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PREFACE

1. This Report for the year ended March 2013 has been prepared for submission to the Governor of the State of Rajasthan under Article 151 of the Constitution of India.
2. This Report contains significant results of the performance audit and compliance audit of the Panchayati Raj Institutions and Urban Local Bodies of the Government of Rajasthan under the Rural Development Department and Panchayati Raj Department and Local Self Government Department.
4. The instances mentioned in this Report are those, which came to notice in the course of test audit during the year 2012-13 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2012-13 have also been included, wherever necessary.
5. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

This Report includes four Chapters. Chapters I and III present overviews of the accounts and finances of the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) respectively. Chapter II comprises one performance audit and four audit paragraphs and Chapter IV comprises one performance audit and five audit paragraphs arising out of the compliance audit 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

Own revenue of PRIs for the year 2012-13 was much less than one *per cent* of their total receipts. As such they were totally dependent on the Government grants. PRIs continue to maintain the annual accounts in conventional formats though the State Government had accepted the simplified Accounting Formats issued by the Ministry of Panchayati Raj, Government of India. Database on the finances of PRIs was, however, not developed. Substantial portion of Central/State grants was not utilised for extending the intended benefits to the rural people.

(Paragraphs 1.5.2, 1.5.3 and 1.8.1)

2. Performance Audit of Implementation of Indira Awaas Yojana

Performance Audit of implementation of Indira Awaas Yojana (IAY) in selected districts, blocks and gram panchayats revealed that only 77.52 *per cent* of available funds were utilised during 2008-13 at the State level. Instances of selection of ineligible beneficiaries, deduction of Central assistance of ₹ 23.90 crore, delay in release of State share, irregular adjustment of IAY funds (₹ 3.83 crore) and delayed preparation of Chartered Accountant reports on accounts etc. were noticed. The IAY beneficiaries were not provided sanitary latrines, drinking water and electricity through convergence with other schemes. Monitoring of the implementation of IAY and inspection of constructed houses was weak and unreliable. Grievance redressal mechanism remained inadequate. Management Information System Programme Software 'AWASSoft' was not working effectively.

(Paragraph 2.1)

3. Compliance Audit of Panchayati Raj Institutions

Lack of monitoring of execution of drinking water supply projects under Swajaldhara Yojana and follow up of instructions of State Water and Sanitation Mission, by Zila Parishad, Jaisalmer resulted in these projects lying incomplete for more than six years, rendering expenditure of ₹ 52.06 lakh unfruitful and deprived drinking water to residents of desert areas.

(Paragraph 2.2.1)

Tardy implementation of a special project under Swarnajayanti Gram Swarozgar Yojana in Baran district, resulted in under-utilisation of ₹ 2.19 crore which remained with Zila Parishad (Rural Development Cell), Baran in a bank account and non-achievement of the intended target. Besides, the project could not avail support of ₹ 1.10 crore from Government of India and the State Government.

(Paragraph 2.3.1)

Failure of the State Government to take concrete follow up action on recommendations of Public Accounts Committee for removal of unauthorised occupation of quarters and slackness of Panchayat Samiti, Amber in taking possession of the quarters from Public Works Department led to unauthorised occupation of Panchayat Samiti's land valuing ₹ 2.81 crore and the quarters constructed thereon.

(Paragraph 2.3.2)

(B) Urban Local Bodies

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

Own resources of ULBs were not adequate and they were largely dependent on grants and loans from the Central and State Governments. Annual accounts of ULBs were still being maintained in the conventional formats on cash basis instead of accrual basis.

(Paragraphs 3.3 and 3.4)

5. Performance audit of Implementation of Urban Infrastructure Development Scheme for Small and Medium Towns

Performance Audit of the Urban Infrastructure Development Scheme for Small and Medium Towns of the selected projects revealed that out of 181 non-mission cities/towns in the State, the State Government covered 35 cities/towns only at random basis and 37 projects worth ₹ 609.93 crore were sanctioned during 2005-09. Only 22 projects (59 per cent) were completed by

utilising ₹ 124.60 crore. The second instalment of Additional Central Assistance of ₹ 175.06 crore was not received from GoI due to non-implementation of reforms. Instances of undue financial assistance to contractors (₹ 7.89 crore), created assets not put to use (₹ 6.88 crore), unfruitful expenditure on incomplete projects (₹ 5.47 crore) and irregular procurement of material (₹ 2.49 crore) were also noticed.

(Paragraph 4.1)

6. Compliance Audit of Urban Local Bodies

Municipal Corporation, Jaipur failed in levy and collection of Labour Welfare Cess amounting to ₹ 42.87 lakh, from contractors.

(Paragraph 4.2.1)

Failure of Urban Improvement Trust, Kota in obtaining prior concurrence of the Defence establishment for construction of a flyover-elevated road from JDB College to Government College at Kota resulted in infructuous expenditure of ₹ 3.81 crore.

(Paragraph 4.3.1)

Slackness of Municipal Board, Bari and State Government in complying with the Hon'ble High Court orders, resulted in non-recovery of irregularly paid amount of ₹ 1.83 crore from contractor. Action against delinquent officers was also not initiated.

(Paragraph 4.3.2)

Failure in execution of scheme for conservation of heritage monuments by four municipal bodies resulted in blockage of ₹ 1.89 crore.

(Paragraph 4.4.1)

Failure of Municipal Corporation, Jaipur in finalisation of tender formalities for award of advertising licences led to loss of ₹ 1.20 crore.

(Paragraph 4.4.2)

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 provisions 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 tier¹ structure of local self governing bodies at district, block and village levels and enhance decentralisation of powers. Consequent to 73rd Constitutional Amendment, giving Constitutional status to Panchayati Raj Institutions (PRIs), the Rajasthan Panchayati Raj Act (RPRA), 1994 came into effect from April 1994, which delineated functions and powers of PRIs enabling them to function as third tier of government. Later, Rajasthan Panchayati Raj Rules (RPRRs), 1996 were incorporated thereunder to ensure the smooth functioning of PRIs.

There were 33 Zila Parishads (ZPs) with two cells in each ZP viz. Rural Development Cell (RDC) and Panchayat Cell (PC), 248 Panchayat Samitis² (PSs) and 9,177 Gram Panchayats (GPs) in the State as of March 2013.

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 kilometres (sqkm). As per the Census 2011, the total population of the State was 6.85 crore, of which 5.15 crore (75.18 *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	6.85	121.02
Population (Rural)	Crore	4.33	5.15	83.31
Population (Urban)	Crore	1.32	1.70	37.71
Population Density	Persons per sqkm	165	200	382
Decadal Growth Rate	Percentage	28.33	21.38 ³	17.64
Sex Ratio	Females per 1,000 males	921	928	940

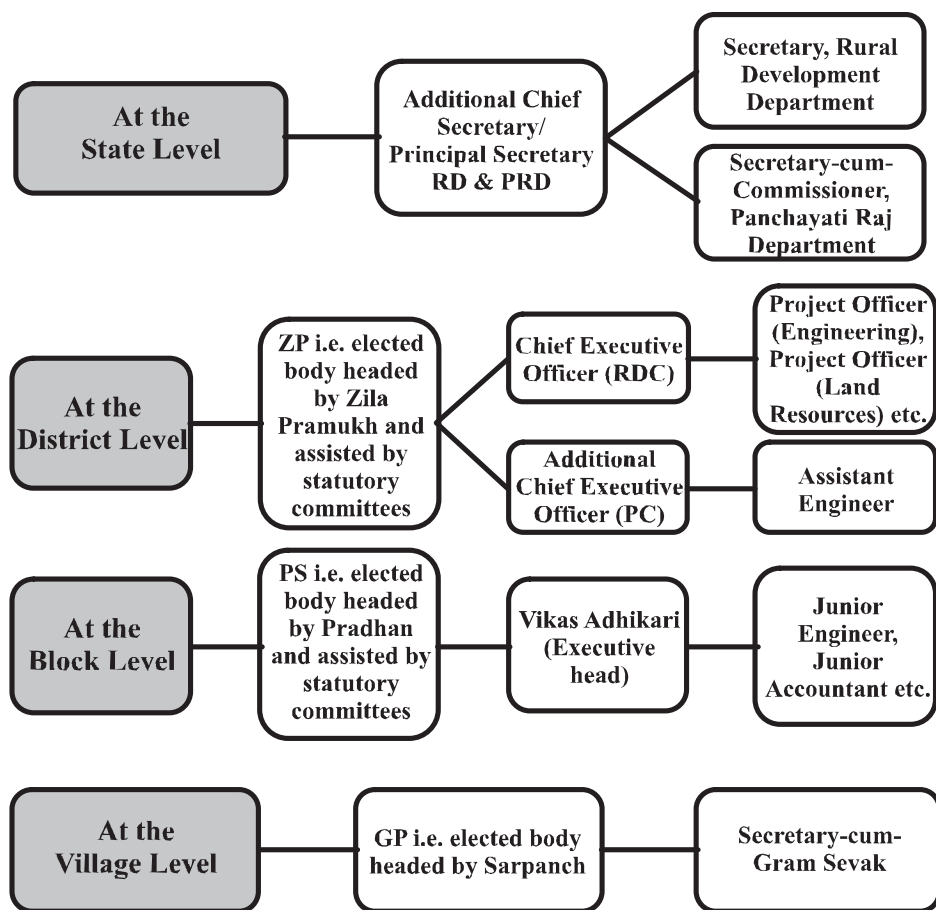
Source: http://www.rajcensus.gov.in/Pe_DATA.html

1. Zila Parishad at District level, Panchayat Samiti at Block level and Gram Panchayat at Village level
2. This does not include PS, Rishabhdev which is not functional due to stay by court of law
3. It has been calculated on actual figures of population of Census 2001 (5,64,73,122) and Census 2011 (6,85,48,437)

1.3 Organisational set up

Rural Development Department (RDD) and Panchayati Raj Department (PRD) dealing with the affairs of the PRIs are under the administrative control of Additional Chief Secretary/Principal Secretary, 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



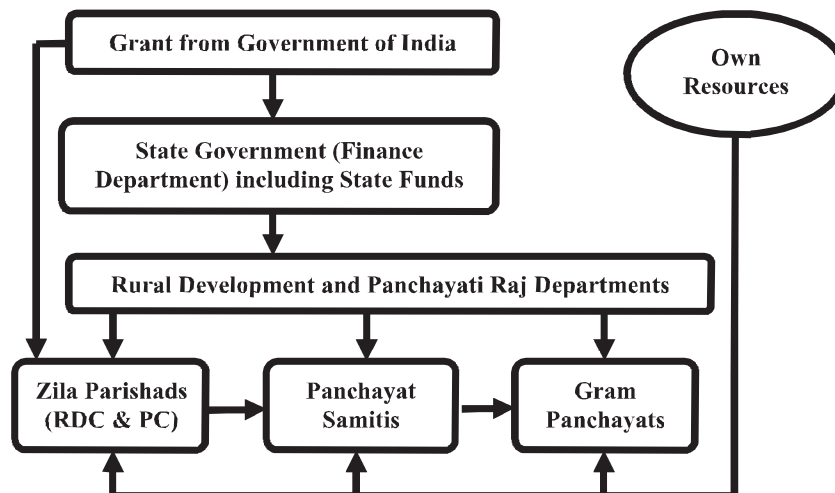
1.4 District Planning Committee

In pursuance of Article 243ZD of the Constitution of India and Section 121 of RPRA, 1994, the State Government constitutes District Planning Committee (DPC) in all the districts of the State. The main objective of DPC is to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft developmental plan for the district as a whole and forward it to the State Government. During 2012-13, it was observed that out of 33 districts only 1 district (Pratapgarh) held the prescribed four DPC meetings, 28 districts did not hold the prescribed number of meetings and the remaining 4 districts (Baran, Bikaner, Churu and Hanumangarh) did not hold any meeting at all.

1.5 Financial position of PRIs

1.5.1 The receipts and expenditure of PRIs from all the sources are compiled by PRD and RDD separately at the State level. The schemes of PRD and RDD are executed by all the three tiers of PRIs. 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 PRIs as per PRD

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 schemes compiled by PRD for the period 2008-13 based on data made available (October 2013) is given in Table 1.2 below:

Table 1.2: Financial position of PRIs as per PRD

(₹ in crore)					
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
(A) Revenue receipts					
Own Tax	NA	NA	NA	NA	NA
Own Non-Tax	NA	NA	NA	NA	2.90
Total Own Revenue	-	-	-	-	2.90
Grants-in-aid from State Government	540.40	853.21	1,051.77	2,197.21	2,928.48
12th/13th Finance Commission grants	369.00	246.00	370.10	609.40	953.81*
Total Receipts	909.40	1,099.21	1,421.87	2,806.61	3,885.19
(B) Expenditure					
Revenue expenditure (Pay and allowances and maintenance expenditure)	881.88	1,024.09	1,416.22	2,805.64	3,863.29
Capital expenditure	27.52	75.12	5.65	0.97	19.00
Total Expenditure	909.40	1,099.21	1,421.87	2,806.61	3,882.29
Source: As per data provided by PRD NA : Not available					
* It includes ₹ 66.95 crore pertaining to year 2011-12					

The above table indicated that:

- Grant-in-aid from the State Government increased by 33.28 *per cent* in 2012-13 over the previous year.
- Similarly, 13th Finance Commission's (FC) grants also increased by 56.52 *per cent* in 2012-13 over the previous year.
- Total receipts and expenditure increased by 38.43 and 38.33 *per cent* respectively in 2012-13 over the previous year.
- Own revenue of ₹ 2.90 crore of PRIs for the year 2012-13 was much less than one *per cent* of total receipts of PRIs, which indicates total dependence on the Government funds for not only undertaking developmental works but also for even providing basic civic amenities to the people. The erosion of fiscal autonomy of PRIs is a matter of concern that needs to be addressed for improving governance at the grassroots level.
- Capital expenditure on developmental works (₹ 19 crore) was meagre at less than half *per cent* of the total expenditure in the year 2012-13.

1.5.3 Financial position of PRIs compiled by RDD

The position of receipts and expenditure of the rural development schemes compiled by RDD for the years 2009-13 is given in **Table 1.3** below:

Table 1.3: Financial position of PRIs as per RDD

Particulars	2009-10			2010-11			2011-12			2012-13		
	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total
Opening balance	455.67	124.25	579.92	378.26	157.59	535.85	745.84	206.32	952.16	770.62	253.86	1,024.48
Receipts	775.29	185.25	960.54	977.99	248.81	1,226.80	1,010.65	259.01	1,269.66	648.18*	535.86*	1,184.04
Total available funds	1,230.96	309.50	1,540.46	1,356.25	406.40	1,762.65	1,756.49	465.33	2,221.82	1,418.80	789.72	2,208.52
Expenditure	811.34	154.53	965.87	849.14	182.09	1,031.23	1,070.03	216.69	1,286.72	885.28	431.78	1,317.06
Closing balance	419.62	154.97	574.59	507.11	224.31	731.42	686.46	248.64	935.10	533.52	357.94	891.46
Percentage of expenditure to the total available funds	65.91	49.93	62.70	62.61	44.81	58.50	60.92	46.57	57.91	62.40	54.68	59.64

Source: As per data provided by RDD
 CSS: Centrally Sponsored Scheme, SSS: State Sponsored Scheme
 * This includes receipt of ₹ 5.40 crore and ₹ 0.01 crore on account of interest on available funds and other income in CSS and SSS respectively

The above table indicated that:

- There was a difference of ₹ 89.38 crore between the closing balance of 2011-12 and the opening balance of 2012-13. The reasons for the difference were not intimated to audit though called for (September 2013). Similar irregularities were also commented in the previous Audit Reports but they still persist. Remedial action for reconciliation of the differences needs to be taken by the State Government.
- Total receipts from Central and State Government decreased by 6.74 *per cent* while there was increase in expenditure by 2.36 *per cent* in 2012-13 in comparison to 2011-12.

- During 2012-13, only 59.64 per cent of the available funds were utilised. This indicated slow execution of rural development schemes.

1.5.4 Finance Commission Grants

1.5.4.1 Thirteenth Finance Commission grants

The position of grants released by GoI and further released by the State Government to PRIs during 2012-13 under 13th FC is given in **Table 1.4** below:

Table 1.4: Grants of 13th FC

(₹ in crore)						
Year to which grants relate	Nature of grant	Grants released by GoI to the State Government		Grants released by the State Government to PRIs		No. of days after which grants were released by the State Government
		Amount	Date	Amount	Date	
2011-12	Performance Grant II	12.00	28.03.2012	12.00	05.04.2012	8
	Extra Performance Grant	54.95	31.03.2012	54.95	10.04.2012	10
	Total	66.95		66.95		
2012-13	General Basic Grant I	248.50	25.07.2012	248.50	30.07.2012	5
	General Basic Grant II	273.66	11.03.2013	273.66	14.03.2013	3
	General Performance Grant I	170.54	02.01.2013	170.54	03.01.2013	1
	General Performance Grant II	187.32	15.03.2013	187.32	19.03.2013	4
	Extra Performance Grant	-	-	-	-	-
	Special Area Basic Grant I	1.71	02.01.2013	1.71	03.01.2013	1
	Special Area Basic Grant II	1.71	11.03.2013	1.71	14.03.2013	3
	Special Area Performance Grant I	1.71	02.01.2013	1.71	03.01.2013	1
	Special Area Performance Grant II	1.71	15.01.2013	1.71	19.01.2013	4
	Total	886.86		886.86		
Source: As per data provided by PRD						

Source: As per data provided by PRD

It would be seen from the above table that during 2012-13 the State Government released 13th FC grants to PRIs within the prescribed 15 days from dates of credit to the State Government accounts by GoI.

1.5.4.2 Fourth State Finance Commission grants

As per recommendations made by the Fourth State Finance Commission (SFC) in its second interim report (September 2012) ₹ 980.47 crore were to be distributed among GPs, PSs and ZPs in the ratio of 85, 12 and 3 per cent respectively. Accordingly, the State Government transferred Fourth SFC grants of ₹ 980.47 crore to PRIs (ZPs: ₹ 29.41 crore, PSs: ₹ 117.66 crore and GPs: ₹ 833.40 crore) during 2012-13.

1.6 Devolution of funds, functions and functionaries to PRIs

State Government decided (June 2003) to devolve all 29 subjects listed in the Eleventh Schedule of the Constitution to the PRIs. PRD informed (July 2013) that funds and functionaries of 15 subjects and functions of 23 subjects had been transferred to PRIs (details given in **Appendix-I**). However, devolution

of funds, functions and functionaries of 5 subjects relating to Public Health Engineering Department, Public Works Department and Food and Civil Supply Department had been withdrawn temporarily in January 2004 by PRD.

1.7 Outstanding utilisation certificates

As of March 2013, against grants of ₹ 3,794.83 crore⁴ released (up to March 2013) by PRD to ZPs under 13th FC and Fourth SFC, utilisation certificates (UCs) of ₹ 2,980.09 crore⁵ were pending against executing agencies.

Similarly, as of January 2014, against grants of ₹ 2,785.68 crore released (up to March 2013) by RDD to ZPs, UCs of ₹ 1,919.97 crore were pending against executing agencies.

In the absence of UCs in respect of more than 74 *per cent* of grants released to ZPs, it is hard to establish their utilisation for the intended purposes.

1.8 Accounting arrangements and maintenance of accounts

1.8.1 Accounting arrangements

As per recommendations of 13th FC, an accounting framework and codification pattern consistent with the Model Panchayat Accounting System should be 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 ZP, PS and GP.

It was observed that annual accounts for the year 2012-13 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, GoI have been adopted for mandatory implementation with effect from 1 April 2011. PRD intimated (September 2013) that out of 9,458 PRIs, only 2,199 PRIs (32 ZPs, 211 PSs and 1,956 GPs) closed their year books for the period 2012-13 on Panchayati Raj Institution Accounting Software (PRIASoft), which is a centralised accounting package that facilitates maintenance of accounts under Model Accounting System. This indicated that in the absence of closure of year books by all the PRIs, consolidation of annual accounts was not made at the state level, as per the recommendations of 13th FC.

Besides, database formats for district and state level as recommended by the Comptroller & Auditor General of India (CAG) were also not being maintained by the PRD. For implementation of the aforesaid database formats, necessary amendment in the Rules 245 and 246 of RPRRs, 1996 was under consideration of Law Department (July 2013).

4. Grants released under 13th FC: ₹ 1,933.31 crore and Fourth SFC: ₹ 1,861.52 crore

5. UCs pending under 13th FC: ₹ 1,478.34 crore and Fourth SFC: ₹ 1,501.75 crore

1.8.2 Delayed submission of annual accounts

1.8.2.1 Annual accounts of ZPs (Rural Development Cell) (RDC) for the year 2011-12 was required to be sent to RDD by 30 September 2012.

It was observed that 28 out of 33 ZPs (RDC), sent their annual accounts for the year 2011-12 with delays ranging from 92 to 437 days while 5 ZPs (RDC) (Churu, Jalore, Nagaur, Pali, and Sriganganagar) did not send their annual accounts to RDD as of September 2013 (*Appendix-II*). It was further observed that ZP (RDC), Pali did not send its annual accounts since 1994-95 and ZP (RDC), Jalore did not send its annual accounts for the year 2010-11 also.

1.8.2.2 As per Rule 247(2) of RPRRs, 1996, every ZP is required to prepare annual accounts of receipts and expenditure and furnish the same to the State Government by 15 May every year.

It was observed that 13 out of 33 ZPs (PC) sent their annual accounts within the prescribed time while 20 ZPs (PC) sent their annual accounts for the year 2011-12 with delays ranging from 1 to 307 days (*Appendix-II*).

1.9 Audit arrangement

1.9.1 The Director, Local Fund Audit Department (LFAD) is the Statutory Auditor of the accounts of the PRIs under the RPRA, 1994. Section 18 of the Rajasthan Local Fund Audit Act, 1954 requires Director, LFAD to submit his Annual Consolidated Report to the State Government and the Government shall lay this report before the State legislature. The Annual Consolidated Report of LFAD, Rajasthan for the year 2011-12 has been laid on the table of the State legislature on 22 March 2013.

1.9.2 CAG conducts audit of PRIs under Section 14 of CAG's (Duties, Powers and Conditions of Service) Act, 1971 and Section 75(4) of the RPRA, 1994 (as amended on 27 March 2011) also empowers the CAG to conduct audit of the accounts of PRIs and submit such Audit Report to the State Government for its placement in the State legislature.

1.9.3 Certification of accounts

As per Rule 23 (h) of the Rajasthan Local Fund Audit Rules, 1955, LFAD is required to certify the correctness of the annual accounts of PRIs. However, only transaction audit was being conducted by the LFAD. Director, LFAD intimated (July 2013) that on completion of maintenance of accounts by PRIs, certification of accounts will be done, for which PRD has already issued instructions to PRIs. Due to non-certification of accounts by Director, LFAD correctness of the accounts of PRIs could not be verified in audit.

1.9.4 Audit coverage

The position of audit coverage by office of the Principal Accountant General (General and Social Sector Audit) is indicated in **Table 1.5** below:

Table 1.5: Audit coverage of PRIs

Name of PRI	Audit coverage in terms of numbers		Audit coverage in terms of expenditure	
	2012-13		2012-13	
	Total	Audit coverage	Total expenditure	Audit coverage (Average basis)
			(₹ in crore)	
GP	9,177	605	2,497.48	164.65
PS	248	82	752.03	248.66
ZP (PC)	33	33	632.78	632.78
ZP (RDC)	33	33	1,317.06	1,317.06
Total	9,491	753	5,199.35	412.51
Source: Total expenditure figures as per information supplied by PRD and RDD				

Source: Total expenditure figures as per information supplied by PRD and RDD

1.9.5 Arrears of Audit

The Director, LFAD is the Statutory Auditor of the accounts of PRIs. There were arrears of audit of 6,038 units of PRIs (17 ZPs, 159 PSs and 5,862 GPs) as of March 2013 due to vacant posts and election duties of staff as intimated by Director, LFAD (July 2013).

1.9.6 Lack of response to Audit observations

1.9.6.1 As of March 2013, 55,479 paragraphs included in 7,094 inspection reports (IRs) of PRIs issued by Director, LFAD were pending for settlement. Out of 55,479 paragraphs, 7,404 paragraphs involving ₹ 19.55 crore related to embezzlement.

1.9.6.2 As of September 2013, 2,167 IRs comprising 25,842 paragraphs issued by the Principal Accountant General in respect of ZPs and PSs (including GPs) were pending for settlement as detailed in **Table 1.6** below:

Table 1.6: Outstanding IRs and paragraphs

Year	IRs	Paragraphs
Up to 2004-05	704	4,418
2005-06	229	2,390
2006-07	165	1,922
2007-08	185	2,494
2008-09	200	3,349
2009-10	163	2,689
2010-11	116	1,836
2011-12	215	3,614
2012-13	190	3,130
Total	2,167	25,842

This indicated lack of prompt response on the part of officials of PRIs which resulted in recurrence of the deficiencies and lapses pointed out earlier.

1.10 Conclusion

- Annual Accounts were neither maintained in the prescribed formats nor submitted to RDD/PRD within the stipulated time.
- Certification of accounts of PRIs was not being done by Director, LFAD.

- Substantial portion of CSS/SSS grants was not utilised for the intended benefits of the rural people.
- There were huge pendency of audit observations and delays in their settlement. The Government should issue suitable instructions to PRIs to ensure prompt response to the audit observations.
- The PRIs should take effective steps to augment their own resources so as to minimise dependence on government assistance and to provide better civic facilities.

CHAPTER II

PERFORMANCE AUDIT AND COMPLIANCE AUDIT OF PANCHAYATI RAJ INSTITUTIONS

This chapter contains one Performance Audit of 'Implementation of Indira Awaas Yojana' and four paragraphs relating to Compliance Audit of Panchayati Raj Institutions.

PERFORMANCE AUDIT

Rural Development Department

2.1 Implementation of Indira Awaas Yojana

Executive Summary

Indira Awaas Yojana (IAY) was introduced by the Government of India in 1985-86 for providing a lump sum financial assistance for construction/upgradation of dwelling units for the members of Scheduled Castes (SC)/Scheduled Tribes (ST) and freed bonded labourers as well as minorities and other non SC/ST rural Below Poverty Line (BPL) households.

Performance audit of the implementation of IAY in selected districts, blocks and gram panchayats revealed that only 77.52 per cent of available funds were utilised during 2008-13 at the State level. Instances of selection of ineligible beneficiaries, deduction of Central assistance of ₹ 23.90 crore, delay in release of State share, irregular adjustment of IAY funds (₹ 3.83 crore) and delayed preparation of Chartered Accountants' reports on accounts etc. were noticed.

The IAY beneficiaries were not provided sanitary latrines, drinking water and electricity through convergence with other schemes. Monitoring of the implementation of IAY and inspection of constructed houses was weak and unreliable. Grievance redressal mechanism remained inadequate. Management Information System Programme Software 'AWASSoft' was not working effectively.

2.1.1 Introduction

Indira Awaas Yojana (IAY), a flagship rural housing scheme of Government of India (GoI), was launched during 1985-86 as a sub-scheme of Rural Landless Employment Guarantee Programme. Since the launching of Jawahar Rozgar Yojana (JRY) in April 1989, IAY was continued as a sub-scheme of JRY. With effect from 1 January 1996, IAY was delinked from JRY and made an independent scheme. The primary objective of this scheme was to provide lump sum financial assistance to rural BPL households of SC/ST, freed

bonded labourers, minorities and other non SC/ST rural BPL families for construction/upgradation of dwelling units.

Since 1999-2000, a number of initiatives were taken and IAY was extended for upgradation of unserviceable *kuchcha* houses. Homestead sites for landless rural BPL households was also included as part of IAY since 2009.

For making the constructed dwelling unit a complete living house, as per IAY guidelines Zila Parishad (ZP), Rural Development Cell (RDC) should make concerted efforts to converge IAY with the Total Sanitation Campaign (TSC) for constructing sanitary latrines, Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) for providing free electricity connections, National Rural Water Supply Programme (NRWSP) for making provision of drinking water, Bima Yojana from Life Insurance Corporation (LIC) and smokeless *chullahs*.

2.1.2 Organisational set up

Additional Chief Secretary/Principal Secretary, Rural Development & Panchayati Raj Department (RD & PRD) is responsible for implementation of IAY at the State level. The organisational structure for implementation of IAY is given in **Table 2.1** below:

Table 2.1: Organisational structure for implementation of IAY

Level	Authority responsible for implementation of the Scheme	Function and responsibilities
State Level	Additional Chief Secretary/ Principal Secretary	Responsible for Implementation of IAY at State level.
District Level	Chief Executive Officer (CEO), ZP (RDC)	Responsible for overall management of funds, consolidation of beneficiary list, determination of number of houses to be constructed/upgraded and sanction of houses etc.
Block Level- Panchayat Samiti (PS)	Vikas Adhikari	Responsible for watching progress of IAY at block level.
Gram Panchayat (GP) Level	Secretary-cum-Gram Sevak	Responsible for identification of beneficiaries, preparation of waiting list and monitoring the progress of execution of IAY at Gram Panchayat level.

2.1.3 Audit objectives

The objectives of this performance audit were to assess whether:

- identification and selection of the target groups, processes for allotment, construction/upgradation of houses were in conformity with IAY provisions;
- the number of houses constructed/upgraded and allocation, release and utilisation of funds were as per plan and targets set out in IAY guidelines and the funds were utilised economically and efficiently;
- the convergence of the IAY activities with other schemes/programmes was achieved as envisaged to ensure a completely functional dwelling unit; and

- the mechanism for monitoring and evaluation of the outcomes of the scheme was proper.

2.1.4 Audit criteria

Audit criteria were derived from the following:

- IAY Guidelines issued by GoI, instructions/circulars issued by GoI and State Government and Plan documents;
- Periodical reports/returns prescribed by the State Government; and
- Census Report 2001 and BPL and Household Survey Reports 2002.

2.1.5 Audit scope, sampling and methodology

For performance audit of implementation of IAY, records of Rural Development Department (RDD), selected 8 districts, 16 blocks and 155 GPs (*Appendix-III*) for the period 2008-09 to 2012-13 were test checked (May to August 2013). Districts were selected on the basis of probability proportionate to size with replacement method whereas blocks and GPs were selected on the basis of simple random sampling without replacement method using IDEA software. Joint physical inspection with officials of GPs in respect of 1,680 beneficiaries was also conducted.

An Entry Conference was held (June 2013) with Additional Chief Secretary, RD&PRD in which the audit objectives, criteria, scope and methodology were discussed and agreed upon. Audit findings were discussed in an Exit Conference held (October 2013) with Secretary, RDD.

Audit acknowledges the cooperation extended by the State Government, ZPs and other audited units in conducting the audit.

Audit findings

Performance audit of implementation of IAY in eight districts of Rajasthan revealed deficiencies in planning, management of funds, process of allotment of houses and monitoring of the scheme.

2.1.6 Planning

Indira Awaas Yojana is a Centrally Sponsored Scheme funded on cost sharing basis between the GoI and the State Government in the ratio of 75:25. Under the scheme, Central assistance along with the district wise targets was directly released to the ZPs (RDC) in the States. The Central assistance and the targets for ZPs (RDC) were decided annually by Ministry of Rural Development (MoRD), GoI on the basis of 75 *per cent* weightage for rural housing shortage as per census data and 25 *per cent* weightage for poverty ratio. Similarly, allocation between blocks in a district was to be made on the same principle by ZPs (RDC).

On the basis of allocation and targets earmarked for the district, the ZPs (RDC) are to decide PS-wise number of houses to be constructed under IAY during a particular financial year. Similarly, the PSs are to decide GP-wise number of houses to be constructed under IAY during a particular financial year. This target is to be intimated to the GP concerned. Thereafter, the beneficiaries, restricted to the target number, are to be selected from the permanent IAY waitlists prepared on the basis of BPL list, following the same order. GPs are to draw up shelterless families from the BPL list strictly as per the order of the BPL list. Payments to the beneficiaries are made on staggered basis on completion of different stages after verification of the construction sites by the field officials. Inadequacies in the planning process of IAY are discussed in the succeeding paragraphs.

2.1.6.1 Non-preparation of Annual Plan

In spite of provisions in guidelines, none of the selected districts prepared Annual Plan of IAY for the period 2008-09 to 2012-13.

The State Government stated (January 2014) that directions for preparation of Annual Plan and approval from general body meeting of ZPs have been issued to all ZPs in October 2013.

2.1.6.2 Non-observance of criteria for allocation of targets

Audit observed that ZPs (RDC), Karauli, Pali, Sikar, Sriganganagar and Udaipur did not adhere to the norms for allotting the targets to blocks during 2008-13 and there was variation in allocation of targets as detailed in *Appendix-IV*. The variation in allocation of targets ranged between 625 (short in Anoopgarh block in 2008-09) and 481 (excess in Khandela block in 2010-11) from laid down norms. Non-adherence to this principle could result in distribution of funds without due weightage to housing shortage and SC/ST population.

The State Government stated (January 2014) that instructions were issued every year to all ZPs for adhering to the norms. However, directions have again been issued for compliance.

2.1.6.3 Selection of beneficiaries beyond the prescribed procedure

Once the lists of eligible beneficiaries are prepared based on the criteria as discussed in Para 2.1.6 above the same need to be approved by the Gram Sabha. Selection by the Gram Sabha was to be final. Scrutiny of records revealed that:

- All the 8 selected ZPs (RDC) released financial assistance without seeking approval of Gram Sabha concerned in the test checked 155 GPs except in 4 cases¹ during the period 2008-09 to 2012-13.

1. GP, Borela (Asind Block): 2012-13, Ajeta (Bundi Block): 2012-13, Dhanatari (Bundi Block): 2008-09 and Datunda (Hindoli Block): 2008-09 and 2009-10

The State Government stated (January 2014) that beneficiaries were selected from the list approved by the GPs. However, respective ZPs have been instructed to ensure the compliance of laid down procedure. The reply was not acceptable as no documentary evidence was produced in support of the contention.

- ZPs (RDC), Bikaner and Pali released ₹ 21.26 lakh² to 77 beneficiaries during 2008-09 to 2011-12 from IAY funds without ascertaining their eligibility. Though the sanctions were cancelled later on yet the amount has not been recovered as of January 2014 from these ineligible beneficiaries. Thus, selection of beneficiaries was not made as per the prescribed procedure.

The State Government accepted the facts and stated (January 2014) that ZPs Pali and Bikaner have been instructed to recover the amount.

2.1.6.4 Beneficiaries not selected as per priority

As per guidelines, beneficiaries were required to be selected from the list prepared by giving priority as prescribed³ in the guidelines. It was observed that priority wise lists were not prepared in all the selected blocks of Karauli (May 2013), Pali (July 2013), Sriganganagar (July 2013) and Udaipur (July 2013) districts for the period 2008-09 to 2012-13.

The State Government stated (January 2014) that in accordance with seniority, beneficiaries were selected from the permanent waiting list maintained at GP level. Further, for maintaining transparency, GP-wise permanent waiting list for SC/ST and others are uploaded on the departmental website. Reply was not acceptable as priority lists were not prepared in accordance with the guidelines.

2.1.6.5 Non-adoption of norms for SC/ST beneficiaries

As per guidelines, at least 60 *per cent* of the total IAY funds and physical targets at the district level were to be utilised for construction/upgradation of dwelling units for SC/ST BPL households.

It was observed that there was shortfall between 5.41 and 18.35 *per cent* in allocation of houses to SC/ST BPL beneficiaries during the year 2008-09 to 2012-13 in Bikaner, Bundi and Sikar districts as per details given in **Table 2.2** below:

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2. ZP (RDC), Bikaner: ₹ 11.63 lakh (34 cases) and Pali: ₹ 9.63 lakh (43 cases)
 3. Priorities to be given in order of (i) Freed bonded labourers; (ii) SC/ST households (victims of atrocity, headed by widows and unmarried female, effected by natural and man-made calamities and other households); (iii) Families/widows of personnel from defence services/ paramilitary forces, killed in action; (iv) Non-SC/ST BPL households; (v) Physically and mentally challenged persons; (vi) Ex-servicemen and retired members of the paramilitary forces; and (vii) Displaced persons on account of developmental projects, nomadic/semi-nomadic and denotified tribals, families with physically/ mentally challenged members. The selection of the beneficiaries was subject to the condition that the households of all the above categories except (iii) were BPL

Table 2.2: Shortfall in allocation of houses to SC/ST BPL beneficiaries

Sl. No.	Name of district	Total houses allotted (Numbers)	Houses allotted to SC/ST BPL (Numbers)	Percentage of allotment of houses to SC/ST BPL	Shortfall (in per cent)	SC/ST BPL Beneficiaries awaited (Numbers)
1.	Bikaner	17,550	8,415	47.95	12.05	686
2.	Bundi	14,120	7,708	54.59	5.41	2,399
3.	Sikar	11,203	4,666	41.65	18.35	172

Source: Information provided by the RDD

The State Government stated (January 2014) that instructions for ensuring prescribed limits every year in future, have been issued and reasons for non-adoption of norms for SC/ST beneficiaries have been called for from ZPs Bikaner, Bundi and Sikar.

2.1.6.6 Allotment of houses to minorities

As per guidelines, IAY funds and physical targets will be earmarked for BPL minorities in each State as indicated by MoRD. Accordingly, MoRD, GoI issued (August 2007) instruction that State/ZPs must earmark 15 per cent of their financial and physical target for the year, for minorities from district downward to the GP level. In case, all eligible minority beneficiaries are covered then the beneficiaries shall be selected out of non-minority categories according to permanent IAY waitlist.

It was observed that in ZPs (RDC), Bhilwara, Karauli, Sikar and Udaipur there was no pendency in IAY waitlist in respect of minorities, whereas as per information provided by the State Government (September 2013), there was pendency of 343 beneficiaries from the minority category⁴.

The State Government stated (January 2014) that for ascertaining the factual position information was being called for from the respective ZPs.

2.1.7 Financial management

IAY is a Centrally Sponsored Scheme funded on cost sharing basis between the GoI and the State Government in the ratio of 75:25. Under IAY, assistance of ₹ 0.35 lakh up to 31 March 2010 and ₹ 0.45 lakh thereafter was to be given for construction of a new house. For upgradation of house ₹ 0.15 lakh was to be given. Besides this, the State Government also released additional assistance of ₹ 0.15 lakh for SC beneficiaries of all the districts up to 31 March 2010 which was reduced to ₹ 0.05 lakh from 1 April 2010. An amount of ₹ 0.05 lakh was also disbursed to all the beneficiaries of five tribal notified districts⁵ from 1 April 2010. The consolidated position of funds released and utilised as per adjusted utilisation certificates (UCs) in all the ZPs of the State for the period 2008-13 is given in **Table 2.3** below:

4. Bhilwara (46), Karauli (165), Sikar (10) and Udaipur (122)

5. Banswara, Chittorgarh, Dungarpur, Sirohi and Udaipur

Table 2.3: Consolidated position of funds released and utilised at the ZP level

Year	Allocation	Opening balance	Funds released to ZPs			Misc. receipts	Inter transfer of funds among ZPs	Total available funds with ZPs (3+6+7-8)	Funds utilised by ZPs as per UCs	Closing balance with ZPs (9-10)	Utilisation of funds (in per cent)
			By GoI	By State Government	Total (4+5)						
1	2	3	4	5	6	7	8	9	10	11	12
2008-09	237.17	22.28	181.31	89.70	271.01	0.93	0.27	293.95	176.65	117.30	60.10
2009-10	249.40	117.30	205.66	114.21	319.87	9.22	0.16	446.23	283.25	162.98	63.48
2010-11	715.79	162.98	373.68	176.43	550.11	6.05	5.19	713.95	304.53	409.42	42.65
2011-12	369.63	409.42	415.91	179.73	595.64	16.91	50.59	971.38	439.09	532.29	45.20
2012-13*	617.20	532.29	270.84	104.73	375.57	0.00	0.00	907.86	433.13	474.73	47.71
Total	2,189.19		1,447.40	664.80	2,112.20	33.11	56.21	2,111.38**	1,636.65		77.52

Source: Information (consolidated on the basis of CA Reports) made available by the State Government

* Figures have been taken from Monthly Progress Report (except opening balance)

** Total available funds ₹ 2,111.38 crore arrived as ₹ 22.28 crore + ₹ 2,112.20 crore + ₹ 33.11 crore - ₹ 56.21 crore

- Against available funds of ₹ 2,111.38 crore, only ₹ 1,636.65 crore (77.52 per cent) were utilised during the period 2008-13.
- The year-wise utilisation of funds by all the ZPs ranged between 42.65 per cent (2010-11) and 63.48 per cent (2009-10) of the available funds. Utilisation of funds was highest during 2009-10 and thereafter it was much less in subsequent years. Main reason for under utilisation of funds was attributed to delay in completion of houses.
- The UCs of ₹ 1,636.65 crore have been adjusted and UCs of ₹ 474.73 crore were pending (up to May 2013).
- It was also observed that in all the selected districts, utilisation of funds was between 5.28 and 86.27 per cent during the period 2008-13.

This indicates poor utilisation of funds and slow execution of the flagship scheme of national importance.

The State Government stated (February 2014) that GoI allocated additional targets/funds at the fag end of the year as incentive which were utilised in the next financial year. Reply was not acceptable as only ₹ 397.65 crore was released at the fag end during 2008-13, whereas closing balance ranged from ₹ 117.30 crore in 2008-09 to ₹ 532.29 crore in 2011-12.

2.1.7.1 Deduction of Central assistance

As per IAY guidelines, a deduction in the release in the second instalment of Central assistance would be made in case of having opening balances in excess of the prescribed limit, short/late release of State share, non-submission of UCs and Chartered Accountants' (CA) Reports by district authorities.

It was observed that ₹ 23.90 crore⁶ was deducted by GoI from second instalment during the period 2008-09 to 2012-13 since excess opening balances, short/late release of state share etc. were noticed. The deducted

6. 2008-09: ₹ 2.84 crore, 2009-10: ₹ 5.66 crore, 2010-11: ₹ 1.12 crore, 2011-12: ₹ 0.53 crore and 2012-13: ₹ 13.75 crore

amount of ₹ 23.90 crore would have been sufficient to construct 5,851 houses⁷ under IAY. Thus, 5,851 rural BPL households were deprived benefits under IAY due to non-fulfilment of prescribed conditions.

The State Government stated (January 2014) that during the year 2012-13 necessary proposals in prescribed proforma had been sent to GoI in time, however, GoI did not release the second instalment for some districts. The reply was not acceptable as amount of assistance was deducted by the GoI due to non-fulfilment of prescribed conditions. No reply was furnished in respect of deduction made in earlier years' central assistance.

2.1.7.2 Short release of Central assistance due to irregular adjustment of interest

It was observed that an amount of ₹ 22.66 crore was released to ZP (RDC), Udaipur for implementation of homestead sites sub-scheme, on which interest of ₹ 1.10 crore was earned up to February 2012. Due to non-implementation of this sub-scheme (as commented in Para No. 2.1.8.3), GoI adjusted (June 2011) ₹ 23.76 crore including interest amount against regular Central share for the year 2011-12. As ₹ 0.55 crore out of total earned interest of ₹ 1.10 crore was earned on the State share, GoI adjusted the excess amount of ₹ 0.55 crore. This resulted in less receipt of grant of ₹ 0.55 crore from the GoI.

The state Government while accepting the facts stated (January 2014) that reminder will be issued to GoI for returning ₹ 0.55 crore.

2.1.7.3 Non-adjustment of natural calamity funds

As per Guidelines, five *per cent* of the total allocated funds will be kept apart to meet the exigencies arising out of natural calamities and other emergent situations like riot, arson, fire, rehabilitation under exceptional circumstances etc. The GoI directed (August 2010) that pending UCs for the funds released may be furnished otherwise the entire fund released along with interest will be adjusted against normal IAY funds.

It was observed that an amount of ₹ 1.57 crore (including miscellaneous receipts ₹ 0.90 lakh and opening balance ₹ 3.85 lakh as on 1 April 2008) was received for natural calamities under IAY for 11 districts⁸ during 2008-09 and 2009-10. Of this, only ₹ 0.77 crore was utilised and ₹ 0.80 crore remained unspent as on 31 March 2013. As directed by GoI, these ZPs neither submitted UCs to GoI nor adjusted unspent balance against normal IAY grant even after lapse of three years.

The State Government accepted the facts and stated (January 2014) that necessary instructions have been issued to concerned ZPs.

7. For 2008-09 and 2009-10: 2,429 houses (₹ 8.50 crore/₹35,000) and 2010-11 to 2012-13: 3,422 houses (₹ 15.40 crore/₹ 45,000)

8. Banswara, Barmer, Dungarpur, Jaisalmer, Jalore, Jhalawar, Pali, Rajsamand, Sirohi, Tonk and Udaipur

2.1.7.4 Unjustified adjustment of IAY funds

As per guidelines, at the district level, if the opening balances of IAY of a particular year exceeds 10 *per cent* of the available funds, Central share will be deducted proportionately at the time of release of the second instalment.

It was observed that ZP (RDC), Pali adjusted (March 2012) ₹ 3.83 crore under IAY without attaching valid UCs/completion certificates (CC) and adjustment vouchers at district and block levels. Hence, possibility of fictitious adjustment of ₹ 3.83 crore without supporting UCs/CCs to avoid deduction of Central share cannot be ruled out.

The State Government stated (January 2014) that concerned ZP has been directed to submit compliance in this regard.

2.1.7.5 Overstatement of expenditure in accounts

During scrutiny of records of ZP (RDC), Bundi, it was observed that beneficiaries returned cheques aggregating ₹ 1.11 crore⁹ under IAY due to incorrect account number, cancellation of sanctions etc. The amount of returned cheques should have been reduced from the expenditure as it was not incurred whereas the refunded amount was taken in receipt side under the Head 'Refund of subsidies from the bank during the year'. Thus, an expenditure of ₹ 1.11 crore was shown excess in the annual accounts of IAY for the period 2009-10 to 2011-12 and communicated to the GoI accordingly.

The State Government stated (January 2014) that concerned ZP has been directed to submit the compliance in this regard.

2.1.7.6 Parking of funds in PS accounts

IAY funds were being transferred to GPs through PSs up to 2007-08 and thereafter, the funds were being transferred directly into the beneficiaries' bank account by the ZPs. Accordingly, funds transferred prior to 2007-08 and remained unutilised at GP and PS level were required to be refunded to the respective ZP's IAY account.

It was observed that selected eight PSs did not refund unspent amount of ₹ 1.00 crore¹⁰ to ZP's account even after lapse of two to six years as of March 2013. This amount was kept in Personal Deposit (PD)/separate bank accounts. Moreover, there was loss of interest of ₹ 0.06 crore (Karauli: ₹ 0.02 crore, Hindaun: ₹ 0.03 crore, Girwa: ₹ 0.01 crore) on ₹ 0.35 crore kept in non-interest bearing PD accounts.

9. 2009-10: ₹ 0.25 crore, 2010-11: ₹ 0.14 crore, 2011-12: ₹ 0.54 crore (Incentive scheme) and ₹ 0.18 crore (Regular scheme)

10. ZP, Bhilwara (PS, Asind: ₹ 0.08 crore), Bikaner (PSs, Bikaner: ₹ 0.28 crore and Dungargarh: ₹ 0.13 crore), Karauli (PSs, Karauli: ₹ 0.09 crore and Hindaun: ₹ 0.21 crore), Sikar (PS, Dhod: ₹ 0.02 crore), Sriganganagar (PS, Anoopgarh: ₹ 0.13 crore) and Udaipur (PS, Girwa: ₹ 0.06 crore)

The State Government accepted the facts and stated (January 2014) that instructions for transferring the unspent balance along with interest have been issued to the concerned ZPs.

2.1.7.7 Delay in release/transfer of funds

- As per guidelines, IAY funds (Central share as well as State share) should be kept exclusively in a separate savings account of a nationalised/scheduled or cooperative bank or a Post Office by the ZP (RDC). It was observed that five¹¹ selected ZPs (RDC) deposited Central share ₹ 121.83 crore initially in common bank account, out of which ₹ 121.71 crore were transferred to IAY separate bank account with delays ranging between 2 and 314 days. ZP (RDC), Bikaner did not transfer the remaining ₹ 0.12 crore even after a lapse of 54 months (December 2008 to May 2013). Thus, due to delay in transfer of funds to the IAY separate bank account, interest of ₹ 0.37 crore at savings bank rate of 3.5 per cent could not be earned.

Similarly, six selected ZPs (RDC)¹² initially deposited State share of ₹ 57.54 crore in own PD accounts and thereafter transferred this amount to the IAY account with delays ranging between 1 and 396 days. Besides this, ZP (RDC), Bikaner did not transfer ₹ 5.32 crore (received between October 2008 and October 2012) to the IAY account as of May 2013. Thus, due to delay in transferring the funds from PD account to IAY account, interest amounting to ₹ 0.96 crore (₹ 0.56 crore on ₹ 5.32 crore and ₹ 0.40 crore on ₹ 57.54 crore) at savings bank rate of 3.5 per cent per annum could not be earned.

The State Government stated (January 2014) that Central assistance as well as proportionate State share is transferred initially in PD account. Amount deposited in PD account can be withdrawn whenever requirement arises. So, there is no loss of interest. Reply was not acceptable as IAY funds (Central as well as State share) should have been kept exclusively in a separate savings bank account of a nationalised/scheduled or cooperative bank or a Post Office by the ZP (RDC) as envisaged in the guidelines so that interest earned in the account can be utilised for providing houses to waitlisted BPL beneficiaries.

- As per guidelines, State Government had to release its share to IAY account within a month from the date of release of Central share. It was noticed that in all the selected districts the State Government released its matching share of ₹ 40.36 crore with delays beyond the prescribed period of one month which ranged from 4 to 602 days during 2008-13. Thus, delay in release of State share significantly increased the risk of non-achievement of physical targets under IAY. Besides, interest amounting ₹ 0.15 crore could not be earned on IAY funds.

11. ZP (RDC): Bikaner, Pali, Sikar, Sriganganagar and Udaipur

12. ZPs, Bikaner: interest of ₹ 0.19 crore on ₹ 11.47 crore (delay 26 to 396 days); Karauli: ₹ 0.05 crore on ₹ 7.55 crore (5 to 177 days); Pali: ₹ 0.04 crore on ₹ 7.12 crore (9 to 258 days); Sikar: ₹ 0.02 crore on ₹ 6.49 crore (5 to 87 days); Sriganganagar: ₹ 0.05 crore on ₹ 15.39 crore (1 to 239 days) and Udaipur: ₹ 0.05 crore on ₹ 9.52 crore (5 to 335 days)

The State Government stated (January 2014) that sanctions of Central assistance was not uploaded on the website in time and no information by post or e-mail was received in this regard. Therefore State share was not deposited in time. Moreover, additional funds were received at the fag end of the year and proportionate State share were transferred in next financial year. Reply was not acceptable as system for receiving intimation of central sanctions timely should have been developed by the State Government in consultation with GoI.

- As per State Government orders issued from time to time, instalment of assistance should be transferred to beneficiaries' accounts as and when financial sanctions are issued. It was observed that ZPs (RDC), Karauli and Udaipur released ₹ 9.51 crore to 4,330 beneficiaries¹³ with delay ranging between 21 and 300 days from the dates of issue of financial sanctions.

Delays in release/transfer of funds significantly increased the risk of non-completion of houses and consequently non-achievement of physical targets under IAY.

The State Government stated (January 2014) that directions have been issued to the concerned ZPs to furnish compliance.

2.1.7.8 Second instalment released without obtaining progress report of works executed

As per guidelines applicable up to March 2011, funds were to be distributed to the beneficiaries in two instalments, i.e., first instalment with the sanction order, second instalment after reaching of the construction up to the lintel level. Further, the State Government from time to time directed that the second instalment will be released after getting reports in prescribed proforma from GPs.

It was observed that ZPs (RDC), Karauli and Udaipur released ₹ 2.51 crore¹⁴ irregularly to 1,128 IAY beneficiaries as second instalment without obtaining the reports in the prescribed proforma from the concerned GPs, due to which possibilities of misutilisation of funds by beneficiaries cannot be ruled out.

The State Government stated (January 2014) that the concerned ZPs have been instructed to furnish compliance.

2.1.8 Execution of IAY

2.1.8.1 Non-achievement of Physical targets

The year-wise position of physical targets and achievements of construction of IAY houses as of March 2013 at the State level for the period 2008-09 to 2012-13 is given in **Table 2.4** below:

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13. ZPs (RDC), Karauli: ₹ 3.34 crore (1,570 cases during 2010-11 to 2012-13) and Udaipur: ₹ 6.17 crore (2,760 cases during 2008-09, 2010-11 to 2012-13)
14. ZPs (RDC), Karauli: ₹ 1.34 crore (745 beneficiaries during 2008-10) and Udaipur (Block, Girwa): ₹ 1.17 crore (383 beneficiaries during 2008-11)

Table 2.4: Year-wise physical targets and achievements

Year	Target	Number of houses sanctioned during the year			Number of houses completed during the year			Number of houses under construction at the end of the year		
		New	Upgraded	Total	New	Upgraded	Total	New	Upgraded	Total
1	2	3	4	5	6	7	8	9	10	11
2008-09	47,350	45,273	6,406	51,679	47,085	5,301	52,386	41,212	1,823	43,035
2009-10	91,670	93,850	970	94,820	84,601	2,391	86,992	17,955	800	18,755
2010-11	63,362	80,079	617	80,696	63,126	338	63,464	38,312	421	38,733
2011-12	1,57,596	1,57,009	0	1,57,009	1,25,630	17	1,25,647	54,624	43	54,667
2012-13	88,825	81,866	19	81,885	83,447	0	83,447	67,146	0	67,146

Source : Information provided by the State Government

The State Government did not maintain records indicating houses constructed against targets and sanctions. Figures of columns 6 and 9 of Table 2.4 include figures pertaining to sanctions of previous years also. Hence, achievement of targets of a particular year could not be ascertained in audit.

The State Government stated (February 2014) that due to allocation of additional funds/targets at the fag end of the financial year, construction of houses was actually done in the next financial year and it is a continuous process. However, instructions for maintaining records of year-wise progress of targets have been issued to all ZPs.

2.1.8.2 Unfruitful expenditure on incomplete IAY houses

As per guidelines, houses were to be completed within two years after sanction. It was observed that ZPs (RDC), Bhilwara, Karauli, Pali, Sriganganagar and Udaipur released ₹ 8.70 crore for 2,960 IAY houses¹⁵ during the period 2008-09 to 2010-11 but these houses were not completed (January 2014) after lapse of two to four years due to shortage of funds with beneficiaries, rendering expenditure of ₹ 8.70 crore unfruitful. This also indicated lack of monitoring by the department at various levels.

The State Government stated (January 2014) that necessary instructions have been issued to concerned ZPs for recovery from concerned beneficiaries. The reply is not acceptable as recovery from the beneficiary was not the objective of the scheme and ZP (RDC) officials should have monitored the construction of houses sanctioned so that BPL families would have benefited from timely completion of houses.

2.1.8.3 Non-implementation of Homestead sites sub-scheme

The GoI launched (August 2009) homestead sites sub-scheme for providing homestead sites to those rural BPL households who have neither agricultural land nor house sites. In the first instance, State Government was to provide land either through regularisation of land occupied by BPL households or by transfer of Government land. In case suitable land was not available, financial

15. Bhilwara: ₹ 0.72 crore incurred expenditure on 398 houses (4.8 per cent of total 8,299 houses), Karauli: ₹ 1.61 crore of 683 houses (30.75 per cent of 2,221 houses), Pali: ₹ 5.89 crore of 1,664 houses (32.92 per cent of 5,055 houses), Sriganganagar: ₹ 0.03 crore of 14 houses (0.37 per cent of 3,833 houses) and Udaipur: ₹ 0.45 crore of 201 houses (8.80 per cent of 2,284 houses)

assistance up to ₹ 0.10 lakh or actual cost of land, whichever is less was to be provided to each landless BPL household for purchase of private land. If the amount per beneficiary fell short, the balance amount was to be contributed by the State Government. For this purpose, GoI and State Government released (March 2010) ₹ 34.40 crore to 11 districts¹⁶. It was noticed that, State Government informed (March 2011) GoI, that assistance of ₹ 0.10 lakh was not sufficient for purchase of land and requested to increase the assistance limit to ₹ 0.20 lakh. However, GoI directed (June 2011) that this amount may be adjusted in IAY targets for 2011-12. Instead of contributing the short amount of cost of land to this sub-scheme, the State Government adjusted ₹ 35.01 crore (including interest ₹ 0.60 crore) out of total available fund of ₹ 36.06 crore (the amount of ₹ 34.40 crore that had not been utilised and had become ₹ 36.06 crore after adding interest of ₹ 1.66 crore) during the year 2011-12 in IAY¹⁷. Remaining amount ₹ 1.05 crore was lying unadjusted with respective districts as of July 2013.

The State Government while accepting the facts stated (January 2014) that out of ₹ 1.05 crore, ₹ 0.47 crore has now been adjusted and remaining amount would be adjusted after receipt of CA report for the period 2012-13.

2.1.8.4 Deprivation of ST BPL beneficiaries from IAY houses

GoI allocated (February 2013) an amount of ₹ 308.60 crore for additional 68,578 houses (at the rate of ₹ 0.45 lakh per house) for ST BPL beneficiaries in permanent IAY list in accordance with their priority under Forest Right Act, 2006 for 5 districts (₹ 114.51 crore for 25,447 houses) and Particularly Vulnerable Tribal Groups (PVTG) for 13 districts (₹ 194.09 crore for 43,131 houses). Accordingly, GoI and State Government released (February 2013) first instalment of ₹ 154.30 crore¹⁸ to the respective ZPs (RDC). The amount was not distributed to any beneficiary and the entire amount was lying unutilised with respective ZPs (RDC) as of January 2014.

The State Government stated (January 2014) that funds under Forest Right Act, 2006 and PVTG were provided at the rate of ₹ 0.45 lakh per house in February and March 2013 by GoI, whereas assistance was raised to

16. Barmer, Churu, Dausa, Jalore, Jhalawar, Jhunjhunu, Kota, Pali, Rajsamand, Tonk and Udaipur

17. For 11 districts, number of landless BPL households have been calculated as 75,226 (Barmer: 8,421, Churu: 5,847, Dausa: 2,846, Jalore: 9,056, Jhalawar: 7,008, Jhunjhunu: 1,091, Kota: 8,244, Pali: 6,901, Rajsamand: 4,529, Tonk: 2,505 and Udaipur: 18,778) who could have benefitted had the Homestead sub-scheme been operationalised

18. **Forest Right Act 2006** - Banswara: ₹ 21.66 crore (9,627 houses), Dungarpur: ₹ 7.86 crore (3,493 houses), Pratapgarh: ₹ 12.98 crore (5,768 houses), Sirohi: ₹ 3.31 crore (1,472 houses) and Udaipur: ₹ 11.45 crore (5,087 houses), (Total ₹ 57.26 crore and 25,447 houses); **Particularly Vulnerable Tribal Groups** - Baran: ₹ 8.90 crore (3,954 houses), Bhilwara: ₹ 11.49 crore (5,106 houses), Bundi: ₹ 2.09 crore (929 houses), Chittorgarh: ₹ 7.69 crore (3,419 houses), Dausa: ₹ 3.00 crore (1,331 houses), Jalore: ₹ 5.79 crore (2,571 houses), Karauli: ₹ 5.15 crore (2,291 houses), Pali: ₹ 6.83 crore (3,036 houses), Pratapgarh: ₹ 4.62 crore (2,055 houses), Rajsamand: ₹ 6.41 crore (2,850 houses), Sawaimadhopur: ₹ 2.76 crore (1,228 houses), Tonk: ₹ 4.11 crore (1,828 houses) and Udaipur: ₹ 28.20 crore (12,533 houses) (Total ₹ 97.04 crore and 43,131 houses)

₹ 0.70 lakh per house with effect from 1 April 2013. Accordingly request was made to the GoI for increasing the assistance as per revised amount, but GoI did not agree. Hence, it was decided that differential amount at the rate of ₹ 0.25 lakh will be met by taking loan from HUDCO by respective ZPs.

However, despite availability of funds, 68,578 ST BPL beneficiaries were deprived of the benefit of IAY.

2.1.8.5 Double payment to IAY beneficiaries

ZPs (RDC), Karauli and Sikar disbursed ₹ 10.20 lakh and ₹ 1.35 lakh twice to 51 and 5 IAY beneficiaries respectively out of which ₹ 6.80 lakh were recovered from 35 beneficiaries in Karauli district leaving ₹ 4.75 lakh (Karauli: ₹ 3.40 lakh and Sikar: ₹ 1.35 lakh) unrecovered (June 2013) from 21 beneficiaries.

The State Government stated (January 2014) that the concerned districts have been instructed to submit compliance in this regard.

2.1.8.6 Findings of Joint Inspection on execution of IAY

Joint physical inspection of 1,680 IAY houses (*Appendix-V*) conducted in the selected GPs showed lack of monitoring and supervision by departmental officials, selection of ineligible beneficiaries, non-observance of provisions of the guidelines etc as detailed below:

- Ninety-two houses sanctioned during 2008-09 to 2012-13 for which an amount of ₹ 20.25 lakh was released were not in existence/started.

The State Government stated (January 2014) that instructions are being issued to the ZPs concerned for ascertaining the actual position.

- Two hundred fifty houses were found constructed on plots ranging from 100 to 210 square feet (sqft) area against the prescribed area of 216 sqft as per the IAY guidelines.

The State Government accepted the facts and stated (January 2014) that instructions have already been issued to all ZPs to follow the guidelines in this regard.

- In contravention of the State Government directions (April 2010), financial assistance of ₹ 1.71 lakh from IAY was given to four beneficiaries in Bundi block, who already had *pucca* houses.

The State Government stated (January 2014) that concerned ZP has been instructed to submit compliance in this regard.

- Fifty IAY houses were found constructed on Government land instead of individual plots.

The State Government stated (January 2014) that necessary instructions are being issued to all ZPs for ensuring that houses are not constructed on Government/encroached land.

- Drinking water facilities in 230 houses were available between 0.2 kilometre (km) and 2 km {0.2 to less than 0.5 km (76), 0.5 to less than 1 km (117) and 1 to 2 km (37)} away from their houses.

The State Government stated (January 2014) that instructions for providing drinking water to the beneficiaries in consultation with concerned Department are being issued to all ZPs.

- Display boards and logo of IAY were not found on 1,072 houses.

The State Government accepted the facts and stated (January 2014) that GoI has now increased (April 2013) the amount from ₹ 30, which was meagre, to ₹ 133 for fixing of IAY display board and logo, accordingly necessary instructions have been issued to all ZPs for compliance in this regard.

2.1.9 Convergence with other schemes

As per IAY guidelines, ZP (RDC) should make concerted efforts to converge IAY with the TSC for constructing sanitary latrines, RGGVY for providing free electricity connections, NRWSP for making provision of drinking water, Bima Yojana from LIC and Smokeless *chullahs*.

It was observed that figures of convergence of other schemes with IAY were not available in any of the selected districts, except Bhilwara. However, physical verification revealed that no convergence of Bima Yojana from LIC was done for 1,680 beneficiaries and convergence of 71 beneficiaries with TSC, 94 with Smokeless *chullahs*, 538 with NRWSP and 859 with RGGVY were seen in the selected districts. Thus, most of the beneficiaries were not aware about convergence of other schemes/programmes with IAY. In the absence of convergence with other schemes, utilisation of constructed houses as fully living units with facilities could not be ascertained.

The State Government stated (January 2014) that necessary instructions have been issued to ZPs from time to time in this regard. Greater efforts must be made to allow for convergence of other schemes with IAY.

2.1.10 Capacity building

The shortcomings noticed in capacity building are as under:

2.1.10.1 As per guidelines, awareness among the beneficiaries was to be created about the disaster resistant and environment friendly technology through exhibitions of low cost technologies at district and block level through seminars, workshops etc. It was observed that no such type of seminars, workshops were organised at all in the selected districts and blocks except one workshop (March 2013) in Sikar district regarding disaster management for district level officers and public representatives.

The State Government stated (January 2014) that all ZPs have been provided disaster resistant design for guidance and awareness among the beneficiaries. Reply was silent about non-holding of seminar/ workshop in the selected districts.

2.1.10.2 As per guidelines, local carpenters and masons should be trained for skill upgradation and use of low cost technology and local material under the Swarnajayanti Gram Swarozgar Yojana. No such training was organised at any of the selected districts and blocks.

The State Government while accepting the facts stated (January 2014) that necessary training/workshop could not be conducted/organised as funds were not provided by GoI for these activities.

2.1.10.3 Guidelines stipulated that a beneficiary, in addition to the assistance provided under the IAY, could avail loan up to ₹ 0.20 lakh per housing unit under differential rate of interest scheme, at interest rate of 4 *per cent* per annum. The State Government/ZP (RDC) concerned was to coordinate with financial institutions to get this credit facility extended to interested beneficiaries. It was observed that the State Government and ZPs (RDC) concerned did neither initiate any action for creating awareness of this facility nor take any steps for coordinating with financial institutions/banks during 2008-13 at the State as well as at the selected district level. In the beneficiary survey of 1,680 persons, 1,665 beneficiaries stated that they were not aware of scheme of differential rate of interest loan/credit cum subsidy grant. Further, 2,960 houses were lying incomplete for two to four years in 5 ZPs (RDC) (as commented in paragraph 2.1.8.2). Had these ZPs taken effective steps to coordinate with financial institutions to provide credit to these beneficiaries under this scheme, these houses would have been completed.

The State Government stated (January 2014) that necessary instructions have already been issued to all ZPs to coordinate with financial institutions to get this credit facility extended to interested beneficiaries. Further, all ZPs have now been re-instructed to comply with the directions.

2.1.11 *Monitoring and evaluation*

2.1.11.1 *Monitoring*

The State Level Vigilance and Monitoring Committee (SLVMC) and District Level Vigilance and Monitoring Committees (DLVMC) headed by Minister, RDD of concerned State and Member of Parliament of concerned district were responsible for monitoring of IAY at State and district level respectively. SLVMC and DLVMC each were required to hold one meeting in each quarter to discuss the implementation of IAY at State level and district level.

- Scrutiny of records revealed that the SLVMC constituted under the Chairmanship of Minister, RDD in May 2005 was subsequently dissolved in June 2009. Against the prescribed four meetings of SLVMC to be held during 2008-09, only one meeting in July 2008 was held. Review of minutes of the meeting showed that only fund flow of all the schemes implemented by RDD

was discussed and difficulties/ shortcomings noticed in implementation of IAY were not discussed.

The State Government stated (January 2014) that GoI is being requested for reviving the SLVMC.

- Similarly, at district level, in all the selected districts against prescribed 20 meetings of DLVMC of each district, only 2 to 11 meetings¹⁹ were held during 2008-13.

The State Government while accepting the facts stated (January 2014) that instructions were issued in June 2011 for conducting meeting at district level. However, fact remained that meetings were not convened as stipulated.

2.1.11.2 Lack of inspection of IAY houses

The IAY guidelines provide that State level officers should visit districts regularly for ascertaining implementation of IAY and construction of houses as per prescribed procedure. Likewise, district and block level officers were to closely monitor all aspects of the IAY through visits to the worksites. A schedule of minimum number of inspection for all level of supervisors was to be drawn up and strictly adhered to.

It was observed that PRD has prescribed²⁰ a schedule of inspection indicating minimum number of field visits for each supervisory officer of all levels, but in the absence of Inspection Registers in all the selected districts and blocks, compliance of this schedule could not be ascertained in audit. Lack of regular and effective inspection was evident from the fact that houses were left incomplete for years together, as observed during joint physical verification of houses.

The State Government stated (January 2014) that payment of instalment was done after verification of IAY houses at different level. The reply was not acceptable as no Inspection Register was found maintained in any selected districts and blocks during audit.

2.1.11.3 Late submission of Audited accounts and delay in Audit of accounts

As per IAY guidelines, finalised accounts of the previous year shall be got approved by the General Body of the concerned ZP up to 30 June and got audited by CA up to 31 August. Copies of the Audit Report as accepted by the General Body of the ZP should be sent to the State and Central Government by 30 September.

19. Bhilwara: 5, Bikaner: 6, Bundi: 4, Karauli: 11, Pali: 7, Sikar: 2, Sriganganagar: 8 and Udaipur: 10

20. Junior Engineer, PS (100 per cent work), Assistant Engineer (10 per cent work) and Executive Engineer (5 per cent work)

It was observed that in the selected districts²¹ General Bodies of the ZPs did not approve annual accounts for the period 2008-09 to 2012-13 of the concerned district and there was delay ranging from 27 to 149 days in preparation of CAs' Reports and further delay of 4 to 88 days in submission of annual accounts to the State and Central Government.

The State Government stated (January 2014) that all ZPs have been instructed to submit annual accounts by the prescribed period.

2.1.11.4 Grievance redressal mechanism

Scrutiny of records revealed that out of 400 complaints received by RDD, 20 were pending at State level at the end of March 2013. Similarly, out of 107 complaints received in two districts (Karauli: 99 and Sikar: 8) during 2008-13, 30 complaints (Karauli: 22 and Sikar: 8) were not disposed of. Five districts²² did not maintain proper records of complaints. This indicates that grievance redressal mechanism was not working effectively. Further, the age-wise pendency of complaints could not be worked out in the absence of non-maintenance of records.

The State Government stated (January 2014) that necessary instructions are being issued to all ZPs for maintenance of proper records of complaints at State and district level and their disposal at the earliest.

2.1.11.5 Non-maintenance of inventory of houses

The IAY guidelines provide that the implementing agencies should maintain a complete inventory of houses constructed/upgraded under IAY indicating dates of start and completion of construction of house, location of house, occupation and category of beneficiaries etc.

It was observed that none of the blocks and GPs of the selected districts maintained such inventory of IAY houses for the period 2008-09 to 2012-13. The control registers, maintained at the district level, showed only the details of the beneficiary without accompanying the dates of start and completion of construction of houses, construction status and their occupation. In the absence of complete inventory register, details of the beneficiaries for further reference would not be available.

The State Government stated (January 2014) that necessary instructions have already been issued to ZPs for maintaining inventory of houses; however, all ZPs have been re-directed in this regard.

21. Bhilwara (delay in preparation of CA Report: 27 to 30 days and delay in submission of accounts to Government: 4 days), Bikaner (68 to 114 days and 39 to 85 days), Bundi (27 to 91 days and 60 days), Karauli (76 to 149 days and 21 to 86 days), Pali (50 to 119 days and 20 to 88 days), Sikar (83 to 106 days and 53 to 76 days), Sriganganagar (30 to 101 days and 23 to 71 days) and Udaipur (34 to 64 days and 6 to 84 days)

22. Bhilwara, Bikaner, Bundi, Pali and Udaipur

2.1.11.6 Evaluation

As per guidelines, the GoI and the State Government may conduct periodic evaluation studies on the implementation of the IAY. It was observed that the evaluation of the scheme was carried out by Evaluation Department of the State Government in June 2013, in 4 Districts²³ covering 8 Blocks, 16 GPs including interaction with 160 beneficiaries and 70 non-beneficiaries. Scrutiny of evaluation report revealed the following:

- Out of 160 beneficiaries, 140 (87.50 *per cent*) constructed houses and the remaining 20 (12.50 *per cent*) did not construct houses even after availing full amount of assistance.
- Thirty three (24 *per cent*) beneficiaries constructed houses on land less than 220 sqft, 69 (49 *per cent*) constructed on land between 220 and 250 sqft and 38 (27 *per cent*) on land measuring more than 250 sqft.
- Only 2 *per cent* (3 numbers) of the beneficiaries agreed that sanction of IAY houses was as per priority.
- No beneficiary was provided with benefits of *Nirdhum* (smokeless) *chullah*.
- Eighty-nine beneficiaries (56 *per cent*) were given instalments in time.
- Ineligible beneficiaries were also given benefits, due to wrong information given by Sarpanchs/Gram Sevaks.
- Out of 70 non-beneficiaries, 18 (26 *per cent*) stated that funds were given to beneficiaries without construction of houses on false utilisation/completion certificates furnished by Sarpanchs.

Thus the above findings of evaluation confirm the audit findings given in the preceding paragraphs.

2.1.12 Social Audit

As per guidelines, system of social auditing of the scheme was to be developed by the State Government. It was observed that neither were directions issued by the State Government nor were posts sanctioned and staff posted for the purpose. Hence, no social audit was conducted.

The State Government stated (January 2014) that guidelines for conducting social audit has been issued by department and steps are being taken for conducting the social audit. However, no documentary evidence was produced.

23. Alwar, Dausa, Jaipur and Sikar

2.1.13 AWASSoft

GoI launched (July 2010) 'AWASSoft' web based software to capture beneficiary-wise data to enable workflow based transaction level Management Information System (MIS) and facilitate e-governance. The information hosted on the system would be accessible not only to all the stakeholders including beneficiaries but also to citizens at large. States were advised to upload bulk entries for previous years and 100 *per cent* data of the current year and release of second instalment was connected with expenditure generated through software. Audit of 'AWASSoft' revealed that:

2.1.13.1 The State Government issued (September 2011) instructions for uploading of data after delay of one year from launch of 'AWASSoft'.

The State Government stated (January 2014) that due to procedural and administrative delays, instructions could be issued to ZPs only in September 2011.

2.1.13.2 The programme has nine different modules²⁴ which were designed to capture all the transactions required for IAY, whereas only three modules 'Target setting for a year', 'Beneficiary management' and 'Fund management' were being used to register the beneficiaries, issue sanctions and transfer the fund to beneficiaries only.

2.1.13.3 The data for the years 2011-12 and 2012-13 were uploaded only; however, no mechanism for ensuring authenticity of data fed by Blocks/GPs was developed.

The State Government stated (January 2014) that 'AWASSoft' is being maintained by GoI hence no action is required at state level and no directions were issued by GoI for feeding of previous data. The reply was not acceptable as mechanism for authentication of data fed by Blocks/GPs should have been developed. Further, as per guidelines States were advised to upload bulk entries for previous years also.

2.1.13.4 There were differences between the data provided by the selected ZPs and that available on 'AWASSoft' relating to allocation of funds, funds released by Governments, physical performance of IAY and utilisation of funds as detailed in *Appendix-VI*.

2.1.14. Conclusion

The objective of IAY in providing housing to the rural poor was not fulfilled due to multiple lapses across different stages of planning, implementation and monitoring of the scheme. Instances of deduction of Central assistance, irregular adjustment of IAY funds, over statement of expenditure in accounts, parking of funds, irregular charge of expenditure under IAY and reduced

24. (i) Target setting for a year, (ii) Beneficiary management, (iii) Inspection/verification of houses, (iv) Fund management, (v) On line submission of demand for fund, (vi) Proposal processing in MoRD, (vii) Personal module, (viii) Grievance redressal system and (ix) Linkage with financial institutions

utilisation efficiency were noticed. Besides, houses were not completed within the stipulated period; the beneficiaries were not provided sanitary latrine, drinking water and electricity through convergence of other schemes. Monitoring was inadequate and ineffective at all levels and all modules of 'AWASSoft' were not implemented. Social audit was not conducted in any of the selected districts, blocks and GPs.

2.1.15 Recommendations

State Government should ensure that:

- An annual plan should be prepared at district level and sanction of IAY houses accorded in scheduled financial year according to the ranking of beneficiaries in waitlist and linking of all the payments with the physical progress.
- Mechanism is devised for ensuring convergence of other schemes with IAY.
- Schedule of monitoring and supervision at each level in the official hierarchy is well established along with a grievance redressal mechanism for ensuring accountability of implementing agencies.
- 'AWASSoft' is implemented effectively and Social audit is conducted.

COMPLIANCE AUDIT

Panchayati Raj Department

2.2 Non-compliance with rules and regulations

2.2.1 Unfruitful expenditure in execution of Swajaldhara Yojana

Lack of monitoring in execution of drinking water projects under Swajaldhara Yojana and follow up of instructions of SWSM, by ZP Jaisalmer resulted in unfruitful expenditure of ₹ 52.06 lakh and depriving drinking water to residents of desert areas.

Guidelines issued by GoI (June 2003) and State Water and Sanitation Mission (SWSM) (July 2003) under Swajaldhara Yojana for supply of drinking water in rural areas envisaged that (i) cost of projects was to be shared at 90 *per cent* by GoI and 10 *per cent* by villagers; (ii) GoI share was to be released in two equal instalments, the first instalment was to be released at the time of sanction of the projects and the second instalment on submission of utilisation certificates (UCs) of 60 *per cent* of available funds by SWSM; (iii) Gram Panchayat (GP) through Village Water and Sanitation Committee (VWSC) was to plan, design and implement the projects; and (iv) Zila Parishad (ZP) through District Water and Sanitation Committee (DWSC) was to approve the scheme, manage funds, monitor implementation of the projects submitted by VWSCs and interact with SWSM. Further, for completion of the incomplete projects, if any, the Member Secretary, SWSM instructed (May 2011) ZPs (i) to send the resolutions of GPs for operation and maintenance of projects so that these could be completed through the State Plan and National Rural Drinking Water Programme, and (ii) if resolution is not passed by GPs, to complete the projects from the Finance Commission's grants.

Test check (January 2012) of records of ZP, Jaisalmer revealed that District Collector, Jaisalmer accorded (January-March 2004) administrative and financial sanctions of ₹ 1.06 crore (GoI share: ₹ 0.96 crore, public share: ₹ 0.10 crore) for implementation of five drinking water supply projects (development of water sources, laying of pipe lines and civil works etc.) at five villages²⁵ in Jaisalmer district under Swajaldhara Yojana on the proposals of VWSCs and decision taken (January 2004) in DWSC. Superintending Engineer (SE), Public Health and Engineering Department (PHED), Jaisalmer issued technical sanction for the same amount. ZP released ₹ 48.35 lakh towards first instalment of GoI share during 2003-05 to VWSCs. The public share of ₹ 10.63 lakh by villagers was available with VWSCs. VWSCs started execution of these projects in the villages concerned under supervision of PHED, Jaisalmer. However, these were left incomplete since 2006 due to

25. Lakha Village: Estimated cost: ₹ 15.13 lakh (GoI share: ₹ 13.62 lakh and public share: ₹ 1.51 lakh); Lathi: ₹ 20.33 lakh (GoI: ₹ 18.30 lakh and public: ₹ 2.03 lakh); Pithala: ₹ 24.86 lakh (GoI: ₹ 22.37 lakh and public: ₹ 2.49 lakh); Sangad: ₹ 21.04 lakh (GoI: ₹ 18.94 lakh and public: ₹ 2.10 lakh) and Ujlan: ₹ 24.96 lakh (GoI: ₹ 22.46 lakh and public: ₹ 2.50 lakh)

paucity of funds, after incurring an expenditure of ₹ 52.06 lakh²⁶. It was further noticed that DWSC, Jaisalmer forwarded UCs of available funds in October 2007 to SWSM for onward submission to GoI for release of second instalment from GoI. Though SWSM forwarded the UCs to GoI in May 2008 yet the GoI did not release the second instalment owing to closure of Swajaldhara Yojana from April 2009. The projects thus remained incomplete for more than six years as of June 2013.

Further, in terms of SWSM's instructions (May 2011), ZP, Jaisalmer did not take any concrete action for collection of requisite resolution from GPs for completion of the projects from State Plan or for completion of the projects from 13th Finance Commission/Fourth State Finance Commission grants²⁷, in spite of having sufficient funds under these grants in ZP accounts, Jaisalmer as of March 2012.

Executive Engineer (Land Resources), ZP, Jaisalmer stated (January 2012) that projects could not be completed due to non-receipt of funds. Further, it was stated that due to increase in rates, it was not possible to complete the projects in the sanctioned amount. The reply was not acceptable as the VWSC was to plan, design, implement all activities of drinking water supply at village level and the DWSC was to manage funds, monitor the Swajaldhara Yojana and interact with SWSM and it was found that at DWSC level, neither the proper execution of projects was monitored through VWSC nor were incomplete works reported to SWSM for completion. Moreover, ZP (RDC), Jaisalmer had neither managed the funds for the projects from GoI nor taken any proper action for completion of the projects as per instructions of SWSM.

The State Government stated (March 2014) that for completion of these incomplete projects from National Rural Drinking Water Programme, revised technical sanctions of Lakha, Pithala and Sangad projects have been received from SE, PHED and forwarded to Chief Engineer (Rural), PHED for sanction. These projects would be completed on sanction of funds.

Thus, lack of monitoring execution of the projects and failure to follow instructions of SWSM by ZP, Jaisalmer resulted in drinking water supply projects lying incomplete for more than six years and rendering expenditure of ₹ 52.06 lakh unfruitful and 1,469 households in the desert areas being deprived of drinking water.

26. Lakha: ₹ 7.48 lakh, Lathi: ₹ 11.56 lakh, Pithala: ₹ 6.90 lakh, Sangad: ₹ 12.82 lakh and Ujlan: ₹ 13.30 lakh

27. 13th Finance Commission grants: ₹ 16.77 crore and Fourth State Finance Commission grants: ₹ 19.82 crore

2.3 Failure in implementation, monitoring and governance

Rural Development Department

2.3.1 Underutilisation of funds

Tardy implementation of a special project under Swarnajayanti Gram Swarozgar Yojana in Baran district, resulted in underutilisation of ₹ 2.19 crore which remained with ZP (RDC), Baran in a bank account and non-achievement of the intended target. Besides, the project lost support of ₹ 1.10 crore from Government of India and the State Government.

To improve the livelihood and quality of life of Sahariya (tribal community) families of Baran district, Government of India (GoI) approved (November 2005) comprehensive development of 936 Sahariya families of two Panchayat Samitis²⁸ of Baran district of Rajasthan through Jana Utthan Approach, a special project under Swarnajayanti Gram Swarozgar Yojana at the projected cost of ₹ 5.50 crore. The project cost was to be shared by GoI and the State Government (SG) on 75 : 25 basis and funds were to be released to Zila Parishad (ZP), Baran in three instalments in the ratio of 40 : 40 : 20. As per sanctions, GoI was to release second instalment on receipt of audited accounts along with utilisation certificate (UCs) of 60 *per cent* of available funds and third instalment on receipt of UCs of 90 *per cent* of total available funds. The SG was to release its share after receipt of GoI share. The project was to be executed by a Non- Government Organisation (NGO) by undertaking four key activities²⁹ during 2006 to 2011. The State Level Committee (SLC) and District Level Committee (DLC) were to monitor and evaluate the project.

Test check (September 2012) of records of ZP (RDC), Baran and additional information revealed that GoI and SG released (January 2006 to May 2010) ₹ 4.40 crore³⁰ towards first and second instalments to ZP (RDC), Baran. For execution of the project, ZP (RDC), Baran selected an NGO³¹ (approved by GoI) and an agreement was executed on 20 March 2006. As per agreement, ZP (RDC), Baran was to release 40 *per cent* of sanctioned cost within 15 days from the date of signing of the agreement and second (40 *per cent*) and third (20 *per cent*) instalments were to be released on receipts of UCs of 60 *per cent* of first instalment and 60 *per cent* of available funds respectively and subject to certification of satisfactory progress of activities by DLC. As per financial targets submitted (February 2006) by the NGO, 88 *per cent* of funds was required to be spent during first three years of the project. As against this, ZP

28. Panchayat Samiti, Kishanganj: 24 villages (481 families) and Shahbad: 18 villages (455 families)

29. Community mobilisation, Community/Area focused interventions, Family (Household) focused economic intervention and Women and child focused interventions

30. First instalment: ₹ 2.20 crore {GoI: ₹ 1.65 crore (January 2006) and SG: ₹ 0.55 crore (February 2006)}; second instalment: ₹ 2.20 crore {GoI: ₹ 1.65 crore (March 2010) and SG: ₹ 0.55 crore (May 2010)}

31. BAIF Development Research Foundation, Pune

(RDC), Baran released funds of ₹ 2.51 crore³² (45.64 *per cent*) to the NGO between March 2006 and December 2010 for which no reasons were available on records produced to Audit. Up to closure (March 2011) of project period the NGO executed the works worth ₹ 2.58 crore, out of which ₹ 2.48 crore was adjusted (January 2012) by ZP.

The component-wise physical performance of the project is given as under:

Sl. No.	Name of component	Target	Achievement	Percentage of achievement
1.	Community mobilisation	936 families	500 families	53.42
2.	Entry point activity	42 villages	16 villages	38.10
3.	Silvipasture development	600 hectares	135 hectares	22.50
4.	Prevent health care	936 families	500 families	53.42
5.	Community health	42 villages	16 villages	38.10
6.	Employment guarantee 100 days	936 families	461 families	49.25
7.	Improved agriculture	936 families	427 families	45.62
8.	Land development	936 families	65 families	6.94
9.	Water resource development	18 projects	5 projects	27.78
10.	Livestock support	500 families	275 families	55.00
11.	Rural non-farm services	25 families	16 families	64.00
12.	Women and child focus interventions	936 families	540 families	57.69
13.	Training and capacity building	936 families	540 families	57.69

The component-wise benefits ranged from 6.94 *per cent* in land development activity to 64 *per cent* in rural non-farm services activities which showed that all the targeted families neither benefited wholly as the activities of the project were not implemented completely. The shortfall in targets was highlighted by the NGO from time to time (January, July and September 2010 and April 2011) to ZP and Rural Development Department attributing it to slow release of funds by the former.

Further scrutiny revealed that though the works executed by the NGO were found satisfactory in physical verifications³³ conducted by the DLC and no shortcomings in the working of the NGO were noticed in the DLC meetings³⁴, the ZP did not release funds to the NGO as per the agreement or as per the financial targets of the NGO. It released only 45.64 *per cent* funds of total sanctioned cost and 57 *per cent* of available funds during entire project period in piecemeal manner, whereas 40 *per cent* of funds was to be released within 15 days of signing of the agreement and 88 *per cent* during first three years of the project. It was also seen that ZP adjusted UCs of ₹ 1.51 crore (more than 60 *per cent* of first instalment of GoI share) in August 2008 but forwarded proposals for second instalment to SG only after 16 months in January 2010 due to which the second instalment was received only at the end of the fourth year (March- May 2010) with little scope for full utilisation in the project period. Hence the third and last instalment of ₹ 1.10 crore could not be received from GoI and State Government.

32. ₹ 38.36 lakh (March 2006), ₹ 75.31 lakh (June 2007), ₹ 75 lakh (May 2008), ₹ 27 lakh (February-September 2009) and ₹ 35.34 lakh (February-December 2010)

33. April 2010, June 2010 and December 2011

34. June 2006, March 2007, July 2008 and January 2010

The State Government stated (December 2013) that ₹ 69.45 lakh were released during March 2006 and October 2010 and in the DLC meetings (June 2006 and February 2011) representative of the NGO intimated that no advance amount was required as of March 2011 as per action plan. The reply was not acceptable as ₹ 38.36 lakh were released for the year 2006-07 against which ₹ 51.69 lakh had already been incurred as of February 2007 and ₹ 31.09 lakh were released against demand of ₹ 1.67 crore of the NGO as per revised work plan of the year 2010-11. Representative of the NGO in the DLC meeting (March 2007) and thereafter continuously demanded release of funds as per the agreement. Thus, tardy implementation of the project and delayed release of funds by ZP to the NGO resulted in non-utilisation of ₹ 2.19 crore³⁵ which remained with ZP (RDC), Baran in a bank account and the intended targets were also not achieved. Besides, the project lost support of ₹ 1.10 crore from the GoI and SG.

Panchayati Raj Department

2.3.2 Unauthorised occupation of public property

Failure of the State Government to take concrete follow up action on recommendations of PAC for removal of unauthorised occupation of quarters and slackness of Panchayat Samiti, Amber in taking possession of the quarters from PWD led to unauthorised occupation of Panchayat Samiti's land valuing ₹ 2.81 crore and the quarters constructed thereon.

As per Rules 137 to 139 of Rajasthan Panchayati Raj Rules, 1996, Panchayati Raj Institutions should keep records of all immovable properties, maintain them and carry out timely inspection of such properties. Further, Rules *ibid* provide that Vikas Adhikari of Panchayat Samiti (PS) concerned should conduct inspection of such properties once in a year to ensure safety and proper maintenance of the properties.

Scrutiny (July 2013) of Assets Register of PS, Amber (District Jaipur) revealed that Public Works Department (PWD) constructed four staff quarters in 1966 on 290 square yards (sqyd) out of land allotted (4,041 sqyd) by the State Government. PS, Amber did not initiate timely action for taking possession of the quarters from PWD due to which these quarters along with entire land were unauthorisedly occupied by four persons³⁶ during April 1967 to August 1982. PS, Amber took action for possession of the quarters for the first time in April 1989 and after long correspondence the Executive Engineer, PWD, Division-III expressed (September 1990) his inability in handing over the quarters owing to non-availability of records, and intimated that the employees of PS were residing continuously in the quarters so these quarters were deemed handed over to PS. Though these quarters were constructed on a part of allotted land yet PS, Amber did not take timely effective action for taking possession of the quarters from PWD nor ensure non-encroachment on the remaining land.

35. As per bank balance as of January 2013

36. One police constable (April 1967) and three officials of the PS, Amber (April 1980 to August 1982)

Audit scrutiny further revealed that the authorised Estate Officer and Chief Executive Officer (CEO), Zila Parishad (ZP), Jaipur treating occupation of quarters as unauthorised, ordered (December 1992) the occupants to vacate the quarters under Section 5 of Rajasthan Public Premises (Eviction of Unauthorised Occupants) Act, 1964. On appeal by the occupants, Upper District and Sessions Judge, Jaipur set aside order of the Estate Officer and directed (November 1994) the Estate Officer to decide the case after satisfying himself under Section 4 of the Act *ibid* as to whether the disputed quarters were public properties and opponents had occupied them unauthorisedly. The PS, Amber approached (September 2004) Estate Officer and CEO, ZP, Jaipur after a lapse of nearly ten years of the court decision. The case was heard twice (October 2004 and January 2006) and the decision was pending as of February 2014.

The case was also brought to the notice of the State Government and Public Accounts Committee (PAC) earlier through Para 48 G (ii) of the Report of the Comptroller and Auditor General of India for the year 1973-74 (Civil). PAC settled the case in its 78th Report (1996-97) with the direction that State Government should take appropriate action in the matter. The State Government had failed to take action for eviction of the unauthorised occupants of the quarters and of 4,041 sqyd of land valuing ₹ 2.81 crore³⁷ (February 2014).

The State Government accepted the facts and stated (March 2014) that notices have been issued to the unauthorised occupants by the Estate Officer and CEO, ZP, Jaipur and action for eviction of unauthorised occupants is under progress.

Rural Development Department

2.3.3 Blockage of funds

Lack of proper sanctions and selection of sites for setting up of village haats by ZPs (RDC), Chittorgarh and Sirohi led to non-utilisation of funds of ₹ 50.14 lakh for more than four years. It also defeated the intended purpose of providing better marketing facilities to swarozgaris.

For creation of better marketing facilities to enable swarozgaris to sell their products throughout the year at one stop shopping platform, the Government of India (GoI) issued guidelines (March 2009) for setting up of three village haats in each district by District Rural Development Agency (Now Zila Parishad) under Swarnajayanti Gram Swarozgar Yojana. The cost of each village haat was fixed at ₹ 15 lakh, which was to be shared between GoI and the State Government in the ratio of 75:25 and funds were to be released in two equal instalments. The Governing body of Zila Parishad was to select three villages in each district for setting up of village haats and the State Government was to monitor the progress.

37. Calculated at the rate of ₹ 6,960 per sqyd as per District Level Committee Rate fixed by Sub Registrar, Amber as of July 2013

Scrutiny (February-March 2013) of records of Zila Parishads (Rural Development Cell) (ZP RDC), Chittorgarh and Sirohi revealed that GoI and State Government released (March and October 2009) first instalment of ₹ 22.50 lakh each to these ZPs for construction of three village haats. ZP (RDC), Chittorgarh selected only one site at PS, Rashmi and forwarded (August 2010 and June 2011) the proposal of ₹ 15 lakh to Rural Development Department (RDD), State Government for according sanction but RDD did not respond to proposal of ZP (RDC), Chittorgarh. In the case of Sirohi ZP (RDC), no site was selected for construction of village haats. The entire funds were lying unutilised in bank accounts of the both ZPs as of November 2013 for more than four years.

The State Government while accepting the facts, stated (December 2013) that the village haats could not be constructed due to non-availability of suitable sites. The State Government further stated that in Chittorgarh, agriculture and animal husbandry are main occupations of the swarozgaris and that milk products are sold through Dugdh Utpadak Sahakari Samitis. No other activities are carried out by swarozgaris for production of items which require village haats. The reply of the State Government was not acceptable as it showed that the rush to create the village haats and release of the first instalment of funds to the two ZPs was not judicious as sites were not available. This not only resulted in non-utilisation of funds of ₹ 50.14 lakh³⁸ (Chittorgarh: ₹ 24.66 lakh and Sirohi: ₹ 25.48 lakh) including interest for more than four years as of December 2013 but also denied better marketing facilities to swarozgaris.

38. Balances as on 31 March 2013

CHAPTER III

AN OVERVIEW OF ACCOUNTS AND FINANCES OF URBAN LOCAL BODIES

3.1 Introduction

In pursuance of the 74th Amendment in 1992, Articles 243 P to 243 ZG were inserted in the Constitution of India whereby the State legislature 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 accordingly enacted by repealing all the prevailing municipal laws and enactments to enable the Urban Local Bodies (ULBs) to function as third tier of the Government.

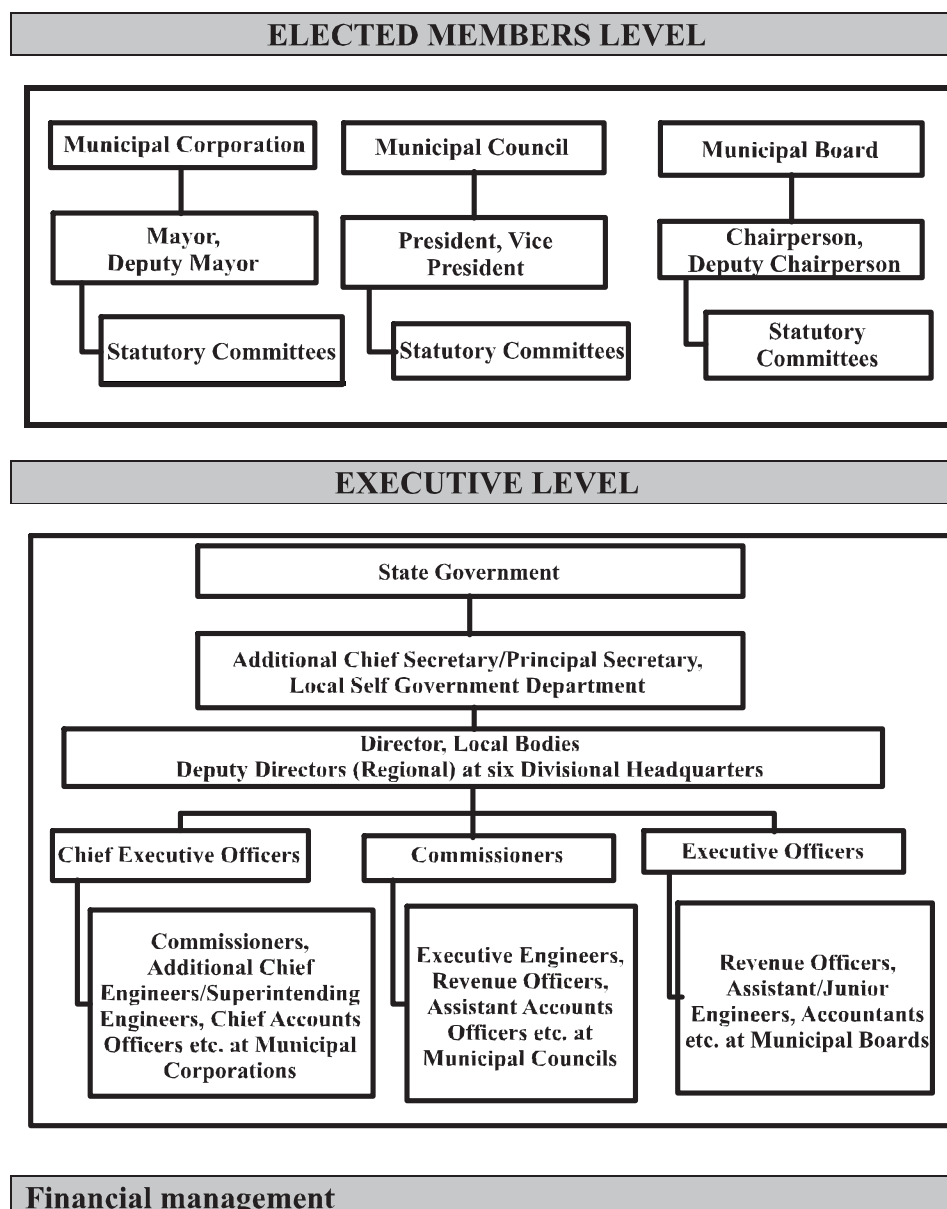
As per census 2011, the total population of Rajasthan State was 6.85 crore. The urban population of the State was 1.70 crore, which constituted 24.82 *per cent* of the total population of the State. In Rajasthan, there were 184 ULBs i.e. 5 Municipal Corporations¹ (M Corps), 30 Municipal Councils² (MCs) and 149 Municipal Boards³ (MBs) as of March 2013. The last elections to the ULBs in Rajasthan were held in five phases during November 2009 to February 2011.

3.2 Organisational set up

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

-
1. Municipal Corporations: Ajmer, Bikaner, Jaipur, Jodhpur and Kota
 2. Municipal Councils: Alwar, Banswara, Baran, Barmer, Beawar, Bharatpur, Bhilwara, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Dungarpur, Hanumangarh, Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Karauli, Kishangarh, Nagaur, Pali, Pratapgarh, Rajsamand, Sawaimadhopur, Sikar, Sirohi, Sriganganagar, Tonk and Udaipur
 3. Municipal Boards: Class-II (with population 50,000-99,999) - 19, Class-III (with population 25,000-49,999) - 58 and Class-IV (with population less than 25,000) - 72

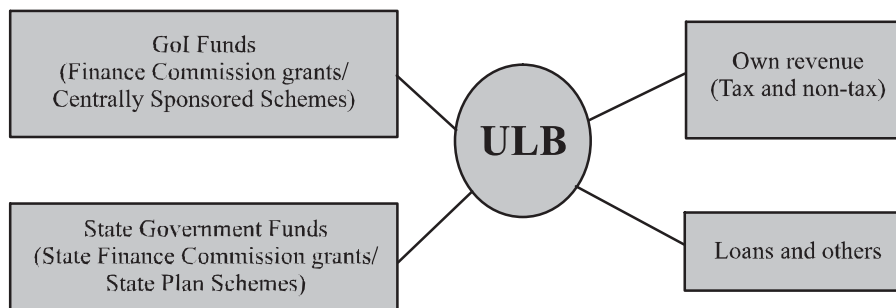
Chart 3.1: Organisational chart of ULBs



3.3 Receipts and expenditure

3.3.1 Receipts

The resource base of ULBs consists of own revenues, assigned revenues, grants received from GoI and the State Government and loans as depicted in the diagram below.



The position of receipts under various heads of the ULBs during 2008-09 to 2012-13 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	2008-09	2009-10	2010-11	2011-12	2012-13
(A) Own revenue					
(a) Tax revenue					
(i) House tax	7.03	39.90	17.59	-	-
(ii) Urban development tax ⁴ /property tax	11.99	21.61	38.94	39.57	46.88
(iii) Octroi/ <i>Margasth</i> fee	4.00	54.49	25.51	-	-
(iv) Tax on vehicles	0.67	0.46	0.20	-	-
(v) Passenger tax	2.02	2.23	3.52	-	-
(vi) Terminal tax	0.12	0.10	0.08	-	-
(vii) Other taxes	3.00	4.42	21.26	81.10 ⁵	205.41 ⁵
(viii) Outsourcing	-	41.13	44.33	-	-
Total of Tax revenue (a)	28.83 (1.54)	164.34 (7.55)	151.43 (7.38)	120.67 (5.29)	252.29 (7.04)
(b) Non-tax revenue⁶					
(i) Revenue from bye-laws	68.30	83.72	99.39	157.25	416.83
(ii) Revenue from assets	17.22	46.43	26.75	26.69	36.08
(iii) Revenue from Acts	18.37	35.06	49.05	-	-
(iv) Revenue from penalties	6.09	8.66	11.73	-	-
(v) Revenue from waterworks	2.30	1.84	0.32	-	-
(vi) Interest on investments	14.21	8.61	22.13	24.80	26.30
(vii) Misc. non-tax revenue	91.92	81.85	56.29	297.95	477.90
(viii) Sale of land	249.33	210.52	305.34	110.38	199.30
Total of Non-tax revenue (b)	467.74 (24.91)	476.69 (21.89)	571.00 (27.83)	617.07 (27.06)	1,156.41 (32.27)
Total of Own revenue (A)	496.57 (26.45)	641.03 (29.44)	722.43 (35.21)	737.74 (32.35)	1,408.70 (39.31)
(B) Assigned revenue/ Entertainment tax	3.00 (0.16)	7.12 (0.33)	7.21 (0.35)	7.38 (0.32)	0.01 (0.00)

4. Urban Development tax was introduced with effect from 29 August 2007 on abolition of House Tax from 24 February 2007

5. Income from Land revenue, tax on advertisement, Pilgrim tax, etc.

6. Income under bye-laws and Acts, income from assets, sale of land, interest on investment and miscellaneous recurring income

Sources of receipts	2008-09	2009-10	2010-11	2011-12	2012-13
(C) Grants and loans					
(i) General and special grant	65.27	51.91	40.87	642.78	1,162.55
(ii) Grant in lieu of Octroi	627.65	747.70	754.09	877.81	965.60
(iii) Special assistance and loans	417.37	484.79	351.67	14.81	47.07
Total of Grants and loans (C)	1,110.29 (59.13)	1,284.40 (58.99)	1,146.63 (55.90)	1,535.40 (67.33)	2,175.22 (60.69)
(D) Miscellaneous non-recurring income⁷	267.81 (14.26)	244.62 (11.24)	175.11 (8.54)	-	-
Grand Total (A to D)	1,877.67	2,177.17	2,051.38	2,280.52	3,583.93
Source: As per data provided (August 2013) by Directorate, Local Bodies Department (DLBD), Rajasthan					
Note: Figures in brackets denote percentage to the total receipts					

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

(₹ in crore)										
Category of ULBs	2009-10		2010-11		2011-12		2012-13		Percentage of increase (+)/ decrease (-) of 2012-13 with reference to 2011-12	
	Receipts	Exp.	Receipts	Exp.	Receipts	Exp.	Receipts	Exp.	Receipts	Exp.
(A) Municipal Corporations										
(i) Ajmer	48.65	55.13	79.67	60.91	73.72	82.20	93.68	74.62	(+)27.08	(-)09.22
(ii) Bikaner	37.10	37.92	42.91	42.30	70.30	48.29	76.33	63.97	(+)08.58	(+)32.47
(iii) Jaipur	400.30	367.54	369.30	342.23	433.32	431.93	532.88	515.77	(+)22.98	(+)19.41
(iv) Jodhpur	93.28	110.09	115.43	109.33	114.78	135.94	171.22	155.56	(+)49.17	(+)14.43
(v) Kota	89.45	95.53	120.38	80.04	129.93	116.68	163.63	129.11	(+)25.94	(+)10.65
Total (A)	668.78	666.21	727.69	634.81	822.05	815.04	1,037.74	939.03	(+)26.24	(+)15.21
(B) Municipal Councils	353.71	342.68	427.74	384.53	711.70	675.67	1,272.98	874.07	(+)78.86	(+)29.36
(C) Municipal Boards	1,154.68	1,241.05	895.95	803.99	746.77	1,399.64	1,273.21	1,681.92	(+)70.50	(+)20.17
Grand Total (A+B+C)	2,177.17	2,249.94	2,051.38	1,823.33	2,280.52	2,890.35	3,583.93	3,495.02	(+)57.15	(+)20.92
Source: As per data provided (August 2013) by DLBD, Rajasthan										

The above financial trends indicate that:

- During the four year period (2009-10 to 2012-13), the increase in total receipts of ULBs was 64.61 *per cent*.
- ULBs continued to be dependent on grants and loans from Central and State Governments, as the percentage of grants and loans to total revenue increased from 55.90 *per cent* during 2010-11 to 67.33 *per cent* during 2011-12 and decreased to 60.69 *per cent* during 2012-13. This underscores the necessity for streamlining measures for own revenue augmentation.
- The increase in own revenue in 2012-13 from 2011-12 was under various heads like urban development tax (₹ 7.31 crore), other taxes (₹ 124.31 crore), revenue from bye-laws (₹ 259.58 crore), revenue from assets (₹ 9.39 crore), interest on investment (₹ 1.50 crore), miscellaneous non-tax revenue (₹ 179.95 crore) and sale of land (₹ 88.92 crore).

7. Including deposits and recoveries of loans and advances

- Similarly, increase of 87.40 *per cent* in non-tax revenue from 2011-12 to 2012-13 was mainly due to increase in revenue from bye-laws (165.07 *per cent*), miscellaneous non-tax revenue (60.40 *per cent*) and sale of land (80.56 *per cent*), under special campaign of regularisation of urban land i.e. issue of lease deeds, etc.
- There was negligible assigned revenue (entertainment tax) of ₹ 0.01 crore during 2012-13, against ₹ 7.38 crore during 2011-12, due to exemption given by the Government to Cinema Halls, Cable and Direct to Home Operators. The Department stated (September 2013) that ₹ 0.01 crore was from taxes on fairs, etc.
- ULBs received higher general and special grants in 2012-13 as compared to the years 2010-11 and 2011-12. The general and special grant in 2010-11 was ₹ 40.87 crore while it was ₹ 642.78 crore in 2011-12 and ₹ 1,162.55 crore in 2012-13.

3.3.2 Expenditure

The position of expenditure in ULBs during 2008-09 to 2012-13 is given in Table 3.3 below:

Table 3.3: Expenditure of ULBs

Items of Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13
	Amount	Amount	Amount	Amount	Amount
(A) Recurring expenditure					
(i) General administration	237.21 (13.08)	324.43 (14.42)	519.03 (28.47)	966.84 (33.45)	1,090.10 (31.19)
(ii) Public health and sanitation	440.33 (24.28)	623.40 (27.71)	359.19 (19.70)	637.66 (22.06)	772.28 (22.10)
(iii) Maintenance of civic amenities	147.35 (8.12)	230.60 (10.25)	220.89 (12.11)	737.67 (25.52)	898.26 (25.70)
Total of Recurring expenditure (A)	824.89 (45.48)	1,178.43 (52.38)	1,099.11 (60.28)	2,342.17 (81.03)	2,760.64 (78.99)
(B) Non-recurring expenditure					
(i) Expenditure on developmental works	820.58 (45.24)	805.94 (35.82)	408.33 (22.39)	394.56 (13.66)	518.72 (14.84)
(ii) Purchase of new assets	9.27 (0.51)	11.69 (0.52)	24.03 (1.32)	NA -	NA -
(iii) Repayment of loans	13.69 (0.76)	40.76 (1.81)	85.08 (4.67)	NA -	NA -
(iv) Miscellaneous non-recurring expenditure ⁸	145.32 (8.01)	213.12 (9.47)	206.78 (11.34)	153.62 (05.31)	215.66 (6.17)
Total of Non-recurring expenditure (B)	988.86 (54.52)	1,071.51 (47.62)	724.22 (39.72)	548.18 (18.97)	734.38 (21.01)
Grand Total (A+B)	1,813.75	2,249.94	1,823.33	2,890.35	3,495.02
Source: As per data provided (August 2013) by DLBD, Rajasthan					
Note: Figures in brackets denote percentage to the total expenditure					

The above financial trends indicate that:

- The recurring expenditure increased by 17.87 *per cent* from ₹ 2,342.17 crore during 2011-12 to ₹ 2,760.64 crore during 2012-13. The increases were 12.75 *per cent*, 21.11 *per cent* and 21.77 *per cent* under general administration (₹ 123.26 crore), public health and sanitation (₹ 134.62 crore) and maintenance of civic amenities (₹ 160.59 crore) respectively during 2012-13 over 2011-12.

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

• Similarly, non-recurring expenditure also increased by 33.97 per cent from ₹ 548.18 crore during 2011-12 to ₹ 734.38 crore during 2012-13, due to increase of expenditure on developmental works (31.47 per cent) and on miscellaneous items (40.39 per cent).

• There was difference in figures of receipts and expenditure as provided by Directorate, Local Bodies Department (DLBD), Rajasthan and the annual accounts of respective M Corps during 2011-12 and 2012-13 as given in **Table 3.4** below:

Table 3.4: Difference in figures of receipts and expenditure maintained in M Corps and at Directorate level

(₹ in crore)

Name of M Corp	Receipts						Expenditure					
	2011-12			2012-13			2011-12			2012-13		
	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	71.15	73.72	2.57	92.15	93.68	1.53	82.20	82.20	-	70.59	74.62	4.03
Bikaner	69.29	70.30	1.01	77.30	76.33	0.97	48.29	48.29	-	63.96	63.97	0.01
Jaipur	424.41	433.32	8.91	529.77	532.88	3.11	431.93	431.93	-	515.77	515.77	-
Jodhpur	106.10	114.78	8.68	180.93	171.22	9.71	136.19	135.94	0.25	155.56	155.56	-
Kota	124.16	129.93	5.77	161.87	163.63	1.76	114.97	116.68	1.71	128.53	129.11	0.58
Total	795.11	822.05		1,042.02	1,037.74		813.58	815.04		934.41	939.03	

Source: As per data provided (August 2013) by DLBD, Rajasthan and respective M Corps

Differences in figures of receipts and expenditure of Municipal Corporations maintained at Directorate level and at concerned Municipal Corporations level indicate improper maintenance of accounts. The accounts were not reconciled and as such, correctness of receipt and expenditure could not be ascertained in audit.

3.3.3 Devolution of functions

Chief Accounts Officer (CAO), DLBD intimated (June 2013) that out of 18 functions listed in the Twelfth Schedule of the Constitution, 16 functions (**Appendix-VII**) have been fully devolved to ULBs. As regards the remaining 2 functions, 'Water Supply' function is being carried out by 7⁹ out of 181 ULBs whereas 'Urban Planning' function is yet to be devolved to ULBs as per notification dated 6 February 2013.

3.3.4 Finance Commission grants

3.3.4.1 Thirteenth Finance Commission grants

The period of Thirteenth Finance Commission (FC) is from 2010-11 to 2014-15. After recommendations of 13th FC, GoI released grants of ₹ 111.36 crore in 2010-11, ₹ 209.49 crore in 2011-12 and ₹ 252.06 crore in 2012-13 to the State Government.

The position of release of grants by GoI to State Government and further release by State Government to ULBs under 13th FC and their utilisation by ULBs for the years 2010-11 to 2012-13 is given in **Table 3.5** below:

9. Bundi, Chomu, Jaisalmer, Karauli, Nagaur, Nathdwara and Nokha

Table 3.5: Utilisation of Grants recommended by 13th FC**(₹ in crore)**

Year	Grants to be released by GoI	Actual grants released by GoI	Grants released to ULBs by State Government	UCs received (August 2013) from ULBs		UCs pending	
				Amount	Percentage	Amount	Percentage
2010-11	111.36	111.36	111.36	60.49	54.32	50.87	45.68
2011-12	173.30	209.49	187.56	98.64	52.59	88.92	47.41
2012-13	254.49	252.06	273.99	95.62	34.90	178.37	65.10
Total	539.15	572.91	572.91	254.75	44.47	318.16	55.53

Source: As per data provided (June and September 2013) by DLBD, Rajasthan

- 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 fulfil 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 CAO, DLBD stated (June 2013) that this amount was released to ULBs during the year 2012-13.
- As of August 2013, UCs in respect of 45.68 *per cent*, 47.41 *per cent* and 65.10 *per cent* of funds released in 2010-11, 2011-12 and 2012-13 respectively were outstanding, which indicated slow utilisation of funds by ULBs and lack of monitoring at Directorate level.

3.3.4.2 Fourth State Finance Commission grants

The Fourth State Finance Commission (SFC) constituted on 11 April 2011 is concurrent with the 13th FC (i.e. from 2010-11 to 2014-15). For the years 2010-11 and 2011-12, the Fourth SFC had recommended (in its first interim report of July 2011) devolution of 3 *per cent* of State's net own tax revenue (excluding entertainment tax) to local bodies in the ratio of 75.70 : 24.30 to PRIs and ULBs on provisional basis and budgeted figures were to be adopted for quantifying the divisible pool. Similarly, for the year 2012-13, the SFC had recommended (in its second interim report of September 2012) devolution of 5 *per cent* of State's net own tax revenue (excluding entertainment tax) to local bodies in the ratio of 75.10 : 24.90 to PRIs and ULBs. As per budget document, the State's net own tax revenue (excluding entertainment tax) for the years 2010-11, 2011-12 and 2012-13 worked out to ₹18,500.66 crore, ₹20,295.14 crore and ₹26,110.93 crore respectively and the amount transferable to ULBs for the years 2010-11, 2011-12 and 2012-13 worked out to ₹134.87 crore, ₹147.95 crore and ₹325.08 crore respectively.

The position of grants released and utilisation under the Fourth SFC during 2010-11, 2011-12 and 2012-13 is given in **Table 3.6** below:

Table 3.6: 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 (August 2013) from ULBs		UCs pending	
					Amount	Percentage	Amount	Percentage
2010-11	134.87	132.12	45.00	(-) 87.12	29.91	66.47	15.09	33.53
2011-12	147.95	150.70	237.53	(+) 86.83	106.77	44.95	130.76	55.05
2012-13	325.37	325.37	325.66	(+) 0.29	28.05	8.62	297.32	91.38
Total	608.19	608.19	608.19	-	164.73	27.10	443.17	72.90

Source: As per data provided (June and September 2013) by CAO, DLBD, Jaipur

The CAO, DLBD stated (June 2013) that short release of ₹ 87.12 crore of 2010-11 was disbursed in 2011-12 and short release of ₹0.29 crore of 2011-12 was disbursed in 2012-13.

3.4 Database on finances and accounting arrangements

3.4.1 National Municipal Accounts Manual (NMAM) for ULBs in India developed by the Ministry of Urban Development, GoI was introduced in February 2005. On the lines of NMAM, Rajasthan Municipal Accounting Manual has been prepared. 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 (except Municipal Corporation, Jodhpur) none of the ULBs was preparing the accounts on accrual basis.

3.4.2 A scrutiny of accounts of Municipal Corporation, Jodhpur for the years 2011-12 and 2012-13 revealed that grants received/loans raised by Municipal Corporation were not utilised as indicated in Table 3.7 below:

Table 3.7: Position of grant/loan received by Municipal Corporation, Jodhpur

(₹ in crore)

Particulars	2011-12			2012-13	
	Opening balance (as on 1 April 2011)	Grant/ loan received	Unspent balance (as on 31 March 2012)	Grant/ loan received	Unspent balance (as on 31 March 2013)
(A) Grants					
Special grant for Swarna Jayanti Shahri Rozgar Scheme	0.15	1.78	1.93	0.01	1.94
Special grant from State Finance Commission	2.40	7.56	9.96	0.00	9.96
Special grant from Member of Legislative Assembly quota	0.36	0.46	0.82	0.05	0.87
Special grant for Integrated Housing and Slum Development Programme	0.00	6.99	6.99	1.51	8.50
Special grant for 13th Finance Commission	5.50	8.70	14.20	14.70	28.90
Total	8.41	25.49	33.90	16.27	50.17
(B) Loans					
Building loan from Rajasthan Bank	3.13	Nil	3.13	Nil	3.13
Loan for Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)	4.83	Nil	4.83	Nil	4.83
Loan for construction work and liability	7.00	Nil	7.00	Nil	7.00
Total	14.96	Nil	14.96	Nil	14.96
Grand Total (A+B)	23.37	25.49	48.86	16.27	65.13

- The above table indicates that the Municipal Corporation, Jodhpur did not utilise grants and loans of ₹ 23.37 crore lying with it at the end of the year 2010-11 nor did it utilise the grants of ₹ 41.76 crore subsequently received during the years 2011-12 and 2012-13. Thus, under various heads/schemes the unspent balance increased from ₹ 23.37 crore to ₹ 65.13 crore during this period. Therefore, the M Corp had to bear the interest liability on the loans raised on the one hand, and on the other, due to non utilisation of grants, it would have run the risk of non-release of further grants by Central/State Government.
- Non-utilisation of grants/loans defeated the purposes for which these were raised and the public was deprived of intended benefits.
- As on 1 April 2011, balance of loans raised for building (₹ 3.13 crore), UIDSSMT (₹ 4.83 crore) and for construction work and liability (₹ 7 crore) was ₹ 14.96 crore. This amount has not been put to use till 31 March 2013. This indicated that loans were taken without any requirement and possibilities of incurring interest liability on loan amounts also cannot be ruled out.

The Department stated (September 2013) that for proper maintenance of accounts of M Corp, Jodhpur, a panel of Chartered Accountants was being prepared.

- Possibilities of similar irregularities regarding utilisation of funds by other ULBs due to non-preparation of accounts on accrual basis (double entry accounting system) cannot be ruled out.

3.4.3 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 (July 2013) that his Regional offices have been instructed (July 2013) to certify the correctness of the accounts of ULBs while conducting audit. This indicates that accounts were not certified by Director, LFAD.

3.4.4 The Ministry of Urban Development, GoI has issued (April 2010) database formats to be adopted by ULBs as prescribed by the 13th FC. The CAO, DLBD intimated (June 2013) that prescribed database formats have been forwarded to all the 184 ULBs of the State and relevant information as to its adoption was 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 (July 2013) that out of 184 ULBs, audit of 126 ULBs (3 M Corps, 8 MCs and 115 MBs) was pending for the period 2012-13 due to shortage of staff.

3.6 Audit arrangement

The CAG conducts audit of bodies substantially financed by grants or loans from the Consolidated Fund of India or any State under Section 14 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. Further,

Section 99-A of RMA, 2009, as amended in 2011 provides for audit of accounts of municipalities by the CAG.

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 2013, a large number of paragraphs (59,549) included in 5,544 IRs in respect of ULBs issued by Director, LFAD were pending for settlement. These observations include 225 embezzlement cases with monetary implication of ₹ 1.67 crore.

3.7.2 Similarly, 1,086 IRs containing 10,241 paragraphs in respect of ULBs issued by Office of the Principal Accountant General (General & Social Sector Audit), Rajasthan involving money value of ₹ 4,753.86 crore, were also pending for settlement as on 31 March 2013. Out of this, even first compliance reports on 2,368 paragraphs of 218 IRs were not furnished (31 March 2013). The year-wise position of outstanding paragraphs is given in **Table 3.8** below:

Table 3.8: Outstanding paragraphs of ULBs

Year	Pending			Non-receipt of first compliance	
	IRs	Paragraphs	Money value (₹ in crore)	IRs	Paragraphs
Upto 2003-04	74	451	239.99	-	-
2004-05	126	1,180	557.65	-	-
2005-06	181	1,528	513.56	1	110
2006-07	188	1,746	539.20	1	138
2007-08	140	1,385	274.14	15	167
2008-09	150	1,413	214.24	65	860
2009-10	92	1,004	653.20	48	90
2010-11	41	494	664.28	20	175
2011-12	74	736	599.96	52	565
2012-13	20	304	497.64	16	263
Total	1,086	10,241	4,753.86	218	2,368

This indicated lack of prompt response on the part of the municipal/departmental authorities which resulted in recurrence of the deficiencies and lapses pointed out earlier. Only one meeting of Audit Committee was held on 13 February 2013 in which steps for concrete compliance, discussion of paragraphs at regional level, formation of sub-committees etc. were discussed. No individual paragraphs were discussed and settled.

3.8 Impact of Audit

During 2012-13, recovery of ₹ 6.52 lakh in 9 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.
- Absence of timely finalisation of accounts in the formats prescribed and prompt audit 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 COMPLIANCE AUDIT OF URBAN LOCAL BODIES

This chapter contains Performance Audit of 'Implementation of Urban Infrastructure Development Scheme for Small and Medium Towns' and five paragraphs related to Compliance Audit of Urban Local Bodies.

PERFORMANCE AUDIT

Local Self Government Department

4.1 Implementation of Urban Infrastructure Development Scheme for Small and Medium Towns

Executive Summary

Urban Infrastructure Development Scheme for Small and Medium Towns, a flagship scheme of Government of India (GoI), was launched (December 2005) to improve urban infrastructural facilities by creating durable public assets and quality oriented services in cities and towns in a planned manner and to enhance Public Private Partnership in infrastructural development.

Performance Audit of the scheme revealed that out of 181 non-mission cities/towns in the State, the State Government covered 35 cities/towns at random basis under the scheme and 37 projects worth ₹ 609.93 crore were sanctioned during 2005-09. Thereafter no project was sanctioned. Of these, only 22 projects (59 per cent) were completed (February 2014) by utilising ₹ 124.60 crore. The second instalment of Additional Central Assistance of ₹ 175.06 crore was not received from GoI due to non-implementation of reforms. Instances of undue financial assistance to contractors (₹ 7.89 crore), created assets not put to use (₹ 6.88 crore), unfruitful expenditure on incomplete projects (₹ 5.47 crore) and irregular procurement of material (₹ 2.49 crore) were also noticed.

4.1.1 Introduction

Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), a flagship scheme of Government of India (GoI) for improving urban infrastructural facilities by creating durable public assets and quality oriented services in cities and towns in a planned manner and for enhancement of Public Private Partnership (PPP) in infrastructural development, was launched (December 2005) for all cities/towns as per Census 2001 except Jaipur, Ajmer and Pushkar which were covered under the Jawaharlal Nehru National Urban Renewal Mission. The scheme was reforms oriented and as per Memorandum of Agreement (MoA) executed between Ministry of Urban Development (MoUD), Government of India and the State Government, the Urban Local Bodies (ULBs) and parastatal agencies were to implement

various reforms during the period covered under the scheme. It subsumed the existing schemes of Integrated Development of Small and Medium Towns and Accelerated Urban Water Supply Programme. The Scheme period fixed for seven years from December 2005 to March 2012, has been extended (April 2012) up to March 2014.

4.1.2 Scheme objectives and components

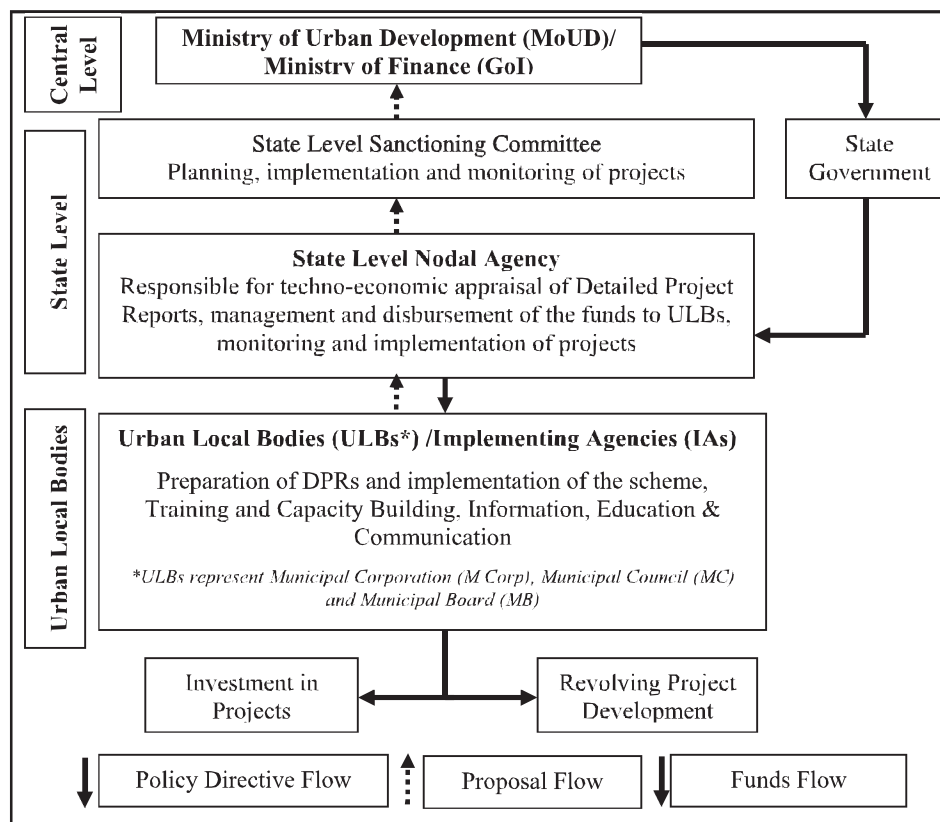
The objectives of the scheme are to improve urban infrastructural facilities, extend help in creation of durable public assets and quality oriented services in cities and towns in a planned manner and to enhance PPP in infrastructural development.

The major components of the scheme are: urban renewal, water supply and sanitation, sewerage and solid waste management, construction and improvement of drains/storm water drains, construction/upgradation of roads, highways/expressways, parking lots/spaces on PPP basis, development of heritage areas, prevention and rehabilitation of soil erosion/landslides and preservation of water bodies.

4.1.3 Organisational set up

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

Chart 4.1: Organisational set up and fund flow



The Local Self Government Department (LSGD), Government of Rajasthan (GoR) designated (March 2006) Rajasthan Urban Infrastructure Finance and Development Corporation (RUIFDCo) as the State Level Nodal Agency (SLNA) for implementing the scheme in the State.

4.1.4 Audit objectives

The objectives of the performance audit were to assess:

- implementation of the scheme in the most economic, efficient and effective manner with proper budgeting and financial management;
- the improvement in urban infrastructural facilities (including solid waste management), creation of durable public assets and provision of quality oriented services to urban population;
- implementation of reforms at the State and ULB level; and
- the effectiveness of internal control and monitoring mechanism.

4.1.5 Audit criteria

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

- Guidelines issued by GoI on UIDSSMT;
- Minutes of meetings of the State Level Sanctioning Committee (SLSC) and SLNA;
- Detailed Project Reports of selected projects;
- Public Works Financial and Accounts Rules (PWF&AR); and
- General Financial and Accounts Rules (GF&AR).

4.1.6 Audit coverage

There were 37 sanctioned projects one in each of the 33 cities/towns and two each in two cities (Bikaner and Mount Abu). Implementations of 14 projects, one each in 14 cities (name of cities have been given in *Appendix-VIII*) were selected for audit. This representing 38 *per cent* of the total number of projects involving expenditure of ₹ 204.15 crore (45 *per cent* of total expenditure of ₹ 451.44 crore) were selected for detailed study, on the basis of random sampling method. Performance audit was carried out during February to July 2013. An Entry Conference was held (February 2013) with the Additional Chief Secretary, LSGD in which audit objectives, audit criteria etc. were discussed. Exit Conference was held on 16 April 2014 with the Director, Local Bodies, wherein the audit findings were discussed. Reply received (April 2014) from the State Government has been incorporated suitably.

Audit acknowledges the cooperation and assistance of the State Government, ULBs and ZPs while conducting this audit

4.1.7 Physical and financial progress

4.1.7.1 Physical progress

An elaborate planning and preparatory framework was to be carried out for ensuring the timely completion of projects. Sector-wise break-up of 37 sanctioned projects¹ with project cost, funds released by RUIFDCo to Implementing Agencies (IA), expenditure incurred and status of projects is given in *Appendix-VIII*.

Audit scrutiny revealed that as on 31 March 2013:

- Thirty seven projects (aggregate cost ₹ 609.93 crore) were sanctioned. 13 projects (aggregate cost ₹ 32.17 crore) were completed after incurring expenditure of ₹ 33.73 crore. Of this, 11 projects were completed with delays ranging from 5 to 56 months. A portion of another project bearing cost of ₹ 1.67 crore was abandoned after expending ₹ 1.70 crore. Work on the remaining 23 projects was in progress after incurring expenditure of ₹ 413.68 crore. Of these, 22 projects could not be completed even after lapse of 6 to 57 months from their stipulated dates of completion.
- Out of 14 test checked projects, 7 worth ₹ 19.40 crore were completed by incurring expenditure of ₹ 19.49 crore with delays ranging from 5 to 47 months and work on the remaining 7 projects worth ₹ 230.94 crore was incomplete even after lapse of 8 to 49 months from the stipulated dates, after incurring expenditure of ₹ 184.66 crore. Main reasons for delay in completion of the test checked projects were due to lack of action in evicting encroachment from project site, selection of site without clear land title and lack of monitoring of the progress of works.

The State Government accepted the facts and stated (April 2014) that 22 projects have been completed by the end of February 2014 with a Project cost of ₹ 121.67 crore and expenditure of ₹ 124.60 crore.

4.1.7.2 Financial management

As per scheme guidelines, the sharing of funds was to be in the ratio of 80:10:10 amongst GoI, State Government and the ULBs respectively. Besides, the Tender Premium (TP), if any, was to be borne by ULBs. Central share as ACA was to be released to SLNA in two instalments viz 50 per cent on signing of MoA and after ascertaining availability of the State share and the remaining 50 per cent was to be released on submission of Utilisation Certificates (UCs) by ULBs and implementation of reforms.

The year-wise position of number of projects sanctioned, funds released to RUIFDCo and expenditure incurred on the projects up to March 2013 is given in **Table 4.1** below:

1. Sewerage System: 13 (₹ 397.95 crore), Drainage System: 6 (₹ 20.01 crore), Road side drains and urban renewal: 13 (₹ 32.82 crore), Water Bodies: 2 (₹ 6.70 crore) and Water supply: 3 (₹ 152.45 crore)

Table 4.1: Projects sanctioned, funds released to RUIFDCo and expenditure incurred on the sanctioned projects

(₹ in crore)

Year	Number of projects sanctioned	Cost of sanctioned projects	Fund released to RUIFDCo					Expenditure incurred
			GoI share	GoR share	ULBs contribution	Special fund	Total (4+5+6+7)	
1	2	3	4	5	6	7	8	9
2005-06	12	34.59	Nil	Nil	3.40	Nil	3.40	Nil
2006-07	10	108.78	32.17	3.94	7.75	Nil	43.86	0.78
2007-08	6	126.23	57.13	7.14	1.95	Nil	66.22	33.28
2008-09	9	340.33	163.16*	20.39	9.52	Nil	193.07	60.50
2009-10	Nil	Nil	31.76	3.97	21.83	Nil	57.56	66.49
2010-11	Nil	Nil	Nil	Nil	38.54	Nil	38.54	90.92
2011-12	Nil	Nil	Nil	Nil	33.35	Nil	33.35	104.43
2012-13	Nil	Nil	2.10*	Nil	37.18	80.00	119.28	99.81
Total	37	609.93	286.32	35.44	153.52	80.00	555.28	456.21

* This includes incentive for DPR of ₹ 4.77 crore (₹ 2.67 crore+ ₹ 2.10 crore)

- Audit observed that first instalment of ACA for 25 projects amounting ₹ 230.14 crore was released by GoI after delays ranging from 2 to 13 months (*Appendix-VIII*).

- As the State Government failed to implement one mandatory reform i.e. 'Property Tax with Geographic Information System (GIS)' and one optional reform regarding 'Introduction of Property Title System' at ULB level (as discussed in the subsequent paragraphs), the second instalment of ACA for 20 projects amounting to ₹ 175.06 crore was not released by the MoUD, even though the required UCs were submitted. In SLSC meeting (September 2010), it was decided that works should not be stopped due to non-release of second instalment of ACA. Therefore, the State Government released special fund amounting to ₹ 80 crore (October 2012 to March 2013) from its own sources. This resulted in an extra financial burden of ₹ 80 crore on the State exchequer.

The State Government accepted the facts (April 2014) and stated that the extra financial burden will be removed after release of the second instalment of ACA from the GoI. However, it stated that the second instalment of ACA has not been received so far (April 2014).

- Specific provisions for utilisation of interest earned on the surplus scheme funds were not mentioned in the guidelines at the time of launching of scheme in December 2005. Subsequently, MoUD issued instructions in March 2013 for keeping interest earned on scheme funds in a separate account. Audit observed that interest of ₹ 1.44 crore (₹ 0.88 crore by test checked 12 ULBs and ₹ 0.56 crore by RUIFDCo up to March 2013) on the scheme fund was lying idle in bank accounts.

The State Government stated (April 2014) that the IAs have been directed to deposit the amount of interest earned under a separate accounting head. Accordingly, MC, Bundi and MB, Jhalrapatan have deposited interest under the relevant accounting head.

- As per Para 19.2 of the scheme guidelines, project fund along with ULBs contribution were to be kept in commercial bank accounts bearing interest. It was observed that :

Rajasthan Urban Infrastructure Development Project (RUIDP), Jaipur kept the funds (₹ 42.26 crore received during April 2007 to June 2010 from SLNA) in non-interest bearing Personal Deposit (PD) account. After utilising ₹ 18.14 crore, ₹ 22.40 crore were refunded (August 2010) to SLNA and the remaining ₹ 1.72 crore was lying in PD account as on 31 March 2013. There was a loss of interest ₹ 1.10 crore at saving bank interest rate of 3.5 *per cent* per annum on the funds kept in non-interest bearing PD account during the April 2007 to March 2013.

Similarly, Public Health Engineering Department (PHED), Beawar, kept ₹ 32.41 crore in non-interest bearing deposit head “8443-Civil Deposits-III” during December 2008 to February 2013 on which loss of interest at the rate 3.5 *per cent* worked out to ₹ 0.20 crore.

- As per Para 8 of the scheme guidelines, 25 *per cent* of the Central and State share of completed projects was to be recovered from ULBs and was to be ploughed in a revolving fund for financing further investment in infrastructure projects. Audit observed that though 12 projects were completed during 2005-13 at a total cost of ₹ 29.96 crore for which full ACA was received, yet no revolving fund worth ₹ 6.74 crore (25 *per cent* of 90 *per cent* of ₹ 29.96 crore) was created (*Appendix-IX*). In the absence of revolving fund, it would be difficult to leverage market fund for financing further investment in infrastructure projects.

The State Government accepted (April 2014) the facts that revolving funds though not created, funds are being provided to IAs as loan from Rajasthan Urban Development Fund as per their requirement.

4.1.8 Planning

Detailed Project Reports prepared by ULBs/IAs and submitted to designated SLNA for appraisal, were to be discussed in SLSC meeting for approval and obtaining sanction from MoUD. In 10 SLSC meetings (between March 2006 and February 2012) 63 DPRs were discussed, 45 DPRs were submitted to MoUD for sanctioning ACA but only ₹ 609.93 crore were sanctioned for 37 DPRs.

Audit observed that:

4.1.8.1 UIDSSMT was meant for small and medium towns as per Census 2001 and was to be implemented in 181 out of 184 cities/towns of Rajasthan. Against this, 35 cities/towns (19 *per cent*) were covered under the scheme. Out of 37 approved projects, 5 projects pertaining to Municipal Corporations Bikaner (two projects), Jodhpur, Kota and Udaipur (one project each) involved ₹ 207.38 crore constituting 34 *per cent* of ₹ 609.93 crore of total sanctioned amount. This indicated improper selection of beneficiary cities/towns.

4.1.8.2 In the first SLSC meeting (March 2006), 8 DPRs² of ₹ 46.66 crore and in third SLSC meeting (August 2006) 10 DPRs³ of ₹ 38.44 crore (total 18 DPRs) of roads, drains and community toilets, though discussed were not submitted to MoUD as the scheme Director, MoUD was of the view that higher priority should be given to the projects of water supply, sewerage and solid waste management and stated that these projects may be deferred till then. Further, in the seventh SLSC meeting (February 2009) 8 projects⁴ of ₹ 311 crore were also approved and proposal forwarded to MoUD but no sanction was released by MoUD (up to March 2013). No effective steps were taken by SLNA for obtaining sanction from MoUD for these deferred (August 2006) and approved (February 2009) DPRs which led to deprival of benefits of improved infrastructure to the urban population.

The State Government accepted the facts and stated (April 2014) that it was not possible to approve all the projects submitted by ULBs looking to the availability of funds. The reply does not take into account lack of effective pursuance on the part of the State Government to obtain sanction from MoUD.

4.1.9 Execution

4.1.9.1 Unfruitful expenditure on incomplete projects

As per Rule 14 (13) of the Rajasthan Municipal (Purchase of Material and Contracts) Rules, (Rules) 1974, provisions of Public Works Financial and Accounts Rules (PWF&AR) are applicable in the matter in which no provisions exist in the said Rules. As per Rule 351 of PWF&AR, no work should be commenced on land which has not been duly made over by a responsible civil officer and Rule 298(1) *ibid* stipulates that availability of site is a prerequisite for planning and designing of work. Three work orders were issued in June 2007 and July 2008 without obtaining site clearance and permission from competent authority due to which works remained incomplete for 21 to 46 months as of March 2013 and expenditure incurred of ₹ 5.47 crore proved unfruitful as detailed in **Table 4.2** below:

-
2. Bharatpur (₹ 30.31 crore), Chabra (₹ 1.13 crore), Dungargarh (₹ 1.85 crore), Fatehpur (₹ 2.28 crore), Losal (₹ 2.20 crore), Laxmangarh (₹ 4.38 crore), Neem ka Thana (₹ 2.08 crore) and Ramgarh (₹ 2.43 crore)
 3. Bagun (₹ 3.08 crore), Barisadri (₹ 2.82 crore), Chotisadri (₹ 3.08 crore), Deoli (₹ 0.90 crore), Dholpur (₹ 10.22 crore), Khandela (₹ 3.93 crore), Jahazpur (₹ 2.14 crore), Kapasan (₹ 1.65 crore), Pali (₹ 6.72 crore) and Toda Raisingh (₹ 3.90 crore)
 4. **Sewerage projects** - Balotra (₹ 35.21 crore), Banswara (₹ 39.76 crore), Deedwana (₹ 45.92 crore), Fatehpur (₹ 40.48 crore), Makarana (₹ 47.04 crore), Nathdwara (₹ 29.12 crore) and Sriganganagar (₹ 54.44 crore); **Water supply project** - Sangod (₹ 19.03 crore)
-

Table 4.2: Unfruitful expenditure on incomplete projects

(₹ in crore)

Name of Project	Expenditure incurred	Audit observations
Laying of 3.150 km sewerage drain pipe line on right side of the Gambhiri river at Chittorgarh a part of work "construction of intercepting drain feeder for disposal of waste water" (work order amounting to ₹ 4.40 crore issued in June 2007)	1.70	Sewerage pipe line of 200 metres (m) was not laid due to land dispute with private owner of land and executed work was also substandard. This part of the project was abandoned (May 2009).
Construction of 2.951 km major drain – RTO to Digari under sewerage drain pipeline at Jodhpur (work order amounting to ₹ 4.91 crore issued in July 2008)	1.81	Constructed only 1,100 m drain. Work of 100 m could not be executed due to non-clearance from Railway and for remaining 1,751 m permission was not granted by Defence authorities. Work lying incomplete since June 2011.
Construction of 1.70 km drain from Bharon Nallah, Guruon Ka Talab to Pratham Puliya Chopasani Road under sewerage drain pipeline at Jodhpur (work order amounting to ₹ 2.34 crore issued in July 2008)	1.96	Due to encroachment of land, 300 m drain could not be constructed. Work lying incomplete since October 2010.
Total	5.47	

The State Government accepted the facts and stated (April 2014) that efforts are being made for availability of sites for execution of works.

4.1.9.2 Created asset not put to use

Construction of "7.5 million litres per day (MLD) Sewerage Treatment Plant (STP) (Activated Sludge Process) lot 2" at Pali was completed in September 2012 by incurring an expenditure ₹ 6.88 crore, but it was not commissioned due to non completion of sewerage pipeline network as the work was stopped by the contractor. However, the STP was inaugurated on 3 October 2013 by connecting it with city Nallah instead of sewerage line. It was observed (October 2013) that work of sewerage line system was not restarted by the contractor. Further, no electric connection was released to STP and the plant could not be commissioned for testing nor could it be put to use. Hence, the asset created in the scheme was not put to use and the intended benefit of improved environment was not achieved.

The State Government stated (April 2014) that commissioned STP has been handed over to the MC, Pali on 30 October 2013. However, reply is not correct as STP was connected with city Nallah for testing the created assets only. Since the assets were not linked with sewerage system the ultimate objective of the created assets could not be achieved.

4.1.9.3 Avoidable financial burden due to incorrect estimates

As there was no provision for revision of sanctioned project cost, any increase in the cost was to be borne by the ULBs. In the following cases, it was observed that:

- As per approved DPR, cost of sewerage line work at Sardarshahar was ₹ 30.72 crore, against which work order for ₹ 31.49 crore was placed. While executing the work, in 12 items of work, additional quantities costing ₹ 3.88

crore and three extra items of work costing ₹ 2.26 crore were required to be executed due to revised design which resulted in cost overrun by ₹ 6.14 crore (₹ 3.88 crore + ₹ 2.26 crore).

- Sewerage pipeline at Jhunjhunu was approved for ₹ 30.90 crore and work order for ₹ 32.70 crore was placed. While executing the work, cost of 11 items of work exceeded by ₹ 5.91 crore and five extra items of work costing ₹ 2.07 crore were added to work due to revision in drawing which resulted in cost overrun by ₹ 7.98 crore.

It indicates that the DPRs were prepared by consultants without considering actual site conditions, due to which actual cost of projects exceeded by ₹ 14.12 crore and resulted in extra financial burden of ₹ 12.71 crore (90 per cent of ₹ 14.12 crore) on the concerned MCs.

The State Government stated (April 2014) that the exact quantity of the items could not be assessed in civil contract, however, action of debarring the contractor for one year for preparation of defective DPRs has been taken. It was further stated that additional cost of the ULBs has been substantially provided by the State Government from its untied fund.

4.1.9.4 Procurement of pipes without requirement

As per Rule 14 (13) of the Rajasthan Municipalities (Purchase of Material and Contracts) Rules, 1974, provisions of GF&AR are applicable on purchases made by ULBs. As per Rule 64 (iii) of GF&AR (Part-II) material should not be procured in advance of requirement. This was also reiterated in clause 52.1(v) of Section IV of special condition of contract for execution of works. Audit observed that 64,875 m pipe of 110 mm dia uPVC pipe costing ₹ 2.32 crore required for connecting houses with sewerage system at Sardarshahar, were procured and payment of ₹ 1.80 crore was released (up to November 2012). Similarly, 30,530.90 m pipe (110 mm dia uPVC) costing ₹ 0.99 crore were procured (March 2011) for sewerage system at Pali and payment of ₹ 0.69 crore was released. These pipes could not be utilised (March 2013) due to incomplete main and lateral sewerage line works and were lying in stores. Thus, procurement of pipes worth ₹ 2.49 crore without requirement was in contravention of provisions of GF&AR. This also resulted in blocking of funds of ₹ 2.49 crore.

The State Government stated (April 2014) that full quantity of uPVC pipes of 64,875 m in Sardarshahar and 5,165 m in Pali have been utilised. However, details of utilisation have not been made available to Audit.

4.1.9.5 Undue benefit to contractors

As per general conditions of contract (clause 2.1 of agreement) if the contractor fails to maintain *pro rata* progress and delay is attributable to him, he shall be liable to pay compensation (Liquidated Damages (LD)) for every quarterly span as reviewed by Engineer-in-charge. The progress of the works was slow in six projects but delay was not reviewed and LD was not levied and deducted

from contractors' bills which resulted in undue benefit to the tune of ₹ 5.66 crore⁵ to the contractors.

The State Government accepted the facts and stated (April 2014) that an amount of ₹ 0.71 crore has been withheld from the contractors' payment as interim LD in three cases. Time extension without penalty has been approved by competent authority in other cases. Details of approval of time extension were not made available to Audit.

- Construction of 9.385 km bitumen and cement concrete (CC) road in Tonk City as per Ministry of Road Transport and Highway, GoI specification was completed (December 2009) by contractor 'A' by incurring expenditure of ₹ 4.83 crore at DPR rates. As per DPR, defect liability period (DLP) was five years for operation and maintenance (O&M) of roads and charges were to be borne by the contractor after completion of the road, but in the bid document finalised by Chief Executive Officer, Municipal Council (MC) Tonk, DLP was fixed for three years i.e. up to 31 December 2012. MC, Tonk floated fresh tenders in February 2013 for maintenance of the road after two months of the completion of DLP fixed in bid document and awarded work order (April 2013) amounting ₹ 2.23 crore to contractor 'B'. Had the DLP for full five years been included in the bid document of original work, O&M of the road up to December 2014 would have been borne by the contractor 'A' and the extra expenditure of ₹ 2.23 crore (O&M work from April 2013) could have been avoided. This led to undue benefit to contractor 'A'.

The State Government stated (April 2014) that NITs were floated with five years DLP but contractors did not participate, therefore DLP was reduced to three years and the actual date of completion was 10 June 2008. Therefore, the DLP has been completed in June 2011. Details in support of reply were not made available to audit and approval of change in DPR could not be obtained from the competent authority.

4.1.9.6 Non-maintenance of created assets

As per Section 74 of Rajasthan Municipalities Act, 2009, ULBs are responsible for keeping an inventory of assets created and also to maintain and operate the assets. Audit observed that:

- The construction of a major drain (*Nallah*) at Pratapgarh was completed (April 2009) by incurring an expenditure of ₹ 1.45 crore. O&M charges for five years were to be borne by the contractor after the construction was over. The constructed *Nallah* was damaged at various places and choked (March 2013) with solid waste within five years of its completion. Discharge of *Nallah* was in municipal low lying areas, which was creating hazards to public property and life and no provision for collection of sewerage water and solid

5. Jhunjhunu (sewerage system: ₹ 0.29 crore), Jodhpur (STP: ₹ 1.06 crore and sewerage system: ₹ 0.94 crore), Pali (STP: ₹ 0.44 crore and sewerage line: ₹ 2.21 crore), Sardarshahar (sewerage system: ₹ 0.39 crore), Pratapgarh (major drains: ₹ 0.06 crore) and Srimadhapur (construction of *Nallah*: ₹ 0.03 crore and construction of road: ₹ 0.24 crore)

wastes was made (March 2013). MC, Pratapgarh stated (March 2013) that the major drain was damaged by local people and its repair work was carried out by the contractor during guarantee period. The reply was not acceptable as no record for repair was made available to audit and the *Nallah* was lying in damaged condition. This indicated improper maintenance of asset.



While accepting the facts the State Government stated (April 2014) that all the damages have now been got repaired from the contractor and the ULB is taking action for cleaning of this *Nallah*.

- Five *Sulabh Shauchalayas* (SS) were constructed at various places of Municipal Board (MB), Bhawanimandi in March 2009 by incurring an expenditure of ₹ 0.24 crore. One SS, constructed on private land, was dismantled (July 2012) by the owner of the land; another constructed at *Krishi Upaj Mandi* premises, was not in regular use and the other three SSs were not in use as these were very unhygienic and in dilapidated condition (June 2013). Thus, the MB, Bhawanimandi failed to maintain the assets and general public was deprived benefit of their use.



4.1.9.7 Unjustified expenditure

- There was no provision for construction of tube wells and other related works in the approved DPR of the project 'beautification of Gomti Sagar' (Water Bodies work) but IA (PWD Division, Jhalawar) incurred (March 2012) an expenditure of ₹ 0.23 crore on construction of a tube well and other related civil works. As no electricity connection was taken at project site, the tube well could not be put to use and was lying unutilised (March 2013).
- A sedimentary tank of 170 kilolitre capacity at the tail end of sewerage drain at Chittorgarh was constructed without any provision in the approved DPR by incurring an expenditure of ₹ 7 lakh, which was lying unutilised and in damaged condition since May 2009.



- As per para 10.9.1 of Indian Road Congress (IRC) Special Publication (SP) 20-2002 the compressive strength of M-30 CC road should be 300 kilogram (kg)/square centimetre (sqcm) after 28 days from the date of casting of cubes. During construction of CC road at Tonk, the contractor executed M-30 CC work⁶ of which average strength of cubes was 251.66 kg/sqcm. Thus, the work was substandard. Hence payment of ₹0.22 crore to the contractor for substandard work was unjustified.

The State Government stated (April 2014) that the required strength for 28 days of M-30 CC road is 250 kg/sqcm, therefore the work was not substandard. The reply is not acceptable because the compressive strength of M-30 CC road should be 300 kg/sqcm as per IRC specification.

- Rule 378 of PWF&AR provides that in lump sum contracts, the contractor agrees to execute a complete work with all its contingencies in accordance with drawing and specification for a fixed sum and the detailed measurements of work done are not required to be recorded except for addition and alteration. Therefore, inclusion of a clause on price variation in the lump sum contract agreement was not justified as per the provision stated above.

Audit observed that ₹ 2.18 crore were paid on account of price variation on lump sum/turnkey basis contracts for sewerage system projects at Jhunjhunu (₹ 0.18 crore), Jodhpur (₹ 1.78 crore) and Pali (₹ 0.22 crore) which was not justified as per the provision stated above.

The State Government stated (April 2014) that the payment of price escalation has been made after approval from FD. The reply is not acceptable because payment of price escalation on turnkey basis projects was not admissible as per provision of PWF&R.

4.1.9.8 Non-obtaining of utilisation certificates

In the cases given below, neither details of expenditure nor utilisation certificates (UCs) of ₹ 1.02 crore were submitted (March 2013) by IAs:

- RUIDP transferred (March 2011) ₹ 0.51 crore to PWD Division, Jhunjhunu for repair/restoration of road work under 'sewerage pipeline project' at Jhunjhunu.
- MB, Srimadhapur transferred (April 2008 to February 2009) ₹ 0.17 crore to Ajmer Vidyut Vitaran Nigam Limited for shifting electric lines and poles from the road area under 'road and drainage project at Srimadhapur'.
- PWD, Jhalawar transferred (July 2008 to November 2009) ₹ 0.34 crore to PWD, Electrical Division, Kota for execution of electrification work for beautification of Gomti Sagar project.

6. 869.62 cubic metre during 21 February to 10 June 2008

While accepting the facts the State Government stated (April 2014) that UCs of ₹ 0.51 crore from PWD Division, Jhunjhunu has been received.

4.1.10 Miscellaneous

4.1.10.1 Loss of revenue

A sewerage treatment plant (STP) of 50 MLD capacity constructed at Jodhpur was handed over to M Corp, Jodhpur in September 2012. As per DPR and SLSC meeting held on 13 February 2009, O&M expenditure was to be met from sale/auction of the treated water of STP and biogas was to be utilised for power generation of 750 KWH. Though the STP was functioning from 1 October 2012 no revenue was generated on account of biogas power (electricity) generation as neither the power generating units were installed nor sale/auction of treated water was held. The M Corp, Jodhpur was deprived of expected revenue of ₹ 0.85 crore⁷ due to non-generation of power from biogas. Further, no revenue from sale of 4,500 million litre treated water (on an average 25 MLD for 180 days) during the period from 1 October 2012 to 31 March 2013 could be earned, as no water was sold.

The State Government stated (April 2014) that no provision for bio-gas power generation was made in approved DPR. The reply is not acceptable as while approving the DPR it was suggested (August 2007) by the SLSC that an integrated DPR should always be prepared and alternative source of funding like PPP should be explored for installation and operation of power plant from the bio-gas generated by STP. Non-utilisation of bio-bas generated by STP, not only created environmental pollution but also deprived estimated revenue of ₹ 0.85 crore.

4.1.10.2 Failure to earn revenue as envisaged in the approved DPR

As per approved DPR for construction of a major drain at Pratapgarh, extra land recovered/reclaimed in drain course was to be used for construction of shops. Audit scrutiny (May 2013) revealed that the work was completed (April 2009) but shops were not constructed on recovered/reclaimed land and covered portion of the drain. Thus, MC, Pratapgarh failed to generate revenue from shops, as envisaged in DPR. It was also noticed that covered portion of drain area has been encroached by people.



The State Government stated (April 2014) that shops could not be constructed due to poor financial position of ULB.

7. Expected revenue for 12 month ₹ 1.70 crore and for six month is ₹ 0.85 crore

4.1.10.3 Scope of work reduced by executing agency

DPR for beautification of Gomti Sagar project, Jhalrapatan was approved for ₹ 4.93 crore. Tenders for work were invited by MB, Jhalrapatan but were cancelled (15 February 2007) by the State Government due to single tender and higher tender premium. The State Government withdrew the work from the MB and appointed (February 2007) PWD Division, Jhalawar as IA. It was observed that while preparing estimates (April 2007) for the project, the PWD included *pro rata* charges ₹ 0.57 crore (at the rate of 13 *per cent*) and contingency charges ₹ 0.06 crore (at the rate of 1.5 *per cent*) in the estimated cost by reducing the scope of work *viz* deletion of construction of 500 m *Nallah*, reducing length of retaining wall and footpath/walking track by 840 m each; reducing length of boundary wall by 285 m and heritage look was not given at site. Due to reduction in the scope of work the very purpose of beautification of the project by prevention of water pollution, checking of encroachments and providing heritage look were not achieved.

The State Government stated (April 2014) that the work was executed as per the requirement and decision taken by the City Monitoring Committee. The reply is not correct as the scope of work was reduced to meet the *pro rata* charges and work was not executed as per approved DPR.

4.1.11 Training and capacity building

As per Para 16 of scheme guidelines, Central and State Government were to organise suitable training for capacity building through reputed institutions in the field. Further, as per Para 9 of scheme guidelines, SLSC may sanction 1.5 *per cent* amount of project cost as incentive. It was observed that neither was any training programme conducted nor was the incentive amount sanctioned and released to ULBs. Consequently, awareness relating to project/scheme among people/staff could not be developed.

The State Government stated (April 2014) that funds were not released by MoUD, GoI.

4.1.12 Non-implementation of agenda reforms

The main thrust of the scheme was to revise strategy of urban renewal to ensure improvement in urban governance, so that ULBs and parastatal agencies become financially sound with enhanced credit rating and ability to access market capital for undertaking new programmes and expansion of services. To achieve this objective, State Governments, ULBs and parastatal agencies executed MoA with MoUD for implementation of reforms. The proposed reforms fall broadly under two categories:

- Mandatory reforms
- Optional reforms

The State and ULBs needed to implement at least two optional reforms each year.

The State Government intimated that three out of four mandatory reforms at State Level, five out of six at ULB level and 12 out of 13 optional reforms have been implemented. One mandatory reform of 'property tax' with 85 *per cent* collection efficiency and one optional reform regarding 'introduction of property title certification system' in ULBs were still to be implemented.

It was observed that:

- Out of 18 functions listed in Twelfth Schedule of the Constitution, 2 functions i.e., urban planning including town planning and water supply for domestic, industrial and commercial purpose were not accomplished and 16 functions were transferred to ULBs without staff. Therefore, environment for the growth of the city by enhancing effective urban service delivery and civic infrastructure through improvements in urban management, land management, financial management and stakeholder participation in local governance could not be achieved.
- Mandatory reforms at ULB level regarding e-Governance, accrual-based double entry accounting system, internal earmarking of funds for services to urban poor and levy of user charges were partially implemented in test checked ULBs. At State level, Enactment of Community Participation Law was partially implemented. Further, optional reforms regarding Enactment of Public Disclosure Law were partially implemented.

The State Government stated (April 2014) that 87 *per cent* of the reforms have been implemented by the GoR. For the reform of recovery of property tax, user charges could not be achieved as per the targets, and the reform of Introduction of Property Title Certification will be implemented as per the direction of MoUD, GoI.

4.1.13 Non-sanctioning of projects under Public Private Partnership model

Encouraging PPP was one of the scheme objectives for infrastructural development. Since guidelines/criteria were not developed between Government agencies and the private sector for undertaking activities of building infrastructure projects, the private sector did not participate in infrastructural development.

The State Government stated (April 2014) that out of 37 projects, 21 projects were of very small amount and remaining 16 projects were public utility projects; therefore, PPP model could not be adopted.

4.1.14 Monitoring and evaluation

To review and monitor the physical and financial progress of the project throughout the project development life cycle, MoUD evolved (November 2009) a State level mechanism for monitoring and review of project by an independent agency named "Independent Review and Monitoring Agency" (IRMA). 10 *per cent* of the approved projects in the State in order of higher project cost should be taken up by IRMA for technical inspection. Maximum three visits i.e. after start of project, prior to release of second instalment and

after completion of the project were to be carried out under the scheme. Four projects (three Sewerage projects at Kishangarh, Jodhpur and Pali and one Water supply project at Udaipur) were selected for IRMA. In two test checked sewerage projects at Jodhpur and Pali, Audit observed that only one inspection (after start of project) each was conducted by IRMA on 21 and 22 April 2011 respectively. It was also noticed that action on the following recommendations made by IRMA was not taken by M Corp, Jodhpur:

- Corrective measures should be taken for timely completion of project.
- Proposals for utilisation of biogas generated from anaerobic digestion of sludge may be made and implemented.
- Permission from defence authorities may be obtained.

Further, in all the test checked projects, the mechanism evolved for monitoring the scheme at all levels was not adequate and satisfactory as *pro rata* progress of works was not maintained by contractors. No timely notice as per clause 2 of agreement for delay in execution of work was issued to contractors by ULBs.

While accepting the facts the State Government stated (April 2014) that inspecting agency has been requested to conduct mandatory inspection. All effective measures were taken for completing the projects but the projects were delayed on account of unavoidable reasons.

4.1.15 Internal control

Internal control is an important mechanism to ensure that the departmental operations were carried out according to the applicable laws, regulations and approved procedures in an economical, efficient and effective manner.

Audit observed that:

- For keeping watch on utilisation of sanctioned funds, monthly financial statements of projects were not prepared.
- Similarly, no physical and financial progress reports were prepared at ULB level.
- Basic records such as works abstract, store and stock registers, material at site account, contractor ledgers, hindrance and site inspection registers, etc. were to be maintained under PWF&AR by each ULB but none of the test checked ULBs maintained these records. In the absence of these basic records effective internal control was not ensured in audit.
- No formats were designed at ULB level for reporting effectiveness of the scheme/activities and its outcome.
- As per guidelines, 3 meetings of SLSC were to be conducted each year but it was noticed that only 10 meetings against 22 prescribed meetings were held during 2005-06 to 2012-13. In SLSC meetings review of projects sanctioned, release of second instalment of ACA, releases of incentive for

preparation of DPRs, physical and financial progress of the projects and implementation of reforms were discussed. The SLSC directed ULBs/IAs to complete the work in the scheduled time. However, there was delay in execution of projects and non-implementation of reforms resulted in non-receipt of second ACA. This indicated lack of effective internal control.

The State Government stated (April 2014) that monthly physical and financial progress statements are being prepared and action for timely preparation of progress statements is being taken. Further, SLSC meetings were conducted as and when required. The reply is not acceptable as monthly physical and financial statements were being prepared at SLNA level and not at ULB level as observed in test checked ULBs. Non-holding of SLSC meetings, as required in guidelines resulted in slackness in implementation of schemes as commented in preceding paragraphs.

4.1.16 Environmental and social impact assessment

Under the scheme, while approving DPRs, SLSC also assessed environmental (reduction of air and water pollution, scientific disposal of sewage and solid waste) and social impact (enhancing hygienic conditions and physical health) of each project. Audit observed that:

- Biogas generated by anaerobic digestion of sludge at STP, Jodhpur was not being utilised for electricity generation and was directly being released to the open air, thus polluting the environment. No action on IRMA's recommendations for use of biogas was taken.
- Due to incomplete Sewerage Drain Project at Chittorgarh, sewage with solid waste was still (March 2013) being discharged into the Gambhiri River thereby polluting its water.
- In cities/towns, waste water from households was being disposed off into open drains, creating open pools of waste water around residential colonies, especially in slums and low-lying areas as well as along the roads. These pools were major cause of vector-borne as well as gastro-enteric diseases. Open drains and waste water pools create foul odour in the vicinity and act as a hindrance in normal movements of traffic. A major drain constructed at Pratapgarh was found choked, damaged and spreading waste in the open area adversely affecting environment with increasing pollution.
- None of the 13 approved sewerage projects was fully commissioned (March 2013). Thus, the scheme failed in controlling pollution and improvement of the environment.

The State Government stated (April 2014) that provision for electricity generation was not made in DPR, intercepting sewer drain at Chittorgarh could not be completed due to court stay and ULBs have been directed for taking action regarding property connections where sewer line work has been completed. Regarding electricity generation, SLSC in its meeting (August 2007) decided that bio-gas that generated at STP, Jodhpur would be utilised for power generation.

4.1.17 Conclusion

The impact of the scheme in Rajasthan was rather limited since out of 181 cities/towns, only 35 cities/towns were covered. Further, only 37 projects costing ₹ 609.93 crore were sanctioned. No project was sanctioned after 2009 and no ACA was released during 2010-13. In fact, only 22 projects (59 *per cent*) costing ₹ 121.67 crore (19.95 *per cent*) were completed and works of the remaining projects were in progress (April 2014) though stipulated dates of completion of these projects had elapsed. Delay in execution was attributed to deficiencies in preparation of DPRs, non-availability of land, change in design and scope, etc. Lack of implementation of reforms resulted in non-release of second instalment of ACA ₹ 175.06 crore. Revolving fund for financing further investment was not created. There were instances of created assets not put to use, procurement of material without requirement, non-maintenance of created assets and absence of efforts for revenue generation from created assets. No efforts were made for private sector participation for infrastructural development activities. Internal control mechanism and monitoring system was not adequate. Environmental and social impacts of the projects as envisaged were not achieved.

4.1.18 Recommendations

- The State Government should ensure coverage of all the towns/cities under the UIDSSMT giving priority to the towns with inadequate urban infrastructure facilities;
- There should be proper planning, including site selection and coordination of all auxiliary works, before the submission of DPRs by the ULBs to the SLNA so that the works could be executed smoothly;
- The State Government should closely monitor the execution of projects through SLNA to avoid delays due to non-clearance of sites and non-maintaining *pro rata* progress of the works;
- The State Government should transfer functions of one mandatory and one optional reforms (Water Supply and Property title certification) to ULBs to enhance effective service delivery and civic infrastructure; and
- Internal control mechanism and monitoring system should be strengthened through mandatory maintenance of basic records and effective evaluation of the implementation of the scheme by SLNA.

COMPLIANCE AUDIT

Local Self Government Department

4.2 Non-compliance with rules and regulations

4.2.1 Non-levy and collection of Labour Welfare Cess

Municipal Corporation, Jaipur failed in levy and collection of Labour Welfare Cess amounting to ₹ 42.87 lakh from contractors.

For providing safety, health and welfare measures to construction workers, Government of India enacted Building and Other Construction Workers' Welfare Cess Act, 1996 (Cess Act) and framed Building and Other Construction Workers' Welfare Cess Rules, 1998 (Cess Rules) for levy and collection of cess from contractors. The Government of Rajasthan has framed and notified (April 2009) the Rajasthan Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Rules, 2009. Under the Cess Rules and further clarification issued by Labour and Employment Department, Government of Rajasthan in July 2010, the cess is to be recovered at the rate of one *per cent* at source from all the bills of the contractors of the building and other construction works with effect from 27 July 2009. The cess amount recovered is to be transferred to Rajasthan Building and Other Construction Workers' Welfare Board within 30 days of its collection after deducting cost of collection (not exceeding one *per cent* of the cess collected). The cess is to be collected by Central and State Government Organisations, Semi-Government Organisations and Private Organisations carrying out building and other construction works in the State of Rajasthan.

Scrutiny (April – August 2012) of records of Municipal Corporation, Jaipur revealed that cess amounting to ₹ 42.87 lakh was not levied and collected by the Corporation from the running and final bills of the 25 contractors paid between August 2009 and April 2012 for building and other construction works. Further, no mechanism or database of number of ongoing works and the cess collected thereon existed with the Corporation. In the absence of this data the amount of cess leviable/levied could not be assessed.

The State Government while accepting the facts stated (August 2013) that notices have been issued to the concerned contractors to deposit the cess and efforts were being made to recover the labour welfare cess. The fact, however, remains that no one has been held responsible for the lapse.

Non-levy and collection of the cess ₹ 42.87 lakh indicates failure of internal controls in the Municipal Corporation, Jaipur. The objective of levying cess for providing safety, health and welfare measures to construction workers was defeated.

4.3 Audit against propriety

4.3.1 Infertuous expenditure

Failure of Urban Improvement Trust, Kota in obtaining prior concurrence of the Defence establishment resulted in infertuous expenditure of ₹ 3.81 crore.

As per Section 30 of the Rajasthan Urban Improvement Trust (UIT) Act, 1959, while framing a scheme in respect of any area, regard shall be accorded to the nature and conditions of such area and neighbouring areas as a whole. As per the provisions of Defence Act, 1903 the Station Commanders of the Military Stations in the cities concerned are responsible for security and safety of the Defence establishment and to keep a watch that no construction within 100 metres and 500 metres of Defence land (in case of any multistoreyed building beyond four storeys) is carried out.

The State Government issued (October 2010) administrative and financial sanction of ₹ 51.25 crore for construction of a flyover-elevated road (height about 8.5 metres) from JDB College to Government College (Antaghar Circle) on Station Road, Kota which is in vicinity of a Defence establishment. After completing the tender formalities but without consulting the Army Station Commander (ASC) as required under the provisions of UIT Act *ibid*, the Executive Engineer (Project), UIT, Kota issued (December 2010) a letter of acceptance for construction of the flyover at a contract price of ₹ 45.81 crore to M/s Valecha Engineering Limited, Mumbai. The dates of commencement and completion of the contract were 12 January 2011 and 11 January 2013 respectively. The original contract price was revised to ₹ 47.77 crore by including diversion road (for smooth running of traffic during construction of flyover) at an additional cost of ₹ 1.96 crore.

Keeping in view the provisions of works of Defence Act, 1903, the Station Commander, Defence establishment, Kota raised objections on the execution of the flyover work in October 2010, February, March and July 2011. The July 2011 letter incorporates detailed guidelines issued (May 2011) by Ministry of Defence, Government of India and stated that either the construction of a flyover adjoining Defence land be cancelled or appropriate parameters in consultation of Station Commander be included for the security and functioning of military station before execution of work. Meanwhile, the work of survey, soil testing, central line marking and construction of flyover-elevated road was executed by UIT, Kota between January 2011 and April 2012 by incurring expenditure of ₹ 3.81 crore. For want of clearance from Defence establishment and on the request (March 2013) of UIT, the State Government allowed (April 2013) withdrawal of work. An unfruitful expenditure of ₹ 3.81 crore on construction of diversion road, survey, soil testing establishment and central line marking could have been avoided, had the work been undertaken after obtaining clearance from ASC, Kota.

UIT stated (July 2013) that reply was given during March and May 2011, but due to non-receipt of any response from the Army, the work was withdrawn

(April 2013). However, the Joint Secretary, Urban Development Department, Government of Rajasthan stated (August 2013) that clearance certificate from army/military authorities was not required as the construction of flyover-elevated road was proposed on existing road sites. The reply was not acceptable because as per provision of the Defence Act, 1903 and objections raised in October 2010, by the ASC, Kota construction of the proposed flyover-elevated road could start only after obtaining clearance of Defence authorities.

4.3.2 Irregularly paid amount not recovered

Slackness of Municipal Board, Bari and State Government in complying with the Hon'ble High Court orders, resulted in non-recovery of irregularly paid amount of ₹ 1.83 crore to contractor. Action against delinquent officers was also not initiated.

Sections 3 and 4 of the Rajasthan Public Demand Recovery (RPDR) Act, 1952 provide that when any public demand is due, the officer or authority charged with its realisation may send a written requisition in the prescribed form and manner, to the Collector having jurisdiction over the place where the defaulter resides or owns property. On receipt of such requisition, the Collector, if satisfied that the demand is recoverable under the Act and that its recovery by suit is not barred by any law for the time being in force, may initiate recovery of demands from the defaulter by issuing certificate of recovery prescribed under the Act *ibid*.

Audit scrutiny of records of Municipal Board (MB), Bari (District Dholpur) revealed (December 2012) that the MB had awarded (January 2009) a contract of ₹ 3.67 crore for laying of 32 kilometres (km) of underground electric cable, road cutting and repairs thereof, along with erection of 320 electric poles, fixing of compact fluorescent lamps (CFL) and ancillary activities to M/s Dee Control & Electric (P) Limited (contractor). The work was awarded in violation of the procedure laid down in Rules 3, 4, 14, 15 and 17 of the Rajasthan Municipalities (Purchase of Material and Contracts) Rules, 1974 because the Municipal Board did not (i) prepare site plan, design, drawing, structural design and detailed estimate (based on PWD BSR) of the work; (ii) obtain prior administrative and financial sanctions from the State Government; (iii) invite open tenders; (iv) execute a detailed agreement in the prescribed formats with the contractor; and (v) stipulate the date of completion of work etc before award of the work.

The Executive Engineer (EE), Jaipur Vidyut Vitaran Nigam Limited (JVVNL) monitored the work but the contractor left (March 2009) the work after cutting 10.25 km road without repairing the dugout road. The contractor partially executed erection of electric poles and street lights which were defective⁸ and not put to use so far (February 2014). Payment of ₹ 1.83 crore was made (21 March 2009) on proforma invoice of the contractor, without any measurement of work or making entries in the measurement books but based on simple

8. 242 electric poles not in alignment and in zigzag way, CFL not fixed on 61 poles and 48 fuse boxes not fixed, etc.

verification of work by the Assistant Engineer and EE of the JVVNL and EE, MB Bari. Even bank guarantee of ₹ 18.30 lakh was not obtained as required under Rule 322 of Public Works Financial & Accounts Rules. Though payment of ₹ 1.83 crore was made to the contractor, the street light could not be activated and facilities to residents of MB were not provided (February 2014).

Acting on a public interest litigation filed in this regard, the Rajasthan High Court ordered (April 2011) for recovery of unjustified payment of ₹ 1.83 crore within a period of six months.

Audit observed that MB issued notices to the contractor in January and April 2012 for depositing the amount of ₹ 1.83 crore paid to it unjustifiably, but action for recovery of unjustified payment from the defaulting contractor had not been initiated under the RPDR Act, 1952. Also, the responsibility for the unjustified payment had not been fixed by the State Government against delinquent officers/officials of MB as of October 2013.

The Deputy Secretary, Local Self Government Department, while accepting the facts stated (October 2013) that notices for recovery of unjustified payment of ₹ 1.83 crore have been issued to the defaulting contractor by the MB, but no recovery has been made.

Thus, slackness of MB, Bari/State Government in complying with Hon'ble High Court's orders resulted in non-recovery of irregularly paid amount of ₹ 1.83 crore. Action against delinquent officers has also not been initiated.

4.4 Failure in implementation, monitoring and governance

4.4.1 Non-conservation of heritage monuments

Failure in execution of scheme for conservation of heritage monuments resulted in blockage of ₹ 1.89 crore.

In pursuance of the National Tourism Policy 2002, the Heritage Conservation Scheme was started in 31 cities⁹ of Rajasthan in the year 2004 for conservation and preservation of Indian heritage and sustainable development. The District Level Committees (DLC) were constituted under the chairmanship of District Collectors for identification and conservation of monuments of heritage importance, sanction of heritage development plan/proposals and regular review of the work.

Rules 8(1) to (3) of General Financial & Accounts Rules (GF&AR) provide that funds should be withdrawn only if required for immediate payment. Further, as per Rule 281 and 282 of GF&AR funds should not be withdrawn to

9. Ajmer, Alwar, Banswara, Bharatpur, Bikaner, Bundi, Chhabra, Chittorgarh, Chomu, Churu, Deeg, Dungarpur, Fatehpur, Jaipur, Jaisalmer, Jhalrapatan, Jhalawar, Jhunjhunu, Jodhpur, Kama, Khetri, Kota, Mandava, Nathdwara, Nawalgarh, Pilibanga, Pushkar, Ratannagar, Sawaimadhopur, Sikar and Udaipur

avoid lapse of budgetary grants and unutilised amount is to be surrendered to the State Government.

Test check of records of the Municipal Board (MB), Chomu (District, Jaipur) (December 2012), Municipal Corporation (M Corp), Ajmer (February-March 2013), Municipal Council (MC), Udaipur (February-March 2013) and information collected (August 2013) from M Corp, Jodhpur revealed that the State Government released (18 March 2008) ₹ 2.75 crore in Personal Deposit (PD) Accounts of these municipal bodies. The position of release of funds, utilisation and execution of works are exhibited below:

Particulars	M Corp		MB, Chomu	MC, Udaipur	Total
	Ajmer	Jodhpur			
District Level Committee (DLC) constituted	July 2008	November 2008	August 2008	September 2009	-
Identified monuments	5	1	5	5	16 ¹⁰
Funds released (₹ in crore)	0.75	0.75	0.50	0.75	2.75
Sanctioned works	5	1	Nil	3 ¹¹	9
Executed works	4 ¹²	Nil	Nil	1 ¹³	5
Funds utilised (₹ in crore)	0.55 (as on June 2011)	Nil	Nil	0.31 (as on September 2010)	0.86
Unutilised funds (As of March 2013) (₹ in crore)	0.20	0.75	0.50	0.44	1.89

Further scrutiny revealed that one work at M Corp, Ajmer could not be executed due to objection of the Forest Department. In case of MC, Udaipur one work could not be started due to land dispute and in another due to delay in sanction by the DLC. In case of MB, Chomu, Detailed Project Report (DPR) was prepared and sent (February 2010) to Local Self Government Department (LSGD). LSGD intimated (March 2010) District Collector (DC), Jaipur that neither DPR nor sanction of LSGD was required and that the DC was empowered to sanction the work. Despite this, neither was the sanction of DLC obtained nor were the works executed. In case of M Corp, Jodhpur one work awarded to the contractor in December 2012 could not be started (August 2013) due to encroachment.

M Corp, Ajmer stated (August 2013) that design work of the remaining identified monument was at the final stage and funds would be utilised by the end of March 2014. In the case of MB, Chomu, it was stated that funds would be utilised on the identified works after obtaining sanction from the DC, and

10. M Corp, Ajmer: five works (Jhameshwar Temple, Faysagar walkway, Shaheed Smarak/Ghantaghar, Soni ji ki Nasiya and Taragarh approach road), M Corp, Jodhpur: one work at Fatah Sagar to Killa Road, MB, Chomu: five works (Surajpole, Jaipole, Bajrangpole, Durgapole and Garh Ganesh Temple) and MC, Udaipur: five works (Meera Temple, Gangu Kund Shiv Temple, Ambapole, Jagdish Chowk and Parking place at Gangu Kund)
11. Three works: two works ₹ 0.45 crore for Gangu Kund Shiv Temple and approach road/parking place at Gangu Kund (sanction issued in September 2009) and one work ₹ 0.37 crore for approach road at Jagdish Temple (work order issued in February 2012)
12. The developmental work at four monuments (Jhameshwar Temple, Faysagar walkway, Shaheed Smarak/Ghantaghar, Soni Ji Ki Nasiya) was completed and one work in place of Taragarh conservation works at Subhash Garden, Ajmer was though sanctioned by DC in July 2011, but this work was not executed, as of March 2013
13. The development work at one monument (Gangu Kund Shiv Temple) was completed (March 2010)

MC, Udaipur for utilising the remaining funds, work order for ₹ 0.37 crore was issued in February 2012 and the work was in progress.

Thus, funds of ₹ 1.89 crore were neither utilised for the specified purposes nor surrendered to the State Government by the municipal bodies despite a lapse of a period over five years.

The matter was referred to State Government in July 2013 and their reply was awaited (February 2014).

4.4.2 Loss of revenue

Failure of Municipal Corporation, Jaipur in finalisation of tender formalities for award of advertising licences led to loss of ₹ 1.20 crore.

Bye-law 4 of Jaipur Municipal Corporation (Advertisement) Bye-laws, 2004 provides that licences to advertising agencies for display on advertising sites shall be granted through open tenders. The Bye-law further stipulates that an Advertisement Committee of the Municipal Corporation (M Corp), Jaipur, if it deems appropriate, can renew the existing licence by increasing 10 *per cent* in advertisement charges of the previous year but once in three years, auction should be held.

Audit scrutiny (April to August 2012) of records revealed that during the year 2006, the Municipal Corporation issued licences (for the period from July 2006 to June 2007) to 11 advertising agencies¹⁴ through auction for display of advertisement on 53 unipole sites and kiosks of six zones for ₹ 1.98 crore. For the year 2007-08 (second year), Advertisement Committee, M Corp, Jaipur accorded (May 2007) sanction for renewal of the aforesaid licences for the period from July 2007 to June 2008 with a 10 *per cent* increase. All the 11 advertising agencies sought (January 2008) renewal of their licences for the third year (July 2008 to June 2009) with 10 *per cent* increase in advertisement charges over the previous year. M Corp, Jaipur, however, decided (June 2008) to auction licences of the aforesaid unipole sites and kiosks in view of the 582 *per cent* higher revenue earned by M Corp, Jaipur in the auction (May 2008) of 104 other adjoining unipole sites. In the auctions held on 26 June 2008 and from 30 December 2008 to 2 January 2009, no advertising agency turned up to bid and the existing 11 advertising agencies continued to utilise sites for display of advertisement without payment of any fee during July to December 2008 because of the delay on the part of M Corp, Jaipur to take advance action to remove the advertisements. The sites were removed by M Corp, Jaipur only in January 2009.

On the decision (February 2009) of Finance Committee, M Corp, Jaipur issued (March 2009) notices and reminders (May 2009) to 11 advertising agencies for depositing the advertisement charges for the period July to

14. (i) Alfa Advertising and Marketing, (ii) Bhartiya Vigyapan Sewa, (iii) Innoventure Displays (P) Limited, (iv) Jenus Overseas, (v) Maharaja Advertisers Private Limited, (vi) N.S. Publicity Agencies, (vii) Parveen Publicity, (viii) P.K. Advertising Services Private Limited, (ix) Planet Outdoor, (x) Pioneer Publicity Corporation Private Limited and (xi) Thukral Advertiser

December 2008, amounting to ₹ 1.89 crore. It was also observed that the proposal for recovery of ₹ 1.89 crore was submitted five times in the board meeting (October 2009, April, May, July and September 2010) for approval for taking action under Rajasthan Public Demand Recovery Act, 1952 or Land Revenue Act, but no decision was taken as of December 2010. Therefore, demand notices were again issued (December 2010 and March 2011) to the advertising agencies but no amount has been recovered as of August 2013. Had the Corporation taken a decision well before commencement of the third year (July 2008 to June 2009), completed the auction process timely and removed unauthorised display on advertisement sites immediately, revenue for the period July 2008 to December 2008 from display of advertisement sites could have been earned.

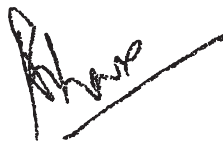
The State Government accepted (August 2013) delay in the process of auction of the sites. Failure to take appropriate decision in time resulted in loss of revenue of at least ₹ 1.20 crore¹⁵. Moreover, the Corporation did not initiate action for recovery of dues under the Rajasthan Public Demand Recovery Act, 1952.



(SUDARSHANA TALAPATRA)
Principal Accountant General
(General and Social Sector Audit), Rajasthan

JAIPUR,
The

Countersigned



(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

NEW DELHI,
The

15. Proportionate recoverable advertisement charges for six months i.e. July 2008 to December 2008 calculated on the basis of 10 *per cent* increase in advertisement charges recovered in 2007-08

APPENDIX-I

(Refer paragraph 1.6; page 5)

Details of devolution of 29 Subjects listed in the Constitution to PRIs as of July 2013

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 PRD

* Devolved but withdrawn temporarily

APPENDIX-II

(Refer paragraph 1.8.2; page 7)

Statement showing status of delayed submission/non-submission of annual accounts by ZPs (RDC) and ZPs (PC) to RDD and PRD respectively for the year 2011-12

Sl. No.	Name of district	Status of submission of annual accounts by ZPs (RDC) to RDD		Status of submission of annual accounts by ZPs (PC) to PRD	
		Actual date of submission of annual accounts	Delay in submission beyond 30.09.2012 (in days)	Actual date of submission of annual accounts	Delay in submission beyond 15.05.2012 (in days)
1.	Ajmer	23.05.2013	235	22.05. 2012	7
2.	Alwar	13.08.2013	317	30.05. 2012	15
3.	Banswara	21.02.2013	144	10.05. 2012	Within time
4.	Baran	30.05.2013	242	10.05. 2012	Within time
5.	Barmer	19.09.2013	354	12.05. 2012	Within time
6.	Bharatpur	26.02.2013	149	26.10. 2012	164
7.	Bhilwara	21.01. 2013	113	13.04. 2012	Within time
8.	Bikaner	19.09. 2013	354	07.01. 2013	237
9.	Bundi	31.12.2012	92	19.04. 2012	Within time
10.	Chittorgarh	11.12. 2013	437	23.04. 2012	Within time
11.	Churu	Not received	-	07.05. 2012	Within time
12.	Dausa	23.09. 2013	358	12.07. 2012	58
13.	Dholpur	19.03. 2013	170	12.05. 2012	Within time
14.	Dungarpur	18.03. 2013	169	05.09. 2012	113
15.	Hanumangarh	04.03. 2013	155	22.01. 2013	252
16.	Jaipur	25.07. 2013	298	21.05. 2012	6
17.	Jaisalmer	26.08. 2013	330	23.04. 2012	Within time
18.	Jalore	Not received*	-	08.05. 2012	Within time
19.	Jhalawar	24.09. 2013	359	08.06. 2012	24
20.	Jhunjhunu	03.06. 2013	246	19.04. 2012	Within time
21.	Jodhpur	01.05. 2013	213	02.06. 2012	18
22.	Karauli	23.05. 2013	235	27.06. 2012	43
23.	Kota	04.02. 2013	127	15.04. 2012	Within time
24.	Nagaur	Not received	-	16.08. 2012	93
25.	Pali	Not received**	-	18.03. 2013	307
26.	Pratapgarh	22.10. 2013	387	04.06. 2012	20
27.	Rajsamand	23.05. 2013	235	02.07. 2012	48
28.	Sawaimadhopur	01.03. 2013	152	15.04. 2012	Within time
29.	Sikar	04.04. 2013	186	14.06. 2012	30
30.	Sirohi	13.03. 2013	164	24.07. 2012	70
31.	Sriganganagar	Not received	-	12.06. 2012	28
32.	Tonk	20.02. 2013	143	18.05. 2012	3
33.	Udaipur	12.02. 2013	135	16.05. 2012	1

* Annual accounts of ZP (RDC), Jalore was not received for the year 2010-11 also
 **Annual accounts of ZP (RDC), Pali were not received since 1994-95

APPENDIX-III

(Refer paragraph 2.1.5; page 13)

List of selected districts, blocks and gram panchayats

Name of District	Name of Blocks	Name of GPs
Bhilwara	Asind	Akarsada, Borela, Ganglas, Kaliyas, Kanwlas, Karjaliya, Nimbahera, Parasoli, Patan and Tiloli
	Jahazpur	Amalda, Bei, Dhor, Gurha, Intunda, Jamoli, Pander, Rawat Khera, Ropan and Uncha
Bikaner	Bikaner	Ambasar, Jalwali, Katariyasar, Kilchoo Deodan, Kolasar, Lalamdesar, Norang Desar, Ramsar and Ridmalsar Purohitan
	Dungargarh	Adsar, Bigga, Dusarna Pandreekji, Jodhasar, Kitasar Bhatiyar, Riri, Sheruna, Soniyasar Mithiya and Upni
Bundi	Bundi	Ajeta, Dhanatari, Gumampur, Kalpuriya, Khatkar, Matoonda, Nayagaon, Neem Ka Khera and Ulera
	Hindoli	Akoda, Chatarganj, Datunda, Hindoli, Kachhola, Kheenyar, Pagara, Roneeja, Rosanda and Vijaigarh
Karauli	Hindaun	Alipura, Gaonri, Jatwara, Khera, Kherli Goojar, Kyarda Khurd, Palanpur, Rewai, Sherpur and Wai Jatt
	Karauli	Atewa, Gurla, Kota, Kota Chhabar, Karsai, Lauhra, Pareeta, Rampur, Ratiyapura and Tulsipura
Pali	Bali	Amliya, Bheemana, Doodni, Kooran, Kotbaliyan, Kothar, Malnoo, Mundara, Nana and Shivtalao
	Jaitaran	Agewa, Ber Kalan, Digama, Kanecha Ranawatan, Kanwaliya Kalan, Kekindara, Nimaj, Peepaliya Khurd, Phoolmal and Toonkara
Sikar	Dantaramgarh	Aloda, Dansroli, Ganora, Khandelsar, Khatoor Shyamji, Khoo, Manda (Surera), Mudiyawas, Pachar and Surera
	Dhod	Anokhoo, Dhod, Jerthi, Kudan, Losal Chhoti, Mandawara, Pewa, Raseedpura, Sanwaloda Purophitan and Singrawat
Sriganganagar	Anoopgarh	48 GB (Redbaggi), 28 GB, 65 GB, 78 GB, 42 GB, 1 LSM (Banda Colony), 72 GB, 4 BLD, 2 GB – A and 4 KS(Banda)(Sirajsar)
	Ghadsana	22 RJD, 19 GD, 5 PSD, 7 KND, 20 LM, 1 MLKC, 6 ZWM, 2 MLD-A, 13 DOL and 2 RKM -A
Udaipur	Badgaon	Amberi, Dhar, Kadiya, Kadmal, Kailashpuri, Lakhawali, Loyra and Madar
	Girwa	Alsigarh, Bhesra Kalan, Chansda, Jagat, Jawar, Kalarwas, Matoon, Parmada, Sakroda and Wali

APPENDIX-IV

(Refer paragraph 2.1.6.2; page 14)

Statement showing improper allotment of targets to blocks

Name of the Block (District wise)	2008-09			2009-10			2010-11			2011-12			2012-13		
	Allocation required as per norms	Actual allocation	Difference	Allocation required as per norms	Actual allocation	Difference	Allocation required as per norms	Actual allocation	Difference	Allocation required as per norms	Actual allocation	Difference	Allocation required as per norms	Actual allocation	Difference
Karauli															
Hindaun	512	585	73	421	435	14	354	358	4	709	714	5	600	611	11
Karauli	326	434	108	265	175	(-) 90	226	204	(-) 22	452	414	(-) 38	384	372	(-) 12
Nadoti	256	147	(-) 109	215	194	(-) 21	183	169	(-) 14	367	328	(-) 39	315	298	(-) 17
Sapotra	510	444	(-) 66	423	423	0	358	361	3	716	726	10	610	611	1
Todabhim	284	278	(-) 6	233	325	92	193	223	30	384	446	62	319	338	19
Pali															
Bali	235	298	63	150	137	(-) 13	419	341	(-) 78	188	131	(-) 57	242	515	273
Desuri	97	84	(-) 13	63	67	4	176	380	204	75	115	40	97	63	(-) 34
Jaitaran	167	96	(-) 71	110	73	(-) 37	304	298	(-) 6	136	130	(-) 6	174	193	19
Marwar Junction	187	161	(-) 26	122	167	45	338	386	48	150	148	(-) 2	195	123	(-) 72
Pali	115	98	(-) 17	74	67	(-) 7	207	337	130	91	75	(-) 16	117	105	(-) 12
Raipur	156	310	154	100	74	(-) 26	279	112	(-) 167	126	164	38	162	225	63
Rani	92	137	45	59	66	7	161	223	62	71	80	9	92	22	(-) 70
Rohat	127	49	(-) 78	82	83	1	230	160	(-) 70	103	96	(-) 7	133	117	(-) 16
Sojat	172	131	(-) 41	111	155	44	310	224	(-) 86	139	118	(-) 21	179	113	(-) 66
Sumerpur	142	126	(-) 16	92	74	(-) 18	257	141	(-) 116	114	119	5	148	63	(-) 85
Sikar															
Dantamangarh	725	557	(-) 168	631	600	(-) 31	420	365	(-) 55	62	99	37	16	16	0
Dhod	657	560	(-) 97	1038	627	(-) 411	767	342	(-) 425	125	18	(-) 107	36	8	(-) 28
Fatehpur	622	785	163	498	558	60	325	401	76	46	49	3	13	7	(-) 6
Khandela	486	729	243	369	810	441	181	662	481	17	142	125	5	22	17
Laxmangarh	554	616	62	456	586	130	284	239	(-) 45	42	28	(-) 14	12	12	0
Neem Ka Thana	968	992	24	809	580	(-) 229	572	390	(-) 182	87	22	(-) 65	24	2	(-) 22
Piprali	490	548	58	401	511	110	249	229	(-) 20	36	18	(-) 18	11	11	0
Shrimadhapur	713	428	(-) 285	648	578	(-) 70	476	646	170	67	106	39	17	56	39

Name of the Block (District wise)	2008-09 Allocation required as per norms	Actual allocation	Difference	2009-10 Allocation required as per norms	Actual allocation	Difference	2010-11 Allocation required as per norms	Actual allocation	Difference	2011-12 Allocation required as per norms	Actual allocation	Difference	2012-13 Allocation required as per norms	Actual allocation	Difference
Sriganganagar															
Anoopgarh	1291	666	(-) 625	NA	875	NA	684	686	2	423	412	(-) 11	733	640	(-) 93
Sriganganagar	310	162	(-) 148	NA	444	NA	340	312	(-) 28	209	196	(-) 13	357	368	11
Ghadsana	-	-	-	-	-	-	753	779	26	469	459	(-) 10	794	724	(-) 70
Padampur	333	172	(-) 161	NA	364	NA	280	276	(-) 4	173	181	8	294	355	61
Raisingh Nagar	429	220	(-) 209	NA	474	NA	451	417	(-) 34	227	252	25	487	477	(-) 10
Sadulshahar	223	112	(-) 111	NA	324	NA	434	481	47	272	292	20	455	453	(-) 2
Srikaranpur	358	184	(-) 174	NA	354	NA	364	348	(-) 16	225	215	(-) 10	388	425	37
Suratgarh	378	201	(-) 177	NA	384	NA	527	534	7	327	318	(-) 9	568	634	66
Udaipur															
Badgaon	68	64	(-) 4	129	125	(-) 4	81	83	2	122	90	(-) 32	137	107	(-) 30
Bhindar	143	120	(-) 23	270	268	(-) 2	269	179	(-) 90	257	320	63	287	191	(-) 96
Dhariawad	98	196	98	184	396	212	114	66	(-) 48	146	250	104	192	302	110
Girwa	152	137	(-) 15	288	243	(-) 45	180	161	(-) 19	273	203	(-) 70	306	265	(-) 41
Gogunda	148	87	(-) 61	281	145	(-) 136	177	97	(-) 80	269	108	(-) 161	304	154	(-) 150
Jhadol	257	196	(-) 61	488	292	(-) 196	307	195	(-) 112	467	297	(-) 170	526	379	(-) 147
Kherwara	319	292	(-) 27	602	689	87	377	458	81	569	707	138	636	541	(-) 95
Kotra	240	336	96	452	589	137	267	391	124	403	565	162	450	435	(-) 15
Lasadiya	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mavli	85	78	(-) 7	160	147	(-) 13	100	97	(-) 3	152	153	1	170	415	245
Salumber	171	172	1	324	292	(-) 32	204	237	33	307	330	23	344	534	190
Sarada	261	264	3	492	484	(-) 8	309	321	12	468	437	(-) 31	525	554	29
Source: Information provided by respective ZPs															
NA: Not available															

APPENDIX-V

(Refer paragraph 2.1.8.6; page 24)

Statement showing details of shortcomings noticed during physical verification of beneficiaries

Sl. No.	Name of district	Name of block	Number of house physically verified	Houses not in existence/not started		Houses constructed in less area than prescribed		House where display board was not found	Availability of drinking water far away	Convergence with other schemes			
				Number	Amount involved (₹ in lakh)	No. of houses	Constructed area (in sqft)			TSC	RGVY	NRWSP	Smokeless chullah
1.	Bhilwara	Asind	115	8	1.65	31	120 to 200	76	-	19	79	112	0
		Jahazpur	120	5	1.15	54	100 to 210	73	29	1	34	119	0
2.	Bikaner	Bikaner	72	0	0	-	-	9	-	3	1	0	19
		Dungargarh	108	0	0	-	-	71	11	0	42	7	71
3.	Bundi	Bundi	108	2	0.45	57	100 to 210	38	-	13	90	98	0
		Hindoli	120	7	1.58	37	120 to 210	93	29	1	31	105	0
4.	Karauli	Karauli	65	18	4.17	12	120 to 200	-	-	5	35	0	0
		Hindaun	120	29	7.10	28	100 to 210	120	15	0	53	8	0
5.	Pali	Bali	113	0	0	-	-	63	23	0	77	6	3
		Jaitaran	99	1	0.23	-	-	50	3	0	93	0	0
6.	Sikar	Danta-ranagarh	107	3	0.62	1	200	18	2	3	24	16	0
		Dhod	113	3	0.60	-	-	104	22	20	52	20	1
7.	Sriganganagar	Anoopgarh	120	2	0.48	6	130 to 200	105	9	0	63	38	0
		Ghadsana	119	4	0.87	2	100 to 180	108	7	0	78	0	0
8.	Udaipur	Badgaon	85	7	1.35	4	144 to 180	62	46	5	65	1	0
		Girwa	96	3	0*	18	100 to 210	82	34	1	42	8	0
	Total		1,680	92	20.25	250		1,072	230	71	859	538	94

* Amount not deposited in beneficiaries' account.

* Amount not deposited in beneficiaries' account.

APPENDIX-VI

(Refer paragraph 2.1.13.4; page 30)

(A) Statement showing difference of figures as per ZP and AWASSoft

Name of districts	Financial Year	Allocation of funds (₹ in lakh)			Release of second instalment			Utilisation of funds (₹ in lakh)		
		As per ZP	As per AWASSoft	Difference	As per ZP	As per AWASSoft	Difference	As per ZP	As per AWASSoft	Difference
Bhilwara	2011-12	1,159.38	724.67	434.71	3,204	3,085	119	1,333.98	1,123.59	210.39
	2012-13	3,711.31	737.95	2,973.36	1,395	874	521	830.05	1,144.70	314.65
Bikaner	2011-12	-	-	-	3,451	3,318	133	1,599.39	2,354.21	754.82
	2012-13	2,072.71	1,692.99	379.72	3,172	2,243	929	2,733.77	1,694.04	1,039.73
Bundi	2011-12	2,499.42	447.40	2,052.02	9,097	8,436	661	3,044.30	3,563.01	518.71
	2012-13	502.31	439.35	62.96	1,919	861	1058	1,099.09	817.33	281.76
Karauli	2011-12	819.77	628.52	191.25	617	909	292	109.80	470.35	360.55
	2012-13	1,814.40	640.04	1,174.36	220	119	101	360.68	701.58	340.90
Pali	2011-12	529.20	536.55	7.35	-	-	-	908.02	457.70	450.32
	2012-13	692.55	546.37	146.18	287	523	236	-	-	-
Sikar	2011-12	-	-	-	-	-	-	445.15	135.35	309.80
	2012-13	-	-	-	-	-	-	111.50	96.18	15.32
Sriganganagar	2011-12	1,786.65	1,046.35	740.30	-	-	-	1,217.06	1,117.53	99.53
	2012-13	1,462.76	1,065.52	397.24	-	-	-	1,583.24	2,225.76	642.52
Udaipur	2011-12	1,407.64	1,092.20	315.44	2,465	1,981	484	822.68	1,162.68	340.00
	2012-13	1,362.15	1,112.20	249.95	265	545	280	1,548.24	1,138.63	409.61

(B) Difference in physical performance of IAY houses

Name of District	Years	Information provided by ZP				Information available in AWASSOFT				Difference		
		No. of houses sanctioned during the year	No. of houses completed during the year	No. of houses under construction at the end of the year	No. of houses sanctioned during the year	No. of houses completed during the year	No. of houses under construction at the end of the year	No. of houses sanctioned during the year	No. of houses completed during the year	No. of houses sanctioned during the year	No. of houses completed during the year	No. of houses under construction at the end of the year
Bhilwara	2011-12	3,542	3,234	358	3,502	1,679	1,696	40	1,555			1,338
	2012-13	3,297	2,856	312	3,316	309	1,705	19	2,547			1,393
Bikaner	2011-12	3,694	3,160	1,326	3,694	3,160	1,326	0	0			0
	2012-13	4,770	2,365	3,731	4,770	2,365	3,731	0	0			0
Bundi	2011-12	8,738	7,555	1,683	8,897	2,190	6,707	159	5,365			5,024
	2012-13	1,919	2,172	7,775	1,921	0	1,921	2	2,172			5,854
Karauli	2011-12	2,054	617	2,738	1,997	23	4,223	57	594			1,485
	2012-13	2,265	220	4,783	2,231	4	4,223	34	216			560
Pali	2011-12	1,176	315	861	1,193	519	674	17	204			187
	2012-13	1,539	13	1,526	1,539	574	965	0	561			561
Sikar	2011-12	482	269	213	482	243	239	0	26			26
	2012-13	134	106	28	134	11	123	0	95			95
Sriganganagar	2011-12	3,970	3,112	849	3,970	3,381	3,398	0	269			2,549
	2012-13	4,076	4,519	3,044	4,076	1,272	3,398	0	3,247			354
Udaipur	2011-12	3,460	3,166	523	2,613	337	8,536	847	2,829			8,013
	2012-13	3,930	3,945	508	3,874	17	8,536	56	3,928			8,028

(C) Difference in funds released by Centre and State							
Name of district	Financial Year	Funds released as per ZP by		Funds released as per AWASSoft by		Difference in funds released by	
		Central	State	Central	State	Central	State
Bhilwara	2011-12	1,044.19	293.31	1,022.19	97.34	22.00	195.97
	2012-13	1,233.68	411.22	1,138.37	121.03	95.31	290.19
Bikaner	2011-12	1,565.66	516.98	1,565.66	257.72	0	259.26
	2012-13	690.12	230.04	634.87	295.49	55.25	65.45
Bundi	2011-12	1,811.14	688.27	1,797.80	1,033.87	13.34	345.60
	2012-13	376.73	125.58	324.54	77.29	52.19	48.29
Karauli	2011-12	653.98	287.86	634.90	98.60	19.08	189.26
	2012-13	701.28	241.88	626.63	102.94	74.65	138.94
Pali	2011-12	614.44	230.28	132.57	0	481.87	230.28
	2012-13	409.78	136.59	0	0	409.78	136.59
Sikar	2011-12	686.83	68.32	686.83	240.71	0	172.39
	2012-13	597.78	199.26	597.78	204.06	0	4.80
Sriganganagar	2011-12	1,292.73	405.36	1,207.13	150.13	85.60	255.23
	2012-13	598.19	291.25	399.57	301.91	198.62	10.66
Udaipur	2011-12	1,148.06	339.84	591.72	56.30	556.34	283.54
	2012-13	524.71	225.74	3,390.45	217.55	2,865.74	8.19

APPENDIX-VII

(Refer paragraph 3.3.3; page 44)

**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 upgradation
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 purposes

APPENDIX-VIII

(Refer paragraphs 4.1.6, 4.1.7.1 and 4.1.7.2; pages 53, 54 and 55)

(₹ in crore)

Status of sanctioned projects as on 31 March 2013

Sl. No	Name of ULB	Date of sanction	Project cost	GoI share	GoR share	Fund released by (RUIDCO) for IAs	Expenditure	Date of release of 1st instalment of ACA	Date of Commencement of work	Stipulated Date of Completion of work	Actual date of completion of work	Delayed receipt of 1 st instalment of ACA	Non-receipt of 2 nd instalment of ACA	Present status	Project Delayed (in months) ¹	Delay in release of 1 st ACA (in months) ²
(A) Selected projects (14)																
Sewerage system																
1.	Chittorgarh															
	(a) Construction of nallah	29.03.2006	1.66*	2.63	0.33	-	1.41	4.37	2.33	06.07.2007	15.05.2009	-	-	Complete	10	-
	(b) Sewerage line		1.67						1.70					Abandoned		
2.	Jhunjhunu	06.05.2008	37.81	15.12	1.89	-	3.60	20.61	14.50	22.04.2012	WIP	15.12	15.12	On going	11	10
3.	Jodhpur	08.08.2007	61.67	24.67	3.08	11.79	49.62	89.16	76.62	26.03.2008	WIP	24.67	24.67	On going	30	7
4.	Pali	06.05.2008	33.30	13.32	1.67	1.00	7.28	23.27	23.09	18.09.2008	WIP	13.32	13.32	On going	14	4
5.	Sardarshahar	06.05.2008	36.92	14.77	1.85	-	5.47	22.09	17.07	18.03.2009	WIP	14.77	14.77	On going	8	9
	Total		173.03	70.51	8.82	12.79	67.38	159.50	135.31			67.88	67.88			-
Drainage system																
6.	Bundi	12.01.2007	6.24	4.37	0.55	-	1.25	6.16	5.96	13.02.2008	WIP	2.50	-	On going	49	2
7.	Pratapgarh	28.08.2006	1.48	1.01	0.13	-	0.35	1.48	1.48	17.11.2008	20.04.2009	0.59	-	Complete	5	4
	Total		7.72	5.38	0.68		1.60	7.64	7.44			3.09	-			-
Road and side drains and urban renewal																
8.	Bhawanimandi	29.03.2006	3.11	1.87	0.23	-	0.89	2.99	3.05	02.02.2008	31.03.2009	-	-	Complete	14	-
9.	Nimbahera	29.03.2006	2.14	1.50	0.19	-	0.21	1.90	2.14	17.11.2007	31.03.2009	-	-	Complete	16	-
10.	Nokha	29.03.2006	1.50	1.08	0.14	-	0.28	1.50	1.50	21.04.2007	31.12.2009	-	-	Complete	32	-
11.	Srinadhapur	29.03.2006	2.91	2.07	0.26	-	0.71	3.04	3.03	17.12.2008	06.12.2011	-	-	Complete	35	-
12.	Tonk	29.03.2006	5.21	2.08	0.26	1.70	1.58	5.62	5.21	18.05.2010	WIP	-	2.08	On going	34	-
	Total		14.87	8.60	1.08	1.70	3.67	15.05	14.93			-	2.08			
Water bodies																
13.	Jhalrapatan	29.03.2006	4.93	3.45	0.43	-	0.39	4.28	4.26	06.03.2008	17.02.2012	-	-	Complete	47	-
	Total		4.93	3.45	0.43		0.39	4.28	4.26			-	-			
Water supply																
	Benwar	06.05.2008	49.79	19.92	2.49	10.00	10.44	42.85	42.21	23.10.2010	WIP	19.92	19.92	On going	14	4
	Total		49.79	19.92	2.49	10.00	10.44	42.85	42.21			19.92	19.92			

1. Project delayed (in months) = Actual date of completion – Stipulated date of completion and in WIPs, Stipulated date of completion is 31 March 2013
2. Delay in release of 1st instalment = Date of release of 1st instalment – Date of sanction

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Sl. No	Name of ULB	Date of sanction	Project cost	Govt share	GoR share	Special fund	ULB share	Total	Expenditure	Date of release of 1st instalment of ACA	Date of Commencement of work	Stipulated Date of Completion of work	Actual date of completion of work	Delayed receipt of 1st instalment of ACA	Non-receipt of 11 th instalment of ACA	Present status	Project Delayed (in months)	Delay in 1 st ACA released (in months)
	Total (A)		250.34	107.86	13.50	24.49	83.48	229.32	204.15					90.89	89.88			
(B) Rest of Projects (23)																		
Sewerage system																		
1.	Bikaner	06.05.2008	38.76	11.63	1.45	-	1.96	15.04	15.82	18.09.2008	-	07.10.2011	WIP	15.50	15.50	On going	17	4
2.	Sumerpur	28.08.2006	9.28	3.71	0.46	1.25	6.84	12.26	12.09	27.12.2006	26.10.2007	30.07.2010	WIP	3.71	3.71	On going	32	4
3.	Jalore	28.08.2006	10.66	4.26	0.53	2.00	6.40	13.19	12.66	27.12.2006	26.10.2007	30.07.2010	WIP	4.26	4.26	On going	32	4
4.	Jhalawar	28.08.2006	19.04	7.62	0.95	1.00	3.08	12.65	10.85	27.12.2006	15.06.2008	01.05.2012	WIP	7.62	7.62	On going	11	4
5.	Kishangarh	08.08.2007	26.01	10.40	1.30	2.60	4.16	18.46	18.72	18.09.2008	15.08.2008	17.09.2010	WIP	10.40	10.40	On going	30	13
6.	Mount Abu	08.08.2007	27.15	10.86	1.36	-	4.03	16.25	10.28	18.09.2008	09.08.2008	12.02.2011	WIP	10.86	-	On going	25	13
7.	Hamunagarh	06.05.2008	42.79	17.11	2.14	5.00	11.28	35.53	38.89	18.09.2008	21.03.2010	20.09.2012	WIP	17.12	17.12	On going	6	4
8.	Kota	06.05.2008	51.23	15.37	1.92	-	1.28	18.57	14.63	17.02.2009	13.07.2010	12.07.2013	WIP	20.49	-	On going	-	9
	Total		224.92	80.96	10.11	11.85	39.03	141.95	133.94					89.96	58.61			
Drainage system																		
9.	Mangrol	12.01.2007	2.92	1.17	0.14	0.50	0.88	2.70	2.17	31.03.2007	22.08.2008	11.12.2008	WIP	1.17	1.17	On going	51	2
10.	Mount Abu	08.08.2007	4.22	1.26	0.16	-	1.23	2.66	1.71	26.03.2008	23.07.2008	29.07.2010	WIP	1.69	1.69	On going	32	7
11.	Ramgangmandi	12.01.2007	1.49	0.45	0.06	-	0.41	0.92	0.63	31.03.2007	09.03.2008	08.07.2008	WIP	0.60	0.60	On going	57	2
12.	Sangaria	08.08.2007	3.66	2.19	0.27	-	1.15	3.61	3.62	26.03.2008	01.05.2008	25.12.2009	30.11.2012	1.46	-	Complete	35	7
	Total		12.29	5.07	0.63	0.50	3.67	9.89	8.13					4.92	3.46			
Road, side drains and urban renewal																		
13.	Deshnakh	29.03.2006	1.41	1.09	0.13	-	0.57	1.79	1.80	31.03.2006	15.12.2006	30.06.2009	30.06.2009	-	-	Complete	-	-
14.	Newai	29.03.2006	2.02	0.81	0.10	0.50	1.17	2.58	2.58	31.03.2006	10.05.2008	24.10.2009	31.07.2011	-	0.81	Complete	21	-
15.	Reengus	29.03.2006	2.51	1.00	0.13	0.60	1.26	2.99	2.64	31.03.2006	30.09.2008	23.09.2009	WIP	-	1.00	On going	42	-
16.	Rajakhara	28.08.2006	2.72	2.18	0.27	-	0.80	3.25	3.12	27.12.2006	15.11.2007	28.07.2008	31.03.2013	1.09	-	Complete	56	4
17.	Sadulshahar	08.08.2007	3.52	1.41	0.18	0.50	2.76	4.85	4.34	26.03.2008	28.02.2008	27.11.2009	31.03.2013	1.41	1.41	Complete	40	7
18.	Sikar	29.03.2006	3.75	2.62	0.33	-	0.77	3.72	3.44	31.03.2006	15.10.2007	19.09.2008	WIP	-	-	On going	54	-
19.	Unara	28.08.2006	1.00	0.61	0.07	-	0.33	1.01	1.01	27.12.2006	10.11.2008	27.07.2010	31.01.2011	0.40	-	Complete	6	4
20.	Virat Nagar	06.05.2008	1.02	0.41	0.05	0.07	0.15	0.68	0.54	18.09.2008	05.12.2009	04.06.2010	WIP	0.41	0.41	On going	34	4
	Total		17.95	10.13	1.26	1.67	7.81	20.87	19.47					3.31	3.63			
Water bodies																		
21.	Bikaner	29.03.2006	1.77	1.33	0.17	-	0.31	1.80	1.80	31.03.2006	15.09.2006	31.03.2010	31.03.2010	-	-	Completed	-	-
	Total		1.77	1.33	0.17	-	0.31	1.80	1.80									
Water supply																		
22.	Makrana	06.05.2008	48.71	19.48	2.44	5.00	8.03	34.95	33.27	18.09.2008	13.10.2010	12.01.2012	WIP	19.48	19.48	On going	14	4
23.	Udampur	12.01.2007	53.95	37.77	4.72	-	11.18	53.67	50.68	31.03.2007	-	30.09.2009	WIP	21.58	-	On going	-	2
	Total		102.66	57.25	7.16	5.00	19.21	88.62	83.95					41.06	19.48			
	Total (B)		359.59	154.74	19.33	19.02	70.03	263.13	247.29					139.25	85.18			
(14+23) 37	G. Total (A+B)		609.93	262.60	32.83	43.51	153.51	492.45	451.44					230.14	175.06			
						(15)								(25)	(20)			

* DPR cost ₹ 0.05 crore included.
WIP- Work in progress

APPENDIX-IX

(Refer paragraph: 4.1.7.2; page 56)

Statement showing non-creation of revolving fund

Sl. No	Name of ULB	Name of Scheme/ Project	Date of sanction of DPR	Cost of project	Share cost (90 per cent)	Revolving fund (25 per cent of share cost)	(₹ in crore)
1.	Chittorgarh	Sewerage system	29.03.2006	3.33	2.99	0.75	
2.	Bhawanimandi	Road & Drainage	29.03.2006	3.11	2.80	0.70	
3.	Desnoh	-do-	29.03.2006	1.41	1.27	0.32	
4.	Jhalrapatan	-do-	29.03.2006	4.93	4.44	1.11	
5.	Nimbahera	-do-	29.03.2006	2.14	1.93	0.48	
6.	Nokha	-do-	29.03.2006	1.50	1.35	0.34	
7.	Rajakhara	-do-	28.08.2006	2.72	2.45	0.61	
8.	Srimadhapur	-do-	29.03.2006	2.91	2.62	0.65	
9.	Sangaria	-do-	08.08.2007	3.66	3.29	0.82	
10.	Unitara	-do-	28.08.2006	1.00	0.90	0.23	
11.	Pratapgarh	Major Drain	28.08.2006	1.48	1.33	0.33	
12.	Bikaner	Water bodies	21.03.2006	1.77	1.59	0.40	
	Total			29.96	26.96	6.74	

APPENDIX-X

Glossary of Abbreviations

ACA	Additional Central Assistance
BPL	Below Poverty Line
CA	Chartered Accountant
CAG	Comptroller & Auditor General of India
CAO	Chief Accounts Officer
CC	Cement Concrete
CEO	Chief Executive Officer
CFL	Compact Fluorescent Lamps
Cum	Cubic Metre
DC	District Collector
DLBD	Directorate, Local Bodies Department
DLC	District Level Committee
DLP	Defect Liability Period
DLVMC	District Level Vigilance and Monitoring Committee
DPC	District Planning Committee
DPR	Detailed Project Report
DWSC	District Water and Sanitation Committee
EE	Executive Engineer
FC	Finance Commission
GF&AR	General Financial and Accounts Rules
GIS	Geographic Information System
Gol	Government of India
GoR	Government of Rajasthan
GPs	Gram Panchayats
IAY	Indira Awaas Yojana
IRC	Indian Road Congress
IRs	Inspection Reports
IRMA	Independent Review and Monitoring Agency
JRY	Jawahar Rozgar Yojana
JVVNL	Jaipur Vidyut Vitaran Nigam Limited
Km	Kilometre
LFAD	Local Fund Audit Department
LIC	Life Insurance Corporation
LSGD	Local Self Government Department
M Corps	Municipal Corporations
MBs	Municipal Boards
MCs	Municipal Councils
MIS	Management Information System
MLD	Million Litres Per Day
MoA	Memorandum of Agreement
MoRTH	Ministry of Road Transport and Highway
MoUD	Ministry of Urban Development
NGO	Non-Government Organisation
NMAM	National Municipal Accounts Manual
NRWSP	National Rural Water Supply Programme
O&M	Operation and Maintenance
PC	Panchayat Cell
PD	Personal Deposit
PHED	Public Health Engineering Department
PPP	Public Private Partnership
PRD	Panchayati Raj Department
PRIASoft	Panchayati Raj Institution Accounting Software
PRIs	Panchayati Raj Institutions
PSs	Panchayat Samitis

PVTG	Particularly Venerable Tribal Groups
PWD	Public Works Department
PWF&AR	Public Works Financial and Accounts Rules
RD&PRD	Rural Development & Panchayati Raj Department
RDC	Rural Development Cell
RDD	Rural Development Department
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RLEGP	Rural Landless Employment Guarantee Programme
RMA	Rajasthan Municipalities Act
RPDR	Rajasthan Public Demands Recovery
RPRA	Rajasthan Panchayati Raj Act
RUIFDCo	Rajasthan Urban Infrastructure Finance and Development Corporation
SC	Scheduled Castes
SFC	State Finance Commission
SG	State Government
SGSY	Swarnajayanti Gram Swarozgar Yojana
SLC	State Level Committee
SLNA	State Level Nodal Agency
SLSC	State Level Sanctioning Committee
SLVMC	State Level Vigilance and Monitoring Committee
SP	Special Publication
Sqkm	Square kilometres
SS	Sulabh Shauchalaya
ST	Scheduled Tribes
STP	Sewerage Treatment Plant
WSM	State Water and Sanitation Mission
TP	Tender Premium
TSC	Total Sanitation Campaign
UC	Utilisation Certificate
UIDSSMT	Urban Infrastructure Development Scheme for Small and Medium Towns
UIT	Urban Improvement Trust
ULB	Urban Local Body
VWSC	Village Water and Sanitation Committee
ZP	Zila Parishad