



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Local Bodies**



For the year ended 31 March 2016

GOVERNMENT OF RAJASTHAN

Report No. 3 of the year 2017

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| TABLE OF CONTENTS | | |
|----------------------------------------------------------------------------------------------------------------------------|---------------------|-------------|
| | Reference to | |
| | Paragraph | Page |
| Preface | | v |
| Overview | | vii |
| PART-A | | |
| CHAPTER-I | | |
| OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF PANCHAYATI RAJ INSTITUTIONS | | |
| Introduction | 1.1 | 1 |
| Organisational Set up | 1.2 | 2 |
| Functioning of PRIs | 1.3 | 2 |
| Formation of Various Committees of PRIs | 1.4 | 3 |
| Audit Arrangement | 1.5 | 4 |
| Response to Audit Observations | 1.6 | 6 |
| Social Audit | 1.7 | 7 |
| Lokayukta | 1.8 | 7 |
| Submission of Utilisation Certificates | 1.9 | 8 |
| Internal Audit and Internal Control System of PRIs | 1.10 | 8 |
| Financial Reporting Issues | 1.11 | 9 |
| Conclusion | 1.12 | 14 |
| CHAPTER-II | | |
| AUDIT FINDINGS ON PANCHAYATI RAJ INSTITUTIONS | | |
| Performance Audit | | |
| Rural Development and Panchayati Raj Department | | |
| Member of Legislative Assembly Local Area Development Scheme | 2.1 | 15 |
| Compliance Audit | | |
| Rural Development Department | | |
| Dang Area Development Scheme | 2.2 | 36 |
| Panchayati Raj Department | | |
| Unfruitful Expenditure on Rural BPL Houses | 2.3 | 49 |
| Unfruitful Expenditure on Non-commissioned Tube Wells | 2.4 | 50 |
| Unfruitful Expenditure on Incomplete Work | 2.5 | 51 |
| Irregular Expenditure on Inadmissible Works | 2.6 | 52 |
| Irregular Diversion of Grants on Inadmissible Works | 2.7 | 53 |

| TABLE OF CONTENTS | | |
|-----------------------------------------------------------------------------------------------------------------|---------------------|-------------|
| | Reference to | |
| | Paragraph | Page |
| PART-B | | |
| CHAPTER-III | | |
| OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING OF URBAN LOCAL BODIES | | |
| Introduction | 3.1 | 55 |
| Organisational Set up | 3.2 | 56 |
| Functioning of ULBs | 3.3 | 56 |
| Formation of Various Committees | 3.4 | 57 |
| Audit Arrangement | 3.5 | 58 |
| Response to Audit Observations | 3.6 | 59 |
| Lokayukta | 3.7 | 60 |
| Property Tax Board | 3.8 | 60 |
| Fire Hazard Response | 3.9 | 61 |
| Submission of Utilisation Certificates | 3.10 | 61 |
| Internal Audit and Internal Control System of ULBs | 3.11 | 61 |
| Financial Reporting Issues | 3.12 | 62 |
| Conclusion | 3.13 | 67 |
| CHAPTER-IV | | |
| AUDIT FINDINGS ON URBAN LOCAL BODIES | | |
| Compliance Audit | | |
| Local Self Government Department | | |
| Revenue Collection System in Municipal Boards | 4.1 | 69 |
| Administrative Reforms and Co-ordination Department and Local Self Government Department | | |
| Implementation of Rajasthan Guaranteed Delivery of Public Services Act 2011 in Local Self Government Department | 4.2 | 87 |
| Local Self Government Department | | |
| Non-recovery of Urban Development tax | 4.3 | 96 |
| Non-recovery of Revenue | 4.4 | 97 |
| Short Credit of Interest Amount in General Provident Fund | 4.5 | 98 |
| Irregular Retention of Funds | 4.6 | 99 |
| Unfruitful Expenditure on Procurement of Chassis | 4.7 | 100 |
| Short Recovery of Revenue | 4.8 | 101 |
| Non-recovery of Urban Assessment (Ground Rent) | 4.9 | 102 |
| Irregular Retention of Urban Assessment (Ground Rent) | 4.10 | 103 |
| Unfruitful Expenditure on Development of Sanitary Landfill | 4.11 | 104 |

| APPENDICES | | |
|-------------------|------------------------------------------------------------------------------------------------------|-------------|
| Number | Particulars | Page |
| I | Details of devolution of 29 subjects listed in the Constitution to PRIs as of May 2016. | 107 |
| II | Statement showing the Kharanja roads constructed not as per specifications. | 108 |
| III | Details of inadmissible works. | 111 |
| IV | Statement showing the details of non-construction/completion of CM BPL houses. | 113 |
| V | Details of expenditure of ₹ 1.66 crore incurred on inadmissible works under SFC-IV. | 114 |
| VI | Statement showing devolution of functions to Urban Local Bodies as listed in the Constitution. | 119 |
| VII | Details of non/short recovery of one-time fees/annual charges from mobile towers. | 120 |
| VIII | Details of non/short recovery of betterment levy. | 121 |
| IX | Details of un-recovered map approval fee and examination fee. | 122 |
| X | Details of unrecovered premium charges. | 123 |
| XI | Details of delay (range in days) in providing of notified services. | 124 |
| XII | Statement of Urban Development Tax due, recovered and outstanding in respect of 13 municipal bodies. | 125 |
| XIII | Glossary of Abbreviations. | 126 |

PREFACE

This Report for the year ended 31 March 2016 has been prepared for submission to the Governor of the State of Rajasthan.

This Report relates to Audit of receipts and expenditure of the Local Bodies in Rajasthan conducted under provisions of the Comptroller and Auditor General (Duties, Power and Conditions of Service) Act, 1971 read with proviso of sub-section (4) of section 75 of the Rajasthan Panchayati Raj Act, 1994, as amended on 27 March 2011 which empowers the Comptroller and Auditor General of India to conduct Audit of the accounts of Panchayati Raj Institutions and submit such Audit Report to the State Government for its placement in the State Legislature.

The instances mentioned in this Report are those, which came to notice in the course of test Audit during the period 2015-16 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 2015-16 have also been included, wherever necessary.

The Audit has been conducted in conformity with the Auditing Standards (March 2002) issued by the Comptroller and Auditor General of India.

Overview

OVERVIEW

This Report includes two parts:

Part-A represents Panchayati Raj Institutions. This part includes two Chapters. Chapter-I represents an 'Overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Panchayati Raj Institutions' and Chapter-II comprises of a Performance Audit and six Compliance Audit Paragraphs.

Part-B represents Urban Local Bodies. This part includes two Chapters. Chapter-III represents an 'Overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Urban Local Bodies' and Chapter-IV includes eleven Compliance Audit Paragraphs.

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

PART-A

Panchayati Raj Institutions

1. Overview of Functioning, Accountability Mechanism and Financial Reporting Issues of Panchayati Raj Institutions

The accountability mechanism and financial reporting issues of the Panchayati Raj Institutions in the State continues to be weak. The accounts of the Panchayati Raj Institutions were incomplete and improper and this led to partial certification of accounts by the Local Fund Audit Department. The Panchayati Raj Institutions continue to maintain their accounts in conventional formats. Though the Panchayati Raj Institutions at Panchayat Samiti and Zila Parishad level were maintaining records and returns in the prescribed formats of the Rules, but in Gram Panchayats no such records were maintained. There was lack of fiscal autonomy in Panchayati Raj Institutions as they were totally dependent on grants-in-aid received from the Government.

(Paragraph 1.1 to 1.12)

2. Audit Findings on Panchayati Raj Institutions

Member of Legislative Assembly Local Area Development Scheme

The Member of Legislative Assembly Local Area Development Scheme was introduced by Government of Rajasthan in 1999-2000 to carry out works of developmental nature for public use based on locally felt needs so as to promote balanced regional development. The Performance Audit of the Scheme was conducted in two out of seven zones in the State viz, Bikaner and Udaipur. An amount of ₹ 25 lakh per Member of Legislative Assembly per annum was allotted which was subsequently raised to ₹ two crore in 2012-13.

The utilisation of funds under the Scheme was very low and ranged between 17.60 *per cent* and 23.73 *per cent* of the available funds. Huge unspent funds of ₹ 1,093.11 crore (60.73 *per cent* of amount allotted during 2011-16) were accumulated in the Personal Deposit Accounts of the Zila Parishads at the end of March 2016.

Many works were sanctioned/executed in violation of the Member of Legislative Assembly Local Area Development Scheme guidelines. Roads were constructed in violation of Gramin Karya Nirdeshika provisions resulting in damage of these roads. In numerous cases payments were fictitiously made for works which were either not executed or executed without adhering specifications of Gramin Karya Nirdeshika. The monitoring mechanism was not adequate as the State Government did not form District/State level monitoring committees for effective monitoring of Member of Legislative Assembly Local Area Development Scheme.

(Paragraph 2.1)

Dang Area Development Scheme

Dang Area Development Scheme was introduced in December 2005 for development of the Dang Area which is characterised by ravines, gorges and infested with dacoits. The scheme was being implemented in eight districts of two zones in Rajasthan and included 371 Gram Panchayats of 22 Panchayat Samitis of these districts. The compliance Audit of Scheme was conducted in three districts, six Blocks and 51 Gram Panchayats which were selected for Audit.

The objectives of the Dang Area Development Scheme were socio-economic and basic infrastructural development which included provision of facilities like drinking water, road connectivity, buildings for educational institutions, dispensaries, veterinary hospitals, libraries, public toilets, harvesting structures and other projects for livelihood activities. Audit revealed that in test checked districts 94.20 *per cent* works sanctioned only for construction of rural internal roads. The main objectives of the scheme to achieve development in socio-economic and basic infrastructural areas could not be achieved owing to lack of planning as the scheme did not cover other areas.

Cases of work with lower specifications, fictitious payments, work not executed as per specifications, damaged roads, non-recovery from the executing agencies were noticed. Lack of adequate monitoring, evaluation and Social Audit led to the deficiencies not being identified.

(Paragraph 2.2)

Non-utilisation of financial assistance of ₹ 7.78 crore released for construction of dwelling units under Chief Minister Rural BPL Awaas Yojana.

(Paragraph 2.3)

In Panchayat Samiti, Nokha, 51 tube wells constructed at a cost of ₹ 2.10 crore could not be put to use due to non-installation of submersible pump and no provision for electric connection, defeating the objective of supply of drinking water in rural areas.

(Paragraph 2.4)

Imprudent decision of engaging contractor for work of construction of meeting hall in Panchayat Samiti, Degana led to the work being incomplete, thereby rendering expenditure of ₹ 26.09 lakh unfruitful.

(Paragraph 2.5)

Irregular expenditure of ₹ 1.66 crore on execution of inadmissible works in Panchayati Raj Institutions, out of grants under State Finance Commission.

(Paragraph 2.6)

Irregular expenditure of ₹ 79.16 lakh on execution of inadmissible works, out of grants under Central/State Finance Commissions' recommendations in Zila Parishads, Barmer and Kota.

(Paragraph 2.7)

PART-B

Urban Local Bodies

3. Overview of the Functioning, Accountability Mechanism and Financial Reporting issues of Urban Local Bodies

Own resources of Urban Local Bodies were not adequate and the Urban Local Bodies were largely dependent on grants and loan from the Central and State Governments. Absence of timely finalisation of accounts in the prescribed formats and lackadaisical approach in certification of accounts resulted in denial of correct accounting information to the stakeholders. From 2009-15, as against accounts of 188 Urban Local Bodies required to be certified every year, certification of accounts of only 114 Urban Local Bodies (61 *per cent*) had been done by the Local Fund Audit Department. Annual accounts of Urban Local Bodies were still being maintained in the conventional formats on cash basis instead of on accrual basis except in four Urban Local Bodies. There were huge delays in attending to Audit observations and in their settlement. Failure to timely respond to Audit observations is fraught with the risk of continuance of irregularities/ deficiencies.

(Paragraph 3.1 to 3.13)

4. Audit Findings on Urban Local Bodies

Revenue Collection System in Municipal Boards

Rajasthan Municipal Act, 2009 empowers the Municipality to levy taxes to generate their own revenues and prescribes the manner for their realisation.

Municipalities are generating revenues by levy tax, user charges, fines and fees etc.

Audit of Revenue Collection System in Municipal Boards conducted in 17 MBs revealed that during the years 2013-16, there was an average shortfall of 42.69 *per cent* at State level and 51.35 *per cent* in test checked Municipal Boards in collection of non-tax revenues. There was no justification available for fixation of target in the MBs.

In many cases Municipal Boards did not frame/amend the requisite Bye-laws and did not recover fees/charges/rent from defaulters for erecting mobile towers, running marriage places, shops, hotels, restaurants, buildings and land user/bidders. No action was taken against non/short recovery of betterment levy, fire cess and building permission charges, premium charges, urban assessment etc.,.

During the years 2013-16, there was an average shortfall of 48.69 *per cent* at State level and 46.57 *per cent* in test checked Municipal Boards in collection of tax revenues. In many cases Municipal Boards did not take timely action to recover outstanding house tax, urban development tax from land/building owners and passenger/vehicle tax from tourists/vehicle owners. Further, survey for identification of assesses for levy of urban development tax was not conducted.

There was an average gap of 70.68 *per cent* between total expenditure of Municipal Boards and their own revenue collection and an average gap of 42.53 *per cent* in the test checked Municipal Boards thereby increasing the dependence of Municipal Boards on grants and loans from State/Central Government.

The shortage of manpower ranged from 36.11 *per cent* to 50.30 *per cent* adversely affected the collection of tax/non-tax revenue. Further, the internal control and monitoring mechanism in test checked Municipal Boards was inadequate.

(Paragraph 4.1)

Implementation of Rajasthan Guaranteed Delivery of Public Services Act 2011 in Local Self Government Department

Rajasthan Guaranteed Delivery of Public Services (RGDPS) Act 2011 was implemented with the objectives of providing responsible, accountable, transparent and corruption free administration. The Act enjoins upon the Designated Officer to provide the service within the prescribed time. If a service is delayed or denied, the Appellate Authority may impose penalty upon the Designated Officer while deciding the appeal. Currently, 153 services covering 18 departments, including 11 services of Local Self Government Department are covered under the Act.

Audit of Implementation of Rajasthan Guaranteed Delivery of Public Services conducted in four districts (Alwar, Barmer, Jaipur and Udaipur) revealed that

there were delays in 13.03 *per cent* cases and the delays ranged from five to 1,628 days in the eleven notified services being administered by the ULBs. If the common services of issue of Birth/Death and Marriage Certificates were excluded, the average delays would go up further i.e. in 19.78 *per cent* cases.

Delays in services like ‘Sanction of layout plans of buildings’ and issue of ‘No objection certificates for firefighting’ (inspection stage) were abnormally high at 25.43 *per cent* and 19.34 *per cent* respectively. Directorate Local Bodies and Administrative Reforms and Coordination Department was unable to capture the exact position of delays which points to weaknesses in monitoring and impacts on the effective implementation of the Act.

There were only 70 cases registered for first appeal and two for second appeal which clearly brings out that adequate effort was not made to create awareness among citizens. Impact study on implementation of the Rajasthan Guaranteed Delivery of Public Services Act in the State reported that the awareness levels of citizens and service providers with respect to the provisions of the Act were quite low. Online monitoring system has been discontinued since June 2014. Presently no effective monitoring system/mechanism is in existence to ensure effective implementation of services.

(Paragraph 4.2)

Municipalities could not fulfill their statutory obligations resulting in unrecovered Urban Development Tax of ₹ 202.47 crore.

(Paragraph 4.3)

Due to slackness of Municipal Council, Baran in taking timely action for conversion of agricultural land into non-agricultural land there was loss of revenue of ₹ 41.12 lakh on account of conversion charges, urban assessment and shelter fund.

(Paragraph 4.4)

Municipal Corporation, Jaipur credited interest at rates lower than the rates prescribed by the State Government resulting in short credit of interest of ₹ 1.32 crore in General Provident Fund account of employees.

(Paragraph 4.5)

Municipal Corporation, Jaipur irregularly retained the income earned by transfer of land through sale/auction worth ₹ 2.89 crore.

(Paragraph 4.6)

Procurement of Chassis for ₹ 1.16 crore without conversion to fire brigade vehicles resulted in unfruitful expenditure.

(Paragraph 4.7)

Short recovery of revenue of ₹ 1.20 crore by Municipal Council, Kishangarh due to incorrect issue of demand.

(Paragraph 4.8)

Due to slackness of Municipal Corporation, Jaipur, an amount of ₹ 96.44 crore was pending recovery from 69,547 lease holders on account of ground rent.

(Paragraph 4.9)

Irregular retention of entire ground rent by Municipal Corporation, Ajmer and Municipal Council, Balotra resulted in revenue of ₹ 5.72 crore not being credited into the Consolidated Fund of the State.

(Paragraph 4.10)

Lack of proper planning of Municipal Corporation, Jaipur led to unfruitful expenditure of ₹ 10.93 crore on development of a sanitary landfill without erection of the 'Waste to Energy plant'.

(Paragraph 4.11)

Part-A
PANCHAYATI RAJ INSTITUTIONS

CHAPTER-I

**Overview of the Functioning,
Accountability Mechanism and Financial
Reporting Issues of
Panchayati Raj Institutions**

CHAPTER-I

OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

The Rajasthan Panchayat Samiti and Zila Parishad Act, 1959 conforms to the new pattern of Panchayati Raj which provided for a three tier¹ structure of local self governing bodies at district, block and village levels and enhanced decentralisation of powers.

Consequent to 73rd Constitutional Amendment giving Constitutional status to Panchayati Raj Institutions (PRIs), the Rajasthan Panchayati Raj Act (RPRAs), 1994 came into effect from April 1994. It delineated functions, powers and responsibilities 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), 295 Panchayat Samitis (PSs) and 9,894 Gram Panchayats (GPs) functioning in the State as of March 2016.

Rajasthan is the largest State in the country in terms of size and spans an area of 3.42 lakh square kilometers (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

| Indicator | Unit | Figures as per Census 2011 | |
|------------------------------|-------------------------------|----------------------------|----------------|
| | | State level | National level |
| Population | Crore | 6.85 | 121.06 |
| Population (Rural) | Crore | 5.15 | 83.35 |
| Population (Urban) | Crore | 1.70 | 37.71 |
| Population Density | Persons per sqkm | 200 | 382 |
| Decadal Growth Rate | Percentage | 21.30 | 17.70 |
| Sex Ratio | Females per 1,000 males | 928 | 943 |
| Total Literacy Rate | Percentage | 66.10 | 73.00 |
| Female Literacy Rate | Percentage | 52.10 | 64.60 |
| Male Literacy Rate | Percentage | 79.20 | 80.90 |
| Total Literacy Rate (Rural) | Percentage | 61.40 | 67.77 |
| Female Literacy Rate (Rural) | Percentage | 45.80 | 57.93 |
| Male Literacy Rate (Rural) | Percentage | 76.20 | 77.15 |
| Birth Rate | Per 1,000 Mid Year Population | 25.6 (2013) | 21.4 (2013) |
| Death Rate | Per 1,000 Mid Year Population | 6.5 (2013) | 7.0 (2013) |
| Infant Mortality Rate | Per 1,000 Live Births | 47 (2013) | 40 (2013) |
| Maternal Mortality Rate | Per lakh Live Births | 244 (2011-13) | 167 (2011-13) |

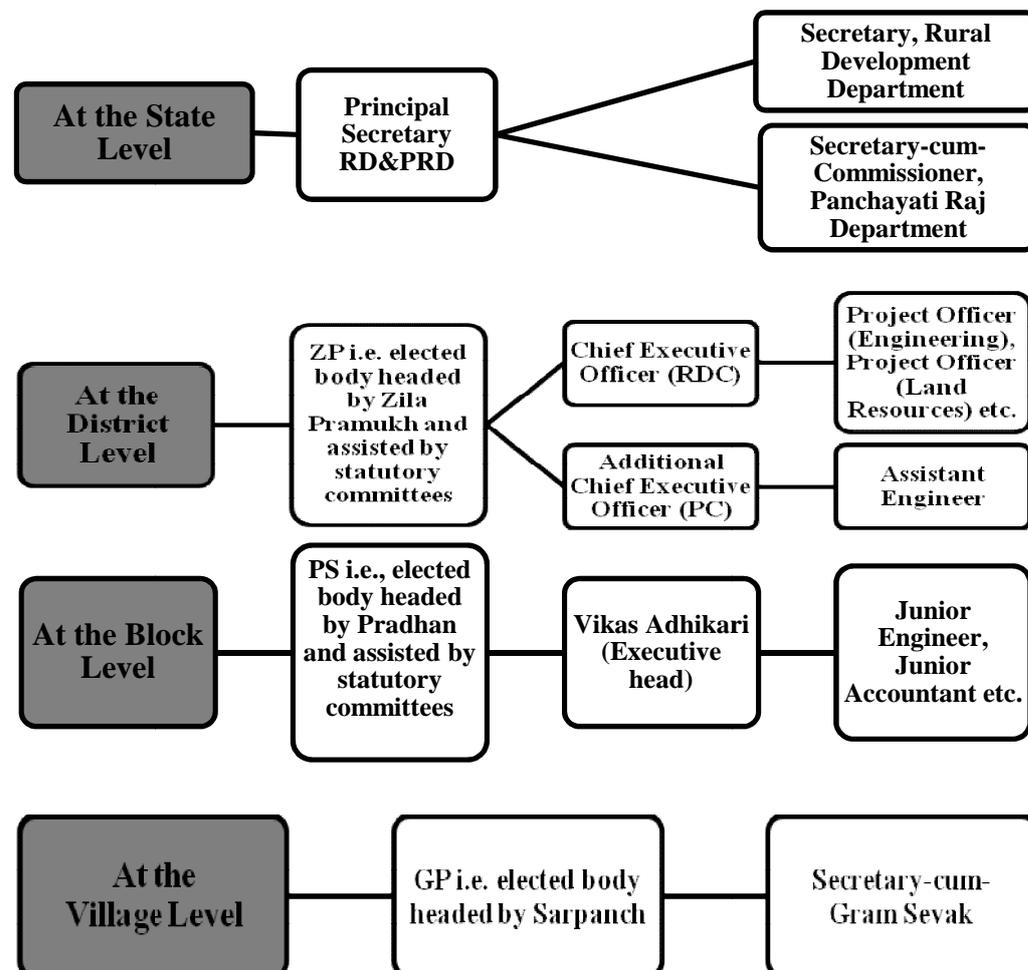
Source: As per Economic Review 2015-16, Department of Economic and Statistics.

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

1.2 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 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



1.3 Functioning of PRIs

Section 2 (xvii) of RPR, 1994 defines the PRI as an institution of Self-Government established under this Act for rural areas at the level of village or block or district. Various Central and State schemes/programmes are implemented through the PRIs at district, block and village levels.

Functions of a village level PRI (GP) include 33 functions like general administrative works related to agriculture, minor irrigation, drinking water, education and rural sanitation etc., specified in the first schedule of RPR, 1994.

Similarly, functions of PS (30 functions) and ZP (19 functions) are specified in the second and third Schedules of RPRA, 1994 respectively.

1.3.1 Devolution of Funds, Functions and Functionaries to Panchayati Raj Institutions

Following the 73rd Constitutional Amendment, orders on devolution were issued by the State Government in June 2003 and October 2010. Accordingly, out of 29 functions to be devolved in terms of XIth Schedule of the Constitution, 28 functions were initially transferred. However, funds and functionaries were transferred in respect of 20 subjects only (***Appendix-I***). Subsequently, devolution of funds, functions and functionaries of five subjects relating to Public Health Engineering Department, Public Works Department and Food and Civil Supply Department were withdrawn in January 2004 from PRD.

To ensure effectiveness of the devolution for betterment of the lives of rural people, PRD sought (2014) feedback and suggestions from the concerned Departments on the effectiveness of the functions devolved to the PRIs to facilitate a reconstituted committee of ministers to review the effectiveness. Government of Rajasthan stated (May 2015) that a Committee headed by the District Collector was formed at District level to monitor these activities. It was also suggested that administrative issues pertaining to employees of Medical Department may be transferred to ZPs to exercise control over the employees functioning as part of devolution. However, no action was taken in this regard (September 2016).

1.4 Formation of various Committees of PRIs

1.4.1 District Planning Committee

In pursuance of Article 243ZD of the Constitution of India and Section 121 of RPRA, 1994, State Government constituted District Planning Committee (DPC) in all the districts of the State. District Collector is a member of the DPC and he or his nominated officer attends the meeting of DPC. The required quorum for DPC meeting is 33 *per cent* of members elected from rural and urban areas.

The main objective of DPC was to consolidate the plans prepared by the Panchayats and the Municipalities in the district, prepare a draft developmental plan for the district as a whole and forward it to the State Government.

During 2015-16, important decisions such as review/approval of district annual plans, quarterly/yearly physical/financial progress of schemes, review of implementation of various schemes² were taken in DPC meetings. However, out of 33 districts, only Bhilwara district held the prescribed four DPC

2. Thirteenth Finance Commission, Bhamashah scheme, utilisation of untied funds, backward region grant fund, medical facilities, other social welfare schemes, environmental issues, issues concerning children's education, maintenance of law and order, submission of utilisation certificates etc.

meetings. 31 districts³ did not hold the prescribed number of meetings and Alwar district did not hold any meeting of DPC during 2015-16.

The reasons for not holding DPC meetings from the Department were awaited (January 2017).

1.4.2 Standing Committees

As per the provisions contained in sections 55-A, 56 and 57 of RPRA, 1994, every GP, PS and ZP should respectively constitute five standing committees, one each for the following group of subjects, namely (a) administration and establishment, (b) finance and taxation, (c) development and production programmes including those relating to agriculture, animal husbandry, minor irrigation, co-operation, cottage industries and other allied subjects, (d) education and (e) social service and social justice including rural water supply, health and sanitation, *gramdaan*, communication, welfare of weaker sections and allied subjects. These standing committees were to be headed by the elected member or elected chairperson of the institution concerned respectively.

Actual status of constitution and working of standing committees was not made available by the State Government, which indicated the weaknesses in monitoring and internal control mechanism.

1.5 Audit Arrangement

1.5.1 Primary Auditor

Section 75(4) of the RPRA, 1994 stipulated that all the accounts kept and maintained by a PRI should be audited by the Director, Local Fund Audit Department (DLFAD) as per provisions of the Rajasthan Local Fund Audit Act (RLFAA), 1954. The Audit Report⁴ of the DLFAD includes two chapters on Audit of PRIs viz. one of “Status of accounts of PRIs” and other of “Audit findings”. The paragraphs pertaining to PRIs are discussed by committee on Local Bodies and Panchayati Raj Institution constituted by Rajasthan State Legislature.

The Audit Report of DLFAD, Rajasthan for the year 2014-15 was laid before the State legislature on 28 March 2016.

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3. Three meetings held by 14 districts (Ajmer, Banswara, Bundi, Chittorgarh, Dausa, Dungarpur, Jaipur, Jalore, Jhunjhunu, Kota, Nagaur, Pali, Rajsamand, Sikar) Two meetings held by 12 districts (Bharatpur, Bikaner, Churu, Dholpur, Ganganagar, Jaisalmer, Jhalawar, Jodhpur, Karauli, Sawai Madhopur, Tonk and Udaipur) and one meeting held by five districts (Baran, Barmer, Hanumangarh, Sirohi and Pratapgarh).
 4. Section 18 of the Rajasthan Local Fund Audit Act, 1954 requires Director, LFAD to submit his Annual Consolidated Report on audited accounts to the State Government for laying this report before the State Legislature.

1.5.1.1 Certification of Annual Accounts of Panchayati Raj Institutions

As per Rule 23 (h) of the Rajasthan Local Fund Audit Rules (RLFARs), 1955, LFAD is required to certify the correctness of the annual accounts of PRIs at all three levels i.e. ZPs, PSs and GPs. In view of Fourteenth Finance Commission guidelines, the State Government issued (May 2016) orders that certification of accounts for the year 2014-15 and earlier years of all the PRIs in the State be undertaken by the DLFAD on priority basis.

The DLFAD certified the accounts of 2,290 PRIs out of the total 10,222 PRIs in the State during the year 2015-16. Out of these 2,290 accounts certificates, only 14 were issued without any qualifications. The remaining 2,276 accounts were certified with qualifications which were indicative of improper and incomplete maintenance of accounts. Out of these 2,290 certified accounts, 790 accounts pertained to earlier years i.e. 2013-14 and earlier.

As only 1,500 accounts representing 14.67 *per cent* of the total 10,222 PRIs accounts were certified for 2015-16, it was not possible for Audit to verify the correctness of figures given in the annual accounts prepared by the PRIs at the ZP, PS and GP level.

1.5.1.2 Arrears of Audit of Local Fund Audit Department

Against total 10,222 units of PRIs (ZPs: 33, PSs: 295 and GPs: 9,894) there were arrears in Audit of 8,365 units of PRIs (ZPs: 23, PSs: 207 and GPs: 8,135) as of March 2016 due to vacant posts and election duties of staff.

Director, Local Fund Audit Department issued total 6,575 inspection reports (IRs) containing 60,471 paragraphs which were pending for settlement as of March 2016. Out of 60,471 paragraphs, 7,444 paragraphs involving monetary value of ₹ 23.84 crore were related to embezzlement.

Thus, the performance grant to be obtained from the Fourteenth Finance Commission may receive a setback in the coming years due to slow certification process.

1.5.2 Audit by Comptroller and Auditor General of India

Comptroller and Auditor General of India (CAG) conducts Audit of PRIs under Section 14 of CAG's (Duties, Powers and Conditions of Service) Act, 1971 and under the proviso of sub section (4) of section 75 of the RPRA⁵, 1994, (as amended on 27 March 2011) CAG is also empowered to conduct Audit of the accounts of PRIs and submit such Audit Report to the State Government for its placement in the State Legislature.

5. All accounts kept and maintained by a PRI shall be audited, as soon as may be after the end of each financial year, by the DLFAD for the State and provisions of the Rajasthan Local Fund Audit Act, 1954 shall apply, provided that the CAG of India may also carry out a test Audit of such accounts.

1.5.2.1 Implementation of Technical Guidance and Support/Supervision

In pursuance of recommendations of XIIIth Central Finance Commission, Government of Rajasthan (GoR), Finance (Audit) Department issued notification on 2 February 2011 for adoption of 13 parameters under the Technical Guidance and Supervision/Support (TG&S) over the Audit of all the tiers of PRIs and ULBs by DLFAD. These TG&S arrangements were further extended to cover the period of Fourteenth Finance Commission (2015-20) also vide GoR's notification (25 April 2016) on the same terms and conditions.

Comments/suggestions in respect of four factual statements and six draft paragraphs proposed by DLFAD for inclusion in their Audit Report and comments on 17 IRs⁶ of DLFAD upto March 2016 were communicated to DLFAD under the TG&S by the Principal Accountant General (General and Social Sector Audit) Rajasthan.

1.6 Response to Audit Observations

1.6.1 Response to Paragraphs and Inspection Reports

As of March 2016, 2,553 IRs comprising 26,662 paragraphs issued by the Principal Accountant General (General and Social Sector Audit) Rajasthan in respect of the PRIs i.e. ZPs and PSs (including GPs) were pending for settlement as detailed in **Table 1.2** below:

Table 1.2

| Year | IRs | Paragraphs |
|---------------|--------------|-------------------|
| Up-to 2007-08 | 1,231 | 9,284 |
| 2008-09 | 199 | 2,725 |
| 2009-10 | 163 | 2,482 |
| 2010-11 | 115 | 1,534 |
| 2011-12 | 215 | 3,240 |
| 2012-13 | 190 | 2,833 |
| 2013-14 | 187 | 2,071 |
| 2014-15 | 181 | 1,628 |
| 2015-16 | 72 | 865 |
| Total | 2,553 | 26,662 |

Huge pendency of IRs and paragraphs indicates lack of prompt response on the part of PRIs which results in recurrence of the deficiencies and lapses pointed out earlier. An amount of ₹ 3.99 lakh was recovered at the instance of Audit during the year 2015-16.

1.6.2 Response to Paragraphs Appeared in Audit Reports

Five paragraphs involving money value of ₹ 620.84 crore which appeared in previous Audit Reports, were pending for replies with State Government as on 31 December 2016.

6. ZPs: five, PSs: seven and GPs: five.

1.6.3 Discussion on Audit Reports by the Committee

A Committee on Local Bodies and Panchayati Raj Institutions had been constituted since 1 April 2013 in Rajasthan Vidhan Sabha to examine and discuss the Audit Reports of Comptroller and Auditor General of India on Local Bodies. Audit Report for the year 2004-05 has been discussed by the Committee and subsequent reports are yet to be discussed.

Accountability Mechanism and Financial Reporting issues

Accountability Mechanism

1.7 Social Audit

Social Audit was formally introduced through Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Audit of Scheme Rules⁷, 2011. These rules prescribed procedures and the manner for conducting Social Audit.

For further simplification, delegation of responsibilities to various functionaries and effective implementation of the scheme, the GoR formulated detailed Social Audit Guidelines in 2012. In Rajasthan, Directorate of Social Audit was constituted (September 2009) under the administrative set up of Principal Secretary, RD&PRD. Director, Social Audit is responsible for conducting Social Audit of Scheme⁸ in the State as per provisions of the Social Audit Guidelines, 2012.

The Directorate of Social Audit prepares Annual calendar in two parts with half yearly periods in the beginning of the year with a view to cover each GP over a period of six months. Corrective action is taken by executive agencies, line departments and payment authorities and the follow up action is taken by Directorate and the State Government.

Director, Social Audit, intimated (May 2016) that Social Audit was conducted by 8,603 GPs (against targeted 9,395 GPs) in the first half and 9,158 GPs (against targeted 9,894 GPs) in the second half of financial year 2015-16.

1.8 Lokayukta

The Office of the Lokayukta, Rajasthan was set up in February 1973 as per the Rajasthan Lokayukta and Up-Lokayukta Act, 1973, with an objective of resolving cases of corruption, mis-utilisation of power by Ministers and higher officials of the State Government. It is an independent constitutional authority. The actions of Pramukh and Up-Pramukh of a ZP, Pradhan and Up-Pradhan of a PS and Chairman of any standing committee constituted by or under RPR, A,

7. MGNREG Audit of Scheme Rules, 2011 were notified (30 June 2011) by the GoI in exercise of the powers conferred by subsection (1) of section 24 of the MGNREG Act, 2005.

8. In addition to MGNREG Scheme, Social Audit of Integrated Watershed Development Programme (IWMP) was also commenced from April 2013 onwards by adopting these guidelines.

1994 are covered under the Lokayukta. However, the acts of the Sarpanch or Panch of GP do not fall under the direct jurisdiction of the Lokayukta in Rajasthan.

Joint Secretary, Lokayukta, Rajasthan intimated (May 2016) that 1,852 cases of complaints against the officers and employees of RD&PRD were received during 2011-16. Out of this, 1,547 cases were disposed and the remaining 305 cases were pending.

1.9 Submission of Utilisation Certificates

1.9.1 Panchayati Raj Department

The Department has furnished budget position for the year 2015-16 with a total revised estimate of ₹ 7,373.66 crore to the PRIs in the State. This amount was inclusive of plan, non-plan items, grants of Central and State Governments. A total allotment of ₹ 7,030.83 crore was made against this. The Central and State Government grants made out of the above, amounting to ₹ 5,306.15 as shown in **Table 1.3** below:

Table 1.3

(₹ in crore)

| Name of Grant | Revised Estimate | Allotment |
|--------------------------------------|------------------|-----------------|
| Fifth State Finance Commission Grant | 2,457.13 | 2,247.39 |
| Other Grant from State Government | 1,612.45 | 1,585.18 |
| Fourteenth Finance Commission Grant | 1,471.95 | 1,471.95 |
| Thirteenth Finance Commission Grant | 1.63 | 1.63 |
| Total | 5,543.16 | 5,306.15 |

The Department did not furnish any utilisation certificates or any expenditure particulars for the allotted amount.

1.9.2 Rural Development Department

As per the scheme-wise financial position furnished by RDD for the year 2015-16 (March 2016) as shown in **Table 1.4** below:

Table 1.4

(₹ in crore)

| Year | Opening balance (April 2015) | Release amount | Interest amount on available funds and other income | Total available fund | Expenditure against available fund |
|---------|------------------------------|----------------|-----------------------------------------------------|----------------------|------------------------------------|
| 2015-16 | 1,119.89 | 1,086.16 | 5.80 | 2,211.85 | 1,730.45 (78.24 per cent) |

Utilisation Certificates on scheme-wise basis were not available with the Department, which stated that the same were being called for from the Districts and would be furnished in due course.

1.10 Internal Audit and Internal Control System of PRIs

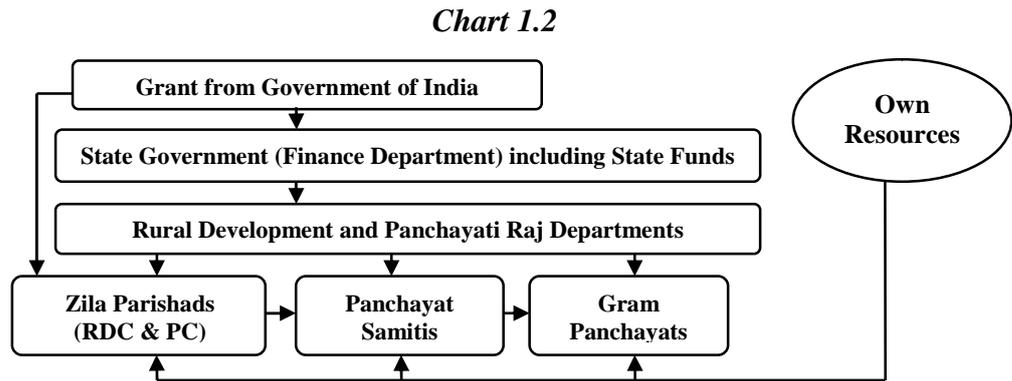
As per provisions laid down in the RPRA, 1994 Audit of PRIs is being conducted by the DLFAD as per the provision of the RLFAA, 1954.

The DLFAD has full access to accounts of the PRIs. The extent and nature of Audit by DLFAD has been outlined in the RLFARs, 1955 which includes certification of correctness of annual accounts of the PRIs also.

1.11 Financial Reporting Issues

1.11.1 Source of Funds

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:



1.11.1.1 Financial Position of Panchayati Raj Institutions as per Panchayati Raj Department

In addition to their 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 2011-16 is given in **Table 1.5** below:

Table 1.5

| Particulars | (₹ in crore) | | | | |
|------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| (A) Revenue receipts | | | | | |
| Own Tax | NA | NA | NA | NA | NA |
| Own Non-Tax (ZP) | NA | 2.90 | 4.66 | Nil | NA |
| Total Own Revenue | NA | 2.90 | 4.66 | Nil | NA |
| Grants-in-aid from State Government | 2,197.21 | 2,928.48 | 3,107.37 | 4,777.81 | 3,832.57* |
| Thirteenth Finance Commission Grants | 609.40 | 953.81 | 1,017.14 | 1,042.09 | 1.63 |
| Fourteenth Finance Commission Grants | - | - | - | - | 1,471.95 |
| Total Receipts | 2,806.61 | 3,885.19 | 4,129.17 | 5,819.90 | 5,306.15 |
| (B) Expenditure | | | | | |
| Revenue Expenditure (Pay and allowances and maintenance expenditure) | 2,805.64 | 3,863.29 | 4,083.79 | 5,403.36 | 5,047.40 |
| Capital Expenditure | 0.97 | 19.00 | 10.12 | 1.85 | 0.56 |
| Total Expenditure | 2,806.61 | 3,882.29 | 4,093.91 | 5,405.21 | 5,047.96 |
| Source: As per data provided by PRD. NA : Not available | | | | | |
| * It includes ₹ 2,247.39 crore pertaining to Fifth State Finance Commission. | | | | | |

The above table indicated that:

- Total receipts in 2015-16 decreased by about nine *per cent* over the previous year. There has been about 20 *per cent* decrease in State Government grants in the same period.
- Total expenditure in 2015-16 decreased by about seven *per cent* over the previous year.
- There has been more thrust on revenue expenditure (salaries and maintenance works) than on creation of asset (capital expenditure). As per the financial position furnished by the Department, out of the allocation of a mere ₹ 2.35 crore for modernisation of ZP/PS buildings in the State, only ₹ 0.56 crore was spent during 2015-16. The continuance of meager capital expenditure over the years is an area of concern, as creation of durable asset and infrastructure for public welfare is one of the principal motives of rural developmental works.
- Non-availability of figures of 'Own Tax' with the Department for the past many years reflects the weakness of the PRI to even recognise the importance of generation of own revenue. Further, the negligible contribution of Total Own Revenue (Own tax and Own Non-tax) of PRIs reflects the total dependence on grants-in-aid received from State Government and Finance Department. Complete dependence on grants and lack of fiscal autonomy is a matter of serious concern that needs to be addressed for improving governance at grass-root level.

1.11.1.2 Financial Position of Panchayati Raj Institutions Compiled by Rural Development Department

The position of receipts and expenditure of the rural development schemes compiled by RDD for the years 2012-16 is given in **Table 1.6** below:

Table 1.6

(₹ in crore)

| Particulars | 2012-13 | | | 2013-14 | | | 2014-15 | | | 2015-16 | | |
|--------------------------------------------------------|----------|--------|-----------------|----------|----------|-----------------|----------|---------------|-----------------|----------|--------|-----------------|
| | CSS | SSS | Total | CSS | SSS | Total | CSS | SSS | Total | CSS | SSS | Total |
| Opening balance | 770.62 | 253.86 | 1,024.48 | 673.29 | 373.98 | 1,047.27 | 823.89 | 325.44 | 1,149.33 | 790.73 | 329.16 | 1,119.89 |
| Receipts | 648.18 | 535.86 | 1,184.04 | 972.45 | 647.25 | 1,619.70 | 754.30 | 613.51 | 1,367.81 | 662.04 | 530.78 | 1,192.82 |
| Total available funds | 1,418.80 | 789.72 | 2,208.52 | 1,645.74 | 1,021.23 | 2,666.97 | 1,580.11 | 938.95 | 2,519.06 | 1,457.37 | 754.48 | 2,211.85 |
| Expenditure | 885.28 | 431.78 | 1,317.06 | 1,006.78 | 743.88 | 1,750.66 | 1,042.46 | 504.71 | 1,547.16 | 1,077.59 | 652.85 | 1,730.44 |
| Closing balance | 533.52 | 357.94 | 891.46 | 638.96 | 277.35 | 916.31 | 537.65 | 434.24 | 971.89 | 379.77 | 101.63 | 481.40 |
| Percentage of expenditure to the total available funds | 62.40 | 54.68 | 59.64 | 61.17 | 72.84 | 65.64 | 65.97 | 53.75 | 61.42 | 73.94 | 86.53 | 78.23 |

Source: As per data provided by RDD.

CSS: Centrally Sponsored Scheme, SSS: State Sponsored Scheme.

The above table indicates that:

- There was a difference of ₹148 crore between the closing balance of 2014-15 and the opening balance of 2015-16. Regarding the difference in figures, State Government stated (November 2016) that information provided was based on Monthly Progress Reports received from districts in which UCs of many completed works was pending adjustment. The reply of the State

Government needs to be viewed in the light of the fact that similar discrepancies were also commented in the previous Audit Reports but these still continue to persist. Remedial action for reconciliation of the differences, therefore, needs to be taken by the State Government.

- Total receipts from Central and State Government declined by about 13 *per cent* but the expenditure increased by about 12 *per cent* in 2015-16 over the previous year.
- During 2015-16, utilisation of available funds was only about 78 *per cent*.

1.11.2 Recommendations of the State Finance Commission

Fifth State Finance Commission (SFC) commenced from the year 2015-16 and as per information provided, an amount of ₹ 2,247.39 crore was provided to the PRIs in the State by the Department as Fifth SFC grant during the year. The grant was distributed in the ratio of 5:15:80 to ZPs, PSs and GPs. Accordingly ₹ 112.37 crore to ZPs, ₹ 337.11 crore to PSs and ₹ 1,797.91 crore to GPs, was released. These amounts were released, based on the recommendations of the Interim Report submitted by the Fifth SFC for the year 2015-16.

Details of the progress of utilisation of the funds were not made available.

1.11.3 Recommendations of the Central Finance Commission

1.11.3.1 Fourteenth Finance Commission Grants

The period of Fourteenth Finance Commission commenced from the year 2015-16. Grants received by the State Government as first installment in the year 2015-16 and transferred to the PRIs are shown in **Table 1.7** below:

Table 1.7

(₹ in crore)

| Grant particulars | Funds received by the Department | Funds transferred by the Department to PRIs |
|---------------------|----------------------------------|---------------------------------------------|
| Basic General Grant | 1,471.95 | 1,471.95 |

The concerned ZP and PS would be responsible to ensure fair and optimum utilisation of the grants by the GPs. For claiming performance grant, the GPs, shall submit audited accounts that relate to year not earlier than two years preceding the year in which the performance grant is sought. The GPs would have to show increase in their own revenue over the preceding year as reflected in the audited accounts.

Details of the progress of utilisation of the funds were not made available.

1.11.4 Unutilised Funds

Scrutiny of the annual accounts of 19 ZPs, revealed that there were huge balances lying unutilised with District units (March 2016) totaling ₹ 101.97 crore. Despite unutilised balances as of April 2015, funds were released by the State Government for the year 2015-16. These balances pertained to State

Finance Commissions, other grants and grants from Central Finance Commissions as shown in **Table 1.8** below:

Table 1.8

(₹ in crore)

| Grant name | Unutilised amount as of March 2016 |
|--------------------------------------|-------------------------------------------|
| First State Finance Commission | 0.03 |
| Second State Finance Commission | 2.67 |
| Third State Finance Commission | 4.35 |
| Fourth State Finance Commission | 27.96 |
| Untied funds (State Government) | 18.66 |
| Sadi Kambal (State Government) | 19.64 |
| Eleventh Finance Commission | 0.26 |
| Twelfth Finance Commission | 3.73 |
| Thirteenth Finance Commission | 20.90 |
| Untied Thirteenth Finance Commission | 3.77 |
| Total | 101.97 |

Non-utilisation of available funds amounting to ₹ 101.97 crore was indicative of the deficiency in planning and implementation. The PRD at State level needs to analyse and prioritise the provision of funds to the PRIs and ensure their optimum utility.

1.11.5 Maintenance of Records

As per provisions contained in Rule 245 of RPRRs, 1996, a quarterly statement of income and expenditure is required to be prepared in prescribed proforma by each PRI and sent to next higher authority. Similarly, at the end of the year, a GP/PS is required to prepare an abstract of annual accounts in prescribed proforma vide rule 246 of Rules *ibid* showing its income and expenditure under each head of budget and forward it to the State Government through ZP by first May of the following year. Abstracts of annual accounts are required to be accompanied by a statement of grants-in-aid received and spent during the year, statement of loans and amount outstanding, a list of works undertaken under the various schemes and a statement of assets and liabilities.

Provisions regarding maintenance of records viz. cash book, asset register, advance register, stock register and other records have also been enumerated in the RPRR, 1996.

Test check of 298 PRIs (ZPs: 12, PSs: 38 and GPs: 248) revealed that 13 PSs did not prepare quarterly accounts and 11 PSs did not prepare annual accounts. Three out of 12 test checked ZPs did not prepare quarterly accounts (Chittorgarh, Durgarpur and Rajsamand) and three ZPs did not prepare annual accounts (Baran, Chittorgarh and Dungarpur). None of the test checked GPs were preparing and maintaining the accounts in prescribed formats. They were maintaining a simple initial receipts and expenditure statements called 'Goshwara', a raw data wherein the monetary transactions are entered at an initial stage.

1.11.5.1 As per recommendations of Thirteenth Finance Commission, 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.

The Department did not furnish reply to Audit in this regard (September 2016). As noticed by Audit, the PRIs continue to follow the conventional form of accounting process.

1.11.5.2 As for implementation of PRIASoft, a centralised accounting package that facilitates maintenance of accounts under Model Accounting System, it was noticed that the PRIs were entering transactions relating to the grants of Central and State Finance Commission and Untied funds. Total of 282 PRIs i.e. one ZP (out of 33), 10 PSs (out of 295) and 271 GPs (out of 9,894) had entered their data in PRIASoft and closed their books for the year 2015-16 and the work in rest of the PRIs was in process.

The usage of PRIASoft has drastically fallen as compared to last two years when 9,427 PRIs (out of total 9,458 PRIs) and 5,771 PRIs closed their year book in the centralised accounting package during the previous year 2013-14 and 2014-15 respectively. The Department had not furnished specific reply for such a poor performance.

1.11.5.3 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. Out of 33 ZPs of Panchayati Raj Cell, 21 ZPs⁹ submitted their annual accounts within the prescribed time limit, while three ZPs (Chittorgarh, Jalore and Rajsamand) submitted their annual accounts for the year 2015-16 with a delay ranging from 78 days to 120 days and nine ZPs¹⁰ did not submit their annual account to PRD as of September 2016.

Annual accounts of ZPs (RDC) for the year 2014-15 were required to be submitted to RDD by 30 September 2015. Out of the 33 ZPs of RDC, only ZPs, Chittorgarh (RDC) sent their annual accounts for the year 2014-15 within the prescribed time limit, while 28 ZPs¹¹ submitted their annual accounts with delays ranging from 38 to 223 days and four ZPs (Churu, Jalore, Pali and Sirohi) did not send their annual account to RDD as of September 2015.

1.11.6 Reconciliation of Balances as per Cash Book with Bank Pass Book

Rule 238 of RPRRs, 1996 stipulated that it shall be the duty of Panchayat Secretary to reconcile the deposit and drawals with bank pass book every

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9. Ajmer, Alwar, Banswara, Barmer, Bikaner, Bundi, Dausa, Dholpur, Dungarpur, Ganganagar, Hanumangarh, Jaipur, Jhunjhunu, Kota, Nagaur, Pali, Karauli, Sikar, Sirohi, Tonk and Pratapgarh.
 10. Baran, Bharatpur, Bhilwara, Churu, Jaisalmer, Jhalawar, Jodhpur, Sawai Madhopur and Udaipur.
 11. Ajmer, Alwar, Baran, Banswara, Barmer, Bharatpur, Bhilwara, Bikaner, Bundi, Dausa, Dholpur, Dungarpur, Hanumangarh, Jaipur, Jaisalmer, Jhalawar, Jodhpur, Jhunjhunu, Karauli, Kota, Nagaur, Pratapgarh, Rajsamand, Sikar, Shriganganagar, Sawai Madhopur, Tonk and Udaipur.

month on the basis of Panchayat record and get the mistakes corrected, if any. Similarly in case of PS and ZP, cashier should reconcile the PD account with treasury every month.

Audit scrutiny of 34 PRIs¹² revealed that in 53 cases, differences of ₹ 10.96 crore were pending to be reconciled as of March 2016 in the figures of PRIs' records and bank/treasury accounts.

1.11.7 Maintenance of Database and the Formats on the Finances of Panchayati Raj Institutions

Ministry of Panchayati Raj, GoI had also introduced (October 2009) eight simplified accounting data base formats (prescribed by the C&AG of India) for implementation by PRIs at District level and State level. These formats were meant to compile data of the PRIs on consolidated financial position, income and tax receipts, non-tax receipts, total receipts, details of expenditure and physical progress of funds allotted under Central/State Finance Commissions. These formats were agreed upon to be adopted for mandatory implementation by the Department with effect from April 2011. These formats were incorporated in the RPRRs, 1996 through a notification only in May 2015. As per a reply furnished by the Department (August 2016), the PRIs are yet to implement these accounting formats.

1.12 Conclusion

The accountability mechanism and financial reporting of the Panchayati Raj Institutions in the State continue to be weak. Partial certification of incomplete and improper accounts by the DLFAD in majority of the PRIs is another area of concern. Despite there being many accounting formats prescribed and accounting packages developed, the State Government has failed to evolve a sound accounting system. The PRIs continue to maintain their accounts in conventional formats. The PRIs at PS and ZP level were maintaining records and returns in the prescribed formats of the Rules. The GPs were receiving direct fund transfer from Central Finance Commission to make them self-reliant. Despite this, no records and returns were maintained.

Non-availability of figures of 'Own tax' with the Department for the past many years reflects the failure of the PRI to even recognise the importance of generation of own revenue leading to the total dependence on grants-in-aid received from State Government and Finance Department. Complete dependence on grants and lack of fiscal autonomy is a matter of serious concern that needs to be addressed to for improving governance at grass-root level. The State Government has been releasing grants to the PRIs without getting the utilisation certificates for grants already allocated. Huge pendency of Audit objections over the years indicates State Government's lack of interest in attending to Audit objections pertaining to important accounting and financial issues and the ways and means to address them.

12. ZPs (PC): two, ZPs (RDC): three and PSs: 29.

CHAPTER-II
Audit Findings on
Panchayati Raj Institutions

CHAPTER-II
AUDIT FINDINGS ON
PANCHAYATI RAJ INSTITUTIONS

This chapter contains a Performance Audit of 'Member of Legislative Assembly Local Area Development Scheme', Compliance Audit of 'Dang Area Development Scheme' and five paragraphs relating to Panchayati Raj Institutions.

PERFORMANCE AUDIT

Rural Development and Panchayati Raj Department

2.1 Member of Legislative Assembly Local Area Development Scheme

Executive Summary

The Member of Legislative Assembly Local Area Development (MLALAD) Scheme was introduced by Government of Rajasthan (GoR) in 1999-2000. The objective of the Scheme was to carry out works of developmental nature for public use based on locally felt needs so as to promote balanced regional development. These objectives inter-alia included removal of imbalance in regional development and promotion of self dependence and confidence in local community. In 1999-2000, an amount of ₹ 25 lakh per Member of Legislative Assembly (MLA) per annum was allotted, which was subsequently raised to ₹ two crore in 2012-13.

A Performance Audit of MLALAD Scheme in selected districts revealed that the utilisation of funds was very low and ranged between 17.60 per cent and 23.73 per cent. Huge unspent funds of ₹ 1,093.11 crore were accumulated in the Personal Deposit Accounts of the Zila Parishads (ZPs) at the end of March 2016. There was no provision for planning of works to be taken up during a year in the MLALAD Scheme guidelines, in the absence of which a list of prospective works could not be identified and shortlisted in advance.

There were serious deficiencies in the execution of works and payments for fictitious works amounting to ₹ 28.38 lakh were made for works not done or works done below the prescribed specifications, which were verified and confirmed during Joint Inspections of Audit with Departmental Authorities.

Many inadmissible works were sanctioned/executed and executed works were not being utilised and some works were irregularly sanctioned without ensuring use of general public and constructed on private land for use of particular community/persons. This impacted adversely on the creation of durable community assets.

Monitoring committee was not constituted at the District and State levels and periodical inspections were also not carried out by the ZPs.

2.1.1 Introduction

The Member of Legislative Assembly Local Area Development (MLALAD) Scheme was introduced by Government of Rajasthan (GoR) in 1999-2000. The objective of the Scheme was to carry out works of developmental nature for public use based on locally felt needs so as to promote balanced regional development. These objectives inter-alia included creation of public utility assets for public use based on locally felt needs; removal of imbalance in regional development; and promotion of self dependence and confidence in local community.

The MLALAD Scheme is administered by the Rural Development Department (RDD), GoR. The Scheme is governed by guidelines issued in February 2000 and which were revised in February 2003, September 2005, July 2009 and March 2013. In 1999-2000, an amount of ₹ 25 lakh per Member of Legislative Assembly (MLA) per annum was allotted which was subsequently raised to ₹ two crore in 2012-13¹.

An MLA may select works of community interest for creation of durable assets such as drinking water, public health, sanitation, roads, internal roads and bridges, drainage, buildings for schools/colleges/hospitals. Further, procurement of educational items, computers and medical equipments could also be selected by the MLA for implementation of Scheme in his/her constituency as well as for district level offices.

2.1.2 Organisational Set-up

The organisational set-up is depicted in the following **Chart**:

Chart 2.1

| | |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| State Level | <ul style="list-style-type: none"> • Rural Development Department. • Principal Secretary/Secretary. <ul style="list-style-type: none"> • Responsible for policy formulation, release of funds to District Authorities (DAs) as per MLAs entitlement and number of MLAs, supervision, monitoring and co-ordination with districts and other line Departments. |
| District Level | <ul style="list-style-type: none"> • Zila Parishad (Rural Development Cell). • District Collector and Chief Executive Officer (CEO), Zila Parishad (ZP) are the District Authorities (DAs). <ul style="list-style-type: none"> • District Collectors are responsible for issue of administrative, technical and financial sanctions and execution of works through Implementing Agencies (IAs). CEO, ZP is responsible for maintaining funds in Personal Deposit (PD) account and release to IAs, submission of Monthly Physical and Financial Progress Report and Utilisation Certificates (UCs) to RDD, maintenance of accounts and their auditing, uploading Monthly Information System data on web based module. |
| Block Level | <ul style="list-style-type: none"> • Implementing Agencies like PRIs, Urban Local Bodies (ULBs), Line Departments-Public Works Department (PWD), Public Health & Engineering Department (PHED) etc. and Non-Government Organisations (NGOs). • Head of the IAs. <ul style="list-style-type: none"> • IAs are responsible for execution of works, maintenance of accounts, submission of work completion report and UCs to DA. |

1. ₹ 60 lakh from 2001-02, ₹ 80 lakh from 2007-08, ₹ one crore from 2010-11.

2.1.3 Audit Scope and Methodology

The Performance Audit (PA) was conducted during May 2016 to November 2016 for the period from 2011-12 to 2015-16. The PA covered RDD, Rural Development Cell (RDC) and out of the seven zones in the State, two zones viz, Bikaner and Udaipur which were randomly selected for test check. In the selected zones, 50 per cent of the districts i.e. two districts out of four in Bikaner zone (Bikaner and Hanumangarh) and three districts out of six in Udaipur zone (Banswara, Dungarpur and Rajsamand) were selected by random sampling. Two Panchayat Samitis (PSs) in each district (i.e. total 10 PSs²) were selected on the basis of nature of works and number of works executed in PSs.

An Entry Conference with Principal Secretary, RDD, GoR, Jaipur was held on 18 May 2016 wherein audit objectives, selection of units, Audit methodology and scope of PA were explained. Exit Conference was held on 22 December 2016 wherein the Audit observations along with recommendations were discussed. In their response (February 2017), the State Government accepted all the recommendations.

The Audit criteria were derived from the following:

- Guidelines of the MLALAD Scheme and amendments made from time to time.
- Various circulars and orders issued by the RDD.
- Public Works Financial and Accounts Rules (PWF&AR) issued by GoR.
- Gramin Karya Nirdeshika (GKN), 2010.
- Rajasthan Panchayati Raj Rules (RPRs), 1996 and circulars issued from time to time.

2.1.4 Audit Objectives

The objectives of the Performance Audit were to assess whether:

1. the funds released under the Scheme were being utilised effectively for achieving the objectives of MLALAD Scheme;
2. durable community assets were created and the process of selection and execution of works was transparent and consistent with the Scheme guidelines; and
3. there was effective internal control and monitoring mechanism.

2. Panchayat Samitis: Bikaner and Shri Dungargarh (ZP, Bikaner), Bhadra and Nohar (ZP, Hanumangarh), Aaspur and Bichhiwara (ZP, Dungarpur), Gadhi and Ghatol (ZP, Banswara) and Bheem and Rajsamand (ZP, Rajsamand).

2.1.5 Audit Findings

Audit objective 1: Whether the funds released under the Scheme were being utilised effectively for achieving the objectives of MLALAD Scheme.

Rural Development Department (RDD), GoR releases funds to all districts directly in the Personal Deposit (PD) Account of CEO, ZP (RDC) in two installments for implementation of the various activities under the Scheme according to number of MLAs. The first installment of 80 *per cent* funds is released on issue of financial sanction of the works and remaining 20 *per cent* funds on completion of the work and submission of Work Completion Certificate and UCs to ZP.

2.1.5.1 Short Utilisation of Available Funds

(i) The year-wise budget allocation, funds released and utilised during 2011-2016 is given in **Table 2.1** below:

Table 2.1

| Year | Opening balance | Funds released during the year | | Total funds available | Expenditure | Closing Balance | Percentage of expenditure against total funds available |
|--------------|-----------------|--------------------------------|------------------------|-----------------------|-----------------|-----------------|---------------------------------------------------------|
| | | GoR | Miscellaneous receipts | | | | |
| 2011-12 | 404.75 | 201.16 | 0.96 | 606.87 | 118.65 | 488.22 | 19.55 |
| 2012-13 | 488.22 | 398.80 | 0.93 | 887.95 | 156.31 | 731.64 | 17.60 |
| 2013-14 | 731.64 | 400.00 | 1.64 | 1,133.28 | 268.97 | 864.31 | 23.73 |
| 2014-15 | 864.31 | 400.00 | 2.68 | 1,266.99 | 251.71 | 1,015.28 | 19.87 |
| 2015-16 | 1,015.28 | 400.00 | 0.14 | 1,415.42 | 322.31 | 1,093.11 | 22.77 |
| Total | | 1,799.96 | 6.35 | 5,310.51 | 1,117.95 | | 21.05 |

Source: Certified figures for 2011-15 provided by RDD, GoR, Jaipur and for 2015-16 (provisional figures) taken from Monthly Progress Report.

From the table above it can be seen that:

- Expenditure incurred against funds available with the DAs during the period 2011-16 indicated that the utilisation of funds was very low and ranged between 17.60 *per cent* and 23.73 *per cent* of the available funds. The overall utilisation of the total funds available during the five years period was also only 21.05 *per cent*.
- Huge unspent balances of ₹ 1,093.11 crore (60.73 *per cent* of amount allotted during 2011-16) remained unutilised at the end of March 2016 and in the PD accounts of the ZPs.
- The details of constituency wise allotment and expenditure during the period 2011-16 were not available with the RDD. In the absence of this, the expenditure performance across constituencies could not be assessed.
- There was no provision for planning of works to be taken up during a year in the MLALAD guidelines, in the absence of which a list of prospective works to be taken up could not be identified and short listed in advance.

In reply (June 2016) the RDD attributed, huge unspent balance to non-adjustment of UCs of completed works at ZPs level and stated that the figures of expenditure as per Monthly Progress Report (MPR) were higher. The reply was not convincing as expenditure figures for the period 2011-12 to 2014-15 were based on audited accounts and ranged only between 17.60 per cent and 23.73 per cent. Only for the year 2015-16, the expenditure figure of ₹ 322.31 crore was based on MPR which was also only 22.77 per cent of the available funds. The fact, however, remained that the reply did not comment on the low utilisation of funds under the Scheme.

(ii) In the five test checked districts, the budget allocation, funds released and utilised under the Scheme for 2011-2016 is given in **Table 2.2** below:

Table 2.2

(₹ in crore)

| Years | Opening balance | Funds released during the year | | Total funds available | Expenditure | Closing balance | Percentage of expenditure against total funds available |
|--------------|-----------------|--------------------------------|------------------------|-----------------------|---------------|-----------------|---------------------------------------------------------|
| | | GoR | Miscellaneous receipts | | | | |
| 2011-12 | 42.89 | 25.00 | 0.14 | 68.03 | 12.95 | 55.08 | 19.04 |
| 2012-13 | 55.08 | 50.00 | 0.01 | 105.09 | 23.00 | 82.09 | 21.89 |
| 2013-14 | 82.09 | 50.00 | 0.01 | 132.10 | 34.26 | 97.84 | 25.93 |
| 2014-15 | 97.84 | 50.00 | 0.04 | 147.88 | 35.23 | 112.65 | 23.82 |
| 2015-16 | 112.65 | 50.00 | 0.00 | 162.65 | 40.59 | 122.06 | 24.96 |
| Total | | 225.00 | 0.20 | 615.75 | 146.03 | | 23.72 |

Source: The audited figures for 2011-15 provided by RDD, GoR, Jaipur and for 2015-16 (provisional) taken from Monthly Progress Report.

From the table above it can be seen that:

- Expenditure incurred against funds available with the DAs of five test checked districts during the period 2011-16 indicated that the utilisation of funds was very low and ranged between 19.04 per cent and 25.93 per cent of the available funds. The overall utilisation of the total funds available during the five years period was also only 23.72 per cent.
- Unspent balances of ₹ 122.06 crore (Banswara: ₹ 26.05 crore; Bikaner: ₹ 30.67 crore; Dungarpur: ₹ 20.56 crore; Hanumangarh: ₹ 17.83 crore and Rajsamand: ₹ 26.95 crore) remained unutilised at the end of March 2016 and in the PD accounts of the ZPs.

State Government accepted (February 2017) the facts and stated that instructions have been issued to all the ZPs regarding completion of the works within prescribed time limit and adjustment of UCs in time.

2.1.5.2 Diversion of Funds

Para 2.17 of Scheme guidelines (March 2013) envisaged that in any circumstances, no funds of the Scheme would be utilised without approval of the MLA concerned. Para 2 of Chapter VI (Re-appropriation) of 'Accounting Procedure for the District Rural Development Agencies (DRDA)/Zila

Panchayats' also envisaged that funds were not allowed to be diverted from one scheme to another scheme.

While scrutinising the annual audited accounts of ZP, Bikaner and Hanumangarh, it was observed that the ZPs, Bikaner and Hanumangarh irregularly diverted from MLALAD Scheme to DRDA administration scheme, ₹ two crore (Bikaner: ₹ 81 lakh in 2013-14 and ₹ 59 lakh in 2014-15 and Hanumangarh: ₹ 60 lakh in 2015-16). Of which ₹ 59 lakh was recouped by ZP, Hanumangarh. The ZP, Bikaner and Hanumangarh stated (May-November 2016) that when the funds under DRDA administration scheme would be available, the same would be recouped. However, the fact remains that the funds were diverted to DRDA administration scheme for making payment of pay and allowances to officers/officials engaged for administrative work which was not permissible under the Scheme.

State Government stated (February 2017) that directions have been issued (January 2017) to all ZPs for early adjustment of funds.

2.1.5.3 Funds utilised for areas inhabited by Schedule Caste/Schedule Tribe Population

Para 2.2.1 of guidelines (July 2009/March 2013) envisaged that every MLA should make recommendation for utilisation of 20 *per cent* funds of annual allotment for the areas inhabited by Schedule Caste (SC)/Schedule Tribe (ST) population.

The overall position of all 33 districts for utilisation of 20 *per cent* funds of annual allotment for the areas inhabited by SC/ST population was not found available at RDD.

Scrutiny of records of five test checked districts revealed that two out of the five districts i.e. Banswara and Dungarpur had achieved the target of 20 *per cent* as majority of the population in these districts belonged to the SC/STs category³ and most of the works could be attributable to work being done in areas inhabited by SC/ST population. In the remaining three districts i.e. in Bikaner, Hanumangarh and Rajsamand, the utilisation of funds against target is given in **Table 2.3** below:

Table 2.3

| Year | Total allocation of funds | 20 <i>per cent</i> of allocated funds | Funds utilised for areas inhabited by SC/ST population | Percentage of | |
|----------------|---------------------------|---------------------------------------|--------------------------------------------------------|----------------------------|----------------------------|
| | | | | Total utilisation of funds | Short utilisation of funds |
| | | | (₹ in crore) | | |
| | | | (in <i>per cent</i>) | | |
| Bikaner | | | | | |
| 2011-12 | 7.00 | 1.40 | 1.08 | 15.43 | 4.57 |
| 2012-13 | 14.00 | 2.80 | 2.49 | 17.79 | 2.21 |
| 2013-14 | 14.00 | 2.80 | 2.81 | 20.07 | - |
| 2014-15 | 14.00 | 2.80 | 0.45 | 3.21 | 16.79 |
| 2015-16 | 14.00 | 2.80 | Nil | Nil | 20.00 |
| Total | 63.00 | 12.60 | 6.83 | 10.84 | 9.16 |

3. Population of SCs/STs as per census 2011, Banswara: 74.46 *per cent* and Dungarpur: 80.84 *per cent*.

| Hanumangarh | | | | | |
|--------------------|--------------|-------------|-------------|--------------|--------------|
| 2011-12 | 5.00 | 1.00 | 0.90 | 18.00 | 2.00 |
| 2012-13 | 10.00 | 2.00 | 2.12 | 21.20 | - |
| 2013-14 | 10.00 | 2.00 | 2.64 | 26.40 | - |
| 2014-15 | 10.00 | 2.00 | 1.03 | 10.30 | 9.70 |
| 2015-16 | 10.00 | 2.00 | 0.72 | 7.20 | 12.80 |
| Total | 45.00 | 9.00 | 7.41 | 16.47 | 3.53 |
| Rajsamand | | | | | |
| 2011-12 | 4.00 | 0.80 | 0.42 | 10.50 | 9.50 |
| 2012-13 | 8.00 | 1.60 | 0.71 | 8.88 | 11.12 |
| 2013-14 | 8.00 | 1.60 | 0.85 | 10.63 | 9.37 |
| 2014-15 | 8.00 | 1.60 | 0.20 | 2.50 | 17.50 |
| 2015-16 | 8.00 | 1.60 | 0.24 | 3.00 | 17.00 |
| Total | 36.00 | 7.20 | 2.42 | 6.72 | 13.28 |

From the table above it can be seen that the target of 20 *per cent* could not be achieved in Bikaner, Hanumangarh and Rajsamand during the period 2011-16, as average funds of only 10.84 *per cent* in Bikaner, 16.47 *per cent* in Hanumangarh and 6.72 *per cent* in Rajsamand were utilised. Thus, the performance of ZP, Rajsamand towards utilisation of funds in areas inhabited by SC/ST population was very poor.

State Government stated (February 2017) that directions have been issued (January 2017) to all ZPs to ensure compliance of provisions.

Thus, three out of the five test checked ZPs did not achieve target of 20 *per cent* utilisation of funds for areas inhabited by SC/ST population as compulsory under the guidelines.

2.1.5.4 Adjustment of advances given to Implementing Agencies

Rule 215(2) of RPRs, 1996 envisaged that an advance given for works or other purposes would be adjusted within three months, otherwise advances would be recovered with 18 *per cent* interest.

Scrutiny of records of RDD revealed that an amount of ₹ 575.59 crore (including ₹ 65.25 crore in test checked selected ZPs, Banswara: ₹ 16.38 crore, Bikaner: ₹ 17.52 crore, Dungarpur: ₹ 11.70 crore, Hanumangarh: ₹ 4.87 crore and Rajsamand: ₹ 14.78 crore) was outstanding with various IAs as of March 2015⁴.

State Government stated (February 2017) that directions have been issued (January 2017) to all ZPs for adjustment of outstanding advances in prescribed time.

The reply was not convincing as no age-wise details of advances sanctioned to IAs were being maintained by the ZPs/RDD, thus, DAs neither recovered unadjusted advances from IAs nor imposed any interest on advances given to IAs as envisaged in aforesaid rules.

4. The position as of March 2016 was not made available by RDD to Audit.

Recommendations

- 1. The State Government may introduce a formal process of planning with public participation for maximum utilisation of funds so that general public is not deprived of creation of durable assets in their area.*
- 2. The State Government may review the reasons for huge accumulation of funds and may take up more developmental schemes for the benefit of the population and utilisation of accumulated funds.*
- 3. The department should compile separate data for utilisation of funds for areas inhabited by SC/ST population so that inequities, if any, in the allotment of funds could be monitored at the State level and rectified.*

Execution of Works

Audit objective 2: Whether durable community assets were created and the process of selection and execution of works was transparent and consistent with the Scheme guidelines

The findings noticed during scrutiny of records of ZPs, Banswara, Bikaner, Dungarpur, Hanumangarh and Rajsamand have been elaborated in the succeeding paragraphs:

2.1.5.5 Fictitious Payment

Scrutiny of records of ZPs, Banswara, Bikaner and Rajsamand revealed that 14 works worth ₹ 65.45 lakh were sanctioned (September 2012 to March 2015) and completed (October 2012 to June 2015) with expenditure ₹ 62.45 lakh. Of this, an amount of ₹ 28.38 lakh (45.44 per cent) was fictitiously paid on components of work either not executed or not executed as per specifications as detailed below:

(a) Fictitious Payment on Execution of Cement Concrete Roads

As per guidelines of the Scheme, an MLA selects works for construction of Cement Concrete (CC) roads for implementation of Scheme in his/her constituency. These proposals are then sent to ZP (RDC) for execution of recommended works. Thereafter, the ZP issued administrative, technical and financial sanction within prescribed period and released funds to executing agencies.

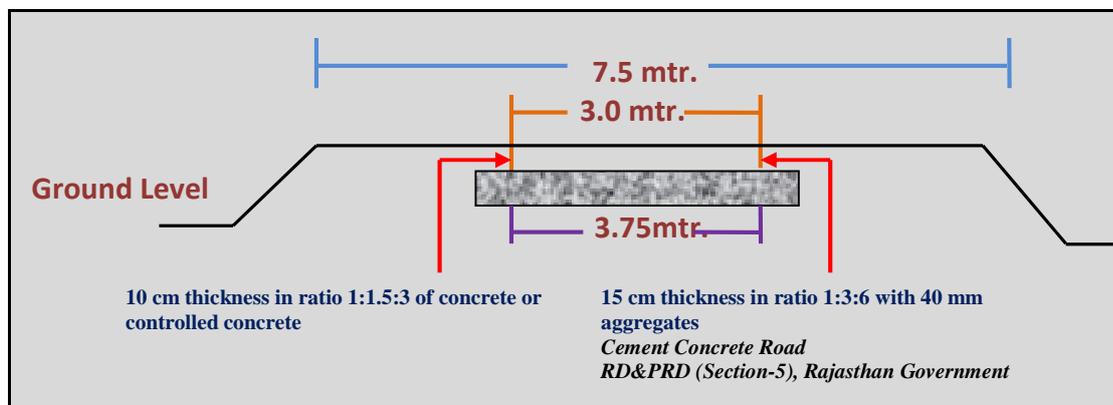
Gramin Karya Nirdeshika (GKN), 2010⁵ provided for CC Roads⁶ to be constructed in two layers i.e. first layer of CC in the ratio of 1:3:6 (Cement 1: Sand 3: Grit 6 (40 mm)) with 15 cm thickness and second layer of CC in the ratio of 1:1.5:3 (Cement 1: Sand 1.5: Grit 3 (20 mm)) with 10 cm thickness (as

5. Para 17(a) and 23 (Appendix-1) and Map number 17 (Appendix-3).

6. The CC Roads are executed in three stages i.e. (i) Earth work in 7.5 meter width of proposed CC road (ii) First layer of 15 cm thickness (in ratio of 1:3:6 with 40 mm aggregates in 3.75 meter width and (iii) Second layer of 10cm thickness (in ratio of 1:1.5:3 of concrete or controlled concrete) in 3.00 meter width.

shown in Map number 17 below) and with drains along the roads to prevent water logging and for strengthening of the roads.

Map Number 17



In ZPs, Banswara and Rajsamand following works of CC roads amounting to ₹ 47 lakh were sanctioned and completed (October 2012 to June 2015) with expenditure ₹ 45.29 lakh (as per MB). During joint physical verification of Audit with departmental authorities, it was observed that construction works were not done as per GKN provisions/detailed estimates and payment of ₹ 20.46 lakh was fictitiously made for execution of works as detailed below:

| Case number: One | |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Construction of CC Road from Gautam/Nathu house to Khoma Ji house in village Pargipada, GP, Roop Ji ka Kheda (PS, Ghatol) | |
| Date of sanction/completion | June 2014/August 2014 |
| Sanctioned amount/expenditure | ₹ 5.00 lakh / ₹ 5.01 lakh |
| Sanctioned/executed length as per MB | 205.50 m / 260 m |
| Sanctioned/executed layers as per MB | (First layer) 10 cm/10 cm (Second layer) 8 cm/8 cm |
| As per joint physical verification | Length only 60 m in place of 260 m (only one layer of 7.5 cm was executed in place of two layers of 10 cm and 8 cm) |
| Verifying authority | Gram Sewak, Sarpanch, BDO and Executive Engineer of ZP. |
| Remarks | Payments were made according to measurements in the MB which were higher than the actual work done as seen during Joint Physical Inspection. This resulted in fictitious payment of ₹ 4.44 lakh⁷. |
| Case number: Two | |
| Construction of CC road from main road to Daya House via Bhan Ji Kachroo House in GP, Karanpur (PS, Gadi) | |
| Date of sanction/completion | December 2014/ December 2014 |
| Sanctioned amount/expenditure | ₹ 6.00 lakh / ₹ 5.66 lakh |
| Sanctioned/executed length as per MB | 196 m /155.80 m |
| Sanction/executed layers as per MB | (First layer) 15 cm /14 cm (Second layer) 10 cm /10 cm |
| As per joint physical verification | Length only 104.30 m in place of 155.80 m (only one layer of 7.6 cm was executed in place of two layers of 14 cm and 10 cm) |
| Verifying authority | Gram Sewak and Sarpanch. |
| Remarks | Payments were made according to MB which were higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 4.37 lakh⁸. |

- As per MB, work executed 171.78 cum (-) actual work executed 16.20 cum = work not executed 155.58 cum (95.44 cum x ₹ 2,414.10 per cum = ₹ 2,30,401 + 60.14 cum x ₹ 3,546.40 per cum = ₹ 2,13,280) Total amount: ₹ 4,43,681.
- As per MB, work executed 195.49 cum (-) actual work executed 33.45 cum = work not executed 162.04 cum (113.18 cum x ₹ 2,417.30 per cum = ₹ 2,73,590 + 48.86 cum x ₹ 3,349.70 per cum = ₹ 1,63,666) Total amount: ₹ 4,37,256.

| | |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Case number: Three | |
| Construction of CC Road from Bakor Patidar house to Hand Pump in GP, Bhagora (PS, Gadi) | |
| Date of sanction/completion | March 2013/ May 2013 |
| Sanctioned amount/expenditure | ₹ 5.00 lakh / ₹ 4.93 lakh |
| Sanctioned/executed length as per MB | 234 m / 214 m |
| Sanction/executed layers as per MB | (First layer) 10 cm / 9.50 cm (Second layer) 10 cm / 10 cm |
| As per joint physical verification | Length only 209 m in place of 214 m (only one layer of 7.6 cm was executed in place of two layers of 9.50 cm and 10 cm) |
| Verifying authority | Gram Sewak, Sarpanch and Junior Engineer. |
| Remarks | Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 2.79 lakh⁹. |
| Case number: Four | |
| Construction of CC Road from main road Pratapgarh to Dinesh house in GP, Bhagora ka Kheda (PS, Ghatol) | |
| Date of sanction/completion | September 2012 / October 2012 |
| Sanctioned amount/expenditure | ₹ 6.00 lakh / ₹ 5.84 lakh |
| Sanctioned/executed length as per MB | 348 m / 330 m |
| Sanction/executed layers as per MB | (First layer) 10 cm / 10 cm (Second layer) 7.50 cm / 7.50 cm |
| As per joint physical verification | Length 348 m in place of 330 m (only one layer of 10 cm was executed in place of two layers of 10 cm and 7.50 cm) |
| Verifying authority | Gram Sewak, Sarpanch, BDO, Junior Engineer and Assistant Project Officer. |
| Remarks | Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 2.13 lakh¹⁰ |
| Case number: Five | |
| Construction of CC Road from Panchayat Bhawan to Shamshan Ghat in GP, Itaooa (PS, Ghadi) | |
| Date of sanction/ completion | July 2013/ March 2014 |
| Sanctioned amount/ expenditure | ₹ 7.50 lakh / ₹ 7.40 lakh |
| Sanctioned/executed length as per MB | 371 m / 338.40 m |
| Sanction/executed layers as per MB | (First layer) 10 cm / 10 cm (Second layer) 10 cm / 8.50 cm |
| As per joint physical verification | Length 334.80 m in place of 338.40 m (only one layer of 14 cm was executed in place of two layers of 10 cm and 8.50 cm) |
| Verifying authority | Gram Sewak, Sarpanch and Assistant Engineer. |
| Remarks | Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 1.62 lakh¹¹. |
| Case number: Six | |
| Construction of CC Road from Main road Dhamka Bari to Narain and Sukhpal house in GP, Dudka (PS, Ghatol) | |
| Date of sanction/completion | June 2014/ September 2014 |
| Sanctioned amount/ expenditure | ₹ 4.00 lakh / ₹ 3.86 lakh |
| Sanctioned/executed length as per MB | 245 m / 237 m |
| Sanction/executed layers as per MB | (First layer) 10 cm / 10 cm (Second layer) 10 cm / 7.50 cm |
| As per joint physical verification | Only one layer of 10 cm was executed in place of two layers of 10 cm and 7.50 cm. |
| Verifying authority | Gram Sewak, Sarpanch and Assistant Engineer. |
| Remarks | Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 1.12 lakh¹². |

9. As per MB, work executed 176.98 cum (-) actual work executed 65.12 cum = work not executed 111.86 cum (86.22 cum x ₹ 2,260.00 per cum = ₹ 1,94,857 + 25.64 cum x ₹ 3,280 per cum = ₹ 8,40,99) Total amount: ₹ 2,78,956.
10. As per MB work executed 216.43 cum (-) actual work executed 121.80 cum = work not executed 94.63 cum x ₹ 2,249.40 per cum = ₹ 2,12,860.
11. As per MB, work executed 260.54 cum (-) actual work executed 192.17 cum = work not executed 68.37 cum x ₹ 2,364 per cum = ₹ 1,61,626.
12. As per MB, work executed 132.32 cum (-) actual work executed 85.80 cum = work not executed 46.52 cum x ₹ 2,414.00 per cum = ₹ 1,12,299.

| | | |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Case number: Seven | |  |
| Construction of CC Road from Shiv Mandir to Ayurved Hospital in village Bodla in GP, Borwat (PS, Talwara) | | |
| Date of sanction/completion | August 2014/ September 2014 | |
| Sanctioned amount/expenditure | ₹ 5.00 lakh / ₹ 4.96 lakh | |
| Sanctioned/executed length as per MB | 245 m / 214 m | |
| Sanction/executed layers as per MB | (First layer) 10 cm / 9 cm (Second layer) 10 cm / 8 cm | |
| As per joint physical verification | Only one layer of 12.50 cm was executed in place of two layers of 9 cm and 8 cm. | |
| Verifying authority | Gram Sewak and Junior Engineer. | |
| Remarks | Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 0.96 lakh¹³. | |

| | | |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Case number: Eight | |  |
| Construction of CC Road at Katha Ka Talab (Aawalsar Ghati) GP, Togi (PS, Bhim) | | |
| Date of sanction/completion | June 2013/ September 2013 | |
| Sanctioned amount/expenditure | ₹ 2.50 lakh / ₹ 2.14 lakh | |
| Sanctioned/executed length as per MB | 410 feet along with drains / 435 feet along with drains | |
| Sanction/executed layers as per MB | 15 cm / 12.1 cm | |
| As per joint physical verification | Length 430 feet without drains in place of 435 feet (layer of 6.25 cm was executed in place of 12.1 cm) | |
| Verifying authority | Gram Sewak, Assistant Engineer and Junior Engineer. | |
| Remarks | Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 1.09 lakh¹⁴. | |

| | | |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Case number: Nine | |  |
| Construction of CC Road from NH-8 Dev Ji Mandir to Dholi Magri via Ravji ka Vadia in GP, Kukar Kheda (PS, Bhim) | | |
| Date of sanction/completion date | November 2014/ November 2014 | |
| Sanctioned amount/expenditure | ₹ 3.00 lakh / ₹ 2.60 lakh | |
| Sanctioned /executed length as per MB | 550 feet along with drains / 678 feet along with drains | |
| Sanction/executed layers as per MB | 15 cm/12.5 cm | |
| As per joint physical verification | Length 625 feet without drains in place of 678 feet (layer of 6.50 cm was executed in place of 12.5 cm) | |
| Verifying authority | Gram Sewak and Assistant Engineer. | |
| Remarks | Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. It is interesting that the entire road work was completed in 11 days, while the minimum time required for curing of CC road was 15 days according to Para 23(2) of GKN. This resulted in fictitious payment of ₹ 1.34 lakh¹⁵. | |

13. As per MB, work executed 171.13 cum (-) actual work executed 130.22 cum = work not executed 40.91 cum x ₹ 2,340 per cum = ₹ 95,729.
14. As per MB, work executed 2536.79 cft (-) actual work executed 1,253.96 cft = work not executed 1,282.83 cft x ₹ 85.31 per cft = ₹ 1,09,438 = ₹ 1.09 lakh.
15. As per MB, work executed 2,807.18 cft (-) actual work executed 1309.68 cft = work notexecuted 1,497.50 cft x ₹ 89.68 per cft = ₹ 1,34,295.

| | | |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Case number 10 | |  |
| Construction of CC Road along with drains from Chawanda Mata Mandir to Soniana road in GP, Bhawa (PS, Rajsamand) | | |
| Date of sanction/completion | March 2015/ June 2015 | |
| Sanctioned amount/expenditure | ₹ 3.00 lakh / ₹ 2.89 lakh | |
| Sanctioned/executed length as per MB | 396 feet / 350 feet | |
| Sanction width and layers/executed width and layers as per MB | 16.43 feet width along with drains /13 feet width along with drains (First layer) 10 cm/10 cm (Second layer) 10 cm /10 cm | |
| As per joint physical verification | Length 350 feet without drains instead of 396 feet with drains and width 13 feet in place of 16.43 feet (both layer of 10 cm were executed). | |
| Verifying authority | Gram Sewak, BDO and Assistant Engineer. | |
| Remarks | Payments were made according to MB which were higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 0.60 lakh¹⁶. | |

It was also observed that in addition and in contravention of provisions of GKN, 2010, there was no provision for drains along the CC roads in seven of the 10 works in the detailed estimates. In three cases, drains were not constructed even though they were provided for in the detailed estimates. This resulted in the road being damaged at various places.

Thus, due to improper inspection by administrative and technical officers/officials, an amount of ₹ 20.46 lakh was fictitiously paid. Besides, there was damage to the road due to non-adherence to the provisions of GKN.

(b) Fictitious Payments on Construction of Gravel Road, Boundary Wall and Installation of Hand Pump

In ZPs, Banswara and Bikaner following three works worth ₹ 8.45 lakh were sanctioned and completed (July 2013, March and October 2014) with expenditure of ₹ 7.17 lakh. It was observed that an amount of ₹ 3.45 lakh was fictitiously paid for execution of works like construction of gravel road, boundary wall and installation of hand pump as detailed below:

(i) In ZP, Banswara, a work “construction of gravel road (from Dahod main road to Dhanpur, GP-Borwat, PS-Talwara)” was sanctioned (August 2014) and completed with an expenditure ₹ five lakh (October 2014).

As per MB, the road length was 1,908 metre, however, the drainage work was executed in 2,510 metre. The gravel was also purchased for the length of 2,510 metre (i.e. 602 metre excess). Thus, against the adjustment of ₹ five lakh, an amount ₹ 3.72 lakh was only adjustable leading to fictitious payment of ₹ 1.28 lakh.

(ii) In ZP, Banswara, a work amounting to ₹ 0.45 lakh was sanctioned (June 2013) for installation of Hand Pump at GP-Bori, PS-Gadi. The work was commenced and completed in July 2013 with an expenditure of ₹ 0.41 lakh.

16. As per MB, work executed 3,794.98 cft (-) actual work executed 3,003.00 cft = work not executed 791.98 cft x ₹ 76.24 per cft = ₹ 60,380.

During Joint Physical Inspection (May 2016) with Junior Technical Assistant (JTA), Panchayat Extension Officer and Ex-Sarpanch of the village, it was seen neither the Hand Pump was available nor was there any signs of drilling at the site. This pointed to the payment of ₹ 0.41 lakh for installation of Hand Pump being fictitious. The work completion certificate was issued by JE/BDO (PS, Gadi) without mentioning the date.

Thus, due to improper issue of completion certificate by JE/BDO (PS, Gadi), an amount of ₹ 0.41 lakh was fictitiously paid besides non-installation of Hand Pump.

(iii) A work for construction of boundary wall around the sports ground, Jain Public Sanstha at Ganashar road was sanctioned (September 2013) by ZP, Bikaner for ₹ three lakh.

As per the UC submitted by the PWD, an amount ₹ 1.76 lakh was shown as adjusted towards the work in March 2014. However, during Joint Physical Verification (May 2016) with AE, PWD, Bikaner it was revealed that no boundary wall was constructed. This pointed to the fact that the payment of ₹ 1.76 lakh for construction of boundary wall was fictitious.



Construction of boundary wall around the sports ground, Jain Public Sanstha at Ganashar road, Bikaner

(c) A work amounting to ₹ 10 lakh for construction of Ghata cutting¹⁷ road from Bada Doongra to Kalriya Bhairav Mandir at Bhapor on a hill was sanctioned (August 2014) in GP, Bhapor, (PS, Banswara). The work was executed by GP, Bhapor and completed (7 December 2014) with an expenditure of ₹ 9.99 lakh¹⁸. It was noticed that as per MB, the work was executed by JCB machine in hard soil, hard soil mix kankar/morrum, soft rock, ordinary rock and hard rock to the tune of 8,392.91 cum. All the aforesaid work was executed with an expenditure of ₹ 5.52 lakh, however, the GP charged ₹ 9.99 lakh including ₹ 8.04 lakh on material and ₹ 1.95 lakh on labour charges on the work.



Ghata cutting road from Bada Doongra to Kalriya Bhairav Mandir at Bhapor

In support of engagement of the labourers, six muster rolls¹⁹ for the period from 10 December 2014 to 30 December 2014 worth ₹ 1.13 lakh, were

17. Ghatta cutting is referred in the context of cutting through and creating a path/road between two hillocks.

18. Material cost: ₹ 8.04 lakh and labour charge: ₹ 1.95 lakh.

19. Bearing numbers 9788, 9789, 9790, 9859, 9860 and 9861.

enclosed subsequent to completion of work. Considering the fact that the work was completed on 7 December 2014, engagement of labourers after the date of completion of work points to manipulation of records. Further, the muster rolls did not bear the name and thumb impressions of any of the labourers.

The GP, subsequent to issue of Audit observation, changed the actual date of completion of work in the work completion certificate from 7 December 2014 to 16 June 2015 and further modified the period of engagement of labourers in four muster rolls from the period 8 to 15 October 2014 and 10 to 23 December 2014 to the period 8 to 15 June 2015. Further, in these muster rolls, name of labourers and their thumb impression were added, thereby casting doubts on the authenticity and extent of the work carried out by the labourers.

During Joint Physical Inspection (June 2016) with JTA of PS and Sarpanch of the village, it was observed that Ghata cutting road was constructed by using material excavated from the hill.

In reply the GP, Bhapor stated (August 2016) that name of labourers was inadvertently not mentioned in muster rolls and Ghata cutting road was completed on 16 June 2015 with an expenditure of ₹ 9.99 lakh.

The reply was not in consonance with the facts as the actual date of completion was 7 December 2014 and manipulation/alterations were made in the muster rolls to support the revised claim that the work was completed only in June 2015.

Further, the work was executed through JCB machine and excavated material could be used in gravel road construction. Thus, an amount ₹ 4.47 lakh charged infructuously on the unwarranted items.

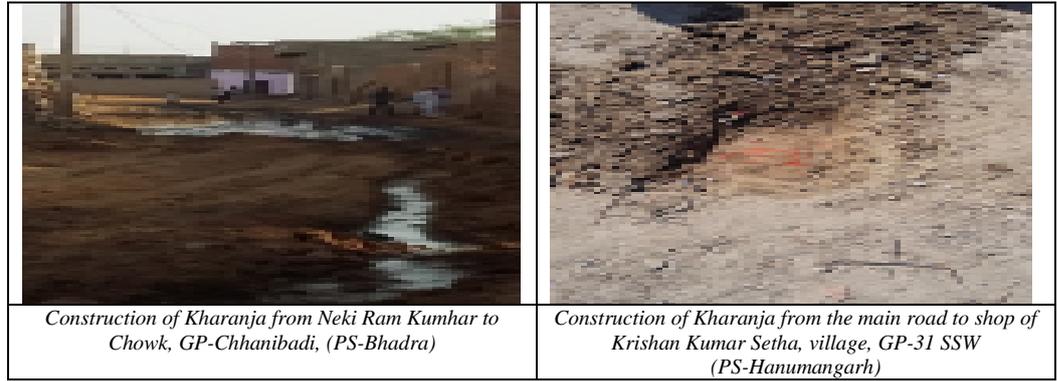
State Government stated (February 2017) that point wise compliance has been called for and action would be taken on the basis of the compliance.

2.1.5.6 Kharanja Roads Constructed not as per Specifications

Para 17(a), 18(a) and (b) (Appendix-1) of GKN-2010 provided that base and sub-base layer should be laid before construction of Kharanja²⁰ road and drains along the roads should also be constructed to prevent water logging and to strengthen the roads.

In PSs, Bhadra, Hanumangarh and Nohar of ZP, Hanumangarh and PS, Shri Dungargarh of ZP, Bikaner, 50 works for construction of Kharanja roads were sanctioned (May 2011 to September 2013) and executed with an expenditure of ₹ 1.15 crore. These works did not include provisions for laying sub-base/base layer and drains along the roads in technical estimates. It was observed from records and during joint physical inspection of 34 works conducted (August 2016) with AE found that the roads were in damaged condition (*Appendix-II*).

20. Kharanja road constructed by bricks, stones and soil etc.

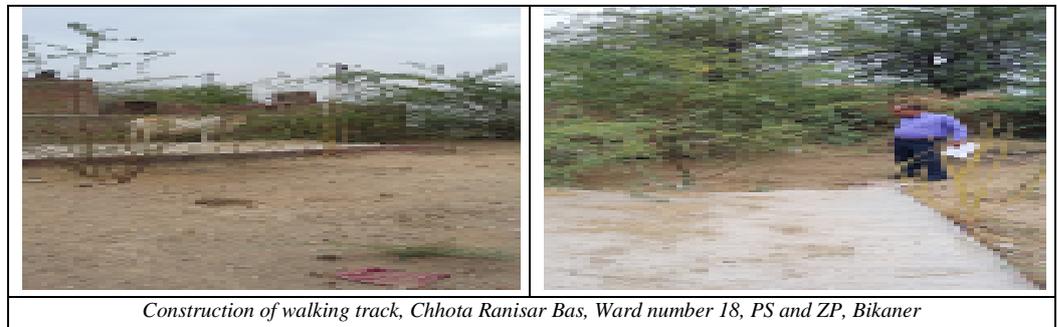


State Government stated (February 2017) that point wise compliance has been called for and action would be taken on the basis of the compliance. Thus, by not making provision in estimates for laying of sub-base/base layer along with drains as per norms of GKN-2010, Kharanja road were damaged badly.

2.1.5.7 Incomplete Execution of Works

In ZP, Bikaner, a work for construction of walking track (length 330 metre and width 1.80 metre) at Chhota Ranisar Bas, Vyaso Ki Talai amounting ₹ 0.10 crore was sanctioned (August 2013). PWD, Bikaner executed the work only in 252 metre length with expenditure of ₹ 9.55 lakh.

During Joint Physical Verification (May 2016) by Audit with AE, PWD, it revealed that the site was encroached and work was lying incomplete. As such, the walking track could not be used for the intended purposes resulting in the expenditure being unfruitful.



State Government stated (February 2017) that compliance has been called for and action would be taken on the basis of the compliance.

2.1.5.8 Execution of Non-permitted Works

Appendix-I of Clause 2.3 of the guidelines (July 2009 and March 2013) lists out the kind of works permitted to be recommended by the MLAs under this Scheme.

Scrutiny of records of ZP, Bikaner revealed that financial sanction of ₹ eight lakh was issued (June 2013) for purchase of one Ambulance. It was observed that in contravention to the provision of Paragraph 2.22(d) of the Guidelines, the Ambulance was registered (8 August 2013) in the name of Samiti-Nagriik

Vikas Parishad (NVP), Shri Dungargarh instead of the Government. Further, during Joint Physical Inspection (May 2016) with JE and Technical officer, it was also observed that the NVP provided services of ambulance on payment basis²¹ to the public.

State Government stated (February 2017) that compliance has been called for and action would be taken accordingly. Further, it was stated that ZPs have been instructed not to sanction non-permissible works in future.

2.1.5.9 Intended Purpose of Execution of Works Defeated

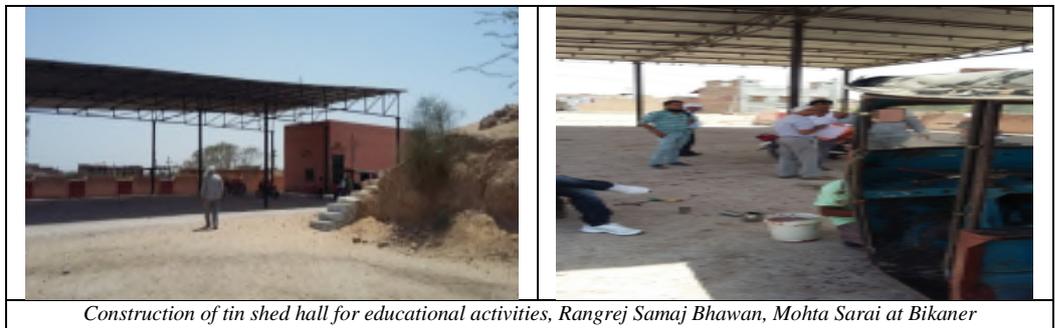
(a) Scrutiny of records of ZP, Bikaner revealed that a work for construction of hall for library and educational activities, Harshalao Talab at Sri Ramsar amounting ₹ 0.10 crore was sanctioned in December 2011. PWD, Bikaner executed and completed (October 2013) the work with an expenditure of ₹ 9.44 lakh. During Joint Physical Verification conducted (May 2016) with AE, PWD, Bikaner, it was revealed that library hall was not being utilised for the intended purpose and was lying unutilised even after lapse of a period of 40 months (upto January 2017) resulting in the expenditure being unfruitful.



Hall for library and educational activities, Harshalao Talab at Sri Ramsar

(b) In ZP, Bikaner, an amount of ₹ eight lakh was sanctioned (June 2013) for construction of tin shed hall at Rangrej Samaj Bhawan, Mohta Sarai, for educational activities at Bikaner. The work was executed by PWD, Bikaner and completed (August 2014) with an expenditure of ₹ 6.62 lakh.

During Joint Physical Verification (May 2016) with AE, PWD, Bikaner, it was revealed that the tin shed hall was being utilised for repairing of vehicles instead of educational purposes resulting in the expenditure being unfruitful.



Construction of tin shed hall for educational activities, Rangrej Samaj Bhawan, Mohta Sarai at Bikaner

State Government stated (February 2017) that necessary action would be taken at the department level.

21. Rates for journey to Jaipur at the rate of ₹ nine per kilometre.

2.1.5.10 Works Sanctioned in Contravention of Guidelines

Clause 2.22 (c) of guidelines (July 2009/ March 2013) provided that assets created, such as crematorium, hostel and community centre should be available for use of general public. Further, clause 15.1(1) of guidelines and RDD orders (June 2011) provided that community centers should be constructed on Government land only.

In ZPs, Banswara, Bikaner, Dungarpur, Hanumangarh and Rajsamand, 15 works worth ₹ 0.91 crore for construction of community centers, halls, boundary wall, crematorium, path and roads etc., were sanctioned and completed with expenditure of ₹ 0.83 crore during the period 2011-15.

During joint physical inspection of the works (May-June 2016), it was observed that these works were sanctioned and constructed on private land for use of particular community/persons contrary to the provisions of scheme guidelines. The details of works are given in **Table 2.4** below and summary of the works is given in **Appendix-III**.

Table 2.4

(₹ in crore)

| Districts | Number of works | Sanctioned amount | Expenditure |
|--------------|-----------------|-------------------|-------------|
| Banswara | 6 | 0.29 | 0.29 |
| Bikaner | 6 | 0.49 | 0.42 |
| Dungarpur | 1 | 0.05 | 0.05 |
| Hanumangarh | 1 | 0.05 | 0.04 |
| Rajsamand | 1 | 0.03 | 0.03 |
| Total | 15 | 0.91 | 0.83 |

State Government stated (February 2017) that compliance has been called for and disciplinary action would be taken on the basis of the compliance. The fact remains that the Sarpanch, Gram Sevak, AE/JE/JTA and sanctioning authority were responsible for sanctioning work without ensuring the use for general public and constructing on private land which was in violation of provisions of Scheme guidelines.

2.1.5.11 Delay in Issue of Sanctions

Para 3.3 of guidelines (July 2009/March 2013) prescribed 45 days for issue of financial sanction (including 30 days for administrative and technical sanction) of works from the date of works recommended by concerned MLA.

Test check of ZPs, Banswara, Bikaner, Hanumangarh and Rajsamand revealed that financial sanctions for 1,151 works were not issued within prescribed time limit during 2011-16 and the delay ranged between 16 to 557 days which is given in **Table 2.5** below:

Table 2.5

| Districts | Total Number of Works sanctioned | Delay in issue of sanction | | Delay in issue of financial sanctions in days* |
|--------------|----------------------------------|----------------------------|---------------|------------------------------------------------|
| | | Number of works | In Percentage | |
| Banswara | 1,523 | 274 | 17.99 | 17 to 399 |
| Bikaner | 1,886 | 366 | 19.41 | 23 to 557 |
| Hanumangarh | 1,154 | 109 | 9.45 | 17 to 451 |
| Rajsamand | 1,597 | 402 | 25.17 | 16 to 386 |
| Total | 6,160 | 1,151 | 18.68 | |

* While calculating the delay, a cushion of 15 days has been given.

State Government stated (February 2017) that all ZPs have been instructed to ensure timely issue of financial sanctions.

Thus, delay in issue of financial sanctions in 1,151 (18.68 per cent) works indicated delay in execution of works at all level and the ZPs failed in providing facilities to local public.

2.1.5.12 Delay in Completion of Works

Para 22.10.1 of GKN, 2010 envisaged the prescribed period for completion of works recommended by MLAs concerned which is given in **Table 2.6** below:

Table 2.6

| Sanctioned amount of work | Prescribed time limit (in months) for works | | |
|---------------------------|---------------------------------------------|-----------------------|--------------------|
| | for Building | for Kharanja/ CC Road | for Anicuts/ Ponds |
| Up to ₹ 2 lakh | 4 | 3 | 4 |
| ₹ 2 lakh to ₹ 5 lakh | 6 | 4 | 6 |
| ₹ 5 lakh and above | 9 | 6 | 9 |

Scrutiny in test checked ZPs revealed that 1,512 works amounting to ₹ 26.95 crore sanctioned were not completed within prescribed time limit during 2011-16. The delay in these 1,512 works ranged from nine to 1,857 days as given in **Table 2.7** below:

Table 2.7

| Districts | Total number of works sanctioned | Delay in completion of works | | Amount (₹ in crore) | Delay in days |
|--------------|----------------------------------|------------------------------|---------------|---------------------|---------------|
| | | Number of works | In Percentage | | |
| Banswara | 1,523 | 78 | 5.12 | 1.79 | 42 to 1,185 |
| Bikaner | 1,886 | 457 | 24.23 | 9.44 | 9 to 1,857 |
| Dungarpur | 1,832 | 814 | 44.43 | 10.87 | 24 to 1,718 |
| Hanumangarh | 1,154 | 47 | 4.07 | 1.59 | 9 to 1,133 |
| Rajsamand | 1,597 | 116 | 7.26 | 3.26 | 43 to 1,512 |
| Total | 7,992 | 1,512 | 18.92 | 26.95 | |

State Government stated (February 2017) that compliance has been called for and disciplinary action would be taken accordingly.

Recommendations

4. In order to avoid fictitious payments, the State Government should ensure, that technical inspection of works should be carried out periodically and payments should not be released, if the quality of works is not as per specifications.
5. All cases involving fictitious payments need to be investigated and responsibility should be fixed on the erring officials including those who incorrectly certified the works.
6. In order to ensure that cement concrete and Kharanja roads do not get easily damaged, the State Government should make sure that construction of these roads are executed with the requisite thickness of layers along with drains.
7. The State Government should ensure that only permitted works under the MLALAD Scheme are sanctioned.

Audit objective 3: Whether there was effective Internal Control and Monitoring Mechanism

2.1.5.13 Constitution of Scheme Monitoring Committee

Para 25.3 of GKN, 2010 provided that review of progress of the works to be made by vigilance and monitoring committees constituted at different levels. Para 6.1 of the guidelines (March 2013) also provided that inspection of under construction work would also be made as per provision of GKN, 2010 and each ZP (RDC) should submit Monthly Progress Report (MPR) for effective monitoring of the Scheme to RDD within eight days after the end of the month.

(i) At State Level

Scrutiny revealed that a State level monitoring committee for monitoring all schemes of RDD including the MLALAD Scheme was constituted in March 2007 and dissolved in December 2008. Thereafter, no committee has been formed for monitoring of the works.

The RDD accepted the facts and stated (June 2016) that proposal for constitution of State level monitoring committee was under consideration but no committee was formed for monitoring as of November 2016.

(ii) At District Level

District level monitoring committee had not been constituted in test checked ZPs²² except ZP, Hanumangarh. ZPs attributed (November 2016) that monitoring committee was not constituted due to lack of administrative and technical staff.

22. Zila Parishads: Banswara, Bikaner, Dungarpur and Rajsamand.

Various deficiencies in the works which were noticed during Audit and reported in Para 2.1.5 *supra* remained undetected due to non-review of works executed under the Scheme in the absence of monitoring committees at the District and State level.

State Government stated (February 2017) that at district level review/monitoring of the Scheme was being done by the District Collector and at State level monitoring was being done through Integrated Works Monitoring System (IWMS) software. The reply was not convincing as no committee was formed at State and District level except ZP, Hanumangarh.

Thus, non-constitution of monitoring committee and non-discussion/review of works resulted in the risk of the deficiencies remaining undetected.

2.1.5.14 Periodic Inspections not Carried out

Para 6.1 of Scheme guidelines provided that inspection of ongoing works would be made as per provision of GKN, 2010. Para 16.2.1 and 16.2.2 of GKN, 2010 provided that periodical inspection for ensuring quality of ongoing work at every stages should be carried out by the administrative/technical officials as per details given in **Table 2.8** below:

Table 2.8

(in per cent)

| Total cost of work | Junior Engineer and Junior Technical Assistant of PS | Assistant Programme Officer, Assistant Engineer, Sr. Technical Assistant of ZPs and Assistant Engineer of PS | Executive Engineer of ZP | Block Development Officer | District Collector/ Chief Executive Officer |
|----------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------|---------------------------------------------|
| Up to ₹ 2 lakh | 100 | 25 | - | 25 | 5 |
| ₹ 2 lakh to ₹10 lakh | 100 | 100 | 25 | 25 | 5 |
| ₹ 10 lakh and above | 100 | 100 | 100 | 25 | 5 |

Scrutiny of records of test checked districts revealed that though in many of the test checked cases, final inspection of works required for issue of completion certificate were done at the time of making payment and regular periodical inspections to ensure quality had not been carried out.

Zila Parishads accepted the facts and stated (November 2016) that periodical inspections were not carried out due to lack of administrative and technical staff. The fact, however, remained that the works were executed without periodic inspections as required and this adversely affected the quality of works.

2.1.5.15 Evaluation of Scheme

An evaluation of the MLALAD Scheme was conducted by Directorate of Evaluation Organisation (DEO), Jaipur in 2009 and this brought out various recommendations for better implementation of the Scheme like timely issue of sanctions, execution of works within financial year, effective technical inspection and quality assurance of works and release of sanction/

commencement of any works after ensuring clear title of land. These recommendations were communicated to all ZPs in January 2010 for taking up corrective action.

Scrutiny of records of RDD and selected test checked ZPs revealed that recommendations of the DEO had not been implemented by RDD and the ZPs. This contributed in various deficiencies in planning and execution of the works like fictitious payments, execution of non-permitted works, execution of work not as per technical estimates/GKN provisions, executed works not utilised for intended purpose, etc.,

State Government stated (February 2017) that inspection of works was being done by the third party and district inspection reports were uploaded in IWMS software. The reply was not convincing as evaluation was done only in the year 2009 and recommendations of the evaluation have not been implemented till January 2017. Further, no information could be made available from the IWMS data and hence its effectiveness as a monitoring tool was yet to be proven. Thus, the fact remained that there was no effective monitoring mechanism in place and this continued to be a serious threat in the implementation of the works.

Recommendations

8. *For monitoring the implementation of the MLALAD Scheme, monitoring mechanism should be formed/strengthened at District and State level to monitor and review of progress of the Scheme as required in GKN, 2010.*

2.1.6 Conclusion

The MLALAD Scheme was introduced for MLAs to cater to local requirements involving creation of durable assets in their constituencies, remove imbalance in regional development, carry out works of developmental nature based on local needs and public use and promote self dependence and confidence in local community. During 2011-16, only 17.60 per cent to 23.73 per cent of the available funds under the Scheme were utilised leaving huge unspent balances of ₹ 1,093.11 crore. There were numerous deficiencies in the execution of works like fictitious payments for works not done, violation of GKN provisions resulting in damage of roads, works sanctioned in violation of the MLALAD Scheme guidelines etc., which impacted adversely on the creation of durable community assets. The monitoring mechanism was also not adequate as the State Government did not form District/State level monitoring committees for effective monitoring of MLALAD Scheme. Thus, the objective of development of works based on locally felt needs and creation of durable assets in all constituencies could not be achieved.

COMPLIANCE AUDIT

Rural Development Department

2.2 Dang Area Development Scheme

2.2.1 Introduction

Dang Area Development Scheme (DADS) in Rajasthan was introduced (December 2005) for development of the Dang Area which are characterised by ravines, gorges and infested with dacoits. Dang Area also prone to land degradation. The objectives of the DADS were socio-economic and basic infrastructural development which included provision of facilities like drinking water, road connectivity, buildings for educational institutions, dispensaries, veterinary hospitals, libraries, public toilets, harvesting structures and other projects for livelihood activities. The funds were to be utilised on five basic infrastructure facilities included in SHREE Yojana (Sanitation, Health, Rural Connectivity, Education & Medical and Energy) on priority basis.

Dang Area Development Scheme is being implemented in eight districts²³ of two zones i.e. Bharatpur and Kota. The Scheme includes 371 Gram Panchayats (GPs) of 22 Panchayat Samitis (PSs) of these districts.

The Rural Development and Panchayati Raj Department (RD&PRD) was responsible for overall supervision, monitoring and co-ordination of various activities of the Panchayati Raj Institutions (PRIs). At the District level, Zila Parishad (Rural Development Cell) was the nodal agency for implementation of the Scheme. The Scheme was 100 *per cent* funded by the State.

The field study for implementation of DADS for the period from 2011-12 to 2015-16 was conducted during May to August 2016. Out of eight districts, three districts i.e. Baran, Bharatpur and Karauli were selected on the basis of expenditure. Further, six blocks²⁴ (50 *per cent*) in selected districts and 51 GPs²⁵ (25 *per cent*) were selected for Audit.

23. Bharatpur, Dholpur, Sawai Madhopur and Karauli (Bharatpur zone); Baran, Bundi Jhalawar and Kota (Kota zone).

24. Anta, Chhabra and Kishanganj (Baran), Roopwas (Bharatpur), Hindaun and Karauli (Karauli).

25. Bhango, Jagar, Khareta, Kotari, Mothiyapura, Palanpur (PS, Hindaun); Atewa, Gunesra, Khedia, Kodar, Kota Mamchari, Lohara, Masalpur, Raghuvanshi, Rampur Dhabai, Tulsipura (PS, Karauli); Dhana, Dumariya, Maloni, Mahalpur Chura, Pahadpur, Sironde (PS, Roopwas); Baldra, Bamori Kalan, Bhojyakheri, Ishwarapura, Jarela, Mahalpur, Patonda, Thikria, Udaipuria (PS, Anta); Asnawar, Badipura, Chhatarganj, Jalwara, Karwari Kalan, Ramgarh, Rampur Todia, Sakrawada, Simlod, Sunwas, (PS, Kishanganj) and Barai, Chanchoda, Godiamahar, Hanyaheri, Jharkheri, Kadaiyanohar, Kotrapar, Mundla, Nipania, Pali (PS, Chhabra).

Audit Findings

2.2.2 Planning

Guidelines for implementation of DADS were issued in December 2005 and were revised in March 2015. Para 9.2 of revised guidelines envisaged that a Comprehensive Village Development (CVD) plan should be prepared at GP level by identification of the infrastructural gaps in Dang Area and consolidated at PS level. The PS would submit an approved CVD plan²⁶ to Zila Parishad (ZP) which in turn would prepare consolidated CVD plan after approval of the District Level Area Development Committee (DLADC) and further submit it to the State Government for approval.

As per para 6.2 of the revised guidelines, a prospective plan for comprehensive village development was required to be prepared for next four years i.e. 2015-16 to 2018-19. As per para 7.2 of revised guidelines, CVD plan listing out the requisite works to be taken in order to develop the basic infrastructure facilities in future was also required to be made. Thereafter, a Detailed Project Report/Consolidated Project Report (DPR/CPR) for development of Dang Area in forthcoming years was required to be submitted.

During scrutiny of records of Rural Development Department (RDD) and test checked ZPs, PSs and GPs it was observed that even after lapse of more than one year, prospective plan, CVD plans and DPRs/CPRs were not prepared. The State Government stated (April 2016) that prospective plan, CVD plan were not prepared as the Finance Department did not sanction administrative expenditure for identifying the infrastructure gaps.

In contravention of the guidelines, 64 works amounting to ₹ 2.29 crore were sanctioned during 2015-16 in ZP, Baran without preparation of prospective plans, CVD plans, drainage plans and DPRs/CPRs. During 2015-16, no works were sanctioned in ZPs, Bharatpur and Karauli.

2.2.3 Financial Management

2.2.3.1 Utilisation of Funds

As per DADS guidelines, 50 per cent of the funds were to be allocated annually to every district on the basis of number of families living Below Poverty Line (BPL). The remaining 50 per cent was to be allocated on the basis of number of GPs in the district by reducing the literacy rate of the area out of the literacy rate of the State²⁷. Release of first installment of 50 per cent was to be made within the first month of the financial year and the release of second installment was to be made after submission of Utilisation Certificate (UC) for 90 per cent funds released during previous year and 60 per cent of the current year.

26. Approved by GP and General body of PS having members as MLA and members of ZP.

27. $(\text{State literacy rate} - \text{District literacy rate}) \times \text{Number of GPs in District} \times 100 / \text{Total allocation of fund}$.

(i) The year-wise allotment of funds and expenditure in the eight districts implementing the DADS during the period 2011-2016 is given in **Table 2.9** below:

Table 2.9

(₹ in crore)

| Year | Opening Balance | Allotment | Other receipts | Total funds available | Total Expenditure | Closing Balance | Expenditure (in percentage) |
|-------------------------------------------------------------------------------------------------|-----------------|---------------|----------------|-----------------------|-------------------|-----------------|-----------------------------|
| 2011-12 | 9.04 | 9.81 | - | 18.85 | 2.47 | 16.38 | 13.10 |
| 2012-13 | 16.38 | 37.00 | - | 53.38 | 8.78 | 44.60 | 16.45 |
| 2013-14 | 44.60 | 49.50 | 0.04 | 94.14 | 31.31 | 62.83 | 33.26 |
| 2014-15 | 62.83 | 49.83 | 0.50 | 113.16 | 34.86 | 78.30 | 30.81 |
| 2015-16* | 78.30 | 44.42 | - | 122.72 | 44.16 | 78.56 | 35.98 |
| Total | | 190.56 | 0.54 | | 121.58 | | |
| *Provisional figures for the financial year 2015-16 since the accounts have not been finalised. | | | | | | | |
| Source: Information provided by RDD. | | | | | | | |

The table above depicts that during the period (2011-16), the total funds available ranged from ₹ 18.85 crore to ₹ 122.72 crore out of which expenditure incurred ranged from ₹ 2.47 crore (13.10 per cent) to ₹ 44.16 crore (35.98 per cent). Thus, an average of about 64 per cent funds was utilised.

(ii) During 2015-16 a sum of ₹ 16.60 crore²⁸ was released to eight districts without obtaining UCs. The State Government stated (May 2016) that obtaining UCs from the districts could take time and it was essential to release second installment for completion of ongoing works. The fact, however, remained that the second installment was not to be released before obtaining UCs relating to the expenditure incurred after release of first installment.

Test check of the selected districts of Baran, Bharatpur and Karauli also revealed that utilisation of funds during the period 2011-15 was about 41 per cent²⁹. This indicated the slow pace of expenditure under the Scheme.

(iii) As per para 5 of the guidelines 2015, 20 per cent funds were reserved for development of basic infrastructure (Railway Under Bridge, Railway Over Bridge, Community Warehouses, Community Small Scale Units etc.) in Dang Areas. In place of using the funds for development of Dang Areas and in contravention of these guidelines, an amount of ₹ 5.78 crore was allotted to Jhalawar (₹ 2.50 crore) and Kota (₹ 3.28 crore) districts for execution of works under the *Mukhyamantri Jal Swavlamban Abhiyan* (MJSA) which was a separate State funded scheme. RDD confirmed (May 2016) diversion of funds to MJSA.

(iv) As per para 13 of guidelines the ZPs were required to submit Audit Reports of Chartered Accountants (CA) to RDD within three months after closing of the financial year. Test check of records of selected ZPs, Baran,

28. Baran: ₹ 3.76 crore, Bharatpur: ₹ 0.39 crore, Bundi: ₹ 0.71 crore, Dholpur: ₹ 2.16 crore, Jhalawar: ₹ 2.50 crore, Karauli: ₹ 1.55 crore, Kota: ₹ 3.28 crore and Sawai Madhopur: ₹ 2.25 crore.

29. In selected districts: total available funds ₹ 80 crore and total expenditure ₹ 33 crore.

Bharatpur and Karauli revealed that ZPs did not submit Audit Reports of CA within stipulated time and there was delay ranging from 101 to 217 days.

2.2.4 Execution

2.2.4.1 Physical Performance

During 2011-16, 1,859 works worth ₹ 94.02 crore were sanctioned under DADS in test checked districts. Of these, 1,611 works (86.65 per cent) amounting ₹ 82.41 crore were completed, 229 works (12.32 per cent) amounting to ₹ 10.76 crore were incomplete and 19 works amounting to ₹ 0.85 crore were cancelled. In this regard the following points were observed:

(i) Para 6.3.6 of Gramin Karya Nirdeshika (GKN), 2010 provided that technical officer would inspect the work sites and ensure feasibility and utility of the construction work before preparation of detailed estimates and sanction of work. It was observed that 17 works amounting to ₹ 80 lakh³⁰ were sanctioned during the period 2012-13 to 2014-15 and subsequently cancelled due to non-availability of land, work already sanctioned in other schemes, dispute at work sites etc.

(ii) Construction of Cement Concrete (CC) road (from Bisamber house to Hand Pump, Tarbeejpur) sanctioned by ZP, Bharatpur during 2011-12 for GP, Singhaniya (PS, Bayana) for ₹ two lakh was not completed due to land dispute by villagers and GP left work incomplete after incurring expenditure ₹ 0.88 lakh.

Thus, works sanctioned by ZPs, Baran and Bharatpur without inspection of work sites and ensuring availability of land, led to cancellation of sanctioned works, non-completion of works indicates failure of the technical officer of the ZPs, Baran and Bharatpur to inspect the work sites and prepare feasibility report.

(iii) Para 17 of GKN, 2010 provided that drains should be constructed along the roads to prevent water logging and to strengthen the road.

Test check of records in ZPs, Baran and Karauli revealed that 74 works of interlocking blocks/CC roads were approved along with drains in Annual Action Plan during 2014-15 at estimated cost of ₹ 3.56 crore³¹. These works were approved by RDD with directions (December 2014) to execute the works with drains. It was observed that these 74 works were executed with expenditure of ₹ 3.40 crore³² without constructing the drains along the roads. Though payment for the roads was made based in MB, which excluded the drains, the fact remained that the instructions of RDD were not adhered to. This increased the risk of damage of roads due to water logging.

30. Baran (15 works): ₹ 68 lakh and Bharatpur (two works): ₹ 12 lakh.

31. Zila Parishads, Baran (49 works): ₹ 2.28 crore and Karauli (25 works): ₹ 1.28 crore.

32. Zila Parishads, Baran (49 works): ₹ 2.12 crore and Karauli (25 works): ₹ 1.28 crore.



The replies of ZPs were awaited (January 2017).

2.2.4.2 Third Party Physical Verification

(i) District Collector (Karauli) directed (August 2014) to conduct a third party physical verification of works of CC roads constructed in ZP, Karauli by a team of engineers from various departments. The third party physical verification reports (October 2014) mentioned that nine works of CC roads amounting to ₹82 lakh³³ were sub-standard and damaged at various places. ZP, Karauli accepted the facts and stated (May 2016) that directions had been issued to respective Block Development Officer (BDO), PSs, Sapotra and Karauli for maintaining quality of works. The fact remained that no action was taken on the executing agencies concerned under ZP, Karauli (May 2016) inspite of a third party evaluation report pointing to poor standard of work.

(ii) The ZP, Karauli accorded (March 2015) financial sanction for construction of CC road (Hindaun-Khareta road Ghati Portion) for ₹ 24.50 lakh. The road was completed (June 2015) by Public Works Department, Division Hindaun City with an expenditure of ₹ 24.46 lakh. A third party inspection of the road was conducted (February 2016) at the behest of ZP, Karauli and it was reported that the thickness of CC road was 15 cm as against 20 cm recorded in the measurement book (MB). Though, the ZP, Karauli had decided (April 2016) to recover ₹ 10.41 lakh from the executing agency for construction of below standard CC road, no action for recovery has been initiated by ZP, Karauli (May 2016).

2.2.4.3 Physical Inspection at ZP Level

During inspection of works, Assistant Engineer (AE), ZP, Baran (March 2013) reported that three works of CC roads amounting of ₹ 10.50 lakh³⁴ were executed without laying first layer (base layer) of Cement Concrete and were sub-standard and damaged at various places. In spite of this no action was taken by ZP, Baran and full payment was made to the executing agency i.e. GP, Kanotiya. However, the fact remains that no action was taken on the executing agency concerned under ZP, Baran as the final payment/adjustment was made in favor of the executing agency after the report of the AE was received. The reply of the ZP, Baran was awaited (January 2017).

33. Total costing ₹ 82 lakh - GPs Manchi: ₹ 10 lakh and Kanchanpur: ₹ 10 lakh (PS, Karauli) and GPs, Bugdar: ₹ eight lakh, Langra: ₹ nine lakh, Rahir: ₹ 10 lakh, Rodhai: ₹ 10 lakh, Kalaguda: ₹ 10 lakh, Karanpur: ₹ 15 lakh and Guvreda: NA (PS, Sapotra).

34. Panchayat Samiti, Atru (GP, Kanotiya): ₹ 10.50 lakh.

2.2.4.4 Work with Lower Specifications

Map Number 17 and Schedule of Rates (SoR) of GKN, 2010 provided the design for CC road wherein first layer of CC 1:3:6/1:4:8 (40 mm aggregates) in 15 cm thickness and second layer of CC 1:1.5:3/1:2:4 (20 mm aggregates) in 10 cm thickness were required.

It was observed that in ZPs, Baran and Karauli, four works of construction of CC roads costing ₹ 15.50 lakh³⁵ were sanctioned in 2012-14 with a provision in the estimate of laying CC in prescribed two layers. These CC roads were completed with an expenditure of ₹ 15.50 lakh and without laying the first layer, only second layer of CC was spread in excess length (556.50 metre) with reference to estimates. Thus, in the absence of the first layer, the second layer of CC would not be able to bear the traffic load. ZPs, Baran and Karauli did not furnish replies and also did not initiate action against the executing agencies i.e. GPs, Bamori Kalan Chaudagaon, Kasipura and Richhanda.

2.2.4.5 Physical Verification of Works

In test check of records of ZPs, Baran and Karauli and Joint Physical Verifications of works conducted (May and August 2016) by Audit with Departmental officials, it was observed that:

(i) Construction of anicut cum causeway amounting ₹ 10 lakh at GP, Ishwarpura (ZP, Baran) was sanctioned (March 2012) and completed (April 2013) with expenditure of ₹ 10 lakh. Only causeway structure was constructed without connecting two banks of the river i.e. approaches. Presently the causeway was also damaged. Thus, the entire expenditure was unfruitful as a causeway without approaches would not serve the purpose of assuring connectivity during monsoon season.



Anicut cum causeway on way of Pagara, Gudrawani (GP, Ishwarpura)

(ii) Fictitious payments

Scrutiny of records of GPs of ZP, Baran revealed that 13 works for construction of interlocking blocks/CC roads amounting to ₹ 79 lakh were sanctioned during the years 2011-15 and completed with expenditure of ₹ 66 lakh (2012-15). Of this, an amount of ₹ 27.80 lakh (42.12 per cent) was fictitiously paid as discussed below:

(a) During Joint Physical Verification (August 2016), it was observed that two works for construction of CC roads amounting to ₹ nine lakh in GPs,

35. Gram Panchayats, Chaudagaon (PS, Sapotra): ₹ four lakh, Kasipura (PS, Karauli): ₹ seven lakh, Richhanda (PS, Atru): ₹ three lakh and Bamorikalan (PS, Anta): ₹ 1.50 lakh.

Sunwas and Sakarwada (PS, Kishanganj) were sanctioned (June 2013 and December 2014). The GPs concerned, however, charged towards labour charges and material consumption amounting ₹ 5.80 lakh without actually executing these works. Thus, fictitious payment of ₹ 5.80 lakh was made by the executing agencies. PS, Kishanganj and ZP, Baran also failed to monitor the works effectively.

(b) Remaining 11 works for construction of interlocking/CC road amounting to ₹ 70 lakh were sanctioned (between February 2012 to December 2014) and completed with expenditure of ₹ 60 lakh in PSs, Anta, Chhabra and Kishanganj. These works were completed either without laying first layer of CC or by construction of CC road of lesser length. This resulted in payment of ₹ 22 lakh for items of work which were not carried out.

On this being pointed out, ZP, Baran stated (August 2016) that reply would be furnished after inspection by technical officers. However, the fact remained that the Executive Engineer (EE)/Assistance Engineer (AE)/Junior Engineer (JE), being the technical officers, were members of the joint inspection team and had also authenticated the findings of the Joint Inspection.



(iii) Works Executed not as per Specifications

Scrutiny of records of ZP, Baran revealed that six works for construction of CC roads amounting ₹ 25.50 lakh were sanctioned and completed with an expenditure of ₹ 23.63 lakh during 2011-15. During joint physical verification (August 2016), it was noticed that:

(a) Construction of CC road (towards School Pali) was sanctioned in PS, Anta and completed (September 2013) with expenditure of ₹ four lakh. It was observed that first layer of CC was not laid which resulted in the road being completely damaged. The work completion certificate was issued (September 2013) by PS, Anta after evaluation/verification of work by the AE, JE and BDO of PS, Anta. By incorrectly issuing work completion certificate, the AE/JE/BDO failed to perform their duties.



CC Road from Birbal Meena House to School Pali (GP, Bamori Kalan)

(b) Construction of connecting road (towards Mandir on the way of river, village Nayagaun Chandarpura) amounting ₹ five lakh was sanctioned (February 2012) in GP, Sunwas (PS, Kishanganj) and stated to be completed by ZP, Baran with expenditure of ₹ 4.09 lakh. During physical verification of the work, it was observed that the thickness of the first layer and the second layer of road were 6.25 cm and 3.75 cm respectively instead of 15 cm and 10 cm thickness as per the approved estimate. This resulted in the road being damaged. Completion certificate for the work was also not made available to Audit.



Connectivity road from road to Kalulal Gurjar house and towards Mandir on the way of river, Naya Gaon Chandarpura (GP, Suwans)

(c) Construction of connecting road along with drain (from School to village Gobercha) amounting to ₹ four lakh was sanctioned (October 2012) in GP, Sakrawada (PS, Kishanganj) and completed (December 2012) with expenditure of ₹ 3.47 lakh. Completion certificate for the work was issued (December 2012) by concerned GP. During physical verification, it was observed that first CC layer of road was not laid and second CC layer was damaged due to non-execution of first layer.



Connectivity road along with drains from school to Mangilal Jat house Gobercha (GP, Sakrawada)

(d) Construction of CC road (in village Thungani) at a cost of ₹ 4.50 lakh was sanctioned in GP Sakrawada (PS, Kishanganj) and completed (July 2012) with expenditure of ₹ 4.08 lakh. During physical verification, it was observed that first layer of road was not laid and second layer was damaged due to non-execution of first layer. The work completion certificate was issued by AE/JE of PS, Kishanganj in April 2013. By incorrectly issuing work completion certificate, the AE/JE failed to perform their duties.



CC road from Mangilal Suman house to Tejsingh house Thungani (GP, Sakrawada)

(e) Construction of CC road (from Panchayat Bhawan towards Mandir) at a cost of ₹ four lakh was sanctioned (June 2013) in GP, Karwari Kalan (PS, Kishanganj) and completed (January 2014) with expenditure of ₹ four lakh. During physical verification, it was observed that the thickness of second layer of CC was 2.5 cm instead of 7.5 cm. Thus, due to sub-standard construction, the road was damaged at various places. The work completion certificate was issued by BDO/AE/JE of PS, Kishanganj in January 2014. By incorrectly issuing work completion certificate, the BDO/AE/JE failed to perform their duties.



CC road from Panchyat Bhawan towards Mandir and upto Satya Narain Gurjar house (GP, Karwari Kalan)

(f) Construction of connectivity road (from main road towards Shamshan, village Dehri) at a cost of ₹ four lakh was sanctioned (October 2012) in GP, Chanchora (PS, Chhabra) and completed (December 2012) with expenditure of ₹ 3.99 lakh. During physical verification, it was observed that the thickness of the first layer of road was 7.5 cm instead of 15 cm, which was the thickness as per the approved estimate. Payment was made (December 2012) based on MB entries of 12.5 to 15 cm made by the Technical Officer, PS, Chhabra. Thus, due to sub-standard construction, the road was damaged at various places. The work completion certificate (undated) was issued by BDO/AE/JE of PS Chhabra. By incorrectly issuing work completion certificate, the BDO/AE/JE failed to perform their duties.



Connectivity road from main road towards Shamshan, Dehri (GP, Chanchora)

The ZP, Baran stated (August 2016) that reply would be furnished after inspection by technical officers.

Thus, lack of monitoring and periodical inspections for ensuring quality of ongoing works by the administrative and technical officers of Local Bodies as required under para 8 and 13 of guidelines 2005/2013 and para 16.1 to 16.2 and 25.3 of GKN, 2010, resulted in the roads being damaged before their stipulated lifespan.

(iv) Damaged Roads

Scrutiny of records of GPs, Khareta and Jagar (PS, Hindaun) of ZP, Karauli and GP, Sunwas (PS Kishanganj) ZP, Baran revealed that three works for construction of CC roads amounting ₹ 16.50 lakh were sanctioned and completed with an expenditure of ₹ 13.30 lakh during 2012-15. During Joint Physical Verification (May and August 2016), the following irregularities were observed:

(a) Construction of connecting CC road along with drains (from village Nayagaon Chandarpura towards river) at a cost of ₹ 7.50 lakh was sanctioned (October 2012) in GP, Sunwas (PS, Kishanganj) and completed with expenditure of ₹ 4.32 lakh. During physical verification, it was observed that the road was damaged completely. ZP, Baran instructed (July 2014) the BDO, PS for inspection of work as required under para 16.2.2 of GKN, 2010, but no inspection was carried out and no action was initiated by the ZP against the BDO.



Connectivity road alongwith drains from village towards river, Nayagaon, Chandrapura (GP, Sunwas)

(b) The work for construction of CC road (from Dodipura to Mircholi Pura, Jatav Basti) in GP, Khareta (PS, Hindaun) for ₹ five lakh was sanctioned (September 2013) and completed with expenditure of ₹ 4.99 lakh during 2014-15. During physical verification, it was observed that road was completely damaged. The GP stated (May 2016) that the road was damaged due to flow of water.



CC road from Dodipura to Mircholi Pura, Jatav Basti damaged at various places

(c) The work for construction of CC road in GP, Jagar (PS, Hindaun) for ₹ four lakh was sanctioned (December 2012) and completed (December 2012) with expenditure of ₹ 3.99 lakh during 2012-13. During physical verification, it was observed that road was completely damaged at various places due to water logging.



CC road from Ramniwas house to Surendra house damaged at various places

2.2.4.6 Recovery from the Executive Agencies

Para 2.12 of GKN, 2010 provided that the admissible expenditure on a work would be minimum of sanctioned amount, actual expenditure and amount evaluated by the technical officer.

Test check of records of completion certificates of 12 GPs of PSs Kishanganj, Chhabra and Anta revealed that in 18 works, expenditure of ₹ 7.36 lakh³⁶ charged in excess of evaluated amount was not recovered from respective GPs.

Panchayat Samiti, Kishanganj issued (May 2016) directions to GPs concerned to deposit excess amount ₹ 0.64 lakh over the evaluated amount in two works only. The replies of PS, Chhabra and Anta were awaited (January 2017).

2.2.4.7 Maintenance of Assets

As per para 24.3 of GKN, 2010, a register of assets (Development Register) is required to be maintained at ZPs, PSs and GPs to record all assets created under various schemes in each GP. Para 7.5 of the guidelines (2015) also provided that 15 per cent of available funds could be utilised for maintenance, restoration, upkeep and strengthening of the assets created under various schemes.

Test check of records of selected three ZPs and six PSs revealed the following:

(i) Register of assets created under various schemes was not maintained in all ZPs and PSs during 2011-16. All three test checked ZPs and six PSs stated (May-June 2016) that the registers were to be maintained only at the GP level. The replies were not tenable as the registers of assets were required to be maintained at all levels including at the ZP and PS level also.

36. PSs, Kishanganj: ₹ 1.91 lakh (eight works), Chhabra: ₹ 4.26 lakh (seven works) and Anta: ₹ 1.19 lakh (three works).

(ii) During 2015-16, funds of ₹ 2.44 crore were available for maintenance, strengthening, restoration and upkeep of the assets, however, no expenditure was incurred.

2.2.4.8 Local Conventional Trades

The guidelines envisaged that local conventional trades should be developed to provide resources for livelihood, ensure public participation, employment generation, improvement in living standard, creation of community assets and infrastructural assets.

Test check of selected districts revealed that 94.20 *per cent* works were sanctioned for construction of rural internal roads³⁷, and no works were sanctioned for development of local conventional trades to provide resources for livelihood and public participation. Thus, due to lack of planning, objectives of the Scheme could not be achieved.

2.2.5 Monitoring, Evaluation and Social Audit

2.2.5.1 District Level Area Development Committee

Para 10.2 of the guidelines (March 2015) provided that a District Level Area Development Committee (DLADC) under the chairmanship of District Collector was to be constituted for supervision, implementation and approval of proposals for annual plan. Though the committees were constituted in ZP, Karauli and Bharatpur but ZP, Baran did not constitute the committee as required under the Scheme.

2.2.5.2 Evaluation of the Scheme

Periodical evaluation was required to evaluate the outcome of the Scheme. It was observed that evaluation was not carried out during 2011-2016 by the RDD. The State Government accepted the facts (May 2016).

Thus, the impact of the Scheme for socio-economic upliftment of the villagers could not be ascertained.

2.2.5.3 Inspection of Works

Para 16.2 and 16.3 of GKN, 2010 provided that periodical inspection for ensuring quality of work at every stages should be carried out by the JE, JTA and AE of PSs, Assistant Project Officer, AE, Senior Technical Assistant, EE and Administrative Officer of ZPs. Further, an inspection register in a prescribed proforma was required to be maintained at ZPs, PSs and GPs.

During test check of records of selected all ZPs, PSs and GPs, it was observed that records relating to periodical inspections for the periods 2011-16 were not made available to Audit. However, the authorities of the ZPs, PSs and GPs stated (June 2016) that periodical inspections were carried out. The reply was not convincing as inspection reports and registers were not maintained. Thus,

37. Cement Concrete and Interlocking Block Roads.

in absence of inspections of the works during execution, various deficiencies found during Audit as discussed in the paragraphs above.

2.2.5.4 Quality Control Tests

To ensure that infrastructural works are executed with high quality and withstand for a substantial period, it was necessary to prescribe quality control tests and check the quality against the GKN norms.

It was observed that many works were executed without following the GKN norms and further in the absence of quality control tests they were damaged before reaching the required lifespan. On being point out, the State Government replied (April 2016) that establishment of quality control wing was under consideration.

2.2.5.5 Social Audit of the Scheme

Section 7(i) of Rajasthan Panchayati Raj Act, 1994 provided that the Ward Sabha of GP would conduct Social Audit of all works implemented in the area.

Test check of records of selected ZPs, Baran, Bharatpur and Karauli revealed that Social Audit of Dang Area Development Scheme was not carried out during 2011-16. The State Government did not furnish reasons for non-conducting Social Audit of the Scheme (June 2016).

2.2.6 Conclusion and Recommendation

The main objectives of DADS to achieve development in socio-economic and basic infrastructural areas could not be achieved owing to lack of planning as the Scheme did not cover areas like drinking water availability, buildings for educational institutions, dispensaries, veterinary hospitals, libraries, public toilets, harvesting structures and other projects for livelihood activities. Of the test checked districts, 94.20 *per cent* works were sanctioned only for construction of rural internal roads. Thus, the planning process was weak and this resulted in only about 64 *per cent* of funds allocated to the Scheme being utilised.

In the absence of periodical inspections of the works during execution and quality control tests, the quality of executed works was either poor or the works were damaged before reaching the required lifespan as there were numerous violations like work completed not as per specifications, fictitious payments, damaged roads etc.,. Further, lack of adequate monitoring, evaluation and Social Audit led to the deficiencies not being identified. Besides, no action was taken by the State Government against the fictitious/excess payments and poor quality of works.

Recommendations

1. State Government should ensure that development works in Dang Area villages should be sanctioned after detailed planning process which

includes preparation of Prospective plan, CVD Plans, Drainage plans and DPRs/CPRs.

2. State Government should ensure that quality of the works are improved by setting up a mechanism to ensure quality control.
3. A monitoring mechanism including Social Audit should be strengthened to ensure better delivery of services.

Panchayati Raj Department

2.3 Unfruitful Expenditure on Rural BPL Houses

Non-utilisation of financial assistance of ₹ 7.78 crore released for construction of dwelling units under Chief Minister Rural BPL Awaas Yojana.

Chief Minister Rural BPL Awaas Yojana was launched (2011-12) on the lines of Indira Awaas Yojana (IAY) to provide financial support for construction of new dwelling units. Scheme period was three years from 2011-12 to 2013-14. A fixed amount of financial assistance³⁸ (₹ 0.50 lakh or ₹ 0.45 lakh) per dwelling unit was available under this Scheme, which was to be disbursed to the beneficiary in three installments³⁹ according to progress of construction of the unit. The beneficiary was required to complete the construction work of house within two years period after receiving the first installment of assistance. However, in special circumstances the house was to be completed within three years.

As per para 7.3 (iv) of the guidelines *ibid*, The Gram Sevak and Block Development Officer (BDO) of concerned Panchayat Samiti were required to be in contact with the beneficiary for starting the construction work. If the beneficiary did not start the work within two months, the BDO should issue notice for recovery of first installment with interest.

Scrutiny of records of eight PRIs⁴⁰ revealed that ZPs and PS released ₹ 7.78 crore for 3,182 houses⁴¹ during the period 2011-12 and 2012-13 but these houses could not be constructed even after lapse of three to four years of receipt of the first installment. Thus, financial assistance of ₹ 7.78 crore disbursed to these beneficiaries could not be utilised for the intended purpose.

38. ₹ 0.50 lakh - for beneficiaries belongs to Scheduled Casts, eligible families of Tribal Sub Plan (TSP) areas of the State and ₹ 0.45 lakh -for other beneficiaries.

39. First installment of 50 per cent - immediately after financial sanction, 40 per cent of assistance - within three months from release of first installment and when construction reached on lintel level and remaining 10 per cent - on completion of work of roof, windows and doors.

40. Zila Parishad (RDC) Banswara, Baran, Jhalawar, Kota, PS, Keshoraipatan, Khamnor, Lasadiya and Sahada.

41. Zila Parishad (RDC) Banswara: 2,323, Baran: 445, Jhalawar: 58, Kota: 95, PSs, Keshoraipatan: 108, Khamnor: 85, Lasadiya: 38 and Sahada: 30.

Zila Parishad (RDC), Banswara and Jhalawar, while accepting the facts stated (December 2015 and March 2016) that migration/death of beneficiaries and utilisation of assistance for purposes other than the construction of houses were the main reasons for non-construction of houses. ZP, Jhalawar also stated (March 2016) that PSs concerned had been directed (19 August 2014) to lodge First Information Report (FIR) against the defaulters. PS, Sahada also assured that FIRs would be lodged after serving notices for mis-utilisation of assistance. However, the replies from other PRIs were awaited (January 2017).

The replies were not tenable as for construction and timely completion of quality dwelling units, close monitoring of beneficiaries by departmental officers was required to be done. The utilisation of grants for other purposes is indicative of serious lapses in departmental system. In such circumstances possibility of mis-utilisation of released funds could not be ruled out.

Thus, objective of providing a safe and durable shelter to the BPL families who were either houseless or having inadequate housing facilities, could not be achieved despite incurring an expenditure of ₹ 7.78 crore by way of financial assistance (*Appendix-IV*).

The matter was brought to the notice (between March and June 2016) of the State Government for their comments; reply was awaited (January 2017).

2.4 Unfruitful Expenditure on non-commissioned Tube Wells

In Panchayat Samiti, Nokha, 51 tube wells constructed at a cost of ₹ 2.10 crore could not be put to use due to non-installation of submersible pump and no provision for electric connection, defeating the objective of supply of drinking water in rural areas.

Thirteenth Finance Commission (TFC) for the period 2010-15 provided grants to Panchayati Raj Institutions (PRIs) with the main objectives of strengthening the drinking water supply management and to enhance availability of drinking water in the rural areas. Further, with a view to financial empowerment of PRIs and to enable PRIs to prepare work plans as per their local needs, the GoR initiated “Untied Funds for PRIs” scheme from the year 2011-12 under which works relating to water supply and sanitation were to be given priority. Accordingly, GoR issued (November 2010) guidelines in this regard.

Test check (May-June 2015) of records of Panchayat Samiti (PS), Nokha revealed that for construction of 51 tube wells⁴² for supply of drinking water in 24 Gram Panchayats (GPs) of PS, Nokha, ₹ 2.48 crore was sanctioned (September 2012 to October 2014) under TFC and Untied Funds schemes against which an expenditure of ₹ 2.10 crore was incurred during July 2013 to December 2014. These administrative, technical and financial sanctions were based on estimated cost of works to be executed involving items ‘construction of bore well upto sand free water’, lowering of casing pipes of 200 mm dia and ‘fixing of 6 mm thick tube well cover’ only. It was observed that works like insertion of GI pipes in borehole, installation of submersible pumps and

42. Under TFC: 50 tube wells and under Untied Funds: one tube wells.

electric wiring/cables electricity connection which were necessary to make a tube well workable, had neither been planned nor executed.

Non-execution of auxiliary works like installation of submersible pumps and electric connection resulted in not only non-commissioning of these 51 tube wells despite incurring an expenditure of ₹ 2.10 crore but also defeated the objective of the Schemes to augment drinking water availability in the rural areas. These facts were also confirmed during joint physical inspection conducted (May 2015) by Audit with Technical Assistant, GP, Swaroopsagar (PS, Nokha).

The State Government accepted the facts and stated (December 2016) that efforts were being made for commissioning of these tube wells.

Thus, due to improper planning and monitoring by PS, Nokha, 51 tube wells constructed at a cost of ₹ 2.10 crore in rural areas could not be put to use.

2.5 Unfruitful Expenditure on Incomplete Work

Imprudent decision of engaging contractor for work of construction of meeting hall in Panchayat Samiti, Degana led to the work being incomplete, thereby rendering expenditure of ₹ 26.09 lakh unfruitful.

With a view to enable Panchayati Raj Institutions (PRIs) to prepare work plans as per their local needs and financial empowerment of PRIs, Government of Rajasthan initiated Untied Funds for PRIs from the financial year 2011-12. Guidelines (September 2011) of Untied Funds-PRI stipulated that Gram Panchayat would be implementing agency of works. The works were also to be got executed from others institutions such as Public Works Department, Public Health and Engineering Department, Water Resources Department etc., depending on the nature of works. The works were to be taken up after following the procedure contained in the Rajasthan Panchayati Raj (RPR) Rules, 1996 and be executed as per the technical norms of Gramin Karya Nirdeshika (GKN), 2010 issued by Government of Rajasthan.

Sub para (1) of Rule 181 of Rajasthan Panchayati Raj Rules, 1996 categorically stipulated that execution of any work should not be done through contractor so that full benefit of wages could be extended to the poor without any middle man.

Scrutiny (December 2015) of records of Panchayat Samiti (PS), Degana (Nagaur) for the period from 2012-13 to 2014-15, revealed that an administrative sanction for construction of a new meeting hall in the premises of PS, Degana office at a cost of ₹ 30 lakh under Untied Funds-PRI was issued (October 2012) assigning the PS as execution agency. However, PS, Degana awarded the work (July 2013) through competitive tenders to a contractor⁴³ in violation of the provisions of scheme and RPRs, 1996. The contractor executed the work (September 2013 to January 2014) and was paid ₹ 26.09 lakh through running bills. A physical inspection (August 2016) by Audit along with the authorities of implementing agency revealed that various

43. M/s Prabhu Construction, Kitalsar.

items of work i.e. flooring of hall, toilet, finishing of roof, and stairs, fitting of doors, and windows, and electricity fittings etc., were lying incomplete. As such the structure was not ready for use for intended purpose.

On being pointed out, the Government stated (January 2017) that work could not be completed in time. Notice had been issued and legal action was being taken against the contractor. It was further stated that the work would be completed after issuing sanction for extra funds. The reply was not tenable as decision of implementing agency to get the work executed by a contractor was not only imprudent but also against the codal provisions. Thus, imprudent decision of implementing agency led to incomplete construction of meeting hall, thereby rendering expenditure of ₹ 26.09 lakh unfruitful.

2.6 Irregular Expenditure on Inadmissible Works

Irregular expenditure of ₹ 1.66 crore on execution of inadmissible works in Panchayati Raj Institutions, out of grants under State Finance Commission.

Fourth State Finance Commission recommended principles and methodology regarding the devolution of funds to Panchayati Raj Institutions (PRIs) covering the period 2010-15. Accordingly Grants were to be released to PRIs which would be utilised for meeting their local needs for maintaining of various core civic services⁴⁴.

Para 2 of guidelines (GoR, 12 September, 2011) regarding utilisation of grants envisaged that grants should not be utilised for pay and allowances and no expenditure should be incurred on works other than maintenance of core civic services. The guidelines categorically prohibited utilisation of funds for construction of boundary wall (except boundary wall of school), community hall, *chabutras*, *swagatdwar*s and *hathai*⁴⁵.

Scrutiny of records of 17 PRIs⁴⁶ for the period 2010-11 to 2014-15 revealed that 120 works involving construction of *vishranti grih*, *chabutra*, boundary wall of community hall, crematorium and community hall were sanctioned between March 2011 and March 2015 in contravention of the guidelines of the commission and an expenditure of ₹ 1.66 crore was incurred on these inadmissible works (*Appendix-V*). On being pointed out, PS, Baneda and other five PRIs stated (July 2015) that list of works were provided to PS under the SFC after the approval in the meeting of Gram Sabha and sanctions were issued after approval in general meeting of the PS. The approved works were of public utility in nature and were being used. The reply was not acceptable as these works were categorically prohibited in the guidelines.

The matter was brought to the notice (March 2016) of the State Government for their comments; reply was awaited (January 2017).

44. Supply of drinking water, sanitation, light arrangements of roads and streets, primary education facilities, primary health facilities, crematorium and graveyard.

45. Construction around the tree.

46. Panchayat Samitis: Anandpuri, Baneda, Barmer, Begu, Bhopalsagar, Dholpur, Keshoraipatan, Kumher, Marwar Junction, Nagar, Sanganer, Sultanpur, Taleda and Veir; Zila Parishads: Bikaner, Jaisalmer and Sawai Madhopur.

2.7 Irregular Diversion of Grants on Inadmissible Works

Irregular expenditure of ₹ 79.16 lakh on execution of inadmissible works, out of grant under Central/State Finance Commissions' recommendations in Zila Parishads, Barmer and Kota.

The grants under recommendations of the Thirteenth Finance Commission (TFC) (award period 2010-15) were provided to the Panchayati Raj Institutions (PRIs). The objective of the grants was to make the PRIs sustainable by strengthening the supply of drinking water in the rural areas; providing rural sanitation through construction of toilets; solid waste management; creation of data base and maintaining the accounts and maintenance of assets relating to water supply and rural sanitation.

Out of TFC grants, the State Government issued (November 2010) the list of works to be undertaken by the PRIs which *inter-alia* included construction of wells, public water tanks, ponds, *panghat*, hand pumps, laying of pipelines for supply of water at public places, arrangements for toilets/mobile toilets at public places, construction of drainage system and disposal of waste etc. The guidelines on utilisation of grants of State Finance Commission-IV (GoR, September, 2011) also envisaged that no expenditure should be incurred on works other than maintenance of fundamental public services.

Scrutiny of records (January 2016) of Zila Parishad (Panchayati Raj Cell), Kota for the period 2014-15 revealed that administrative and financial sanction of ₹ 60 lakh was issued (June 2013) for construction and extension of Zila Parishad office building, out of grants received under recommendation of Central and State Finance Commissions⁴⁷. The work was executed by Public Works Department and completed in (March 2014) after incurring an expenditure of ₹ 71.82 lakh⁴⁸. This was an inadmissible work as per guidelines of Central/State Finance Commissions.

Similarly, Zila Parishad (Panchayati Raj Cell), Barmer during 2013-14 incurred an expenditure of ₹ 7.34 lakh out of grants of TFC on inadmissible activities like distribution of food packets, decoration, printing of invitation cards and audio/video arrangements to celebrate the completion of four years of State Government.

Thus, in both Zila Parishads irregular expenditure of ₹ 79.16 lakh was incurred on inadmissible works in contravention of the guidelines for utilisation of grants under Central/State Finance Commission recommendations.

The matter was brought to the notice (April 2016) of the State Government; reply was awaited (January 2017).

47. Under TFC: ₹ 48 lakh and under SFC-IV: ₹ 12 lakh.

48. Details regarding bifurcation of excess expenditure of ₹ 11.82 lakh over sanctioned cost between Central or State Finance Commission were not intimated to Audit.

Part-B
URBAN LOCAL BODIES

CHAPTER-III

**An Overview of the Functioning,
Accountability Mechanism and
Financial Reporting Issues of
Urban Local Bodies**

CHAPTER-III

OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES 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 Municipalities with certain powers and duties 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.

There were 188 ULBs¹ i.e. seven Municipal Corporations² (M Corps), 34 Municipal Councils³ (MCs) and 147 Municipal Boards⁴ (MBs) as of March 2016. As per census 2011, the statistics of Rajasthan State are given in **Table 3.1** below:

Table 3.1

| Indicator | Unit | State level |
|-------------------------|-------------------------|----------------------------|
| Population | Crore | 6.85 |
| Population (Urban) | Crore | 1.70 |
| Population Density | Persons per sqkm | 200 |
| Decadal Growth Rate | Percentage | 21.30 |
| Sex Ratio | Females per 1,000 males | 914 |
| Total Literacy Rate | Percentage | Male 87.90 Female 70.70 |
| Urban Per Capita Income | Rupees per annum | 65,974 |
| Municipal Corporation | Numbers | 7 |
| Municipal Council | Numbers | 34 |
| Municipal Board | (Class II) | 13 |
| | (Class III) | 58 |
| | (Class IV) | 76 |

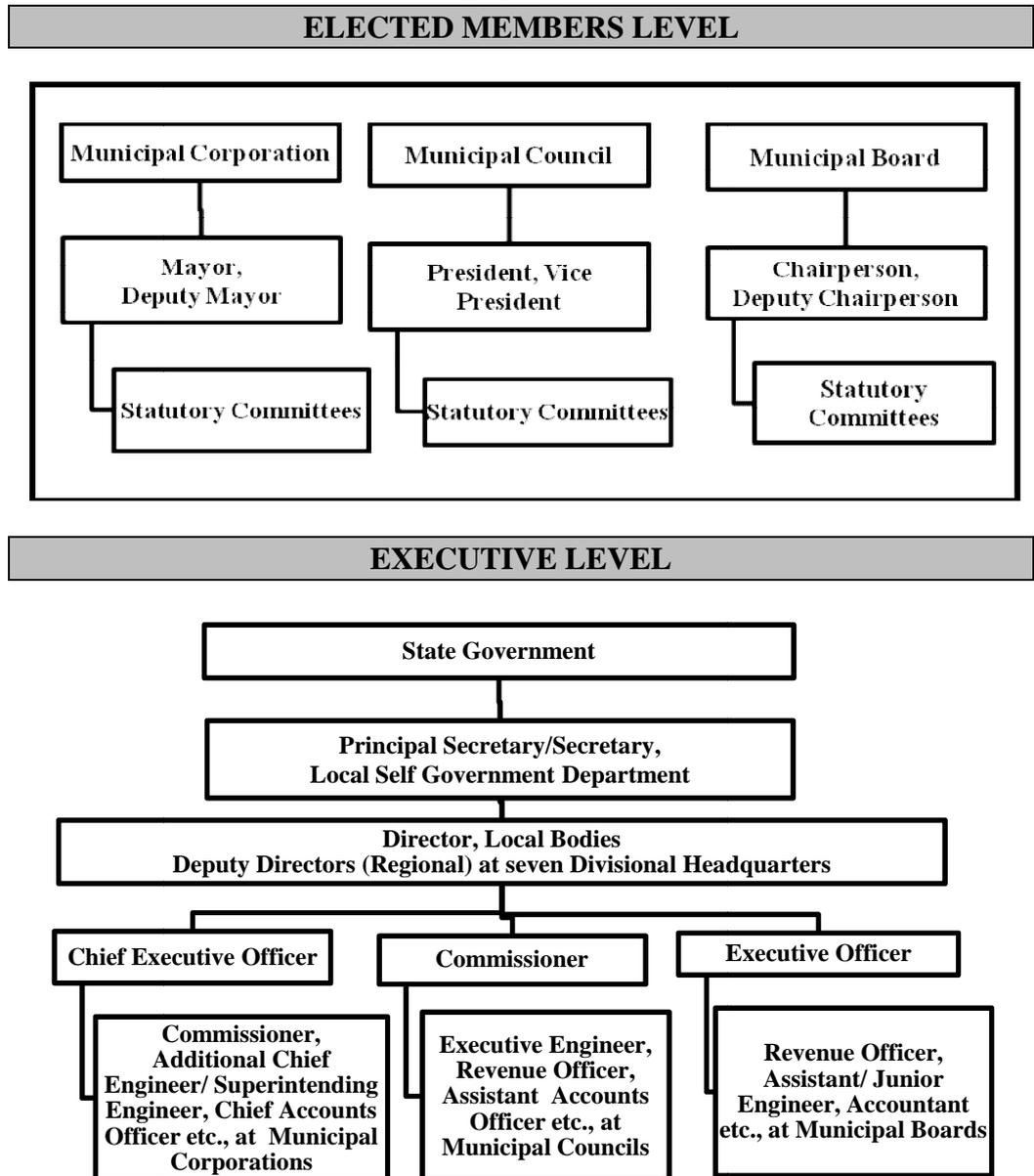
Source: Annual Progress Report 2015-16 of Local Self Government Department, Rajasthan.

1. Municipal Boards, Roopwas (August, 2014) was not functional as of March 2016 due to litigation process.
2. Municipal Corporations: Ajmer, Bharatpur, Bikaner, Jaipur, Jodhpur, Kota and Udaipur.
3. Municipal Councils: Alwar, Balotara, Banswara, Baran, Barmer, Beawar, Bhilwara, Bhiwadi, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Dungarpur, Gangapurcity, Hanumangarh, Hindauncity, Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Karauli, Kishangarh, Makarana, Nagaur, Pali, Pratapgarh, Rajsamand, Sawai Madhopur, Sikar, Sirohi, Sriganganagar, Sujangarh and Tonk.
4. Municipal Boards: Class-II (with population 50,000-99,999): 13, Class-III (with population 25,000-49,999): 58 and Class-IV (with population less than 25,000): 76.

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:

Chart 3.1



3.3 Functioning of ULBs

Sections 45 to 47 and 101 to 103 of RMA, 2009 have certain core functions⁵, other functions for protection of environment, public health and sanitation,

5. Public health, sanitation, conservation, solid waste management, drainage and sewerage, cleaning public streets, places and sewers and all spaces, lighting public streets, places and buildings, extinguishing fires and protecting life and property when fire occurs, etc.

education and culture, public welfare, community relations and functions assigned by the Government⁶.

3.3.1 Devolution of Funds, Functions and Functionaries to Urban Local Bodies

Article 243W inserted through the 74th Constitutional Amendment envisaged devolution of powers and responsibilities to municipalities in respect of 18 subjects mentioned in XII Schedule of the Constitution. As per information given by Directorate Local Bodies (DLB) Department (June 2016), functions relating to 16 subjects (***Appendix-VI***) were already being performed by ULBs. The remaining two functions, 'Water Supply' is being carried out by seven ULBs whereas 'Urban Planning' function is yet to be devolved to ULBs as per notification dated 6 February 2013.

3.4 Formation of Various Committees

3.4.1 District Planning Committee

In pursuance of Article 243 ZD of the Constitution of India and section 158 of RMA, 2009, the State Government constitutes District Planning Committee (DPC) in all the districts of the State. District Collector is a member of the DPC and he or his nominated officer attends the meeting of DPC. The required quorum for DPC meeting is 33 *per cent* of members elected from rural and urban areas.

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. Details regarding the functioning of DPCs, was not intimated by the Department (December 2016).

3.4.2 Standing Committees

According to section 55 of RMA, 2009, every municipality shall constitute an executive committee. In addition to the executive committee, every municipality shall also constitute the following committees consisting of not more than 10 members (i) finance committee, (ii) health and sanitation committee (iii) buildings permission and works committee (iv) slum improvement committee (v) rules and bye-laws committee (vi) compounding and compromising of offences committee and (vii) committee for looking into the functions of a municipality. It may also constitute such other committees, not exceeding eight in case of M Corp, not exceeding six in case of MC and not exceeding four in case of MB, as it may deem necessary⁷.

-
6. The State Government may by general or special order, require a municipality to perform such other municipal functions as the State Government may, having regard to the necessity and the resources of the municipality, think fit to be performed by the municipality.
 7. The State Government may, looking to the functions of a municipality, increase the maximum limit of committees specified in this clause.

As regards the actual status of standing committees constituted under section 55 of RMA, 2009, the same has not been provided by the DLB Department (May 2016).

3.5 Audit Arrangement

3.5.1 Primary Auditor

The Director, Local Fund Audit Department (LFAD) is the Primary/ Statutory Auditor for Audit of the accounts of the ULBs under Section 4 of the Rajasthan Local Fund Audit Act (RLFAA), 1954 and Rajasthan Local Fund Audit Rules, 1955. As per section 18 of RLFAA, 1954, Director LFAD submit Annual Consolidated Report to the State Government and the Government shall lay this report before the State Legislature.

The Audit Report of LFAD, Rajasthan for the year 2014-15 has been laid on the table of the State Legislature on 28th March 2016. Audit Report for the year 2015-16 was in process (June 2016).

The Director LFAD covered only 70 units of ULBs (M Corp: one, MCs: 15 and MBs: 54) in Audit as of March 2016. The Director, LFAD intimated (July 2016) that the shortfall was due to vacant posts, staff engaged in special inspections and staff being deputed to District Election Office for long periods.

3.5.2 Audit by Comptroller and Auditor General of India

The Comptroller and Auditor General of India (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 amended⁸ in 2011 provides for Audit of municipalities by the CAG.

A committee on Local Bodies and Panchayati Raj Institution has been constituted since 1 April 2013 in Rajasthan Vidhan Sabha to examine and discuss the Audit Reports of Comptroller and Auditor General of India on local bodies. Audit Report for the year 2004-05 has been discussed by the committee and subsequent reports are yet to be discussed.

3.5.3 Implementation of Technical Guidance and Support/Supervisions

In pursuance of recommendations of XIIIth Central Finance Commission, the Government of Rajasthan, Finance (Audit) Department has issued notification (2 February 2011) for adoption of 13 parameters under the Technical Guidance and Supervision/Support (TG&S) over the Audit of all the tiers of Panchayati Raj Institutions and ULBs.

8. The accounts of the Municipalities shall be audited by the CAG of India in accordance with the provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

Comments/suggestions in respect of 44 factual statements and draft paragraphs proposed by Director, LFAD for inclusion in their Audit Report and comments on the 12 Inspection Reports (IRs) of Director, LFAD upto March 2016 were communicated to Director, LFAD under the TG&S by the Principal Accountant General (General and Social Sector Audit), Rajasthan.

3.6 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 IRs.

3.6.1 For the period 2011-16, 440 IRs containing 4,245 paragraphs in respect of ULBs, issued by the Office of the Principal Accountant General (General and Social Sector Audit), Rajasthan involving money value of ₹ 9,276.82 crore were pending for settlement as on 31 March 2016. Out of this, even first compliance report of 869 paragraphs of 77 IRs were not furnished as per details given in **Table 3.2** below:

Table 3.2

| Year | IRs | Paragraphs | Money value (₹ in crore) | First compliance not furnished | |
|--------------|------------|--------------|-----------------------------|--------------------------------|------------|
| | | | | IRs | Paragraphs |
| 2011-12 | 64 | 434 | 414.22 | 1 | 12 |
| 2012-13 | 76 | 703 | 1,304.96 | 3 | 48 |
| 2013-14 | 101 | 820 | 1,682.70 | 13 | 144 |
| 2014-15 | 113 | 1,018 | 2,418.46 | 23 | 240 |
| 2015-16 | 86 | 1,270 | 3,456.48 | 37 | 425 |
| Total | 440 | 4,245 | 9,276.82 | 77 | 869 |

3.6.2 For the period from 2011-12 to March 2016, 2,42,718 paragraphs of 20,538 IRs issued by Director, LFAD were pending for settlement. Audit observations including 32 embezzlement cases involving monetary value of ₹ 0.49 crore were pending for settlement. Further, first compliance to 30 IRs was still awaited as per details given in **Table 3.3** below:

Table 3.3

| Year | IRs | Paragraphs | Number of units which first compliance not furnished | Embezzlement cases | |
|------------------------------|---------------|-----------------|---------------------------------------------------------------|--------------------|----------------------------|
| | | | | Number | Money value (₹ in lakh) |
| 2011-12 | 5,544 | 59,549 | 2 | 6 | 0.10 |
| 2012-13 | 4,870 | 59,920 | 6 | 5 | 0.04 |
| 2013-14 | 4,923 | 60,650 | 8 | 6 | 6.97 |
| 2014-15 (upto March 2016) | 5,201 | 62,599 | 14 | 15 | 41.81 |
| Total | 20,538 | 2,42,718 | 30 | 32 | 48.92 |

Source: As per data provided by Director, LFAD, Rajasthan.

This indicated lack of prompt response on the part of the municipal/ Departmental authorities.

3.6.3 Only a meeting of Audit Committee was conducted (11 March 2016) during the year 2015-16 by the Department whereas Audit Committee meeting was required to be conducted every quarter.

3.6.4 Response to Paragraphs in Audit Reports

Twelve paragraphs involving money value ₹ 117.89 crore which appeared in previous Audit Reports⁹ were pending for settlement for want of reply from the Government as on 31 December 2016.

3.6.5 Impact of Audit

During the year 2015-16, recovery of ₹ 0.11 crore was made in nine cases at the instance of Audit.

Recommendation: 1

Efforts should be made by LSGD to regularly conduct the Audit Committee meetings to settle the pending paragraphs.

Accountability Mechanism and Financial Reporting Issues

Accountability Mechanism

3.7 Lokayukta

In the State, the Rajasthan Lokayukta and Up-Lokayuktas Act, 1973 came into force on 3 February 1973 which also covers the actions of Mayor and Deputy Mayor of a M Corp, President and Vice-President of a MC, Chairman and Vice-Chairman of a MB and Chairman of any Committee, constituted or deemed to be constituted by or under the Rajasthan Municipalities Act, 1959.

The Department stated (September 2016) that no such body of Lokayukta has been constituted at district level.

3.8 Property Tax Board

The Thirteenth Finance Commission (TFC) recommended (February 2011) setting up of a State level Property Tax Board to assist the ULBs to put in place an independent and transparent procedure for assessing property tax. The commission also recommended that the Board should enumerate, or cause to enumerate, all properties in the ULBs in the State and develop a data base, review the property tax system and suggest suitable basis for valuation of properties, design and formulate transparent procedure for valuation of properties, inspection for verification in ULBs in the State. The State Government constituted (February 2011) State Level Property Tax Board and first meeting of the board was held on 28 April 2011. Till date the Board was non-functional (December 2016).

9. Audit Report 2012-13 (four paragraphs: ₹ 5.35 crore), 2014-15 (Eight paragraphs: ₹ 112.54 crore).

3.9 Fire Hazard Response

According to guidelines for release and utilisation of the TFC grants, all Municipal Corporations with population of more than 10 lakh (Census 2001) must put in place a fire hazard response and mitigation plan for their respective jurisdictions. Publication of these plans in the Gazette of respective State Government would demonstrate compliance with this condition.

As per Census 2011, three¹⁰ cities of Rajasthan had population more than one million, but only M Corp, Jaipur had prepared fire hazard response and mitigation plan which was notified (21 March 2011) by the State Government.

3.10 Submission of Utilisation Certificates

During 2015-16 grants of ₹ 773.95 crore and ₹ 433.12 crore under Fifth State Finance Commission (SFC-V) and Fourteenth Finance Commission (FFC) respectively were received and the same were released to ULBs by the Finance Department.

Details of utilisation of grants and pendency in submission of UCs for the year 2015-16 are shown in **Table 3.4** below:

Table 3.4

(₹ in crore)

| Particulars of grants | Actual grant (FFC) released by GoI | Actual grants released to ULBs by State Government | UCs received from ULBs | | UCs pending | |
|-----------------------|------------------------------------|----------------------------------------------------|------------------------|------------|-------------|------------|
| | | | Amount | Percentage | Amount | Percentage |
| Grant of FFC | 433.12 | 433.12 | 153.05 | 35.34 | 280.07 | 64.66 |
| Grant of SFC-V | 773.95 | 773.95 | 201.64 | 26.05 | 572.31 | 73.95 |

In addition to above, out of grant of ₹ 692.22 crore of Fourth State Finance Commission (SFC-IV), UCs of ₹ 167.74 crore (24.32 per cent) were still pending (September 2016). In absence of pending UCs under SFC-IV, SFC-V and FFC the proper utilisation of funds could not be ascertained.

3.11 Internal Audit and Internal Control System of ULBs

As per Section 99 of RMA, 2009 the State Government or the Municipality may provide for Internal Audit of the day to day accounts of the Municipality in the manner prescribed.

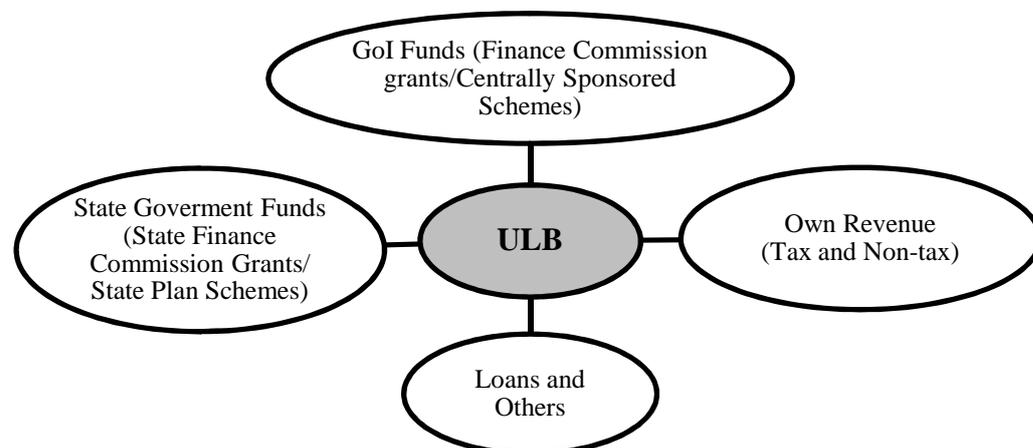
The DLB Department intimated (October 2016) that there was no arrangement for conducting the Internal Audit at Department's level whereas internal control of ULBs was being done by the Department and Regional Offices.

10. Jaipur (30,46,163), Jodhpur (10,33,756) and Kota (10,01,694).

3.12 Financial Reporting Issues

3.12.1 Source of Funds

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:



3.12.1.1 Receipts

The position of receipts under various heads of the ULBs during 2011-12 to 2015-16 is given in **Table 3.5** below:

Table 3.5

(₹in crore)

| Sources of receipts | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16* |
|------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| (A) Own Revenue | | | | | |
| (a) Tax Revenue | | | | | |
| (i) House tax | Nil | Nil | Nil | Nil | Nil |
| (ii) Urban development tax ¹¹ / property tax | 39.57 | 46.88 | 45.31 | 32.61 | 59.70 |
| (iii) Octroi/ <i>Margasth</i> fee | Nil | Nil | Nil | Nil | Nil |
| (iv) Tax on vehicles | Nil | Nil | Nil | Nil | Nil |
| (v) Passenger tax | Nil | Nil | Nil | Nil | Nil |
| (vi) Terminal tax | Nil | Nil | Nil | Nil | Nil |
| (vii) Other taxes ¹² | 81.10 | 205.41 | 169.94 | 178.39 | 221.42 |
| (viii) Outsourcing | Nil | Nil | Nil | Nil | Nil |
| Total of Tax Revenue (a) | 120.67 (5.29) | 252.29 (7.04) | 215.25 (5.55) | 211.00 (6.02) | 281.12 (9.32) |
| (b) Non-tax Revenue | | | | | |
| (i) Revenue from bye-laws ¹³ | 157.25 | 416.83 | 474.33 | 263.88 | 188.44 |
| (ii) Revenue from assets | 26.69 | 36.08 | 31.74 | 22.65 | 26.52 |
| (iii) Revenue from Acts | Nil | Nil | Nil | Nil | Nil |
| (iv) Revenue from penalties | Nil | Nil | Nil | Nil | Nil |

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

12. Income from land revenue, tax on advertisement, pilgrim tax, other income etc.

13. Income from birth and death certificate, sign advertisement board fees, tender form fees, marriage registration fees, building permission fees, license fees of hotel bye-laws etc.

| Sources of receipts | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16* |
|----------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| (v) Revenue from waterworks | Nil | Nil | Nil | Nil | Nil |
| (vi) Interest on investments | 24.80 | 26.30 | 42.42 | 49.07 | 47.92 |
| (vii) Misc. non-tax revenue ¹⁴ | 297.95 | 477.90 | 606.72 | 462.73 | 322.17 |
| (viii) Sale of land ¹⁵ | 110.38 | 199.30 | 139.54 | 121.04 | 67.64 |
| Total of Non-tax Revenue (b) | 617.07 (27.06) | 1,156.41 (32.27) | 1,294.75 (33.37) | 919.37 (26.24) | 652.69 (21.64) |
| Total of Own Revenue (A) | 737.74 (32.35) | 1,408.70 (39.31) | 1,510.00 (38.91) | 1,130.37 (32.26) | 933.81 (30.97) |
| (B) Assigned Revenue/ Entertainment tax | 7.38 (0.32) | 0.01 (0.00) | Nil | Nil | Nil |
| (C) Grants and Loans | | | | | |
| (i) General and special grant | 642.78 | 1,162.55 | 1,308.41 | 1,205.06 | 1,262.39 |
| (ii) Grant in lieu of octroi | 877.81 | 965.60 | 1,062.15 | 1,168.36 | 819.30 |
| (iii) Special assistance and loans | 14.81 | 47.07 | Nil | Nil | Nil |
| Total of Grants and Loans (C) | 1,535.40 (67.33) | 2,175.22 (60.69) | 2,370.56 (61.09) | 2,373.42 (67.74) | 2,081.69 (69.03) |
| (D) Miscellaneous Non-recurring Income¹⁶ | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A to D) | 2,280.52 | 3,583.93 | 3,880.56 | 3,503.79 | 3,015.50 |

Source: As per data provided (October 2016) by DLB Department, Rajasthan.

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

* The above figures for the year 2015-16 are of 136 ULBs only. Information of remaining 52 ULB has not been provided by DLB Department.

It could be seen from the table above that:

- Tax revenue comprised only 9.32 per cent of the total revenue during the year 2015-16. It increased by 3.30 per cent during 2015-16 over the previous year. The increase in tax revenue was under the heads of urban development tax and other taxes.
- Non-tax revenue comprised 21.64 per cent of the total revenue during 2015-16. It decreased by 4.60 per cent during 2015-16 over the previous year. The decrease in non-tax revenue was under various heads like revenue from bye laws, miscellaneous non-tax revenue and sale of land etc.
- During 2015-16 own revenue (tax and non-tax) comprised 30.97 per cent of total receipts. In 2014-15 it is comprised of 32.26 per cent of total receipts. It indicates marginal increase in dependency of ULBs on grants and loans.
- Under the head “Grants and Loans” ULBs received 1.29 per cent amount more than previous year 2014-15.

3.12.1.2 Expenditure

The position of expenditure in ULBs during 2011-12 to 2015-16 is given in **Table 3.6** below:

14. Income from sewerage tax, fair fees, application fees, income from contract of Bakra Mandi, income from cattle house, income from lease, etc.
15. Receipt from sale of land to public, Government and other commercial organisation.
16. Including deposits and recoveries of loans and advances.

Table 3.6

(₹ in crore)

| Items of Expenditure | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16* |
|-------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| (A) Recurring Expenditure | | | | | |
| General administration | 966.84 (33.45) | 1,090.10 (31.19) | 1,129.71 (28.56) | 1,157.04 (33.33) | 875.60 (33.17) |
| Public health and sanitation | 637.66 (22.06) | 772.28 (22.10) | 197.30 (4.99) | 228.21 (6.57) | 168.41 (06.38) |
| Maintenance of civic amenities | 737.67 (25.52) | 898.26 (25.70) | 862.68 (21.81) | 671.97 (19.36) | 329.10 (12.47) |
| Total of Recurring Expenditure (A) | 2,342.17 (81.03) | 2,760.64 (78.99) | 2,189.69 (55.36) | 2,057.22 (59.27) | 1,373.11 (52.01) |
| (B) Non-recurring Expenditure | | | | | |
| Expenditure on developmental works | 394.56 (13.66) | 518.72 (14.84) | 1,401.32 (35.43) | 1,150.42 (33.14) | 967.40 (36.64) |
| Purchase of new assets | NA | NA | Nil | Nil | Nil |
| Repayment of loans | NA | NA | 24.22 (0.61) | 31.79 (0.92) | Nil |
| Miscellaneous non-recurring expenditure ¹⁷ | 153.62 (5.31) | 215.66 (6.17) | 339.95 (8.60) | 231.79 (6.68) | 299.51 (11.34) |
| Total of Non-recurring Expenditure (B) | 548.18 (18.97) | 734.38 (21.01) | 1,765.49 (44.64) | 1,414.00 (40.73) | 1,266.91 (47.99) |
| Grand Total (A+B) | 2,890.35 | 3,495.02 | 3,955.18 | 3,471.22 | 2,640.02 |

Source: As per data provided (October 2016) by DLB Department, Rajasthan.
Note: Figures in brackets denote percentage to the total expenditure.
**The above figures for the year 2015-16 are of 136 ULBs only. Information of remaining 52 ULBs has not been provided by DLB Department so far.*

It could be seen from the table above that:

- Recurring expenditure in 2015-16 decreased by 7.26 per cent over the previous year 2014-15. This was mainly due to less expenditure under the head “Maintenance of civic amenities” by the Department.
- Non-recurring expenditure increased in 2015-16 by 7.26 per cent over the previous year 2014-15, this was due to increase in expenditure on developmental work (an increase of 3.50 per cent) and miscellaneous non-recurring expenditure (an increase of 4.66 per cent). Breakup of receipt and expenditure of category wise ULBs is given in **Table 3.7** below:

Table 3.7

(₹ in crore)

| Category of ULBs | 2014-15 | | Surplus (+)/ Shortfall (-) | 2015-16* | | Surplus (+)/ Shortfall (-) |
|-----------------------------------|-----------------|-----------------|-------------------------------|-----------------|-----------------|-------------------------------|
| | Receipts | Exp. | | Receipts | Exp. | |
| (A) Municipal Corporations | | | | | | |
| (i) Ajmer | 103.23 | 86.01 | (+) 17.22 | 124.40 | 94.50 | (+) 29.90 |
| (ii) Bikaner | 61.66 | 65.94 | (-) 4.28 | 106.00 | 73.41 | (+) 32.59 |
| (iii) Jaipur | 667.23 | 478.18 | (+) 189.05 | NA | NA | NA |
| (iv) Jodhpur | 184.79 | 227.04 | (-) 42.25 | 275.93 | 212.14 | (+) 63.79 |
| (v) Kota | 186.09 | 181.55 | (+) 4.54 | 261.64 | 197.32 | (+) 64.32 |
| (vi) Udaipur | 147.32 | 175.63 | (-) 28.31 | NA | NA | NA |
| (vii) Bharatpur ¹⁸ | 45.90 | 40.06 | (+) 5.84 | 58.30 | 47.58 | (+) 10.72 |
| Total (A) | 1,396.22 | 1,254.41 | (+) 141.81 | 826.27 | 624.95 | (+) 201.32 |
| (B) Municipal Councils | 1,002.57 | 988.71 | (+) 13.86 | 1,010.99 | 959.87 | (+) 51.12 |
| (C) Municipal Boards | 1,105.00 | 1,228.10 | (-) 123.10 | 1,178.26 | 1,055.18 | (+) 123.08 |
| Grand Total (A+B+C) | 3,503.79 | 3,471.22 | (+) 32.57 | 3,015.52 | 2,640.00 | (+) 375.52 |

Source: As per data provided (October 2016) by DLB Department, Rajasthan.
** The above figures for the year 2015-16 are of 136 ULBs only. Information of remaining 52 ULBs has not been provided by DLB Department so far.*

17. It includes refunds or deposits, investment made and disbursement of loans and advances.

18. Bharatpur had Municipal Board, which was upgraded to M Corp during June 2014.

It could be seen from the table above that:

- During 2015-16, there was an overall surplus of ₹ 375.52 (12.45 per cent) crore of receipts over expenditure in the M Corps, MCs and MBs.
- During 2015-16, M Corp, Ajmer, Bikaner, Bharatpur, Jodhpur and Kota had a surplus of receipts over expenditure.
- Status of receipts and expenditure of M Corp Jaipur and Udaipur for the year 2015-16 has not been provided by DLB Department (November 2016).
- During 2015-16, MCs had a surplus of receipts over expenditure by ₹ 37.26 crore.
- During 2015-16, MBs have strengthened their financial position from a shortfall of ₹ 123.10 crore in 2014-15 to a surplus of ₹ 123.08 crore in 2015-16.

Recommendation:2

The ULBs should take effective steps to strengthen their financial position by focusing on collection of own tax and non-tax revenue.

3.12.2 Recommendations of the State Finance Commission

The SFC-IV constituted on 11 April 2011 is concurrent with the TFC. For the years 2010-11 to 2014-15, the SFC-IV had recommended devolution of five per cent of State's net own tax revenue (excluding land revenue and 25 per cent of entry tax) to local bodies in the ratio of 75.10 : 24.90 to PRIs and ULBs on provisional basis and budgeted figures were to be adopted for quantifying the divisible pool.

The position of grants required to be released by the State Government under the SFC-IV and SFC-V during 2011-12 to 2014-15 and 2015-16 and their utilisation is given in **Table 3.8** below:

Table 3.8

(₹ in crore)

| Year | Grants to be released by the State Government | Grants released by the Finance Department to DLB | Grants released to ULBs by DLB | Short (-)/ Excess (+) release of grants | UCs received (June 2016) from ULBs | | UCs Pending (June 2016) from ULBs | |
|------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------|--------------------------------|-----------------------------------------|------------------------------------|--------------|-----------------------------------|--------------|
| | | | | | Amount | Percentage | Amount | Percentage |
| The position of grants required to be released by the State Government under the SFC-IV | | | | | | | | |
| 2011-12 | 147.95 | 150.7 | 237.53 | (+) 86.83 | 106.77 | 44.95 | 130.76 | 55.05 |
| 2012-13 | 325.37 | 325.37 | 325.66 | (+) 0.29 | 153.24 | 47.06 | 172.42 | 52.94 |
| 2013-14 | 325.08 | 325.08 | 325.08 | Nil | 126.06 | 38.78 | 199.02 | 61.22 |
| 2014-15 | 692.22 | 692.22 | 692.22 | Nil | 524.48 | 75.79 | 167.74 | 24.21 |
| Total | 1,490.62 | 1,493.37 | 1,580.49 | - | 910.55 | 57.61 | 669.94 | 42.39 |
| The position of grants required to be released by the State Government under the SFC-V | | | | | | | | |
| 2015-16 | 773.95 | 773.95 | 773.95 | Nil | 201.64 | 26.05 | 572.31 | 73.95 |

Source: As per data provided (September 2016) by DLB Department, Rajasthan.

As the period of SFC-IV had already expired, however, as on September 2016, 42.40 per cent UCs of SFC-IV (2011-12 to 2014-15) and 74 per cent of UCs of SFC-V were still pending.

This indicated poor utilisation of grants by the implementing agencies and poor mentoring by the DLB Department.

3.12.3 Recommendation of the Central Finance Commissions

The position of grants released by the Government of India to State Government and further released by the State Government to ULBs under the Thirteenth Finance Commission and Fourteen Finance Commission during 2011-12 to 2014-15 and 2015-16 and their utilisation is given in **Table 3.9** below:

Table 3.9

(₹ in crore)

| Year | Grants to be released by GoI | Actual grants released by GoI | Grants released to ULBs by State Government | UCs received (June 2016) from ULBs | | UCs pending | |
|---------------------------------------------------------------------------------------------|------------------------------|-------------------------------|---------------------------------------------|------------------------------------|--------------|---------------|--------------|
| | | | | Amount | Percentage | Amount | Percentage |
| The position of grants required to be released by the State Government under the TFC | | | | | | | |
| 2011-12 | 173.3 | 209.49 | 187.56 | 98.64 | 52.59 | 88.92 | 47.41 |
| 2012-13 | 254.49 | 252.06 | 273.99 | 95.62 | 34.9 | 178.37 | 65.1 |
| 2013-14 | 361.81 | 361.81 | 361.81 | 218.81 | 60.48 | 143 | 39.52 |
| 2014-15 | 355.96 | 333.15 | 200.26* | 200.26 | 100 | Nil | Nil |
| 2015-16 | Nil | 132.89 | 132.89 | 132.89 | 100 | Nil | Nil |
| Total | 1,145.56 | 1,289.40 | 1,156.51 | 746.22 | 64.52 | 410.29 | 35.48 |
| The position of grants required to be released by the State Government under the FFC | | | | | | | |
| 2015-16 | 433.12 | 433.12 | 433.12 | 153.05 | 35.34 | 280.07 | 64.66 |

Source: As per data provided (September 2016) by DLB Department, Rajasthan.

* General Basic Grant: ₹ 199.64 crore, General Performance Grant: ₹ Nil, Special Areas Basic Grant: ₹ 0.18 crore and Special Areas Performance Grant: ₹ 0.44 crore.

As on September 2016, UCs amounting to ₹ 280.07 crore and ₹ 410.29 crore were pending in respect of FFC and TFC respectively. This indicated slow pace of utilisation of funds by ULBs and lack of monitoring at Directorate level.

3.12.4 Annual Financial Statement

As per Section 92(1) of RMA, 2009, the Chief Municipal Officer shall, within three months of the close of a financial year, cause to be prepared a financial statement containing an income and expenditure account and a receipts and payments account for the preceding financial year in respect of the accounts of the municipality and a balance sheet of the assets and liabilities of the municipality for the preceding financial year.

It was observed that there was no record maintained by DLB Department which indicated that how many ULBs prepared their annual accounts within prescribed time. In reply, the DLB Department confirmed (June 2016) the facts.

3.12.5 Maintenance of Accounts by Urban Local Bodies

3.12.5.1 As per Rule 25(xi) of Rajasthan Local Fund Audit Rules 1955, a certificate of correctness of annual accounts shall be included in Director's

Report. As such accounts of all 188 ULBs were required to be certified every year. For the period 2009-10 to 2014-15, Director, LFAD intimated (June 2016) that out of 188 ULBs; certification of accounts of only 114 ULBs (61 per cent) had been done. In absence of certification of accounts, the correctness of accounts could not be verified by Audit.

3.12.5.2 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.

The DLB Department intimated (June 2016) that all the ULBs have been directed to adopt the Accrual Based Double Entry Accounting System and all ULBs are maintaining the accounts on above system. However, Director, LFAD intimated (July 2016) that only four ULBs are maintaining the accounts on above system.

3.12.6 Maintenance of Database and the Formats therein on the Finances of Urban Local Bodies

The Ministry of Urban Development, GoI has issued (April 2010) seven database formats to be adopted by ULBs as prescribed by the TFC. The DLB Department intimated (June 2016) that information in prescribed database formats upto year 2015-16 are being collected and will be forwarded after receiving the same by August 2016. This information is still awaited (December 2016).

Recommendation: 3

ULBs should follow the prescribed formats and guidelines related to accounting as provided by TFC, FFC and NMAM. These bodies should also make sincere efforts to prepare the accounts on time and get them certified.

3.13 Conclusion

The own resources generated by ULBs were not adequate to take care of their expenditure and ULBs were largely dependent on grants and loans from Central/State Government. The receipts of ULBs showed increasing trend only in 2015-16.

Absence of timely finalisation of accounts in the prescribed formats and lackadaisical approach in certification of accounts resulted in denial of correct accounting information to the stakeholders. From 2009-15, as against accounts of 188 ULBs required to be certified every year, certification of accounts of only 114 ULBs (61 per cent) has been done by the LFAD.

There were also huge delays in attending to Audit observations and in their settlement. Failure to timely respond to Audit observations is fraught with the risk of continuance of irregularities/deficiencies.

CHAPTER-IV
Audit Findings on
Urban Local Bodies

CHAPTER-IV

AUDIT FINDINGS ON URBAN LOCAL BODIES

This chapter contains Compliance Audit of Revenue Collection System in Municipal Boards and Implementation of Rajasthan Guaranteed Delivery of Public Services Act 2011 in Local Self Government Department and nine paragraphs relating to Urban Local Bodies.

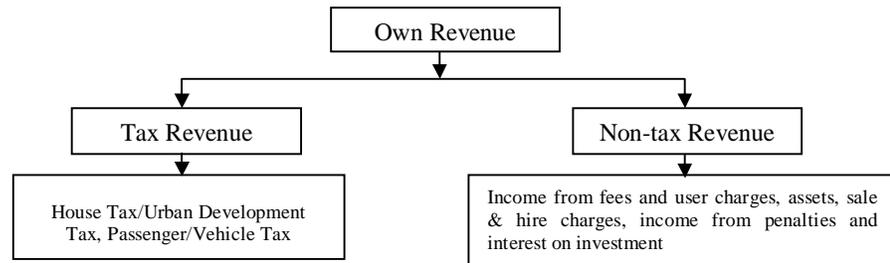
COMPLIANCE AUDIT

Local Self Government Department

4.1 Revenue Collection System in Municipal Boards

4.1.1 Introduction

Urban Local Bodies (ULBs) in Rajasthan include 147 Municipal Boards (MBs), 34 Municipal Councils (MCs) and seven Municipal Corporations (M Corps) as on 31 March 2016. In keeping with the Rajasthan Municipalities Act, 2009 (RMA), the Government of Rajasthan (GoR) classifies MBs in terms of population¹. Chapter VII of RMA, 2009 empowers the Municipality to levy taxes to generate their own revenues and prescribes the manner for their realisation. Further, Chapter XVI empowers the Municipality to make Rules and Bye-Laws in this regard. The flow chart of generation of revenue by the Municipality is given below:



Municipalities are generating revenues by levying tax, user charges, fines and fees etc.,. Financial resources of ULBs during 2013-14 to 2015-16 are depicted in **Table 4.1** below:

Table 4.1

(₹ in crores)

| Year | Own revenue (Percentage) | Grants and loans (Percentage) | Total resources |
|---------|-----------------------------|----------------------------------|--------------------|
| 2013-14 | 1,510.00 (38.91) | 2,370.56 (61.09) | 3,880.56 |
| 2014-15 | 1,130.37 (32.26) | 2,373.42 (67.74) | 3,503.79 |
| 2015-16 | 933.81 (30.97) | 2,081.69 (69.03) | 3015.50 |

1. Municipal Boards having population 50,000 to 99,999 are categorised as Category-II, MBs having population 25,000 to 49,999 (Category-III) and MBs having population up to 24,999 (Category-IV).

Considering the decrease in contribution of Own Revenue in the ULBs, the role of revenue collection becomes of paramount importance for future sustenance and self sufficiency.

Audit was conducted with a view to examine whether an adequate system to levy, demand and collection of non-tax revenue and tax revenue existed in MBs. Accordingly, test check (April 2016 to July 2016) of records of 17 MBs² for the period 2011-12 to 2015-16 was carried out.

4.1.2 Audit Findings

The Audit findings relating to (i) Levy, demand and collection of non-tax revenue, (ii) Levy, demand and collection of tax revenue, (iii) Financial management system and (iv) Internal control and monitoring system are discussed below:

Levy, Demand and Collection of Non-tax Revenue

4.1.2.1 Target and Achievement

The targets for revenue collection are fixed by the MBs themselves and are consolidated by the Directorate of Local Bodies (DLB). The position of target and achievement of non-tax revenue of MBs during the period 2011-12 to 2015-16 is given in **Table 4.2** below:

Table 4.2

(₹ in crore)

| Year | Number of MBs* | State Level** | | | Test Checked Units*** | | |
|---------|----------------|---------------|-------------|------------------------|-----------------------|-------------|------------------------|
| | | Target | Achievement | Shortfall (Percentage) | Target | Achievement | Shortfall (Percentage) |
| 2011-12 | 149/166 | NA | 222.97 | NA | 179.70 | 84.65 | 95.05 (52.89) |
| 2012-13 | 149/149 | NA | 397.59 | NA | 195.75 | 156.58 | 39.17 (20.01) |
| 2013-14 | 135/143 | 578.81 | 415.47 | 163.34 (28.22) | 263.10 | 156.67 | 106.43 (40.45) |
| 2014-15 | 134/147 | 619.82 | 297.77 | 322.05 (51.96) | 247.38 | 105.99 | 141.39 (57.15) |
| 2015-16 | 95/147 | 533.33 | 277.95 | 255.38 (47.88) | 282.32 | 122.98 | 159.34 (56.44) |

* Information made available/total number of MBs.
 ** Consolidated figures provided for non-tax revenue by DLB Department.
 *** The figure represent revenue income as depicted in annual accounts of test checked MBs.

Information regarding targets and achievement under non-tax revenue for all MBs for the years 2011-16 was only partly available with DLB, in the absence of which target and achievements have been restricted to only those MBs for which information was provided.

It could be seen from the table above, that there was huge shortfall in collection of non-tax revenue at State level during 2013-14 to 2015-16 which ranged between 28.22 per cent and 51.96 per cent (averaging 42.69 per cent). Even in the test checked MBs the shortfall in achievement of targets ranged from 40.45 per cent to 57.15 per cent (averaging 51.35 per cent) during the same period (2013-16).

- Category-II:** Deoli, Fatehpur, Ladnu, Mertacity, Mount Abu, Sardarshahar and Sumerpur, **Category-III:** Bayana, Bhinmal, Chaksu, Nathdwara, Ramganjmandi and Suratgarh, **Category-IV:** Chhabra, Malpura, Sagwara and Sanchore.

Audit observed that there was no justification for fixation of target available in all test checked MBs.

4.1.2.2 Fees and User Charges

Fees and user charges includes income from registration fee/annual charges from mobile tower/pole antenna, marriage places, license fee (from hotel, restaurant, bakery and sweet shops), layout fee, building plan fee, development charges, betterment levy, conversion charges, road cutting charges etc.,.

The findings noticed in collection of various fees and user charges in test checked MBs are discussed below:

(i) Registration Fee/Annual Charges from Mobile Tower/Pole Antenna

Local Self Government Department (LSGD) directed (January 2012) MBs to recover one-time registration fee of ₹15,000 per mobile tower and annual charges of ₹ 5,000 per tower per year. This was revised (August 2012) vide Section 13 of Model (mobile towers/pole antenna) Bye-Laws by which the registration fee (one-time fee) was increased to ₹ 20,000 and annual charges to ₹ 10,000 per mobile tower per year. The revised rates as prescribed by LSGD were applicable to the MBs till the Boards of the respective MBs approved their Bye-Laws and prescribed their own rates for registration and annual charges for the mobile towers/pole antennas. LSGD also directed MBs to conduct a survey for identification of mobile towers.

Test check of records of selected MBs revealed that:

- On the basis of survey conducted by 16 MBs during the period 2011-16, it was assessed that registration fee of ₹ 0.35 crore was not recovered from 175 mobile towers (out of 196 mobile towers). Further, due to non-registration of mobile towers, a loss of revenue of annual charges of ₹ 0.78 crore was also incurred (*Appendix-VII*).
- There was short recovery of registration fee and annual charges of ₹ 0.08 crore in remaining 21 mobile towers in five MBs³. Details are given in *Appendix-VII*.

This resulted in loss of revenue of ₹ 0.78 crore and non-recovery/short recovery of ₹ 0.43 crore of registration fee and annual charges from mobile companies⁴ which erected 196 mobile towers.

Municipal Board, Sagwara stated (June 2016) that recovery was not made due to shortage of staff. The remaining 16 MBs⁵ did not furnish reasons for non-

3. Municipal Boards: Deoli, Fatehpur, Malpura, Mertacity and Sagwara.

4. BSNL, Reliance, Airtel, Vodafone, Idea, Tata Hutch, MTS, Tata Indicom, Hutch, Aircel, Rainbow, Bajaj Allianz, Indus, Compa, GTL Idea, Reliance JIO, Viom Network, Reliance Infra Tel, Kappa Telecom and The Guman.

5. Chaksu and Mount Abu (April 2016) Sumerpur, Mertacity, Ladnun, Sardarsahar, Fatahpur and Deoli (May 2016) Nathdwara, Bhinmal, Sanchore, Suratgath, Ramganjmandi, Chhabra, (June 2016), Bayana and Malpura (July 2016).

recovery/short recovery of registration and annual charges. They, however, stated that action would be taken for recovery of registration and annual fee as per rules. The fact remained that the MBs did not take adequate action to recover the revenue from these mobile companies so far in spite of identification of the defaulters.

The matter needs to be investigated by the DLB to fix responsibility on the defaulting officials who failed to demand and collect revenue in spite of having full knowledge of the presence of these towers in their jurisdiction.

(ii) Registration Fee and Permission Fee for Marriage Places

The GoR enacted Model Bye-Laws for Registration of Marriage Place in 2010 and the MBs were required to adopt/amend their Bye-Laws for implementation in their jurisdiction. Section 3 of these Model Bye-Laws provides that no person would operate marriage place in the area of local bodies without obtaining license from MBs. The registration fee and permission fee would be chargeable as per the prescribed rates notified by each MB. In the absence of adoption/amendment of Bye-Laws for charging of registration fee and permission fee for marriage place by each MB, the rates prescribed in model Bye-Laws are being charged by the MBs.

Test check of records of selected MBs revealed that all 17 test checked MBs did not adopt/amend their Bye-Laws. Further, as per information provided by seven MBs⁶, total 75 marriage places were operating in their jurisdiction without depositing registration fee of ₹ 0.10 lakh per marriage place. This resulted in non-recovery of registration fee of ₹ 7.50 lakh from these marriage places. Further, ₹ 53 lakh towards permission fee calculated at the rate of ₹ 15 per sqyd was also not recovered from 30 marriage places in six MBs except MB, Sardarshahar. Information regarding area of 45 marriage places in its jurisdiction was also not provided by MB, Sardarshahar and therefore, permission fee for these marriage places could not be calculated. Thus, there was non-recovery of registration and permission fee, aggregating ₹ 60.50 lakh from marriage places in seven MBs.

Seven MBs⁷ stated that action would be taken for recovery of registration fee/permission fee. However, the fact remained that due to negligence of the MBs, a large number of marriage places were running unauthorisedly without depositing government dues/ revenue.

(iii) License Fee from Hotel, Restaurant, Bakery, Sweet Shops etc.

Section 340 of RMA, 2009 gives power to the Municipality to make Bye-Laws prescribing the conditions in respect of which licenses may be granted, refused, suspended or withdrawn for the use of any place not belonging to the

6. Municipal Boards: Chaksu, Mertacity, Nathdwara, Ramganjmandi, Sardarshahar, Sumerpur and Suratgarh. Information/records of marriage places were not made available by MBs, Mount Abu whereas the remaining eight MBs intimated Nil information. No case was found in MB, Fatehpur.

7. Municipal Boards: Chaksu, Mertacity, Nathdwara, Ramganjmandi, Sardarshahar, Sumerpur and Suratgarh.

municipality as a market or shop for sale of meat or of fish or as dairy, hotel, restaurant, eating house, sweet and bakery *etc.*

(a) Non-Framing of Bye-Laws

Scrutiny of test checked MBs revealed that 12 MBs did not frame Bye-Laws for regulation of hotels/restaurants and meat shops activities whereas 98 hotels/restaurants *etc.* and 88 meat shops were running in their jurisdiction without registration. Details are given in **Table 4.3** below:

Table 4.3

| Name of MB | Number of | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------|
| | Hotel <i>etc.</i> * | Meat Shop** |
| Bayana | 4 | Nil |
| Bhinmal | 10 | Nil |
| Chhabra | 18 | Nil |
| Deoli | 17 | 18 |
| Fatehpur | 3 | 10 |
| Ladnu | 4 | Nil |
| Malpura | 13 | 24 |
| Mertacity | 4 | 6 |
| Mount Abu*** | Nil | 5 |
| Sardarshahar | 6 | Nil |
| Suratgarh | 10 | 13 |
| Sumerpur | 9 | 12 |
| Total | 98 | 88 |
| <p>* MBs, Nathdwara, Ramganjmandi, Sagwara and Sanchore had adopted Hotel, Restaurant <i>etc</i> Bye-laws. MB, Chaksu had given 'Nil' information.</p> <p>** MB, Sagwara had adopted Meat Shop Bye-Laws. MBs, Chaksu, Ramganjmandi and Sanchore had given 'Nil' information. No information was given by MB, Nathdwara.</p> <p>*** MB, Mount Abu had framed Hotel Bye-Laws.</p> | | |

In the absence of Model Bye-Laws as well as specific Bye-Laws framed by the respective MBs, the due amount of registration fee could not be calculated.

MBs replied that action would be taken for preparation of Bye-Laws. However, the fact remained that MBs failed to make Bye-Laws as provided in RMA, 2009 which resulted in the unauthorised running of various businesses /activities within municipal area, depriving the MBs from additional sources of revenue.

(b) Non/Short Recovery of License Fee

Regulation and Control Bye-Laws of five MBs⁸ stipulated that no person would use any place for operating hotels, restaurants, bakeries, sweet shops and other selling shops *etc.*, without obtaining license from MBs. After getting the requisite license, the license holders would be required to pay renewal fees every year at the rate prescribed by the MBs as per their Bye-Laws.

Scrutiny of records of five MBs revealed that license/renewal fee of ₹ eight lakh was not recovered from 233 different traders, details of which are given in **Table 4.4** below:

8. Municipal Boards, Mount Abu: 1979, Nathdwara: 2009, Ramganjmandi: 2007, Sagwara: 1987 and Sanchore: 2007.

Table 4.4

(₹ in lakh)

| Name of MB | Number of hotel, restaurant etc. | Amount to be recovered | | Amount recovered | | Non-recovery/short recovery of License/renewal fee | |
|--------------|----------------------------------|------------------------|-------------|------------------|-------------|----------------------------------------------------|-------------|
| | | License fee | Renewal fee | License fee | Renewal fee | License fee | Renewal fee |
| Mount Abu | 19 | Nil | 0.40 | Nil | Nil | Nil | 0.40 |
| Nathdwara | 86 | 4.30 | 4.50 | 0.40 | 1.75 | 3.90 | 2.75 |
| Ramganjmandi | 109 | 0.29 | Nil | Nil | Nil | 0.29 | Nil |
| Sanchore | 13 | Nil | 0.95 | Nil | Nil | Nil | 0.95 |
| Sagwara | 6 | Nil | 0.06 | Nil | Nil | Nil | 0.06 |
| Total | 233 | 4.59 | 5.91 | 0.40 | 1.75 | 4.19 | 4.16 |

Four MBs except MB, Mount Abu stated that action would be taken for recovery. MB, Mount Abu stated that Medical Department issued license to hotel, restaurant, bakery operators etc., therefore they did not come to MB for license. The reply was not in consonance with the facts as the license were to be issued by the MBs concerned.

4.1.2.3 Private Nursing Home (Dispensary) Surcharge Rules

Rule 3 of Private Nursing Home (Dispensary) Surcharge Rules, 2007, approved and implemented by MB, Sanchore stipulates (May 2009) that any nursing home (dispensary) providing private medical facilities in municipal area should have to pay annual fees⁹ of ₹ 1,200 to ₹ 5,000. A penalty of upto ₹ 500 was to be charged on non-payment of annual fee or for disobeying the rules. It was observed that MB, Sanchore issued 23 licenses to private nursing homes/hospitals during the period 2011-15. Of which, 17 license holders did not pay annual license fees of ₹ 0.84 lakh and, no action for recovery of outstanding amount and penalty was initiated by the MB.

Municipal Board, Sanchore accepted the facts and stated (June 2016) that recovery would be made from the nursing home license holders.

4.1.2.4 Rajasthan Building Bye-Laws

The LSGD issued (June 2011) Model Rajasthan Building Regulation Bye-Laws, 2010, applicable in urban area of the State. DLB further clarified (September 2015) that all cases applied after the enactment of Model Bye-Laws, would be disposed off according to such Bye-Laws.

(i) Betterment levy

As per Para 7.10 of the Model Rajasthan Building Bye-Laws, permissible Floor Area Ratio¹⁰ (FAR) should be 1.20 for residential building and 1.33 for commercial properties, which could be increased upto 2.25 after payment of betterment levy¹¹.

9. Based on the bed facility available in the nursing home.

10. Floor Area Ratio is a ratio of building's total covered area to size of the land.

11. Betterment levy of ₹ 100 per square feet (sqft) or 25 per cent of reserve price for residential properties, whichever is higher would be recoverable for FAR more than 1.20. Betterment levy of ₹ 200 per sqft or 25 per cent of reserve price for commercial properties, whichever is higher would be recoverable for FAR more than 1.33.

Test check of records of three MBs¹² revealed that in three cases MBs issued permission order for construction of commercial building above permissible FAR without ensuring recovery of betterment levy of ₹ 0.40 crore (*Appendix-VIII*). Similarly, in another two cases of residential buildings, MB, Nathdwara¹³ incorrectly calculated betterment levy which resulted in short recovery of ₹ 0.36 crore. Thus, non-recovery/short recovery of betterment levy aggregating ₹ 0.76 crore in five cases deprived these MBs from their own revenue resources to that extent.

On being pointed out, concerned MBs accepted (June 2016) the facts and stated that recovery would be made.

(ii) Building Permission Charges

Rates for building construction are prescribed in Model Rajasthan Building Bye-Laws. Examination fee for permission of construction at the rate of ₹ five per sqm in case of residential/institutional purpose and ₹ 15 per sqm in case of commercial purpose shall be levied. Map approval fee for buildings constructed for various purposes has been prescribed at different rates¹⁴ according to area of the land.

Test check of records of three MBs¹⁵ revealed that in five cases MBs had given permission for construction of commercial building having area between 500 sqm and 1,500 sqm without getting map approval fee amounting to ₹ 1.46 lakh and examination fee of ₹ 0.39 lakh. Thus, an amount of ₹ 1.85 lakh was not recovered by the MBs (*Appendix-IX*).

On being pointed out, MBs accepted the facts and stated (May 2016) that action would be taken for recovery.

However, the fact remained that inspite of being in full knowledge about construction of buildings with excessive FAR and without collection of building permission charges, no action was taken to recover the dues so far.

4.1.2.5 Fire Cess

The LSGD issued (October 2013) order for recovery of fire cess on built up area of building at the rate of ₹ 100 per sqm of FAR area for building having height of 15 metres to 40 metres.

Scrutiny of records of MBs, Nathdwara and Sumerpur revealed that these MBs gave permission (2013-14) for construction of two buildings having height of 15 metres to 40 metres with built up area of 5,896.38 sqm. The fire cess

12. Municipal Boards: Deoli, Fatehpur and Sagwara.

13. Municipal Boards, Nathdwara has adopted Nathdwara Building Regulation Bye-Laws, 2011. Permissible FAR was 1.33 for residential/commercial properties.

14. Map Approval Fee for commercial land: land area 250 sqm to 500 sqm (₹ 5,000) and more than 500 sqm to 1500 sqm (₹ 5,000 plus ₹ 50 per sqm).

15. Municipal Boards: Fatehpur, Mertacity and Sagwara.

charges of ₹ 5.90 lakh¹⁶ was recoverable for this. However, MB recovered only ₹ 0.30 lakh against it which resulted in short recovery of ₹ 5.60 lakh¹⁷.

Municipal Board, Sumerpur and Nathdwara accepted the facts and stated (May/June 2016) that steps would be taken for recovery.

4.1.2.6 Change of Land Use

(i) Premium and Other Charges on Change of Land Use

Rule 7 of the Rajasthan Urban Areas (Permission for use of Agricultural Land to Non-agricultural Purpose and Allotment) Rules, 2012 provided that permission order for change of land use would be issued within 45 days from the date of receipt of application for change of land use. On acceptance of application by the authorised officer the land would be vested in the name of local authority by way of mutation. Rule 9 and 11 *ibid* states that land would be allotted and lease deed would be issued to the applicant by the local authority on depositing premium and lease rent (urban assessment) within 90 days of demand by local authority. Further, 90 more days could be given for depositing premium and lease rent with 15 *per cent* interest per annum. After the lapse of six months (90 days *plus* 90 days) from the date of receipt of demand notice permission order should be deemed as cancelled.

Section 90-A of Rajasthan Land Revenue Act (RLRA), 1956 also stipulated that when any land was permitted to be used for any purpose other than that of agriculture, the person to whom such permission was granted would be liable to pay premium and lease rent.

It was observed during 2013-15, that Chaksu and Fatehpur MBs issued permission orders in 13 cases for change of land use from agricultural to non-agricultural purpose under Section 90-A of RLRA, 1956. Further, it was instructed that the land would be used for non-agricultural purposes only after depositing premium and lease rent.

It was noticed that in all the 13 cases the applicants had neither deposited the requisite amount of premium charges and urban assessment of ₹ 4.69 crore (*Appendix-X*) till date (January 2017) though the liability was assigned on them under Section 90-A *ibid* nor the local authority issued any demand notice in this respect. It was also noticed that one applicant at Chaksu used the land for non-agricultural purposes.

Municipal Board, Chaksu, stated (April 2016) that recovery would be made. MB, Fatehpur however, stated (May 2016) that premium charges and urban assessment were being recovered at the time of issue of *patta*. Reply was not tenable as MB Fatehpur even did not issue the demand notice within stipulated period under Section 90-A of RLRA, 1956 and applicable Rules 2012.

16. Municipal Boards, Sumerpur: ₹ 1.79 lakh and Nathdwara: ₹ 4.11 lakh.

17. Municipal Boards, Sumerpur: ₹ 1.49 lakh and Nathdwara: ₹ 4.11 lakh.

Thus, due to slackness of MBs, ₹ 4.69 crore remained out of the exchequer besides the risk of unauthorised utilisation of the Government land for non-agricultural purposes.

(ii) Short Recovery of Premium along with Application

Rule 4 of the Rajasthan Urban Areas (Permission for use of Agriculture Land for Non-agriculture Purpose and Allotment) Rules, 2012 stipulates that in respect of change of use of agricultural land situated in urban area an amount calculated at the rate of 10 *per cent* of prescribed premium should be recovered with the application from the applicant who wanted the permission under Section 90-A of the RLRA, 1956.

Scrutiny of records of two MBs (Mertacity and Sumerpur) revealed that the applicants deposited ₹ 0.21 lakh against ₹ 9.80 lakh recoverable as premium. Thus, ₹ 9.59 lakh was short recovered from these applicants.

Municipal Boards, Mertacity and Sumerpur stated (May 2016) that recovery would be made.

(iii) Short Recovery of Additional Premium Charges

Urban Development Department *vide* Notification (21 September 2012) fixed rates of premium in cases of allotment of agricultural land for non-agricultural purpose. Proviso (ii) to this notification provided that either in cases where the plot was situated along 60 feet and above road or in case of corner plot or having any of these two conditions, premium should be calculated after increasing fixed premium rate by 10 *per cent*.

In case of three selected MBs¹⁸, it was noticed that in 18 cases, plots were either situated along 60 feet and above road or was a corner plot and that MBs issued lease deeds to applicants without ensuring full receipt of necessary premium charges. This resulted in short recovery of ₹ six lakh (recovery of ₹ 44.64 lakh against ₹ 50.64 lakh).

In reply, MBs, Mertacity, Nathdwara and Sardarshahar stated (April-July 2016) that recovery would be made.

4.1.2.7 Urban Assessment (Lease Rent)

As per Section 7 (1) of Rajasthan Municipal (Land Disposal) Act, 1974, urban assessment (lease rent) was to be determined at 2.50 *per cent* of reserve price in case of residential plot and five *per cent* in case of commercial and other purposes.

Test check of records revealed that lease rent amounting to ₹ 0.43 crore¹⁹ was

18. Municipal Boards: Mertacity, Nathdwara and Sardarshahar.

19. Municipal Boards: Deoli (190 cases): ₹ 0.20 crore, Mount Abu (19 cases): ₹ 0.17 crore and Suratgarh (69 cases): ₹ 0.06 crore.

outstanding in three MBs. Eight MBs²⁰ had given Nil information and remaining six MBs²¹ did not provide information of lease rent in their municipal areas.

In reply, the concerned MBs stated (April/June 2016) that action would be taken for recovery of urban assessment by issuing notice to the defaulters.

4.1.2.8 Charges for Basic Services to Urban Poor Shelter Fund

For creation of Basic Services to Urban Poor (BSUP) Shelter Fund for the benefit of Economically Weaker Section (EWS) and Lower Income Group (LIG) Schemes under the Affordable Housing Policy, Urban Development and Housing Department (UDH) & LSGD issued (May 2010) instructions that BSUP charges at the rate of ₹ 25 per sqm for getting permission of any land use change should be levied and collected by MB.

Scrutiny of land conversion records of five MBs, revealed that an amount of ₹ 21.31 lakh²² of BSUP charges was not recovered by MBs. Four MBs, (Bhinmal, Fatehpur, Mount Abu and Sanchore) did not provide relevant records of BSUP Shelter Fund in their municipal areas. No such case was found in remaining eight MBs.

The respective MBs stated (May/June 2016) that recovery would be made.

4.1.2.9 Revenue from Municipal Assets

Revenue from assets of MBs includes rent from shops, buildings, rest house, etc.,. Scrutiny of records of test checked MBs, revealed that eight MBs did not recover rent from shop, building etc., aggregating to ₹ five crore from 348 tenants as given in **Table 4.5** below:

Table 4.5

(₹ in lakh)

| Name of MB | Total Number of Shops/building | Number of shops from which rent was recoverable | Rent outstanding as on 1 April 2011 | Demand raised during 2011-16 | Total recoverable rent | Rent recovered | Rent recoverable |
|--------------------|--------------------------------|-------------------------------------------------|-------------------------------------|------------------------------|------------------------|----------------|------------------|
| Chhabra | 107 | 46 | 66.64 | 182.06 | 248.70 | 37.69 | 211.01 |
| Mount Abu | 146 | 136 | 183.83 | 26.75 ²³ | 210.58 | 1.29 | 209.29 |
| Mertacity | 40 | 38 | 5.95 | 44.38 | 50.33 | 4.66 | 45.67 |
| Nathdwara | 62 | 22 | -* | 5.91 | 5.91 | 3.82 | 2.09 |
| Ramganjmandi | 59 | 59 | 12.57 | 8.78 | 21.35 | 6.26 | 15.09 |
| Sagwara | 101 | 1 | 0 | 2.38 | 2.38 | Nil | 2.38 |
| Sanchore | 17 | 17 | 13.54 | 4.39 | 17.93 | 4.92 | 13.01 |
| Suratgarh | 29 | 29 | 1.03 | 0.19 | 1.22 | Nil | 1.22 |
| Grand total | 561 | 348 | 283.56 | 274.84 | 558.40 | 58.64 | 499.76 |

* Opening balance of outstanding amount was not provided by the MB.

On being pointed out, MBs stated that recovery would be made. The fact remained that timely action for recovery was not taken by the concerned MBs.

20. Municipal Boards: Chaksu, Fatehpur, Ladnun, Nathdwara, Sagwara, Sanchore and Sardarshahar and Sumerpur.

21. Municipal Boards: Bayana, Bhinmal, Chhabra, Malpura, Mertacity and Ramganjmandi.

22. Municipal Boards, Ladnun (₹ 0.23 lakh + ₹ 0.25 lakh): ₹ 0.48 lakh, Ramganjmandi: ₹ 2.23 lakh, Sardarshahar: ₹ 11.70 lakh, Sumerpur: ₹ four lakh and Suratgarh: ₹ 2.90 lakh.

23. Information for the year 2015-16 not provided owing to incomplete register.

Levy, Demand and Collection of Tax Revenue

The tax revenue mainly consists of Taxes on buildings (i.e. Urban Development tax, House tax), Passenger/Vehicle tax *etc.*

4.1.2.10 Target and Achievement

Position of target and achievements of tax revenue of the State as well as selected MBs for the period 2011-12 to 2015-16 is given in **Table 4.6** below:

Table 4.6

| Year | State Level* | | | | Test Checked Units** | | |
|---------|------------------|--------|-------------|------------------------|----------------------|-------------|------------------------|
| | Number of MBs*** | Target | Achievement | Shortfall (Percentage) | Target | Achievement | Shortfall (Percentage) |
| 2011-12 | 149/166 | NA | 35.45 | NA | 5.97 | 3.19 | 2.78 (46.57) |
| 2012-13 | 149/149 | NA | 88.16 | NA | 6.53 | 3.50 | 3.03 (46.40) |
| 2013-14 | 130/143 | 79.08 | 70.75 | 8.33 (10.53) | 6.54 | 3.18 | 3.36 (51.38) |
| 2014-15 | 131/147 | 129.55 | 35.36 | 94.19 (72.71) | 7.15 | 3.82 | 3.33 (46.57) |
| 2015-16 | 96/147 | 122.25 | 45.44 | 76.81 (62.83) | 7.52 | 4.38 | 3.14 (41.76) |

(₹ in crore)

* Consolidated figures provided for tax revenue by DLB Department.
 ** The figure represents income from house tax/UD tax, passenger tax, sanitary tax and professional tax.
 *** Information made available/total number of MBs.

Information regarding target and achievement under tax revenue for all MBs for the years 2011-16 was not fully available with the DLB, in the absence of which target and achievement have been restricted to only those MBs for which information was provided. It was also observed that justification for fixation of target was not available.

It could be seen from the table above, that there was shortfall in collection of tax revenue against targeted revenue at State level during 2013-16 ranged between 10.53 per cent and 72.71 per cent (averaging 48.69 per cent) whereas in test checked MBs it ranged from 41.76 per cent to 51.38 per cent during the same period.

The other findings related to various tax components noticed are discussed in succeeding paragraphs:

4.1.2.11 House Tax

According to Rajasthan Municipalities (House Tax) Rules, 2003, the house tax was recoverable on the basis of area of building/land having area of more than 50 square yard (sqyd). House tax was abolished from 24 February 2007 but an amount of ₹ 4.68 crore was outstanding in 11 test checked MBs²⁴ as on April 2011. Details of year-wise recovery and pendency of house tax as on 31 March 2016 are given in **Table 4.7** below:

24. Municipal Boards: Bhinmal, Chhabra, Chaksu, Deoli, Fathepur, Ladnun, Malpura, Mertacity, Sardarshahar, Sumerpur and Suratgarh.

Table 4.7

(₹ in crore)

| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Total Outstanding Demand | 4.68 | 4.54 | 4.42 | 4.39 | 4.32 |
| Collection (Percentage) | 0.14 (2.99) | 0.12 (2.64) | 0.03 (0.68) | 0.07 (1.59) | 0.16 (3.70) |
| Balance | 4.54 | 4.42 | 4.39 | 4.32 | 4.16 |

Source: Information provided by test checked MBs.

It could be seen that against the outstanding house tax of ₹ 4.68 crore these MBs could recovered only ₹ 0.52 crore, (only 11.11 *per cent*) during 2011-16 and ₹ 4.16 crore (88.89 *per cent*) was pending to be recovered. Remaining six MBs²⁵ did not have details of arrears and recovery of house tax.

Test checked MBs excluding MB, Sardarshahar stated (April-July 2016) that action would be taken for recovery of house tax. MB, Sardarshahar stated (May 2016) that reason for short recovery was attributed to shortage of staff.

The fact, however, remained that the test checked units did not make adequate efforts to recover the outstanding house tax.

4.1.2.12 Urban Development Tax

As per Rule 4 of Rajasthan Municipality (Urban Development Tax) Rules 2007²⁶, a ward-wise/circle-wise/area-wise assessment list of Urban Development (UD) tax should be prepared and a public notice was to be issued by MBs. Further, self assessment return of UD tax was required to be submitted by the assessee and five *per cent* of cases of self assessment returns, submitted by assessee, were to be scrutinised by the Executive Officer or the authorised officer of the MB to ascertain the correctness of the self assessment return.

It was observed that in 14 MBs, inspite of having population of more than 6.89 lakh, only 98 assessee were added during last five years i.e. 2011-16. The demand, collection and balance position of UD Tax in 14 MBs²⁷ out of 17 selected MBs for the period 2011-12 to 2015-16 is given in **Table 4.8** below:

25. Municipal Boards: Bayana, Mount Abu, Nathdwara, Ramganjmandi, Sagwara and Sanchore.

26. Rajasthan Municipalities (Urban Development Tax) Rules, 2007 came into effect vide notification dated 29 August 2007.

27. Municipal Boards: Bayana, Bhinmal, Chaksu, Deoli, Fatehpur, Ladnun, Mertacity, Mount Abu, Ramganjmandi, Sagwara, Sanchore, Sardarshahar, Sumerpur and Suratgarh.

Table 4.8

(₹ in crore)

| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Total |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|
| Number of assessee* | 8,968 | 8,983 | 9,003 | 9,018 | 9,066 | |
| Outstanding UD tax | 2.58 | 3.49 | 4.33 | 5.37 | 6.01 | |
| Demand raised during the year | 1.52 | 1.39 | 1.53 | 1.63 | 1.86 | 7.93 |
| Total Demand | 4.10 | 4.88 | 5.86 | 7.00 | 7.87 | |
| Collection (Percentage) | 0.61 (14.88) | 0.55 (11.27) | 0.49 (8.36) | 0.99 (14.14) | 1.40 (17.79) | 4.04 (38.44) |
| Balance | 3.49 | 4.33 | 5.37 | 6.01 | 6.47 | |
| * Represent the Position of only 11 MBs. Three MBs (Mount Abu, Sanchore, and Sardarshahar) intimated number of assesses as 'Nil' and three MBs (Chhabra, Malpura and Nathdwara) had given 'Nil' information. | | | | | | |
| Source: Information provided by test checked MBs. | | | | | | |

It could be seen from the above table that these 14 MBs recovered only ₹ 4.04 crore (38.44 per cent of demand) of UD Tax against the recoverable amount of ₹ 10.51 crore, which resulted in short recovery of ₹ 6.47 crore as on 31 March 2016.

It was also observed that details of properties on which UD Tax was outstanding (31 March 2016) along with demand, collection and balance registers were not being properly maintained in the MBs except by MB, Chaksu and Mertacity. The survey for identification of assessee to levy UD tax was also not conducted by any test checked MB during 2011-16.

Eleven MBs²⁸ stated (April- July 2016) that action would be taken as per rule for recovery of UD Tax. MBs, Mount Abu, Sagwara and Sardarshahar accepted the facts and stated that reasons for short recovery were attributed to shortage of staff.

4.1.2.13 Passenger/Vehicle Tax

The passenger/vehicle tax was applicable on entry of passenger/vehicle in MBs area of few MBs. Among the test checked units it was prevalent in MBs, Mount Abu and Nathdwara only.

Scrutiny of records of MB, Nathdwara revealed that contracts for recovery of passenger/vehicle tax was awarded to two contractors during the period 2013-14 to 2014-15 with the condition of depositing 25 per cent amount of bid value on the day of sanction of bid and remaining 75 per cent amount to be deposited quarterly in equal installments.

An amount of ₹ 8.58 lakh was short recovered from the contractors for the period 2013-15 as detailed in **Table 4.9** below:

28. Municipal Boards: Bayana, Bhinmal, Chaksu, Deoli, Fatehpur, Ladnun, Mertacity, Ramganjmandi Sanchore, Sumerpur and Suratgarh.

Table 4.9

(₹ in lakh)

| Year | Name of contractor | Amount to be deposited | Amount deposited | Short recovery |
|--------------|------------------------|------------------------|------------------|----------------|
| 2013-14 | M/s Sanjay Gurjar | 66.67 | 63.20 | 3.47 |
| 2014-15 | M/s Jitendar Pal Singh | 86.59 | 81.48 | 5.11 |
| Total | | 153.26 | 144.68 | 8.58 |

Source: Information provided by test checked MBs.

MB, Nathdwara accepted the facts and stated (June 2016) that recovery would be made.

Financial Management

4.1.2.14 Accounting System

The GoR directed (December 2004) that accounts of MBs were required to be prepared on accrual basis and accordingly RMA, 2009 issued instructions under Section 91 by prescribing accrual based accounting system for the MBs. Further, Rajasthan Municipality Accounting Manual (RMAM) issued (April 2010) charts of accounts for classification of income and expenditure of ULBs.

While DLB (November 2016) stated that accounts were being maintained on accrual basis in 45 MBs, the Chief Accounts Officer, LSGD stated (June 2016) that all ULBs in the State were maintaining accounts on accrual basis. However, Director, Local Fund Audit Department (LFAD) informed (June 2016) that the accounts on accrual based system were being prepared by only two MBs²⁹. It was observed that in all the 17 test checked MBs, system of accrual based annual accounts was not being followed as of March 2016.

Further, classification of items was not being done uniformly across MBs resulting in an incorrect depiction of figures under various major heads. For example, items to be classified under heads: 'Fees and user charges (140)'; and 'Sale and hire charges (150)' were incorrectly classified and accounted under the head 'Revenue from Bye-Laws, Act/Rules'. At the DLB level also, while consolidating the accounts of all Municipal Bodies, classification of items were not being done according as per prescribed major heads resulting in non-certification of the accounts of most of the MBs by Director, LFAD.

Hence, there was requirement for MBs to move to accrual accounting and adopt and implement the prescribed accounting formats to provide a true and fair picture of financial position of ULBs.

4.1.2.15 Financial Management

The total expenditure and collection of revenue (including tax and non-tax revenue) of the State and selected MBs is depicted in **Table 4.10** below:

29. Municipal Boards: Kota Division Lakheri (Bundi) and Sangod (Kota).

Table 4.10

(₹incrore)

| Year | State level | | | | | Test checked | | | |
|--------------|-----------------|---------------------|------------------------|----------------|----------------|-------------------|------------------------|---------------|----------------|
| | Number of MBs * | Total Expenditure** | Own revenue Collection | Shortfall | Gap Percentage | Total Expenditure | Own revenue Collection | Shortfall | Gap Percentage |
| 2011-12 | 149/166 | 1,399.64 | 258.42 | 1,141.22 | 81.54 | 124.78 | 87.84 | 36.94 | 29.60 |
| 2012-13 | 149/149 | 1,681.92 | 485.75 | 1,196.17 | 71.12 | 183.65 | 160.08 | 23.57 | 12.83 |
| 2013-14 | 134/143 | 1,287.35 | 486.22 | 801.13 | 62.23 | 303.67 | 159.85 | 143.82 | 47.36 |
| 2014-15 | 134/147 | 1,090.09 | 333.13 | 756.96 | 69.44 | 259.32 | 109.81 | 149.51 | 57.65 |
| 2015-16 | 95/147 | 975.69 | 323.39 | 652.30 | 66.86 | 250.80 | 127.36 | 123.44 | 49.22 |
| Total | | 6,434.69 | 1,886.91 | 4547.78 | 70.68 | 1,122.22 | 644.94 | 477.28 | 42.53 |

* Information made available/total number of MBs.
** Total expenditure figures relate to only those MBs where information was made available.

It could be seen from the above that during 2011-16, a total gap of 70.68 per cent remained between the expenditure and own revenue collection in respect of all the MBs. However, a total gap of 42.53 per cent remained in the test checked MBs during the same period. Thus, MBs were largely dependent on other/external sources like Grants and Loans from Central/State Governments to meet their annual expenditure.

4.1.2.16 Government's Share of Revenue not Deposited

(i) Urban Development Department, GoR directed (August 2001) that 60 per cent of the amount recovered from regularisation fee of agriculture land should be retained by the MB and remaining 40 per cent should be deposited with the State Government.

It was observed that in case of regularisation fee for change of land use from agricultural to *abadi* land, nine MBs³⁰ out of 17 test checked MBs, deposited only ₹ 3.80 crore out of ₹ 15.33 crore (40 per cent of ₹ 38.33 crore) in Government accounts resulting in short deposit of ₹ 11.53 crore.

On being pointed out, MB, Sardarshahar stated (May 2016) that Government share was not deposited due to poor financial position of the MB. MBs, Deoli, Nathdwara, Sumerpur, Suratgarh and Malpura stated (May-July 2016) that on availability of the fund with the MB, the Government share would be deposited as early as possible. MB, Sanchole accepted that amount of agricultural regularisation was wrongly accounted for in the accounts of the MB which would be corrected and accounted for in actual head. Whereas, MBs, Bhinmal and Chaksu did not give any reply.

(ii) The LSGD issued instructions (July 2002) to all local bodies that five per cent amount of the 60 per cent receivable share in respect of regularisation fee of agricultural land should be deposited for renewal fund in PD Account of DLB.

It was noticed that five per cent share worth ₹ 1.80 crore out of 60 per cent share received from regularisation fee of agricultural land has not been transferred to DLB by 16 test checked MBs.

30. Municipal Boards: Bhinmal, Chaksu, Deoli, Malpura, Nathdwara, Sanchole, Sardarshahar, Sumerpur and Suratgarh.

On being pointed out, five MBs stated (May-July 2016) that due to their poor financial position this amount was not transferred to concerned account of DLB, whereas remaining 10 MBs stated that this amount would be transferred shortly to the concerned account. MB, Chaksu did not furnish the reason for not depositing the Government's share.

(iii) As per Rule 20 (2) of the Rajasthan Urban Areas (Permission for use of agricultural land to non-agricultural purposes and allotment) Rules, 2012, 40 *per cent* of the collected amount of urban assessment or ground rent may be retained by MBs as service charge for the collection and remaining 60 *per cent* amount should be deposited with the Government as Government receipts.

It was observed that five MBs³¹ out of 17 test checked MBs did not deposit 60 *per cent* such share worth ₹ 2.33 crore of urban assessment in Government accounts.

In reply, MBs, Fatehpur, Sagwara and Malpura stated (May-July 2016) that share of urban assessment would be deposited with the Government. MBs, Chhabra and Bayana stated (June-July 2016) that this share was not deposited with the Government due to their poor financial position.

(iv) As per order (30 April 2002) of Commissioner, Regional Development, Indira Gandhi Canal Project Bikaner, Mandi area of the Mandi Development Committee situated in Suratgarh was transferred to MB, Suratgarh. According to transfer note, revenue received by MB from disposal of transferred land should be divided in 50:50 ratio between GoR and MB, Suratgarh and should be deposited in 'Indira Gandhi Canal Project' Government head.

It was observed that in MB, Suratgarh that revenue of ₹ 10.71 crore out of total collected amount of ₹ 22.18 crore on account of disposal of land of the Mandi area during 2011-16 was not credited in the Government account. MB, Suratgarh stated (June 2016) that due to their poor financial position this share was not deposited with the Government.

Thus, in all the above four cases an aggregate amount of ₹ 26.37 crore to be deposited in the Government account, was irregularly retained by MBs.

4.1.2.17 Irregular Retention of Share of Passenger Tax

Government of Rajasthan constituted (10 January 2002) Mount Abu Environment Committee for development works in forest area and wildlife in Mount Abu. For this a provision of 30 *per cent* of total revenue collected from passenger tax to be deposited in the above committee's account, was made.

It was noticed that the MB, Mount Abu collected passenger tax of ₹ 12.84 crore during 2010-11 to 2015-16 but did not transfer the share of passenger tax amounting to ₹ 3.85 crore (being 30 *per cent* of ₹ 12.84 crore) in Committee's account and irregularly withheld it.

31. Municipal Boards: Bayana, Chhabra, Fatehpur, Malpura and Sagwara. 12 MBs did not provide information.

On being pointed out (April 2016), MB, Mount Abu stated that due to poor financial condition, share could not be deposited in committee's account. However, the fact remained that the committee was denied of its share of funds due to the irregular retention by the MB.

4.1.2.18 Non-constitution of BSUP Fund

Section 89-A of RMA, 2009 enumerated that every municipality should constitute a fund called Basic Service to the Urban Poor (BSUP) Fund for providing basic services³² to urban poor and a minimum 25 *per cent* of yearly budget of a municipality was to be earmarked for the fund.

It was observed that 16 out of 17 test checked MBs did not create the BSUP fund. Only MB, Sumerpur constituted BSUP fund on 31 January 2013, however, even there only ₹ 0.87 crore was deposited against ₹ 84.49 crore required to be deposited for the period 2011-16.

On being pointed out (April/July 2016), 10 MBs stated that BSUP fund would now be created. MBs, Fatehpur, Sagwara and Malpura stated that separate BSUP fund was not created but development works were executed in the area. Further, MB, Chaksu, Ladnun and Chhabra did not give reasons for non-constitution of BSUP fund. MB, Sumerpur while accepting the facts stated that BSUP fund would be utilised.

Thus, by not allocating budget towards the BSUP fund, these 17 MBs deprived the people from basic infrastructural services which were to be created by using the above fund.

Internal Control and Monitoring

4.1.2.19 The total sanctioned posts, working strength and vacant posts for the 17 test checked MBs are in **Table 4.11** as under:

Table 4.11

| Year | Sanctioned | Working | Vacant | Percentage of vacant post |
|---------|------------|---------|--------|---------------------------|
| 2011-12 | 3,280 | 1,686 | 1,594 | 48.60 |
| 2012-13 | 3,286 | 1,633 | 1,653 | 50.30 |
| 2013-14 | 3,459 | 1,857 | 1,602 | 46.31 |
| 2014-15 | 3,590 | 2,278 | 1,312 | 36.55 |
| 2015-16 | 3,639 | 2,325 | 1,314 | 36.11 |

It could be seen that the shortfall in manpower ranged between 36.11 *per cent* and 50.30 *per cent* during the period 2011-16. Further, the position of sanctioned posts, working strength and vacant posts of key revenue officials allocated for levy, demand and collection of revenue in the MBs in the 17 test checked MBs during the period 2011-16 is given in **Table 4.12** as under:

32. Basis services includes water supply, drainage, sewerage construction of community toilets, solid waste management, connecting roads, street lights, public parks and play grounds, community and livelihood centers, community health centers, pre-primary and primary education centers etc.

Table 4.12

| Name of post | 2011-12 | | | 2012-13 | | | 2013-14 | | | 2014-15 | | | 2015-16 | | |
|--------------------------------------------------------|-----------|-----------|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|----------|-----------|
| | S* | W* | V* | S* | W* | V* | S* | W* | V* | S* | W* | V* | S* | W* | V* |
| Revenue Officer-I | 1 | - | 1 | 2 | - | 2 | 2 | - | 2 | 2 | - | 2 | 2 | - | 2 |
| Revenue Officer II | 4 | - | 4 | 4 | - | 4 | 4 | - | 4 | 4 | - | 4 | 4 | - | 4 |
| Revenue Inspector | 15 | 5 | 10 | 15 | 5 | 10 | 15 | 4 | 11 | 16 | 2 | 14 | 16 | 2 | 14 |
| Tax Assessor | 3 | - | 3 | 3 | - | 3 | 1 | 0 | 1 | 3 | 1 | 2 | 3 | 0 | 3 |
| Assistant Tax Assessor/ Assistant Revenue Inspector | 15 | 6 | 9 | 14 | 4 | 10 | 14 | 3 | 11 | 9 | 2 | 7 | 15 | 2 | 13 |
| Total | 38 | 11 | 27 | 38 | 9 | 29 | 36 | 7 | 29 | 34 | 5 | 29 | 40 | 4 | 36 |

* S: Sanctioned, W: Working and V: Vacant

From the above table it could be seen that against the sanctioned post of 186 staff only 36 persons (19 *per cent*) were actually posted. Thus, shortfall in deployment of manpower was one of the reasons for non-achievement of targets and weak internal control.

4.1.2.20 Rule 11 of the Rajasthan Municipalities Accounting Rules, 1963 assigns responsibilities to the Executive Officer to ensure removal of errors and irregularities in financial activities for administration of municipal funds. Further, it was also the responsibility of Executive Officer to see that a proper mechanism for making systematic internal investigation within the office of the MBs was available for detecting the above errors and irregularities.

The weaknesses in internal control mechanism were as follows:

- Prescribed basic records such as demand, collection and balance registers of various tax and non-tax revenues were either not maintained at all or were incomplete.
- There was a lack of monitoring at GoR/DLB level which resulted in non-recovery of charges for Basic Service to Urban Poor (Shelter) funds as well as Government share of revenue collected by the MBs was not deposited.
- Finance and Budget committee/Bye-Laws committee was not constituted in all MBs.

Thus the internal control mechanism was not adequate.

4.1.2.21 Section 51 of RMA, 2009 provides that ordinary general meeting of the municipality should be conducted once 60 days and minimum six meetings should be conducted in a calendar year.

Monitoring mechanism in test checked MBs was lax as against 360 meetings required to be held in 12 MBs³³ during 2011-16, only 215 meeting (59.72 *per cent*) were held during the period. Further, information was not made available by five MBs³⁴.

The information relating to internal control and monitoring mechanism i.e. procedure of control over MBs, constitution and working of Bye-Laws

33. Municipal Boards: Bayana, Bhinmal, Deoli, Fatehpur, Mertacity, Mount Abu, Nathdwara, Sagwara, Sanchore, Sardarshahar, Sumerpur and Suratgarh.

34. Municipal Boards: Chaksu, Chhabra, Ladnun, Malpura and Ramganjmandi.

Committee, mechanism to review revenue collection by MBs and process of physical inspection of MBs was sought for (October 2016) from the DLB. The reply/information was not provided by DLB.

4.1.3 Conclusion

There were weaknesses in levy, demand and collection of tax and non-tax revenue due to various reasons such as shortages in manpower, weak internal controls and monitoring. Further, the targets for revenue collection were not fixed rationally. The collection of own revenue of the Municipal Boards continued to be around 30 *per cent* of their expenditure thereby continuing their dependence on Grants and Loans from State/Central Government. Under these circumstances, these Municipal Bodies were far from achieving self sufficiency in order to function as the independent units of third tier of Government.

Administrative Reforms and Co-ordination Department and Local Self Government Department

4.2 Implementation of Rajasthan Guaranteed Delivery of Public Services Act 2011 in Local Self Government Department

4.2.1 Introduction

The Government of Rajasthan (GoR) promulgated (November 2011) Rajasthan Guaranteed Delivery of Public Services Act 2011 (RGDPS Act 2011) with the objective of providing responsible, accountable, transparent and corruption free administration. The Act enjoins upon the Designated Officer³⁵ to provide the service within the prescribed time. If a service is delayed or denied, the Appellate Authority may impose penalty upon the Designated Officer while deciding the appeal. Rules were also framed (November 2011) under the Act to lay down the procedure to be followed for obtaining services by the applicant. The Administrative Reforms and Coordination Department (ARCD), headed by Additional Chief Secretary, is the Coordinating Department responsible for implementing provisions of the Act/Rules in the State. Currently, 153 services covering 18 departments, including 11 services of Local Self Government Department (LSGD) as detailed in Table 4.13, are covered under the Act.

4.2.2 Audit Findings

For assessing the implementation of 11 services under the Act by the LSGD, four districts (Alwar, Barmer, Jaipur and Udaipur) out of total 33 districts were selected for conducting Thematic Audit on the basis of Rural, Urban, Tribal and Border Districts having maximum population as per census, 2011. Two districts have Municipal Corporations (M Corps) viz. Jaipur and Udaipur and

35. Officer notified as such for providing a service under Section 3 of the Act.

all Municipal Councils³⁶ of remaining two districts viz. Alwar and Barmer and four MBs³⁷ out of total 20 MBs were selected on random sampling basis.

Audit for the period 2011-12 to 2015-16 was conducted during March-June 2016 and the Audit findings are grouped as (i) Timely delivery of notified services, (ii) System of centralised monitoring of delivery of notified services and (iii) Training to concerned officers and publicity/advertisement for public awareness as below:

Timely Delivery of Notified Services

4.2.2.1 Section 4(1) of the Act stipulated that the designated officer should provide the services within the prescribed time to the person eligible to obtain the service. Though the consolidated position regarding actual delivery of all 11 services in the State as a whole was called (March 2016) from Directorate Local Bodies (DLBs); who was responsible for coordination, control and monitoring of activities of Urban Local Bodies (ULBs); the same were not made available to Audit as of June 2016. Further, the information was also called for from ARCD, who were overall administrator for implementing the provisions of the Act/Rules, but no information was received so far (August 2016).

The scrutiny of the services delivered by the test checked ULBs during the period from November 2011 to March 2016 is given in **Table 4.13** below:

Table 4.13

| Sl. No. | Name of services | Prescribed time | Cases for which information was provided by test checked ULBs | | Test checked cases | | |
|---------|--------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------|--------------------|--------------------------------------|--------------------------|
| | | | Total number of cases | Number of cases reportedly delayed (Percentage) | Total | Number of cases in which delay found | Range of delay (in days) |
| 1. | Name transfer | 15 working days | 1,743 | 9 (0.52) | 566 | 283 (50.00) | 5 to 970 |
| 2. | Refund of earnest money (EM)/security deposit (SD) | EM: One month SD: Three months | 6,241 | 10 (0.16) | 1145 | 285 (24.89) | 5 to 1,628 |
| 3. | Sanction of layout plans of buildings | Various services ³⁸ | 6,072 | 121 (1.99) | 873* | 222 (25.43) | 8 to 1,012 |
| 4. | Issue of lease exemption certificates | Seven working days | 101 | 1 (0.99) | 56 | 9 (16.07) | 25 to 105 |
| 5. | No objection certificates for fire fighting and others | (Inspection 15 working days) (Issuing NOC seven days after depositing the fee) | 11,018 | 25 (0.23) | 274 | 53 (19.34) | 5 to 367 |
| | | | | | 410 | 51 (12.44) | 5 to 203 |
| 6. | Work related to public health services | Various services having different prescribed time ³⁹ | 31,605 | 4 (0.01) | 346 | 33 (9.54) | 5 to 366 |

36. Municipal Council: Alwar, Balotra, Barmer and Bhiwari.

37. Municipal Boards: Bagru, Chaksu (Jaipur), Rajgarh (Alwar), Salumbar (Udaipur).

38. (i) Layout plans of buildings: 60 working days (ii) Sub division of plots: 15 working days and (iii) Land use change: 15 working days.

39. (i) Cleaning of street drains: Seven working days, (ii) Disposal of dead animals: One working day, (iii) Cleaning flood water drains: 15 working days and (iv) Catching of stray animals: Two working days.

| Sl. No. | Name of services | Prescribed time | Cases for which information was provided by test checked ULBs | | Test checked cases | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------|--------------------|--------------------------------------|--------------------------|
| | | | Total number of cases | Number of cases reportedly delayed (Percentage) | Total | Number of cases in which delay found | Range of delay (in days) |
| 7. | Issue of licenses other than food licenses | Issuing: 30 working days Renewal: 15 working days | 1,457 | 32 (2.20) | 104 | 14 (13.46) | 6 to 1,210 |
| | | | | | 374 | 28 (7.49) | 9 to 239 |
| 8. | Providing copies of documents/building maps | 15 working days | 2,333 | 89 (3.81) | 501 | 32 (6.39) | 5 to 368 |
| 9. | Issue of marriage registration certificates | Seven working days | 73,298 | 657 (0.90) | 1693* | 56 (3.31) | 5 to 314 |
| 10. | Issue of birth/death registration certificates | Seven working days | 5,95,920 | 2,570 (0.43) | 1511* | 17 (1.13) | 5 to 191 |
| 11. | Reservation of community centers | Seven working days | 946 | 32 (3.38) | 458 | Nil | Nil |
| | Total | | 7,30,734 | 3,550 (0.49) | 8,311 | 1,083 (13.03) | |
| * Dates in 111 cases, 46 cases and 94 cases in respect of services noted at Serial Number 3, 9 and 10 respectively were not endorsed on the individual application/sanction as such delay in these cases could not be ascertained. | | | | | | | |
| Source: Information provided by test checked ULBs. | | | | | | | |

From the above table it can be inferred that:

- Against the overall delays of only 0.49 per cent in delivery of services as pointed out by the ULBs, there were delays in 13.03 per cent in test checked cases. However, it was observed that if two common services i.e. issue of birth/death registration and marriage registration certificates were excluded, the percentage of delays was 19.78 per cent.
- Delay in all the services ranged from five to 30 days in 359 cases (33.15 per cent), 31 to 100 days in 326 cases (30.10 per cent), 101 days to 200 days in 139 cases (12.83 per cent) and more than 200 days in 259 cases (23.91 per cent). Thus, in more than around 36.75 per cent of the cases, the delays were more than 100 days, which were substantial, details of which are given in the **Appendix-XI**.
- Delays in services like -Sanction of layout plans of buildings and issue of -No objection certificates for fire fighting (inspection stage) were abnormally high at 25.43 per cent and 19.34 per cent respectively. Hence, the cases of delay in these services were double the average of delay cases of all other services of test checked units.

Considering the fact that the delays noticed by Audit were 27 times more than the number of delay cases intimated by the department, there was a need for an effective system to monitor such delays.

The findings about delays in delivery of notified services are enumerated in following paragraphs:

4.2.2.2 Name Transfer

As per provisions of the Act, sanctions for transfer of legal title of land and buildings were to be issued within 15 working days of receipt of application

along with legal documents of ownership of land and buildings and clearance of all type of dues. It was observed that delays in 0.52 *per cent* cases of Name transfer service was intimated to Audit whereas delays in more than 50 *per cent* cases (96 times more) were found in test checked units. A few cases are discussed below:

(i) Scrutiny of records of MB, Chaksu revealed that one applicant applied for name transfer (title of land) on 3 January 2014 but sanction for the same was issued on 6 July 2015 with a delay of 526 days. The delay was mainly due to:

- Taking almost 180 days in getting the case published in newspaper for seeking No Objection
- Taking abnormal time of 60 days in deciding that the matter be put in General Board Meeting for consideration.
- Taking more than 120 days in complying with the General Board Meeting's decision of getting the matter cleared from the committee.

(ii) Similarly, another applicant applied for name transfer in MB, Chaksu on 15 April 2013 but approval for the same was accorded on 26 May 2014 i.e. with a delay of 383 days. The delay was mainly due to:

- Ninety days abnormal time was taken in submitting (20 September 2013) the case before the competent authority after receipt of site inspection report (10 June 2013) of the plot.
- After deposition of required fee the case was put up (2 October 2013) before the competent authority for approval but the case file was returned (6 January 2014) after a period of 90 days with remarks that the case may be put up with original record.
- More than 60 days were taken (10 March 2014) to redirect the subordinates that the matter be submitted with original records.

Thus, a delay of more than 240 days, against the total prescribed period of 15 working days, was without any valid reasons. This showed lapses on the part of the competent authority for not taking adequate action against the subordinate officer for delayed submission of file as well as lack of accountability in not delivering the service in prescribed time period.

(iii) During Scrutiny of records of M Corp, Jaipur it was noticed that an applicant applied for name transfer on 15 June 2012 and same was issued on 2 August 2013 with a delay of 301 days. The applicant had enclosed all required documents with application and no additional records/documents were subsequently asked by the M Corp, Jaipur. As such there was prima facie no reason for delaying the matter. This indicated poor responsive attitude of the authority concerned of the M Corp, Jaipur.

Thus, the essence of the Service Delivery Act/Rules of providing sensitive, responsible, accountable, transparent and corruption free governance was not achieved.

4.2.2.3 Sanction of Layout Plans of Buildings

As per provisions of the Act, sanctions for layout plans of buildings were required to be issued within 60 days of receipt of the application and necessary documents.

During test check of records of selected ULBs, it was observed that sanctions for layout plans of buildings were issued with delays ranging between eight to 1,012 days in 222 out of 873 test checked cases. The delay was attributable to delay in processing applications as well as issue of sanction orders after approval. A few cases are discussed below:

(i) In MC, Barmer formal sanction orders for layout plans of buildings were not issued in 159 test checked cases. The sanctions were merely endorsed on layout plans submitted by the applicant. The dates of issuing of sanction of layout plans of buildings were not endorsed in 111 cases, in absence of which, it could not be ensured whether the service was provided within the prescribed time. The Commissioner, MC, Barmer accepted the facts and stated (June 2016) that delays ranging between 16 and 734 days in 10 out of 48 cases were mainly due to late submission of case files by technical officers/land record branch.

(ii) Scrutiny of records of MB, Chaksu revealed that an applicant applied for issue of sanction of layout plan of building on 6 January 2014, but sanction for the same was issued on 15 May 2015 i.e. with a delay of 403 days. Similarly, another applicant applied for issue for sanction for layout plan on 9 January 2012, but sanction in the matter was issued on 20 February 2013 i.e. with a delay of 315 days. The delay was mainly due to late submission of site inspection report by the technical staff which was submitted as late as after more than 210 days of passing the order seeking the same.

However, the fact remained that the Designated Officer should have analysed the reasons for delays and taken necessary remedial action.

4.2.2.4 Issuing Land Use Change Certificate

The Act stipulated issuing land use change certificate within 15 working days of receipt of the application.

In M Corp, Jaipur 47 applications for land use change were received during 2011-16 of which 37 applications were not disposed off as of March 2016 i.e. even after a lapse of the prescribed period.

The DLB while accepting the facts stated (October 2016) that explanations were called for regarding delayed delivery of services and disciplinary actions were under process against responsible persons. Further, for online delivery of notified services a *smartraj* project was in process.

4.2.2.5 First Appeal

Section 6 of the RGDPS Act stipulates that a person whose application was rejected or who was not provided the service within the stipulated time may

appeal to the first appeal officer within a period of 30 days. ARCD prescribed (October 2011) a time limit of 21 days for disposal of first appeal.

Test check of records of M Corp, Jaipur revealed that 19 appeals (27 per cent) out of 70 first appeals (during November 2011 to March 2016) were not disposed off within the stipulated time. The delay ranged between three to 67 days.

There was no case of first appeal found in any test checked units except in M Corp, Jaipur and MC, Alwar. In M Corp, Jaipur 70 appeal cases and in MC, Alwar one case was found more than four years after the implementation of the Act. This showed that people were not aware of rights provided to them under the Act.

4.2.2.6 Second appeal

As per Section 6 (3) of the Act, the second appeal against the decision of the first appeal could be preferred to the second appellate authority within 60 days of decision of first appeal. However, the State Government (ARCD) did not notify the time period for disposal of second appeal.

During scrutiny of records of M Corp, Jaipur it was noticed that two appeals (January 2012 and March 2012) related to Public Health Services (Cleaning of drainage) were preferred before second appellate authority but the appeals were not decided (May 2016) even after lapse of four years.

In the absence of prescribed time limit for disposal of second appeal, the citizens might be deprived of approaching the next appellate level i.e. the Revising Officer.

System of Centralised Monitoring of Delivery of Notified Services

4.2.2.7 Impact Study

Centre for Good Governance, HCM Rajasthan State Institute of Public Administration (RIPA), Jaipur conducted impact study⁴⁰ on implementation of the RGDPS Act in the State and published (November 2013) the report. The institute reported that the awareness levels of citizens and service providers with respect to the provisions of the Act were quite low and found financial and manpower constraints as major hurdles in the effective delivery of public service. The institute emphasised on online submission of application and delivery of services for improvement in service providing system. During scrutiny it was found that ARCD had not made any efforts for deployment of manpower and creating awareness among citizens.

The DLB while accepting the facts stated (October 2016) that instructions for dissemination of the Act had been issued to the ULBs but the same could not be implemented due to lack of required manpower.

40. The impact study was sponsored by Department of Administrative Reforms and Public Grievances Ministry of Personnel, Public Grievances and Pensions, Government of India, New Delhi.

Had the ARCD taken effective action for improvement of the implementation of the Act in accordance to the recommendation of the Impact Study, delivery system would have been improved.

4.2.2.8 Maintenance of Essential Records/Registers

As per Rule 17 of RGDPS Rules, 2011 the designated officers, first appeal officers and second appellate officers were required to maintain the records of receipt and disposal of applications for the notified services in Form-3.

Test check of records of selected 10 units revealed that:

- Six test checked ULBs⁴¹ did not maintain the records to watch the receipt and disposal of applications for the notified services.
- M Corp, Jaipur and MC, Balotra did not maintain the records, to watch the receipt and disposal of applications for the notified services except service of registration of Birth/Death and Marriage.

Thus in absence of prescribed records, the genuineness of the data in respect of services rendered to the applicants could not be ensured.

4.2.2.9 Centralised Monitoring

As per Rule 18 of RGDPS Rules 2011, the State Government was required to introduce a system of centralised monitoring for timely delivery of notified services and various provisions of the Act through use of information and communication technologies.

The State Government Department of Information Technology and Communication (DoIT) developed (June 2012) a Management Information System (MIS) portal for obtaining online progress for monitoring of the notified services, however, the portal was non-operational since June 2014 as the MIS portal was merged with *e-mitra* and *Raj Sampark*. However, it was noticed that *e-mitra* was dealing with only one service (payment of various dues/fee) of LSGD and *Raj Sampark* was functioning for lodging of all general public grievances in respect of all Government departments instead of dealing in particular with delivery of notified services under RGDPS Act. Further, data of providing services notified under the Act was not available on both the portals.

Thus, the portals could not serve the purpose of online submission of application and delivery of services for improvement in service providing system as recommended by the impact study conducted by HCM, RIPA.

4.2.2.10 Submission of Fortnightly Progress Reports

The ARCD directed (February 2012) the Designated Officer to submit a fortnightly progress report of receipt of applications, disposal within stipulated

41. Municipal Corporation: Udaipur, MCs: Alwar and Bhiwari (Alwar), MBs: Bagru, (Jaipur) Rajgarh (Alwar) and Salumbar (Udaipur).

time and beyond stipulated time and pendency of applications on 5th and 20th day of each month to District Collector. The District Collector was responsible for monitoring through analysis of fortnightly reports submitted to him by designated officers for onward submission to ARCD.

Scrutiny revealed that during 2011-16 the Designated Officers of MC, Bhiwari (Alwar), MBs, Bagru (Jaipur), Rajgarh (Alwar) and Salumbar (Udaipur) did not submit fortnightly progress report to the District Collector, whereas MC, Alwar used to submit the fortnightly report randomly without following the prescribed time line.

Training to Officers Concerned and Publicity/Advertisement for Public Awareness

4.2.2.11 Training Programme

Rules 20 of RGDPS Rules, 2011 stipulated that the State Government would provide training to the designated officers and appeal officers. Further, the State Government would develop programmes and organise campaigns to develop awareness and understanding among the public especially the underprivileged communities, for obtaining notified services as per the Act. It was observed in Audit that:

(i) Training programmes for designated officers and appeal officers were not organised during 2012-16 by all test checked ULBs.

(ii) No expenditure for creating awareness among citizens through advertisement, by organising campaigns and public meetings etc., was incurred during 2012-16 by test checked ULBs of Jaipur district. Information regarding this in respect of Alwar and Udaipur districts were called for but not furnished to Audit.

4.2.2.12 Display of Information

As per Rule 7 of the Act, the designated officer was required to display the relevant information related to notified services on the notice board at a conspicuous place of the office for the convenience of common public. Seven test checked ULBs⁴² did not display the relevant information related to notified services on the notice board.

4.2.2.13 Issue of Acknowledgement of Applications

Section 5 of the Act as well as Rule 4 of RGDPS Rules, 2011 provided that the acknowledgement of the application would be issued to the applicant. Test checked three ULBs issue acknowledgement of applications for few

42. Municipal Corporation: Udaipur, MCs: Alwar and Barmer and MBs: Bagru, Chaksu (Jaipur), Rajgarh (Alwar) and Salumbar (Udaipur).

services⁴³, whereas, remaining seven ULBs⁴⁴ did not issue acknowledgement, for any of the designated services.

4.2.3 Conclusion

Audit of Implementation of Rajasthan Guaranteed Delivery of Public Services revealed that there were delays in 13.03 *per cent* cases and the delays ranged from five to 1,628 days in the eleven notified services being administered by the ULBs. If the common services of issue of Birth/Death and Marriage Certificates were excluded, the average delays would go up further. As per information provided by the ULBs, there were delays in only 0.49 *per cent* cases against 13.03 *per cent* (for all eleven services) detected by Audit based detailed examination. Inability to capture the exact position of delays points to weaknesses in monitoring by DLB and ARCD and impacts on the effective implementation of the Act. Further, there were only 71 cases registered for first appeal and two for second appeal which clearly bring out that adequate effort was not made to create awareness among citizens and to train the Designated Officers/Appeal Officers responsible for administering the Act.

4.2.4 Recommendations

1. The State Government should initiate effective action to control the delay through proper monitoring and implement an online system for receipt of application and delivery of services, thereby ensuring increased transparency.
2. The State Government should notify the time limit for deciding second appeal cases.
3. The State Government should organise training programmes for Designated/Appellate Officers and create awareness among citizens for more effective implementation of the Act.

43. Municipal Corporation, Jaipur (Issue of registration certificate of death/birth and marriage), MC, Balotra (Issue of registration certificate of death/birth and marriage and Payment of EM) and MB, Bagru (Issue of registration certificate of death/birth).

44. Municipal Corporation: Udaipur, MCs: Alwar, Bhiwari (Alwar) and Barmer and MBs: Chaksu, Rajgarh (Alwar) and Salumbar.

Local Self Government Department

4.3 Non-recovery of Urban Development tax

Municipalities could not fulfill their statutory obligations resulting in unrecovered Urban Development Tax of ₹ 202.47 crore.

Local Self Government Department (LSGD) issued (August 2007) notification for levy of Urban Development (UD) tax in municipal areas at the rate and from the date specified in the notification issued by the State Government from time to time under Section 104 of the Rajasthan Municipalities Act, 1959. LSGD further notified (August/November 2007) rates and formula for calculation of levy of UD tax. Para 6 of the said notification provided that UD tax was payable in advance in the first half of the year to which tax was related and in case of failure in depositing the tax, penalty at the rate of one *per cent* per month on due amount and in case of non-depositing the tax after the expiry of the financial year, additional penalty at the rate of 10 *per cent* for whole year or part thereof for the amount due, should be levied.

During test check of records (January 2016) of three Municipal Corporations (M Corp)⁴⁵ and 10 Municipal Councils (MC)⁴⁶, it was noticed that total UD tax amounting to ₹ 240.23 crore was recoverable for the period 2007-08 to 2015-16 (up to January 2016) whereas only ₹ 37.76 crore (15.72 *per cent*) was recovered and ₹ 202.47 crore remained outstanding (*Appendix-XII*). It indicated that position of recovery was very poor and municipal bodies did not make sincere efforts to recover the outstanding UD tax.

On this being pointed out to all 13 municipal bodies, the authorities of seven municipal bodies⁴⁷ while accepting the facts stated (June 2014-January 2016) that efforts for recovery of UD tax were being made and notices/demand letters had been issued to the individuals concerned. Non-recovery of UD tax was attributed to lack of staff/ posts lying vacant/lack of survey. The reply was not convincing as extra efforts for prompt assessment, realisation and collection of Government revenue should have been made by the municipal bodies.

Thus, the municipal bodies could not fulfill its statutory obligations ultimately resulting in unrecovered UD tax of ₹ 202.47 crore.

The matter was referred (March 2016) to the State Government; reply was awaited (January 2017).

45. Municipal Corporations: Bikaner, Jodhpur and Kota.

46. Municipal Councils: Alwar, Banswara, Bhilwara, Churu, Dholpur, Gangapurcity, Karauli, Pali, Pratapgarh and Tonk.

47. Municipal Corporations: Three (Bikaner, Jodhpur and Kota), Municipal Councils: four (Bhilwara, Churu, Karauli and Tonk).

4.4 Non-recovery of Revenue

Due to slackness of Municipal Council, Baran in taking timely action for conversion of agricultural land into non-agricultural land there was loss of revenue of ₹ 41.12 lakh on account of conversion charges, urban assessment and shelter fund.

Section 90-A of the Rajasthan Land Revenue Act, 1956 envisaged that no person should use agricultural land for any non-agricultural purpose except with the written permission of the State Government. The modalities of granting permission of conservation were provided in the Rajasthan Urban Areas (Permission for use of Agricultural Land for Non-agricultural Purposes and Allotment) Rules, 2012 under the Act.

Rule 9 of the Rajasthan Urban Areas (Permission for use of Agricultural Land for Non-agricultural Purposes and Allotment) Rules, 2012 provided that Urban Development Department, Government of Rajasthan (GoR) was to decide rates of premium for conversion of land from agricultural to non-agricultural purposes. The GoR notified (September 2012) conversion charges and premium were to be recovered from educational institutions at the rate of ₹ 60 per square yard (sqyd) for first 5,000 sqyd land and ₹ 30 per sqyd for remaining land exceeding 5,000 sqyd. These rates were applicable upto March 2014 and subsequently there was an increase of five *per cent* every year. Rule 20 of aforesaid provision further provided for recovery of urban assessment or ground rent at the rate of 2.50 *per cent* of four times of the conversion charges from owners. Apart from these charges, charges for Basic Services for Urban Poor (BSUP) were also to be levied (May 2009) at the rate of ₹ 25 per square meter (sqm) for creating BSUP (Shelter) Fund.

Scrutiny (March 2016) of records of Municipal Council (MC), Baran for the period 2014-15 revealed that three educational institutions which were occupying 5.48 hectare (65,541 sqyd) agricultural land situated in municipal area without permission of the MC, Baran and did not pay conversion and other charges leviable for conversion of such land from agricultural to non-agricultural purpose. As per above notifications ₹ 41.12 lakh was to be recovered from land owners as conversion charges, lease money and BSUP (Shelter) Fund charges as detail given in **Table 4.14** below:

Table 4.14

| Name of educational institutions | Khesra Number | Area of land | | | Charges to be recovered | | |
|---------------------------------------------------------------------------------------|---------------|--------------|---------------|---------------|-------------------------|------------------------------------|-------------------------|
| | | In hectare | In sqyd | In sqm | Conversion charges * | Urban assessment or ground rent ** | BSUP (Shelter) Fund *** |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Gayatri Bal Vidhya Mandir and Nehru Vidhya Bal Mandir (Fatehpur village) (Since 2007) | 1,382 | 1.28 | 15,309 | 12,800 | 6.70 | 0.67 | 3.20 |
| Radha Krishna Vidhya Mandir (Batawada village) (Since 2009) | 641 | 4.20 | 50,232 | 42,000 | 18.23 | 1.82 | 10.50 |
| Total | | 5.48 | 65,541 | 54,800 | 24.93 | 2.49 | 13.70 |
| Total | | | | | ₹41.12 lakh | | |

* Upto 5,000 sqyd land at the rate of ₹ 66 (₹ 60 + ₹ 10 *per cent* increase for two years) per sqyd and remaining land at the rate of ₹ 33 (₹ 30 + ₹ 10 *per cent* increase for two years) per sqyd
** 2.50 *per cent* on four times of the conversion charges i.e. 2.5 *per cent* of (Column 6 x 4 times)
*** At the rate of ₹ 25 per sqm i.e. (Column 5 x ₹ 25)

Thus, Slackness of MC, Baran, in not taking timely action for conversation of agricultural land into agricultural purposes resulted in non-realisation of revenue of ₹ 41.12 lakh.

On being pointed out, MC, Baran stated (June 2016) that aforesaid three educational institutions were irregularly running in municipal area and these institutes had not submitted the files for conversion of land so far. It was also stated that notices had been issued (March 2016) to the owners on for submission of file for conversion of land. The reply was not convincing as MC, Baran should have taken action either to convert the land use under Section 90 A of the Rajasthan Act 1956 or started the process of eviction from such land failing in accordance with Section 91 of the Act. The conversion notice was issued only after being pointed out by Audit indicated lacunae in the monitoring system. The matter was referred (March 2016) to the State Government; reply was awaited (January 2017).

4.5 Short Credit of Interest Amount in General Provident Fund

Municipal Corporation, Jaipur credited interest at rates lower than the rates prescribed by the State Government resulting in short credit of interest of ₹ 1.32 crore in General Provident Fund account of employees.

Rule 14 (1) (a) of the Rajasthan State Employees General Provident Fund Rules, 1997 provided that the interest on General Provident Fund (GPF) should be credited into the account of account holder in the month of April of the following year for deposits at the beginning of and during the financial year. Rule 14 (2) *ibid* provided that the interest should be applicable at the rate as decided by the State Government from time to time. Rule 14(3) *ibid* further provided that the interest on GPF balance was to be calculated at the rate announced by the State Government from the date of issue of order. The State Government announced rates of interest as 8.60 *per cent* (from 1 December 2011), 8.80 *per cent* (from 1 April 2012) and 8.70 *per cent* (from 1 April 2013) and credited the amount of interest accrued at the aforesaid rates on the accumulated credit balance of GPF account.

Test check (April 2016) of records of the Municipal Corporation (M Corp), Jaipur for the year 2014-15 revealed that M Corp, Jaipur had been maintaining accounts of all its employees and subscription of all employees along with contribution of share of the Government was being deposited in Personal Deposit (PD) account of the State Government. The State Government was also crediting regularly the interest in PD account at the end of each financial year. Further, scrutiny however, revealed that M Corp, Jaipur credited interest in the GPF account of each employee at the rate of eight *per cent* per annum against applicable rates of 8.60 *per cent* to 8.80 *per cent* with effect from 1 January 2011 to March 2016 as detailed in **Table 4.15** below:

Table 4.15

(₹ in lakh)

| Period | Interest credited | | | | Difference in rate of interest | Amount of interest short credited in GPF account |
|--------------------------|---------------------------------------|-----------------|--------------------------|-----------------|--------------------------------|--------------------------------------------------|
| | in PD account by the State Government | | in GPF account by M Corp | | | |
| | Rate | Amount | Rate | Amount | | |
| 01.12.2011 to 31.03.2012 | 8.60 | 95.49 | 8.00 | 88.83 | 0.60 | 6.66 |
| 01.04.2012 to 31.03.2013 | 8.80 | 346.94 | 8.00 | 315.40 | 0.80 | 31.54 |
| 01.04.2013 to 31.03.2014 | 8.70 | 350.14 | 8.00 | 321.97 | 0.70 | 28.17 |
| 01.04.2014 to 31.03.2015 | 8.70 | 384.13 | 8.00 | 353.23 | 0.70 | 30.90 |
| 01.04.2015 to 31.03.2016 | 8.70 | 427.90 | 8.00 | 393.47 | 0.70 | 34.43 |
| Total | | 1,604.60 | | 1,472.90 | | 131.70 |
| Say ₹ in crore | | 16.05 | | 14.73 | | 1.32 |

Thus, the M Corp, Jaipur has credited interest of ₹ 14.73 crore in GPF account of employees at lower rate against which interest ₹ 16.05 crore was to be credited. This resulted in short credit of interest of ₹ 1.32 crore.

The M Corp, Jaipur stated (May 2016) that short credit of interest in GPF account of each employee was being examined and action was being taken to determine the actual interest payable to employees of the M Corp, Jaipur.

Thus, non-compliance with the orders issued by the State Government resulted in short credit of interest of ₹ 1.32 crore in GPF account of the employees of the M Corp, Jaipur.

The matter was referred (July 2016) to the State Government; reply was awaited (January 2017).

4.6 Irregular Retention of Funds

Municipal Corporation, Jaipur irregularly retained the income earned by transfer of land through sale/auction worth ₹ 2.89 crore.

The Rajasthan Land Revenue Act, 1956, empowered the Municipalities to collect revenue by disposal of all government land falling under urban areas through sale, allotment or regularisation of land. The Revenue Department, Government of Rajasthan (GoR) further ordered (8 December 2010) all Municipalities to deposit 2.50 per cent of the income earned by way of disposal of such land in the account of State Government.

Test check (December 2015 - May 2016) of records of Municipal Corporation, (M Corp), Jaipur revealed that M Corp, Jaipur earned ₹ 115.55 crore⁴⁸ by sale/auction of land during the years 2010-15. As per aforesaid order of GoR, ₹ 2.89 crore⁴⁹ was to be deposited in Consolidated Fund of the State. However, the M Corp Jaipur, in contravention of the orders of GoR, did not deposit/transfer the amount to the Government account and retained with

48. Years 2010-11: ₹ 57.39 crore, 2011-12: ₹ 6.87 crore, 2012-13: ₹ 33.41 crore, 2013-14: ₹ 8.02 crore and 2014-15: ₹ 9.86 crore (**Total: ₹ 115.55 crore**).

49. 2.50 per cent of ₹ 115.55 crore.

them. M Corp, Jaipur stated (May 2016) that efforts were being made for transferring the amount in the Consolidated Fund of the State.

The matter was referred (June 2016) to the State Government; reply was awaited (January 2017).

4.7 Unfruitful Expenditure on Procurement of Chassis

Procurement of Chassis for ₹ 1.16 crore without conversion to fire brigade vehicles resulted in unfruitful expenditure.

The Disaster Management and Relief Department (DMRD), Government of Rajasthan released (in February and March 2013) ₹ 6.35 crore to Jaipur Municipal Corporation (M Corp), Jaipur for procurement of 20 chassis and building of body for fire brigade vehicle, with the condition that the amount would be utilised in the same financial year.

Test check (December 2015- May 2016) of records of M Corp, Jaipur revealed that the M Corp, Jaipur issued (August 2013) work order for supply of 10 chassis worth ₹ 1.16 crore to a firm and the same were supplied (15 May 2014) by them. It was observed that the M Corp, Jaipur procured only 10 chassis instead of 20 chassis despite availability of adequate funds. Thus ₹ 5.19 crore were lying unutilised as of May 2016. M Corp, Jaipur submitted (20 March 2015) a proposal to DMRD for utilisation of above fund during the year 2015-16 for building body of fire brigade vehicles over the chassis. The DMRD did not approve (26 October 2015) because funds were not utilised during the sanctioned year and directed to return the same with interest. Further, during Joint Physical Inspection conducted on 8 March 2016 by Audit with Assistant Fire Officer, it was observed that all the 10 chassis were lying idle without being converted into fire brigade vehicles since May 2014. The warranty period of 12 months for the chassis had also expired.

Accepting the facts, the Chief Fire Officer, M. Corp, Jaipur stated (April 2016) that body of fire brigade vehicle could not be built on those chassis due to non-receipt of approval of DMRD. Had the M Corp, Jaipur utilised the funds during the stipulated time period or sent timely proposal for getting revalidation from DMRD through revised sanction, the chassis could have been put to use. Thus due to non-utilisation of funds during stipulated period expenditure on procurement of chassis worth ₹ 1.16 crore became unfruitful besides funds of ₹ 5.19 crore were lying idle.

The matter was referred (June 2016) to the State Government; reply was awaited (January 2017).

4.8 Short Recovery of Revenue

Short recovery of revenue of ₹ 1.20 crore by Municipal Council, Kishangarh due to incorrect issue of demand.

The Government of Rajasthan, Urban Development Housing & Local Self Government Department (LSGD) issued (August 2012) order⁵⁰ regarding laying Optic Fiber Cables (OFCs) and erection of Ground Based Mast (GBM) for starting 4G mobile services in the State of Rajasthan. As per Para 5 of aforesaid order, damaged roads and pits caused due erection of GBM and laying of underground cabling would be repaired by concerned urban local body and the entire cost at double rate for the above work for restoration of damaged roads should be charged by the local bodies from the service provider. Such charges may be taken in advance in the form of either 100 per cent cash or 50 per cent cash plus 50 per cent Bank Guarantee valid for one year.

Test check (October 2015) of records of the Municipal Council (MC), Kishangarh (Ajmer) for the year 2014-15 revealed that a firm⁵¹ applied (May 2013) for permission to lay OFC on different routes of Kishangarh City (total length 35,500 metres). The Executive Engineer, MC, Kishangarh prepared (September 2013) estimates of ₹ 1.20 crore⁵² for restoration of damaged roads and the same was approved (October 2013) by the District Collector, Ajmer. Thereafter, a demand for ₹ 1.20 crore was issued (November 2013) on firm which should be for ₹ 2.40 crore as per the provisions of Government Order (August 2012). However, as per the demand, the firm deposited (8 November 2013) an amount of ₹ 1.20 crore in advance without any additional BG for the balance amount of ₹ 1.20 crore. MC, Kishangarh granted (November 2013) permission for road cutting and completed the work (October 2014). Thus due to incorrect raising of demand, MC, Kishangarh could recover only estimated cost of ₹ 1.20 crore, instead of ₹ 2.40 crore from firm.

On this being pointed out (March 2016), the LSGD stated (August 2016) that in compliance of orders (August 2012), estimated cost of ₹ 1.20 crore for restoration of damaged roads had been deposited in advance and Bank Guarantee had now been obtained on 14 March 2016 (valid upto March 2017) from the firm.

The reply was not tenable, as the department in accordance with its order (August 2012) should have raised the entire cost as per double rate and demanded ₹ 2.40 crore instead of ₹ 1.20 crore. As the period of construction had already been over (October 2014), the submission of Bank Guarantee instead of cash was not in order. This led to short recovery of revenue of ₹ 1.20 crore.

50. Order no. F.10 (147)/UDD/3/2008 Part-II Dated 31 August 2012.

51. Reliance Jio Infocomm Limited, Jaipur.

52. On basic schedule of rates (BSR 2012 and 13).

4.9 Non-recovery of Urban Assessment (Ground Rent)

Due to slackness of Municipal Corporation, Jaipur, an amount of ₹ 96.44 crore was pending recovery from 69,547 lease holders on account of ground rent.

Rule 7 (1) of Rajasthan Municipalities (Disposal of Urban Land) Rules, 1974 provides that urban assessment (Ground Rent) should be recovered at the rate of 2.5 per cent in case of land allotted for residential purpose and five per cent in case of land allotted for commercial/other purposes, of the prevalent reserve price of the area.

Section 102 and 103 of the Rajasthan Municipalities Act, 2009 stipulated that every municipality may impose and levy taxes on land and buildings situated in municipal limits. Further, Section 127 *ibid* provided that Chief Municipal Officer or any officer authorised by him would be responsible for levy and recovery of the taxes imposed.

Test check (May 2016) of the records of Municipal Corporation (M Corp), Jaipur for the year 2014-15 revealed that as of March 2016, an amount of ₹ 96.44 crore was outstanding to be recovered from 69,547 lease holders⁵³ on account of ground rent and interest thereon. Recovery of ground rent was between 5.24 from 19.44 per cent during last five years⁵⁴.

On being pointed out (March 2016), M Corp, Jaipur stated that a special campaign was being organised for recovery of ground rent as per State Government direction.

Thus, due to slackness of M Corp, Jaipur, an amount of ₹ 96.44 crore was outstanding from 69,547 lease holders on account of ground rent.

The matter was referred (June 2016) to the State Government; reply was awaited (January 2017).

53. Zone, Moti Dungari (No. of lease holders: 9,736, ground rent: ₹ 11.15 crore, interest: ₹ 15.14 crore), Hawa Mahal-West (No. of lease holders: 977, ground rent: ₹ 0.27 crore, interest: ₹ 0.58 crore), Hawa Mahal-East (No. of lease holders: 2,050, ground rent: ₹ 1.05 crore, interest: ₹ 1.82 crore), Vidhyadhar Nagar (No. of lease holders: 31,971, ground rent: ₹ 5.70 crore, interest: ₹ 8.48 crore), Civil Lines (No. of lease holders: 14,493, ground rent: ₹ 19.27 crore, interest: ₹ 27.31 crore), Sanganer (No. of lease holders: 4,447, ground rent: ₹ 0.54 crore, interest: ₹ 0.81 crore), Mansarovar (No. of lease holders: 4,339, ground rent: ₹ 1.54 crore, interest: ₹ 1.73 crore) and Amer (No. of lease holders: 1,534, ground rent: ₹ 0.41 crore, interest: ₹ 0.64 crore). **Total (Lease holders: 69,547, Ground Rent: ₹ 39.93 crore and Interest: ₹ 56.51 crore).**

54. 2010-11: 15.79 per cent, 2011-12: 12.14 per cent, 2012-13: 19.44 per cent, 2013-14: 17.84 per cent and 2014-15: 5.24 per cent.

4.10 Irregular Retention of Urban Assessment (Ground Rent)

Irregular retention of entire ground rent by Municipal Corporation, Ajmer and Municipal Council, Balotra resulted in revenue of ₹ 5.72 crore not being credited into the Consolidated Fund of the State.

Rule 7 (1) of Rajasthan Municipalities (Disposal of Urban Land) Rules, 1974 provided that urban assessment (Ground Rent) should be recovered at the rate of 2.50 *per cent* in case of land allotted for residential purpose and five *per cent* in case of land allotted for commercial/other purposes, of the prevalent reserve price of the area. Rule 7 (4) *ibid* further provided that ground rent deposited with the Municipal Board by 31 March each year was to be credited to the Consolidated Fund of the Government, provided that 10 *per cent* of the collected amount might be retained by the Board by way of service charges for collection of ground rent provided that recovery made was at least 50 *per cent* of total amount due in a year.

Rules 5 and 6 of General Financial and Account Rules (GF&AR), Part-I provided that all moneys received by or on behalf of Government either as dues of Government or for deposit, remittance or otherwise should be credited into the Consolidated Fund of the State and/or Public Account of the State without delay.

Test check (April 2014 and August 2015) of the records of Municipal Corporation (M Corp), Ajmer and Municipal Council (MC), Balotra revealed that both the municipal bodies collected ground rent of ₹ 8.14 crore (M Corp, Ajmer: ₹ 2.80 crore⁵⁵ and MC, Balotra: ₹ 5.34 crore⁵⁶) during the period 2007-15. Of this, an amount of ₹ 7.33 crore was to be credited to the Consolidated Fund of the State after retaining ₹ 0.81 crore⁵⁷ (10 *per cent* of ₹ 8.14 crore) as service charges. However, both the municipal bodies retained the entire amount with them.

Municipal Corporation, Ajmer stated (August 2015) that Rule 7(4) *ibid* provided for crediting only 60 *per cent* of collected ground rent in the Consolidated Fund of the State. Reply was not tenable as Rule 7(4) of Rajasthan Municipalities (Disposal of Urban Land) Rules, 1974 provided for crediting 90 *per cent* of collected ground rent. State Government intimated (June 2016) that MC, Balotra had now deposited ₹ 1.61 crore (May 2016) into the Consolidated Fund and efforts were being made to recover the remaining amount. Thus, irregular retention of ground rent by the municipal bodies infringing rules, deprived Government from revenue of ₹ 5.72 crore.

55. Municipal Corporation, Ajmer ó 2007-08: ₹ 0.18 crore, 2008-09: ₹ 0.42 crore, 2009-10: ₹ 0.26 crore, 2010-11: ₹ 0.18 crore, 2011-12: ₹ 0.58 crore, 2012-13: ₹ 0.26 crore, 2013-14: ₹ 0.15 crore and 2014-15: ₹ 0.77 crore (Total ₹ 2.80 crore).

56. Municipal Council, Balotra ó 2010-11: ₹ 0.75 crore, 2011-12: ₹ 0.32 crore, 2012-13: ₹ 0.50 crore, 2013-14: ₹ 1.73 crore and 2014-15: ₹ 2.04 crore (Total ₹ 5.34 crore).

57. Municipal Corporation, Ajmer: ₹ 0.28 crore (10 *per cent* of ₹ 2.80 crore) and MC, Balotra: ₹ 0.53 crore (10 *per cent* of ₹ 5.34 crore) = Total ₹ 0.81 crore.

4.11 Unfruitful Expenditure on Development of Sanitary Landfill

Lack of proper planning of Municipal Corporation, Jaipur led to unfruitful expenditure of ₹ 10.93 crore on development of a sanitary landfill without erection of the “Waste to Energy plant”.

As per Schedule-II of Municipal Solid Waste (Management and Handling) Rules 2000, collection, segregation, storage, transportation, processing and disposal of any municipal solid waste generated in a city or a town, should be managed and handled in accordance with the compliance criteria and the procedure laid down therein.

Directorate of Local Bodies (DLB), Government of Rajasthan, Jaipur sanctioned (September 2008) an amount ₹ 20.74 crore⁵⁸ for solid waste disposal in Jaipur city with Operation and Maintenance (O&M) expenses for five years. Jaipur Development Authority (JDA), Jaipur allotted 483 bigha and 16 biswa land at village Langariyawas to Municipal Corporation (M Corp), Jaipur for the project. The landfill site was to be developed in 100 bigha area and the balance area was earmarked for the Waste to Energy plant.



Test check (March 2016) of records of M Corp, Jaipur revealed that Notice Inviting Tender was called (January 2008) for work of design and development of sanitary landfill facility on turnkey basis and for operation and maintenance for five years. However, at that stage, no tenders were issued for construction of Waste to Energy plant. The work was allotted (October 2008) to the contractor for ₹ 20.74 crore (including operation and maintenance expenses of ₹ 9.81 crore) and the stipulated dates of commencement and completion were 6 October 2008 and 5 April 2010 respectively. The work of sanitary landfill site which included liner system, internal roads, boundary wall, office and laboratory structures, storm water drainage system etc., was completed (March 2012) with a delay of two years and after incurring an expenditure of ₹ 10.93 crore. However, it was observed that the sanitary landfill site was not utilised (April 2016) since its completion (March 2012) as the Waste to Energy plant which was supposed to supply processed and inert waste to the landfill, was not established on the identified adjoining land. Thus even after a period of four years (April 2016), the landfill remained unutilised.

58. ₹ 10.93 crore for development of sanitary landfill and ₹ 9.81 crore for Operation and Maintenance for five years.

A joint physical inspection conducted by audit with the Assistant Engineer, M Corp, Jaipur (9 March 2016) confirmed that the landfill, buildings, approach other internal road, weight bridges and barrier soil layers were all in a damaged condition. No estimation of damages was worked out by M Corp so far. Accepting the facts, M Corp, Jaipur stated (April 2016) that activity of dumping of inert waste at site was not started as no such waste was generated and no expenditure was incurred on operation and maintenance against the sanctioned amount of ₹ 9.81 crore.

Thus, lack of proper planning led to unfruitful expenditure of ₹ 10.93 crore on development of a sanitary landfill without erection of the Waste to Energy plant which was designed to supply processed and inert waste to the landfill. The landfill complex has already been damaged during the last four years of disuse.

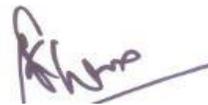
The matter was referred (June 2016) to the State Government, reply was awaited (January 2017).



JAIPUR,
The 15 May 2017

(R G VISWANATHAN)
Principal Accountant General
(General and Social Sector Audit), Rajasthan

Countersigned



NEW DELHI,
The 17 May 2017

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

Appendices

APPENDIX-I

(Refer Paragraph 1.3.1)

Details of devolution of 29 Subjects listed in the Constitution to PRIs as of May 2016

| 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 | Yes* | Yes* | Yes* |
| 12. | Fuel and fodder | Yes* | Yes* | Yes* |
| 13. | Roads, culverts, bridges, ferries, waterways and other means of communication | Yes* | Yes* | Yes* |
| 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 centers 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 | Yes* | Yes* | Yes* |
| 29. | Maintenance of community assets | Yes* | Yes* | Yes* |

Source: Information provided by RD&PRD
** Devolved but withdrawn temporarily*

APPENDIX-II

(Refer Paragraph 2.1.5.6)

Statement showing the Kharanja roads constructed not as per specifications

| Sl. No | Name of Panchayat Samiti | Executing agency | Name of work | Financial sanction number and date | Expenditure (₹ in lakh) | Comments after physical verification |
|--------|--------------------------|------------------|----------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------|------------------------------------------------------------------------------------------------|
| 1. | Bhadra | Ajeetpura | Construction of Kharanja from Bakhtawar Dhanak to Chowk | 4363/ 20.09.2012 | 2.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 2. | | Ajeetpura | Construction of Kharanja from Kashi Ram Kumahar to Jagdish Khati house | 4363/ 20.09.2012 | 2.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 3. | | Bhadra | Construction of Kharanja from Ram Singh Mothsara and Jagdish Kulriya to Phirni shop | 4585/ 22.07.2013 | 2.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 4. | | Bhadra | Construction of Kharanja ward number 6-8 from of Jaylal Harijan to Phateh Singh Chhahar Chhanibadi house | 9654&60/ 04.10.2013 | 2.49 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 5. | | Bhanai | Construction of Kharanja from Daya Ram Dharampals house to Ishwar house village Gadra | 5983/ 13.08.2013 | 3.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 6. | | Chhanibadi | Construction of Kharanja from Poonam Chand Kumhar to Phirni | 5983/ 13.08.2013 | 1.96 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 7. | | Chhanibadi | Construction of Kharanja from Surendra Chhar to Lakhiram Beniwal house | 7580/ 09.09.2013 | 0.98 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 8. | | Chhanibadi | Construction of Kharanja from Laxmi Narain to Johad | 5983/ 13.08.2013 | 1.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 9. | | Chhanibadi | Construction of Kharanja from Neki Ram Kumhar to Chowck | 6004/ 13.08.2013 | 3.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 10. | | Chhanibadi | Construction of Kharanja at Chhanibadi Jeeta Ram Kumahar to Main Road | 5983/ 13.08.2013 | 3.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 11. | | Chhanibadi | Construction of Kharanja at ward number 4 | 10638/ 09.02.2012 | 1.25 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 12. | | Chhanibadi | Construction of Kharanja from Gopiram to Subhash Chhanibadi house | 10638/ 09.02.2012 | 1.50 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 13. | | Chhanibadi | Construction of Kharanja from Bheem to Sundar house for water drainage | 10639/ 09.02.2012 | 3.49 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 14. | | Chhanibari | Construction of Kharanja at Arya Samaj | 723/ 04.05.2011 | 1.80 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 15. | | Gadi Chhani | Construction of Kharanja at Badi Chhani from Amichand Kaarela to Phirni house | 5983/ 13.08.2013 | 0.65 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 16. | | Gadi Chhani | Construction of Kharanja at Badihhani from the house of Devilal Valmeeki to house of Bhudhania. | 4585/ 22.07.2013 | 1.50 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |

| Sl. No | Name of Panchayat Samiti | Executing agency | Name of work | Financial sanction number and date | Expenditure (₹ in lakh) | Comments after physical verification |
|--------|--------------------------|------------------|-----------------------------------------------------------------------------------------------|------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17. | Bhadra | Karanpura | Construction of Kharanja from Subhash Burdak to Nihal Singh house for water drainage | 10485/09.02.2012 | 2.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 18. | | Karanpura | Construction of Kharanja from 7BHD (Minor) to 7BHD | 6004-19/13.08.2013 | 5.50 | The base (foundation) was not constructed under the Kharanja. Road was in damaged condition. |
| 19. | | Malkheda | Construction of Kharanja from Tokh Ram Dhanak to Secondary School | 7579/09.09.2013 | 4.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 20. | | Nethrana | Construction of Brick Kharanja at Santh Chowk Nethrana | 6004-19/13.08.2013 | 2.00 | The base (foundation) was not constructed under the Kharanja. Road was in damaged condition. |
| 21. | | Ninan | Construction of Kharanja for Water drainage | 724/04.05.2011 | 0.50 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 22. | | Ninan | Construction of Kharanja from Main Road to Phirni | 7579/09.09.2013 | 3.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 23. | | Sagada | Construction of Kharanja from Ram lal Nehra to Phirni Bhirani house | 7579/19.09.2013 | 2.00 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 24. | Hanuman-garh | 31 SSW | Construction of Kharanja from the main road to Shop of Krishan Kumar Setha, 31 SSW. | 7783/12.09.2013 | 2.50 | Sub-base/base layer and drains along the road was not found and road was in damaged condition. Road width (10 feet) not constructed in full length. |
| 25. | | Arianwali | Construction of Kharanja from Jangeer singh to Bhola Singh house | 12599-604/27.02.2013 | 2.00 | Sub-base/base layer and drains along the road was not found and road (12 feet) was in damaged condition. |
| 26. | | Arianwali | Construction of Kharanja from Hospital to house of Mahendra Singh | 12599-604/27.02.2013 | 2.00 | Sub-base/base layer and drains along the road was not found and road (12 feet) was in damaged condition. |
| 27. | | Chohilawala | Construction of Kharanja from Ranjeet Saran (Ward number. 10) to of Ugrasen house . | 2011-12 | 1.00 | Sub-base/base layer and drains along the road was not found and road (12 feet) was in damaged condition. |
| 28. | | Jodakia | Construction of Kharanja from Budh Singh (Ward number 7) to Mani Ram house | 4583/22.07.2013 | 1.75 | Sub-base/base layer and drains along the road was not found and road (12 feet) was in damaged condition. |
| 29. | | Kohala | Construction of Kharanja from Harbans Singh to Ram Singh and Mahendra Singh Garusar house | 7157-65/02.09.2013 | 3.40 | Sub-base/base layer and drains along the road was not found and road (12 feet) was in damaged condition. |
| 30. | | Srinagar | Construction of Kharanja from Government Higher Primary School Gangarh to house of Rakhasingh | 743-47/04.05.2011 | 1.00 | Sub-base/base layer and drains along the road was not found and road (12 feet) was in damaged condition. |
| 31. | Nohar | Morkhana | Construction of Kharanja Sadak from Math of Meghnath to Goan Maliya via CHC to Gorkhana | 1670/10.06.2011 | 4.00 | Math and Up Swasthiya Kender were adjoining and this place was connected with road and Kharanja towards Maliya. Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 32. | | Shyorani | Construction of Kharanja from Government Primary School Gate to School Building | 6729-40 / 26.09.2014 | 1.50 | In construction of Kharanja lower quality bricks were used. Sub-base/base layer and drains along the road was not found. |

Audit Report (Local Bodies) for the year ended 31 March 2016

| Sl. No | Name of Panchayat Samiti | Executing agency | Name of work | Financial sanction number and date | Expenditure (₹ in lakh) | Comments after physical verification |
|--------|--------------------------|------------------|-------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 33. | Nohar | Shyorani | Construction of Kharanja in Harijan Mohallah | 6729-40 / 26.09.2014 | 2.50 | In construction of Kharanja lower quality bricks were used. Sub-base/base layer and drains along the road was not found and road was in damaged condition. |
| 34. | Shri Dunargarh | Shri Dungargarh | Construction of Brick Kharanja alongwith Nali from Sardara Ram house to Surja Ram Jat (ward number 4) | 871/ 01.07.2013 | 4.00 | The road was demolished due to non-construction of Nali along with road. |
| 1. | Bhadra | Anoopshahar | Construction of Kharanja from Bheekha Ram to Sajan Ram Sansi house | 5983/ 13.08.2013 | 3.00 | Physical verification not done |
| 2. | | Anoopshahar | Construction of Kharanja from Mahaveer Yadav to Hardwari house | 11335/ 30.01.2013 | 3.00 | Physical verification not done |
| 3. | | Banai | Construction of Kharanja from house of Shree Ram to Main Road | 5983/ 13.08.2013 | 3.50 | Physical verification not done |
| 4. | | Bhadi | Construction of Kharanja opposite Umed Singh Gulab Singh | 6004/ 13.08.2013 | 1.00 | Physical verification not done |
| 5. | | Bhadi | Construction of Kharanja from Umed Singh Gulab Singh to Surjan Singh Rajput house | 5983/ 13.08.2013 | 1.99 | Physical verification not done |
| 6. | | Bhadi | Construction of Kharanja from Mandir to Ginani, Malkas | 5893/ 13.08.2013 | 1.50 | Physical verification not done |
| 7. | | Bhadra | Construction of Kharanja at Shortada from Water Works to Jagdish house | 6004/ 13.08.2013 | 3.80 | Physical verification not done |
| 8. | | Bhadra | Construction of Kharanja Mahendar Duddi to Ram Chander Pooniya Gandhibadi | 5983/ 13.08.2013 | 2.00 | Physical verification not done |
| 9. | | Bhanai | Construction of Kharanja from Dharampal to Dharampal house | 4585/ 22.07.2013 | 3.00 | Physical verification not done |
| 10. | | Chhanibadi | Construction of Kharanja at ward number 2 for water drainage | 4364/ 20.09.2012 | 4.99 | Physical verification not done |
| 11. | | Gadi Chhani | Construction of remaining Kharanja for completion | 7579 09.09.2013 | 1.00 | Physical verification not done |
| 12. | | Kiradabada | Construction of Kharanja from Hanuman Mandir to Shamshan Ghat land | 5983/ 13.08.2013 | 2.00 | Physical verification not done |
| 13. | | Kiradabada | Construction of Kharanja from Kiradachhota Bas Stand to Om Farm | 11335/ 30.01.2013 | 2.00 | Physical verification not done |
| 14. | | Kunjee | Construction of Kharanja Ghotda Khalsa Harijan Mohallah | 11336/ 30.01.2013 | 1.50 | Physical verification not done |
| 15. | | Suratpura | Construction of Kharanja from Umed Singh to Dileep Singh House | 7579/ 09.09.2013 | 1.50 | Physical verification not done |
| 16. | | Utaradabas | Construction of Kharanja from house of Laxmi Chand Kaswan to Village Chowk | 11335/ 30.01.2013 | 3.00 | Physical verification not done |
| | Total | | | | 115.05 | |

APPENDIX-III

(Refer Paragraph 2.1.5.10)

Details of inadmissible works

| Sl. No. | Name of Work | Name of Village | Financial Sanction and Date | Amount (₹ in lakh) | Expenditure (₹ in lakh) | Deficiencies |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------|--------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Banswara | | | | | | |
| 1. | Construction of Baradari Jain Nasiyaji Lokiya | Arthuna | 5357/ 30.11.2012 | 10.00 | 10.00 | Construction was on the land of Jain Samaj Temple Nasiyaji and was in the possession of the Samaj. |
| 2. | Construction of Boundary Wall | Bakhatpura | 11682/ 04.10.2013 | 2.00 | 2.00 | Construction was on the land of Brahmin Samaj. |
| 3. | Construction of Baradari Moyawas | Bhimsar | 9391/ 23.07.2013 | 5.00 | 5.00 | Construction was in the premises and on the land of Rajput Samaj and entry of Rajput Samaj house was through the Baradari. |
| 4. | Construction of Boundary Wall | Khodan | 8754/ 03.06.2013 | 4.00 | 4.00 | Construction on Reserve land of ST. |
| 5. | Construction of Baradari near Keer Mohallah, | Kotda Bada | 7050/ 20.03.2013 | 3.50 | 3.50 | Construction was on the land of Keer Samaj. |
| 6. | Construction of Baradari Bharwara | Saridiya | 9262/ 28.11.2011 | 4.00 | 4.00 | Construction was made on the private Khatedar's land. |
| | | | Total | 28.50 | 28.50 | |
| Bikaner | | | | | | |
| 1. | Extension work Samudaik Bhawan Shree Ramanuj Nimbarkadi, Ansal Sushant City, Gajner Road, Bikaner | Bikaner | 2728-31/ 04.10.2013 | 8.00 | 5.86 | Samudaik Bhawan was constructed for Shree Ramanuj Nimbarkadi Samaj on private land. |
| 2. | Extension work of incomplete Samudaik Bhawan Gadhada Joshi Sarvjanik Bagichi, Usta ki Bari ward number 28, Bikaner | Bikaner | 670-73/ 10.06.2013 | 8.00 | 7.22 | Samudaik Bhawan was constructed for Gadhada Joshi Samaj on private land. |
| 3. | Extension work of Meena Samaj Samudaik Bhawan Biggawas Shreedungargarh | Bikaner | 110-14/ 12.04.2013 | 4.00 | 3.20 | Samudaik Bhawan was constructed for Meena Samaj on private land. |
| 4. | Construction of Big hall with boundary for Educational work near Komi Teli Samaj Bhawan, Bangla Nagar Kacchi Basti, Bikaner | Bikaner | 29-32/ 30.04.2012 | 10.00 | 10.00 | Big hall was constructed for Komi Teli Samaj which was not permissible and not used for the purpose for which it was constructed. |

Audit Report (Local Bodies) for the year ended 31 March 2016

| Sl. No. | Name of Work | Name of Village | Financial Sanction and Date | Amount (₹ in lakh) | Expenditure (₹ in lakh) | Deficiencies |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------|--------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | Construction of Educational Bhawan at Shree Shyamoji Vansaj Moondhara Sevag Brahmin , Sarvjanik Pranyas Sevgo ki Bagichi Lalibai Park, Bikaner | Bikaner | 46-49/ 03.05.2012 | 4.00 | 3.91 | Educational Bhawan was constructed for Shree Shyamoji Vansaj Moondhara Sevag Brahmin and is being used for marriage purposes instead of educational activities. |
| 6. | Construction of Mand Museum A-25 for residential purpose in Shri Murlidhar Vyas Colony, Bikaner. | Bikaner | 1398-1401/ 26.08.2013 | 15.00 | 12.00 | Construction of Mand Museum on a residential plot which was allotted by UIT Bikaner to a private person. |
| | | | Total | 49.00 | 42.19 | |
| Dungarpur | | | | | | |
| 1. | Construction of CC Chowk in Brahmin ka Nohra, GP Nawal Shyam | Nawal Shyam, Bichhiwara. | 2941/ 24.12.2014 | 5.00 | 5.00 | Work was done on the land of Brahmin Samaj which is not permissible under the scheme. |
| | | | Total | 5.00 | 5.00 | |
| Hanumangarh | | | | | | |
| 1. | Construction of boundary wall of Shamshan Ghat (Ward Number 11, Khasra Number 68), Chani Lal Khan | Nohar | 5343/ 02.08.2013 | 5.00 | 4.00 | Shamshan Ghat was pertains to Meghwal Samaj. |
| | | | Total | 5.00 | 4.00 | |
| Rajsamand | | | | | | |
| 1. | Construction of CC Road from the Well of Gheesa Singh to Ganga Singh Houd, Dugagud, Peepali Nagar | Peepali Nagar | 106/ 04.06.2013 | 3.00 | 3.00 | Road was not connected with main and village road. |
| | | | Total | 3.00 | 3.00 | |
| | | | G. Total | 90.50 | 82.69 | |

APPENDIX-IV

(Refer Paragraph 2.3)

Statement showing the details of non-construction/completion of CM BPL houses

(Amount in ₹)

| Name of | | Year | Number of Beneficiaries | Amount of instalment | Total amount |
|--------------------|---------------|---------|-------------------------|----------------------|-------------------|
| ZP | PS | | | | |
| Banswara | Anandpuri | 2011-12 | 19 | 25,000 | 4,75,000 |
| | | 2012-13 | 43 | 25,000 | 10,75,000 |
| | Bagidora | 2011-12 | 35 | 25,000 | 8,75,000 |
| | | 2012-13 | 186 | 25,000 | 46,50,000 |
| | Banswara | 2011-12 | 84 | 25,000 | 21,00,000 |
| | | 2012-13 | 399 | 25,000 | 99,75,000 |
| | Choti Sarwan | 2011-12 | 10 | 25,000 | 2,50,000 |
| | | 2012-13 | 79 | 25,000 | 19,75,000 |
| | Garhi | 2011-12 | 31 | 25,000 | 7,75,000 |
| | | 2012-13 | 218 | 25,000 | 54,50,000 |
| | Ghatol | 2011-12 | 207 | 25,000 | 51,75,000 |
| | | 2012-13 | 857 | 25,000 | 214,25,000 |
| | Kushalgarh | 2011-12 | 08 | 25,000 | 2,00,000 |
| | | 2012-13 | 48 | 25,000 | 12,00,000 |
| Sajjangarh | 2011-12 | 03 | 25,000 | 75,000 | |
| | 2012-13 | 96 | 25,000 | 24,00,000 | |
| Baran | Anta | 2011-12 | 6 | 22,500/25,000 | 1,42,500 |
| | | 2012-13 | 13 | 22,500/25,000 | 2,95,000 |
| | Atru | 2011-12 | 12 | 22,500/25,000 | 2,80,000 |
| | | 2012-13 | 43 | 22,500/25,000 | 9,95,000 |
| | Baran | 2011-12 | 39 | 22,500/25,000 | 9,15,000 |
| | | 2012-13 | 77 | 22,500/25,000 | 18,00,000 |
| | Chabra | 2011-12 | 16 | 22,500 | 3,60,000 |
| | | 2012-13 | 58 | 22,500 | 13,05,000 |
| | Chhipabarod | 2011-12 | 31 | 22,500/25,000 | 7,05,000 |
| | | 2012-13 | 63 | 22,500/25,000 | 14,57,500 |
| Kishanganj | 2011-12 | 29 | 22,500/25,000 | 6,72,500 | |
| | 2012-13 | 58 | 22,500/25,000 | 13,20,000 | |
| Bhilwara | Sahada | 2011-12 | 03 | 22,500 | 67,500 |
| | | 2012-13 | 27 | 22,500/25,000 | 6,97,500 |
| Bundi | Keshoraipatan | 2011-12 | 46 | 22,500 | 10,35,000 |
| | | 2012-13 | 62 | 22,500 | 13,95,000 |
| Jhalawar | Dug | 2011-12 | 12 | 22,500/25,000 | 2,82,500 |
| | Jhalrapatan | 2011-12 | 17 | 22,500/25,000 | 3,97,500 |
| | | 2012-13 | 29 | 22,500/25,000 | 6,65,000 |
| Kota | Khairabad | 2011-12 | 21 | 22,500/25,000 | 5,00,000 |
| | | 2012-13 | 16 | 22,500/25,000 | 3,70,000 |
| | Ladpura | 2011-12 | 26 | 22,500/25,000 | 5,95,000 |
| | | 2012-13 | 32 | 22,500/25,000 | 7,25,000 |
| Rajsamand | Khamnor | 2011-12 | 31 | 22,500 | 6,97,500 |
| | | 2012-13 | 54 | 22,500 | 12,15,000 |
| Udaipur | Lasadiya | 2011-12 | 14 | 25,000 | 3,50,000 |
| | | 2012-13 | 24 | 25,000 | 6,00,000 |
| Grand Total | | | 3,182 | | 778,45,000 |

APPENDIX-V

(Refer Paragraph 2.6)

Details of expenditure of ₹ 1.66 crore incurred on inadmissible works under SFC-IV

(Amount in ₹)

| Sl. No. | Name of work | Name of | | | Financial sanction number and date | Sanctioned amount | Expenditure | | | |
|---------|-------------------------------------------------------------------------------------|----------------|-----------|-----------|------------------------------------|-------------------|-------------|-----------------|----------|----------|
| | | ZP | PS | GP | | | | | | |
| 1. | Construction of <i>Chabutara</i> near Mundri Mata | Banswara | Anandpuri | Mundri | 08/20.09.2014 | 1,70,000 | 1,67,400 | | | |
| 2. | Construction of <i>Chabutara</i> Amba | | | | 08/20.09.2014 | 1,70,000 | 1,67,400 | | | |
| 3. | Construction of <i>Chabutara</i> near Mataji Punja Khuldi | | | | 08/20.09.2014 | 1,70,000 | 1,67,400 | | | |
| 4. | Construction of <i>Chabutara</i> near Mataji, Khunta | | | | 08/20.09.2014 | 1,70,000 | 1,67,400 | | | |
| 5. | Construction of boundary wall near <i>Praagmath</i> | Barmer | Barmer | Ramsar | 1042/25.02.2014 | 2,00,000 | 2,00,000 | | | |
| 6. | Construction of boundary wall of <i>Kabristaan</i> at Alipur | Bharatpur | Vair | Alipur | 823-26/07.08.2013 | 2,00,000 | 1,99,994 | | | |
| 7. | Construction of boundary wall of <i>Shamshan</i> | | Nagar | Dabak | 102-04/06.02.2014 | 1,00,000 | 99,655 | | | |
| 8. | Construction of boundary wall of <i>shamshan</i> | | | | 102-04/06.02.2014 | 1,00,000 | 98,864 | | | |
| 9. | Construction of Baramada at community hall, Jatav Basti | | Kumher | | Sawora | 122/13.10.2014 | 1,00,000 | 99,837 | | |
| 10. | Construction of boundary wall of community hall, Jatav Basti | | | | 123/13.10.2014 | 1,00,000 | 99,855 | | | |
| 11. | Construction of incomplete boundary wall of community hall | | | | Talpara | 121/21.08.2014 | 50,000 | 47,741 | | |
| 12. | Construction of Public <i>Vishranti Grih, Jaswantpura</i> | Bhilwara | Baneda | Baira | 1318/14.11.2014 | 1,25,000 | 1,00,456 | | | |
| 13. | Construction of Public <i>Vishranti Grih</i> near <i>Devra, Jhantal</i> | | | Baldarkha | 1717/08.01.2014 | 2,00,000 | 1,99,470 | | | |
| 14. | Construction of Public <i>Vishranti Grih, Jhantal</i> | | | Baldarkha | 1717/08.01.2014 | 2,00,000 | 1,97,706 | | | |
| 15. | Construction of Public <i>Vishranti Grih, Bamania</i> | | | Bamania | 2968/15.03.2011 | 1,30,000 | 1,24,717 | | | |
| 16. | Construction of <i>Vishranti Grih</i> near <i>Ghati ke Hanumanji</i> | | | Baneda | Baneda | 1698/14.03.2012 | 1,50,000 | 1,50,000 | | |
| 17. | Construction of <i>Vishranti Grih</i> near <i>Tejaji</i> | | | | | 870/09.10.2009 | 1,50,000 | 1,49,780 | | |
| 18. | Construction of incomplete <i>Vishranti Grih</i> near <i>Jhalra Mahadeo, Baneda</i> | | | | | 2968/15.03.2011 | 60,000 | 59,785 | | |
| 19. | Construction of Public <i>Vishranti Grih</i> near <i>Guruji sthan, Baneda</i> | | | | | 2968/15.03.2011 | 1,00,000 | 98,824 | | |
| 20. | Construction of <i>Vishranti Grih</i> near <i>Ganesh Mandir</i> | | | | | 2020/28.03.2013 | 1,25,000 | 1,24,933 | | |
| 21. | Work of extension of community building, Bairwa Mohalla | | | | | 1363/17.12.2012 | 1,00,000 | 99,769 | | |
| 22. | Construction of <i>Vishranti Grih, Baneda</i> | | | | | 1318/14.11.2014 | 1,50,000 | 1,48,000 | | |
| 23. | Construction of Public <i>Vishranti Grih, Manpura</i> | | | | | 2968/15.03.2011 | 1,00,000 | 98,824 | | |
| 24. | Construction of <i>Vishranti Grih</i> near <i>Deonarayan, eklingpura</i> | | | | | Baran | Baran | 1705/14.03.2012 | 1,00,000 | 99,985 |
| 25. | Construction of Public <i>Vishranti Grih, Malikheda</i> | | | | | | | 2020/28.03.2013 | 1,50,000 | 1,49,910 |
| 26. | Construction of Public <i>Vishranti Grih, Raghunathpura</i> | 778/01.09.2014 | 1,50,000 | 1,50,000 | | | | | | |

| Sl. No. | Name of work | Name of | | | Financial sanction number and date | Sanctioned amount | Expenditure |
|---------|-------------------------------------------------------------------------------------------|---------|----|------------|------------------------------------|-------------------|-------------|
| | | ZP | PS | GP | | | |
| 27. | Construction of Public <i>Vishranti Grih</i> , Ramsinghpura | | | | 778/ 01.09.2014 | 1,50,000 | 1,49,117 |
| 28. | Construction of Public <i>Vishranti Grih</i> near <i>Moyal mataji</i> , | | | | 1318/ 14.11.2014 | 1,50,000 | 1,49,866 |
| 29. | Construction of Public <i>Vishranti Grih</i> , Baran | | | | 2968/ 15.03.2011 | 1,00,000 | 99,980 |
| 30. | Construction of <i>Chabutra</i> near Sagasji, Ramsinghpura | | | | 247/ 27.09.2014 | 1,00,000 | 33,316 |
| 31. | Construction of <i>Chabutra</i> near Deonarayan, Ramsinghpura | | | | 244/ 27.09.2014 | 1,00,000 | 1,05,708 |
| 32. | Construction of <i>Chabutra</i> near Deonarayan, Ramsinghpura | | | | 23/ 04.09.2012 | 1,00,000 | 1,00,000 |
| 33. | Construction of <i>Vishranti Grih</i> , <i>Surajpura</i> | | | | 1703/ 14.03.2012 | 1,00,000 | 99,706 |
| 34. | Construction of <i>Vishranti</i> , <i>Mungia ka Nada</i> | | | Bera | 1703/ 14.03.2012 | 1,50,000 | 1,41,161 |
| 35. | Balai Samaj ki saray, Kamalpura | | | Chamanpura | 1364/ 17.12.2012 | 1,00,000 | 99,820 |
| 36. | Construction of <i>Chabutra</i> , Bhatada | | | | 30/ 30.03.2012 | 80,000 | 79,468 |
| 37. | Construction of <i>Kabutarkhana</i> , Gharta | | | Gharta | 9/ 23.02.2012 | 75,000 | 62,174 |
| 38. | Construction of public <i>Chabutra</i> near <i>Kabristan</i> , Bhatada | | | | 21/ 05.08.2014 | 1,00,000 | 93,210 |
| 39. | Construction of <i>Vishranti Grih</i> near <i>Tejaji Than</i> , <i>Kunwar</i> | | | | 2020/ 28.03.2013 | 1,50,000 | 1,49,669 |
| 40. | Construction of Public <i>Vishranti Grih</i> , kankolia | | | | 2968/ 15.03.2011 | 80,000 | 79,144 |
| 41. | Construction of <i>Vishranti Grih</i> , near Lasadia Mata, Lasadia | | | | 1707/ 14.03.2012 | 1,00,000 | 99,874 |
| 42. | Construction of public <i>Chabutra</i> near <i>Shravan Balai</i> , Lasadia | | | | 42/ 13.11.2014 | 50,000 | 36,600 |
| 43. | Construction of <i>Vishranti Grih</i> , near <i>Sagasji</i> , Jorawarpura | | | | 1067/ 22.10.2014 | 1,00,000 | 1,00,000 |
| 44. | Construction of <i>Vishranti Grih</i> , near Bherunath , Kankolia | | | | 18/ 31.01.2014 | 1,50,000 | 1,49,195 |
| 45. | Construction of public <i>Chabutra</i> near <i>mataji chauk</i> , Jorawarpura | | | | 6/ 25.09.2013 | 50,000 | 50,000 |
| 46. | Construction of public <i>Chabutra</i> near <i>Rebari baba</i> , Jorawarpura | | | | 12/ 31.01.2014 | 50,000 | 49,667 |
| 47. | Construction of public <i>Chabutra</i> in Balai Mohalla, Kunwar | | | Kankolia | 9/ 31.01.2014 | 50,000 | 49,113 |
| 48. | Construction of <i>Vishranti Grih</i> , near <i>Tajaji</i> , Lasadia | | | | 1861/ 11.02.2014 | 1,50,000 | 1,45,922 |
| 49. | Construction of <i>Vishranti Grih</i> , near <i>Mataji</i> , Lasadia | | | | 1861/ 11.02.2014 | 1,50,000 | 1,49,519 |
| 50. | Construction of <i>Chabutra</i> near Bhillon ki mataji, Kunwar | | | | 75/ 31.03.2012 | 50,000 | 50,000 |
| 51. | Construction of Boundary wall in Samshanghat, Jorawarpura | | | | 267/ 28.05.2013 | 2,00,000 | 1,60,852 |
| 52. | Construction of Public <i>Vishranti Grih</i> near Kankolia mataji, Kankolia | | | | 267/ 28.05.2013 | 1,50,000 | 1,46,570 |
| 53. | Construction of Public <i>Vishranti Grih</i> near Deonarayan mandir Dhanpura, Jorawarpura | | | | 21/ 20.12.2012 | 1,00,000 | 99,880 |
| 54. | Construction of <i>Chabutra</i> near Charbhuj mandir, Kankolia | | | | 79/ 31.03.2012 | 50,000 | 39,565 |
| 55. | Construction of <i>Chabutra</i> near Tejaji mandir, Kankolia | | | | 18/ 20.12.2012 | 60,000 | 44,865 |

Audit Report (Local Bodies) for the year ended 31 March 2016

| Sl. No. | Name of work | Name of | | | Financial sanction number and date | Sanctioned amount | Expenditure |
|---------|------------------------------------------------------------------------------------|---------|---------------|---------------------|------------------------------------|-------------------|-------------|
| | | ZP | PS | GP | | | |
| 56. | Construction of two <i>Chabutras</i> outside Panchayat building, Kankolia | | | | 30/05.12.2011 | 50,000 | 30,430 |
| 57. | Construction of <i>Vishranti Grih Kalapeepal, Jasoria</i> | | | | 1701/04.03.2012 | 1,00,000 | 98,773 |
| 58. | Construction of Public <i>Vishranti Grih</i> , Kasoria | | | | 2968/15.03.2011 | 80,000 | 79,996 |
| 59. | Construction of <i>Vishranti Grih</i> , near Deonarayan mandir, Jasoria | | | | 8412/04.03.2014 | 1,00,000 | 99,642 |
| 60. | Construction of <i>Chabutra</i> and Teen shed on shamshan land, Kankolia | | | | 47/13.10.2014 | 2,50,000 | 2,09,766 |
| 61. | Construction of Public <i>Vishranti Grih</i> near Tejaji, Kasoria | | | Kasoria | 12/02.05.2014 | 1,00,000 | 99,593 |
| 62. | Construction of Public <i>Vishranti Grih</i> near Deonarayan mandir, Kasoria | | | | 12/02.05.2014 | 1,00,000 | 95,288 |
| 63. | Construction of Boundary wall of Public <i>Vishranti Grih</i> and fencing, Kasoria | | | | 4/01.05.2014 | 1,00,000 | 89,063 |
| 64. | Construction of Public <i>Vishranti Grih</i> near Tejaji, Vijaypur | | | | 51/01.11.2014 | 1,25,000 | 1,24,449 |
| 65. | Construction of <i>Vishranti Grih, Ganeshpura</i> | | | Khedlia | 1318/14.11.2014 | 1,50,000 | 1,40,000 |
| 66. | Construction of <i>Kabutarkhana</i> Teen shed, <i>Chamaron ka kheda</i> , | | | Kundiakalan | 965/26.09.2014 | 1,00,000 | 70,468 |
| 67. | Construction of Public <i>Vishranti Grih</i> near Tejaji, Kunwar | | | Kunwar | 33/05.12.2011 | 1,00,000 | 95,805 |
| 68. | Construction of <i>Vishranti Grih, Kalyanpura</i> | | | La.kalan | 1318/14.11.2014 | 1,25,000 | 1,24,900 |
| 69. | Construction of Public <i>Vishranti Grih</i> , Lotiyas | | | | 1726/08.01.2014 | 1,00,000 | 99,874 |
| 70. | Construction of Public <i>Vishranti Grih</i> , Bhatkhedi | | | Munshi | 2968/15.03.2011 | 80,000 | 76,973 |
| 71. | Construction of <i>Vishranti Grih</i> near Deonarayan, <i>Deva ka kheda</i> | | | Nimbaheda Kalan | 1721/08.01.2014 | 1,50,000 | 1,49,821 |
| 72. | Construction of Public <i>Vishranti Grih, Nimbaheda Kalan</i> | | | | 1318/14.11.2014 | 2,00,000 | 1,89,640 |
| 73. | Construction of Public <i>Vishranti Grih</i> , Nimbaheda kalan | | | Nimbaheda Kalan | 2968/15.03.2011 | 80,000 | 80,000 |
| 74. | Construction of <i>Vishranti Grih, Deo ka kheda</i> | | | | 172/08.01.2014 | 1,50,000 | 1,49,821 |
| 75. | Construction of <i>Vishranti Grih</i> near Balaji, <i>Dodawasia ka Kheda</i> | | | Roopaheli Khurd | 1696/14.03.2012 | 1,00,000 | 1,00,000 |
| 76. | Construction of <i>Vishranti Grih</i> near <i>Kheda mataji, kharolia</i> | | | Salaria kalan | 268/04.06.2014 | 1,50,000 | 1,49,896 |
| 77. | Construction of Public <i>Vishranti Grih</i> , Shambhu kheda | | | Salaria kalan | 2968/15.03.2011 | 1,00,000 | 99,970 |
| 78. | Construction of <i>Vishranti Grih, Baran</i> | | | Baran | 1318/14.11.2014 | 1,25,000 | 1,24,900 |
| 79. | Construction of Public <i>Vishranti Grih</i> Nayako ka Mohalla, Pithrasar | Bikaner | Nokha | Jaisinghdesar magra | 677-90/13.09.2013 | 2,00,000 | 1,99,949 |
| 80. | Construction of shade and boundary wall of <i>shamshan</i> | | | Jhadeli | 5886-94/20.12.2012 | 8,00,000 | 7,92,690 |
| 81. | Construction of boundary wall of <i>shamshan</i> | | | Nokha | 677-710/13.09.2013 | 10,00,000 | 9,99,812 |
| 82. | Construction of boundary wall of Rajiv Gandhi Seva kendra | | Keshoraipatan | Jaisthal | 93/16.09.2013 | 1,00,000 | 97,105 |
| 83. | Construction of boundary wall of Panchayat Samiti | Bundi | | | 26/09.05.2012 | 1,00,000 | 98,653 |
| 84. | Construction of boundary wall | | Taleda | Bajad | 24/01.10.2012 | 1,00,000 | 99,773 |

| Sl. No. | Name of work | Name of | | | Financial sanction number and date | Sanctioned amount | Expenditure |
|---------|-----------------------------------------------------------------------------------|-------------|-------------|----------------|------------------------------------------|----------------------|-------------|
| | | ZP | PS | GP | | | |
| 85. | Construction of boundary wall | | | | 27/ 01.10.2012 | 1,00,000 | 99,773 |
| 86. | Construction of two <i>chabutaras</i> | | | Jawahar Sagar | 27/ 20.02.2014 | 1,00,000 | 95,127 |
| 87. | Construction of incomplete boundary wall | | | Lileda Vyasani | 07/ 30.04.2014 | 1,00,000 | 55,019 |
| 88. | Construction of open warrandah outside boundary wall, Dorai | | | Dorai | 953/ 13.09.2013 | 1,50,000 | 1,49,728 |
| 89. | Construction of open warrandah in village Raudada | | Begu | Raudada | 953/ 13.09.2013 | 1,50,000 | 1,49,964 |
| 90. | Construction of open warrandah near Bheruji Bavji | | | | 646/ 30.08.2013 179/ 12.09.2013 | 1,50,000 30,000 | 1,79,636 |
| 91. | Construction of open warrandah near Ravan chabutara | | | | 114/ 04.09.2013 | 1,20,000 | 1,19,782 |
| 92. | Construction of open warrandah near Badiwala Bavji | | | Akola | 44/ 04.09.2013 179/ 12.09.2013 | 1,50,000 30,000 | 1,74,906 |
| 93. | Construction of open warrandah near Pipaleshwar Mahadev | | | | 116/ 04.09.2013 221/ 03.03.2015 | 1,50,000 1,00,000 | 2,49,056 |
| 94. | Construction of Public <i>Vishranti Grih</i> near Bheruli Bavji, maliyo ki bhagal | Chittorgarh | | | 341-54/ 07.01.2011 | 1,00,000 | 81,362 |
| 95. | Construction of community hall near Government school, Hadmatiya | | Bhupalsagar | Bool | 114/ 04.09.2013 | 2,00,000 | 1,59,557 |
| 96. | Construction of open warrandah near Khodaji bav ji temple, Kheda | | | Falasiya | 134/ 11.02.2014 | 1,50,000 | 1,49,500 |
| 97. | Construction of open warrandah near Takaji bavji, Raipuria | | | | 114/ 04.09.2013 | 2,50,000 | 2,49,809 |
| 98. | Construction of open warrandah Salvi Mohalla, Chakudi | | | | 134/ 11.02.2014 | 1,00,000 | 1,00,000 |
| 99. | Construction of community hall, near Shiv mandir, Chakudi | | | Gundli | 114/ 04.09.2013 | 2,00,000 | 2,00,000 |
| 100. | Construction of community hall, near Chamunda mandir, Hingwaniya | | | | 545/ 27.03.2012 | 1,00,000 | 97,338 |
| 101. | Construction of community hall, Gadri Mohalla, Gundli Kheda | | | | 545/ 27.03.2012 | 1,00,000 | 1,00,000 |
| 102. | Construction of open warrandah near Chawada mata, Nawalpora | | | Kanadkheda | 114/ 04.09.2013 | 1,00,000 | 91,831 |
| 103. | Construction of open warrandah near Bhaderiya Bheruji | | | | 134/ 11.02.2014 | 1,50,000 | 1,36,000 |
| 104. | Construction of boundary wall and beautification work in PS | | | | 631/ 30.03.2015 | 5,00,000 | 4,99,951 |
| 105. | Construction of incomplete guest house at PS | | | | 631/ 30.03.2015 | 1,00,000 | 99,895 |
| 106. | Construction of teenshed in police thana | Dholpur | Dholpur | Kolari | 45/ 24.02.2014 | 25,000 | 24,859 |
| 107. | Fan, tubelight etc for community hall | | | | 940/ 03.05.2013 | 30,000 | 29,900 |
| 108. | Construction of boundary wall and <i>Chabutara</i> Rajiv Sewa Kendra Awaniya | | | Awaniya | 308/ 19.12.2014 | 3,00,000 | 69,757 |
| 109. | Construction of boundary wall and upgradation of Rajiv Sewa Kendra Bhapura | Jaipur | Sanganer | Bhapura | 86/ 05.01.2013 | 2,00,000 | 1,24,750 |
| 110. | Construction of extended boundary wall of <i>Kabristaan</i> , Bhagu ka Gaon | Jaisalmer | Jaisalmer | Basanpir Juni | 6331/ 08.10.2014 | 3,00,000 | 1,50,000 |

Audit Report (Local Bodies) for the year ended 31 March 2016

| Sl. No. | Name of work | Name of | | | Financial sanction number and date | Sanctioned amount | Expenditure |
|---------|-------------------------------------------------------------------------------|----------------|-----------|--------------|------------------------------------|-------------------|--------------------|
| | | ZP | PS | GP | | | |
| 111. | Construction of incomplete boundary wall of <i>Kabristaan</i> , Basanpir Juni | | | | 6331/08.10.2014 | 5,00,000 | 2,50,000 |
| 112. | Construction of boundary wall of Rana Faqir <i>Kabristaan</i> | | | Chandhan | 5576/24.07.2014 | 3,00,000 | 2,99,991 |
| 113. | Construction of boundary wall of health sub centre | | | Kherlitawran | 45/03.06.2012 | 1,00,000 | 92,721 |
| 114. | Construction of boundary wall Mangilal Nagar to Bhanwar Lal house | | | | 63-67/28.02.2013 | 1,00,000 | 98,485 |
| 115. | Construction of boundary wall Bhanwar Lal to Zaqir house | Kota | Sultanpur | Morpa | 61-65/05.04.2013 | 1,00,000 | 98,945 |
| 116. | Construction of boundary wall | | | | 36-41/05.06.2012 | 1,00,000 | 98,620 |
| 117. | Construction of boundary wall near Panchayat Bhawan | | | Mundla | 36/15.12.2013 | 1,00,000 | 96,075 |
| 118. | Construction of boundary wall opposite <i>Panchayat Samiti</i> | | | Pali | Marwar Jn. | Marwar Jn. | 50/20.09.2013 |
| 119. | Construction of incomplete boundary wall of <i>Shamshan</i> Hamirwas | Marwar | Shekhawas | | 32/03.08.2013 | 4,00,000 | 3,99,987 |
| 120. | Construction of boundary wall of Rajiv Gandhi Seva kendra | Sawai Madhopur | Bamanwas | Goth | 38-56/17.04.2013 | 2,25,000 | 2,23,658 |
| | Total | | | | | | 1,65,94,399 |
| | Say ₹ in crore | | | | | | 1.66 |

APPENDIX-VI

(Refer paragraph 3.3.1)

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

| 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-VII

(Refer Paragraph 4.1.2.2)

Details of non/short recovery of one-time fees/annual charges from mobile towers

(₹ in lakh)

| Name of MB | Number/Name of mobile tower | Recoverable one time fees | Onetime fee recovered | Non-recovery of one-time fee | Recoverable annual charges | Annual charges recovered | Non-recovery of annual charges | |
|------------------------------------|-----------------------------|------------------------------------------------------------------------------|-----------------------|------------------------------|----------------------------|--------------------------|--------------------------------|--------------|
| (A) Cases of non-recovery | | | | | | | | |
| Bayana | 8 | BSNL, Reliance, Vodafone, Airtel, Idea, Aircel, Tata Indocom | 1.60 | Nil | 1.60 | 3.60 | Nil | 3.60 |
| Bhinmal | 6 | BSNL, Reliance, Vodafone, Idea, Aircel, Airtel | 1.20 | Nil | 1.20 | 2.70 | Nil | 2.70 |
| Chaksu | 7 | BSNL, Reliance, Airtel, Vodafone, Idea Cellular, Aircel, Indus | 1.40 | Nil | 1.40 | 3.15 | Nil | 3.15 |
| Chhabra | 9 | Airtel, Tata Indicom, BSNL, Hutch, Reliance, Idea, GTL Idea | 1.80 | Nil | 1.80 | 4.05 | Nil | 4.05 |
| Fatehpur | 3 | Reliance communication, Viom Network, India Telecom infra | 0.60 | Nil | 0.60 | 1.35 | Nil | 1.35 |
| Ladnun | 22 | BSNL, Reliance, Airtel, Vodafone, Idea, Tata Hutch, MTS, Tata Indicom, Hutch | 4.40 | Nil | 4.40 | 9.90 | Nil | 9.90 |
| Malpura | 8 | Tata, Reliance, Airtel, BSNL, Idea, Vodafone | 1.60 | Nil | 1.60 | 3.60 | Nil | 3.60 |
| Mertacity | 7 | BSNL, Airtel, Vodafone, Idea, Reliance JIO, Hutch, Tata | 1.40 | Nil | 1.40 | 3.15 | Nil | 3.15 |
| Mount Abu | 14 | BSNL, Reliance, Airtel, Vodafone, Idea | 2.80 | Nil | 2.80 | 5.90 | Nil | 5.90 |
| Nathdwara | 15 | BSNL, Reliance, Airtel, Vodafone, Idea, Rainbow, Tata | 3.00 | Nil | 3.00 | 6.75 | Nil | 6.75 |
| Ramganjmandi | 10 | Tata, Airtel, Vodafone, Indus, Hutch, Reliance, BSNL, Kappa Co. | 2.00 | Nil | 2.00 | 4.50 | Nil | 4.50 |
| Sagwara | 3 | BSNL, Reliance, Airtel, Vodafone, Tata Indicom | 0.60 | Nil | 0.60 | 1.10 | Nil | 1.10 |
| Sanchole | 13 | BSNL, Reliance, Airtel, Tata India co., Vodafone, Idea | 2.60 | Nil | 2.60 | 5.85 | Nil | 5.85 |
| Sumerpur | 7 | Reliance, Airtel, Vodafone, Idea, Tata | 1.40 | Nil | 1.40 | 3.15 | Nil | 3.15 |
| Sardarshahar | 23 | Vodafone, Reliance, Airtel, BSNL, MTS, Idea, Aircel | 4.60 | Nil | 4.60 | 10.35 | Nil | 10.35 |
| Suratgarh | 20 | BSNL, Reliance, Airtel, Vodafone, Idea, Bajaj Allianz, Tata Indicom | 4.00 | Nil | 4.00 | 8.55 | Nil | 8.55 |
| Total (A) | 175 | | 35.00 | Nil | 35.00 | 77.65 | Nil | 77.65 |
| | | ₹ in crore | 0.35 | Nil | 0.35 | 0.78 | Nil | 0.78 |
| (B) Cases of short recovery | | | | | | | | |
| Deoli | 4 | | 0.60 | 0.60 | Nil | 1.80 | 0.20 | 1.60 |
| Fatehpur | 4 | | 0.60 | 0.60 | Nil | 1.80 | 0.20 | 1.60 |
| Malpura | 2 | | 0.30 | 0.30 | Nil | 0.90 | 0.10 | 0.80 |
| Mertacity | 5 | | 1.00 | 0.80 | 0.20 | 2.10 | 0.60 | 1.50 |
| Sagwara | 6 | | 1.20 | 0.90 | 0.30 | 2.45 | 0.42 | 2.03 |
| Total (B) | 21 | | 3.70 | 3.20 | 0.50 | 9.05 | 1.52 | 7.53 |
| | | ₹ in crore | 0.04 | 0.03 | 0.005 | 0.09 | 0.01 | 0.08 |

APPENDIX-VIII

(Refer Paragraph 4.1.2.4)

Details of non/short recovery of betterment levy

| Name of MB | Particulars of property | | | | Floor Area Ratio | | | Excess FAR in sqft (Col. 4 x Col. 8) | Betterment levy | | | Short/non-recovered |
|------------------------------------|------------------------------------------------------------------|--------------------------|-----------|---------------|------------------|----------|--------|--------------------------------------|-------------------|---------------|--------------|---------------------|
| | Name of owner | Date of permission | Plot area | Built-up area | Achieved | Standard | Excess | | Rate (in ₹) | Recoverable | Recovered | |
| | | | | | | | | | | | | |
| (A) Cases of non-recovery | | | | | | | | | | | | |
| Deoli | Ashok Kumar (Kota Road, Ward No.20) | 02.12.2013 (Commercial) | 2,160 | 4,748 | 2.20 | 1.33 | 0.87 | 1,879 | 242.50 | 4.56 | Nil | 4.56 |
| Fatehpur | Sita Ram (Ward No. 20) | 20.01.2012 (Commercial) | 12,573 | 19,793 | 1.57 | 1.33 | 0.24 | 3,018 | 200.00 | 6.04 | Nil | 6.04 |
| Sagwara | Abhyuday Infra Project | 03.09.2013 (Commercial) | 14,800 | 34,144 | 2.31 | 1.33 | 0.98 | 14,504 | 200.00 | 29.01 | Nil | 29.01 |
| Total (A) | | | | | | | | | | 39.61 | | 39.61 |
| (B) Cases of short recovery | | | | | | | | | | | | |
| Nathdwara | M/s Shrinath Residency Developers Pvt. Ltd. (Sindhi Colony Road) | 17.09.2013 (Residential) | 21,362 | 47,028 | 2.20 | 1.33 | 0.87 | 18,585 | 250.00 | 46.46 | 18.62 | 27.84 |
| | M/s Miraj Developers Ltd.(Near Nathuwas) | 26.11.2013 (Residential) | 19,125 | 42,935 | 2.24 | 1.33 | 0.91 | 17,404 | 150.00 | 26.11 | 17.50 | 8.61 |
| Total (B) | | | | | | | | | | 72.57 | 36.12 | 36.45 |
| G. Total (A+B) | | | | | | | | | | 112.18 | 36.12 | 76.06 |
| | | | | | | | | | ₹ in crore | 1.12 | 0.36 | 0.76 |

APPENDIX-IX

(Refer Paragraph 4.1.2.4)

Details of un-recovered map approval fee and examination fee

| Name of owner | Are of Plot (in Sqm) | Map approval fee | | | Examination fee | | | Total un-recovered amount |
|------------------------------------------------------|----------------------|------------------|-------------|--------------|-----------------|-------------|--------------|---------------------------|
| | | Recoverable | Recovered | Un-recovered | Recoverable | Recovered | Un-recovered | |
| MB, Fatehpur | | | | | | | | |
| Sita Ram (Ward No. 16) | 1,168.49 | 0.63 | 0.23 | 0.40 | 0.18 | Nil | 0.18 | 0.58 |
| Suresh Kumar Bhagwan Singh (Ward No. 20) | 582.16 | 0.34 | 0.12 | 0.22 | 0.09 | Nil | 0.09 | 0.31 |
| MB, Mertacity | | | | | | | | |
| Ganga Prasad Ganesh Ram (Ajmer Road) | 401.76 | 0.05 | Nil | 0.05 | 0.06 | Nil | 0.06 | 0.11 |
| Laxman Singh Dilip Singh (Ghosiyon ka Mohalla) | 396.88 | 0.05 | Nil | 0.05 | 0.06 | Nil | 0.06 | 0.11 |
| MB, Sagwara | | | | | | | | |
| Abhuday Infra Project | 1,375.46 | 0.74 | Nil | 0.74 | 0.21 | 0.21 | Nil | 0.74 |
| Total | | 1.81 | 0.35 | 1.46 | 0.60 | 0.21 | 0.39 | 1.85 |

APPENDIX-X

(Refer Paragraph 4.1.2.6)

| Details of unrecovered premium charges | | | | | | | |
|-----------------------------------------|------------------|------------------------------------------|------------------------|----------------|-----------------|--------------|---------------|
| Name of applicant | Date of sanction | Delay period in months (Upto March 2016) | Rate of premium (in ₹) | Area (in sqyd) | Premium charges | | |
| | | | | | Recoverable | Recovered | Unrecovered |
| | | | | | (₹ in lakh) | | |
| MB, Chaksu | | | | | | | |
| Gulmohar | 24.07.15 | 5 | 66.15 | 2,38,991.55 | 158.09 | 12.33 | 145.76 |
| Maradula | 02.02.15 | 10 | 63.00 | 66,472.88 | 41.88 | 4.40 | 37.48 |
| Saroj Chahar | 09.04.14 | 20 | 63.00 | 30,247.55 | 19.06 | 0.88 | 18.18 |
| MB, Fatehpur | | | | | | | |
| Asha w/o Hemraj | 04.06.14 | 18 | 60.00 | 2,662.22 | 1.60 | 0.21 | 1.92 |
| | | | 240.00 | 220.00 | 0.53 | | |
| Babu Lal | 05.03.13 | 33 | 60.00 | 8,016.25 | 4.81 | 0.48 | 4.33 |
| Charu urf Heena | 04.06.14 | 18 | 60.00 | 2,873.75 | 1.72 | 0.21 | 1.51 |
| Dalu Ram | 29.06.15 | 6 | 99.00 | 1,315.00 | 1.30 | Nil | 1.30 |
| Kalu urf Abid | 12.02.13 | 34 | 60.00 | 7,562.50 | 4.54 | 0.45 | 4.09 |
| Laxi Chand | 09.06.14 | 18 | 60.00 | 1,512.50 | 0.91 | 0.09 | 0.82 |
| Man Mohan | 01.05.15 | 7 | 99.00 | 33,356.00 | 33.02 | Nil | 33.02 |
| Mithlesh | 17.04.13 | 32 | 60.00 | 6,050.00 | 3.63 | 0.48 | 3.15 |
| Om Prakash | 22.03.13 | 33 | 60.00 | 12,553.75 | 7.53 | 0.82 | 6.71 |
| Pradeep Kumar | 04.08.14 | 16 | 94.50 | 2,989.00 | 2.82 | Nil | 2.82 |
| Total | | | | | 281.44 | 20.35 | 261.09 |
| Details of unrecovered urban assessment | | | | | | | |
| Name of applicant | Rate of premium* | Area (in sqyd) | Recoverable | Recovered | Unrecovered | | |
| | | | | (₹ in lakh) | | | |
| MB, Chaksu | | | | | | | |
| Gulmohar | 48 | 2,38,991.55 | 114.72 | Nil | | | 114.72 |
| Saroj Chahar | 48 | 30,247.55 | 14.52 | Nil | | | 14.52 |
| Maradula | 48 | 66,472.88 | 31.91 | Nil | | | 31.91 |
| MB, Fatehpura | | | | | | | |
| Asha w/o Hemraj | 48 | 2,882.22 | 1.38 | Nil | | | 1.38 |
| Babu Lal | 48 | 8,016.25 | 3.63 | Nil | | | 3.85 |
| Charu urf Heena | 48 | 2,873.75 | 1.38 | Nil | | | 1.38 |
| Dalu Ram | 72 | 1,315.11 | 0.95 | Nil | | | 0.95 |
| Kalu urf Abid | 48 | 7,562.50 | 3.85 | Nil | | | 3.63 |
| Laxi Chand | 48 | 1,512.50 | 0.73 | Nil | | | 0.73 |
| Man Mohan | 72 | 33,356.00 | 24.02 | Nil | | | 24.02 |
| Mithlesh | 48 | 6,050.00 | 2.90 | Nil | | | 2.90 |
| Om Prakash | 48 | 12,553.75 | 6.03 | Nil | | | 6.03 |
| Pradeep Kumar | 72 | 2,989.00 | 2.15 | Nil | | | 2.15 |
| Total | | | 208.17 | Nil | | | 208.17 |
| Grand Total | | | 489.61 | 20.35 | | | 469.26 |
| | ₹ in crore | | 4.89 | 0.20 | | | 4.69 |

* Rate of premium x 4 (times) x 2.5 per cent x 8 years (for one time lease)

APPENDIX-XI

(Refer Paragraph 4.2.2.1)

Details of delay (range in days) in providing of notified services

| Name of Service | Range | | | | | Total |
|--------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|------------|--------------|
| | 5-30 | 31-60 | 61-100 | 101-200 | 200-above | |
| Name transfer | 105 | 44 | 44 | 42 | 48 | 283 |
| Sanction of layout plans of buildings | 41 | 27 | 29 | 37 | 88 | 222 |
| Providing copies of documents/building maps | 18 | 6 | 4 | 3 | 1 | 32 |
| Issue of lease exemption certificates | 1 | 1 | 6 | 1 | Nil | 9 |
| Issue of birth/death registration certificates | 13 | 2 | 1 | 1 | Nil | 17 |
| Issue of licenses other than food licenses | 13 | 9 | 9 | 7 | 4 | 42 |
| No objection certificates for fire fighting and others | 45 | 27 | 19 | 10 | 3 | 104 |
| Issue of marriage registration certificates | 46 | 7 | 1 | 1 | 1 | 56 |
| Refund of earnest money (EM)/ security deposit (SD) | 51 | 47 | 37 | 37 | 113 | 285 |
| Work related to public health services | 26 | 4 | 2 | Nil | 1 | 33 |
| Reservation of community centers | Nil | Nil | Nil | Nil | Nil | Nil |
| Total | 359 | 174 | 152 | 139 | 259 | 1,083 |
| Delay (in percentage) | 359 (33.15) | 326 (30.10) | 139 (12.83) | 259 (23.91) | | |

APPENDIX-XII

(Refer Paragraph 4.3)

Statement of Urban Development Tax due, recovered and outstanding in respect of 13 municipal bodies

(₹ in lakh)

| Sl. No. | Name of the Local Bodies | Year | Urban Development Tax | | | | | |
|------------------------------|------------------------------|---------|-------------------------------------------|--------------------------------|-----------------|------------------|-----------------|------------------|
| | | | Outstanding at the beginning of the years | Demand raised during the years | Penalty | Total | Recovered | Outstanding |
| Municipal Corporation | | | | | | | | |
| 1. | Bikaner (as of January 2016) | 2007-16 | Nil | 5,518.68 | Nil | 5,518.68 | 793.37 | 4,725.31 |
| 2. | Jodhpur | 2007-15 | Nil | 7,742.75 | 2,959.43 | 10,702.18 | 1,025.91 | 9,676.27 |
| 3. | Kota | 2010-15 | 1,283.77 | 3,360.49 | 147.10 | 4,791.36 | 1,127.96 | 3,663.40 |
| Municipal Council | | | | | | | | |
| 4. | Alwar | 2007-14 | Nil | 605.72 | Nil | 605.72 | 311.43 | 294.29 |
| 5. | Banswara | 2007-15 | Nil | 64.18 | Nil | 64.18 | 27.42 | 36.76 |
| 6. | Bhilwara | 2010-15 | 417.88 | 937.62 | Nil | 1,355.50 | 401.06 | 954.44 |
| 7. | Churu | 2010-15 | 77.35 | 287.55 | Nil | 364.90 | 21.00 | 343.90 |
| 8. | Dholpur | 2010-15 | 13.25 | 286.68 | Nil | 299.93 | 47.09 | 252.84 |
| 9. | Gangapur City | 2012-14 | 28.39 | 15.09 | Nil | 43.48 | 3.51 | 39.97 |
| 10. | Karauli | 2010-15 | 8.86 | 11.48 | Nil | 20.34 | 0.70 | 19.64 |
| 11. | Pali | 2013-14 | 162.68 | Nil | Nil | 162.68 | 12.06 | 150.62 |
| 12. | Pratapgarh | 2013-14 | 64.05 | 12.10 | Nil | 76.15 | 0.21 | 75.94 |
| 13. | Tonk | 2013-14 | 7.92 | 10.08 | 0.00 | 18.00 | 4.40 | 13.60 |
| | Total | | 2,064.15 | 18,852.42 | 3,106.53 | 24,023.10 | 3,776.12 | 20,246.98 |
| | Say ₹ in crore | | 20.64 | 188.52 | 31.07 | 240.23 | 37.76 | 202.47 |

APPENDIX-XIII

| Glossary of Abbreviations | |
|----------------------------------|--------------------------------------------------------|
| AE | Assistant Engineer |
| ARCD | Administrative Reforms and Coordination Department |
| BDO | Block Development Officer |
| BG | Bank Guarantee |
| BPL | Below Poverty Line |
| BSUP | Basic Services for Urban Poor |
| CA | Chartered Accountant |
| CAG | Comptroller and Auditor General of India |
| CC | Cement Concrete |
| CEO | Chief Executive Officer |
| CMBPLAY | Chief Minister Rural BPL Awaas Yojana |
| CPR | Consolidated Project Report |
| CVD | Comprehensive Village Development |
| DADS | Dang Area Development Scheme |
| DAs | District Authorities |
| DEO | Directorate of Evaluation Organisation |
| DLADC | District Level Area Development Committee |
| DLBs | Directorate Local Bodies |
| DLFAD | Director, Local Fund Audit Department |
| DMRD | Disaster Management and Relief Department |
| DoIT | Department of Information Technology and Communication |
| DPC | District Planning Committee |
| DPR | Detailed Project Report |
| DRDA | District Rural Development Agency |
| EE | Executive Engineer |
| EM | Earnest Money |
| EO | Executive Officer |
| EWS | Economically Weaker Section |
| FAR | Floor Area Ratio |
| FFC | Fourteenth Finance Commission |
| GBM | Ground Based Mast |
| GF&AR | General Financial and Account Rules |
| GKN | Gramin Karya Nirdeshika |
| GoR | Government of Rajasthan |
| GP | Gram Panchayat |
| GPF | General Provident Fund |
| GPs | Gram Panchayats |
| IAY | Indira Awaas Yojana |
| IDSMT | Integrated Development of Small and Medium Town |
| IRs | Inspection Reports |
| JE | Junior Engineer |
| JTA | Junior Technical Assistant |
| LIG | Lower Income Group |
| LSGD | Local Self Government Department |
| M Corp | Municipal Corporation |
| MBs | Municipal Boards |
| MC | Municipal Council |
| MIS | Management Information System |
| MLALAD | Member of Legislative Assembly Local Area Development |
| MPR | Monthly Progress Report |
| NGOs | Non-Government Organisations |

| Glossary of Abbreviations | |
|----------------------------------|----------------------------------------------------|
| NMAM | National Municipal Accounts Manual |
| OFCs | Optic Fiber Cables |
| PC | Panchayat Cell |
| PD | Personal Deposit |
| PHED | Public Health and Engineering Department |
| PRIs | Panchayati Raj Institutions |
| PS | Panchayat Samiti |
| PWD | Public Works Department |
| PWF&ARs | Public Works Financial and Accounts Rules |
| RD&PRD | Rural Development and Panchayati Raj Department |
| RDC | Rural Development Cell |
| RDD | Rural Development Department |
| RGDPS | Rajasthan Guaranteed Delivery of Public Services |
| RIPA | Rajasthan State Institute of Public Administration |
| RLFAA | Rajasthan Local Fund Audit Act |
| RLRA | Rajasthan Land Revenue Act |
| RMA | Rajasthan Municipalities Act |
| RMAM | Rajasthan Municipality Accounting Manual |
| RPRRs | Rajasthan Panchayati Raj Rules |
| SC | Schedule Caste |
| SD | Security Deposit |
| SFC-IV | Fourth State Finance Commission |
| SFC-V | Fifth State Finance Commission |
| Sqm | Square Meter |
| Sqyd | Square Yard |
| ST | Schedule Tribe |
| TFC | Thirteenth Finance Commission |
| TG&S | Technical Guidance and Supervision/Support |
| UCs | Utilisation Certificates |
| UD | Urban Development |
| UDH | Urban Development and Housing Department |
| UIT | Urban Improvement Trust |
| ULBs | Urban Local Bodies |
| ZP | Zila Parishad |

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