functions and responsibilities
State level	State Employment Guarantee Council	• Advising the State Government regarding implementation of the Scheme, determining the preferred works, reviewing the monitoring and redressal mechanism from time to time and preparation of annual report to be laid before the State Legislature.
	State Rural Employment Guarantee Commissioner	• Overall supervision and monitoring of the implementation of the Scheme in the State and to empanel reputed agencies to carry out impact assessment of the Scheme.
District level	District Panchayat	• Principal authority for planning and review of implementation of the Scheme, approving District/ Block Rural Employment Guarantee Scheme plans. • Finalising and approving Block-wise shelf of projects. • Executing its own proposals and proposals received from the other line departments. • Overall supervision and monitoring of implementation of the Act.
	District Programme Coordinator	• Assist the District Panchayat in discharging its functions. • Consolidation of plans prepared by Block Panchayats for inclusion in shelf of projects. • According approval and coordinating with and supervising the performance of Programme Officers. • Conducting periodic inspection of works in progress.
Block level	Block Panchayat	• Planning at the Block level and prioritising the works and monitoring the implementation.
	Programme Officer	• Scrutinising the proposals submitted by Gram Panchayats for technical feasibility. Matching employment opportunities with the demand for work at the Block level. • Ensuring (i) execution of works as scheduled, (ii) payment of wages to labourers engaged and (iii) social audits.
Village level	Gram Panchayat	• Planning of works, registering households, issuing Job cards, allocating employment and implementation of the Scheme and conducting social audit.
Line Department and other	Line Departments- Forest, irrigation etc.	• To give technical support for preparation of estimates, measurement, supervisions of executed works.
	Non-Government Organisations	• Execution of works etc.

Appendix-IV

(Refer paragraph 2.1.4; page 13)

List of selected Districts, Blocks and Gram Panchayats

Sl. No	Selected Units		
	Name of District	Name of Block	Name of GP
Phase-I			
1.	Ajmer	Kekri	Dundhari, Ghatiyali, Gordha and Sawar
		Srinagar	Dhani Ramner, Gagwana, Ghughara and Beer
2.	Alwar	Kathumar	Jahadu, Ganjpur Nurpur, Kherli Rail and Tigaria
		Umrain	Mohbatpur, Pala, Palkhadi and Prithvipura
3.	Banswara	Anandpuri	Bareth, Chikli Teja, Naharpura and Patia Galia
		Ghatol	Badliya, Bhagauro ka Kheda, Ghatol and Jagpura
4.	Barmer	Barmer	Bola, Booth Jethmal, Isrol and Leelsar
		Sindhari	Khudasa, Lolawa, Malpura and Payla Kalan
5.	Bikaner	Bikaner	Keser Deser Jatan, Palana, Ridmalsar Purohitan and Tharusar
		Kolayat	Barsalpur, Bhaluri, Gadiyala and Ghuda
6.	Jhalawar	Dug	Chada, Dodi, Pagaria and Parapipli
		Jhalrapatan	Ashnawar, Durgpura, Kundi Kheda and Pipalia
7.	Jodhpur	Bilara	Hariyada, Olvi, Ramashani and Rawar
		Mandore	Dangiyawas, Indroka, Khatiyashani and Lohrdi Panditji
8.	Karauli	Hindaun	Danalpur, Mahu Khas, Mandawara and Patoda
		Karauli	Garai, Jahagirpur, Jamura and Khedia
Phase-II			
9.	Bhilwara	Banera	Babrana, Baran, Beran, Chamanpura, Dabla, Rakshi, Kundiya Kalan, Salrikalan, Sardarnagar and Upreda.
		Raipur	Asaholi, Bagar, Binta, Boriyapura, Jharol, Khemana, Narayan Khera, Pitha, Raipur and Thala.
		Suwana	Atoon, Bhoplagarh, Dariba, Gundli, Gurla, Mahuwa Kalan, Rampuria, Sangwa, Suwana and Swaroopganj.
10.	Bundi	Nainwa	Bachhola, Dei, Gurha Sadavartian, Jetpur, Khanpura, Mani, Maran, Karwar, Rajlawata and Talwas.
		Talera	Aktasa, Bajad, Budhpura, Dabi, Dora, Jakhmund, Ladpur, Laxmipura, Leeled Byasan, and Rajpura.
11.	Churu	Sardarshahar	Ajeetsar, Bhojsar Upadhiyan, Boghera, Jaitisar, Kalyanpura Purohitan, Kheenwansar, Kikasar, Melusar, Phoga Bhardhari and Rooplisar.
		Taranagar	Alayla, Bain, Bhaleri, Dheerwas Bara, Gajoowas, Kalwas, Raitunda, Redi, Sahwa and Sarayan.
12.	Dholpur	Dholpur	Biparpur, Bothpura, Kookra Makra, Krimpur, Kurendha, Maloni Panwar, Nagla Kharapur, Nidhaira Panwar, Pachgaon and Saipau.
		Rajakhera	Bajna, Basai Gheeyaram, Basai Kare, Jatoli, Kasimpur, Kherli, Mangrol, Nagar, Sadapur and Sikorda.
13.	Dungarpur	Sagwara	Barboodaniya, Bheeloora, Dencha, Dibra Chhota, Hadmala, Kahela, Od, Parwa, Pipla Gunj and Vageri.
		Simalwara	Baba ki Bar, Bansiya, Baori, Gundlara, Jorawar Pura, Mala Kholra, Nagariya Panchela, Sakodra, Sendola and Simalwara.
14.	Jaipur	Chaksu	Garoodwasi, Jhapda Kalan, Kadera, Kathawala, Kumhariyawas, Mahadeopura, Mandaliya, Nimodiya, Roopaheri Khurd with Bapugaon and Sawai Madhosinghpura.
		Phagi	Chittoria, Dabich, Didawata, Harsooliya, Kansel, Kishorpura, Ladana, Lasairya, Peepla and Phagi.
		Viratnagar	Badodiya, Bagawas Ahiran, Bhamod, Bhankhari, Chheetoli, Jaje Kalan, Jodhpura, Poorawala, Rampura and Tulsipura.
15.	Jaisalmer	Sam	Bersiyala, Bida, Chhatangar, Fatehgarh, Habur, Kapuriya. Khoohri, Loonar, Sam and Sipala.
		Sankra	Balad, Barath ka Gaon, Bhaniyana, Dantal, Kelawa, Khetolai, Lathi, Neran, Panasar and Rajmathai.
16.	Jalore	Raniwara	Ajodar, Akhrad, Jakhadi, Jalera Khurd, Jorwas, Korka, Kura, Ratanpur, Ropsi and Silasan.
		Sanchore	Amai (Arnay), Damana, Danta, Dhanta, Hariyali, Karola, Khara, Nainol, Pamana and Surawa.

Appendix-V

(Refer paragraphs 2.1.5.1 and 2.1.6.4; pages 17 and 20)

Statement showing the details of remuneration of mate which was wrongly charged in wage component and delay/non-payment of wages

(₹ in crore)

Sl. No	Name of District	Name of Block	Amount of mates remuneration wrongly charged in wage component	Amount of delay/non-payment of wages
1.	Ajmer	Kekri	0.04	2.00
		Srinagar	0.01	0.76
2.	Alwar	Kathumar	0.02	1.14
		Umrain	0.15	0.48
3.	Banswara	Anandpuri	0.01	0.44
		Ghatol	0.01	0.39
4.	Barmer	Barmer	-	0.72
		Sindhari	0.03	1.08
5.	Bhilwara	Banera	0.03	2.11
		Raipur	0.07	2.82
		Suwana	0.06	1.84
6.	Bikaner	Bikaner	0.01	1.32
		Kolayat	0.03	0.35
7.	Bundi	Nainwa	0.02	1.89
		Talera	0.03	0.32
8.	Churu	Sardarshahar	-	22.01
		Taranagar	-	0.32
9.	Dholpur	Dholpur	0.42	0.85
		Rajakhera	0.14	1.98
10.	Dungarpur	Sagwara	-	7.07
		Simalwara	1.94	21.80
11.	Jaipur	Chaksu	0.94	5.60
		Phagi	0.55	36.73
		Viratnagar	0.06	2.82
12	Jaisalmer	Sam	-	7.97
13	Jhalawar	Dug	0.02	0.34
		Jhalrapatan	0.03	0.45
14.	Jodhpur	Balesar	0.54	-
		Bilara	0.75	1.55
		Luni	0.16	-
		Mandore	0.46	1.02
		Shergarh	0.30	-
15.	Karauli	Hindaun	0.02	0.60
		Karauli	0.01	0.28
16.	Pali	Pali	0.48	-
	Total		**7.34**	**129.05**

Appendix–VI

(Refer Paragraph 2.1.7.4; page 22)

Statement showing the position of works in districts test checked in phase-I

(₹ in crore)

Category	Activity		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Total	Percentage
I	Water conservation and harvesting	No. of completed works	2,445	4798	5,134	3,953	3,622	756	20,708	19
		Expenditure incurred	77.8	78.71	150.79	151.25	134.64	979.09	1,572	13
		No. of ongoing works	3,321	6,759	6842	7,227	8,221	25,919	25,919	
II	Drought proofing (including afforestation and tree plantation)	No. of completed works	69	114	517	442	815	230	2,187	2
		Expenditure incurred	2.21	7.51	15.32	17.94	15.55	173.92	232	2
		No. of ongoing works	142	393	830	2,060	2837	6,774	6,774	
III	Irrigation canal including micro and minor irrigation project.	No. of completed works	131	199	337	368	379	309	1,723	2
		Expenditure incurred	3.46	6.85	15.92	13.95	28.02	110.94	179	2
		No. of ongoing works	394	406	897	1,014	1,693	3,379	3,379	
IV	Provision of irrigation facility (work of individual beneficiaries)	No. of completed works	208	7239	14,472	24,656	8,365	2050	56,990	52
		Expenditure incurred	0.72	51.5	58.87	148.53	77.25	1150.28	1,487	13
		No. of ongoing works	165	15,599	26,032	16,301	21,402	38,638	38,638	
V	Renovation of traditional water bodies including desilting of tanks	No. of completed works	884	422	1,264	1883	2148	349	6,950	6
		Expenditure incurred	38.50	13.77	48.16	78.36	58.53	345.57	583	5
		No. of ongoing works	863	974	4644	3125	6147	13,131	13,131	
VI	Land development	No. of completed works	157	573	390	490	688	1991	4,289	4
		Expenditure incurred	3.75	5.84	7.26	10.93	85.97	644.56	758	6
		No. of ongoing works	218	853	1,461	1648	2,835	15,610	15,610	
VII	Flood control and protection works including drainage in water logged areas	No. of completed works	25	95	223	218	247	138	946	1
		Expenditure incurred	0.65	6.25	7.49	9.94	4.36	112.16	141	1
		No. of ongoing works	65	244	307	887	647	1850	1850	
VIII	Rural connectivity to provide all weather access	No. of completed works	902	1183	4,057	4887	2,696	717	14,442	13
		Expenditure incurred	24.1	34.52	152.26	218.25	114.76	1,091.60	1,635	14
		No. of ongoing works	2,199	3,815	10,609	9565	10,158	30,306	30,306	
IX	Other	No. of completed works	63	-	-	-	110	926	1,099	1
		Expenditure incurred	2.22	-	-	-	9.74	5,214.48	5,226	44
		No. of ongoing works	136	-	5	-	1780	4,687	4,687	
Total		No. of completed works	**4,884**	**14,623**	**26,394**	**36,897**	**19,070**	**7466**	**1,09,334**	
		Expenditure incurred	**153.41**	**204.95**	**456.07**	**649.15**	**528.82**	**9822.60**	**11,815.00**	
		No. of ongoing works	**7,503**	**29,043**	**51,627**	**41,827**	**55,720**	**1,40,294**	**1,40,294**	

(Note: Total of ongoing works are same as shown in the year 2011-12)

Appendix-VII

(Refer paragraphs 2.1.7.4 and 2.1.7.5; pages 23 and 26)

Statement showing expenditure on incomplete works and inadmissible works

Sl. No.	Expenditure on incomplete works				Expenditure on inadmissible works	
	District	No. of blocks	No. of works	Expenditure (₹ in crore)	No. of works	Expenditure (₹ in crore)
1.	Ajmer	8	89	4.30	-	-
2.	Alwar	2	215	11.14	61	4.80
3.	Banswara	2	995	2.76	67	2.64
4.	Barmer	2	67	0.80	2	0.28
5.	Bhilwara	2	88	5.60	8	0.44
6.	Bikaner	2	2,886	174.30	-	-
7.	Bundi	2	100	4.73	-	-
8.	Chittorgarh	-	-	-	41	1.88
9.	Churu	2	74	4.38	-	-
10.	Dholpur	1	149	3.58	-	-
11.	Dungarpur	2	43	2.19	78	6.96
12.	Jaipur	2	72	6.27	1	0.11
13.	Jaisalmer	2	74	3.25	9	0.79
14.	Jalore	2	64	6.60	14	1.35
15.	Jhalawar	1	3	0.06	45	2.94
16.	Jodhpur	2	256	12.78	5	0.49
17.	Karauli	1	1,184	33.97	102	4.86
18.	Nagaur	-	-	-	3	0.25
19.	Pali	-	-	-	27	0.70
20.	Pratapgarh	-	-	-	7	0.34
21.	Sikar	1	10	0.41	-	-
22.	Sirohi	-	-	-	10	0.88
23.	Tonk	-	-	-	15	0.31
24.	Udaipur	-	-	-	14	0.64
	Total		**6,369**	**277.12**	**509**	**30.66**

Appendix-VIII

(Refer paragraph 2.1.7.5; page 26)

Position of excess expenditure over the valuation of work

Sl. No.	Blocks	No. of works	Excess expenditure (₹ in lakh)
1.	Bap	9	7.48
2.	Barmer	46	4.17
3.	Bikaner	5	3.90
4.	Bilara	2	0.20
5.	Bhim	51	19.33
6.	Dug	596	87.89
7.	Ghatol	7	4.12
8.	Jhalrapatan	3	2.13
9.	Karauli	3	2.75
10.	Kathumar	14	11.95
11.	Kekri	5	1.89
12.	Kolayat	2	2.68
13.	Mandore	2	0.95
14.	Hurda	6	33.71
15.	Srinagar	1	3.08
16.	Sujangarh	37	21.46
17.	Todaraisingh	43	16.04
18.	Umrain	4	3.31
	Total	**836**	**227.04** **Say ₹ 2.27 crore**

Appendix-IX

(Refer Paragraph 2.1.11; page 30)

Statement showing the differences in MIS and MPR data in illustrative audited units during 2011-12

Sl. No.	Name of unit	Job card		Employment provided		Persondays generated		No. of HHs completed 100 days of employment	
	District/Block/GP	As per GP Record	As per MIS	MPR	MIS	MPR	MIS	MPR	MIS
1	Bhilwara	-	-	2.79	2.69	125.52	138.49	0.19	0.23
	Suwana	-	-	-	-	4.80	7.11	-	-
	Selected GPs	-	-	-	-	1.66	1.94	-	-
2.	Bundi	1.86	1.84	0.94	0.85	28.54	29.11	-	-
	Nainwa	0.41	0.43	0.21	0.19	5.59	5.60	-	-
	Selected GPs	-	-	0.09	0.06	2.27	1.98	-	-
3.	Churu	2.79	2.80	1.63	165	65.18	68.96	0.05	0.06
	Taranagar	-	-	0.18	0.19	7.69	7.82	-	-
	Selected GPs	-	-	0.08	0.07	3.24	3.25	-	-
4.	Dholpur	1.54	1.79	0.42	0.37	14.90	12.11	-	-
	Rajakhera	0.36	0.49	0.08	0.09	2.92	2.81	-	-
	Selected GPs	0.10	0.14	-	-	-	-	-	-
5.	Dungarpur	3.01	3.02	2.38	2.34	166.29	166.50	0.54	0.51
	Simalwara	-	-	-	-	37.56	37.57	-	-
	Selected GPs	0.12	0.14	0.10	0.11	7.10	6.95	0.03	0.02
6.	Jaipur	-	-	2.06	2.05	61.83	71.10	0.03	0.05
	Viratnagar	-	-	-	-	2.95	2.96	-	-
	Selected GPs	0.06	0.07	-	-	0.71	0.72	-	-
7.	Jaisalmer	1.17	1.15	0.67	0.60	34.85	34.42	-	-
	Sam	0.40	0.32	-	-	13.47	14.87	0.02	0.04
	Selected GPs	0.10	0.09	-	-	-	-	-	-
8.	Jalore	-	-	-	-	39.35	40.03	0.05	0.06
	Sanchore	0.36	0.38	0.14	0.15	7.34	8.04	0.00	0.01
	Selected GPs	-	-	0.06	0.05	2.97	2.82	-	-

(Source: As per MPRs and MIS data)

Appendix-X

(Refer paragraph 2.1.14.2; page 34)

Position of inspection carried out at DPC and Block level

Name of District	Period	DPC level			Block level		
		Works to be inspected	Works inspected	Shortfall (percentage)	Works to be inspected	Works inspected	Shortfall (percentage)
Ajmer	2008-09 to 2010-11	1,314	2,085	No shortfall	13,142	13,142	No shortfall
Alwar	2008-09 to 2010-11	964	1,635	No shortfall	9,631	9,631	No shortfall
Banswara	2008-09 to 2010-11	4,298	3,556	742 (17)	42,979	15,872	27,107 (63)
Barmer	2008-09 to 2010-11	7,909	2,565	5,344 (68)	79,085	13,565	65,520 (83)
Bikaner	2008-09 to 2010-11	4,882	2277	2,605 (53)	48,816	18,930	29,886 (61)
Bhilwara	2008-09 to 2011-12	3,854	3,193	661 (17)	2,73,436	2,88,303	No shortfall
Churu	2010-11 to 2011-12	1,020	436	584 (57)	3,294	709	2,585 (78)
Dholpur	2008-09 to 2011-12	4,384	2,922	1,462 (33)	44,318	32,131	12,187 (27)
Jaisalmer	2007-08 to 2011-12	6,936	3,526	3,410 (49)	23,656	22,138	1,518 (6)
Jhalawar	2008-09 to 2010-11	2,023	985	1,038 (51)	20,235	7630	12,605 (62)
Jodhpur	2008-09 to 2010-11	1,115	34	1,081 (97)	11,149	2,545	8,604 (77)
Karauli	2008-09 to 2010-11	563	57	506 (90)	5,625	637	4,988 (89)

(Source: As per MPRs)

Appendix-XI

(Refer paragraph 2.2.6.2; page 39)

Year-wise break up of short receipts of funds

(₹ in crore)

Sl. No.	Name of District	2007-08			2008-09			2009-10			2010-11		
		Allotted fund	Released fund	Deduction	Allotted fund	Released fund	Deduction	Allotted fund	Released fund	Deduction	Allotted fund	Released fund	Deduction
1.	Barmer	33.59	33.59	Nil	33.59	22.76	10.83	33.59	33.59	Nil	33.59	33.59	Nil
2.	Banswara	16.78	16.78	Nil	16.78	9.87	6.91	16.78	16.78	Nil	16.78	16.78	Nil
3.	Chittorgarh	21.34	21.34	Nil	21.34	13.87	7.47	21.34	8.10	13.24	21.34	21.34	Nil
4.	Dungarpur	15.04	15.04	Nil	15.04	9.08	5.96	15.04	4.45	10.59	15.04	15.04	Nil
5.	Jaisalmer	37.11	35.31	1.80	37.11	26.17	10.94	37.11	13.19	23.92	37.11	37.11	Nil
6.	Jalore	20.45	20.45	Nil	20.45	11.76	8.69	20.45	20.45	Nil	20.45	20.45	Nil
7.	Jhalawar	16.85	16.10	0.75	16.85	11.94	4.91	16.85	4.46	12.39	16.85	16.85	Nil
8.	Karauli	16.64	16.64	Nil	16.64	9.61	7.03	16.64	7.50	9.14	16.64	16.64	Nil
9.	Sawaimadhopur	15.70	15.70	Nil	15.70	11.17	4.53	15.70	8.40	7.30	15.70	15.70	Nil
10.	Sirohi	15.38	15.38	Nil	15.38	8.87	6.51	15.38	5.67	9.71	15.38	15.38	Nil
11.	Tonk	17.59	17.59	Nil	17.59	12.31	5.28	17.59	17.59	Nil	17.59	17.59	Nil
12.	Udaipur	24.52	24.52	Nil	24.52	15.35	9.17	24.52	12.60	11.92	24.52	24.52	Nil
TOTAL		**250.99**	**248.44**	**2.55**	**250.99**	**162.76**	**88.23**	**250.99**	**152.78**	**98.21**	**250.99**	**250.99**	**Nil**

Appendix-XII

(Refer paragraph 2.2.6.6; page 41)

Details of unutilised assets

(₹ in lakh)

Sl. No	Name of ZP	Name of work	Date of completion	Expenditure	Remarks
1.	Barmer	ANM quarter Avadi Bhimji at GP, Kamthai	15.01.2009	4.27	Completed/ not in use/reasons not supplied by audited unit.
2.	Barmer	Work shop for SC/ST Takuberi at GP, Kamthai	15.01.2009	2.12	Completed/ not in use/not at proper place.
3.	Chittorgarh	Public toilet Ward No.10 at MB, Nimbahera	31.03.2009	8.21	Not in use due to non-availability of water and electricity.
4.	Chittorgarh	Public toilet kuchchi basti at MB, Nimbahera	31.03.2010	3.83	Not in use due to non-availability of water and electricity.
5.	Chittorgarh	Nallah and Pulia in Palika area at MB, Nimbahera	31.03.2010	4.15	One side of pulia is closed due to court case and another side no road (only kuchcha rasta).
6.	Chittorgarh	Anganbadi Centre, Satpura at PS, Chittorgarh	15.03.2008	2.00	Not in use due to non-handing over the building.
7.	Jaisalmer	Garbage collection Centre, Ward No. 24 at MB, Jaisalmer	12.09.2008	2.58	Not in use because of not at proper place.
8.	Jaisalmer	Garbage collection Centre, R.P.Colony at MB, Jaisalmer	13.09.2008	2.55	Not in use because of not at proper place.
9.	Jaisalmer	Garbage collection Centre, Gaffoor Bhatta area at MB, Jaisalmer	13.09.2008	2.64	Not in use because of not at proper place.
10.	Jaisalmer	Hall in Senior Secondary School, Ramdeora	15.01.2009	5.00	Not in use by school and locked/reasons not supplied.
11.	Jaisalmer	Primary Health Centre, Ramdeora	30.11.2009	7.00	Centre is used only at the time of fair.
12.	Jaisalmer	Additional Class room, Government Senior Secondary School, Sankra	30.09.2008	5.00	Not in use/reasons not supplied by audited unit.
13.	Jaisalmer	Computer Room, Government Senior Secondary School, Sankra	30.09.2008	5.00	Not in use/reasons not supplied by audited unit.
14.	Jaisalmer	Hall in Government Senior Secondary School, Sankra	15.03.2009	7.00	Not in use/reasons not supplied by audited unit.
15.	Jaisalmer	Animal Hospital, Sankra	15.03.2009	5.00	Not in use/non-availability of doctor.
16.	Udaipur	Rain water collection at MB, Fatehnagar	21.04.2008	2.01	Damaged (not in use). Water cannot be stored.
17.	Udaipur	Public Toilet, Ward No. 5 at MB, Fatehnagar	19.09.2009	2.88	Not in use due to non-availability of water.
18.	Udaipur	Anganbadi Centre, Ward No. 5 at MB, Fatehnagar	22.03.2009	2.40	Not in use due to non-handing over the building.
		Total		**73.64**	

Appendix-XIII

(Refer paragraph 3.3.1; page 59)

Details of difference in figures of receipts and expenditure maintained in M Corps and at Directorate level

(₹ in crore)

Name of M Corp	Tax revenue									Non-tax revenue								
	2008-09			2009-10			2010-11			2008-09			2009-10			2010-11		
	M Corp level	Directorate level	Diff-erence	M Corp level	Directorate level	Diff-erence	M Corp level	Directorate level	Diff-erence	M Corp level	Directorate level	Diff-erence	M Corp level	Directorate level	Diff-erence	M Corp level	Directorate level	Diff-erence
Ajmer	0.66	0.66	0.00	1.61	1.61	0.00	1.82	3.72	1.90	3.17	18.58	15.41	4.92	10.18	5.26	16.62	14.91	1.71
Bikaner	0.37	0.37	0.00	1.28	1.28	0.00	0.76	0.76	0.00	1.34	9.33	7.99	0.89	8.32	7.43	0.97	13.68	12.71
Jaipur	12.28	12.28	0.00	18.60	61.30	42.70	21.34	56.34	35.00	46.58	158.94	112.36	61.15	65.71	4.56	50.39	110.14	59.75
Jodhpur	0.47	0.28	0.19	1.13	42.53	41.40	1.86	1.86	0.00	9.69	11.82	2.13	9.10	21.76	12.66	19.23	43.99	24.76
Kota	0.13	0.13	0.00	0.30	0.30	0.00	2.24	11.49	9.25	6.21	14.47	8.26	6.45	11.86	5.41	8.08	0.85	7.23
Total			**0.19**			**84.10**			**46.15**			**146.15**			**35.32**			**106.16**

(Source: As per data provided by Directorate, Local Bodies Department, Rajasthan, Jaipur and the annual accounts of respective Municipal Corporations).

Appendix-XIV

(Refer Paragraph 3.3.3; page 60)

Statement showing devolution of functions listed in the Constitution to Urban Local Bodies

A.	**Functions fully devolved to Urban Local Bodies**
1.	Regulation of land use and construction of buildings.
2.	Slum improvement and up gradation.
3.	Urban poverty alleviation.
4.	Burials and burial grounds etc.
5.	Vital statistics including registration of births and deaths.
6.	Public amenities including street lighting, parking lots etc.
7.	Regulation of slaughter houses.
8.	Planning for economic and social development.
9.	Roads and bridges.
10.	Public health and solid waste management.
11.	Fire services.
12.	Urban forestry, protection of the environment and promotion of ecological aspect.
13.	Provision of urban amenities and facilities such as parks, gardens, play grounds etc.
14.	Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded persons.
15.	Promotion of cultural, educational and aesthetic aspects.
16.	Prevention of cruelty to animals.
B.	**Functions yet to be devolved to Urban Local Bodies**
1.	Urban planning including town planning.
2.	Water supply for domestic, industrial and commercial purpose.

Appendix-XV

(Refer paragraph 4.1.7.1; page 68)

Details of short achievement of physical targets

(₹ in crore)

Sl. No.	Name of District	No of projects	Project cost	Period of sanction	Total houses	Total expenditure	Total houses completed	Percentage of completed houses
1.	Ajmer	1	18.60	14.12.2010	871	0.35	Nil	Nil
2.	Banswara	1	4.23	05.08.2010	217	0.89	18	8.29
3.	Baran	4	65.19	28.09.2006 to 02.03.2012	2,158	9.09	60	2.78
4.	Barmer	2	32.19	24.01.2008	1,728	15.24	848	49.07
5.	Bhilwara	4	36.62	30.03.2006 to 02.03.2012	2,715	18.87	1,494	55.03
6.	Bikaner	3	55.09	30.03.2006 to 28.02.2012	1,607	7.20	1	0.06
7.	Chittorgarh	6	97.17	28.09.2006 to 28.03.2012	3,778	15.93	198	5.24
8.	Churu	1	49.44	02.03.2012	1,802	0.00	Nil	Nil
9.	Hanumangarh	4	97.04	21.03.2007 to 17.01.2011	3,625	23.55	345	9.52
10.	Jaisalmer	3	71.40	26.09.2007 to 26.09.2010	3,326	14.45	74	2.22
11.	Jalore	3	27.97	30.09.2008 to 27.01.2010	1,292	5.03	9	0.70
12.	Jhalawar	2	6.03	28.09.2006 to 21.03.2007	527	2.06	97	18.41
13.	Jodhpur	7	164.97	24.01.2008 to 28.02.2012	5,706	22.46	216	3.79
14.	Kota	6	89.75	21.03.2007 to 02.03.2012	2,791	16.71	29	1.04
15.	Pali	9	66.96	28.09.2006 to 26.08.2010	4,678	34.69	1,250	26.72
16.	Pratapgarh	1	11.20	26.09.2007	711	7.34	253	35.58
17.	Sawai-madhopur	2	17.00	26.09.2007 to 29.10.2007	1,137	13.71	363	31.93
18.	Sikar	1	5.44	28.09.2006	556	3.37	256	46.04
19.	Sirohi	2	29.29	29.09.2010 to 28.02.2012	1,175	2.17	Nil	Nil
20.	Sri-ganganagar	2	51.44	30.09.2008 to 05.08.2010	2,085	14.00	53	2.54
21.	Tonk	2	13.92	30.03.2006 to 14.12.2010	520	5.33	136	26.15
22.	Udaipur	1	24.55	20.12.2007	1,737	3.77	Nil	Nil
	Total	**67**	**1,035.49**		**44,742**	**236.21**	**5,700**	**12.74**

Note: *Two projects namely Alwar (2,456 houses: ₹19.70 crore) and Jhalawar (245 houses: ₹4.58 crore) had been abandoned.*

(Source: Information obtained from SLNA)

Appendix-XVI

(Refer paragraph 4.1.7.2; page 69)

Details of short release of funds by SLNA to ULBs under IHSDP

(₹ in crore)

Sl. No.	Name of project	Date of sanction	Project cost	Funds released to SLNA by			Fund released by SLNA to ULB	Funds retained by SLNA
				GoI	GoR	Total		
1.	Anoopgarh	05.08.2010	16.39	5.37	0.67	6.04	5.77	0.27
2.	Balotra	24.01.2008	8.48	5.47	0.68	6.15	4.74	1.41
3.	Baran	08.12.2006	9.70	7.37	0.92	8.29	8.12	0.17
4.	Bhadra	17.01.2011	37.69	12.12	1.52	13.64	12.62	1.02
5.	Bhilwara	21.03.2007	19.13	15.10	1.89	16.99	16.79	0.20
6.	Bikaner Ph-II	30.09.2008	35.57	10.95	1.37	12.32	11.70	0.62
7.	Bilara	17.01.2011	13.96	4.68	0.58	5.26	2.63	2.63
8.	Chittorgarh - II	05.08.2010	10.93	3.66	0.46	4.12	2.06	2.06
9.	Chotti Sadri	17.01.2011	9.22	3.10	0.39	3.49	1.75	1.74
10.	Hanumangarh	21.03.2007	22.25	17.54	2.19	19.73	14.25	5.48
11.	Jaisalmer- II	26.09.2010	32.81	10.94	1.37	12.31	6.15	6.16
12.	Kaithoon	26.08.2010	5.06	1.73	0.22	1.95	0.97	0.98
13.	Kekri	14.12.2010	18.60	6.38	0.80	7.18	3.59	3.59
14.	Kota- II	09.02.2011	28.58	7.57	0.95	8.52	5.00	3.52
15.	Pali	21.03.2007	22.06	17.64	2.21	19.85	15.33	4.52
16.	Pratapgarh	26.09.2007	11.20	5.40	0.68	6.08	4.95	1.13
17.	Rawatsar	26.08.2010	30.69	9.26	1.16	10.42	7.71	2.71
18.	Rawatbhata	14.12.2010	36.55	12.58	1.57	14.15	7.08	7.07
19.	Sangod	14.12.2010	9.01	3.04	0.38	3.42	1.71	1.71
20.	Sawai - madhopur	29.10.2007	13.48	9.93	0.62	10.55	5.58	4.97
21.	Sumerpur	26.08.2010	10.36	3.32	0.41	3.73	1.87	1.86
22.	Suratgarh	30.09.2008	35.05	11.05	1.38	12.43	11.80	0.63
23.	Tonk -II	14.12.2010	9.45	2.99	0.37	3.36	1.68	1.68
Grand Total			**446.22**	**187.19**	**22.79**	**209.98**	**153.85**	**56.13**

(Source: Information obtained from SLNA)

Appendix-XVII

(Refer paragraph 4.1.8.1; page 70)

Details of slum-less cities covered under the IHSDP

(₹ in crore)

Sl. No.	Name of project	Project cost	Date of sanction	Expenditure incurred
1.	Asind	5.08	28.09.2006	2.06
2.	Anoopgarh	16.39	05.08.2010	4.12
3.	Anta	27.62	28.02.2012	0.00
4.	Bali	3.30	28.09.2006	2.15
5.	Balotra	8.48	24.01.2008	6.97
6.	Bhawani Mandi	1.82	28.09.2006	1.30
7.	Bhadra	37.69	17.01.2011	4.00
8.	Bhilwara	19.13	21.03.2007	15.35
9.	Bhinmal	10.59	27.01.2010	1.53
10.	Begun	22.71	28.03.2012	0.00
11.	Bilara	13.96	17.01.2011	0.81
12.	Chhabra	4.47	28.09.2006	3.28
13.	Chotti Sadri	9.22	17.01.2011	0.17
14.	Deshnok	16.20	28.02.2012	0.00
15.	Falna	4.46	11.10.2006	3.87
16.	Gangapur City	3.52	26.09.2007	1.20
17.	Gulabpura	1.24	30.03.2006	1.46
18.	Jaisalmer	16.76	26.09.2007	5.67
19.	Jaisalmer-II	32.81	26.09.2010	2.77
20.	Jaitaran	4.84	14.08.2008	0.97
21.	Jalore	7.90	30.09.2008	2.86
22.	Jhalrapatan	4.21	28.09.2006	0.76
23.	Kaithoon	5.06	26.08.2010	0.47
24.	Kekri	18.60	14.12.2010	0.35
25.	Mangrol	23.40	02.03.2012	0.00
26.	Nimbahera	11.06	05.08.2010	3.72
27.	Phalodi	23.27	15.07.2009	5.10
28.	Phalodi-II	25.45	28.02.2012	0.00
29.	Pilibanga	6.41	29.09.2010	1.83
30.	Pindwara	13.26	29.09.2010	2.17
31.	Pipar City	24.76	28.02.2012	0.00
32.	Pokran	21.83	15.07.2009	6.01
33.	Pratapgarh	11.20	26.09.2007	7.34
34.	Ramganj Mandi	2.69	02.03.2012	0.00
35.	Rani	0.79	28.09.2006	0.70
36.	Rawatsar	30.69	26.08.2010	4.12
37.	Rawatbhata	36.55	14.12.2010	5.56
38.	Sadri	1.29	28.09.2006	1.06
39.	Sanchore	9.47	27.01.2010	0.63
40.	Sangod	9.01	14.12.2010	0.30
41.	Shahpura	11.16	02.03.2012	0.00
42.	Sheoganj	16.03	28.02.2012	0.00
43.	Sojat City	3.16	08.12.2006	2.06
44.	Sumerpur	10.36	26.08.2010	1.56
45.	Suratgarh	35.05	30.09.2008	9.88
46.	Takhatgarh	16.69	15.07.2009	3.94
47.	Tonk-I	4.46	30.03.2006	5.33
48.	Tonk-II	9.45	14.12.2010	0.00
	Total	**653.55**		**123.43**

(Source: Information obtained from Census Department, Jaipur)

Appendix-XVIII

(Refer paragraph 4.1.8.2; page 72)

Details of Kuchchi Bastis as slum in IHSDP and pattas issued to beneficiaries

Sl. No.	Name of project	Number of kuchchi bastis approved	Number of pattas issued	Area of kuchchi basti (in hectare)	Size of the plots (in sqys)	Expenditure incurred (₹ in crore)
1.	Bali	03	291	2.30 to 4.05	300 to 1454.45	0.97
2.	Baran	10	368	Not available	120 to 274	1.77
3.	Barmer	10	1,073	Not available	135.33 to 1,788.88	5.38
4.	Hanumangarh	20	314	0.43 to 64.75	112.50 to 211.55	1.26
5.	Jaisalmer-I	02	550	7 to 25	Scattered beneficiaries	1.51
6.	Jaisalmer-II	04	1,251	33.02 to 117.35	Scattered beneficiaries	1.91
7.	Jalore	08	122	Not available	121.33 to 916.64	0.42
8.	Jodhpur-I	13	313	Not available	174 to 230	0.87
9.	Kota-I	34	321	Not available	126 to 152.77	1.02
10.	Pali	25	364	Not available	121 to 699	3.48
11.	Pilibanga	08	163	12.10 to 37.40	455 to 512	1.20
12.	Pokran	08	555	3.91 to 23.59	128 to 6,000	2.62
13.	Rawatbhata	10	535	0.66 to 21.61	Scattered beneficiaries none received final instalment	2.69
14.	Rawatsar	05	532	16.99 to 33.99	41.69 to 3,267	4.66
15.	Sawaimadhopur	14	120	1.50 to11	Scattered beneficiaries	1.76
16.	Sumerpur	07	234	0.98 to 11	200 to 888.89	1.31
17.	Suratgarh	15	471	6.23 to 111.14	715.44	3.26
18.	Takhatgarh	12	142	1.79 to 70.40	120 to 450	1.46
	Total	**208**	**7,719**			**37.55**

(Source: Information obtained from test checked units)

Appendix-XIX

(Refer paragraph 4.1.8.3; page 72)

Details of non-feasible construction of dwelling units

(₹ in crore)

Sl. No.	Name of ULB	Number	Sanctioned Amount	Number of non-feasible works	Proportionate Amount of non-feasible works	Remarks
(A) Relocation						
1.	Bilara	56	76.67	56	0.77	Not feasible as beneficiaries not interested to go anywhere. Relocation site away from city
2.	Barmer	208	242.16	208	2.42	Not feasible as beneficiaries not interested to go anywhere
3.	Chittorgarh-I	176	140.80	52	0.42	Not feasible due to not interested, family pucca houses, sold, HT line, pledged and beneficiaries not available
4.	Sikar	556	430.96	300	2.32	Not feasible due to increase in cost of construction
5.	Sawai-madhopur	504	423.36	154	1.29	Not feasible due to land dispute
6.	Tonk-II	384	538.08	384	5.38	Encroachment and court case
	Total (A)			**1,154**	**12.60**	
(B) In situ						
1.	Bikaner Phase-II	1,041	1614.21	975	15.12	Surrendered, wrong DPR
2.	Bilara	404	538.38	149	1.99	Not feasible due to encroachment on pasture land public path and disputed land
3.	Bali	110	88.00	51	0.41	Not feasible due to disputed poor economic condition, beneficiaries not interested, death and sold out, etc
4.	Chittorgarh-II	380	505.21	25	0.33	Not feasible due to not interested, family pucca houses, sold, HT line, pledged and beneficiaries not available
5.	Jaitaran	137	182.20	30	0.40	Not feasible due to various reasons
6.	Jodhpur-I	691	929.08	508	5.83	Not feasible due to beneficiaries not interested, death and sold out, pledged, JDA Scheme, part of road, etc
7.	Jodhpur-II	1,566	2105.55	666	8.95	Not feasible due to beneficiaries not interested, pucca house, forest land, illegal patta, built on nalla, sold out, etc
8.	Jhalrapatan	200	160.00	65	0.52	Not feasible due to beneficiaries not interested, death and sold out, pledged and beneficiaries not available
9.	Jalore	243	376.80	138	2.14	Not feasible due to sold, submergence area, forest land and revenue land
10.	Kekri	558	730.51	185	2.42	Not feasible due to wrong DPR, private land and submergence land
11.	Pindwara	622	877.11	165	2.33	Not feasible due to pucca house, disputed, gochar land, submergence area and agriculture land
12.	Pokran	705	1244.68	164	2.90	Not feasible due to various reasons
13.	Takhatgarh	399	705.03	106	1.87	Not feasible due to various reasons
	Total (B)			**3,227**	**45.21**	

Sl. No.	Name of ULB	Number	Sanctio-ned Amount	Number of non-feasible works	Proporti-onate Amount of non-feasible works	Remarks
(C) Upgradation						
1.	Bilara	114	62.57	35	0.19	Not feasible as mentioned for in situ houses above
2.	Bhinmal	525	529.36	276	2.78	Not feasible as water lodging area, weak financial condition
3.	Bali	181	89.61	69	0.34	Not feasible as mentioned for in situ houses above
4.	Chittorgarh-II	53	27.05	13	0.07	Not feasible as mentioned for in situ houses above
5.	Chittorgarh-I	364	120.12	110	0.36	Not feasible as mentioned for in situ houses above
6.	Jaitaran	48	30.21	13	0.08	Not feasible- pucca house, repeated name of beneficiaries, submergence area, document not valid and beneficiaries not present at site
7.	Jhalrapatan	213	104.36	75	0.37	Not feasible as mentioned for in situ houses above
8.	Sojat City	148	58.51	48	0.19	Not feasible- lesser amount of construction, small size of kitchen and toilet
9.	Takhatgarh	236	245.16	196	2.04	Not feasible due to various reasons
	Total (C)			**835**	**6.42**	
	Grand Total			**5,216**	**64.23**	

(Source: Information obtained from SLNA)

Appendix-XX

(Refer paragraph 4.1.8.3; page 72)

Details of non-feasible constructions of infrastructure

(₹ in crore)

Sl. No.	Name of project	Name of work as per DPR	Number/ length	Amount	Number of non-feasible work	Amount of non-feasible works	Remarks
1.	Asind	Community Centre	5	0.36	1	0.07	Land not available
2.	Bhilwara	Sewerage	-	6.50	-	6.50	Savings due to wrong DPR
3.	Baran	Community Centre	5	1.88	3	1.13	Site not available
4.	Bikaner	Community Toilets	5	0.38	4	0.30	Land not available
5.	Bhinmal	Park	1	0.10	1	0.10	Land dispute
6.	Pilibanga	Community Centre	1	0.21	-	0.21	Site disputed
		Drain	13.3 km	2.11	-	2.11	
		Electricity work	30 Poles	0.09	-	0.09	
		parks	1	0.22	-	0.22	
7.	Jhalrapatan	Water supply	4.58 km	0.30	4.58 km	0.30	Not required
		Sewerage (Septic tank)	1245	0.48	1245	0.48	Not required
8.	Jalore	Community Centre	2	0.34	1	0.17	Site disputed
9.	Pali	Community Centre	7	0.87	2	0.25	Site not available
		Night Shelter	5	0.08	2	0.03	
		Community Toilets	5	0.24	2	0.10	
10.	Tonk	Community Toilets	5	0.33	2	0.13	No need
		Community Centre	3	0.18	1	0.06	No need
11.	Rawatsar	Community Centre	2	0.48	1	0.24	non availability of land
		electricity	90 Poles	0.10	-	0.10	location not available
12.	Suratgarh	livelihood	4	0.47	2	0.23	disputed
13.	Jaisalmer-II	Community Centre	3	0.99	1	0.33	Land not made available to IA, encroachment in unplanned way of existing huts and pucca houses in the proposed route
		Roads	22.086 km	1.91	-	1.91	
		Drain	41.926 km	2.12	-	2.12	
14.	Pokran	livelihood Centre	3	0.35	1	0.12	disputed
		Biodigester	8	0.52	7	0.45	disputed
	Total					**17.75**	

(Source- Information obtained from SLNA)

Appendix-XXI

(Refer paragraph 4.1.15; page 79)

Status of implementation of agenda of reforms

Reforms	As on 31 January 2013
(A) Mandatory Reforms	
(a) ULB Level Reforms	
(i) Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies.	Accomplished
(ii) Introduction of system of e-governance using IT applications like GIS and MIS for various services provided by ULBs.	Accomplished
(iii) Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85 *per cent* within the Mission period.	Yet to be accomplished
(iv) Levy of reasonable user charges by ULBs/Parastatals with the objective that full cost of operation and maintenance is collected within the Mission period. However, cities/towns in North East and other special category States may recover at least 50 *per cent* of operation and maintenance charges initially. These cities/towns should graduate to full O&M cost recovery in a phased manner.	Accomplished
(v) Internal earmarking within local body budgets for basic services to the urban poor.	Accomplished
(vi) Provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the government for education, health and social security.	Accomplished
(b) State Level Reforms	
(i) Implementation of decentralization measures as envisaged in 74th Constitutional Amendment. States should ensure meaningful association/engagement of ULBs in planning function of Parastatals as well as delivery of services to the citizens.	All functions listed in 12th schedule except urban planning including town planning (Town Planning Department) and water supply for domestic, industrial and commercial purposes (Performed by PHED) have been accomplished
(ii) Rationalisation of Stamp Duty to bring it down to no more than five per cent within the Mission period.	Accomplished
(iii) Enactment of community participation law to institutionalize citizen participation and introducing the concept of the Area Sabha in urban areas. IHSDP – Modified guidelines 10.	Accomplished
(iv) Assigning or associating elected ULBs into "city planning function" over a period of five years; transferring all special agencies that deliver civic services in urban areas and creating accountability platforms for all urban civic service providers in transition.	Accomplished
(B) Optional Reforms	
(i) Repeal of Urban Land Ceiling and Regulation Act.	Accomplished
(ii) Amendment of Rent Control Laws balancing the interest of landlords and tenants.	Accomplished

Reforms	As on 31 January 2013
(iii) Enactment of Public Disclosure Law to ensure preparation of medium-term fiscal plan of ULBs and release of quarterly performance information to all stakeholders.	Accomplished
(iv) Revision of bye-laws to streamline the approval process for construction of buildings, development of sites, etc.	Accomplished
(v) Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.	Accomplished
(vi) Introduction of Property Title Certification System in ULBs.	Not accomplished
(vii) Earmarking at least 20-25 *per cent* of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross subsidization.	Accomplished
(viii) Introduction of computerized process of registration of land and property.	Accomplished
(ix) Revision of bye-laws to make rain water harvesting mandatory in all buildings to come up in future and for adoption of water conservation measures.	Accomplished
(x) Bye-laws on reuse of recycled water.	Accomplished
(xi) Administrative reforms, i.e., reduction in establishment by bringing out voluntary retirement schemes, non-filling up of posts falling vacant due to retirement etc., and achieving specified milestones in this regard.	Accomplished
(xii) Structural reforms.	Accomplished
(xiii) Encouraging Public-Private partnership.	Accomplished

(Source: Information obtain from SLNA)

Appendix-XXII

(Refer Paragraph 4.2; page 81)

Statement showing amount of registration and annual charges outstanding against mobile towers

(₹ in lakh)

Sl. No.	Name of audited units	Year for which recovery due	No. of mobile towers	Recoverable registration charges[1]	Recoverable annual charges[2]	Total recoverable amount	Recovered amount	Balance recoverable amount
M Corps								
1.	Jodhpur	2010-11	120	30.00	6.00	36.00	-	36.00
2.	Kota	2010-11	187	46.75	9.35	56.10	-	56.10
MC								
3.	Udaipur	2010-11	151	37.75	7.55	45.30	-	45.30
MBs								
4.	Anoopgarh	2010-12 (upto 09/2011)	09	1.35	0.90	2.25	1.00	1.25
5.	Badi Sadri	2010-12	06	0.90	0.60	1.50	-	1.50
6.	Bayana	2010-11	09	1.35	0.45	1.80	-	1.80
7.	Behror	2010-11	20	3.00	1.00	4.00	-	4.00
8.	Chirawa	2010-11	16	2.40	0.80	3.20	0.25	2.95
9.	Dausa	2010-11	34	5.10	1.70	6.80	0.84	5.96
10.	Deogarh	2010-12	07	1.05	0.70	1.75	-	1.75
11.	Deoli	2010-11	06	0.90	0.30	1.20	-	1.20
12.	Kanod	2010-12	04	0.60	0.40	1.00	-	1.00
13.	Mertacity	2010-11	11	1.65	0.55	2.20	-	2.20
14.	Nadbai	2010-11	10	1.50	0.50	2.00	0.80	1.20
15.	Nagaur	2010-11	06	0.90	0.30	1.20	-	1.20
16.	Nawalgarh	2010-11	06	0.90	0.30	1.20	-	1.20
17.	Nimbahera	2010-11	13	1.95	0.65	2.60	-	2.60
18.	Pilani	2010-11	11	1.65	0.55	2.20	-	2.20
19.	Rajgarh	2010-11	05	0.75	0.25	1.00	-	1.00
20.	Sawai - madhopur	2010-11	36	5.40	1.80	7.20	-	7.20
21.	Shahpura (Bhilwara)	2010-12 (08/2011)	07	1.05	0.70	1.75	-	1.75
22.	Shahpura (Jaipur)	2010-11	07	1.05	0.35	1.40	-	1.40
	Total		**681**	**147.95**	**35.70**	**183.65**	**2.89**	**180.76**
								Say ₹ 1.81 crore

1. At the rate of ₹ 25,000 per tower in the areas of M Corp/MC and ₹ 15,000 per tower in the areas of MB.
2. At the rate of ₹ 5,000 per tower per annum (License charges) in the area of all municipal bodies.

Appendix-XXIII

Glossary of Abbreviations		
ACEO	:	Assistant Chief Executive Officer
ACS	:	Additional Chief Secretary
AEN	:	Assistant Engineer
BPL	:	Below Poverty Line
BRGF	:	Backward Regions Grant Fund
BT	:	Bituminous
C&AG	:	Comptroller and Auditor General of India
CA	:	Chartered Accountant
CBF	:	Capability Building Fund
CC	:	Cement Concrete
CEO	:	Chief Executive Officer
CSMC	:	Central Sanctioning and Monitoring Committee
CSS	:	Centrally Sponsored Scheme
CWR	:	Clear Water Reservoir
DLB	:	Director, Local Bodies
DLBD	:	Directorate Local Bodies Department
DPC	:	District Programme Coordinator
DPR	:	Detailed Project Report
EGS	:	Employment Guarantee Scheme
ETP	:	Effluent Treatment Plant
FC		Finance Commission
GF&AR	:	General Financial and Accounting Rules
GKN	:	Gramin Karya Nirdeshika
GoI	:	Government of India
GoR	:	Government of Rajasthan
GP	:	Gram Panchayat
GWD	:	Ground Water Department
HLC	:	High Level Committee
IA	:	Implementing Agency
IAY	:	Indira Awas Yojana
IEC	:	Information Education Communication
IGPRS	:	Indira Gandhi Panchayati Raj Sansthan
IR	:	Inspection Report
JDA	:	Jaipur Development Authority
LFAD	:	Local Fund Audit Department
LSGD	:	Local Self Government Department
M Corp	:	Municipal Corporation
MB	:	Municipal Board
MC	:	Municipal Council
MIS	:	Management Information System
MGNREGS	:	Mahatma Gandhi National Rural Employment Guarantee Scheme
MPRs	:	Monthly Progress Reports
MR	:	Muster Role
MoRD	:	Ministry of Rural Development
MoU	:	Memorandum of Understanding
NIC	:	National Informatics Centre
NGO	:	Non-Government Organisation
NSG	:	National Steering Committee
NSDP	:	National Slum Development Programme
PC	:	Panchayat Cell
PD	:	Personal Deposit
PIU	:	Project Implementing Unit
PHED	:	Public Health Engineering Department
PMU	:	Project Monitoring Unit

PO	:	Programme Officer
PRD	:	Panchayati Raj Department
PRI	:	Panchayati Raj Institution
PRIASoft	:	Panchayati Raj Institution Accounting Software
PS	:	Panchayat Samiti
PWD	:	Public Works Department
RD&PRD	:	Rural Development and Panchayati Raj Department
RDC	:	Rural Development Cell
RDD	:	Rural Development Department
RE	:	Recurring Expenditure
RGSK	:	Rajiv Gandhi Seva Kendra
RMRs	:	Rajasthan Municipalities Rules
RPRA	:	Rajasthan Panchayati Raj Act
RPRRs	:	Rajasthan Panchayati Raj Rules
RUIFDCo	:	Rajasthan Urban Infrastructure Finance & Development Corporation
SEGC	:	State Employment Guarantee Council
SEGS	:	State Employment Guarantee Scheme
SFC	:	State Finance Commission
SGSY	:	SwarnajayantiGram SwarojgarYojana
SLC	:	State Level Committee
SLNA	:	State Level Nodal Agency
SLSC	:	State Level Steering Committee
Sqy	:	Square Yard
SSS	:	State Sponsored Scheme
TGS	:	Technical Guidance and Supervision
UCs	:	Utilisation Certificates
ULB	:	Urban Local Body
VAT	:	Value Added Tax
VAMBAY	:	Valmiki Ambedkar Awas Yojna
WRD	:	Water Resources Department
ZDUCS	:	Zila Dugdh Utpadak Cooperative Society
ZP	:	Zila Parishad