



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



**For the year ended 31 March 2017**

**GOVERNMENT OF RAJASTHAN**  
*Report No. 2 of the year 2018*

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<b>TABLE OF CONTENTS</b>		
	<b>Reference to</b>	
	<b>Paragraph</b>	<b>Page</b>
Preface		v
Overview		vii
<b>PART-A</b>		
<b>CHAPTER-I</b>		
<b>OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF PANCHAYATI RAJ INSTITUTIONS</b>		
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	8
Conclusion	1.12	14
<b>CHAPTER-II</b>		
<b>AUDIT FINDINGS ON PANCHAYATI RAJ INSTITUTIONS</b>		
<b>Performance Audit</b>		
<b>Panchayati Raj and Rural Development Department</b> Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme	2.1	17
<b>Compliance Audit</b>		
<b>Rural Development Department</b> Magra Area Development Scheme	2.2	52
<b>Panchayati Raj and Rural Development Department</b> Non-recovery of outstanding rent	2.3	61
Unproductive expenditure on construction of hostels	2.4	62

<b>TABLE OF CONTENTS</b>		
	<b>Reference to</b>	
	<b>Paragraph</b>	<b>Page</b>
<b>PART-B</b>		
<b>CHAPTER-III</b>		
<b>OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING OF URBAN LOCAL BODIES</b>		
Introduction	3.1	65
Organisational set up	3.2	66
Functioning of ULBs	3.3	66
Formation of various Committees	3.4	67
Audit Arrangement	3.5	68
Response to Audit Observations	3.6	69
Lokayukta	3.7	70
Property Tax Board	3.8	70
Fire Hazard Response	3.9	71
Submission of Utilisation Certificates	3.10	71
Internal Audit and Internal Control System of ULBs	3.11	71
Financial Reporting Issues	3.12	72
Conclusion	3.13	78
<b>CHAPTER-IV</b>		
<b>AUDIT FINDINGS ON URBAN LOCAL BODIES</b>		
<b>Performance Audit</b>		
<b>Local Self Government Department</b>		
Waste Management	4.1	79
<b>Compliance Audit</b>		
<b>Local Self Government Department</b>		
Short recovery	4.2	108
Non-recovery of road cutting charges	4.3	109
Loss of revenue	4.4	110
Non-recovery/short recovery of betterment levy	4.5	111
Unfruitful expenditure and loss of revenue	4.6	112
Non/short recovery of registration/annual permission fee from marriage places	4.7	114

<b>APPENDICES</b>		
<b>Number</b>	<b>Particulars</b>	<b>Page</b>
<b>I</b>	Details of devolution of 29 subjects listed in the Constitution to PRIs.	117
<b>II</b>	Organisational structure.	118
<b>III</b>	Details of selected units.	119
<b>IV</b>	Perception about Rights and Entitlements to Workers under MGNREGA.	120
<b>V</b>	Details of works relating to Digging of Talab/Talai/Nada/Nadi/Johad/Nala/Minor/Canal/Nahar/Anicut etc.	122
<b>VI</b>	Payment of compensation for delayed payment of wages.	128
<b>VII</b>	Details of five works relating to construction of CC road with drain/CC block/Paver interlocking block in ZP, Bhilwara and Rajsamand.	129
<b>VIII</b>	Details of eight works relating to construction of CC road with drain/CC block/Paver interlocking block in ZP, Bhilwara Pali and Rajsamand.	130
<b>IX</b>	Details of eight works relating to construction of CC road with drain/CC block/Paver interlocking block in ZPs, Bhilwara and Rajsamand.	132
<b>X</b>	Statement showing the defeated execution of work.	133
<b>XI</b>	Statement showing the intended purpose of execution of work defeated.	135
<b>XII</b>	Details of outstanding rent in respect of 16 shops in PS, Shiv (Barmer).	136
<b>XIII</b>	Statement showing devolution of functions to Urban Local Bodies as listed in the Constitution.	137
<b>XIV</b>	Details of test checked ULBs and PRIs.	138
<b>XV</b>	Details of non-recovery of premium charges, lease rent and external development charges.	139
<b>XVI</b>	Details of short recovery of premium and urban assessment (Lease rent) by MC, Jalore.	140
<b>XVII</b>	Details of short recovery of premium by MB, Fatehpur Shekhawati.	142
<b>XVIII</b>	Details of short recovery of conversion charges and lease rent on change of land use from residential to commercial purpose.	143
<b>XIX</b>	Details of short recovery of urban assessment (Lease rent) on conversion of land from residential to commercial purposes.	144
<b>XX</b>	Details of short/non-recovery of betterment levy.	145
<b>XXI</b>	Details of non/short-recovery of registration and annual permission fee from marriage places.	146

## **PREFACE**

This Report for the year ended 31 March 2017 has been prepared for submission to the Governor of the State of Rajasthan.

This Report relates to Audit of receipts and expenditure of the Panchayati Raj Institutions and Urban Local Bodies in Rajasthan conducted under provisions of the Comptroller and Auditor General (Duties, Power and Conditions of Service) Act, 1971 and read with proviso of sub-section (4) of section 75 of the Rajasthan Panchayati Raj Act, 1994, as amended on 27 March 2011 and section 99-A of the Rajasthan Municipalities Act, 2009, as amended on 31 March 2011, which empowers the Comptroller and Auditor General of India to conduct Audit of the accounts of Panchayati Raj Institutions and Urban Local Bodies 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 2016-17 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 2016-17 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 three 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 comprises of a Performance Audit and six 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 of the Panchayati Raj Institutions (PRIs) in the State continue to be weak. Partial certification of incomplete and improper accounts by the Director Local Fund Audit Department 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. Gram Panchayats 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 revenue’ with the Department for the past many years reflects the failure of the PRIs to even recognize the importance of generation of own revenue leading to the total dependence on grants-in-aid received from State Government. 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.

*(Paragraphs 1.1 to 1.12)*

## **2. Audit Findings on Panchayati Raj Institutions**

### ***Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme***

Government of India (GoI) enacted National Rural Employment Guarantee Act for providing employment to rural population in September 2005. In Rajasthan, the Act was made applicable from February 2006 initially in six districts and extended to all the districts by April 2008. The Act was renamed as “Mahatma Gandhi National Rural Employment Guarantee Act” (MGNREGA) from October 2009. Under the Act, Government of Rajasthan (GoR) notified the National Rural Employment Guarantee Scheme, Rajasthan in July 2006. The basic objective of the Act is enhancement of livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to any rural household whose adult members volunteer to do unskilled manual work on demand.

Performance Audit of the implementation of MGNREGA in the selected districts revealed that Annual Development Plan and Labour Budget were not approved timely and quorum for approval by Gram Sabha was not fulfilled, list of approved works were not displayed on the notice board. Convergence with the line departments was very low.

No door to door survey was conducted, job cards were not renewed, workers were not given receipts for their work demand and work provided to disabled persons was only 29 to 36 days. Overall 37.05 *per cent* works were incomplete and there were numerous deficiencies in the construction of durable assets.

Average employment provided in the State was only 52.02 days per household. Overall 15.82 *per cent* muster rolls remained with zero attendance and attendance of workers was not marked on a daily basis. Pending liabilities of wages and materials was ₹ 704.37 crore. Labour amenities and other entitlements guaranteed to the workers were not being provided except water facility. A sum of ₹ 628.89 crore was not recouped towards excess material component, person days, administrative cost etc.

The State Employment Guarantee Council was not holding regular meetings and was not performing its duties properly. Social Audit Report was not being uploaded on NREGASoft, 76.82 *per cent* complaints were not disposed off by the grievance cell within the prescribed time limit, periodical inspections were not being carried out and inspection reports and monitoring register of works were not maintained.

*(Paragraph 2.1)*

### ***Magra Area Development Scheme***

The objective of the Magra Area Development Scheme was socio-economic and basic infrastructural development in 14 Panchayat Samitis of five districts (Ajmer, Bhilwara, Chittorgarh, Pali and Rajsamand) of Rajasthan. The implementation of the Scheme suffered from various deficiencies as

prospective plan for holistic village development, drainage plan and detailed project reports were not prepared.

Out of ₹ 202.34 crore funds available under the scheme during 2012-17, only 21.81 *per cent* (average) were utilised and this resulted in huge unspent balances of ₹ 90.29 crore. Financial management was weak as utilisation certificates were not submitted in time and the department released funds without getting utilisation certificates. Further funds were also diverted to other scheme.

Execution of works under the scheme was slow as out of 4,772 works, 31.29 *per cent* works were lying incomplete. The works under the Scheme were not executed as per specification and Cement Concrete Roads were constructed without drains and without required layers. During joint physical verification with departmental authorities, it was observed that payments were made for unexecuted items and many of the assets created were not being used for the intended purposes. Further, the assets created were not maintained inspite of 15 *per cent* of funds for maintenance being available under the Scheme. Monitoring and evaluation was also weak as third party Audit and Social Audit was not conducted.

*(Paragraph 2.2)*

Panchayat Samiti, Shiv (Barmer) failed to recover outstanding rent ₹ 89.13 lakh.

*(Paragraph 2.3)*

Non completion of hostel buildings (Isarda and Bamanwas) in Zila Parishad, Sawai Madhopur resulted in deprival of proper hostel facilities to the students.

*(Paragraph 2.4)*

## 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 (ULBs) were not adequate and the ULBs 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. During 2016-17, as against accounts of 190 ULBs required to be certified, accounts of only 122 ULBs (64 *per cent*) were certified by the Local Fund Audit Department. Likewise, annual accounts for the year 2015-16 of 22 ULBs and annual accounts for the year 2016-17 of 70 ULBs were not available with Directorate Local Bodies Department. Annual accounts of ULBs were still being maintained in the conventional formats on cash basis instead of on accrual

basis except in 48 ULBs. 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.

*(Paragraphs 3.1 to 3.13)*

#### **4. Audit Findings on Urban Local Bodies**

##### ***Waste Management***

Rajasthan is the largest State of India in terms of area. With growing urbanisation and changing lifestyle, generation of waste and its appropriate disposal has become a challenge for the State. Central Government under the provisions of the Environment Protection Act (EPA), 1986, has issued several rules for handling and management of solid waste, plastic waste and e-waste. These rules are applicable to States also. Rajasthan State Pollution Control Board is engaged in implementation of the various rules under EPA, 1986, in the State. Waste management is a State subject and local bodies are responsible for performing waste management related activities. A Performance Audit of waste management revealed that:

Assessment of waste being generated, projection of waste likely to be generated in future, requirement of manpower & vehicles and risk to environment & human health posed by waste was not done at State level as well as in 50 *per cent* test checked ULBs and in all test checked PRIs level.

Government of Rajasthan (GoR) released ₹ 292.81 crore only to ULBs during 2015-17 for solid waste management under Swachh Bahrat Mission, out of which only 20.69 *per cent* funds was utilised by all ULBs and in test checked 22 ULBs only 7.27 *per cent* of allotted funds was utilised.

Though adequate Acts, Rules and Policies were available, there were no effective strategies/plans for ‘Reducing, Reusing and Recycling’ of waste in most of the ULBs and all Gram Panchayats. Further, in the absence of bye-laws and designated authorities to levy penalty, none of test checked GPs had imposed penalty for violation of waste rules. GoR did not prepare integrated plan for implementation of e-waste.

Door to door collection of Municipal Solid Waste (MSW) was not done in 55.41 *per cent* urban wards of the State during 2016-17. Solid waste was being neither segregated nor processed in all test checked ULBs & GPs and unprocessed MSW was being dumped in open land. Further, landfill sites were constructed in only three out of 22 ULBs, however these landfills were not being used.

None of test checked ULBs established a mechanism for collection, handling, storage, transportation and disposal of plastic waste.

*(Paragraph 4.1)*

Short recovery of premium, lease rent, conversion and external development charges amounting to ₹ 2.49 crore.

*(Paragraph 4.2)*

Non-recovery of road cutting charges of ₹ 2.45 crore from Jodhpur Vidhyut Vitran Nigam Limited and Public Health Engineering Department.

*(Paragraph 4.3)*

Municipal Corporation, Ajmer had not selected sites for installation of signage boards resulted in loss of revenue of ₹ 2.14 crore.

*(Paragraph 4.4)*

Non-recovery/short recovery of betterment levy by Municipal Corporation, Bikaner and Municipal Council, Nagaur of ₹ 1.98 crore from the applicants on granting permission for construction of buildings.

*(Paragraph 4.5)*

Unfruitful expenditure and loss of revenue aggregating ₹ 1.44 crore on unipoles/signage and display boards on electricity poles in Municipal Corporation, Udaipur.

*(Paragraph 4.6)*

Non recovery of registration fee and arbitrary reduction in the annual permission fee without approval of Local Self Government Department resulted in non/short recovery of ₹ 97.12 lakh from marriage places.

*(Paragraph 4.7)*

**Part-A**  
**PANCHAYATI RAJ INSTITUTIONS**

**CHAPTER-I**

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

# CHAPTER-I

## AN 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 tier<sup>1</sup> structure of local self governing bodies at district, block and village levels and enhanced decentralization of powers.

Consequent to 73rd Constitutional Amendment giving constitutional status to Panchayati Raj Institutions (PRIs), the Rajasthan Panchayati Raj Act (RPRA), 1994 came into effect from April 1994, which delineated functions, powers and responsibilities of PRIs enabling them to function as third tier of Government. Later, Rajasthan Panchayati Raj Rules (RPRRs), 1996 were incorporated there under 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 2017.

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	24.8 (2015)	20.8 (2015)
Death Rate	Per 1,000 Mid Year Population	6.3 (2015)	6.5 (2015)
Infant Mortality Rate	Per 1,000 Live Births	43 (2015)	37 (2015)
Maternal Mortality Rate	Per lakh Live Births	244 (2011-13)	167 (2011-13)

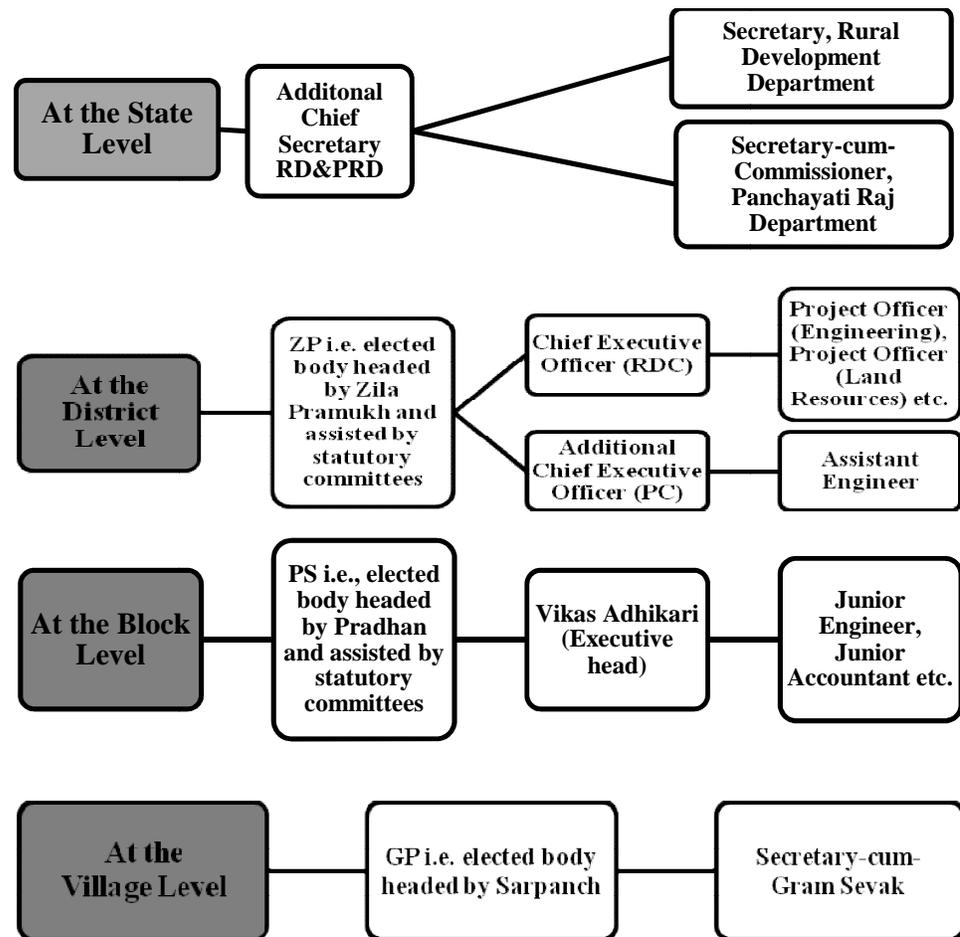
*Source: As per Department of Economic and Statistics*

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 Additional Chief 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 RPRA, 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 agricultural, minor irrigation, drinking water, education and rural sanitation etc., as specified in the first schedule of RPRA, 1994.

Similarly, functions of PS (30 functions) and ZP (19 functions) are specified in the second and third Schedule 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 Government of Rajasthan (GoR) in June 2003 and October 2010. Accordingly, out of 29 functions to be devolved in terms of XI 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.

There is no further change in the position of devolution of functions since inception.

## **1.4 Formation of various committees of PRIs**

### ***1.4.1 District Planning Committee***

In pursuance of Article 243 ZD of the Constitution of India and Section 121 of RPRA, 1994, 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.

During 2016-17, important decisions such as review/approval of district annual plans, quarterly/yearly, physical/financial progress of schemes, review of implementation of various schemes were taken in DPC meetings. However, out of 33 districts, three ZPs of Bhilwada, Jhunjhunu and Kota held four DPC meetings. In another 19 districts<sup>2</sup> two or three meetings were held and remaining 11 districts, held only one meeting inspite of prescribed four meetings in a year.

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2. Three meetings held by nine ZPs (Alwar, Bundi, Chittorgarh, Dausa, Jaipur, Jalore, Jodhpur, Rajsamand, Sikar); two meetings held by 10 ZPs (Ajmer, Barmer, Churu, Dungarpur, Hanumangarh, Pali, Sawai Madhopur, Sirohi, Tonk and Udaipur); and one meeting was held at 11 ZPs (Baran, Banswara, Bharatpur, Bikaner, Dholpur, Ganganagar, Jaisalmer, Jhalawar, Karauli, Nagaur and Pratapgarh).

### **1.4.2 Standing Committees**

As per the provisions contained in section 55-A, 56 and 57 of RPRA, 1994, every GP, PS and ZP shall 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, (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 shall 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 GoR.

## **1.5 Audit Arrangement**

### **1.5.1 Primary Auditor**

Section 75(4) of the RPRA, 1994 stipulates that all the accounts kept and maintained by a PRI shall be audited by the Director, Local Fund Audit Department (DLFAD) as per provisions of the Rajasthan Local Fund Audit Act (RLFAA), 1954. The Audit Report<sup>3</sup> 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 the Committee on Local Bodies and Panchayati Raj Institution constituted by Rajasthan State Legislature.

The Audit Report of DLFAD, Rajasthan for the year 2015-16 has been laid before the State legislature on 28 March 2017.

#### **1.5.1.1 Certification of Annual Accounts of Panchayati Raj Institutions**

As per Rule 23 (h) of the Rajasthan Local Fund Audit Rules (RLFAR), 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 GoR issued (September 2017) orders that Audit and certification of accounts of the PRIs till the year 2015-16 be undertaken on priority basis by the DLFAD, to make them eligible for performance grant in subsequent years.

The DLFAD certified the accounts of 6413 PRIs out of the total 10,222 PRIs in the State during the year 2016-17. Out of these 6413 accounts, only nine certificates were issued by DLFAD without any qualifications. The remaining 6,404 accounts were certified with qualifications, which were indicative of

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3. 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.

improper and incomplete maintenance of accounts. Out of these 6,413 certified accounts, 3,936 accounts pertained to earlier years i.e. 2014-15. The remaining 3,809 units (37.26 per cent) out of total 10,222 units remained, un-certified.

Though there has been improvement in the certification of accounts during 2016-17 (6,413 certifications) over the year 2015-16 (2,290 certifications), the accounting system of PRIs continues to be poor as mentioned above.

#### ***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 of 8809 units of PRIs (ZPs: 28, PSs: 263 and GPs: 8,518) as of March 2017 due to vacant posts and election duties of staff. There have been huge arrears of Audit for past many years as commented in earlier Audit Reports, however, no constructive action has been taken by the Department.

Director, LFAD issued total 6,575 inspection reports (IRs) containing 60,335 paragraphs which were pending for settlement as of March 2017. Out of these, 7,421 paragraphs involving monetary value of ₹ 24.48 crore were related to embezzlement.

Thus, huge pendency of inspection reports and paragraphs are indicative of lack of initiative towards accountability.

#### ***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 RPR<sup>4</sup>, 1994, as amended on 27 March 2011 also empowers the CAG to conduct Audit of the accounts of PRIs and submit such Audit Report to the State Government for its placement in the State legislature.

##### ***1.5.2.1 Implementation of Technical Guidance and Support/Supervision***

In pursuance of recommendations of Thirteenth Central Finance Commission, Finance (Audit) Department, GoR, 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 two draft paragraphs proposed by DLFAD for inclusion in their Audit Report were communicated to DLFAD under the TG&S.

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4. All accounts kept and maintained by 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.

During the period 2016-17, no IRs were forwarded by DLFAD under TG&S for comments.

## **1.6 Response to Audit Observations**

### **1.6.1 Response to Paragraphs and Inspection Reports**

As of March 2017, 2,562 IRs comprising 23,959 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*

<b>Year</b>	<b>IRs</b>	<b>Paragraphs</b>
Upto 2008-09	1,303	9,846
2009-10	157	2,242
2010-11	112	1,123
2011-12	213	2,801
2012-13	189	2,587
2013-14	185	1,830
2014-15	178	1,393
2015-16	161	1,580
2016-17	64	557
<b>Total</b>	<b>2,562</b>	<b>23,959</b>

Huge pendency of IRs and paragraphs indicates lack of prompt response on the part of PRIs.

### **1.6.2 Response to Paragraphs Appeared in Audit Report**

(i) Seven paragraphs involving money value of ₹ 27.65 crore which appeared in previous Audit Report 2015-16 were pending with GoR for want of reply as on March 2018.

(ii) Only three meetings of Audit Committee were conducted during the year 2016-17 by the PRD & RDD whereas eight Audit Committee meetings were required to be conducted.

### **1.6.3 Discussion on Audit Reports by the Committee**

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. As of February 2018, Audit Report for the year 2005-06 is in the process of being discussed by the committee.

#### **Recommendation:**

*1. In view of the large number of pending paragraphs and Inspection Reports, efforts should be made by Panchayati Raj Department and Rural Development Department to ensure compliance and regularly conduct Audit Committee meetings to settle the pending paragraphs.*

## **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 Rules<sup>5</sup>, 2011. These rules prescribe 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 scheme<sup>6</sup> 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 in 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 GoR.

Director, Social Audit, intimated (July 2017) that Social Audit was conducted in 9,361 GPs in the first half and 9,296 GPs in the second half against the targeted 9,894 GPs during financial year 2016-17. During first half of the year 2016-17, the Social Audit Unit registered 59 grievances; however, none of them was resolved as of March 2017.

#### **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, misutilisation of power by Ministers and higher officials of the GoR. 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 RPRA, 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.

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

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

Joint Secretary, Lokayukta, Rajasthan intimated (June 2017) that 3,951 cases of complaints against the officers and employees of RD&PRD were received during 2011-17. Out of this, 2,372 cases were disposed and the remaining 1,579 cases were pending.

## **1.9 Submission of Utilisation Certificates**

As per rule 284 and 286 of the General Financial & Accounts Rules (Part-I) of Government of Rajasthan, PRIs shall submit Utilisation Certificate (UCs) for the grant released to them for specific purpose. The UCs shall be prepared separately by the Vikas Adhikaris/Secretaries concerned and sent to the District Level Officer of Department Concerned which released the grant. The District Level Officer shall countersign the same and submit it directly to the Accountant General, Rajasthan.

### **1.9.1 Panchayati Raj Department**

During the year 2016-17, GoR released the grant of ₹ 6,379.24 crore to the PRIs. However, the Department did not furnish any UCs for the released amount.

### **1.9.2 Rural Development Department**

During the year 2016-17, GoR released a grant of ₹ 856.54 crore to RDD. However, the Department did not furnish UCs of various Central and State Sponsored Schemes.

Thus the Department requires to make efforts to ensure timely submission of UCs so that funds allotted are optimally utilised.

## **1.10 Internal Audit and Internal Control System of PRIs**

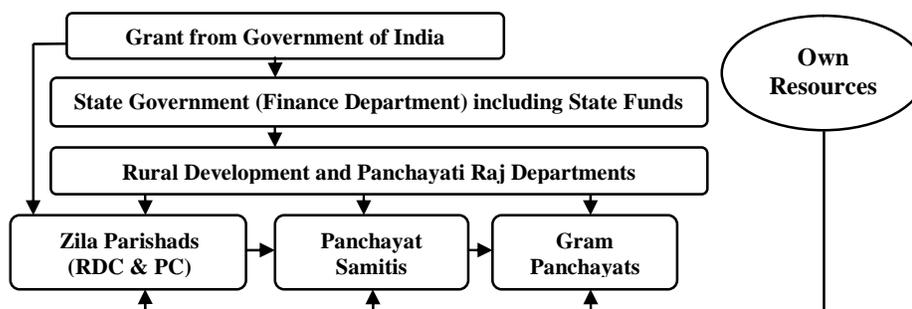
As per provisions laid down in the RPRA, 1994 Audit of PRIs is being conducted by the DLFAD as per the provision of the RLFAA, 1954. The DLFAD has full access to accounts of the PRIs. The extent and nature of Audit by DLFAD has been outlined in the RLFAR, 1955 which includes certification of correctness 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:

Chart 1.2



### 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 2012-17 is given in **Table 1.3** below:

Table 1.3

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>(A) Revenue receipts</b>					
Tax (own revenue)	NA	NA	NA	NA	NA
Non-Tax (ZP) (own revenue)	2.90	4.66	Nil	NA	NA
<b>Total Own Revenue</b>	<b>2.90</b>	<b>4.66</b>	<b>Nil</b>	<b>NA</b>	<b>NA</b>
Grants-in-aid from State Government	2,928.48	3,107.37	4,777.81	3,832.57	5,237.27*
Thirteenth Finance Commission Grants	953.81	1,017.14	1,042.09	1.63	NIL
Fourteenth Finance Commission Grants	-	-	-	1,471.95	2,305.52
<b>Total Receipts</b>	<b>3,885.19</b>	<b>4,129.17</b>	<b>5,819.90</b>	<b>5,306.15</b>	<b>7,542.79</b>
<b>(B) Expenditure</b>					
Revenue Expenditure (Pay and allowances and maintenance expenditure)	3,863.29	4,083.79	5,403.36	5,047.40	7,499.67
Capital Expenditure	19.00	10.12	1.85	0.56	43.13
<b>Total Expenditure</b>	<b>3,882.29</b>	<b>4,093.91</b>	<b>5,405.21</b>	<b>5,047.96</b>	<b>7,542.80</b>
Source: As per data provided by PRD. NA : Not available					
* It includes ₹ 2,624.72 crore pertaining to Fifth State Finance Commission grant.					

The above table indicates that:

- There has been steep increase in total receipts in 2016-17 by 42.15 per cent<sup>7</sup> over the previous year. State Government grants increased by 36.65 per cent<sup>8</sup> over the previous year in the same period.

7. Total receipt of 2016-17 (₹ 7,542.79 crore) - Total receipt of 2015-16 (₹ 5,306.15 crore) = ₹ 2,236.64 crore/Total receipt of 2015-16 (₹ 5,306.15 crore) x 100 = 42.15 per cent.

8. State Government Grant of 2016-17 (₹ 5,237.27 crore) - State Government Grant of 2015-16 (₹ 3,832.57 crore) = ₹ 1,404.70 crore/Total receipt of 2015-16 (₹ 3,832.57 crore) x 100 = 36.65 per cent.

- Total expenditure in 2016-17 also increased by about 49.42 *per cent* over the previous year.
- There has been more thrust on revenue expenditure (salaries and maintenance works) than on creation of assets (capital expenditure) as expenditure on creation of assets was only 0.57 *per cent* during the year 2016-17. 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 revenue with the Department for the past many years reflects the weakness of the Department. Though, there are certain revenue receipts in ZPs and PSs in the form of rent from shops, fisheries, auctions, tender receipts, other taxes, etc., these were not compiled or consolidated at State level. Hence, total dependency on grants-in-aid received from State Government and Finance Commission continues. Complete dependency 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 2013-17 is given in **Table 1.4** below:

**Table 1.4**

(₹ in crore)

Particulars	2013-14			2014-15			2015-16			2016-17		
	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total
Opening balance	673.29	373.98	<b>1,047.27</b>	823.89	325.44	<b>1,149.33</b>	790.73	329.16	<b>1,119.89</b>	249.68	765.52	<b>1,015.20</b>
Receipts	972.45	647.25	<b>1,619.70</b>	754.30	613.51	<b>1,367.81</b>	662.04	530.78	<b>1,192.82</b>	216.76	639.78	<b>856.54</b>
Total available funds	1,645.74	1,021.23	<b>2,666.97</b>	1,580.11	938.95	<b>2,519.06</b>	1,457.37	754.48	<b>2,211.85</b>	440.92*	1,103.03*	<b>1,543.95</b>
Expenditure	1,006.78	743.88	<b>1,750.66</b>	1,042.46	504.71	<b>1,547.16</b>	1,077.59	652.85	<b>1,730.44</b>	304.16	767.04	<b>1,071.20</b>
Closing balance	638.96	277.35	<b>916.31</b>	537.65	434.24	<b>971.89</b>	379.77	101.63	<b>481.40</b>	136.76	335.99	<b>472.75</b>
Percentage of expenditure to the total available funds	61.17	72.84	<b>65.64</b>	65.97	53.75	<b>61.42</b>	73.94	86.53	<b>78.23</b>	68.98	69.53	<b>69.38</b>

CSS: Centrally Sponsored Scheme, SSS: State Sponsored Scheme.  
 \*Total available funds include Interest on funds and exclude unauthorised amount as per information provided by the Department.  
 Source: As per data provided by RDD

The above table indicates that:

- There was a difference of ₹ 533.80 crore<sup>9</sup> between the closing balance of the year 2015-16 and opening balance of 2016-17. The Department has been providing the budget figures based on Monthly Progress Reports as received from the districts in which adjustment of UCs of many completed works were pending. As similar discrepancies between closing balance of the previous year and the opening balance of the next year were pointed out in earlier Audit Reports and continue to persist, urgent remedial action for reconciliation of the differences needs to be taken by the GoR.
- Total receipts from Central and State Government declined by about 28 per cent and the expenditure also decreased by about 38 per cent in 2016-17 over the previous year.
- During 2016-17, utilisation of total available funds was only about 69.38 per cent, which was less by 8.85 percent over the previous year.

### 1.11.2 Recommendations of the State Finance Commission

Fifth State Finance Commission (SFC) commenced from the year 2015-16 and as per the information provided, an amount of ₹ 2,624.71 crore was provided to the PRIs by the Department as Fifth SFC grant during the year 2016-17. The grant was distributed in the ratio of 5:20:75 to ZPs, PSs and GPs. Accordingly, ₹ 131.24 crore was released to ZPs, ₹ 524.94 crore to PSs and ₹ 1,968.53 crore to GPs. Directions and guidelines were given for utilisation of the grant. However, details of the progress of utilisation of 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 from the year 2015-16 and transferred to the PRIs are shown in **Table 1.5** below:

**Table 1.5**

(₹ in crore)

Grant particulars	Funds received	Funds transferred to PRIs
14 <sup>th</sup> FC grant for 2015-16	1,471.95	1,471.95
14 <sup>th</sup> FC grant for 2016-17	2,305.52	2,305.52
<b>Total</b>	<b>3,777.47</b>	<b>3,777.47</b>

As per the Fourteenth Finance Commission guidelines, 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

9. Opening balance of 2016-17 (₹ 1,015.20 crore) – Closing balance of 2015-16 (₹ 481.40 crore) = ₹ 533.80 crore.

which the performance grant is sought. The GPs will 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 21 ZPs<sup>10</sup> is shown in **Table 1.6** below:

**Table 1.6**

(₹ in crore)

Opening Balance April 2016	Receipts in the year	Total funds	Expenditure	Closing Balance March 2017
934.41	1,353.77	2,288.18	1,553.22	734.96

*Source: Annual accounts of the Districts.*

These balances include funds from Central/State Finance Commissions, and other grants for various schemes. The PRD at State level needs to analyse and prioritise the provision of funds to the PRIs and ensure their optimum utility in time.

#### **1.11.5 Maintenance of Records**

As per provisions contained in Rule 245 of RPRR, 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 is 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 359 PRIs (ZPs: 20, PSs: 45 and GPs: 294) revealed that 16 PSs did not prepare quarterly accounts and 10 PSs did not prepare annual accounts. 25 PSs were not maintaining separate cash book for different schemes. Out of 20 test checked ZPs, 10 ZPs did not maintain separate cash books for different schemes and five ZPs did not prepare quarterly accounts (Jodhpur, Bharatpur, Churu, Kota and Rajsamand) and six ZPs did not prepare annual accounts (Jodhpur, Tonk, Jhunjhunu, Kota, Chittorgarh and Bundi). Out of the total 295 Panchayat Samitis in the State, 131 submitted annual accounts to the State Government. The remaining 164 PSs were not submitted accounts to the State

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10. Zila Parishads: Ajmer, Alwar, Baran, Barmer, Bhilwara, Bundi, Bikaner, Chittorgarh, Dholpur, Hanumangarh, Jaipur, Jalore, Jhunjhunu, Nagaur, Rajsamand, Karauli, Pratapgarh, Sikar, Sirohi, Sriganganagar and Tonk.

Government as of September 2017. Test checked GPs were not preparing quarterly accounts statements and annual accounts. These were maintained as initial receipts and expenditure statements called 'Goshwara'. One hundred seventy two GPs out of the test checked 294 GPs had not submitted accounts to the State Government.

The entire accountability process has thus been restricted to furnishing of a simple 'Goshwara' at GP level and quarterly and annual accounts statements at PS and ZP level, against the provisions of the RPRR 1996, which prescribed different formats for the accounts.

**1.11.5.1** PRIASoft is a centralised accounting package that facilitates maintenance of accounts under Model Accounting System. Data is entered at District/Block /GP level and is integrated at State level. It was noticed that the PRIs were entering transactions relating to the grants of Central and State Finance Commission and Untied funds. According to the information provided by the Department, 10 out of 33 ZPs, 30 out of 295 PSs and 644 out of 9,894 GPs had closed their year book for the year 2016-17 and six ZPs<sup>11</sup> did not make any entry in PRIASoft during the year. In eight other ZPs<sup>12</sup> only opening balances were entered whereas transactions and vouchers were not entered.

There was little improvement this year as 684 PRIs closed their year book over the previous year's 282 PRIs. The Department did not furnish any specific reply.

**1.11.5.2** As per Rule 247(2) of RPRRs, 1996, every ZP is required to prepare annual accounts of receipts and expenditure and furnish the same to the State Government by 15 May of every year. Out of 33 ZPs of Panchayati Raj Cell, 21 ZPs<sup>13</sup> submitted their annual accounts within the prescribed time, while ZP, Barmer and Bhilwara submitted their accounts for the year 2016-17 with a delay of 37 and 45 days respectively. Remaining 10 ZPs<sup>14</sup> did not submit their annual account to PRD as of October 2017.

Annual accounts of ZPs (RDC) for the year 2015-16 were required to be submitted to RDD by 30 September 2016. Out of the 33 ZP (RDC), only four ZPs viz: Dholpur, Jaipur, Tonk and Udaipur submitted annual accounts for the year 2015-16 within the prescribed time, while 27 ZPs<sup>15</sup> submitted their annual accounts with delays ranging from 32 to 361 days. ZP, Barmer and Pali did not send their annual account for 2015-16 to RDD as of October 2017.

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11. Barmer, Bharatpur, Bundi, Ganganagar, Hanumangarh and Karauli.

12. Alwar, Bhilwara, Bikaner, Churu, Dungarpur, Jaisalmer, Pratapgarh and Sikar.

13. Ajmer, Alwar, Bikaner, Bundi, Chittorgarh, Dholpur, Ganganagar, Hanumangarh, Jaipur, Jalore, Jhunjhunu, Kota, Nagaur, Pali, Rajsamand, Karauli, Sikar, Sirohi, Tonk, Udaipur and Partapgarh.

14. Banswada, Baran, Bharatpur, Churu, Dausa, Dungarpur, Jaisalmer, Jhalawar, Jodhpur and Sawai Madhopur.

15. Ajmer, Alwar, Baran, Banswara, Bharatpur, Bhilwara, Bikaner, Bundi, Chittorgarh, Churu, Dausa, Dungarpur, Ganganagar, Hanumangarh, Jaisalmer, Jalore, Jhalawar, Jodhpur, Jhunjhunu, Karauli, Kota, Nagaur, Rajsamand, Sawai Madhopur, Sikar, Sirohi, and Pratapgarh.

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

Rule 238 of RPRR, 1996 stipulates that it shall be the duty of Panchayat Secretary to reconcile the deposit and drawals with bank pass book every month on the basis of Panchayat record and get the mistakes corrected, if any. Similarly, in case of PS and ZP, cashier shall reconcile the PD account with treasury every month.

Audit scrutiny of 24 PRIs<sup>16</sup> revealed that in 24 cases, differences to the tune of ₹ 10.65 crore were pending to be reconciled as of March 2017 between 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, Government of India had introduced (October 2009) eight simplified accounting database formats (prescribed by the C&AG of India) for implementation by PRIs at District 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 to be adopted for mandatory implementation by the Department with effect from April 2011. These formats were incorporated in the RPRR, 1996 through a notification in May 2015. However, PRIs have not been compiling and presenting the accounts data in these formats.

#### ***Recommendation***

*2. In view of the continued dependency on grants provided by GoI and State Government, the Panchayati Raj Institutions need to strengthen their financial position by generating revenue through own tax and non-tax sources.*

*3. Efforts should be made by Panchayati Raj Institutions to implement the model accounting system prescribed by CAG and the centralized accounting package PRIASoft instead of continuing to prepare the accounts in a conventional receipt and expenditure format.*

### **1.12 Conclusion**

*The accountability mechanism and financial reporting of the Panchayati Raj Institutions in the State continue to be weak. Partial certification 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. GPs were receiving direct fund transfer from Central Finance Commission to*

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16. Zila Parishads (Panchayat Cell): three, Zila Parishads (RD Cell): three and Panchayat Samitis: 18.

*make them self-reliant. Despite this, no records and returns were maintained. Non-availability of figures of 'own revenue' with the Department for the past many years reflects the failure of the PRIs to even recognize the importance of generation of own revenue leading to the total dependence on grants-in-aid received from State Government. Complete dependency 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. The State Government has been releasing grants to the PRIs without getting Utilisation Certificates for grants already allocated. Huge pendency of Audit objections over the years indicates State Government's lack of interest in addressing the issues pointed out by Audit.*

**CHAPTER-II**  
**Audit Findings on**  
**Panchayati Raj Institutions**

**CHAPTER-II**  
**AUDIT FINDINGS ON**  
**PANCHAYATI RAJ INSTITUTIONS**

This chapter contains one Performance Audit 'Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme', Compliance Audit of 'Magra Area Development Scheme' and two paragraphs relating to Panchayati Raj Institutions.

**PERFORMANCE AUDIT**

**Rural Development and Panchayati Raj Department**

**2.1 Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme**

*Executive summary*

*Government of India (GoI) enacted National Rural Employment Guarantee Act for providing employment to rural population in September 2005. In Rajasthan, the Act was made applicable from February 2006 initially in six districts and extended to all the districts by April 2008. The Act was renamed as "Mahatma Gandhi National Rural Employment Guarantee Act" (MGNREGA) from October 2009. Under the Act, Government of Rajasthan (GoR) notified the National Rural Employment Guarantee Scheme, Rajasthan in July 2006. The basic objective of the Act is enhancement of livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to any rural household (HH) whose adult members volunteer to do unskilled manual work on demand.*

*A Performance Audit of the implementation of MGNREGA in the selected districts revealed that Annual Development Plan and Labour Budget were not approved timely and quorum for approval by Gram Sabha was not fulfilled, list of approved works was not displayed on the notice board. Convergence with the line departments was very low as percentage of expenditure on works executed average only 6.53 per cent.*

*No door to door survey was conducted for identification of eligible households and job cards were not renewed after their issuance. Further, workers were not given receipts for work demanded and works provided to disabled persons was only 29 to 36 days. Overall 37.05 per cent works were incomplete and there were deficiencies in the construction of durable assets.*

*Average employment provided in the State was only 52.02 days per household and employment of 100 days and more was provided to only an average of 9.91 per cent households. Overall 15.82 per cent muster rolls remained with zero attendance and attendance of workers was not marked*

*on daily basis and not entered in the NREGASoft. Further, pending liabilities of wages and materials were ₹ 704.37 crore. Labour amenities and other entitlements guaranteed to the workers were not being provided except water facility.*

*Financial management was weak as State share was delayed/short released and huge sums of money on account of excess material component etc., were not recouped into the State Employment Guarantee Fund. There were also huge shortages of staff at all levels and as of July 2017, 70.86 per cent posts were lying vacant.*

*Inspite of numerous flaws being there in the implementation of the Scheme, very few observations were noticed during conduct of Social Audit. The grievance mechanism was not effective as 76.82 per cent complaints were not disposed off within the prescribed time limit. Further, periodical inspection of works was not carried out.*

### **2.1.1 Introduction**

Government of India (GoI) enacted National Rural Employment Guarantee Act for providing employment to rural population in September 2005. In Rajasthan, the Act was made applicable from 2<sup>nd</sup> February 2006 initially in six districts<sup>1</sup> and extended to all the districts by April 2008. The Act was renamed as “Mahatma Gandhi National Rural Employment Guarantee Act” (MGNREGA) from 2<sup>nd</sup> October 2009. Under the Act, Government of Rajasthan (GoR) notified the National Rural Employment Guarantee Scheme, Rajasthan in July 2006. The basic objective of the Act is enhancement of livelihood security in rural areas by providing at least 100 days<sup>2</sup> of guaranteed wage employment in a financial year to any rural household (HH)<sup>3</sup> whose adult members volunteer to do unskilled manual work on demand.

### **2.1.2 Organisational structure**

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

### **2.1.3 Audit objectives**

The objectives for the Performance Audit (PA) were to ascertain whether:

*1. There was effective planning for implementation of the scheme;*

1. District: Banswara, Dungarpur, Jhalawar, Karauli, Sirohi and Udaipur.
2. Government of Rajasthan allowed upto 100 days of additional employment for ‘Saharia’ and ‘Kherua’ tribe households in Baran District and ‘Kathodi’ tribe household in Udaipur district every year since 2011-12.
3. "Household" mean the members of a family related to each other by blood, marriage or adoption and normally residing together and sharing meals or holding a common ration card.

2. *The process for registration of households, allotment of job cards and allocation of employment was effective and according to the prescribed guidelines;*
3. *Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) works were timely executed and durable assets were created and maintained properly;*
4. *Hundred days guaranteed employment under the scheme was provided to adult members of every household and Unemployment Allowance and labour amenities were provided in accordance with the Act;*
5. *Financial and manpower management was effective; and*
6. *Mechanisms for monitoring of the scheme at different levels existed.*

#### **2.1.4 Audit criteria**

The Audit criteria for the PA were based on the following:

- National Rural Employment Guarantee Act, 2005 (Act) and amendments thereon, notifications, circulars and guidelines issued there under by Central and State Government.
- MGNREGA Operational Guidelines (2008 and 2013).
- MGNREGA Technical Guidelines, 2010.
- Finance and Accounts Guidelines, 2011 of the GoR.
- Gramin Karya Nirdeshika (GKN), 2010, of the GoR.
- Rajasthan Panchayati Raj (RPR) Act, 1994.
- Rajasthan Panchayati Raj Rules (RPRs), 1996.

#### **2.1.5 Audit scope and methodology**

The PA covered the activities carried out under the scheme during the period 2012-13 to 2016-17.

Out of 33 districts selection of eight districts was done on the basis of risk categorization of the districts as high, medium and low based on expenditure, number of households to whom job cards were issued, number of registered workers, number of active workers and number of works started during period 2012-13 to 2016-17. Accordingly, three districts (Banswara, Barmer and Dungarpur) were selected from high risk category, three districts (Bhilwara, Jodhpur and Nagaur) from medium risk category and two districts (Jaipur and Jalore) from low risk category. Further in each selected district, 25 per cent Panchayat Samitis (PSs) totalling 27 PSs and in the selected PS, 25 per cent GPs totalling 222 GPs were selected randomly. Further, five per cent works

were selected for detailed check/physical verification and interviews with 10 beneficiaries in each GP. Details are given in **Appendix-III**.

The results of the beneficiary survey are given in **Appendix-IV**. Apart from this, the Audit team was also present as observer when Social Audit was being conducted in two GPs<sup>4</sup> by the Directorate of Social Audit of the GoR.

An Entry conference was held on 28 March 2017 with Secretary, RDD and Commissioner, Employment Guarantee Scheme (EGS) in which Audit methodology, scope, objectives and criteria were discussed. An Exit Conference with Secretary, RDD was held on 20 March 2018 to discuss the Audit findings and recommendations.

### **2.1.6 Audit findings**

#### ***Objective-1: Whether there was effective planning for implementation of the scheme***

##### ***2.1.6.1 Annual Development Plan***

As per section 16 of the Act, every GP shall, after considering the recommendations of the Gram Sabha, prepare a development plan and maintain a shelf of possible works to be taken up under the scheme.

The Development Plans of individual GPs are to be consolidated and approved by Programme Officer (PO) at the Block Panchayats. A similar exercise will be carried out at the District level. Based on the approved District Plan, the District Programme Coordinator (DPC) will co-ordinate the preparation of detailed technical estimates and sanction each work. The Audit findings in respect of planning are summarised below.

##### ***2.1.6.2 Lack of quorum for approval by Gram Sabha***

As per RPR Act 1994, the quorum for a meeting of the Gram Sabha shall be one-tenth of the total number of members out of which presence of members belonging to the Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBC) and Women members shall be in proportion to their population.

Scrutiny of records of 222 test checked GPs<sup>5</sup> revealed that in 157 GPs (70.72 per cent), quorum for a meeting of the Gram Sabha was not fulfilled in terms of number of members for meetings held by the Gram Sabha during the period 2012-17.

Further, in order to evaluate the Social Audit being conducted by the SAU, an Audit team also witnessed the process of Social Audit as 'observers' during Social Audit of GP Daulatgarh (PS Asind) and GP Chandras (PS Mandal) for the period 1 October 2016 to 31 March 2017. It was observed that Gram

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4. Gram Panchayat: Daulatgarh (PS Asind) and Chandras (PS Mandal) of ZP Bhilwara.  
5. Records were not provided by 65 GPs.

Sabha was chaired by Sarpanch instead of an elderly person and Gram Sabha was held in the village of Sarpanch instead of a neutral place.

Thus, public participation as intended in the Scheme was not ensured. The GoR stated (March 2018) that the information is being called from ZPs concerned.

### **2.1.6.3 Delayed approval of Annual Development Plan and Labour Budget**

As per paragraph 6.9 of Operational Guidelines 2013 and Master Circular 2016-17 i.e. the guidance for programme implementation, Annual Development Plans (ADP), Consolidated ADPs and Block ADPs were to be approved by Gram Sabha, Block Panchayat and DPC respectively every year as per prescribed timeliness. Further, District Annual Plan and Labour Budget were to be submitted by DPC to District Panchayat for approval every year as per prescribed timeline. Scrutiny of records revealed that during the years 2012-13 to 2016-17:

- Out of 222 test checked GPs, in 176 GPs approval of ADP was delayed for period upto 356 days.
- Out of 27 test checked PSs, in 24 PSs, approval of Block ADP was delayed for period upto 210 days.
- Out of eight test checked ZPs, in 6 ZPs<sup>6</sup>, approval of District Annual Plan and Labour Budget was delayed for periods upto 395 days.
- Aggregated Labour Budget at District level is required to be sent to Ministry of Rural Development (MoRD) by 31<sup>st</sup> December every year by GoR. Scrutiny of records of Commissioner, EGS revealed that the GoR had sent MGNREGA Labour Budgets with delays ranging from 43 to 75 days for the next financial year during the year 2012-13 to 2016-17. Thus, first tranche of funds was released by the GoI on 14 May 2012 and 22 April 2013 for the year 2012-13 and 2013-14.

### **2.1.6.4 Preparation of District Perspective Plan**

Chapter 2 (9) of notified MGNREG Scheme of GoR and paragraph 4.5 of Operational Guidelines 2008 also suggest development of District Perspective Plans (with a five year timeframe) for facilitating advance planning and to provide a development perspective for the district.

Scrutiny of records revealed that in all test checked ZPs, District Perspective Plans were not prepared by the ZP. The GoR (March 2018) accepted the fact.

During Exit Conference (March 2018) the Secretary, RDD assured to take effective steps to improve the timely submission and disposal of various aspects/plan of scheme.

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6. Zila Parishads: Barmer, Dungarpur, Jaipur, Jalore, Jodhpur and Nagaur.

### **2.1.6.5 Works disaggregated GP-wise not entered in the Management Information System**

The list of works to be undertaken was to be disaggregated GP-wise and sent to respective GPs for data entry in the Management Information System (MIS) by 15<sup>th</sup> December of each year. Scrutiny of records revealed that in all eight test checked ZPs, entries of all the works in shelf of projects mentioning category wise priority etc., was not being entered in the MIS. The GoR stated (March 2018) that necessary directions have been issued to authority concerned for entering data in the MIS according to Labour Budget.

### **2.1.6.6 Non-display of list of approved works at notice board of GP**

As per paragraph 25 (a) (3) of Schedule I of MGNREGA, shelf of projects approved, year-wise works taken up or completed by GPs and line department, employment provided, fund received and expenditure, list of materials with quantities used in each work, rates at which the material was procured, were to be displayed through notice boards at the GP Office.

Scrutiny of records revealed that out of 222 test checked GPs, in 220 GPs<sup>7</sup> list of approved works was not displayed on the notice board. The GoR Stated (March 2018) that necessary directions have been issued for display of lists of approved work.

### **2.1.6.7 Convergence with MGNREGS**

Government of India had evolved guidelines for convergence of MGNREGS with the specific programmes and schemes as the objective of creating durable assets and securing livelihood of rural households can be facilitated with resources of other programmes/schemes available with Panchayats and other line departments.

#### **(i) State Convergence Plan**

Government of India had issued directions (May 2014) for preparation of revised State Convergence Plan (SCP) focused on some of the possible areas of convergence identified in close consultation with the line departments. The SCP was to be approved by the State Employment Guarantee Council (SEGC) or alternatively, by the appropriate authority at the State level. In compliance of aforesaid directions GoR had sent (June 2014) a revised roadmap for convergence of MGNREGS with other schemes in the State with projected expenditure of ₹ 747.99 crore (₹ 408.12 crore from MGNREGS and ₹ 339.87 crore from line departments). The aforesaid SCP was approved by GoI on 26 June 2014.

Scrutiny of records of Commissioner, EGS revealed that:

- Principal Secretary, RD&PRD's directed (18 June 2014) to line departments, that a tentative convergence plan was being sent to GoI by

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7. Records were not provided in two GPs i.e. Bandasar and Negariya.

making a provision of ₹ 20 crore from each line department. He urged the concerned department to make a provision of a minimum of ₹ 20 crore with the approval of Chief Secretary and to submit the actual convergence plan. However, actual convergence plan was not prepared. SCP for 2015-16 and 2016-17 were also not made available to Audit. Against 2014-15 SCP only ₹ 191.92 crore was spent from MGNREGA fund by the line departments, however, contribution of line department was not made available to Audit.

- For 2016-17, physical and financial targets (1,352 lakh person days with ₹ 3,900 crore targeted expenditure) for line departments for convergence with MGNREGS were fixed by GoR. However, only ₹ 304.63 crore (7.81 per cent of total target) expenditure was incurred by the line departments from MGNREGS fund during 2016-17.

**(ii) Implementation of convergence of MGNREGS with line departments**

During the period 2013-14 to 2016-17, percentage of expenditure on works executed by the GPs (through PRIs) averaged 93.47 per cent of total expenditure incurred under MGNREGS. Expenditure on works executed by the other line departments (other than PRI) averaged at only 6.53 per cent of total expenditure incurred under MGNREGS. The convergence of some of the major line departments with MGNREGS is discussed in **Table 2.1** below:

**Table 2.1**

S.No.	Department	Issue
(i)	Convergence with Public Works, Water Resource & Forest Department	Public Works Department (PWD), Water Resource Development (WRD) and Forest Department were requested for taking up 15 per cent works each of total outlay of MGNREGS.  The actual average convergence during the period 2013-14 to 2016-17 was only 2.69 per cent (PWD), 1.39 per cent (WRD) and 2.21 per cent (Forest Department) as against required 15 per cent of total expenditure incurred under MGNREGS.
(ii)	Convergence with Agriculture Department	GoI had issued direction (June 2013) that annual plan of Agriculture department may be prepared in a manner that both plans complement each other.  The actual average convergence during the period 2013-14 to 2016-17 by the Agriculture department was only 0.01 per cent of total expenditure incurred under MGNREGS.
(iii)	Convergence with RD& PRD	GoR issued 'Shamlat Pahal Scheme' guidelines in March 2015 for convergence of MGNREGS with other RD&PRD schemes <sup>8</sup> . In spite of MGNREGS and other schemes being implemented by the same department i.e. RD&PRD, the convergence during the period 2015-16 and 2016-17 was below one per cent of total expenditure incurred under MGNREGS.

8. Rural Development Department: MLALAD, MPLAD, MAGRA, MEWAT, BADP, Rural contributory Schemes SWVIVEK and SHREE Scheme etc. and Panchayati Raj Department: BRGF, SFC, TFC, Untied Fund Scheme, RGPSA etc.

S.No.	Department	Issue
(iv)	Convergence with Integrated Watershed Management Programme	In all the test checked ZPs neither any proposal for new works nor any watershed management work had been included in the ADP.
(v)	Convergence with Pradhan Mantri Gramin Sadak Yojna (PMGSY)	GoI issued (November 2013) convergence guidelines for Pre-PMGSY <sup>9</sup> and Post PMGSY <sup>10</sup> works. In all test checked ZPs, neither a district wise project of works was prepared and shared by the PMGSY unit nor was any work executed with convergence.

Thus it can be seen that convergence with the major line departments was very low. During exit conference (March 2018) Secretary, RDD stated “line departments were not willing to work with MGNREGS. They are not comfortable with muster-roll culture of MGNREGS, however efforts will be made to increase convergence with other departments as well as *Shamlat Pahal Scheme*”.

### **Conclusion**

#### **Planning for implementation**

*The Annual Development Plan for effective implementation of MGNREGS which was to be built up through a bottom up approach i.e. through approval by Gram Sabha, Block Panchayat and District Programme Coordinator, was delayed at all three levels. Further people’s participation in preparation of Annual Development Plan was not adequate as in 70.72 per cent of the GPs, the quorum of members was not ensured. This resulted in delayed submission of the Annual Plan and Labour Budget to GoI. Five year District Perspective Plans were also not prepared at the Zila Parishad level. The State Convergence Plan, which was to focus on possible areas of convergence with other line departments, could not be made based on actual assessments. In 2014-15 where targets for convergence were set, could not be achieved. The percentage of expenditure on works executed by the other line departments averaged only 6.53 per cent, thereby showing very low convergence of total expenditure incurred under MGNREGS.*

#### **Recommendations**

- 1. Government of Rajasthan should ensure that planning activities at all levels i.e. Gram Sabha, Block Panchayat and District are initiated and completed timely so that annual development plan and labour budget are submitted without delays to GoI duly ensuring the peoples participation in Gram Sabhas.*
- 2. Government of Rajasthan should analyse the reasons for low convergence and consider policy changes, if required, so that durable and sustainable assets are also created with the available resources of other programmes/schemes.*

9. Pre PMGSY works: the earth work formation and compaction/consolidation works.

10. Post PMGSY works for durability (maintenance) and value addition (Roadside Plantation, Water harvesting structure).

**Objective-2: Whether the process for registration of households, allotment of job cards and allocation of employment was effective and according to the prescribed guidelines**

### **2.1.7 Allotment of job cards and allocation of employment**

#### **2.1.7.1 Door-to-door survey for registration of job cards**

As per paragraph 3.1.1 of Operational Guidelines 2013, a door-to-door survey was to be undertaken by each GP every year to identify eligible households, who were missed out and wished to be registered under the Act. Scrutiny of records revealed that out of 222 test checked GPs<sup>11</sup>, in 166 GPs no door-to-door survey was conducted during the period 2012-17. Thus, eligible households who were missed out and wished to be registered under MGNREGS, were not identified. The GoR stated (March 2018) that *rozgar diwas* is being organised for registration of job cards. The reply is not acceptable as no records were made available to Audit to establish that eligible households were registered during *rozgar diwas* as discussed in **Paragraph 2.1.7.4.**

#### **2.1.7.2 Renewal and verification of job cards after five years**

As per paragraph 3 of Schedule-II (revised on 3 January 2014) of MGNREG Act, the job card issued shall be valid for at least five years after which it may be renewed after verification. Scrutiny of records revealed that out of 222 test checked GPs, in 157 GPs, job cards were not renewed after issuance in the year 2008 and onward. Job cards were renewed in 12 GPs<sup>12</sup> and records were not provided in 53 GPs. The GoR stated (March 2018) that directions have been issued for renewal and verification of job cards.

#### **2.1.7.3 Providing job card to all landless casual labourer's households**

Ministry of Rural Development took a decision (December 2016) to provide job cards under MGNREGS to each of the willing landless casual labourer's household as per Socio Economic Caste Census (SECC) 2011. Accordingly, a provision was made in NREGASoft<sup>13</sup> to map SECC data with the NREGASoft data with reference to households and individuals and the data was to be updated in NREGASoft after conducting survey by 15 January, 2017.

- As per the MIS data available at NREGASoft, in the State position of households of landless casual labourers surveyed, mapped, unmapped and issue of job card to unmapped willing HHs in the State are given in **Table 2.2** below:

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11. Records were not provided in 56 GPs.
  12. Job cards were renewed in 12 GPs Shyampura, Chimana, Jamba, Kalansingh ki Seer, Narayan Pura, Bhaloo Rajwa, Deriya, Aau, Denok, Indonka Bas, Motiya Nagar, Siyol Nagar.
  13. Government of India developed a work flow based, web enabled application to capture all the activities under NREGA at Center/State/District/Block and Panchayat level.

**Table 2.2**

Total landless casual labour as per SECC shown at NREGASoft	Total HH surveyed	HH not surveyed (Col. 1 - 2)	Total HH mapped from surveyed HH	Total HH unmapped from surveyed HH (Col. 2 - 4)	Willing for job card	Not willing for job card (Col.5-6)	No. of willing HHs got job card
1	2	3	4	5	6	7	8
19,99,505	15,46,964 (77.37%)	4,52,541 (22.63%)	9,47,881 (61.27%)	5,99,083 (38.73%)	57,811	5,41,272	2,959 (5.12%)
<i>Source: MIS data NREGASoft as of 7 September 2017.</i>							

- Thus, out of the unmapped 5,99,083 (38.73 per cent) households, a total 57,811 households had shown willingness for job cards. However as of 7 September 2017, job cards were issued to only 2,959 households (5.12 per cent) leaving 54,852 willing households of landless casual labourers without job cards.

- Further it was also noticed that data shown in respect of landless casual labourer households in the MIS at NREGASoft have vary from the data available at SECC website. The variation in number of households ranged between (-) 93,388 (Alwar) and (+) 5,134 (Jaipur). Thus mapping of SECC data with the NREGASoft data with reference to households and individuals was not correct and complete. The GoR stated (March 2018) that directions have been issued to authority concerned for issuance of job cards to landless casual labourer households.

#### **2.1.7.4 Application for work**

As per paragraph 3.2 of Operational Guidelines 2013, application for work may be on plain paper or it may be in a printed proforma that will be made available free of cost at the GP. The provision for submitting applications for work must be kept available on a continuous basis through multiple channels<sup>14</sup> so designated by GPs. The GP or PO, as the case may be, shall be bound to accept valid applications for work and to issue a dated receipt to the applicant. In case of joint applications for work, dated receipt of work application was to be issued to every individual applicant separately by the GP/PO. As per paragraph 8 of schedule-I of MGNREG Act, demand for work, either oral or written, shall be registered as and when required by any job card holder and in the *rozgar diwas* which is to be conducted at every Ward and GP level at least once a month.

Scrutiny of records as well as physical verification at ongoing work sites and interviews with workers revealed the following:

- Out of 222 test checked GPs, in 99 GPs, Work Application Form was not available with multiple channels and beneficiaries were not able to register their demand in a proper manner.

14. Ward members, Aanganwadi workers, School teachers, Self Help Groups, Village-level revenue functionaries, Common Service Centers (CSCs).

- Out of 222 test checked GPs, in 170 GPs the work applications in groups were submitted through Mate<sup>15</sup> but dated receipt of work application was not issued to every individual applicant separately by the GP/PO. A beneficiary survey of 2,180 was conducted in 218 GPs by Audit, it was found that 78 per cent beneficiaries not received receipts in respect of their demand for work (**Appendix-IV**). This defeated the very purpose of the right given to the workers to get a receipt for their demand for work.
- Out of the 222 test checked GPs, in 170 GPs it was observed that records (demand of work, registration etc.) related to organising *rozgar diwas* at every Ward and GP level were not maintained and made available, as such could not be verified by Audit.

During the exit conference (March 2018) Secretary, RDD accepted the facts.

#### 2.1.7.5 Allocation of employment

Paragraph 16 of schedule II of MGNREG Act provides that applicants who are provided with work shall be intimated in writing, by means of a letter sent to him at the address given in the job card or by a public notice displayed at the office of the Panchayats at districts, intermediate or village level. Further as per paragraph 17, a list of persons who are provided with work shall be displayed on the notice board of the GP and at the office of the PO.

Scrutiny of records revealed the following:

(i) Out of the 222 test checked GPs, in 168 GPs information regarding allotment of work to each applicant was not provided in prescribed format. It was also observed that list of persons who were provided work, was not displayed on the notice board. This could have also contributed to the absence of workers from the worksite as 15.82 per cent muster rolls remained with zero attendance of workers as discussed below:

#### (ii) Muster rolls with zero attendance

In the State during 2013-14 to 2016-17, out of total 1,27,93,428 issued muster rolls for unskilled labours, 15.82 per cent muster rolls remained with zero attendance of worker as shown in **Table 2.3** below:

**Table 2.3**

Year	Number of muster roll for unskilled			
	Issued	Filled with attendance	Filled with zero attendance	Total muster roll filled
2013-14	25,97,211	22,11,348	3,68,538	25,79,886
2014-15	26,63,365	21,96,272	4,36,488	26,32,760
2015-16	35,24,124	29,34,078	5,63,573	34,97,651
2016-17	40,08,728	32,27,469	6,55,634	38,83,103
<b>Total</b>	<b>1,27,93,428</b>	<b>1,05,69,167</b>	<b>20,24,233</b>	<b>1,25,93,400</b>
<b>Percentage</b>		<b>82.61</b>	<b>15.82</b>	<b>98.43</b>

Source: MIS data on NREGASoft.

15. Worksite Assistant.

(iii) Scrutiny of records in all 27 test checked PSs as well as information available on NREGASoft, revealed that:

- **Non marking of daily attendance:** Muster roll was being maintained at the worksite by marking attendance daily by a Mate but details of daily attendance was not being made available in public view on daily basis in the computer system. Instead of this, attendance of worker was marked only at the time of preparation of wage list. Further, it was also seen in Chaksu Block (ZP Jaipur), that attendance of the labourers was marked continuously even on holidays.
- **Muster rolls not countersigned by the workers:** The muster rolls were not being countersigned by each worker on last given day of the closure of muster rolls, as required.
- **Incomplete muster roll control register:** A muster roll control register was being maintained at PS level, however the entries like details of financial sanction, name and signature of receiver of muster roll, date of deposit of muster roll, date of handing over muster roll to JEN/JTA etc., in the register as specified were incomplete.
- **Non verification/certification of bills or vouchers by group of workers:** No cases were noticed in which weekly verification and certification of bills or vouchers was done by the group of workers at worksite.

During exit confernece (March 2018), the Secretary, RDD stated that GoR is planning to link work application of labourers with Mobile phones for informing them about allocation of work through Short Messaging Service (SMS). Department is also making efforts to reduce zero attendance muster roll.

(iv) As per Chapter 9 of Operational Guidelines 2013, each State Government should designate one officer in each district as a Coordinator (Vulnerable Groups) who will exclusively look after the needs and requirements of the special categories and create enabling conditions for their inclusion in MGNREGS works.

Scrutiny of records revealed that during the years 2012-17, the disabled persons accounted for 16.33 to 26.76 *per cent* of registered disabled persons under MGNREGA. Such disabled persons got only 29 to 36 day employment on an average.

Further, in none of test checked ZPs, dedicated officer as a Coordinator (Vulnerable Groups) was designated by the GoR for exclusively looking after the needs and requirements of the special categories and create enabling conditions for their inclusion in MGNREGS works. The GoR stated (March 2018) that necessary directions have been issued to authority concerned for proper monitoring.

**Conclusion****Allotment of job cards and allocation of employment**

No door-to-door survey was conducted as required for identification of eligible households who missed out and wished to be registered under the scheme. Moreover, job cards were not renewed after their issuance. The survey to identify willing landless households for issuing job cards was not completed. Due to non availability of form for applying for work, workers were not able to register their demand. Further, workers were not given receipts for their demand and also were not intimated when work allocation was made in their favour. An average 29 to 36 days work was provided only to registered disabled persons.

Out of total 1,27,93,428 muster rolls issued, 15.82 per cent remained with zero attendance of workers. The muster roll control register was not maintained properly and the muster rolls were not countersigned by each worker. Neither attendance of workers was marked on a daily basis nor date wise attendance was entered in the MIS.

**Recommendations**

3. As registration of eligible households was a pre requisite to be considered for work allotment under the scheme, GoR should ensure that survey at the level of Gram Panchayat is conducted on regular basis to identify eligible households who wished to be registered.
4. GoR should ensure renewal and verification of job card on timely basis.
5. GoR should ensure that the work application form is available, so that workers can easily register their demand for work.

**Objective-3: Whether MGNREGS works were timely executed and durable assets were created and maintained properly**

**2.1.8 Execution of works****2.1.8.1 Incomplete works**

As per paragraph 22.10 of Gramin Karya Nirdeshika (GKN) 2010<sup>16</sup>, work should be completed by the executing agency within a period of nine months. In the State out of the total 15,77,141 works started upto the 2016-17 since inception, 5,84,321 works (37.05 per cent) were yet to be completed as of 7 July 2017. Moreover 2,54,184 incomplete works were related to 2015-16 or prior period. Moreover in the four districts (Banswara, Dungarpur, Jhalawar and Pali) work completion rate was below 50 per cent. As most of the works started under MGNREGS related to water conservation, irrigation and land development, their slow progress would negatively impact creation of durable assets in villages. Thus there is a need to carefully monitor the completion of

16. As per GoR circular dated 27 May 2010, all works undertaken under the centrally/State Sponsored Schemes are to be executed according to GKN 2010.

these works. The GoR stated (March 2018) that efforts are being made to complete the works sanctioned upto 2016.

#### ***2.1.8.2 Delay in issue of sanctions***

Paragraph 22 of GKN, 2010 prescribes 10 days for issue of financial sanction after issuing technical sanction of works. Scrutiny of records of four test checked ZPs<sup>17</sup> revealed that financial sanctions were not issued by ZP within prescribed time limit and delayed upto 232 days. The GoR stated (March 2018) that necessary directions have been issued to concerned ZPs for timely issuance of sanctions at DPC level.

#### ***2.1.8.3 Measurement of works for wage payment***

Paragraph 7.10.1(iii) of Operational Guidelines 2013 provides that before starting any work under MGNREGS, workers may be divided into small groups of four to six persons at the worksite for easy execution, measurement of work and proper calculation of wages of the workers. Measurement recorded in Measurement Book (MB) need to be entered in NREGASoft to determine valuation of work done. Scrutiny of records as well as information available at NREGASoft, in all test checked 27 PSs revealed that:

(i) Computerization of measurement using electronic measurement book (eMB) was not being done for wage payment and only MB number was being mentioned in the assets register in NREGASoft.

(ii) Although different groups were formed at the worksite to carry out one task, payment to workers was being distributed equally without considering work done by members of each group and wage payment was being made equally to members without evaluating the performance of the various groups separately. For instance, if one group had done 20 *per cent* of the task and the other group had done 80 *per cent* of task, both the group got paid equally without considering the quantum of task done by members of each group. The GoR stated (March 2018) that necessary directions have been issued to upload eMB in the NREGASoft and for payment to workers on group task.

#### ***2.1.8.4 Joint physical verification of durable assets created under MGNREGS***

As per paragraph 3(a) of Schedule-I of MGNREG Act, the core objective of scheme was creation of productive assets of prescribed quality and durability. Joint physical verification with departmental officials of 670 works in 222 GPs/27 PSs was conducted in April-October 2017.

(a) In the seven test checked ZPs<sup>18</sup>, 40 works relating to construction of *talab/ talai/ bawdi/ nada/ nadi/ johad/ nala/ minor/ canal/ nahar/ anicut* were sanctioned between March 2008 and May 2016 and completed with an

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17. Zila Parishads: Jaipur: No. of works - 40 (delay 14 to 190 days), Barmer: No. of works - eight (delay 39 to 232 days), Dungarpur: No of works – 52 (delay 38 to 104 days) and Jodhpur: No. of works - 52 (delay 33 to 197 days).  
18. Barmer, Bhilwara, Dungarpur, Jaipur, Jalore, Jodhpur and Nagaur.

expenditure of ₹ 3.73 crore during the period from October 2012 to March 2017. During joint physical verification of 40 works (*Appendix-V*), the following irregularities were noticed:

- There were uneven ditch type pits in the *talab* which was unsafe.
- Stone pitching/safety wall works were not executed.
- Display boards at worksite were not available.

A few cases are detailed below:

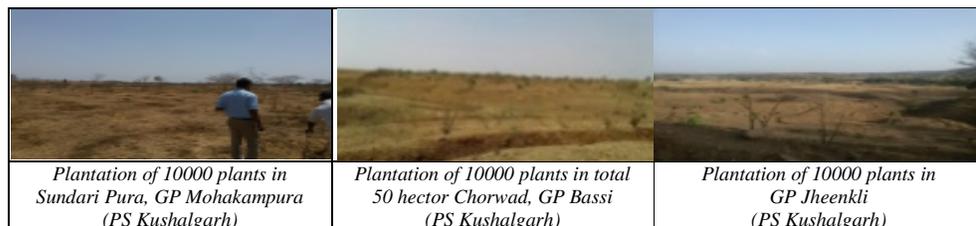
<b>Case 1: Gram Mundrahed, GP Haripura (PS Chaksu)</b>		
Name of work	<i>Talab Khudai Dayal Sagar Mundrahed</i>	
Sanctioned amount	₹ 9.97 lakh	
Expenditure	₹ 8.03 lakh	
Work completed on	6 July 2016	
Physical verification on	30 May 2017	
Remarks	One side of earthen wall ( <i>Pal</i> ) of <i>talab</i> was damaged which precluded the possibility of storing water in <i>talab</i> and thus objective of construction of <i>talab</i> was not achieved.	
<b>Case 2: GP Chatrpura (PS Asind), Bhilwara</b>		
Name of work	Construction of <i>Jal Sanrakshan Dhancha</i> at Border of Rampura	
Sanctioned amount	₹ 9.51 lakh	
Expenditure	₹ 4.92 lakh	
Work completed on	31 March 2017	
Physical verification on	14 September 2017	
Remarks	Only <i>Kuchcha Karya</i> was executed. There was no water in the structure and it did not has catchment area.	
<b>Case 3: GP Kumahariyawas (PS Chaksu)</b>		
Name of work	<i>Talab Khudai, Suraksha Diwar</i> and <i>Pattar Pitching</i> work	
Sanctioned amount	₹ 14 lakh	
Expenditure	₹ 8.68 lakh	
Work completed on	15 May 2013	
Physical verification on	13 June 2017	
Remarks	Only earth work was executed. <i>Patthar pitching</i> and <i>suraksha diwar</i> work was not executed. Also, there were uneven ditch type pits in the <i>talab</i> .	
<b>Case 4: GP Siwana, PS-Siwana</b>		
Name of work	Construction of <i>Rata Nadi</i> work in <i>Radia Wala</i>	
Sanctioned amount	₹ 12.79 lakh	
Expenditure	₹ 12.59 lakh	
Work completed on	March 2013	
Physical verification on	28 July 2017	
Remarks	The <i>nadi</i> was to be excavated to 4.5 meter depth; however, the excavation was done only upto 0.3 meter. Therefore, purpose of digging the <i>nadi</i> failed as there was no water in the <i>nadi</i> even in the monsoon season.	

<b>Case 5: GP Golia, PS-Siwana</b>		
Name of work	Digging of Khorishwar Nadi work	
Sanctioned amount	₹ 9.93 lakh	
Expenditure	₹ 9.67 lakh	
Work completed on	July 2015	
Physical verification on	26 July 2017	
Remarks	<i>Nadi</i> was constructed at the base of the mountain; however no structure was available at present as it appeared to have been washed away. Thus the purpose of construction of <i>nadi</i> for conservation of water was defeated.	

The GoR stated that (March 2018) directions have been issued to authority concerned for remedial action.

(b) Scrutiny of records of PS Kushalgarh revealed that three works of plantation (10,000 plants in each work) were sanctioned (July 2012) (included digging of pits, Planting, construction of check dam and maintenance of these plants) under MGNREGS for ₹ 0.99 crore<sup>19</sup> in GP Mohakampura, Bassi and Jheenkli and an expenditure of ₹ 0.43 crore<sup>20</sup> was incurred on digging pits and planting of plants. As of May 2017, even after a lapse of five years, these were being shown as ongoing by the Forest Department (implementing department).

It was observed that no plants had survived after lapse of five years, thereby defeating the very objective of the plantation.



The GoR stated that (March 2018) necessary directions have been issued to authority concerned.

(c) In ZP Chittorgarh, 10 works amounting to ₹ 2.64 crore (₹ 1.55 crore for PS, Dungla in May 2011 and March 2012 + ₹ 1.09 crore for PS, Rashmi in June 2011 and January 2014) were sanctioned on *Charagah* land for plantation of five types of fruits under '*Panchfal Yojana*'. The works included digging of pits, fencing, plantation, watering of plants and maintenance of plants and was to be completed in five years. An expenditure of ₹ 0.83 crore<sup>21</sup> was incurred in six plantations in PS, Dungla and four plantations in PS Rashmi as on March 2017. It was noticed that not a single fruit plant was available. Thus, even after a lapse of five years and an expenditure of ₹ 0.83 crore, the *Panchfal Yojana* was rendered unfruitful.

19. Gram Panchayats: Mohakampura (₹ 21.23 lakh-July 2012); Bassi (₹ 45.58 lakh-July 2012) and Jheenkli (₹ 31.92 lakh-May 2012).

20. Gram Panchayats: Mohakampura (Expenditure: ₹ 13.41 lakh (April 2016); Bassi (₹12.01 lakh-May 2014) and Jheenkli (₹ 17.52 lakh-May 2016).

21. Panchayat Samitis: Dungla (₹ 0.41 crore) and Rashmi (₹ 0.42 crore).

(d) Two works of “development of pasture (charagah) land” by plantation of trees amounting to ₹ 0.17 crore<sup>22</sup> were sanctioned between June 2013 and May 2015 in GP Bhimdiyawas and Chitamba (PS Mandal). The work was completed with an expenditure of ₹ 0.16 crore<sup>23</sup> in August 2016. It was noticed that the tree plantation works were not executed. The GoR stated that (March 2018) necessary directions have been issued.

(e) In ZP, Bhilwara and Jodhpur two works of ‘Construction of medbandi of charagah land’ costing ₹ 0.16 crore was sanctioned (May 2015) and completed (May 2016).

It was noticed that both works were damaged at various places and cattle were grazing inside the charagah (pasture land). Thus, purpose of construction of medbandi at charagah was not fulfilled after incurring an expenditure of ₹ 0.14 crore.

(f) In ZPs, Banswara and Jaipur, four works relating to construction of pucca floor, urine tank, fodder trough for cattle and goat shelter costing ₹ 4.74 lakh<sup>24</sup> were sanctioned (September 2013 to May 2017) at an expenditure of ₹ 3.31 lakh.

It was noticed that instead of pucca floor, urine tank and fodder trough for cattle, a room for residential purpose was constructed which was not allowed under MGNREGS. It was further noticed that construction of Goat Shelter was not constructed as per design. Moreover the constructed structure was used as a store room instead of goat shelter, which was not permissible under MGNREGS.



(g) In ZP, Bhilwara, Dungarpur and Jodhpur, 18 works relating to construction of gravel road costing ₹ 2.49 crore were sanctioned during March 2008 to October 2016 and completed with an expenditure of ₹ 1.50 crore during July 2012 to August 2017. It was noticed that gravel roads were encroached/blocked by farmers, and purpose of rural connectivity could not be

22. Gram Panchayats: Bhimdiyawas (₹ 9.17 lakh-June 2013) and Chitamba (₹ 8.48 lakh-May 2015).
23. Gram Panchayats: Bhimdiyawas: ₹ 8.13 lakh (April 2016) and Chitamba: ₹ 8.08 lakh (August 2016).
24. Panchayat Samitis, Anandpuri (two works) GP Chhaja (Construction of cattle shed Ganesh/Ganji: ₹ 1.50 lakh (September 2013) - Expenditure ₹ 1.38 lakh (June 2015), Construction of cattle shed Santu/Kapura - ₹ 1.50 lakh (September 2013) - Expenditure ₹ 1.37 lakh (June 2015) PS Chaksu - GP Jhapdha Kalan (Construction of cattle shed Panchuram/Gyarsa - ₹ 1.29 lakh (September 2016 - Expenditure ₹ 0.13 lakh (March 2017) PS Sanganer - GP Lakhana (construction of Goat Shelter Chunilal/Bodhuram- ₹ 0.45 lakh (March 2017) Expenditure - ₹ 0.43 lakh (May 2017).

achieved as envisaged in the Act. This indicates that department had not made required demarcation on the road land before the sanction.

	
<p><i>Construction work of Gravel road house of Shambu Lal Nai to Bhagora Chauarha via Lakshman/Kerang. (Date of completion: July 2012)</i></p>	<p><i>Construction work of gravel road from Ganesh nagarto PMJSY road Ramrakh Bhopaki Dhani tak GP Jamba (PS Bap) ZP Jodhpur-encroached/blocked by fencing (Date of completion October 2015)</i></p>

**(h)** In ZPs Bhilwara, Banswara, Barmer, Jalore, Jodhpur and Nagaur 27 works of construction of gravel roads costing ₹ 4.28 crore were sanctioned (March 2009 to December 2015) and completed (March 2013 to March 2017) with an expenditure of ₹ 1.31 crore.

It was noticed that only earth works was executed and no gravel was laid over it. Thus, expenditure ₹ 1.31 crore incurred on the earth work was wasteful and the purpose of connectivity was not achieved.

**(i)** Clause 17 of Schedule I of technical guidelines 2010, stipulates that gravel should be laid in 20 centimeter thickness and after compaction it should be 15 centimeter. In ZP Jalore and Nagaur, eight works for construction of gravel roads amounting to ₹ 0.97 crore were sanctioned (April 2010-March 2016) in PSs Chitalwana, Jayal and Makrana and completed (May 2013-July 2016) with an expenditure of ₹ 0.81crore.

In eight gravel roads (total length of 14,096 meter), against a total requirement of 8,810 cubic meter gravel, 11,331.55 cubic meter was shown as consumed in MBs. However, only 7,440.42 cubic meter material was used on the gravel roads. Thus, an excess consumption of 3,891.13 cubic meter (i.e. 11,331.55-7,440.42) gravel material was recorded in the MBs.

#### **2.1.8.5 Execution of non permissible works**

##### **(i) Construction of pucca boundary in the forest area**

Paragraphs 20 and 21 of Appendix of Technical Guidelines 2010 provide for construction of dry stone masonry wall for prevention of encroachment and illegal grazing in the forest area. GoR had further clarified (June 2015) that construction of *pucca* boundary wall in forest area should not be permitted under MGNREGS.

Scrutiny of records of PS Jaswantpura, ZP Jalore revealed that work of ‘eco-restoration and ground water conservation’ in forest range of Golana village, GP Kalapura was sanctioned (August 2014) for ₹ 40.71 lakh. Out of this ₹ 10.29 lakh was spent on construction of *pucca* boundary wall by the Forest Department in violation of technical guidelines.

**(ii) Gravel work alongside the canal**

GoR issued instructions (November 2010) that gravel work should not be permitted alongside the canals under MGNREGS. Scrutiny of records of PS Jaswantpura revealed that work of annual maintenance and repair of Bandi Sindhara dam worth ₹ 36.06 lakh was sanctioned (December 2012) in GP Thur. The sanction included ₹ 5.40 lakh for gravel work alongside the canal, out of which an expenditure of ₹ 3.64 lakh was incurred on laying of gravel alongside the canal. The aforesaid work was executed by Water Resources Department in violation of technical guidelines.

The GoR stated that (March 2018) necessary directions have been issued for action against the defaulting officials and for recovery.

**Conclusion**

*The works undertaken under MGNREGS were delayed as out of 15,77,141 works started upto the 2016-17, 5,84,321 works (37.05 per cent) were yet to be completed as of July 2017.*

*Joint Physical verification of durable assets created under MGNREGS by Audit teams along with departmental officials revealed numerous deficiencies in the construction of talabs, plantations, development of pasture lands, gravel roads etc,. This defeated the purpose of creation of durable assets through MGNREGS.*

**Recommendations**

6. *Government of Rajasthan should initiate measures for completion of incomplete works on priority basis and so that community can be benefited by these assets.*
7. *As creation of durable assets is beset by numerous deficiencies, GoR should initiate measures to ensure that high quality assets are created and maintained for durability.*

**Objective-4: Whether 100 days' guaranteed employment under the scheme was provided to adult members of every household and Unemployment Allowance and labour amenities were provided in accordance with the Act**

**2.1.9 Employment provided under MGNREGS**

The mandate of the Act was to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The position of registered households, active job cards and employment provided under MGNREGS in the districts, in the State during the year 2013-14 to 2016-17 was as shown in **Table 2.4** below:

**Table 2.4**

Year	HHs job cards		Per cent of total attendance between							Total attendance		Average person days per HH
	Registered	Active	1-10 days	11-20 days	21-30 days	equal to 100 days	(101-150) days	(101-150) days in Drought Effective Areas	Above 150 days	No. (in lakh)	No. (in lakh)	
	(in lakh)		HHs	HHs	HHs	HHs	HHs	HHs	HHs	HHs	Person days Generated	
2013-14	98.30	55.71	9.24	14.29	13.34	1.30	10.54	0.00	0.50	36.15	1,838.56	50.86
			<b>36.87</b>			<b>11.84</b>						
2014-15	98.46	53.12	10.17	15.16	13.67	5.05	2.55	0.00	0.03	36.86	1,685.83	45.74
			<b>39.00</b>			<b>7.60</b>						
2015-16	99.19	60.06	6.38	11.11	11.36	6.09	4.93	3.68	0.09	42.21	2,341.25	55.47
			<b>28.85</b>			<b>11.02</b>						
2016-17	95.50	60.77	5.65	10.62	11.39	3.31	5.87	5.72	0.03	46.35	2,596.82	56.03
			27.66			9.18						
<b>Average</b>						<b>9.91</b>						<b>52.02</b>

Source: MIS data on NREGASoft.

It is evident from the above table that:

- During the period 2013-14 to 2016-17, the overall average employment provided was just 52.02 days per household.
- Employment of 100 and more days was provided to just an average of 9.91 per cent households.

The GoR stated (March 2018) that MGNREGS is demand driven programme and work was provided as per demand. The reply is not convincing as 67 per cent beneficiaries of the surveyed 2,180 beneficiaries in 218 GPs stated that work was provided only as and when available and not when demanded (**Appendix-IV**). Thus adequate employment as demanded by the workers was in fact not being provided.

#### **2.1.9.1 Employment provided to Women beneficiaries under MGNREGS**

Schedule II of MGNREG Act provides that in the allocation of work priority shall be given to women in such a way that at least one third of the beneficiaries shall be women who have registered and requested for work. Scrutiny of MIS revealed that during the period 2012-17, the participation of women beneficiaries under the scheme was good and ranged between 67.03 per cent and 69.02 per cent with 36 and 43 average days employment being provided. Thus participation of women beneficiaries was significant in the State.

#### **2.1.9.2 Pending liabilities**

According to MIS data displayed on NREGASoft that there were pending liabilities of ₹ 704.37 crore on account of material bills and muster rolls/vouchers for 2012-17 as given in **Table 2.5** below:

Table 2.5

(Amount in ₹ crore)

Year	Number of muster roll (unskilled)	Amount	Number of material bills	Amount	Number of muster roll/voucher (Skilled/ Semi Skilled)	Amount	Total liability
2012-13	211	0.14	1,597	6.29	1,717	0.48	6.91
2013-14	2,016	0.46	2,973	9.78	4,068	1.37	11.61
2014-15	7,023	1.01	1,398	5.09	2,602	1.02	7.12
2015-16	36,538	5.56	1,187	4.07	2,894	1.15	10.78
2016-17	1,52,485	37.65	72,046	547.38	1,26,574	82.92	667.95
<b>Total</b>	<b>1,98,273</b>	<b>44.82</b>	<b>79,201</b>	<b>572.61</b>	<b>1,37,855</b>	<b>86.94</b>	<b>704.37</b>
<b>Per cent of total liability</b>		<b>6.36</b>		<b>81.30</b>		<b>12.34</b>	

Source: MIS data NREGASoft as on 19 April 2017.

During exit conference (March 2018) Secretary, RDD accepted that there are pending liabilities in respect of wage/material payment due to less allocation of budget.

### 2.1.9.3 Delayed payment and compensation

Paragraph 29 of schedule II of the MGNREG Act provides that the workers are entitled to receive 'delay compensation' at a rate of 0.05 per cent of the unpaid wages per day for the duration of the delay beyond the sixteenth day of the closure of the muster roll. Paragraph 4 of GoI guidelines (June 2014) provides that every PO shall decide whether the compensation that has been automatically calculated by NREGASoft, is payable or not within 15 days from the date of the delay compensation becoming applicable.

#### (i) Delayed payment to MGNREGS workers

Scrutiny of records of RDD and MIS data revealed that during the period 2013-17, there were inordinate delays in payment of wages to MGNREGS workers as 51.67 per cent of total payment of wages were delayed more than the prescribed period for payment as shown in Table 2.6 below:

Table 2.6

(₹ in crore)

Year	Delayed payment between								Total delayed payment		Total payment for financial year	
	15-30 Days		30-60 Days		60-90 Days		More than 90 Days					
	T	A	T	A	T	A	T	A	T	A	T	A
2013-14	58,61,376	620.70	63,98,443	682.31	22,42,454	239.77	11,33,126	123.85	1,56,35,399	1,666.63	1,83,52,057	1,959.66
2014-15	73,78,106	775.50	26,79,113	269.67	3,61,946	35.36	1,03,851	10.08	1,05,23,016	1,090.61	1,71,85,507	1,836.65
2015-16	94,82,781	1,103.68	24,10,528	269.55	4,05,988	44.83	4,22,303	49.04	1,27,21,600	1,467.10	2,32,11,254	2,718.47
2016-17	55,63,764	710.44	5,18,214	69.12	1,07,356	14.47	1,01,834	13.39	62,91,168	807.42	2,48,91,602	3,223.19
<b>Total</b>	<b>2,82,86,027</b>	<b>3,210.32</b>	<b>1,20,06,298</b>	<b>1,290.65</b>	<b>31,17,744</b>	<b>334.43</b>	<b>17,61,114</b>	<b>196.36</b>	<b>4,51,71,183</b>	<b>5,031.76</b>	<b>8,36,40,420</b>	<b>9,737.97</b>
<b>Per cent of total delayed payment</b>		<b>63.80</b>		<b>25.65</b>		<b>6.65</b>		<b>3.90</b>		<b>51.67</b>		

T: Transaction, A: Amount

Source: MIS data NREGASoft as on 20 April 2017.

A beneficiary survey conducted by Audit found that 64 per cent beneficiaries of the surveyed 2,180 beneficiaries in 218 GPs had not received wages within 15 days (Appendix-IV).

**(ii) Payment of compensation for delayed payment of wages**

As per MIS data displayed on NREGASoft, the compensation was automatically calculated by the NREGASoft. During 2013-14 to 2016-17, 98.38 *per cent* of total compensation payable amount was rejected by the POs. The reasons stated for rejecting the compensation amount listed on MIS were (i) Compensation not due (26.13 *per cent*) (ii) Insufficient Funds (2.93 *per cent*) (iii) Natural Calamity (41.78 *per cent*) (iv) Others (29.16 *per cent*) (*Appendix-VI*).

Reasons like “Natural Calamity” cited for rejection of compensation appears unfair and reason of “Others” was ambiguous as the Programme Officer had rejected the compensation without proper verification/evidence.

A beneficiary survey conducted by Audit found that 73 *per cent* beneficiaries had not received compensation for delay in wage payment (*Appendix-IV*).

The GoR stated (March 2018) that compensation is being paid on delayed payment as per rules. The reply is not convincing as compensation was arbitrarily rejected without proper verification/evidence.

**(iii) Delayed payment to beneficiaries in spite of introduction of NeFMS**

In order to streamline the system of fund releases and to avoid multiple levels of fund release an electronic Fund Management System (e-FMS), was introduced in MGNREGS. The implementing agency (GP/ Block), after due verification of the work and the muster rolls, generates an electronic Fund Transfer Order (FTO) to transfer the wages direct into the beneficiary accounts duly debiting the State level account. This electronic advice allows transfer of wages within 2 working days into the accounts of the beneficiaries. Although the funds are held centrally at State level, the decision to spend is taken at the field level.

It is observed that after introduction of NeFMS from 1 April 2016, though the overall position of delayed transactions decreased, still only 17.80 *per cent* FTOs were processed timely by crediting the wages within two working days of the issue of FTO into the accounts of the beneficiaries. Further, 23.55 *per cent* FTOs were paid between three to four days and 58.64 *per cent* FTOs were paid after 5 days of the prescribed limit of 48 hours.

**(iv) Compensation not paid for delayed payment of wages beyond generation of FTOs and till credit into account of beneficiary**

Paragraph 29 (1)(c) of Revised schedule II of MGNREG Act provides for compensation payable based on the closure of the muster roll and date of deposit of wages in the accounts of wage seeker. Scrutiny of records of Commissioner EGS revealed that compensation for delayed wage payment @ 0.05 *per cent* of the unpaid wages per day was not being paid for the period beyond generation of FTOs upto the date of deposit of wages in account of beneficiary. The GoR stated (March 2018) that responsibility is being fixed for officials/officers who were responsible for delayed payment.

#### **2.1.9.4 Payment of average wage rate to workers**

Every person working under the scheme is entitled to wages at the wage rate notified by the Central Government under Section 6(1) of the MGNREGA. Notified wage rates shall also be displayed prominently at the worksites.

However, as per paragraph 16.8 of Technical Guidelines 2010, action was to be taken in the case of average daily wage earned by the workers in any fortnight comes below ₹ 70<sup>25</sup>. It was observed in Audit that the average wage paid was less than ₹ 70 in 182, 284, 127 and 52 GPs during the year 2013-17 respectively. However, in all 27 test checked PSs, it was noticed that no action was taken by the higher authorities (i.e. by PO and DPC) to analyse the reasons for the same as prescribed in guidelines.

#### **2.1.9.5 Non issuing of pay slip to workers**

Paragraph 7.15 of Operational Guidelines 2013, prescribes that individual pay slips or wage slips should be given to each worker for increasing transparency in the implementation of program. Individual pay-slips shall be generated through NREGASoft along with pay-orders. Scrutiny of records of all 27 test checked PSs revealed that individual pay slips or wages slips were not generated through NREGASoft along with pay orders.

The GoR stated (March 2018) that the payment of wages is now being made/transferred to labourers bank account through NeFMS and therefore there was no necessity for issuing pay slip to workers. The reply is not convincing as Operational Guidelines 2013, prescribed that individual pay slips or wage slips should be given to each worker for increasing transparency in the implementation of program even when wages was being transferred into the accounts of the beneficiaries through the eFMS system.

#### **2.1.9.6 Unemployment allowance**

As per paragraph 3.5 of Operational Guidelines 2013 read with Section 7 of the Act, if an applicant is not provided employment within fifteen days of receipt of his/her application seeking employment, he/she shall be entitled to a daily unemployment allowance. Scrutiny of records and MIS report on NREGASoft, revealed that only in one case, unemployment allowance amounting to ₹ 1,564 was paid in GP-Sarot (PS–Bhim, ZP-Rajsamand) during 2015-16. The GoR stated (March 2018) that action is being initiated for payment of unemployment allowance.

However the fact remains that unemployment allowance was paid only in one case during 2012-17.

#### **2.1.9.7 Labour amenities and other entitlements**

According to paragraph 23 and 24 of Schedule II of MGNREG Act 2005, the facilities of safe drinking water, shade for workers and children, first-aid box

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25. Revised to ₹ 120 vide GoR letter dated 19<sup>th</sup> January 2016.

with adequate material for emergency treatment for minor injuries and other health hazards connected with the work being performed shall be provided at the work site.

**(a) Labour amenities and other entitlement to workers**

• **Worksite Facilities to workers:** Scrutiny of records as well as physical inspection at ongoing works revealed that out of 222 test checked GPs, in 220 GPs (two GPs did not provide records) only drinking water facility was being provided to workers at site and no other worksite facilities like shade for workers and children, first-aid box with adequate material for emergency treatment for minor injuries and other health hazards were provided.

The GoR stated (March 2018) that necessary directions have been issued for providing worksite facilities to labourers.

• **Perception of workers:** The MGNREGA provides a number of legal entitlements to rural workers through a series of provisions in the law. To ascertain the level of workers' satisfaction on the rights and entitlements provided under the Act, a detailed questionnaire was prepared and beneficiary survey was conducted during April to October 2017 by the Audit parties along with officials of GPs in 218 selected GPs covering 10 beneficiaries from each GP. The response received from the 2,180 workers as shown below:

**Beneficiary survey and response received (Entitlement-6)**

No.	Entitlement-6: Right to work site facility	
(i)	Medical Aid	100 per cent told that Medical aid facility was not provided at the worksite.
(ii)	Drinking Water	100 per cent told that Drinking Water facility was provided at the worksite.
(iii)	Shade	100 per cent told that Shade facility was not provided at the worksite.
(iv)	Crèche	100 per cent told that Crèche facility for children was not provided at the worksite.
(v)	Look after for Children Below Age of 5/6 years	100 per cent told no person was engaged for look after for Children below age of 5/6 years at the worksite.
(vi)	Insurance under Various Schemes	97 per cent told that they are not insured under any scheme for MGNREGA workers.

The response received from the beneficiaries also indicated lack of amenities like medical facilities, shade facilities, crèches for their children etc., which were not adequately provided to labourers.

**(b) Social security of MGNREGS workers**

Paragraph 8.9 of Operational Guidelines 2013 provides that MGNREGA workers who have worked for more than 15 days in the preceding financial year, are covered under the Janashree Bima Yojana (JBY) implemented by Ministry of Finance. Rashtriya Swasthya Bima Yojana (RSBY). DPCs and POs are required to make workers aware of these schemes. For RSBY, a list of workers/households that are entitled to this scheme is available in NREGASoft.

Scrutiny of records revealed that no information was available with Commissioner EGS regarding enrollment of MGNREGA workers under JBY/RSBY. Further in the eight test checked ZPs and 27 test checked PSs, no such information was available at district level and at block level. In the absence of such information, the compliance to the guidelines relating to provision of insurance cover to the workers could not be verified in Audit.

During exit conference (March 2018) Secretary, RDD stated that it will be ensured that required facilities are provided to workers at work site and carrying out social welfare activities as prescribed under the Act.

**Conclusion**

***Hundred days guaranteed employment and labour amenities***

*Average employment provided in the State was just 52.02 days per household. Employment of 100 and more days was provided to just an average of 9.91 per cent households. Employment provided to women beneficiaries was significant as it was an average of 68.20 per cent during the period 2012-17 and far above the prescribed level of 33.34 per cent.*

*Payment of wages and material amounting to ₹ 704.37 crore was pending. 51.67 per cent of payment of wages was delayed. The average wage earned per person per day was much lower than the notified average wage rate.*

*Unemployment allowance was paid only in one case during 2012-17 as dated receipts of work application were not being issued to workers. Labour amenities and other entitlements guaranteed to the workers were not being provided except drinking water facility.*

**Recommendations**

8. *Government of Rajasthan should analyse the reasons for low wage rates and take action to ensure that average wage earned by the workers is not below the wage rates notified by the GoI.*
9. *Government of Rajasthan should ensure that adequate labour amenities and entitlements are provided.*

**Objective-5: Whether financial and manpower management was effective**

**2.1.10 Financial management**

As per the MGNREGS guidelines, the share of GoI was 100 per cent of the cost for payment of wages for unskilled labourers & administrative expenses (upto six per cent of expenditure incurred under scheme) and 75 per cent of material cost. The State share was 25 per cent of material cost and 100 per cent of unemployment allowances & administrative expenses of SEGC. The financial progress of MGNREGS during the years from 2012-13 to 2016-17 is as shown in **Table 2.7** below:

**Table 2.7**

(₹ in crore)

Year	Status of State fund					Total expenditure
	Opening balance	Funds released during the year		Misc. income	Total availability of funds	
		Central	State			
2012-13	157.22	2,585.34	270.38	10.84	3,023.78	3,271.27
2013-14	76.99	2,059.43	299.91	11.51	2,447.84	2,624.73
2014-15	11.29	2,976.10	322.90	-	3,310.29	3,251.35
2015-16	101.24	2,695.83	223.42	-	3,020.49	3,267.38
2016-17	84.61	4,818.17	342.67	-	5,245.45	5,155.41
<b>Total</b>		<b>15,134.87</b>	<b>1,459.28</b>	<b>22.35</b>	<b>17,047.85</b>	<b>17,570.14</b>

Source: MIS report (financial statement).

### **2.1.10.1 Release of State share**

GoI releases funds to the states as per the projections made in the approved labour budget. The State Government should release its share within a fortnight of the date of release of the central assistance. From April 2014, State share was to be released with central assistance within three days from the date of receipt of these funds and in case of non transfer of funds the State Government would be liable to pay interest at the rate of 12 *per cent* for the period of delay beyond the specific period.

- During the period 2012-13 to 2016-17, against the GoI release of ₹ 11,963.33 crore<sup>26</sup>, GoR actually released ₹ 1,235.89 crore against a matching share of ₹ 1,532.06 crore resulting in short release of matching State share amounting to ₹ 296.17 crore.
- It was, however, observed in Audit that during 2012-13, there was delay ranging from 30 to 57 days in release of ₹ 141 crore State share. Further for the period 2014-17, the interest leviable for short release (₹ 228.34 crore)/ delayed release (₹ 199.67 crore) worked out to ₹ 44.02 crore.

During exit conference (March 2018) Secretary, RDD assured that financial issues would be examined.

### **2.1.10.2 Pending utilisation certificates**

As per General Financial & Accounting Rules Part-I, UCs would be necessary in case of grants released to PSs/ZPs. Further as per Finance and Accounts Guidelines 2011, funds provided to PO/IA are to be shown as an advance amount and would be adjusted on receipt of UCs.

Scrutiny of records of Commissioner, EGS revealed that UCs amounting to ₹ 72.56 crore were pending as of 31 March 2016, though it has been utilised by Implementing Agencies, UCs were yet to be furnished. Further, scrutiny revealed that out of ₹ 72.56 crore, ₹ 55.05 crore (75.86 *per cent*) were pending with 10 ZPs<sup>27</sup>.

26. Excluding GoI release through NeFMS during the year 2016-17 against wage payment.

27. Bundi: ₹ 4.28 crore, Chittorgarh: ₹ 3.99 crore, Dausa: ₹ 3.69 crore, Jhalawar: ₹ 4.99 crore, Karauli: ₹ 11.24 crore, Kota: ₹ 3.18 crore, Pali: ₹ 6.42 crore, Rajsamand: ₹ 4.29 crore, Tonk: ₹ 4.83 crore and Udaipur: ₹ 8.14 crore.

The GoR accepted the facts March 2018.

### 2.1.10.3 Unspent balances not transferred to MGNREGA account

(i) The National Food for Work Programme and Sampurna Gramin Rozgar Yojana (SGRY) were merged into MGNREGA in 2006 with all unutilised balances/resources and the works were to be completed as per NREGA guidelines. In February 2014, GoR directed all the DPCs to remit unspent balances lying with ZPs and line departments by transferring these funds into the State level MGNREGS account

Scrutiny of records of Commissioner, EGS revealed that:

- A sum of ₹ 4.28 crore<sup>28</sup> of SGRY was not transferred by nine districts as of 31 March 2016.
- A total of ₹ 57.40<sup>29</sup> crore unspent balances were lying with ZPs and line departments as of 31 March 2016.

During exit conference (March 2018) Secretary, RDD assured that matter will be examined and unspent balances lying with districts/line department/post offices will be transferred in the State Employment Guarantee Fund Account.

### 2.1.10.4 Non recoupment of administrative expenses/ other liabilities

(i) Scrutiny of records of Commissioner EGS revealed that following liabilities paid from the MGNREGS fund account during the year 2012-17 were to be borne by GoR which was yet to be recouped in the State Employment Guarantee Fund (SEGF) by making additional fund allotment as summarized in **Table 2.8** below:

**Table 2.8**

(₹ in crore)

Sl. No.	Liabilities of the State	Years					Total
		2012-13	2013-14	2014-15	2015-16	2016-17	
1.	Excess Material Component	116.19	82.96	139.74	58.96	-	397.85
2.	Amount spent on excess person days (more than days allowed by the GoI for any households)	4.80	109.82	7.05	4.87	0.29	126.83
3.	Administrative expenses	-	49.61	27.53	26.78	-	103.92

28. Ajmer: ₹ 0.28 crore, Baran: ₹ 0.007 crore, Bundi: ₹ 0.08 crore, Chittorgarh: ₹ 0.23 crore, Churu: ₹ 0.0003 crore, Jhalawar: ₹ 0.68 crore, Nagaur: ₹ 0.15 crore, Rajsamand: ₹ 0.52 crore and Udaipur: ₹ 2.33 crore.

29. ₹ 57.40: (A total ₹ 45.01 crore was pending with all 33 district as of 31 March 2016, which was showing as cash in the consolidated financial accounts of State certified by the Chartered Accountant of MGNREGS fund, A total ₹ 11.19 crore was pending with Post offices in 13 districts as of 31 March 2016 as per financial accounts certified by the Chartered Accountant of MGNREGS fund; and a total ₹ 1.20 crore was pending with Line departments in 12 districts as per CA reports as of 31 March 2016).

Sl. No.	Liabilities of the State	Years					Total
		2012-13	2013-14	2014-15	2015-16	2016-17	
4.	Other Liabilities	-	-	-	-	-	-
(i)	Unemployment allowance	-	-	-	0.00*	-	0.00*
(ii)	Compensation paid for delayed payment of wages	-	-	0.01	0.19	0.09	0.29
(iii)	Expenditure on SEGC	-	-	-	-	-	-
	<b>Total</b>	<b>120.99</b>	<b>242.39</b>	<b>174.33</b>	<b>90.80</b>	<b>0.38</b>	<b>628.89</b>
* Relates to ₹ 1,564 paid as unemployment allowance in one case during the period 2015-16.							
Source: Information provided by EGS, Commissioner.							

Thus ₹ 628.89 (₹ 103.92 + ₹ 524.97) crore was to be recouped in the SEGF by the State Government. GoR stated (March 2018) that the matter was under consideration for recoupment of excess administrative expenditure and other liabilities on the part of GoR.

### 2.1.11 Human resources management

As per Section 18 of the MGNREGA, 2005 the State Governments are mandated to make available to the District Programme Coordinator and Programme Officer, necessary staff and technical support as may be necessary for effective implementation of the scheme. Supporting staff could also be hired, on contractual basis, to provide professional services at the national as well as at the State level.

#### 2.1.11.1 Shortage of manpower

- Scrutiny of records of Commissioner EGS revealed that sanctioned posts, men-in-position and vacant posts at State/District/Panchayat Samiti and Gram Panchayat level were as of 7 July 2017 as shown in **Table 2.9** below :

**Table 2.9**

Level	Sanctioned	Men in position deputation/contract	Vacancy	Per cent vacancy
State Level	342	66	276	80.70
District Level	1,209	281*	928	76.76
Panchayat Samiti Level	7,978	3517**	4,461	55.92
Gram Panchayat Level	18,354	4,261***	14,093	76.78
<b>Total</b>	<b>27,883</b>	<b>8,125</b>	<b>19,758</b>	<b>70.86</b>
* Includes 170 posts filled on Contract basis.				
** Includes 3221 posts filled on Contract basis.				
*** Includes 4261 posts filled on Contract basis.				
Source: Information provided by EGS.				

The non-appointment of staff and giving the additional charge has impacts on effective implementation of scheme.

- **Appointment and Deployment of Barefoot Technician after Training**  
As per paragraph 16 of Schedule I of MGNREG Act, the State Government shall ensure that adequate technical personnel are deployed to complete measurement at worksite and suitable persons from the families of workers may be trained or skilled and deployed as Barefoot Technicians (BFTs).

Scrutiny of records of Commissioner EGS revealed that against the target of total 623 BFTs to be trained, 509 BFTs had completed training; out of which 457 BFTs were certified and 295 BFTs were deployed as of 27 September 2017. 162 certified BFTs were yet to be deployed in the identified clusters and 114 BFTs were yet to be provided training.

During exit conference (March 2018) Secretary, RDD stated that vacant posts would be filled up and clarified that deputation under MGNREGA of 7,765 posts of newly recruited LDC were cancelled by the Panchayati Raj Department vide order dated 30<sup>th</sup> May 2016. However, services of aforesaid LDC were being utilised continuously under MGNREGA.

#### ***2.1.11.2 District Human Resource Development and Capacity Building Unit***

As per paragraph 5.2.4 of Operational Guidelines 2013, a District Human Resource Development and Capacity Building Unit is to set up at District level, which comprises full-time dedicated resource persons who will act as master trainers for MGNREGS, providing training and field-based hand-holding support to block and sub-block implementation teams. Scrutiny of records of Commissioner EGS revealed that in all test checked ZPs, District Human Resource Development and Capacity Building Unit was not set up during 2012-17. The GoR stated (March 2018) that necessary directions have been issued to set up the District Human Resource Development and Capacity Building Unit.

#### ***2.1.11.3 Project for livelihoods in full employment***

Livelihoods in Full Employment (LIFE-MGNREGA) project was formulated for promoting self-reliance and improving the skill-base and thereby improving livelihoods of MGNREGS workers. The State Rural Livelihood Mission (SRLM)/State Nodal Skills Mission (SNSM) were to access NREGASoft and prepare a list of rural households whose members had completed at least 15 days of work under MGNREGS in previous Financial Year. Further it was also provided that priority shall be given to youth who had completed 100 days of work under MGNREGS in the previous Financial Year.

A survey of 1,91,568 households who had completed 100 days employment under MGNREGS in Financial Year 2014-15 was conducted at GP level and it was found that 1,19,090 households were interested in livelihood skilling, self employment and livelihood up-gradation. Accordingly GoI fixed target for skill development training for 1,49,625 youth.

The details of training conducted by Rajasthan Skill and Livelihoods Development Corporation (RSLDC), Rural Self Employment and Training Institutes (RSETI) and Rajasthan Grameen Aajeevika Vikas Prashid (RGAVP)/ SRLM were as shown in **Table 2.10** below:

**Table 2.10**

<b>Training provided for livelihood</b>							
<b>Choice for skilling</b>	<b>Workers interested in livelihood</b>	<b>Agency</b>	<b>Target fixed by GoI</b>	<b>Targets 2015-16</b>	<b>Training provided during 2015-16</b>	<b>Targets 2016-17* (Plus spillover of 2015-16)</b>	<b>Training provided during 2016-17</b>
Skilling for Wage	87,085	RSLDC	86,000	25,800	Nil	(7,079+25,800) 32,879	Nil (0.00%)
Skilling for Self Employment	36,841	RSETI	35,346	8,238	214 (2.60%)	(22,245+8,024) 30,269	5,299 (17.51%)
Livelihood Up-gradation	36,662	RGAVP/ SRLM	28,279	8,484	72 (0.85%)	(17,067+8,412) 25,479	2,042 (8.01%)
<b>Total</b>	<b>1,60,588</b>		<b>1,49,625</b>	<b>42,522</b>	<b>286</b> <b>(0.67%)</b>	<b>(46,391+42,236)</b> <b>88,627</b>	<b>7,341</b> <b>(8.28%)</b>
<i>Overall achievement 8.58 per cent* of total target upto March 2017.</i>							
<i>* Training provided : total targeted (2015-16) 42,522 + (2016-17) 46,391= 88,913 and total achievement (2015-16) 286 + (2016-17) 7,341 = 7,627 (7,627/88,913 x 100) = 8.58 per cent.</i>							
<i>Source: Information provided by EGS, Commissioner.</i>							

It was evident from the above Table that:

- During the years 2015-16 and 2016-17, only 286 (0.67 per cent) and 7,341 (8.28 per cent) youth were provided training respectively.
- No one was trained by RSLDC under the component 'Skilling for Wage' during the year 2015-16 and 2016-17.
- The overall achievement from the LIFE-MGNREGA project was just 8.58 per cent of total targets upto March 2017.

Thus, the aim of building sustainable livelihoods for the rural households by providing training for Livelihood has not been achieved so far through this project.

### **Conclusion**

#### **Financial Management**

*During 2012-17, ₹ 296.17 crore was short released by GoR and ₹ 199.67 crore was released with delays for which an interest amounting to ₹ 44.02 crore was leviable.*

*Further, UCs amounting to ₹ 72.56 crore was pending as of March 2016. An unspent balance of ₹ 61.68 crore lying with Zila Parishads, line department was not transferred to the scheme account.*

*A sum of ₹ 628.89 crore towards excess material components, excess person days, excess administrative cost, unemployment allowances and compensation for delayed payment of wages was not recouped in the State Employment Guarantee Fund by GoR.*

***Manpower Management***

*There were huge shortages of staff at the State/District/Panchayat Samiti and Gram Panchayat levels and as of July 2017, 70.86 per cent posts were lying vacant.*

*The aim of building sustainable livelihoods for the rural households has not been achieved so far as only 8.58 per cent of the willing youth could be provided with training for Livelihood.*

***Recommendations***

*10. The processes for adjustment of unspent balance with various implementing agencies needs to be streamlined.*

*11. Government of Rajasthan should immediately recoup the pending liabilities ₹ 628.89 crore to State Employment Guarantee Fund.*

**Objective 6: Whether mechanisms for monitoring of the scheme at different levels existed**

**2.12 Monitoring of the Scheme**

**2.1.12.1 Functioning of State Employment Guarantee Council**

The NREGA Act, 2005 mandates constitution of State Employment Guarantee Council (SEGC) and formation of separate rules<sup>30</sup> for holding of meetings and its procedure. Administrative Reform Department (GoR) had constituted SEGC (March 2006). The meetings of the SEGC was to be held at least two times in a year. Various duties and functions<sup>31</sup> were assigned to SEGC for implementation of scheme.

Scrutiny of records of Commissioner, EGS revealed that only two meetings (on 16 May 2012 and 5 July 2016) were held during the period 2012-13 to 2016-17 as against requirement of ten meetings. Though the annual reports on implementation of scheme during 2012-16 were prepared and submitted to the State Legislature, however, only annual report for the year 2015-16 was got approved in the SEGC meeting, which was a requirement.

30. Section 12 (2) provided that the terms and conditions subject to which the Chairperson and members of the State Council may be appointed and the time, place and procedure of the meetings (including the quorum at such meetings) of the State Council shall be such as may be prescribed by the State Government.

31. Duties and functions of SEGC include-(a) advising the State Government on all matters concerning the scheme and its implementation in the State;(b) determining the preferred works; (c) reviewing the monitoring and redressal mechanisms from time to time and recommending improvements;(d) promoting the widest possible dissemination of information about this Act and the schemes under it; (e) monitoring the implementation of this Act and the schemes in the State and coordinating such implementation with the Central Council; (f) preparing the annual report to be laid before the State Legislature by the State Government; (g) any other duty or function as may be assigned to it by the Central Council or the State Government.

**2.1.12.2 Formation of executive committee for assistance of SEGC and holding of its meeting**

Government of Rajasthan had made provisions in MGNREGS (July 2006) for appointment of Chairman and members of an Executive Committee for assistance of SEGC. Further, meetings of executive committee, which was headed by the Additional Chief Secretary, were to be conducted every three months or as decided by the Council as per need. Scrutiny of records of Commissioner, EGS revealed that no meeting of the executive committee was organized during the period 2012-17. Constraints in holding the meetings need to be analysed and action taken as these meetings are essential for effective monitoring.

During exit conference (March 2018) Secretary, RDD assured that efforts will be made for timely meetings of SEGC as well as Executive Committee for assistance of SEGC.

**2.1.12.3 Social Audit**

Social Audit was formally brought into MGNREG Scheme through the 'MGNREG Audit of Scheme Rules, 2011'. Conduct of Social Audit by Gram Sabha, once in six months, is mandatory as per Section 17 of the MGNREG Act. Accordingly, GoR formulated detailed Social Audit guidelines during 2012 for effective implementation of the scheme and delegation of responsibilities to various functionaries. The objective of Social Audit was to ensure public accountability in the implementation of projects, laws and policies.

**(i) Shortfall in Social Audit**

As per rule 3 of MGNREG Audit of Scheme Rules 2011, the State Government shall facilitate conduct of Social Audit of the works taken up under the MGNREG Act in every GP at least once in six months. Details of Social Audit conducted were shown in **Table 2.11** below:

**Table 2.11**

Year	Total no. of GPs	No. of Social Audit to be done	I-Phase Social Audit Gram Sabha conducted	II-Phase Social Audit Gram Sabha conducted	Shortfall	Percentage of shortfall
2012-13	9,177	18,354	-	867	17,487	95.28
2013-14	9,177	18,354	7,976	-	10,378	56.54
2014-15	9,177	18,354	8,649	8,433	1,272	6.93
2015-16	9,894	19,788	9,102	9,237	1,449	7.32
2016-17	9,894	19,788	9,324	8,923	1,541	7.79

*Source: Information provided by Director, Social Audit.*

Though there was an increasing trend in conduct of Social Audit during the 2012-17, however, 7.79 per cent GPs still remained uncovered by Social Audit in the year 2016-17.

**(ii) Quality of Social Audit Reports**

- Scrutiny of records revealed that in 141 out of 222 test checked GPs where SAU reports were made available, very few observations were noticed by SAU during conduct of Social Audit and work of GP was generally found satisfactory, inspite of numerous flaws being there in the implementation of the scheme.

Further it was also noticed that:

- As per Social Audit Guidelines 2012, Director, Social Audit would be responsible for uploading Social Audit reports within seven days on NREGASoft website. Social Audit reports were not being uploaded on the NREGASoft website.
- As per rules 3 (2) of MGNREG Audit of Scheme Rules 2011, a summary of findings of Social Audit conducted during a financial year was to be submitted by the State Government to the Comptroller and Auditor General of India. These reports were not being sent to Comptroller and Auditor General of India during the period 2012-17.

During exit conference (March 2018) Secretary, RDD assured that efforts will be made to improve quality of Social Audit reports.

**2.1.12.4 Grievance redressal mechanism**

Section 23(6) of MGNREG Act stipulates that the PO shall enter every complaint in a complaint register maintained by him and shall dispose of the complaints within seven days of its receipt.

**Delay in disposal of complaints**

Though as per MGNREGA, complaints/disputes were to be disposed of within seven days, the “Rajasthan Sampark”<sup>32</sup> website only showed information regarding disposal within 15 days and beyond. The position of complaints registered through “Rajasthan Sampark” in respect of MGNREGS was as of 7 July 2017 as shown in **Table 2.12** below:

**Table 2.12**

Year	Received	Disposed	Pending	Disposed within time limit (15 days)	Disposed Beyond time limit (in months)					Per cent
					One	Three	Six	Above Six	Total	
2014-15*	159	159	Nil	18	36	53	23	29	141	88.68
2015-16	129	127	2	19	37	42	17	12	108	85.04
2016-17	5,180	5,042	138	1,198	1,850	1,297	567	130	3,844	76.24
<b>Total</b>	<b>5,468</b>	<b>5,328</b>	<b>140</b>	<b>1,235</b>	<b>1,923</b>	<b>1,392</b>	<b>607</b>	<b>171</b>	<b>4,093</b>	<b>-</b>
<b>Per cent</b>			<b>2.56</b>							<b>76.82</b>

\* from June 2014.

Source: Information provided by EGS, Commissioner.

32. “Rajasthan Sampark” has been implemented through Department of IT and Communications as an online grievance redressal mechanism to ensure proper service to the citizens.

It is evident from the above table that average 76.82 *per cent* complaints were not disposed of within the prescribed time limit. In the beneficiary survey conducted by Audit it was found that 68 *per cent* of the surveyed beneficiaries were not aware of the grievances redressal mechanism as well as help line numbers (*Appendix-IV*). Besides offline complaints were also received by the Commissioner EGS. A total 730 complaints<sup>33</sup> were received offline during the year 2012-17, out of which total 326 complaints<sup>34</sup> were pending as of 7 July 2017.

#### ***2.1.12.5 Appointment of ombudsman and formation of appellate authority***

As per Section 30, Schedule I of the MGNREG Act, the States are mandated to appoint an Ombudsman for each district for receiving grievances, enquiring into and passing awards. Further, paragraph 13.4 of GoI guidelines (January 2014) provides that Appellate Authority was also to be set up to consider representation by any party aggrieved by the awards of Ombudsman.

The status of Ombudsman during 2012-13 to 2016-17 was 7,19,20,16 and 15 respectively out of 33 districts. Further, GoR had also not set up Appellate Authority so far to consider representation by any party aggrieved by the awards of Ombudsman as required in guidelines.

During exit conference (March 2018), Secretary, RDD assured that efforts will be made for timely redressal of complaints and to appoint ombudsman in every district.

#### ***2.1.12.6 Periodical inspection***

During the period 2012-13 to 2016-17, scrutiny of records revealed that:

- (i) In all 27 test checked PSs inspection reports and monitoring register of works were not maintained for the years 2012-17.
- (ii) In all eight test checked ZPs, neither record of constitution of internal quality supervision team was available nor uploaded on NREGASoft. Therefore Internal Quality Management was not done as prescribed in the guidelines during the period 2012-17.
- (iii) In all eight test checked ZPs, State Quality Monitors for each district were not appointed at ZP level during the year 2012-17.

The GoR stated (March 2018) that matter is being reviewed.

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33. 226, 63, 213, 188 and 40 complaints during the year 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 respectively.

34. 18,17,124,150 and 17 complaints lying pending for the year 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 respectively.

**Conclusion:**

**Social Audit, Grievance and Inspections**

*The duties and functions of State Employment Guarantee Council for advising GoR for implementation of scheme were not being performed properly.*

*Further, in spite of numerous flaws being there in the implementation of the scheme, very few observations were noticed during the conduct of Social Audit. Also, Social Audit reports were not being uploaded on the NREGASoft website.*

*The grievance mechanism was not effective as 76.82 per cent complaints were not disposed of within the prescribed time limit. Further there were shortages in the number of Ombudsmen appointed for receiving grievances, enquiring into and passing awards.*

*Neither were periodical inspections of works carried out by administrative/technical officers nor were inspection reports & monitoring register of works maintained.*

**Recommendations**

- 12. Government of Rajasthan should ensure timely meetings of SEGC in order to ensure effective implementation of the scheme.*
- 13. The Grievance Redressal Mechanism should be made more effective by disposing of complaints in the prescribed time frame and also by ensuring appointment of Ombudsman in each district.*
- 14. Government of Rajasthan should ensure that periodical inspection of MGNREGS works are carried out by the administrative/technical officials, internal and external monitors to strengthen the implementation and execution of the scheme.*

**2.1.13 Conclusion**

*The basic objective of Mahatma Gandhi National Rural Employment Guarantee Act” (MGNREGA) is enhancement of livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to any rural household whose adult members volunteer to do unskilled manual work on demand.*

*Results of the Performance Audit conducted revealed that the planning for implementation of the scheme was not effective as there were delays in the planning process at all levels, bottom up approach to planning was not followed and there was lack of convergence with other line departments. Though job cards were being provided, they were not being renewed and eligible households who had missed out and wished to be registered were not identified. The allocation of employment was not effective as workers were not intimated when work allocation was made in their favour. Further*

*unemployment allowance was paid only in one case during 2012-17 as dated receipts of work application were not being issued to workers.*

*Many of the works executed under the scheme were delayed and there were deficiencies in the creation of durable assets. The overall average employment provided in the State was just 52.02 days per household and this was far below the 100 days guaranteed employment. Further, labour amenities and other entitlements guaranteed to the workers were not being provided except drinking water facility.*

*Financial management was weak as State share was delayed/short released and huge sums of money on account excess material component etc., were not recouped into the State Employment Guarantee Fund. There were also huge shortages of staff at all levels and as of July 2017, 70.86 per cent posts were lying vacant. In spite of numerous flaws being there in the implementation of the scheme, very few observations were noticed during the conduct of Social Audit. The grievance mechanism was not effective as 76.82 per cent complaints were not disposed of within the prescribed time limit. Further, periodical inspection of works was not carried out.*

*The findings discussed above and the beneficiary survey conducted points to the fact that the workers were not being provided their entitlements satisfactorily in the case of eight out of 10 entitlements i.e. (2) Right to demand and receive work within 15 days, (3) Right to Unemployment Allowance, (4) Right to plan and prepare a shelf of projects, (6) Right to work site facilities, (7) Right to notified wage rate, (8) Right to receive wage within 15 days, (9) Right to receive compensation for delay in wage payment and (10) Right to time bound redressal of grievances, Social Audits.*

*Considering the deficiencies in the functioning of MGNREGS at the ground level, Government of Rajasthan may analyze the reasons for non-compliance keeping in view the practical difficulties being faced by the department in the implementation of the Scheme.*

## **COMPLIANCE AUDIT**

### **Rural Development Department**

#### **2.2 Magra Area Development Scheme**

##### **2.2.1 Introduction**

Magra Area Development Scheme (MADS) was introduced (August 2005) for socio-economic development of the Magra Area. The main objectives of the MADS were to create opportunity of employment with socio-economic and basic infrastructural development. 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 as per the revised guidelines issued (March 2015).

The Rural Development and Panchayati Raj Department (RD&PRD) is the administrative department and 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) is the nodal agency for implementation of the scheme.

Magra Area Development Scheme is being implemented in 14 Panchayat Samitis (PSs)<sup>35</sup> of five districts of three zones<sup>36</sup> of the State. Implementation of the MADS for the period from 2012-13 to 2016-17 was conducted by the test check of records during April to September 2017 in the selected units. Out of five districts, three districts i.e. Bhilwara, Pali and Rajsamand were selected on the basis of expenditure. Further, six Panchayat Samitis<sup>37</sup> (50 per cent) were selected randomly and 60 Gram Panchayats<sup>38</sup> (25 per cent) were selected on the basis of number of works executed by them, for Audit.

### Audit findings

#### 2.2.2 Planning

Scrutiny of records of Rural Development Department (RDD) and test checked ZPs, PSs and GPs revealed that no Holistic Village Development Action (HVDA) plan was prepared duly identifying the infrastructure gaps in Magra Area. Further, Prospective Plan, Drainage Plan including Detailed Project Report/Consolidated Project Report was also not prepared as envisaged in the MADS guidelines. RDD accepted the facts and stated (April 2017) that the Finance Department did not sanction administrative expenditure for this purpose.

#### 2.2.3 Financial management

The scheme was 100 per cent funded by the GoR. As per MADS, 50 per cent of the funds of budget allocation were to be allocated annually to every district on the basis of number of families living Below Poverty Line (BPL) and 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

35. **District, Ajmer:** Jawaja and Masuda, **Bhilwara:** Asind, Mandal and Raipur, **Chhitorgarh:** Nimbahera; **Pali:** Marwar Junction, Raipur and **Rajsamand:** Amet, Bhim, Devgarh, Khamnor, Kumbalgarh and Rajsamand.
36. **Zone, Ajmer:** Ajmer and Bhilwara, **Jodhpur:** Paliand **Udaipur:** Chhitorgarh and Rajsamand.
37. Panchayat Samiti: Asind and Mandal (Bhilwara district), Marwar Junction (Pali district) and Bhim, Devgarh and Rajsamand (Rajsamand district).
38. **Panchayat Samiti, Asind:** 10 GPs (Badanor, Bhadasi, Bhojpur, Chainpura, Chatarpura, Jalariya, Katar, Mogar, Ojhiyana and Ratanpura (Bha)); **Bhim:** 10 GPs (Baghana, Bali, Barar, Bhim, Dungar Khera, Kooker Khera, Kusalpura, Sameliya, Thaneta and Togi); **Devgarh:** 10 GPs (Aanjana, Jiran, Kaleshariya, Kundwa, Mad, Narana, Pardi, Sangawas, Swadari and Tal); **Mandal:** 10 GPs (Bhabhana, Dhuwala (K), Goverdhanpur, Kareda, Motaka Khera, Nareli, Nimabaheda Jatan, Senunda, Shivpur, and Umari); **Marwar Junction:** 10 GPs (Bansor, Bhagoda, Bornadi, Borimada, Chokadiya, Jhinhadi, Kantaliya, Phulad, Saran and Siriyari) and **Rajsamand:** 10 GPs (Baman Tukara, Bhana, Bhatoli, Bhawa, Boraj, Farara, Mahasatiyo ki Madri, Mundol, Pasoond and Peepali Achariyan).

State<sup>39</sup>. Release of first installment of 50 per cent was to be made within the first month of the financial year and second installment was to be made after submission of Utilisation Certificates (UC) of 90 per cent funds released during previous year and 60 per cent of the current year. In this regard, the following points were observed:

### 2.2.3.1 Utilisation of funds

(i) The position of annual funds released and expenditure incurred during 2012-17 at the State level is given in **Table 2.13** below:

**Table 2.13**

(₹ in crore)

Year	Opening Balance	Funds released during the year		Total available funds	Expenditure	Closing Balance	Percentage of expenditure against total available funds
		GoR	Misc. Receipts				
2012-13	21.1	20.00	0.02	41.12	1.56	39.56	3.79
2013-14	39.56	50.00	0.04	89.60	24.26	65.34	27.08
2014-15	65.34	49.65	0.03	115.02	16.83	98.19	14.63
2015-16	98.19	38.66	0.04	136.89	34.47	102.42	25.18
2016-17	102.42	44.03	0.01	146.46	56.17	90.29	38.35
<b>Total</b>		<b>202.34</b>	<b>0.14</b>		<b>133.29</b>		<b>21.81</b>

During the period 2012-17 expenditure ranged between 3.79 per cent and 38.35 per cent. This resulted in unspent balances of ₹ 90.29 crore remaining unutilised at the end of March 2017.

The position in test checked ZPs of funds allotted and expenditure incurred during 2012-17 is given in **Table 2.14** below:

**Table 2.14**

(₹ in crore)

Year	Opening Balance	Funds released during the year		Total available funds	Expenditure	Closing Balance	Percentage of expenditure against total available funds
		GoR	Misc. receipts				
2012-13	19.45	17.97	0.02	37.44	0.78	36.66	2.08
2013-14	36.66	44.93	0.04	81.63	20.95	60.68	25.66
2014-15	60.68	44.62	0.01	105.31	13.43	91.88	12.75
2015-16	91.88	34.37	0.01	126.26	29.08	97.18	23.03
2016-17	97.18	39.65	0.00	136.83	52.63	84.20	38.46
<b>Total</b>		<b>181.54</b>	<b>0.08</b>		<b>116.87</b>		<b>20.40</b>

*Source: Information provided by RDD.*

During the period 2012-17, the expenditure ranged between 2.08 per cent and 38.46 per cent. Huge unspent balances of amounting to ₹ 84.20 crore remained unutilised at the end of March 2017.

The ZP Bhilwara, Pali and Rajsamand stated (May-August 2017) that under utilisation was due to slow progress of works and non-submission of UC/CCs

39. (State literacy rate - District literacy rate) x Number of GPs in District x 100 / Total allocation of fund.

**(ii) Submission of UCs/CCs and release of second installment:**

Scrutiny of records of ZP Bhilwara, Pali and Rajsamand revealed that UCs/CCs were outstanding for an amount of ₹ 48.92 crore<sup>40</sup> as of March 2017. Despite this, second installment amounting to ₹ 19.15 crore was released to five districts<sup>41</sup> without obtaining UCs in violation of the provisions of GKN guidelines.

RDD stated (April 2017) that it was essential to release second installment for completion of ongoing works. The reply is silent regarding the need to obtain UCs as provided in the guidelines.

**(iii) Diversion of funds:** Against the allocation of funds amounting to ₹ 99.17 crore<sup>42</sup> reserved for basic infrastructures, no expenditure was incurred. However an amount of ₹ 4.84 crore was allotted from these funds in 2015-16 and 2016-17 for construction of water harvesting structure works under the *Mukhyamantri Jal Swavlamban Abhiyan* (MJSA), which was a separate GoR funded scheme. RDD confirmed (April 2017) diversion of funds to MJSA.

**(iv) Non implementation of eFMS:** According to paragraph 11.4 of revised guidelines 2015 electronic Fund Management System (eFMS) is required for financial control for implementation of the scheme and required training would be imparted at State, District and Block level. Scrutiny of records of RDD, selected ZPs, PSs and GPs revealed that neither arrangement of eFMS for financial control existed at State, District and Block level nor training was imparted.

**(v) Unadjusted advances:** Rule 215(2) of RPRR 1996 envisaged that an advance amount given for works or other purposes would be adjusted within three months. Scrutiny of records of RDD revealed that advance amounting to ₹ 44.11 crore<sup>43</sup> released to implementing agencies for execution of works remained outstanding as of March 2017. The RDD accepted the facts and stated (May 2017) that directions for adjustment of advances have been issued to respective ZPs.

#### 2.2.4 Execution

The annual plan (includes works to be executed) of GP was submitted to PS and consolidated annual plan of PS, further, forwarded to ZPs for administrative and financial sanction. The annual plan was to be approved by the concerned ZP.

40. Rajsamand: ₹ 26.13 crore, Bhilwara: ₹ 16.63 crore and Pali: ₹ 6.16 crore.

41. Ajmer: ₹ 1.11 crore, Bhilwara: ₹ 2.70 crore, Pali: ₹ 2.70 crore, Rajsamand: ₹ 11.43 crore and Chittorgarh: ₹ 1.21 crore.

42. 2015-16: ₹ 49.67 crore and 2016-17: ₹ 49.50 crore, an amount of ₹ 19.83 crore (2015-16: ₹ 9.93 crore and 2016-17: ₹ 9.90 crore).

43. Zila Parishads, Ajmer: ₹ 1.35 crore, Bhilwara: ₹ 8.68 crore, Chhitorgarh: ₹ 0.23 crore, Pali: ₹ 5.38 crore and Rajsamand: ₹ 28.47 crore.

### **2.2.4.1 Physical performance**

During 2012-17, in 241 GPs of the test checked districts, 4,772 works amounting to ₹ 195.46 crore were sanctioned. Out of 4,772 sanctioned works, information of 4,716 works amounting to ₹ 194.53 crore was provided by the test checked ZPs, Bhilwara, Pali and Rajsamand.

During 2012-17, 2,272 works for ₹ 91.81 crore<sup>44</sup> (48 per cent) were sanctioned for rural connectivity followed by 829 works of ₹ 39.15 crore<sup>45</sup> (17 per cent) for Health, 738 works of ₹ 29.37 crore<sup>46</sup> (16 per cent) for Education & Medical, 454 works of ₹ 21.10 crore<sup>47</sup> (10 per cent) for Sanitation, 56 works of ₹ 1.29 crore<sup>48</sup> (one per cent) for Energy and 367 works of ₹ 11.81 crore<sup>49</sup> (eight per cent) for other activities. It was observed that in the three test checked ZPs of Bhilwara, Pali and Rajsamand:

(i) Out of 4,772 works sanctioned during 2012-17, 1,493 works (31.29 per cent) valued to ₹ 76.43 crore were incomplete. The physical performance of the other two Magra Area districts (ZP Chhitorgarh and Ajmer) was not provided by RDD though called for (April 2017). Test checked ZPs stated (May-August 2017) that the works remained incomplete due to slow progress of works and non-submission of UC/CCs.

(ii) In ZP Bhilwara and Rajsamand 90 works for setting up of solar lights, construction of CC road/boundary wall, Aanganwadi center etc., amounting to ₹ 2.71 crore<sup>50</sup> sanctioned by concerned ZPs during the period 2012-16 were subsequently cancelled due to complaints, disputed work site, works executed in other schemes, issue of double sanction and technical problems etc.

(iii) In ZP Bhilwara, Pali and Rajsamand, 591 works<sup>51</sup> were sanctioned by concerned ZPs during the year 2012-16 were lying incomplete even after lapse of stipulated period of completion of nine months despite incurring an expenditure of ₹ 23.47 crore, as of March 2017. The ZP Bhilwara, Pali and Rajsamand stated (April-August 2017) that works remained incomplete due to slow progress.

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44. **Rural connectivity** – (2,272 works ₹ 91.81 crore): ZPs, Bhilwara (744 works: ₹ 28.62 crore), Pali (196 works: ₹ 9.92 crore) and Rajsamand (1,332 works: ₹ 53.27 crore).
45. **Health** – (829 works: ₹ 39.15 crore): ZPs, Bhilwara (307 works: ₹ 10.69 crore), Pali (60 works: ₹ 3.15 crore) and Rajsamand (462 works: ₹ 25.31 crore).
46. **Education & Medical** – (738 works: ₹ 29.37 crore): ZPs, Bhilwara (191 works: ₹ 7.84 crore), Pali (42 works: ₹ 1.78 crore) and Rajsamand (505 works: ₹ 19.75 crore).
47. **Sanitation** – (454 works: ₹ 21.10 crore): ZPs, Bhilwara (81 works: ₹ 3.64 crore), Pali (119 works: ₹ 6.11 crore) and Rajsamand (254 works: ₹ 11.35 crore).
48. **Energy** – (56 works: ₹ 1.29 crore): ZPs, Bhilwara (50 works: ₹ 1.13 crore) and Pali (6 works: ₹ 0.16 crore).
49. **Other activity** – (367 works: ₹ 11.81 crore): ZP Bhilwara (182 works: ₹ 5.49 crore), Pali (21 works: ₹ 0.94 crore) and Rajsamand (164 works: ₹ 5.38 crore).
50. Zila Parishads, Bhilwara (32 works): ₹ 0.94 crore and Rajsamand 2012-13 (23 works): ₹ 0.70 crore, 2013-14 (nine works): ₹ 0.24 crore, 2014-15 (19 works): ₹ 0.51 crore and 2015-16 (seven works): ₹ 0.32 crore.
51. Zila Parishads, Bhilwara (136 works): ₹ 5.72 crore, Pali (101 works): ₹ 4.62 crore and Rajsamand (354 works): ₹ 13.13 crore

(iv) In ZP Rajsamand in contravention of guidelines, five works<sup>52</sup> amounting to ₹ 61 lakh were sanctioned by concerned ZPs at Amet, which was not covered under village or GP notified in the guidelines during 2016-17. The ZP Rajsamand stated (April 2017) that the works were sanctioned as per approved plan. The reply is not convincing as the works were sanctioned outside the ambit of the Scheme.

(v) In ZP Bhilwara, Pali and Rajsamand 29 works of Cement Concrete road/Paver Interlocking Block road along with drains were sanctioned at the cost of ₹ 1.29 crore<sup>53</sup>. Though the aforesaid 29 road works had provisions of drains in the estimates, these works were completed with an expenditure of ₹ 1.23 crore<sup>54</sup> without constructing drains along with the roads.

(vi) In ZP Rajsamand nine works of construction of CC roads were sanctioned worth ₹ 46 lakh<sup>55</sup> (August 2013-December 2014) with a provision of providing CC in two layers of CC 1:4:8/1:3:6 and CC 1:2:4 was made in the sanctioned estimate. As per measurement book (MB) only one layer of CC 1:2:4 was laid instead of two layers by increasing the length (three roads), width and thickness (six roads) of CC roads. The ZP Rajsamand did not furnish any reply.

#### 2.2.4.2 Joint physical verification of works

Out of total 1,604 works, in test checked 60 GPs, 292 works<sup>56</sup> were physically verified (May-September 2017) by Audit with Junior Engineer (JEN)/Junior Technical Assistant (JTA) and Secretary of GPs. Audit findings are discussed below:

##### (a) Payment for unexecuted items

In ZP Bhilwara and Rajsamand, five works relating to construction of CC roads with drain/CC block/Paver interlocking block road costing ₹ 27.50 lakh were sanctioned by concerned ZP between the period August 2013 and December 2014 with a provision in the estimate of laying CC in two layers. These road works were completed with an expenditure of ₹ 27.33 lakh. Payments were made for Precast Cement concrete (base layer for CC block road) not actually executed amounting to ₹ 9.63 lakh in five works as detailed in **Appendix-VII**. The work completion certificate was issued by PS Bhim, Devgarh, Mandal and Rajsamand after evaluation of work by the then JEN/JTA and Secretary of GPs. Similarly in ZP Bhilwara, Pali and Rajsamand, eight works relating to construction of CC roads with drain/CC block/ Paver interlocking block road amounting to ₹ 49 lakh were sanctioned

52. Construction of boundary wall (two works): ₹ 7 lakh and construction of shop (three works): ₹ 54 lakh.

53. Zila Parishads, Bhilwara (eight works): ₹ 0.37 crore and Pali (six works): ₹ 0.37 crore and Rajsamand (15 works): ₹ 0.55 crore.

54. Zila Parishads, Bhilwara (eight works): ₹ 0.36 crore, Pali (six works): ₹ 0.34 crore and Rajsamand (15 works): ₹ 0.53 crore.

55. PSs, Bhim (five works): ₹ 33 lakh, Kumbhalgarh (three works): ₹ 11 lakh and Khamnor (one work): ₹ 2 lakh.

56. 292 works: (ZPs Bhilwara- 120 works, Rajsamand: 131 works, Pali: 41 works).

(August 2013 to August 2015) and completed with an expenditure of ₹ 47.81 lakh during September 2013 to June 2016. Irregular payment of ₹ 8.49 lakh was made for the items which were not executed though recorded in the MBs as indicated in **Appendix-VIII**.

No reply has been furnished by the PS Asind, Bhim, Devgarh, Mandal, Marwar Junction and Rajsamand though called for (June-September 2017).

**(b)** In ZP Rajsamand eight works of CC road with drain/CC block/Paver interlocking block road amounting to ₹ 53 lakh were sanctioned (August 2013 to August 2015) and completed with expenditure of ₹ 52.64 lakh (January 2014 to January 2016). It was revealed that the length of road recorded in the Measurement Book was much higher than the quantity actually executed as detailed in **Appendix-IX** resulting in irregular payment of ₹ 12.94 lakh.

On this being pointed out, PS Bhim, Devgarh and Rajsamand did not furnish reply though called for (May-September 2017).

**(i) Non-utilisation of assets created**

**(a)** In ZP Bhilwara and Rajsamand 17 works of construction of Ayurveda and Library Building/Government Sub-Health Centers/Public Toilets/Bathrooms and Community Centre etc., worth ₹ 0.90 crore were sanctioned in February 2012 to June 2015 and completed with an expenditure of ₹ 0.84 crore in January 2013 to March 2017 (**Appendix-X**).

It was observed that these Ayurveda and Library Building/Government Sub-Health Centers/Public Toilets/Bathrooms and Community Centre were lying unutilised resulting in unfruitful expenditure.



**(b)** In ZP Bhilwara, Pali and Rajsamand seven works for construction of Ground Level Reservoir (GLR)/Water Tank with laying and jointing of pipeline worth ₹ 24 lakh were sanctioned in (September 2013-September 2016) and completed with an expenditure of ₹ 22.91 lakh in (December 2013-December 2016). Details are given in **Appendix-XI**.

It was noticed that GLRs/Water Tanks were constructed without assuring the water source and hence lying unutilised since construction.

**(c)** A work of Lift Irrigation Scheme with 'motor tank' connection and GLR worth ₹ 8 lakh in (GP Senuda, PS Mandal) ZP Bhilwara was sanctioned in September 2013. An amount of ₹ 5 lakh was incurred on construction of GLR and laying of pipelines upto July 2017. Lift irrigation scheme was lying

idle due to non installation of submersible motor pump set. The reason for non installation of submersible motor pump set was not furnished by PS Mandal though called for (September 2017).

(d) In GPs Bornadi, Borimada, Jhinhari and Saran (PS Marwar Junction) ZP Pali 58 solar lights<sup>57</sup> were purchased and installed at a cost of ₹ 12.68 lakh during 2013-14. It was noticed that 53 solar lights<sup>58</sup> valued at ₹ 11.59 lakh out of 58 were lying out of order since January 2015. The GPs Bornadi, Borimada, Jhinhari and Saran stated (August 2017) that the solar lights were lying out of order due to non-maintenance and lack of funds. The reply is not acceptable as there is sufficient fund available for maintenance as discussed under **Paragraph 2.2.4.3.**

(e) In GPs Bhagora and Phulad (PS Marwar Junction) ZP Pali and GP Baghana (PS Bhim), ZP Rajsamand three works<sup>59</sup> of construction of *Rapat* and *strengthening* of *rasta*, Anganwadi Center and boundary wall of Rajeev Gandhi Seva Kendra worth ₹ 8.75 lakh were sanctioned in (November 2012-September 2013) and completed with an expenditure of ₹ 6.01 lakh in (March-October 2013). It was noticed that all these three works were in a dilapidated condition.

(ii) **Works executed at other than sanctioned place**

(a) In GP Mundol (PS Rajsamand) work of construction of CC road with drain from Government Upper Primary School to Bhil Basti, village Puthol amounting to ₹ 5 lakh was sanctioned in December 2013 and completed with an expenditure of ₹ 5 lakh in October 2014. It was noticed that CC road was constructed from Bhil Basti to Bayan Mata Mandir instead of sanctioned place i.e. from Government Upper Primary School to Bhil Basti, village Puthol. PS Rajsamand did not furnish any reply though called for (May 2017).

(b) In GP Bhabhana (PS Mandal) ZP Bhilwara construction work of two rooms, hall with veranda in Government Secondary School amounting to ₹ 10 lakh was sanctioned in March 2015 and completed with an expenditure of ₹ 10 lakh in November 2016. It was noticed that two new rooms, hall with veranda were actually constructed in GP Bhabhana instead of in the premises of Government Secondary School. PS Mandal did not furnish any reply (September 2017).

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57. Gram Panchayat, Borimada (10 Solar lights): ₹ 2.18 lakh, Bornadi (10 Solar lights): ₹ 2.18 lakh, Jhinhari (28 Solar lights): ₹ 6.14 lakh and Saran (10 Solar lights): ₹ 2.18 lakh.

58. Gram Panchayat, Borimada (10 Solar lights): ₹ 2.18 lakh, Bornadi (five Solar lights): ₹ 1.09 lakh, Jhinhari (28 Solar lights): ₹ 6.14 lakh and Saran (10 Solar lights): ₹ 2.18 lakh.

59. Gram Panchayat, Phulad (Construction of *Rapat* and strengthening of *rasta*): ₹ 3 lakh, Bhagora (Construction of Anganwadi Center): ₹ 3.75 lakh and Baghana (Construction of Boundary wall of Rajeev Gandhi Seva Kendra): ₹ 2 lakh.

### **2.2.4.3 Maintenance of assets**

As per paragraph 24.3 of GKN, 2010, a register of assets (Development Register) is required to be maintained at ZPs, PSs and GPs were required to record all assets created under various schemes in each GP. Further, paragraph 7.5 of the revised guidelines provided that 15 *per cent* of funds could be utilised for maintenance, restoration, up keep and strengthening of the assets created under various schemes.

Scrutiny of records of selected ZPs and PSs revealed the following:

(i) Register of assets created under various schemes were not maintained in selected test checked ZPs and PSs during 2012-17.

(ii) During 2015-17, though funds of ₹ 10.49 crore (15 *per cent* of allotted fund ₹ 69.95 crore<sup>60</sup>) were available for maintenance, strengthening, restoration and upkeep of the assets, However, no maintenance works had been executed despite availability of adequate funds. State Government reply is awaited (March 2018).

## **2.2.5 Monitoring, Evaluation and Social Audit**

### **2.2.5.1 District Level Area Development Committee**

Paragraph 10.2 of revised guidelines provided that a DLADC was to be constituted at District level. However, the committees were constituted in ZP Bhilwara and Pali but was not constituted in ZP Rajsamand as required under the scheme for approval of Annual Action Plan.

### **2.2.5.2 Impact study and evaluation of the scheme**

Paragraph 6.9 of revised guidelines provided that impact study of the scheme was required to evaluate the socio-economic development of village community residing in Magra Area. Scrutiny of records of RDD, ZPs, PSs and GPs revealed that impact study of the scheme to evaluate the socio-economic development of Magra Area was not carried out during 2012-17. Thus, the impact of the scheme for socio-economic upliftment of the villagers could not be ascertained.

### **2.2.5.3 Inspection of works**

Paragraph 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 Junior Engineer, Junior Technical Assistant and Assistant Engineer of PSs, Assistant Project Officer, Assistant Engineer, Senior Technical Assistant, Executive Engineer of ZPs and Administrative Officer and an inspection register in a prescribed proforma should be maintained at ZPs, PSs and GPs.

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60. During 2015-17 funds allotted to test checked districts (Bhilwara): ₹ 21.90 crore; (Pali): ₹ 9.16 crore and (ZPs Rajsamand): ₹ 38.89 crore.

Records relating to periodical inspections for the periods 2012-17 were not made available to Audit. However, the authorities of the selected ZPs, PSs and GPs stated (April-September 2017) that periodical inspections were carried out. The reply is not convincing as inspection reports and registers were not maintained as required as per provisions of the GKN.

#### **2.2.5.4 Third party inspection**

Paragraph 6.6 of revised guidelines provided that third party inspection was to be carried out for the works executed under MADS. Scrutiny of records of RDD, ZPs, PSs and GPs revealed that no third party inspections were carried out. Thus in the absence of third party inspection, the quality of work could not be ensured. The GoR and test checked ZPs, PSs and GPs accepted the facts.

#### **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. Scrutiny of records of RDD revealed that Social Audit of MADS was not carried out during 2012-17. The GoR accepted the facts (April 2017).

#### **2.2.5.6 Monitoring of works through GPS/GPRS**

Paragraph 6.5 of revised guidelines provided that Global Positioning System (GPS)/General Packet Radio Service (GPRS) modern techniques would be used for monitoring of the works executed under the scheme. Scrutiny of records of RDD revealed that no GPS/GPRS modern techniques were used for monitoring of the works executed under the scheme. The RDD accepted the facts (April 2017).

### **Rural Development and Panchayati Raj Department**

#### **2.3 Non-recovery of outstanding rent**

**Panchayat Samiti, Shiv (Barmer) failed to recover outstanding rent ₹ 89.13 lakh.**

Rule 164 of Rajasthan Panchayati Raj Rules (RPRRs), 1996 stipulates that shops and other commercial sites may be leased out through open auction by a committee of three members and for not more than three years. The agreements for leasing out such premises on rent shall include the condition of 10 per cent increase in rental amount every year. Panchayat and Panchayat Samiti (PS) may also negotiate the matter for extending the term of three years, but in such case, yearly increase shall be 20 per cent in rental amount every year, by mutual agreement. In case the premises are not vacated after three years time limit or it is sub-let to any other person in violation of terms of agreement or rent is not deposited regularly, Chief-Executive Officer, if requested by the Panchayat or Panchayat Samiti concerned, shall get the premises vacated after giving Show Cause Notice for eviction of premises.

Scrutiny (January 2017) of records of PS, Shiv (Barmer) revealed that 16 shops were leased out on rent to different individuals through auction during the period from May 2001 to April 2014. The shops were rented out to the individuals at different dates and at different rates of rent. Against the total amount of rent due of ₹ 114.81 lakh<sup>61</sup>, only ₹ 25.68 lakh (22.37 per cent) was recovered as of January 2017. The department neither took any action to recover the government dues from the defaulters nor initiated any action for vacating the shops/ extending the term of agreement after lapse of more than three years from the date of allotment of shops. This resulted in non-recovery of rent amounting to ₹ 89.13 lakh as of January 2017 (*Appendix-XII*).

In reply to the Audit observation (January 2017), the Development Officer, PS, Shiv stated that action would be taken for vacating the shops and outstanding rent would be recovered under PDR Act 1952.

Thus, the department had failed to recover the outstanding rent of ₹ 89.13 lakh (77.63 per cent) from the tenants and also did not initiate any action to vacate the shops even after three years, as stipulated in rules.

The matter was brought (May 2017) to the notice of Government for comments; reply is awaited (January 2018).

#### **2.4 Unproductive expenditure on construction of hostels**

##### **Non completion of hostel buildings (Isarda and Bamanwas) in Zila Parishad, Sawai Madhopur resulted in deprival of proper hostel facilities to the students.**

District Planning Committee, Sawai Madhopur, decided (September 2009) to construct hostel buildings at three locations through Backward Region Grant Fund (BRGF). Accordingly, an Administrative and Financial sanction amounting to ₹ 1.80 crore was issued (October 2010) by Rural Development and Panchayati Raj Department (RD&PRD) for construction of hostel buildings at Isarda (₹ 60 lakh), Bamanwas (₹ 60 lakh) and Shiwar (₹ 60 lakh). Each hostel was to accommodate 25 students of SC/ST/OBC, who presently resided in hostels run by Social Justice and Empowerment Department in rented accommodations.

Scrutiny of records of Zila Parishad (ZP), Sawai Madhopur (January 2016) revealed that:

- Construction of hostel building at Shiwar was completed at a cost of ₹ 60 lakh and handed over in February 2014.
- Construction of hostel building at Isarda was stated to be completed (August 2010) by PWD including digging of tube-well and boundary wall, with an expenditure of ₹ 60 lakh. However there was no water in the tube-well and boundary wall remained unexecuted due to paucity of fund. According to

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61. The amount worked out after calculating the 10 per cent increase every year and after three years of allotment 20 per cent increase every year.

PWD (May 2016), the cost of completing the remaining works (tube-well and boundary wall) was ₹ 11.48 lakh. The scheme BRGF was discontinued in 2015. Social Justice and Empowerment Department refused to take over the hostel building without water facility and boundary wall, hence the hostel remains unutilised so far (July 2017).



- Construction of hostel building at Bamanwas was completed up to roof level (September 2011) and was lying incomplete (June 2017) after incurring an expenditure of ₹ 25.75 lakh. According to PWD (July 2015), the cost of completing the remaining works was ₹ 34.25 lakh.

Thus, both the hostel buildings were lying incomplete for more than six years, depriving the students at Isarda and Bamanwas of the hostel facilities. The RD&PR Department did not take effective actions to provide necessary fund to complete the hostel buildings to put it effectively.

Government of Rajasthan accepted the facts (February 2018) and stated that the matter was being expedited.

**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 74<sup>th</sup> Amendment in 1992, Articles 243 P to 243 ZG were inserted in the Constitution of India where by 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 190 ULBs i.e. seven Municipal Corporations<sup>1</sup> (M Corps), 34 Municipal Councils<sup>2</sup> (MCs) and 149 Municipal Boards<sup>3</sup> (MBs) as of March 2017. As per census 2011, the statistics of Rajasthan State are given in **Table 3.1** below:

*Table 3.1*

Indictor	Unit	State level
Population	crore	6.85
Population (Urban)	crore	1.70
Population Density	Persons per sq km	200
Decadal Growth Rate	Percentage	21.30
Sex Ratio (Urban)	Females per 1,000 males	914
Total Literacy Rate (Urban)	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)	78

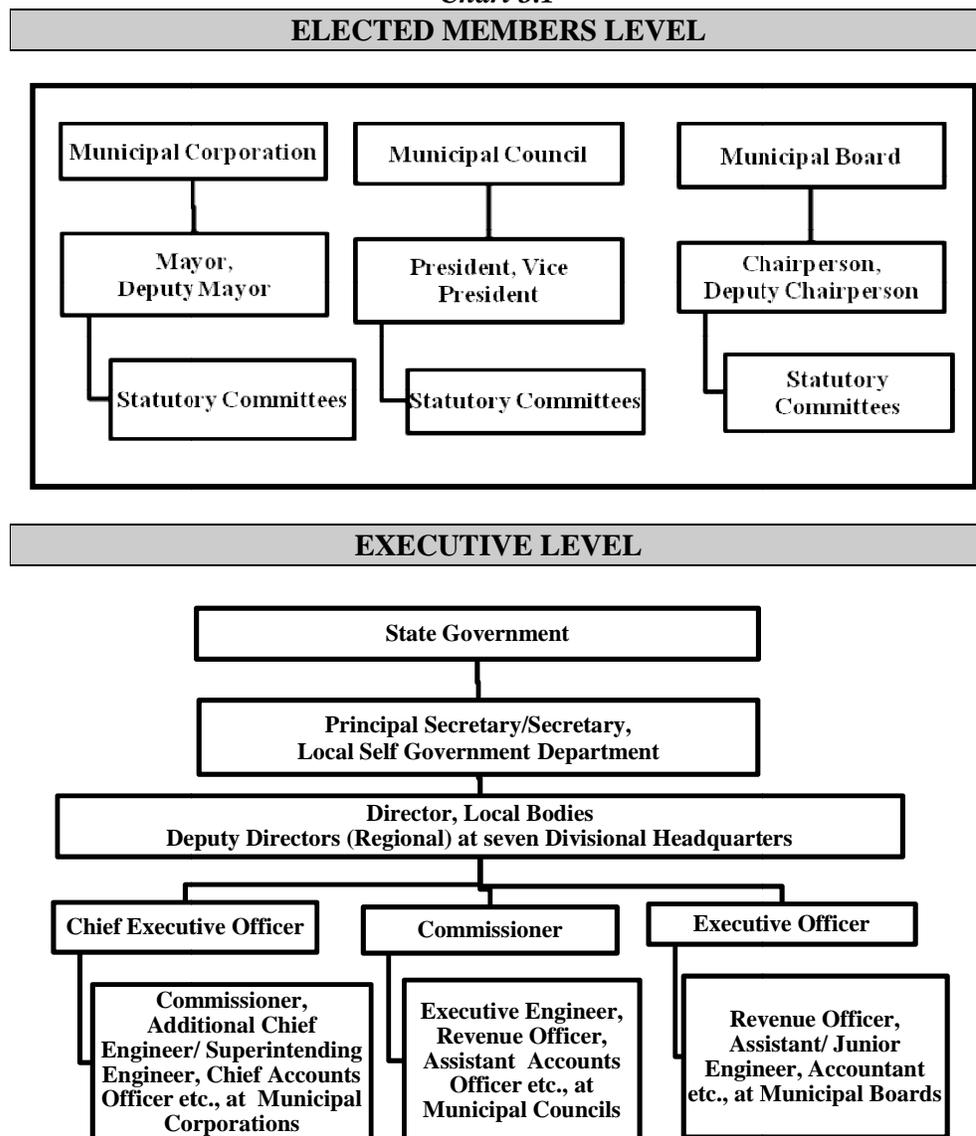
*Source: Annual Progress Report 2016-17 of Local Self Government Department, Rajasthan.*

1. Municipal Corporations: Ajmer, Bharatpur, Bikaner, Jaipur, Jodhpur, Kota and Udaipur.
2. Municipal Councils: Alwar, Balotara, Banswara, Baran, Barmer, Beawar, Bhilwara, Bhiwadi, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Dungarpur, Gangapurcity, Hanumangarh, Hindaun city, Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Karauli, Kishangarh, Makarana, Nagaur, Pali, Pratapgarh, Rajsamand, Sawai Madhopur, Sikar, Sirohi, Sriganganagar, Sujangarh and Tonk.
3. 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): 78.

### 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 of RMA, 2009 have set out certain core functions<sup>4</sup>, other functions for protection of environment, public health and sanitation,

4. Public health, sanitation, conservation, solid waste management, drainage and sewerage, cleaning public streets, places, sewers and all spaces not being private property, lighting public streets, places and buildings, extinguishing fires and protecting life and property when fire occurs, constructing, altering and maintaining public streets, arranging for planned development, registering births and deaths etc.

education and culture, public welfare, community relations etc. and functions assigned by the Government<sup>5</sup>.

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

Article 243W inserted through the 74<sup>th</sup> 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 provided by Directorate Local Bodies (DLB) Department (September 2017), functions relating to 16 subjects (*Appendix-XIII*) were already being performed by ULBs. The remaining two functions, 'Water Supply' is being carried out by eight 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 were not provided by the Department (January 2018).

### ***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 ten 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 necessary<sup>6</sup>.

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5. The State Government may, by general or special order, require a municipality to perform such other municipal functions as the State Government may think fit.

6. 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 (January 2018).

### **3.5 Audit Arrangement**

#### **3.5.1 Primary Auditor**

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

The Audit Report of LFAD, Rajasthan for the year 2015-16 was laid on the table of the State Legislature on 28 March 2017. Audit Report for the year 2016-17 was under preparation (June 2017).

The Director, LFAD covered only 51 units of ULBs (M Corps: four, MCs: 16 and MBs: 31) in Audit during 2016-17. The Director, LFAD intimated (July 2017) that the shortfall was due to vacant posts and engagement of staff in special inspection work and the work of updating voter lists.

#### **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 amended<sup>7</sup> in 2011, provides for Audit of municipalities by the CAG.

A committee on Local Bodies and Panchayati Raj Institutions 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 Reports for the years 2005-06 (three Paragraphs), 2006-07 (five Paragraphs), 2007-08 (six Paragraphs), 2012-13 (one Paragraph) and 2013-14 (17 Paragraphs) have been discussed partially upto February 2018 and remaining paragraphs are in the process of being discussed by the committee.

#### **3.5.3 Implementation of Technical Guidance and Support/Supervision**

In pursuance of recommendations of Thirteenth 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 Support/Supervision (TG&S) over the Audit of all the tiers of Panchayati Raj Institutions and ULBs.

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7. 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 71 Factual Statements and 55 Draft Paragraphs, proposed by Director, LFAD for inclusion in their Audit Report and comments on 10 Inspection Reports (IRs) of Director, LFAD were communicated to Director, LFAD up to March 2017 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 from 2012-13 to 2016-17, 439 IRs containing 4,131 paragraphs in respect of ULBs and controlling offices, issued by the Office of the Principal Accountant General (General and Social Sector Audit), Rajasthan involving money value of ₹ 8,597.11 crore were pending for settlement (November 2017). Out of this, even first compliance report of 856 paragraphs of 77 IRs was 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
2012-13	81	651	401.76	2	21
2013-14	95	727	402.97	12	136
2014-15	96	791	988.76	13	119
2015-16	98	1,010	3,092.00	20	181
2016-17	69	952	3,711.62	30	399
<b>Total</b>	<b>439</b>	<b>4,131</b>	<b>8,597.11</b>	<b>77</b>	<b>856</b>

**3.6.2** For the period from 2012-13 to March 2017, 2, 46,750 paragraphs of 20,093 IRs issued by Director, LFAD were pending for settlement. Audit observations including 34 embezzlement cases involving monetary value of ₹ 0.66 crore were pending for settlement. Further, first compliance to 32 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)
2012-13	4,870	59,920	6	4	9.53
2013-14	4,923	60,650	8	3	0.26
2014-15	5,106	62,572	11	15	14.87
2015-16 (upto March 2017)	5,194	63,608	7	12	41.63
<b>Total</b>	<b>20,093</b>	<b>2,46,750</b>	<b>32</b>	<b>34</b>	<b>66.29</b>

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** No meeting of Audit Committee was organized by the Department during the year 2016-17, whereas such meeting was required to be conducted every quarter.

#### **3.6.4 Response to Paragraphs in Audit Reports**

Nineteen paragraphs involving money value of ₹ 491.12 crore, which appeared in previous Audit Reports<sup>8</sup> were pending for settlement for want of reply from the Government as on February 2018.

#### **3.6.5 Impact of Audit**

During the year 2016-17, recovery of ₹ 8.66 lakh was made in three cases at the instance of Audit.

#### **Recommendation: 1**

*In view of the large number of pending paragraphs and Inspection Reports, efforts should be made by Local Self Government Department to ensure compliance and regularly conduct 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-Lokayukt as Act, 1973 came into force on 3 February 1973 which 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.

Information regarding complaints registered against the personnel of LSGD under the Act was awaited (January 2018).

#### **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 database, review the property tax system and suggest suitable basis for assessment and valuation of properties. The Fourteenth Finance Commission (FFC) also emphasized property tax as an important tool to enhance the income of ULBs.

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8. Audit Report 2012-13 (two paragraphs: ₹ 3.72 crore), 2014-15 (Seven paragraphs: ₹ 111.88 crore) and 2015-16 (10 Paragraphs: ₹ 375.52 crore).

The State Government had constituted (February 2011) State Level Property Tax Board and appointed Director, Local Bodies as Secretary to the Board. However, the Board was non-functional after its first meeting held on 28 April 2011 and as such, the ULBs remained deprived of a potential source of income which could strengthen their financial position.

Information regarding current status of the Board was awaited (February 2018).

### **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, three<sup>9</sup> 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**

As per rules 284 and 286 of the General Financial & Accounts Rules (Part-I) of Government of Rajasthan, municipalities shall submit Utilisation Certificate (UCs) for the grants released to them for specific purpose. The UCs shall be prepared and signed by the Executive Officer/Municipal Commissioner and submitted to the Assistant Director/Deputy Director, Local Bodies (to be nominated by the Director of Local Bodies) for countersignature.

During the year 2016-17, GoR released the grant of ₹ 895.32 crore and ₹ 776.73 crore under the SFC-V and FFC respectively to the ULBs. The ULBs furnished UCs amounting to ₹ 331.07 crore and ₹ 263.33 crore respectively against the released amount.

In absence of pending UCs under 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.

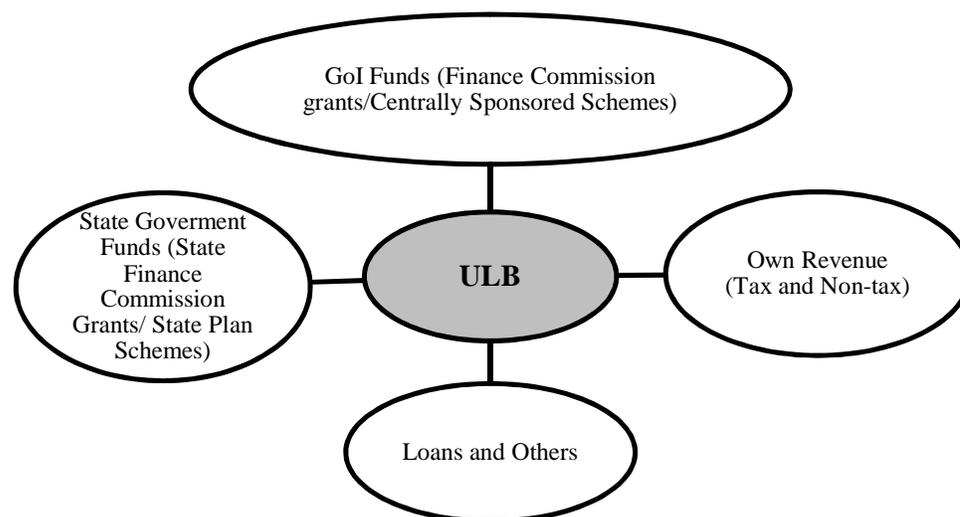
The DLB intimated (July 2017) that there was no arrangement of internal Audit at Department level and income-expenditure & budget of ULBs were not being monitored at Directorate level.

9. 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 2012-13 to 2016-17 is given in **Table 3.4** below:

**Table 3.4**

(₹ in crore)					
Sources of receipts	2012-13	2013-14	2014-15	2015-16*	2016-17**
<b>(A) Own Revenue</b>					
<b>(a) Tax Revenue</b>					
(i) House tax	Nil	Nil	Nil	Nil	Nil
(ii) Urban development tax <sup>10/</sup> property tax	46.88	45.31	32.61	73.73	59.08
(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 <sup>11</sup>	205.41	169.94	178.39	234.17	74.80
(viii) Outsourcing	Nil	Nil	Nil	Nil	Nil
<b>Total of Tax Revenue (a)</b>	<b>252.29</b>	<b>215.25</b>	<b>211.00</b>	<b>307.90</b>	<b>133.88</b>
<b>(% of total revenue)</b>	<b>(7.04)</b>	<b>(5.55)</b>	<b>(6.02)</b>	<b>(8.70)</b>	<b>(4.06)</b>

10. Subsequent to abolition of House tax from 24 February 2007, Urban Development tax was introduced with effect from 29 August 2007.  
11. Income from land revenue, tax on advertisement, pilgrim tax, other income etc.

Sources of receipts	2012-13	2013-14	2014-15	2015-16*	2016-17**
<b>(b) Non-tax Revenue</b>					
(i) Revenue from bye-laws <sup>12</sup>	416.83	474.33	263.88	222.98	152.62
(ii) Revenue from assets	36.08	31.74	22.65	33.51	21.78
(iii) Revenue from Acts	Nil	Nil	Nil	Nil	Nil
(iv) Revenue from penalties	Nil	Nil	Nil	Nil	Nil
(v) Revenue from waterworks	Nil	Nil	Nil	Nil	Nil
(vi) Interest on investments	26.30	42.42	49.07	52.94	46.15
(vii) Misc. non-tax revenue <sup>13</sup>	477.90	606.72	462.73	372.04	269.01
(viii) Sale of land <sup>14</sup>	199.30	139.54	121.04	99.33	60.77
<b>Total of Non-tax Revenue (b)</b>	<b>1,156.41</b> <b>(32.27)</b>	<b>1,294.75</b> <b>(33.37)</b>	<b>919.37</b> <b>(26.24)</b>	<b>780.80</b> <b>(22.05)</b>	<b>550.33</b> <b>(16.69)</b>
<b>Total of Own Revenue (A)</b>	<b>1,408.70</b> <b>(39.31)</b>	<b>1,510.00</b> <b>(38.91)</b>	<b>1,130.37</b> <b>(32.26)</b>	<b>1,088.70</b> <b>(30.75)</b>	<b>684.21</b> <b>(20.75)</b>
<b>(B) Assigned Revenue/ Entertainment tax</b>	<b>0.01</b> <b>(0.00)</b>	<b>Nil</b>	<b>Nil</b>	<b>5.82</b> <b>(0.16)</b>	<b>0.04</b> <b>(0.00)</b>
<b>(C) Grants and Loans</b>					
(i) General and special grant	1,162.55	1,308.41	1,205.06	1471.73	1785.17
(ii) Grant in lieu of octroi	965.60	1,062.15	1,168.36	974.30	828.41
(iii) Special assistance and loans	47.07	Nil	Nil	Nil	Nil
<b>Total of Grants and Loans (C)</b>	<b>2,175.22</b> <b>(60.69)</b>	<b>2,370.56</b> <b>(61.09)</b>	<b>2,373.42</b> <b>(67.74)</b>	<b>2,446.03</b> <b>(69.09)</b>	<b>2,613.58</b> <b>(79.25)</b>
<b>(D) Miscellaneous Non-recurring Income<sup>15</sup></b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Grand Total (A to D)</b>	<b>3,583.93</b>	<b>3,880.56</b>	<b>3,503.79</b>	<b>3,540.55</b>	<b>3,297.83</b>
<i>Note: Figures in brackets denote percentage to the total receipts.</i>					
<i>*The figures for the year 2015-16 were of 166 ULBs only. Whereas in the previous Audit Report (2015-16), information was provided for only 136 ULBs. Information of remaining ULBs was not provided by DLB.</i>					
<i>**The figures for the year 2016-17 are of 120 ULBs only. Information of remaining 70 ULBs was not provided by DLB.</i>					
<i>Source: As per data provided (November 2017) by DLB.</i>					

It could be seen from the table above that:

- Tax revenue comprised only 4.06 per cent of the total revenue during the year 2016-17. Tax revenue decreased by 4.64 per cent<sup>16</sup> during 2016-17 over the previous year. The decrease was due to less recovery of land revenue and other income under the head of other taxes.
- Non-tax revenue comprised 16.69 per cent<sup>17</sup> of the total revenue during 2016-17. Non-tax revenue decreased by 5.36 per cent<sup>18</sup> during 2016-17 over the previous year. The decrease was due to less recovery of non-tax revenue under the head miscellaneous and sale of land.

- 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.
- Income from sewerage tax, fair fees, application fees, income from contract of *Bakra Mandi*, income from cattle house, income from lease, etc.
- Receipt from sale of land to public, Government and other commercial organisations.
- Including deposits and recoveries of loans and advances.
- Percentage of total tax revenue of 2015-16 (8.70 per cent) - Percentage of total tax revenue of 2016-17 (4.06 per cent) = 4.64 per cent.
- Total non-tax revenue of 2016-17 (₹ 550.33 crore) / Total revenue of 2016-17 (₹ 3,297.83 crore) x 100 = 16.69 per cent.
- Percentage of total non-tax revenue of 2015-16 (22.05 per cent) - Percentage of total non-tax revenue of 2016-17 (16.69 per cent) = 5.36 per cent.

- During 2016-17, own revenue (tax and non-tax) comprised 20.75 per cent<sup>19</sup> of total receipts. In 2015-16 it comprised 30.75 per cent of total receipts. This indicated significant increase in dependency of ULBs on grants and loans.
- Under the head “Grants and Loans” ULBs received 10.16 per cent<sup>20</sup> more amount over the previous year 2015-16.

### 3.12.1.2 Expenditure

The position of expenditure in ULBs during 2012-13 to 2016-17 is given in **Table 3.5** below:

**Table 3.5**

(₹ in crore)

Items of Expenditure	2012-13	2013-14	2014-15	2015-16*	2016-17**
<b>(A) Recurring Expenditure</b>					
General administration	1,090.10 (31.19)	1,129.71 (28.56)	1,157.04 (33.33)	1,020.77 (33.21)	848.73 (33.71)
Public health and sanitation	772.28 (22.10)	197.30 (4.99)	228.21 (6.57)	103.79 (3.38)	99.91 (3.97)
Maintenance of civic amenities	898.26 (25.70)	862.68 (21.81)	671.97 (19.36)	485.27 (15.79)	261.54 (10.39)
<b>Total of Recurring Expenditure(A)</b>	<b>2,760.64</b> <b>(78.99)</b>	<b>2,189.69</b> <b>(55.36)</b>	<b>2,057.22</b> <b>(59.27)</b>	<b>1,609.83</b> <b>(52.38)</b>	<b>1,210.18</b> <b>(48.07)</b>
<b>(B) Non-recurring Expenditure</b>					
Expenditure on developmental works	518.72 (14.84)	1,401.32 (35.43)	1,150.42 (33.14)	1,280.47 (41.66)	1,303.83 (51.79)
Purchase of new assets	NA	Nil	Nil	Nil	Nil
Repayment of loans	NA	24.22 (0.61)	31.79 (0.92)	Nil	Nil
Miscellaneous non-recurring expenditure <sup>21</sup>	215.66 (6.17)	339.95 (8.60)	231.79 (6.68)	183.29 (5.96)	3.71 (.15)
<b>Total of Non-recurring Expenditure (B)</b>	<b>734.38</b> <b>(21.01)</b>	<b>1,765.49</b> <b>(44.64)</b>	<b>1,414.00</b> <b>(40.73)</b>	<b>1,463.76</b> <b>(47.62)</b>	<b>1,307.54</b> <b>(51.93)</b>
<b>Grand Total (A+B)</b>	<b>3,495.02</b>	<b>3,955.18</b>	<b>3,471.22</b>	<b>3,073.59</b>	<b>2,517.72</b>
<i>Note: Figures in brackets denote percentage to the total expenditure.</i>					
<i>*The figures for the year 2015-16 were of 166 ULBs only. Whereas in the previous Audit Report (2015-16), information was provided for only 136 ULBs. Information of remaining ULBs was not provided by DLB Department.</i>					
<i>**The figures for the year 2016-17 are of 120 ULBs only. Information of remaining 70 ULBs was not provided by DLB Department.</i>					
<i>Source: As per data provided (November 2017) by DLB Department, Rajasthan.</i>					

It could be seen from the table above that:

- Recurring expenditure in 2016-17 decreased by 4.31 per cent<sup>22</sup> over the previous year 2015-16. This was mainly due to less expenditure under the head “Maintenance of civic amenities” by the Department.

19. Total own revenue of 2016-17 (₹ 684.21 crore) / Total revenue of 2016-17 (₹ 3,297.83 crore) x 100 = 20.75 per cent.
20. Percentage of total grants and loans of 2016-17 (79.25 per cent) – Percentage of total grants and loans of 2015-16 (69.09 per cent) = 10.16 per cent.
21. It includes refunds or deposits, investment made and disbursement of loans and advances.
22. Percentage of recurring expenditure of 2015-16 (52.38 per cent) – Percentage of recurring expenditure of 2016-17 (48.07 per cent) = 4.31 per cent.

- Non-recurring expenditure increased in 2016-17 by 4.31 per cent<sup>23</sup> over the previous year. This was due to increase in expenditure on development works (an increase of 10.13 per cent). Category wise breakup of receipt and expenditure of ULBs is given in **Table 3.6** below:

**Table 3.6**

Category of ULBs	2015-16*		Surplus (+)/ Shortfall (-)	2016-17**		Surplus (+)/ Shortfall (-)
	Receipts	Exp.		Receipts	Exp.	
(₹ in crore)						
<b>(A) Municipal Corporations</b>						
(i) Ajmer	124.40	94.49	(+) 29.91	188.34	137.03	(+) 51.31
(ii) Bikaner	106.00	73.41	(+) 32.59	NA	NA	NA
(iii) Jaipur	NA	NA	NA	NA	NA	NA
(iv) Jodhpur	275.93	212.14	(+) 63.79	252.02	219.81	(+) 32.21
(v) Kota	261.64	197.33	(+) 64.31	306.96	220.58	(+) 86.38
(vi) Udaipur	140.03	119.92	(+) 20.11	NA	NA	NA
(vii) Bharatpur	58.30	47.58	(+) 10.72	85.21	49.52	(+) 35.69
<b>Total (A)</b>	<b>966.30</b>	<b>744.87</b>	<b>(+) 221.43</b>	<b>832.53</b>	<b>626.94</b>	<b>(+) 205.59</b>
<b>(B) Municipal Councils</b>	<b>1,146.92</b>	<b>1,086.02</b>	<b>(+) 60.90</b>	<b>1,111.21</b>	<b>945.62</b>	<b>(+) 165.59</b>
<b>(C) Municipal Boards</b>	<b>1,427.33</b>	<b>1,242.70</b>	<b>(+) 184.63</b>	<b>1,354.09</b>	<b>945.16</b>	<b>(+) 408.93</b>
<b>Grand Total (A+B+C)</b>	<b>3,540.55</b>	<b>3,073.59</b>	<b>(+) 466.96</b>	<b>3,297.83</b>	<b>2,517.72</b>	<b>(+) 780.11</b>
* The figures for the year 2015-16 are of 166 ULBs only. Information of remaining ULBs was not provided by DLB Department.						
** The figures for the year 2016-17 are of 120 ULBs only. Information of remaining 70 ULBs was not provided by DLB Department.						
Source: As per data provided (November 2017) by DLB Department, Rajasthan.						

It could be seen from the table above that:

- During 2016-17, there was an overall surplus of ₹ 780.11 (23.66 per cent) crore of receipts over expenditure in the M Corps, MCs and MBs. This indicated that the available funds had not been utilised by the ULBs.
- During 2016-17, M Corp Ajmer, Bharatpur, Jodhpur and Kota had a surplus of receipts over expenditure.
- Status of receipts and expenditure of M Corp Bikaner, Jaipur and Udaipur for the year 2016-17 was not provided by DLB Department (January 2018).
- During 2016-17, MCs had a surplus of receipts over expenditure by ₹ 165.59 crore (14.90 per cent).
- During 2016-17, surplus of receipts in MBs was increased from 12.94 per cent to 30.20 per cent over the previous year.

**Recommendation: 2**

*The Urban Local Bodies should take effective steps to strengthen their financial position by focusing on collection of own tax and non-tax revenue to decrease their dependency on grants provided by GoI and State Government.*

23. Percentage of non-recurring expenditure of 2016-17 (51.93 per cent) – Percentage of non-recurring expenditure of 2015-16 (47.62 per cent) = 4.31 per cent.

### 3.12.2 Recommendations of the State Finance Commission

The SFC-IV constituted on 11 April 2011 and the SFC-V constituted on 29 May 2015 are concurrent with the TFC and the FFC respectively. SFC-IV recommended devolution of five *per cent* of net State Own Tax Revenue (excluding land revenue and 25 *per cent* of entry tax) to local bodies whereas SFC-V recommended devolution of 7.182 *per cent* of State Own Tax Revenue to local bodies in the ratio of 75.10: 24.90 to PRIs and ULBs respectively. This ratio was adopted from the rural and urban population ratio of Census 2011.

The position of grants released by the State Government under the SFCs and their utilisation is given in **Table 3.7** below:

**Table 3.7**

(₹ in crore)

Year	Grants released to ULBs		UCs received			Pending UCs	
	During the year	Cumulative	For the year	Cumulative	Percentage	Amount	Percentage
<b>The position of grants released by the State Government under the SFC-IV</b>							
2010-11	45.00	45.00	41.26	41.26	91.69	3.74	8.31
2011-12	237.82	282.82	207.31	248.57	87.89	34.25	12.11
2012-13	321.66	604.48	247.87	496.44	82.13	108.04	17.87
2013-14	323.84	928.32	203.51	699.95	75.40	228.37	24.60
2014-15	692.23	1,620.55	374.86	1,074.81	66.32	545.74	33.68
2015-16	Nil	1,620.55	186.24	1,261.05	77.82	359.50	22.18
2016-17	Nil	1,620.55	13.16	1,274.21	78.63	346.34	21.37
<b>The position of grants released by the State Government under the SFC-V</b>							
2015-16	773.95	773.95	247.65	247.65	32.00	526.30	68.00
2016-17	895.32	1,669.27	331.07	578.72	34.67	1,090.55	65.33

Source: As per data provided (November 2017) by DLB Department, Rajasthan.

As the period of SFC-IV had already expired, 21.37 *per cent* UCs against the grants released under SFC-IV were still pending as of November 2017. Besides, 65.33 *per cent* UCs were pending against the grants released under SFC-V.

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

### 3.12.3 Recommendation of the Central Finance Commissions

The position of grants released under the Thirteenth Finance Commission and the Fourteenth Finance Commission and their utilisation is given in **Table 3.8** below:

**Table 3.8**

(₹ in crore)

Year	Grants released to ULBs		UCs Received			Pending UCs	
	During the year	Cumulative	For the year	Cumulative	Percentage	Amount	Percentage
<b>The position of grants released by the State Government under the TFC</b>							
2010-11	111.36	111.36	55.03	55.03	49.42	56.33	50.58
2011-12	209.48	320.84	101.84	156.87	48.89	163.97	51.11
2012-13	252.06	572.90	172.97	329.84	57.57	243.06	42.43
2013-14	361.81	934.71	243.05	572.89	61.29	361.82	38.71

Year	Grants released to ULBs		UCs Received			Pending UCs	
	During the year	Cumulative	For the year	Cumulative	Percentage	Amount	Percentage
2014-15	200.26	1,134.97	236.77	809.66	71.34	325.31	28.66
2015-16	132.90	1,267.87	162.44	972.10	76.67	295.77	23.33
2016-17	Nil	1,267.87	38.23	1,010.33	79.69	257.54	20.31
<b>The position of grants released by the State Government under the FFC</b>							
2015-16	433.12	433.12	178.16	178.16	41.13	254.96	58.87
2016-17	776.73	1,209.85	263.33	441.49	36.49	768.36	63.51

*Source: As per data provided (November 2017) by DLB Department, Rajasthan.*

As on November 2017, UCs amounting to ₹ 257.54 crore and ₹ 768.36 crore were pending against the grants released under TFC and FFC 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 indicating number of ULBs preparing their annual accounts within prescribed time. The DLB confirmed (August 2017) the fact.

### **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 190 ULBs are required to be certified every year. Director, LFAD intimated (June 2017) that accounts of only 122 ULBs (64 per cent) had been certified during the year 2016-17. 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 (RMAM) was 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 Local Self Government Department intimated (August 2017) that all the ULBs were maintaining the accounts on Accrual Based (Double Entry) Accounting System. However, Director, LFAD intimated (May 2017) that only 48 ULBs were maintaining the accounts on the above system.

### **3.12.6 Maintenance of Database and the formats therein on the finances of Urban Local Bodies**

As prescribed by the TFC, the Ministry of Urban Development, GoI has issued (April 2010) seven database formats to be adopted by ULBs. The DLB Department intimated (July 2017) that all the ULBs were preparing the information in prescribed database formats.

#### **Recommendation: 3**

*Urban Local Bodies should follow the guidelines and instructions relating to accounting system as prescribed in Rajasthan Municipal Accounting Manual and recommended by Finance Commissions. These bodies should also make sincere efforts to prepare the accounts within the prescribed time limit and get them certified every year by the Director, Local Fund Audit.*

### **3.13 Conclusion**

*The own resources generated by ULBs were not adequate to take care of their expenditure and they were largely dependent on grants and loans from Central/State Government. The receipts of ULBs through own revenue showed decreasing trend during the last five years.*

*Absence of timely finalisation of accounts in the prescribed formats, insignificant monitoring and lackadaisical approach in certification of accounts resulted in denial of correct accounting information to the stakeholders. During 2016-17, as against accounts of 190 ULBs required to be certified, accounts of only 122 ULBs (64 per cent) were certified 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 Performance Audit of 'Waste Management' and six paragraphs relating to Urban Local Bodies.

#### PERFORMANCE AUDIT

#### Local Self Government Department

#### 4.1 Waste Management

##### *Executive summary*

*Rajasthan is the largest State of India in terms of area. With growing urbanization and changing lifestyle, generation of waste and its appropriate disposal has become a challenge for the State. Central Government under the provisions of the Environment Protection Act (EPA), 1986, has issued several rules for handling and management of solid waste, plastic waste and e-waste. Waste management is a State subject and local bodies are responsible for performing waste management related activities.*

*A Performance Audit of Waste Management in selected units, revealed that Government of Rajasthan released ₹ 292.81 crore to Urban Local Bodies (ULBs) during 2015-17 for solid waste management under Swachh Bharat Mission, out of which only 20.69 per cent funds was utilised by all ULBs. In test checked 22 ULBs only 7.27 per cent of allotted funds was utilised.*

*Assessment of waste being generated, projection of waste likely to be generated in future, requirement of manpower, vehicles and risk to environment and human health posed by waste was not done at State level as well as in 50 per cent test checked ULBs and in all test checked PRIs level.*

*There were no effective plans for 'Reducing, Reusing and Recycling' of waste in most of the ULBs and all Gram Panchayats (GPs). In the absence of bye-laws and designated authorities to levy penalty, none of the test checked GPs had imposed penalty for violation of waste rules.*

*The compliance to the acts/rules governing solid waste, plastic waste and e-waste were poor as door to door collection of Municipal Solid Waste (MSW) was not done in 55.41 per cent urban wards of the State during 2016-17. Solid waste was being neither segregated nor processed in all test checked ULBs and unprocessed MSW was being dumped in open land. Further, landfill sites were constructed in only three out of 22 ULBs, however these landfills were not being used. In rural area, only three out of 43 test checked GPs waste was being collected and un-segregated & unprocessed waste was being dumped in open land.*

#### **4.1.1 Introduction**

Rajasthan is the largest State of India in terms of area, having a population of 6.85 crore (1.70 crore people live in cities). With growing urbanization and changing lifestyle, generation of waste and its appropriate disposal has become a challenge for the State. Waste can be summarised as (i) **solid waste** - consists of household waste, construction and demolition debris, sanitation residue, wastes from slaughter houses & packaging houses and waste from streets, (ii) **plastic waste** - consists of plastic carry bags, pouches, or multilayered packaging, which have been discarded after use or after their intended life is over, (iii) **e-waste** - consists of end of life products and a range of electrical and electronic items<sup>1</sup>. Beside this, there are some other wastes such as battery waste, industrial waste, biomedical waste, mining waste, radio-active waste, discarded motor vehicles, tyre waste etc.

The Central Government under the provisions of the Environment (Protection) Act (EPA), 1986, has issued several notifications to regulate the prevention and control of waste in the country. These include the management and handling of solid waste, plastic waste, e-waste, construction and demolition waste, used batteries etc. The rules issued by the Central Government are applicable to States also; however states may modify them by exercising the powers vested in them.

#### **4.1.2 Organisational Setup**

Though waste management is a State subject, it is basically a function of local bodies (Urban Local Bodies and Panchayati Raj Institutions) and these local bodies are responsible for performing this important activity.

Principal Secretary, Local Self Government Department (LSGD) and Principal Secretary, Rural Development Department (RDD) and Panchayati Raj Department (PRD) are the administrative head and controlling authority of Urban Local Bodies (ULB) and Zila Parishad (ZP) (RD Cell & PR Cell) respectively. As per provisions of MSW (Management and Handling) Rules, 2000 and SWM Rules, 2016, Principal Secretary, LSGD is responsible for preparation of policy and strategy of solid waste management for the State in urban area.

The Rajasthan State Pollution Control Board (RSPCB) is engaged in implementation of the various rules under EPA, 1986, in the State. The RSPCB is the principal agency for monitoring and controlling waste management.

#### **4.1.3 Scope of Audit and Audit Methodology**

The Performance Audit (PA) for the period 2012-13 to 2016-17 was conducted during the period from April 2017 to July 2017. The PA covered LSGD, PRD, RDD, Directorate of Local Bodies (DLB), Environment

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1. Electrical and electronic tools i.e. Refrigerators, Computers, Printers, Medical equipment, Televisions etc.

Department, RSPCB including 7 regional offices and 22 ULBs and 59 PRIs units of eight selected districts (out of 33) (*Appendix-XIV*). Joint physical inspection was also conducted in the test checked units. The 22 ULBs<sup>2</sup> included two Municipal Corporations (M Corp), four Municipal Councils (MCs) and 16 Municipal Boards (MBs). Likewise, 59 PRIs units<sup>3</sup> included 8 Zila Parishads (ZPs), eight Panchayat Samitis (PSs) and 43 Gram Panchayats (GPs). Units have been selected through appropriate stratified on field population sampling method.

An Entry Conference with the Secretary, PRD and representative of RSPCB, DLB was held on 28 March 2017 in which the Audit objectives, criteria, scope and methodology were discussed. An Exit Conference with Principal Secretary, LSGD and other representatives of RSPCB and PRD was held on 06 March 2018 to discuss the Audit findings and recommendations and the responses have been considered while finalising the Performance Audit.

#### 4.1.4 Audit Objectives

This Performance Audit was conducted to assess whether:

1. an assessment, including data collection, of the solid waste, plastic waste and e-waste generated has been made and risks to environment and health posed by waste have been identified;
2. effective acts/rules/policies/strategies existed for management of solid waste, plastic waste and e-waste and whether emphasis was given to prevention, reduction, reuse and recycling over disposal of waste;
3. management and handling of solid waste, plastic waste and e-waste is being done as per rules/policies in existence; and
4. funding and infrastructure for the implementation of waste management were adequate and whether an effective internal control and monitoring mechanism exists.

#### 4.1.5 Audit Criteria

The sources for Audit criteria *inter-alia* included:

- The Environment (Protection) Act, 1986.
- Manual on Municipal Solid Waste Management, 2000.
- Municipal Solid Waste (Management and Handling) Rules, 2000 and Solid Waste Management Rules, 2016.
- Plastic Waste (Management & Handling) Rules, 2011 and Plastic Waste (Management) Rules, 2016.

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2. Two out of seven M Corps, four out of 34 MCs and 16 out of 147 MBs were selected for Audit.
  3. Eight ZPs, Eight PSs (one from each selected ZP) and 43 GPs (15 per cent of each selected PSs).

- E-Waste (Management & Handling) Rules, 2011 and E-Waste (Management) Rules, 2016.
- Rajasthan Municipal Act (RMA), 2009 and relevant rules framed by the Government of Rajasthan.
- Relevant acts, notifications, orders, circulars and scheme guidelines, instructions issued by Environment Department/Central Pollution Control Board (CPCB)/RSPCB/LSGD/PRD/RDD.

#### **4.1.6 Audit findings**

***Audit Objective 1 :Whether an assessment, including data collection, of the solid waste, plastic waste and e-waste generated have been made and risks to environment and health posed by waste have been identified***

##### ***4.1.6.1 Assessment of quantum of waste being generated (current and future)***

As per paragraph 3.3.1 of Manual on Municipal Solid Waste Management (Manual) 2000, an analysis of the composition, characteristics and quantities of solid waste is essential as it provides the basic data for planning, designing and operating the waste management process. The changes/trend in composition and quantity of waste over a period of time can be predicted which help in future planning. This information must be collected by a responsible national, regional or local authority. DLB is responsible for assessment of waste through municipalities concerned.

As per Rule 9 of Plastic Waste (Management) Rules, 2016 the producers, importers and brand owners need to establish a system for collecting back the plastic waste generated due to their products.

E-Waste (Management) Rules, 2016 stipulates that the actual target for collection of e-waste for dismantling or recycling will be fixed on the basis of quantity of electrical and electronic equipment, product code wise, that was placed in the market in the previous years and taking into consideration the average life of the equipment. The estimated quantity of e-waste generated during the current year will be indicated by the producer and the quantity expected to be collected with the collection scheme proposed to be implemented by the producer will be indicated in the Extended Producer Responsibility plan.

In this regard, Audit observed that:

- (i) Directorate of Local Bodies assessed the generation of 6,400 metric tons per day (MTPD) municipal solid waste (MSW) in urban areas only for a single year 2015-16.
- (ii) Directorate of Local Bodies did not assess quantum of plastic waste and e-waste being generated in the urban areas of the State during 2012-17.

RSPCB did not have any information regarding assessment of e-waste and plastic waste in the entire State.

(iii) In 22 test checked ULBs, 11 (50 per cent)<sup>4</sup> did not assess quantum of generation of solid/plastic/e-waste in the areas falling under their jurisdiction. Remaining 11 ULBs had assessed quantum of MSW expected to be generated on the basis of population and exhibited them in their Detailed Project Reports (DPRs) for Integrated Solid Waste Management which was prepared as part of the Swachh Bharat Mission (SBM) programme.

(iv) In rural areas, RDD/PRD did not assess generated quantum of solid/plastic/e-waste. Also, all 59 test checked PRIs did not assess quantum of generation of solid/plastic/e-waste in the areas falling under their jurisdiction.

(v) Directorate of Local Bodies, RSPCB, RDD and PRD did not make any future projection about composition and quantities of the solid/plastic/e-waste likely to be generated.

(vi) In the test checked units, 11 (50 per cent)<sup>5</sup> out of 22 ULBs and all 59 PRIs did not make projection of quantum of any type of waste likely to be generated in future. Remaining 11 test checked ULBs made projection of quantum of MSW in their DPR up to the year 2046 on the basis of only one parameter i.e. future projected population of the urban areas.

Directorate of Local Bodies stated (March 2018) that assessment about generation of waste have been done by municipality concerned in their DPR. The fact remained that 50 per cent test checked ULBs did not assess quantity of generation of waste.

#### 4.1.6.2 Assessment of current and future capacity to handle waste

Assessment of currently generated waste and available waste disposal mechanism (incinerators, landfills etc.), help to assess the adequacy of waste handling infrastructure in future.

It was observed that LSGD, PRD, RDD and RSPCB did not assess the current and future capacity of manpower and vehicles, in physical and financial terms, to handle solid/plastic/e-waste along with other type of wastes.

Out of the 22 test checked ULBs, 11 ULBs<sup>6</sup> (50 per cent) did not assess current capacity to handle waste while remaining 11 ULBs assessed current capacity of manpower and vehicles in their respective DPRs. While out of these 11, only five ULBs<sup>7</sup> made future assessment of capacity. Further, all 43 test checked GPs did not assess current capacity and future requirement of

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4. Deshnok, Fatehnagar, Jaitaran, Karauli, Nadbai, Nagar, Nokha, Salumber, Sambhar, Todabhim and Viratnagar.

5. Deshnok, Fatehnagar, Jaitaran, Karauli, Nadbai, Nagar, Nokha, Salumber, Sambhar, Todabhim and Viratnagar.

6. Deshnok, Fatehnagar, Jaitaran, Karauli, Nagar, Nadbai, Nokha, Sambhar, Salumber, Todabhim and Viratnagar.

7. Anta, Baran, Bhawanimandi, Jhalawar and Pidawa.

manpower and vehicles to handle solid/plastic/e-waste. The findings noticed in test checked units have been discussed in **paragraph 4.1.6.11**.

Thus, in the absence of assessment of current capacity and future requirement of manpower, vehicles and equipment to handle waste, the waste management at ULBs and GPs were ineffective.

#### **4.1.6.3 Assessment of risk to environment and human health posed by waste**

Paragraph 22.2.1 of the Manual 2000, stipulated that Environment and Health Impact Assessment (EHIA) of Municipal Solid Waste Management is intended to identify and predict the impact of these activities and to suggest preventive measures as appropriate on the environment and on people's health and well being and to interpret and communicate information about the impacts. Further, EHIA broadly involves:

1. Identification of environmental and health hazards
2. Interpretation of environmental and health risks
3. Management of environmental and health risks

It was observed in Audit that LSGD, PRD, RDD and RSPCB did not conduct any assessment of risks to environment and human health posed by waste.

In the test checked units, 11 out of 22 ULBs and all 43 GPs did not assess risks to environment and human health posed by waste in the area falling under their jurisdiction. In remaining 11 ULBs<sup>8</sup>, although the assessment was carried out, but it remained confined to respective DPRs in eight ULBs (except Pali, Sojatcity and Sumerpur) and the findings of these reports were not disseminated to the public.



*Dissemination of risk to environment/health, created due to landfill site at Baran, not done*

Directorate of Local Bodies stated (March 2018) that assessment of risk to environment and human health have been done by municipality concerned in their DPR. The fact remained that 50 *per cent* test checked ULBs did not carry out such assessment.

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8. Anta, Baran, Bhawanimandi, Bikaner, Jaipur, Jhalawar, Mangrole, Pali, Pidawa, Sojatcity and Sumerpur.

**Assessment of waste and risks to environment and health**

*Assessment of waste generation in urban area was carried out for one year based on population size only. In 50 per cent test checked ULBs and 100 per cent test checked GPs, assessment of waste being generated, projection of waste likely to be generated in future, requirement of manpower & vehicles and risk to environment & human health posed by waste was not done. Though remaining test checked ULBs assessed the risks to environment and health posed by waste in their DPRs but findings were not disseminated to the public.*

***Recommendations***

*1. Rajasthan State Pollution Control Board in coordination with LSGD, PRD and RDD should carry out, periodically, a comprehensive assessment of the quantity of various waste being generated and collect data according to parameters like population, geographical areas, sectors (industrial, household, commercial, agriculture, tourism etc.,) and seasonal fluctuations for intervention and aiding policy-making.*

*2. Local Self Government Department, PRD and RDD should estimate the additional requirement of manpower, vehicles and equipment so that waste management activities can be better planned in the State.*

***Audit Objective 2: Whether effective acts/rules/policies/strategies existed for management of solid waste, plastic waste and e-waste and whether emphasis was given to prevention, reduction, reuse and recycling over disposal of waste***

***4.1.6.4 Existence of policy/action plan for waste management***

As per provisions of MSW (Management and Handling) Rules, 2000 and Rule 11 of SWM Rules, 2016, Secretary in-charge of Urban Development in the State shall prepare policy and solid waste management strategy for the State within a period not later than one year from the date of notification of these rules.

*(i) Solid waste* - The LSGD, Government of Rajasthan (GoR) issued a separate policy for Municipal Solid Waste (Waste Management Policy in 2001) and bye-laws for solid waste management in March 2015. Further, for proper implementation of MSW, only 62 ULBs (33 per cent) out of 190 ULBs prepared DPRs during the year 2015 and 2016. Similarly, no action plan for waste management was prepared for the rural areas. DLB intimated that DPR of MB, Nokha was prepared whereas Executive Officer, MB, Nokha denied (May 2017) preparation of any DPR for the MB.

*(ii) Plastic waste* - GoR banned (July 2010) use of plastic carry bags with effect from August 2010. Further for effective implementation of Plastic Waste (M&H) Rules 2011, GoR instead of issuing a separate policy only instructed (June 2011) all ULBs to prohibit plastic carry bags and prepare

action plan. However, in test checked ULBs, it was observed that no action plan for effective implementation of Plastic Waste (M&H) Rules was prepared.

(iii) *E-waste* - As per Rule 12(3) of e-waste (Management) Rules, 2016, the GoR was to prepare integrated plan for effective implementation of the provisions of these rules and to submit annual report to Ministry of Environment, Forest and Climate Change. However, no such integrated plan as required under Rule 12(3) *ibid* was prepared by GoR.

#### **4.1.6.5 Waste prevention and reduction by reducing, reusing and recycling**

An efficient waste management policy seeks to extract the maximum practical benefits from products and minimize the waste generation arising from them with treatment and disposal of waste is being the least favoured option. The principle of 3 R i.e. Reduce, Reuse and Recycle emphasizes on strategies and programs for avoiding and reducing waste.

It was observed that though priority was accorded to 3R in MSW Rules 2000/ bye-laws of March 2015/SWM Rules 2016, RSPCB and DLB did not prepare any program for reduction of solid/plastic/e-waste and to promote the use of recycled and environmental friendly products in the State. Such strategies were not prepared in 11 ULBs<sup>9</sup> (50 *per cent*) out of 22 test checked ULBs. Further even in the 11 ULBs where such strategies were prepared as part of DPR, no action was initiated for operationalising these strategies so far.

Only in Jaipur City, Refused Derived Fuel (RDF) and composting techniques have been used by M Corp, Jaipur for recycling of solid waste. Further, no strategy/program for 'Reduce, Reuse and Recycle' of solid/plastic/e-waste was made for rural area by RDD, PRD.

#### **4.1.6.6 Recognition of role of waste pickers in segregation/recycling of waste**

As per Rule 15(c) of SWM Rules, 2016, the local bodies shall establish a system to recognize waste pickers/informal waste collectors and facilitate their participation in SWM and door to door collection of waste. Further, Rule 11 (m) *ibid* stipulates that the ULBs shall start a scheme for registration of waste pickers and waste dealers.

Audit observed that none of the test checked PRI units and 20 (91 *per cent*) out of 22 test checked ULBs had identified and registered the waste pickers. Only M Corp, Bikaner identified and registered 333 waste pickers and MC Pali issued registration card to waste pickers. Further, none of the test checked ULBs and PRIs registered waste dealers.

Directorate of Local Bodies stated (March 2018) that instructions have been issued to ULBs for integrating the waste pickers.

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9. Deshnok, Fatehnagar, Jaitaran, Karauli, Nagar, Nadbai, Nokha, Salumber, Sambhar, Todabhim and Viratnagar.

#### 4.1.6.7 Levy of penalty for violation of rules

Rule 15 (zf) of SWM Rules, 2016 stipulates that ULBs/GPs shall frame bye-laws and prescribed criteria for levying of penalties for the persons who litter or fail to comply with the provisions of the rules and delegate powers to officers or the local bodies to levy spot fines.

Scrutiny of records of test checked ULBs revealed that inspite of having sufficient powers under relevant rules/bye-laws, 12 (55 per cent) out of 22 test checked ULBs did not levy any penalty for violation of waste related laws. Remaining 10 ULBs<sup>10</sup> levied ₹ 13.80 crore penalty for violation of rules. Thus, only 45 per cent of the test checked ULBs were taking action for violation of rules.

Directorate of Local Bodies stated (March 2018) that instructions and circulars have been issued to ULBs for levy of penalty, however, no responsibility was assigned to any authority by PRD/RDD for levying penalty in GPs.

#### **Existence of rules/regulations/policies/strategies**

*Though adequate Acts, Rules and Policies were available, there were no effective strategies/plans for 'Reducing, Reusing and Recycling' of waste in most of the ULBs and all GPs. Thus most of the efforts were directed at disposal strategies rather than at 'Reducing, Reusing and Recycling' of waste. Though the rules provided for identification and registration of waste pickers, 20 out of the 22 test checked ULB and all test checked GPs had not identified and registered waste pickers. Further, in the absence of bye-laws and designated authorities to levy penalty, none of the test checked GPs had imposed penalties for violation of waste rules.*

#### **Recommendations:**

3. All ULBs should prepare Detailed Project Reports for management of solid waste and introduce effective strategies for better waste management including strategies for the reduction, reuse and recycling of waste.

4. Urban Local Bodies and GPs should identify and register waste pickers and waste dealers to facilitate and regulate their participation in waste management.

**Audit Objective 3: Whether management and handling of solid waste, plastic waste and E-waste is being done as per rules/policies in existence**

#### 4.1.6.8 Management and handing of solid waste

Municipal Solid Waste (Management and Handling) Rules, 2000 and Solid Waste Management (SWM) Rules, 2016 make every municipal authority responsible for infrastructure development for collection, storage, segregation,

10. Bikaner: ₹ 3.42 lakh, Jaipur: ₹ 1373.86 lakh, Karauli: ₹ 0.57 lakh, Nadbai: ₹ 0.18 lakh, Nagar: ₹ 0.12 lakh, Pali: ₹ 0.96 lakh, Sambar: ₹ 0.12 lakh, Sumerpur: ₹ 0.26 lakh, Todabhim: ₹ 0.47 lakh and Viratnagar: ₹ 0.05 lakh.

transportation, processing and disposal of Municipal Solid Waste (MSW). The State Pollution Control Board is given responsibility for granting authorisation for setting up waste disposal facilities and its monitoring to ensure that disposal of MSW meets the compliance criteria set out by the Central Pollution Control Board (CPCB). The provisions of SWM Rules, 2016 also apply to rural areas.

Audit observations relating to collection, transportation, storage, processing and disposal of MSW in test checked ULBs and GPs are discussed below:

**(i) *Collection of solid waste***

Schedule II of MSW Rules, 2000 and Rule 15 of SWM Rules, 2016 stipulates specified activities be taken up by the municipality/operator to ensure that all waste that is generated in the municipal area is collected.

Scrutiny of records of LSGD revealed that during 2016-17, door to door collection of waste was not being done in 2,920 wards (55.41 *per cent*) out of 5,270 wards of all ULBs of the State. DLB stated in the reply (March 2018) that door to door collection is now being carried out in 5,107 wards out of 5,359 wards of the State and rest of the wards would be covered by the end of March 2018. However, this claim could not be verified in Audit.

During 2012-17, out of 22 test checked ULBs (691 wards), seven ULBs<sup>11</sup> (195 wards) did not collect door to door MSW and in eight ULBs<sup>12</sup> door to door collection of MSW was being done partially in only 149 out of 316 wards and only in seven ULBs<sup>13</sup>, door to door collection was being done in all 180 wards. Thus in all test checked ULBs, in 52.39 *per cent* wards door to door collection of waste was not being done.

As regards door to door collection of solid waste in rural areas, no information was made available by the nodal departments i.e. RDD & PRD. In the test checked GPs, door to door collection of waste was being done only in three<sup>14</sup> (7 *per cent*) out of 43 GPs.

**(ii) *Segregation of solid waste***

Schedule II of MSW (Management and Handling) Rules, 2000 provides that specified activities should be taken up by the municipality/operator to ensure that segregation of MSW takes place. Further, SWM Rules, 2016 provides that the segregation of waste was to be done at source and segregated waste was to be kept in different streams i.e., biodegradable, recyclable, hazardous etc.

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11. Anta (25 wards), Baran (45 wards), Bhawanimandi (30 wards), Karauli (40 wards), Mangrol (20 wards), Pidawa (15 wards) and Viratnagar (20 wards).
  12. Bikaner (40 out of 60 wards), Deshnok (10 out of 20 wards), Fatehnagar (10 out of 20 wards), Jaipur (24 out of 91 wards), Jhalawar (8 out of 35 wards), Pali (45 out of 50 wards), Salumber (8 out of 20 wards) and Todabhim (4 out of 20 wards).
  13. Jaitaran (20 wards), Nadbai (25 wards), Nagar (25 wards), Nokha (35 wards), Sambhar (20 wards), Sojatcity (30 wards) and Sumrpur (25 wards).
  14. Manoharpur (PS: Shahpura, District Jaipur), Malanwas and Sumer (PS: Khanpur District Jhalawar).

As regards segregation of solid waste in urban and rural areas, no information was made available by the nodal departments i.e. DLB and RDD & PRD respectively.

During test check, it was observed that solid waste was not being segregated in any of the 22 ULBs and 43 GPs.

Directorate of Local Bodies stated (March 2018) that compartmentalization of waste collection vehicles (Auto Tippers) has been done for wet and dry waste. The reply is not convincing as the waste is not being segregated at source.

**(iii) Storage of solid waste**

Schedule II of MSW Rules, 2000 provides that (i) municipal authorities should establish and maintain storage facilities to ensure that collected and segregated waste is properly stored. Storage facilities shall be created and established by taking into account quantities of waste generation in a given area and the population densities; (ii) storage facilities or 'bins' shall have 'easy to operate' design for handling, transfer and transportation of waste. Bins for storage of bio-degradable wastes shall be painted green, those for storage of recyclable wastes shall be painted white and those for storage of other wastes shall be painted black; (iii) stray animal shall not be allowed to move around waste storage facilities; (iv) the bins or containers wherever placed shall be cleaned before they start overflowing. Further, Rule 5(i) of bye-laws, 2015 provides that the minimum distance between two storage facilities (bins) should be 500 meters. Audit observed that:

In 43 test checked GPs, 40 GPs (93 *per cent*) did not have storage facilities and only in three GPs<sup>15</sup> bins were available for waste storage. Further, in three GPs<sup>16</sup> the bins were neither suitably designed for easy operation in terms of 'handling, transfer and transportation of waste' nor in prescribed colour format. Protection of storage facilities from reach of stray animals was also not available in all test checked GPs.

Thus, due to not having adequate storage facilities the mixed solid waste was dumped in open area. This led to unhygienic conditions causing harm to human health and contamination of the environment.

**(iv) Transportation**

Schedule II of MSW Rules, 2000 and Rule 15 of SWM Rules, 2016 provides that the specified activities should be taken up by the municipality/operator to ensure that transportation of MSW for processing/disposal takes place in a hygienic manner and does not cause littering of waste. In this regard, it was observed in Audit that:

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15. Manoharpur (PS: Shahpura, District Jaipur), Malanwas and Sumer (PS: Khanpur District Jhalawar).

16. Manoharpur (PS: Shahpura, District Jaipur), Malanwas and Sumer (PS: Khanpur District Jhalawar).

(a) In 11 test checked ULBs waste was transported by the ULBs concerned in uncovered vehicles while in remaining 11 ULBs<sup>17</sup> (50 per cent) it was transported by both uncovered and covered vehicles. Out of 43 test checked GPs, while in 40 GPs, waste was not being collected; in three GPs<sup>18</sup> waste is being transported in uncovered vehicles.



(b) The vehicles used for transportation of solid waste in 16 test checked ULBs<sup>19</sup> and three test checked GPs (where transportation of wastes is being done), were not designed to avoid multiple handling of waste prior to its disposal. Only six ULBs had used transportation vehicles which were designed to avoid multiple handling of waste before disposal.

Thus, the usage of uncovered vehicles and inappropriately designed vehicles caused littering and exposure of waste to open atmosphere resulting in unhygienic and insanitary conditions.

(v) ***Other findings related to transportation***

(a) ***Avoidable expenditure of ₹ 16.46 crore on transportation of solid waste***

During scrutiny of records of test checked ULBs it was observed that three ULBs (Bikaner, Pali and Sumerpur) incurred an avoidable expenditure of ₹ 16.46 crore on hiring of vehicles with manpower for transportation of waste despite having adequate capacity of own vehicles for the waste generated in the area under their jurisdiction. The details of such avoidable expenditure are given in **Table 4.1** below:

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17. Bikaner, Fatehnagar, Jaipur, Jaitaran, Karuli, Nadbai, Nagar, Pali, Sojatcity, Sumerpur and Todabhim.  
18. Manoharpur (PS: Shahpura, District Jaipur), Malanwas and Sumer (PS: Khanpur District Jhalawar).  
19. Anta, Baran, Bikaner, Deshnok, Jaitaran, Jhalawar, Karauli, Mangrol, Nadbai, Nagar, Nokha, Pali, Pidawa, Salumbar, Sambhar and Viratnagar.

Table 4.1

Name of ULBs	Quantity of waste generated as per norms	Quantity of waste actually transported	Available capacity of functional own vehicle	Capacity of hired vehicles	Period	Avoidable expenditure (₹ in crore)
	(in MTPD)					
M Corp, Bikaner	284	210	296 <sup>20</sup>	312	8/14 to 3/2017	9.73
MC, Pali	74.82	74.80 (done by own vehicles <sup>21</sup> )	55.8 <sup>22</sup>	188.80	1/13 to 3/2017	4.74
MB, Sumerpur	7.83	7.26	22.60	Not available (Lump sum contract given)	2012-17	1.99
<b>Total</b>						<b>16.46</b>

Source: Information provided by concerned Municipalities.

It can be seen from the above table that in spite of these three ULBs having sufficient capacity of own vehicles for waste transportation, the vehicles from private contractors were hired, incurring an expenditure of ₹ 16.46 crore, which could have been avoided.

On being pointed out, M Corp, Bikaner replied (May 2017) that it had large area under its jurisdiction and it did not have sufficient number of vehicles for waste transportation and hence the vehicles were hired. MC, Pali replied (May 2017) that Pali being an industrial city has more waste generation as compared to other cities hence, private vehicles in addition to their own vehicles were used for transportation of waste. MB, Sumerpur replied (May 2017) that the MB did not have adequate manpower and vehicles for waste transportation and hence private contractors were engaged for the purpose.

The replies were not convincing as these ULBs had sufficient capacity of functional own vehicles for transportation of waste and in case manpower was not available, they could have considered engaging contractual labour, while using the available infrastructure.

**(b) Irregular time extension**

As per Rule 73 of the Rajasthan Transparency in Public Procurement (RTPP) Rules, 2013, repeat orders for extra items or additional quantities may be issued upto 50 per cent of the total cost of procured material or proportionate

20. 11 Dumper (11 x 8 MT x 2 trips) = 176 MT, 12 Tractors (12 x 2 MT x 2 trips) = 48 MT and 3 Refuse Compactor (3 x 12 MT x 2 trips) = 72 MT (Total 296 MTPD) (as per paragraph 13.4.3 of Manual, 2000 all the vehicles may be utilised in two shifts to lift containers).

21. The whole waste transported by own vehicles of MC Pali by increasing number of trips of the vehicles in the following manner- one Dumper Placer 4.8 MT x 4 trips per day (Total 19.20 MTPD); one Refuse Collector: 9.5 MT x 4 trips per day (Total 38 MTPD); two Auto Tipper: 1.2 MT x 4 trips per day (Total 4.80 MTPD); two Auto Hopper : 2 MT x 4 trips per day (Total 8 MTPD); and one Tractor : 1.2 MT x 4 trips per day (Total 4.80 MTPD) Total = 74.80 MTPD.

22. Refuse Compactor: 1 x 9.5 x 2 trips = 19 MT, Dumper Placer: 1 x 4.8 x 2 trips = 9.6 MT, Auto Rickshaw: 2 x 0.6 x 2 trips = 2.4 MT, Auto Hopper: 2 x 1.2 x 2 trips = 4.8 MT, Tractor: 5 x 2 x 2 trips = 20 MT (Total 55.8 MTPD) (as per paragraph 13.4.3 of Manual, 2000 all the vehicles may be utilised in two shifts to lift containers).

period of contract agreement to the contractor if the procuring department had such provision in the tender document.

Urban Local Bodies, Jaitaran, Pali and Sumerpur issued repeat orders to private firms for hiring of vehicles for transportation of waste and other purposes as per detail given in **Table 4.2** below:

**Table 4.2**

(₹ in lakh)

Name of ULBs	Original work orders		Permissible extension of time and value (up to 50 per cent of the original works)		Actual value and time of executed works		Works irregularly extended		Purpose
	Time period allowed in the contracts (months)	Value	Time period (month)	Value	Time period (month)	Value	Time period (month)	Amount (Per cent)	
1	2	3	4	5	6	7	8 (6-4)	9 (7-5)	10
MC, Pali	1.1.13 to 31.12.13 (12 months)	17.52	18	26.28	27	46.24	9	19.96 (113.93)	Hiring of vehicles for transportation of waste
	1.1.13 to 31.12.13 (12 months)	26.46	18	39.69	27	65.79	9	26.10 (98.64)	
	20.6.13 to 20.9.13 (3 months)	12.15	4.5	18.23	14.5	38.42	10	20.19 (166.17)	
MB, Jaitaran	1.4.2012 to 31.3.2013 (12 months)	3.83	18	5.75	56	19.79	38	14.04 (366.58)	Engagement of labours
MB, Sumerpur	1.5.12 to 31.3.13 (11 months)	25.51	16.5	38.27	23	56.95	6.5	18.68 (73.23)	Hiring of vehicles for transportation of waste
<b>Total</b>								<b>98.97</b>	
<i>Source: Information provided by concerned ULBs.</i>									

The above table depicts that the ULBs extended the contract period, ranging from six to 38 months beyond the permissible limit as per RTPP Rules, 2013 and incurred irregular expenditure of ₹ 0.99 crore on the repeated work orders. The work executed in terms of amount, in the extended period was much more than the actual period of the contract and it was ranged between 366.58 per cent and 73.23 per cent. Further, MB Sumerpur not only extended contract period beyond prescribed limit but also increased the rate by 13 per cent during the extended period.

On being pointed out, MC, Pali and MB, Jaitaran stated (May 2017 and June 2017) that the time extension was granted to the contractors due to urgency of the work and anticipated delay in tendering process. Whereas MB, Sumerpur stated (May 2017) that the time extension was granted on the basis of satisfactory work by the contractor and after approval of the Empowered Committee of the MB.

The replies of the ULBs were not acceptable as it was against the provisions of the relevant rules. Thus, all the above ULBs irregularly paid a sum of ₹ 0.99 crore in contraventions to RTPP Rules, 2013 and thereby extended undue benefit to the contractors.

**(vi) Processing of solid waste**

Schedule II of MSW Rules, 2000 and Rule 15 of SWM Rules, 2016 specifies that municipal authorities shall adopt suitable technology or combination of such technologies to make use of waste to minimize burden on landfill. Criteria to be followed included composting, vermi-composting, anaerobic digestion or any other appropriate biological processing for stabilization of waste. Incineration with or without energy recovery including pelletisation could also be used for processing wastes in specific cases.

Further, Rule 21 of SWM 2016 stipulates that non recyclable waste having calorific value of 1500 k/cal/kg or more shall not be disposed off on landfills and shall only be utilised for generating energy either through RDF or by giving away as feed stock for preparing RDF.

**(a)** It was observed in 21 (except Jaipur) out of 22 test checked ULBs that MSW was not being processed before its disposal and was being dumped without processing in open dumping sites. Though MSW was being processed in Jaipur by a Compost plant and RDF plant, the plants were not being utilised to their full capacity (inspite of 1300 MTPD waste being available) as the compost plant received only 150 MTPD (60 *per cent*) waste against processing capacity of 250 MTPD while RDF plant received 61 MTPD (17.43 *per cent*) against processing capacity of 350 MTPD.

Besides, in all the 43 test checked GPs, solid waste was not being processed before its disposal in absence of any facility.

**(b)** It was also observed that ‘waste to energy’ plant was not set up in any of 22 test checked ULBs during 2012-17. However, in Jaipur city an agreement was executed in April 2017 for setting up a ‘waste to energy’ plant.

Directorate of Local Bodies stated (March 2018) that at the State level, currently 10 *per cent* of entire solid waste is being processed and 19 processing plants are under construction.

**(c) Infructuous expenditure on processing plant**

Directorate of Local Bodies sanctioned (August 2007) the installation of a compost plant with capacity of 75 MTPD in Pali under Twelfth Finance Commission Grant. The Awas Vikas Limited (AVL) executed the civil work of the compost plant and a work order was issued (September 2007) to a firm for supply and installation of mechanical plant for conversion of MSW to compost. It was observed that a tripartite agreement was not executed between the MC, AVL and the firm till November 2017. Hence, the plant did not come into operation. The entire expenditure of ₹ 1.72 crore incurred on construction of processing plant was, therefore, infructuous.

**(vii) Disposal of solid waste**

**(a) Development of landfill sites**

As per Schedule II of MSW Rules, 2000 and Schedule I of SWM Rules, 2016, land filling shall be restricted to non-biodegradable, inert waste and other waste that are not suitable either for recycling or for biological processing. Land filling shall also be carried out for residues of waste processing facilities as well as pre-processing rejects from waste processing facilities. Land filling of mixed waste shall be avoided unless the same is found unsuitable for waste processing. Further, SWM Rules, 2016 prescribes that local authorities having a population under 0.5 million shall identify suitable sites for setting up common regional sanitary landfill facilities for suitable cluster.

Scrutiny of progress report of DLB for the year 2015-16 revealed that out of 188 ULBs in the State, land for landfill sites was identified in 151 ULBs leaving 37 ULBs where no land was identified so far.

Out of 22 test checked ULBs, 12 ULBs<sup>23</sup> (55 per cent) each having population less than 0.5 million did not identify landfill sites. Out of 10 identified landfill sites, seven did not apply to RSPCB for grant of authorisation for setting up waste processing/disposal facilities.

Though in three ULBs (Baran, Jaipur and Jhalawar), landfill sites were developed by incurring an expenditure of ₹ 12.74 crore<sup>24</sup>, they were not being used. In Baran and Jhalawar, landfill sites could not be put to use due to non-availability of processing plants. While in Jaipur, though both waste processing plant as well as landfill site were set up but the landfill site was not being used. Thus, in all 22 test checked ULBs waste was being dumped in open land as either landfill sites were not developed (in 19 ULBs) or landfill sites were non-functional (in three ULBs).

The 43 test checked GPs had not developed landfill sites. Rural Development and Panchayati Raj Department stated (February 2017) that rules/policy have not been framed in this regard so far.

**(b) Development of landfill in M Corp, Bikaner**

As per MSW (Management and Handling) Rules 2000, waste processing and disposal facilities including landfills site should be situated at a distance of 200 metres away from highway and habitations and 20 kms away from airport/airbase. In special circumstances if distance is less than 20 kms, No Objection Certificate (NOC) should be obtained from civil aviation authority. Further, authorization was to be obtained from RSPCB.

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23. Anta, Deshnokh, Fatehnagar, Jaitaran, Nadbai, Nagar, Nokha, Salumber, Sambhar, Sojatcity, Sumerpur and Viratnagar.

24. Municipal Corporation, Jaipur: ₹ 10.93 crore MC, Baran: ₹ 1.13 crore, and MC, Jhalawar: ₹ 0.68 crore.

District Collector allotted (2002) land to M Corp, Bikaner at Goga gate for development of landfill site. The allotted land is surrounded by residential areas and is just 16.8 kms away from the airport/airbase. However, the M Corp neither obtained NOC from civil aviation nor got authorization from RSPCB before executing (March 2017) an agreement for development of the landfill site on that land and incurred an expenditure of ₹ 25.08 lakh for levelling of the land.

On this being pointed out, M Corp replied (May 2017) that land was allotted in the year 2002 by the District Collector and that time habitations were not near the identified landfill site. Obtaining of authorisation from RSPCB by the firm is under process.

**(c) Monitoring of open dumping sites**

Out of 22 test checked ULBs, 11 ULBs<sup>25</sup> and all 43 test checked GPs had no plan to discontinue using the open dumping sites. Though the remaining 11 test checked ULBs had planned for closure of open dumping sites in their DPRs (2015 and 2016), the plan could not materialize and waste was still being dumped in open sites.

Further, during physical verification it was seen that waste was being burnt in the open in six ULBs<sup>26</sup> out of the 22 test checked ULBs.

Thus open dumping sites are required to be monitored to make sure that they do not pollute the environment and spread disease in surrounding areas.

**(d) Test report of sample of ground water**

As per Schedule III (24) of MSW Rules, 2000, the usage of ground water in and around landfill site for any purpose is to be considered after ensuring its quality.

It was observed that during the period 2012-17, no tests were carried out by the RSPCB for monitoring the quality of ground water, ambient air and leachate near dumping sites.

During physical verification (16 May 2017) samples of ground water from water source adjoining two dumping sites i.e. Sewapura and Mathuradas Pura in Jaipur were collected by Audit and got tested from the Central laboratory of RSPCB Jaipur. Test results are given in **Table 4.3** below:

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25. Deshnok, Fateh Nagar, Jaitaran, Karauli, Nadbai, Nagar, Nokha, Salumber, Sambhar, Todabhim and Viratnagar.  
26. Bhawanimandi, Bikaner, Jaipur, Jhalawar, Pidawa and Sumerpur.

**Table 4.3**

(In milligram/liter)

Parameters	Prescribed standards	Water testing of Sewapura site		Water testing of Mathuradaspura site	
		Test result	Excess (+)/ shortage (-) against parameters	Test result	Excess(+)/ shortage (-) against parameters
Calcium Carbonate	300	380	(+) 80	232	(-) 68
Total Dissolved Solids (TDS)	500	841	(+) 341	1125	(+) 625
Nitrate	45	67	(+) 22	9	(-) 36

It can be seen from the table above that these dumping sites were contaminating the ground water particularly as the total dissolved solids in the ground water was very high in the adjoining areas to the dump sites. RSPCB, Jaipur accepted (July 2017) the facts.

**(viii) Other observations**

**(a) Non implementation of agreement**

The GoI has (January 2016) a policy for promotion of city compost, wherein a market development assistance of ₹ 1500 per MT is to be paid to fertilizer marketing companies, which will be obligated to purchase all the compost manufactured in the respective cities to which they have been tagged. Audit observed that a tripartite agreement was made (April 2016) between M Corp Jaipur, M/s IL&FS Ltd. and M/s Chambal Fertilizers and Chemicals Limited (CFCL) for off take of city compost from Jaipur. However, CFCL did not lift the compost generated from the compost plant. This resulted in huge accumulation of compost at Sewapura processing plant, due to which the plant was forced to be shut down in February 2017.

Thus non implementation of GoI policy resulted in shut down of processing unit and piling of huge quantity of unprocessed MSW. M Corp, Jaipur did not furnish reply regarding failure of CFCL in not lifting the compost.

**(b) Non recovery of ₹33.02 lakh**

An agreement was executed (October 2008) between M Corp, Jaipur and a firm 'A' for collection, transportation, processing and disposal of waste of four zones (Civil Line, Sanganer, Mansarovar and Vidhyadhar Nagar) under BOOT basis and work order was issued (January 2011) for a period of 10 years. Further as per the agreement, M Corp, Jaipur was to receive revenue share of ₹ 5.51 lakh and licence fee ₹ one lakh per year from the firm which was to be increased by 15 per cent every year. Also, lease money of ₹ 8,093 per year for land allotted for processing plant was to be recovered from firm "A". It was observed that the revenue share, license fee and lease money amounting to

₹ 33.02 lakh<sup>27</sup> for the period from 2014-15 to 2016-17 was not recovered from the firm.

#### **4.1.6.9 Management and handling of plastic waste**

RSPCB was responsible for monitoring the compliance of the rules related to management and handling of plastic waste and ULBs were responsible for its collection, segregation, transportation and disposal.

##### **(i) Registration of retailers/street vendors**

Rule 14(1) of Plastic Waste (Management) Rules 2016 stipulates that the shop keepers and street vendors willing to provide plastic carry bags for dispensing any commodity shall register with local body.

In all 22 test checked ULBs it was observed that neither any retailer/street vendor had registered for selling or providing consumer goods in plastic carry bags nor had the ULBs ensured such registration by the retailer/street vendor even though plastic bags were being used openly.

##### **(ii) Collection, segregation, transportation and disposal of plastic waste**

As per Plastic Waste (Management) Rules, 2016 and 2011 (i) municipal authority was responsible for regulating the usage of plastics and for setting up, operationalisation and co-ordination of the waste management systems and associated functions to ensure safe collection, storage, segregation, transportation and disposal of post consumer plastic waste; (ii) for setting up plastic waste collection centres, the municipal authorities may ask the manufacturers either collectively or individually in line with the principle of Extended Producers Responsibility (EPR) to provide the required finance to establish such collection centres; and (iii) to ensure that open burning of plastic waste does not take place.

In this regard Audit observed that:

**(a)** None of the 22 test checked ULBs had established a mechanism or issued direction for collection, handling, storage, transportation and disposal of plastic waste. Thus, implementation of these rules is yet to commence even after six years of their notification.

**(b)** No such collection centres were established in 22 test checked ULBs either by manufacturers or by concerned ULBs.

**(c)** All test checked 22 ULBs and 43 GPs did not ensure that plastic waste was not burnt in open. Further, during physical verification, it was observed that in six ULBs<sup>28</sup> (27 per cent) instances of open burning of mix waste including plastic waste was commonly observed.

27. Revenue share: ₹ 29.10 lakh + license fee: ₹ 3.76 lakh + lease money: ₹ 0.16 lakh (license fee and lease money have been calculated by increasing 15 per cent every year).

28. Bhawanimandi, Bikaner, Jhalawar, Jaipur, Pidawa and Sumerpur.



**(iii) Levy and collection of user charges**

As per Rule 8(3) of Plastic Waste (Management) Rules, 2016, all waste generators shall pay such user fee or charges as may be specified in the bye-laws of the local bodies for plastic waste management. As per Rule 15 *ibid*, user charges of minimum ₹ 4,000 per month have been prescribed for registering (with the local bodies) the producers/vendors willing to provide plastic carry bags for dispensing any commodity.

It was observed that all test checked 22 ULBs and 43 GPs had neither framed any bye-laws for levy of user charges with regard to plastic waste management nor collected any such user charge as prescribed in the rules *ibid*.

**(iv) Use of technologies for road construction**

Rule 5(1)(b) of Plastic Waste (Management) Rules, 2016 provides that local bodies shall encourage the use of plastic waste which cannot be further recycled for road construction as per Indian Road Congress guidelines or energy recovery or waste to oil etc.

It was observed that none of the test checked ULBs (except Jaipur and Udaipur) and 43 GPs initiated any measures in this regard.

**(v) Scientific Management of Plastic Waste in M Corp, Jaipur**

GoR decided (September 2014) to undertake a pilot project for scientific management of plastic waste in Jaipur City during the period 2014-15. For smooth implementation of the project, a tripartite agreement amongst M Corp, Jaipur, RSPCB and a NGO was to be entered and Department of UDH, LSGD, RSPCB and M Corp Jaipur were to appoint a Nodal Officer.

It was observed in Audit that neither the timeline was decided to carry out the project activities nor any nodal officers were appointed to implement the pilot project as of April 2017. Thus, scientific management of plastic waste, as envisaged, could not be initiated.

**4.1.6.10 Management and handling of e-waste**

**(i) Authorisation/registration of manufacturers, dismantlers, recyclers and refurbishers**

Rule 9(2) & 11 of the E-waste (Management and Handling) Rules, 2011 and E-Waste (Management) Rules, 2016 stipulates that every producer of electrical and electronic equipment, collection centre, dismantler and recycler shall make an application for grant of registration or renewal of registration to RSPCB within a period of three months from date of commencement of these rules. Further, on receipt of application, RSPCB after being satisfied that the applicant possesses appropriate facilities, technical capability and equipment to handle E-waste shall issue authorization and registration within a period of 90 days.

It was observed in Audit that 44 firms had applied to RSPCB for grant of registration for dismantling and processing of E-waste, out of which 43 firms were granted registration. Out of these 43 registered firms, registration of five firms expired during September 2014 to March 2017, but these firms did not renew their registration. Further, RSPCB informed that no firm for recycling of e-waste was registered in the State. The action taken by RSPCB against the firms, who did not apply for renewal of their registration was called for (February 2018), reply is awaited.

**(ii) Earmarking of special zones/areas where the E-wastes could be stored/ disposed**

Rule 12 (1) of E-waste (Management) Rules, 2016, stipulates that State or any other Government agency authorized in this regard by the Government of Rajasthan was to ensure earmarking or allocation of industrial space or shed for E-waste dismantling and recycling in the existing and upcoming industrial park, estate and industrial clusters. However, RSPCB had not ensured earmarked space for e-waste.

**(iii) Enforcement of rules related to collection, segregation, transportation and disposal of E-waste**

**(a)** According to Rule 23 and 24 of E-waste (Management) Rules, 2016, collection, storage, transportation, segregation, refurbishment, dismantling, recycling and disposal of e-waste shall be in accordance with the procedures prescribed in the Guidelines and to ensure that e-waste pertaining to orphan products are collected and channelized to authorized dismantler or recycler. Audit observed that:

Twenty two test checked ULBs neither ensured collection/segregation of e-waste and found mixed with solid waste nor channelized orphan products to their authorised collection centres. This has resulted in mixing of e-waste with solid waste.

**(b)** E-waste (Management) Rules 2016 stipulated that e-waste generated by producer for a specific Electrical and Electronic Equipment (EEE) category

code is to be estimated on the basis of quantity (number or weight) of EEE placed in the market in the previous years and taking into consideration the average life of the equipment. Further, the targets for e-waste collection for the financial year 2016-2017 and 2017-18 would be 15 per cent and 30 per cent respectively of the estimated E-waste generation. Audit observed that:

Estimation of generation of e-waste in the State for the year 2016-17 and targets for collection of e-waste in upcoming years could not be verified in RSPCB, as RSPCB did not made available such data/record to Audit. Further, joint inspection of M/s Secure Meters Limited, Udaipur conducted (June 2017) with Junior Scientific Officer of Regional office of RSPCB, Udaipur revealed that the firm did not estimate the generation and collection of e-waste for the period 2016-17.

### **Management and handling of Solid waste, Plastic waste and E-Waste**

**Solid waste:** *In urban areas, door to door collection of Municipal Solid Waste (MSW) was not done in 55.41 per cent wards of the State during 2016-17. MSW was also not being segregated as per provisions in all test checked 22 ULBs. Further, storage facilities were not found in all the test checked GPs. Waste was also being transported in uncovered vehicles in 11 out of 22 test checked ULBs.*

*Further, in all 22 test checked ULBs, MSW was being dumped in open land without processing. Also landfill sites were constructed in only three out of 22 ULBs, however even these landfills were not being used.*

*In rural area, only in three out of test checked 43 GPs, waste was being collected and being transported, however, in open vehicles. In all GPs, unsegregated and unprocessed waste was being dumped in open land.*

*Thus, in the State, solid waste was not being managed as per the extant rules.*

**Plastic waste:** *None of the test checked ULBs had either registered any retailers/street vendors for selling/providing consumer goods in plastic sheets/packagings or ensured compliance to the extant rules. None of the test checked 22 ULBs and 43 GPs had framed any bye-laws for levy of user charges for plastic waste management. Further, none of 22 test checked ULBs had established a mechanism for collection, handling, storage, transportation and disposal of plastic waste. Hence, plastic carry bags and other plastic items continued to be mixed with MSW.*

**E-waste:** *None of the test checked ULBs ensured collection and segregation of E-waste, which resulted in E-waste being dumped in open land mixed with MSW. Further, neither did the test checked ULBs nor the registered dismantling firms ensure dismantling/recycling of E-waste.*

**Recommendations:**

6. All ULBs and GPs should ensure 100 per cent door to door collection of waste, develop adequate storage facilities/bins and encourage waste generators to segregate the waste at source in different bins according to its nature.

7. All ULBs and GPs should ensure that transportation of all the waste is done in covered vehicles and ensure its disposal in developed landfill sites after proper processing.

8. All ULBs and GPs should establish a mechanism for collection, handling, segregation, transportation and disposal of plastic waste and E-waste. RSPCB should also ensure compliance of these rules by effective monitoring.

**Audit Objective 4: Whether funding and infrastructure for the implementation of waste management was adequate and whether an effective internal control and monitoring mechanism exists**

**4.1.6.11 Funding**

In order to implement laws/rules effectively, implementing agencies need to be provided with human and financial resources to undertake the responsibilities allocated to them. In this regard, it was observed in Audit that:

**(i) Adequacy of funds**

As per Rule 15(x) of SWM Rules 2016, ULBs and GPs, shall make adequate provision of funds for capital investment as well as operation and maintenance of solid waste services in the annual budget.

It was observed that, during 2012-17, 11 ULBs<sup>29</sup> (50 per cent) out of 22 test checked ULBs, did not even assess requirement of funds for waste management while the remaining 11 ULBs assessed fund requirement only for 2015 and 2016. Further, ULBs neither allotted activity wise funds for waste management nor did they maintain activity wise expenditure details.

**(ii) Funding for waste management**

Local bodies were allotted funds under 13<sup>th</sup> and 14<sup>th</sup> Finance Commission/State Finance Commission (SFC), Swachh Bharat Mission (SBM) etc., for the creation of infrastructure for Solid Waste Management (SWM) along with other activities. Position of fund sanctioned and expenditure incurred on SWM could not be verified in test checked local bodies (ULBs and PRIs) as no separate funds for SWM has been earmarked in the budget/accounts of these bodies except that under SBM, Solid Waste

29. Deshnok, Fatehnagar, Jaitaran, Karauli, Nagar, Nadbai, Nokha, Salumber, Sambhar, Todabhim and Viratnagar.

Management activities includes door to door collection, segregation, transportation and energy plant of MSW and that also only for two years i.e. 2015-17.

Details of allotment of funds, expenditure incurred and pending Utilisation Certificates (UCs) at State level and in case of test checked ULBs during 2015-17 under SBM is given in **Table 4.4** below:

**Table 4.4**

(₹ in crore)

Name of Activity	Sanctioned Funds	Expenditure incurred	Unspent fund (Percentage of sanctioned fund)	Pending UCs worth (Percentage of expenditure incurred)
<b>At State level</b>				
Solid Waste Management*	283.55	57.65	225.90 (79.67 %)	46.09 (79.95 %)
Information, Education & Communication	7.44	1.83	5.61 (75.40 %)	1.33 (72.68 %)
Office Expenses	1.82	1.09	0.73 (40.11 %)	0.86 (78.90 %)
<b>Total</b>	<b>292.81</b>	<b>60.57</b>	<b>232.24</b> <b>(79.31 %)</b>	<b>48.28</b> <b>(79.71 %)</b>
<b>In 22 test checked ULBs<sup>30</sup></b>				
Solid Waste Management*	87.52	6.27	81.25 (92.84 %)	5.15 (82.14 %)
Information, Education & Communication	2.22	0.22	2.00 (90.09 %)	0.07 (31.82%)
Office Expenses	0.54	0.07	0.47 (87.04%)	0.07 (100.00 %)
<b>Total</b>	<b>90.28</b>	<b>6.56</b>	<b>83.72</b> <b>(92.73 %)</b>	<b>5.29</b> <b>(80.64%)</b>
* For door to door collection, segregated and transportation of MSW and waste to energy plant etc.				
Source: Information provided by DLB & test checked ULBs.				

It can be seen from the above table that during 2015-17 the utilisation of funds was very low at the State as well as test checked ULBs level, as a sum of ₹ 292.81 crore was allotted for SWM, IEC and office expenses out of which only ₹ 60.57 crore was spent leaving huge unspent balance of ₹ 232.24 crore (79.31 per cent). Similarly, in test checked ULBs, a sum of ₹ 90.28 crore was allotted, out of which only ₹ 6.56 crore (7.27 per cent) was spent on purchase of vehicles, payment of labourers for door to door collection under SWM etc. IEC and office expenses leaving huge unspent balance of ₹ 83.72 crore (92.73 per cent) of fund sanctioned.

Further, at the State level, UCs worth ₹ 48.28 crore (79.71 per cent) were pending adjustment. Similarly, in all test checked ULBs, UCs of ₹ 5.29 crore (80.64 per cent) were pending adjustment.

30. The figures for PRIs not included as the consolidated funds for work of SBM to PRI was allotted and its bifurcation was not available with them.

Thus, 50 per cent of test checked ULBs did not assess requirement of funds for waste management and even the funds available with test checked ULBs were utilised only to the extent of 7.27 per cent during 2015-17 for the specific purpose of solid waste management. This defeated the very purpose of addressing the gaps in solid waste management.

**(iii) Infrastructure**

Adequacy as well as quality of staff is of paramount importance in implementation and monitoring of waste management projects/programmes. In this regard, it was observed in Audit that:

**(a) Assessment of manpower**

During 2012-17, at the State level, RDD/PRD and RSPCB did not assess requirement of staff for implementation and monitoring of activities related to MSW, plastic waste and E-waste. It was also observed that current capacity of manpower based on sanctioned strength/ men-in-position was found short by 33.35 per cent (ranging from 8.11 per cent to 77.78 per cent) in all 22 test checked ULBs. Further 11 ULBs<sup>31</sup> out of 22 test checked ULBs had not assessed requirement of manpower for waste management.

**(b) Assessment of machinery, equipment and other infrastructure**

Rajasthan State Pollution Control Board and PRD/RDD did not assess requirement of machinery, equipment and other infrastructure for the implementation of MSW, plastic waste and E-waste in the urban and rural areas of the State.

It was also observed that 11 ULBs<sup>32</sup> out of 22 test checked ULBs and all 43 GPs did not assess requirement of machinery, equipment and other infrastructure for waste management.

**(c) Capacity building**

As per Rule 11 (k) of SWM 2016 and Paragraph 9.6 of SBM Guidelines 2014, the ULBs should identify relevant officials (both senior level officials and field level functionaries) for training and draw up a calendar of training for them.

It was observed that the capacity building activities was neither done at State level nor in any of the test checked ULBs/GPs.

**(iv) Internal Control and monitoring**

**(a)** As per Section 55(3) of RMA, 2009, every municipality shall constitute a Health and Sanitation Committee (HSC) which would monitor

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31. Deshnok, Fatehnagar, Jaitaran, Karauli, Nagar, Nadbai, Nokha, Salumber, Sambhar, Todabhim and Viratnagar.

32. Deshnok, Fatehnagar, Jaitaran, Karauli, Nagar, Nadbai, Nokha, Salumber, Sambhar, Todabhim and Viratnagar.

issues related to Solid Waste Management activities. Further, as per section 58(1) *ibid* meetings of the HSC shall be conducted within two months in accordance with procedure prescribed.

It was observed that, HSC was not formed in 10 ULBs<sup>33</sup> out of 22 test checked ULBs. Though HSC was formed in 12 ULBs, no meetings were held in six ULBs while in Six ULBs<sup>34</sup> only one to 13 meetings were held against the prescribed 30 meetings during 2012-17.

**(b)** As per section 2.3.3.1 of SWM Manual, 2016 and 19.6.1 of MSW Manual 2000, regular monitoring of waste management was to be done by Health Officers and Sanitary Inspectors.

It was observed in Audit that Health Officers and Sanitary Inspectors did not carry out any inspection in 11 ULBs<sup>35</sup> out of 22 test checked ULBs. Shortage of Sanitary Inspectors and Health Officers was the reason attributed by the concerned ULBs for not conducting such inspections.

Thus Health and Sanitation Committees, which were to monitor issues related to Solid Waste Management activities were either not formed or no meetings were held in 73 *per cent* of test checked ULBs. Further there were weaknesses in inspection by Health Officers and Sanitary Inspectors.

**(c) *Submission of Annual Reports***

As per Rules 4(4) and 8 of MSW Rules, 2000 and Rule 12 of Plastic Waste (Management and Handling) Rules, 2011 and Rule 18 of E-waste (Management) Rules, 2016, annual report related to waste management was required to be submitted by ULBs to Urban Development Department, GoR and RSPCB. RSPCB was further required to submit these reports to CPCB.

It was observed that none of the 22 test checked ULBs and 43 GPs submitted annual reports to concerned authorities and RSPCB.

Further, RSPCB also did not submit annual reports to CPCB relating to MSW for four years (2012-13, 2014-15 to 2016-17), E-waste for three years (2014-15 to 2016-17) and plastic waste for five years (2012-13 to 2016-17).

**(d) *State Level Advisory Body***

As per Rule 11 of Plastic Waste (Management and Handling) Rules 2011, and Rule 23 of SWM Rules, 2016, a State Level Advisory Body (SLAB) was to be constituted by the GoR for monitoring the implementation of the rules *ibid*. Meeting of the SLAB was to be held once in a year up to 2016 and thereafter twice in a year.

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33. Anta, Bhawanimandi, Deshnok, Fatehnagar, Mangrole, Pidawa, Salumber, Sambhar, Todabhim and Viratnagar.

34. Baran (13 meetings), Jaipur (four meetings), Jhalawar (five meetings), Pali (one meeting), Sojatcity (two meetings) and Sumerpur (nine meetings).

35. Baran, Bhawanimandi, Fatehnagar, Jhalawar, Karauli, Mangrole, Pidawa, Salumber, Sambhar, Todabhim and Viratnagar.

Government of Rajasthan constituted (February 2013) a SLAB for Plastic Waste and SLAB for SWM is under consideration as of January 2018.

Further, as per provision of Section 5 of the Environment (Protection) Act, 1986, RSPCB was empowered to issue direction to concerned authorities for compliance of MSW Rules 2000. Anyone who failed to comply with or contravened any of the provisions of the Act/Rules made or orders or directions issued there under, was punishable with imprisonment for a term which may extend to five years or fine which may extend to ₹ one lakh or both.

In this regard, RSPCB issued directions (August 2011 and January 2015) to all concerned authorities to furnish annual reports under the provisions of waste management rules on or before 30 June every year.

It was observed in Audit that none of the ULBs and GPs submitted annual reports to RSPCB. Further, RSPCB did not take penal action against any concerned authorities for non submission of annual reports.

**(e) IEC activities to promote 3 R**

Consumers as well as the general public are required to be educated about the benefits of the 'Reduce, Reuse and Recycle' of waste, so as to get significant public support for recycling and reduction strategies. Further, as per SBM Guidelines 2014, a total of 15 *per cent* of the total central allocation will be earmarked for the IEC activities.

It was observed that Action Plan for IEC activities to promote 3R of waste was made for only urban areas of the State under SBM from 2014. However, no action plan was made for rural areas of the State. Further, during 2015-17, 17 test checked ULBs spent only ₹ 0.22 crore (9.91 *per cent*) out of sanctioned amount of ₹ 2.22 crore for IEC activities i.e. advertisement, banner, pamphlets etc. Remaining five ULBs<sup>36</sup> and 43 GPs did not take initiatives for IEC activities.

Thus, IEC activities were not able to spread awareness amongst the inhabitants.

**(f) Impact assessment of working conditions of waste pickers/collectors**

It was observed that though manual handling of waste was being carried out in all 22 ULBs and three GPs<sup>37</sup>, precautions or safety measure (gloves, gum boots face masks etc.) were not taken by 13 ULBs<sup>38</sup> and all 43 GPs. In the remaining nine ULBs, the precautions/safety measures taken were found inadequate. Neither the GoR nor any test checked ULBs/ GPs conducted any impact assessment for the working conditions of the waste pickers/collectors.

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36. Karauli, Nandbai, Salumbar, Sojatcity and Sumerpur.

37. Manoharpur (PS Shahpura, District Jaipur), Malanwas and Sumer (PS Khanpur District Jhalawar).

38. Anta, Baran, Bhawanimandi, Deshnok, Jhalawar, Karauli, Mangrol, Nadbbai, Nokha, Pidawa, Sojatcity, Todabhim and Viratnagar.

**Funding, infrastructure and monitoring mechanism**

*Though 50 per cent of test checked ULBs did not assess requirement of funds, utilisation of funds was meager during 2015-17, as a sum of ₹ 292.81 crore was allotted at the State level for SBM, out of which only ₹ 60.57 crore was spent leaving huge unspent balance of ₹ 232.24 crore (79.31 per cent).*

*Government of Rajasthan did not assess the requirement of manpower, machinery, vehicles and other infrastructure required for Solid Waste Management in urban and rural areas and the financial implications thereof. Further, even the current working strength of manpower was found short by 33.35 per cent with respect to sanctioned strength in the 22 test checked ULBs.*

*During 2012-17, Health and Sanitation Committees, which were to monitor issues related to Solid Waste Management activities were either not formed or no meetings were held in 73 per cent of test checked ULBs. Due to huge shortage of staff, there was lack of inspection by Sanitary Inspectors and Health Officers. Further, none of the test checked ULBs submitted annual reports on management of solid waste, plastic waste and E-waste to RSPCB during 2012-17.*

***Recommendations:***

*9. In order to ensure optimum utilisation of funds, GoR and ULBs may allocate activity wise funds for Solid Waste Management.*

*10. Requirement of manpower, machinery, vehicles and other infrastructure and its financial implications should be assessed at the earliest for developing effective implementation for Solid Waste Management at State and ULB/GP level.*

*11. Urban Local Bodies may strengthen their internal control mechanism by forming a Health and Sanitation Committees, conducting its prescribed number of meetings and by appointing of required number of Sanitary Inspectors/Health Officers.*

**4.1.7 Conclusion**

Assessment of waste being generated, projection of waste likely to be generated in future, requirement of manpower & vehicles and risk to environment & human health posed by waste was not done at State level as well as in 50 per cent test checked ULBs and in all test checked PRIs level.

Though adequate Acts, Rules and Policies were available, there were no effective strategies/plans for 'Reducing, Reusing and Recycling' of waste in most of the ULBs and all GPs. Thus most of the efforts were directed at disposal strategies rather than at 'Reducing, Reusing and Recycling' of waste.

Amongst test checked units only two test checked ULBs had identified and registered waste pickers. Further, in the absence of bye-laws and designated authorities to levy penalty, none of test checked GPs had imposed penalty for violation of waste rules. GoR did not prepare integrated plan for implementation of e-waste.

The compliance to the acts/rules governing solid waste, plastic waste and e-waste were poor as door to door collection of MSW was not done in 55.41 *per cent* urban wards of the State during 2016-17. Solid waste was being neither segregated nor processed in all test checked ULBs and MSW was being dumped in open land. Further, landfill sites were constructed in only 3 out of 22 ULBs. However these landfills were not being used. In rural areas, only in 3 out of 43 test checked GPs, waste was being collected and unsegregated and unprocessed waste was being dumped in open land.

None of test checked ULBs established a mechanism for collection, handling, storage, transportation and disposal of plastic waste. Hence, plastic carry bags and other plastic items continued to be mixed with MSW.

None of the test checked ULBs ensured collection and segregation of e-waste, which was being dumped in open land mixed with MSW. Further, neither did the test checked ULBs nor the registered dismantling firms ensure dismantling/recycling of e-waste.

Though 50 *per cent* of test checked ULBs assessed requirement of funds for waste management, utilisation of funds was low during 2015-17 and 79.31 *per cent* of the funds allotted under SBM was lying unutilised at State level. GoR did not assess the requirement of manpower, machinery, vehicles and other infrastructure required for Solid Waste Management in urban and rural areas. Further, even the current working strength of manpower was short by 33.35 *per cent* with respect to sanctioned strength in test checked ULBs.

The capacity building was done neither at State level nor at all test checked units. Monitoring of the implementation of solid waste/plastic waste/e-waste rules was lax and ineffective.

## COMPLIANCE AUDIT

### Local Self Government Department

#### 4.2 Short recovery

#### **Short recovery of premium, lease rent, conversion and external development charges amounting to ₹ 2.49 crore.**

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. Rule 9 and 11 *ibid* stated 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. If applicant failed to deposit the said amount even after expiry of six months from the date of receipt of demand notice then permission order should be deemed as cancelled.

Further, Rule 7 (1) of Rajasthan Municipalities (Disposal of urban land) Rule, 1974 provides that 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* of reserve price in case of commercial and other purposes. If the allottee desired to deposit one-time urban assessment or lease rent, then it would be eight times of complete annual assessment. The 'residential cost' was price equal to four times the premium prescribed for residential use of land. The Local Self Government Department (LSGD) clarified vide circular (April 2011) that on conversion of residential land for commercial purposes, lease rent would be calculated at five *per cent* per annum of residential reserve price.

As per order (May 2011) of Urban Development, Housing and Local Self Government Department, External Development Charge (EDC) should be recovered from the developer of group housing and other schemes in private sector or development under Rajasthan Township Policy-2010 at the rate of ₹ 100 per Square meter for cities having population less than one lakh as per census 2001.

Test check revealed that:

(a) In Municipal Board (MB), Uniara (Tonk) (April 2016), five cases of conversion of agricultural land for residential purposes, the MB had issued permission for change of land use and approved the layout plans as per extant provision. Even after lapse of three years from the issue of demand, the applicants only partially deposited the premium, lease rent and EDC (₹ 0.21 crore) against total recoverable amount of ₹ 1.35crore.

The MB did not take action under Section 90 (A) of RLR Act, 1956 to either eject the applicants or recover the dues of ₹ 1.14 crore (*Appendix-XV*).

(b) In Municipal Council (MC), Jalore (March 2016) and MB, Fatehpur Shekhawati (January 2017), In 16 cases of change of land use from agricultural to residential, commercial and industrial purposes, the MC, Jalore calculated premium and lease rent at lower rate instead of the notified rate. Against the recoverable amount of ₹ 99.81 lakh towards premium and lease rent only ₹ 64.70 lakh were recovered (*Appendix-XVI*). Further, in two cases of change of land use from agricultural to residential purpose, the MB, Fatehpur Shekhawati calculated premium at lower rate and against the recoverable amount of ₹ 19.70 lakh, only ₹ 3.12 lakh were recovered (*Appendix-XVII*).

Thus, due to short recovery of premium and lease rent, the above local bodies had deprived from revenue amounting to ₹ 51.69 lakh (₹ 35.11 lakh + ₹ 16.58 lakh).

(c) In MC, Sriganganagar (January 2016), 11 owners/holders of residential area had applied for change of land use from residential to commercial purposes. The MC recovered conversion charges and lease rent of ₹ 25.91 lakh and ₹ 3.02 lakh respectively instead of ₹ 50.80 lakh and ₹ 28.80 lakh. Thus, incorrect calculation at lower rate (calculation was not done on the basis of 40 per cent of residential reserve price) resulted in short recovery of ₹ 50.67 lakh (*Appendix-XVIII*) of conversion charges and lease rent.

(d) In MC, Banswara (December 2016) ten cases of change of land use, the MC calculated the lease rent at five per cent of conversion fee amounting to ₹ 21.82 lakh instead of five per cent of residential reserve price amounting to ₹ 54.56 lakh. This resulted in short recovery of ₹ 32.74 lakh (*Appendix-XIX*).

Thus, the overall short recovery of premium, lease rent, conversion and external development charges amounted to ₹ 2.49 crore.

The matter was referred to the Government of Rajasthan (June and July 2017), reply is awaited (January 2018).

#### **4.3 Non-recovery of road cutting charges**

**Non-recovery of road cutting charges of ₹ 2.45 crore from Jodhpur Vidhyut Vitran Nigam Limited and Public Health Engineering Department.**

Section 184 of RMA, 2009 empowers the Government of Rajasthan to provide for the sanction by the Municipality of specific rights of way in the sub-soil of public and private streets in any municipal area for different public utilities

including electric supply, telephone or other telecommunication facilities, gas pipes, water-supply, drainage and sewerage, *etc.*, to any statutory body or any licensee under the Indian Telegraph Act, 1885 or Electricity Act, 2003 and such other laws as may be notified by the Government of Rajasthan for the purposes of this section. Further, the cost of repair due to damage was to be borne by the concerned Department/Body.

Test check (November 2016) of records of MC, Barmer and Balotra (December 2016) revealed that Jodhpur Vidhyut Vitran Nigam Limited (JVNL), Barmer sought permission (June 2014) for laying 11KV line and Low Tension (LT) Cross-linked polyethylene (XLPE) cable line in Barmer at various locations. The MC issued (March 2015) demand notice of ₹ 1.49 crore for road cutting charges and JVNL deposited (March 2015) ₹ 0.51 crore and assured (April 2015) that the remaining amount of ₹ 0.98 crore would be deposited within 45 days but this was not done. Further, in Balotra, Public Health Engineering Department (PHED) had laid pipelines in various areas within MC jurisdiction from 1997 to 2016 against which an amount of ₹ 1.47 crore towards road cutting charges was outstanding. This resulted in non-recovery of road cutting charges of ₹ 2.45 crore (₹ 0.98 crore + ₹ 1.47 crore) from JVNL and PHED.

The matter was referred to the Government of Rajasthan (March 2017), reply is awaited (January 2018).

#### **4.4 Loss of revenue**

##### **M Corp, Ajmer had not selected sites for installation of signage boards resulted in loss of revenue of ₹ 2.14 crore.**

Municipal Corporation<sup>39</sup>, Ajmer decided to erect gantries, unipoles, signage board, traffic booth, public urinals, with latest technologies on Built Operate & Transfer (BOT) basis for beautification of Ajmer city.

Test check (Sept 2016) of records of M Corp, Ajmer revealed that Bids were invited (September 2007) for installation of signage boards and unipoles. Letter of Intent (LoI) was issued (November 2007) to firm "A" being the highest bidder. The proposal for erection of signage boards and unipoles was approved by LSGD in January 2008 with the condition that provisions of Rajasthan Municipalities (Purchase and Contract) Rules, 1974 and directions of BOT should be adhered to. Accordingly an agreement was executed (May 2008) with firm "A" for installation of 30 signage boards and 50 unipoles. As per terms and conditions of agreement the construction period would be six months from the date of agreement and concession period would be 15 years from stipulated date of completion and written work orders to be issued by the M Corp Ajmer on submission of site plan including dimensions. The rate of annual premium to be paid to M Corp, Ajmer by the firm for each signage board and unipole was ₹ 69,000 and ₹ 84,000 respectively with condition of

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39. Earlier named as Municipal Council, Ajmer.

five *per cent* annual increase on compounding basis. Further, as per clause 4 of the agreement, a site plan including dimension was to be submitted by the contractor for the construction of signage boards and unipoles and thereafter a written work order was to be issued.

As of March 2017, the work of installation of unipoles was completed and premium was being paid regularly by the firm. However, the firm had not erected any signage boards so far as no sites were selected by M Corp, Ajmer for the same. Further, the contractor requested for site selection repeatedly from the time of allotment of work till September 2016, but M Corp, Ajmer did not select sites for signage boards so far. Thus, M Corp, Ajmer by not selecting sites for installation of signage boards resulted in loss of revenue of ₹ 2.14 crore<sup>40</sup> as of March 2017.

The matter was referred to the Government of Rajasthan in March 2017; reply is awaited (January 2018).

#### 4.5 Non-recovery/short recovery of betterment levy

##### **Non-recovery/short recovery of betterment levy by M Corp, Bikaner and Municipal Council, Nagaur of ₹ 1.98 crore from the applicants on granting permission for construction of buildings.**

Rajasthan Building Regulations 2010 and 2013 prescribes that standard Floor Area Ratio (FAR) for residential and commercial buildings should be 1.33 and maximum upto 2.25. If FAR exceeds 1.33, a Betterment Levy (Rule 8.2 and 8.3) should be charged before granting permission for the excess FAR at the rates as given below:

- (a) **Residential Buildings** - Betterment levy should be charged at ₹ 100 per square feet or 25 *per cent* of residential reserve price, whichever is higher on the difference of FAR to the area.
- (b) **Commercial Building** - Betterment Levy should be charged at ₹ 200 per square feet or 25 *per cent* of commercial reserve price, whichever is higher on the difference of FAR to the area.
- (c) **Residential/Commercial Building** - Betterment levy should be charged at 30 *per cent* of the reserve price or ₹ 100 per square feet, whichever is higher on the difference of FAR more than 2.25 to the area.

Test check (October 2016) of records of M Corp, Bikaner and MC, Nagaur revealed that three applicants applied for permission to construct two

40. December 2008 to March 2009: ₹ 6.90 lakh (at the rate of ₹ 69,000), 2009-10: ₹ 21.74 lakh (at the rate of ₹ 72,450), 2010-11: ₹ 22.82 lakh (at the rate of ₹ 76,073), 2011-12: ₹ 23.96 lakh (at the rate of ₹ 79,877), 2012-13: ₹ 25.16 lakh (at the rate of ₹ 83,871), 2013-14: ₹ 26.42 lakh at the rate of ₹ 88,065), 2014-15: ₹ 27.74 lakh (at the rate of ₹ 92,468), 2015-16: ₹ 29.13 lakh (at the rate of ₹ 97,091) and 2016-17: ₹ 30.58 lakh (at the rate of ₹ 1,01,946) **Total = ₹ 214.45 lakh (Say ₹ 2.14 crore).**

residential and one commercial building which had FAR in excess of 1.33. M Corp, Bikaner and MC, Nagaur did not recover the betterment levy amounting to ₹ 1.98 crore (***Appendix-XX***) from the applicants and granted permissions in violation of the provisions.

The matter was referred to the Government of Rajasthan in March 2017; reply is awaited (January 2018).

#### **4.6 Unfruitful expenditure and loss of revenue**

##### **Unfruitful expenditure and loss of revenue aggregating ₹ 1.44 crore on unipoles/signage and display boards on electricity poles in Municipal Corporation, Udaipur.**

Ministry of Environment and Forests (MoEF), Government of India (GoI) issued Guidelines (May 2008) under National Lake Conservation Plan (NLCP) for improving the prospects for protection and conservation of polluted and degraded lakes in urban and semi urban areas. Public awareness and public participation for conservation of lake was one of the activities mentioned in guidelines. Under this plan, Udaipur city was selected and it was decided to install unipoles and signage boards at various places to promote awareness for lake conservation.

Section 105 (C) (iii) of Rajasthan Municipalities Act (RMA), 2009 empowers the Municipality to levy fees and fines in exercise of the regulatory power vested in it for licensing of sites used for advertisement.

Test check of records of M Corp, Udaipur revealed that

(a) An open tender was invited (August 2011) under NLCP in two parts i.e. (i) Supply, erection, installation, testing and commissioning of unipoles/signage boards at various places and (ii) Maintain, Operate and Transfer (MOT) unipoles/signage boards with advertisement rights for the contractor on one side and for M Corp on the other side for ten years (March 2016).

The work order was awarded (September 2011) to firm 'A' for erection of 33 unipoles/signages/trivisions for ₹ 23.52 lakh for part (i) and ₹ 17.50 lakh per year with condition of 10 *per cent* cumulative increase every year upto 10 years for part (ii). The stipulated dates for commencement and completion of part (i) work were 8 October 2011 and 7 January 2012 respectively. The firm had erected 31 unipoles and signage boards (January 2012) after incurring expenditure of ₹ 19.15 lakh. As the firm left the work incomplete, M Corp, Udaipur had to re-allot the work in compliance with conditions of the contract. However, instead of re-allocation of work M Corp, Udaipur paid an amount ₹ 11.35 lakh on incomplete work (July 2012) and the balance amount of ₹ 7.80 lakh was withheld as the contractor had abandoned the work prematurely.

It was further observed in Audit that the erected unipoles and signage boards were not utilised as of July 2017 as evident from the photographs below:



Thus, an expenditure of ₹ 0.11 crore incurred on erection of unipoles/signage boards remained unfruitful.

Municipal Corporation accepted (July 2017) the facts and stated that compensation of ₹ 0.02 crore would be adjusted against the amount of security deposit. The reply is not tenable as neither the purpose of raising awareness towards lake conservation could be achieved nor was the M Corp, Udaipur able to generate revenue by display of advertisements. This resulted in unfruitful expenditure of ₹ 0.11 crore and loss of revenue of ₹ 1.07 crore

Besides the fact that public awareness towards lake conservation could not be achieved as a result of non utilisation of the erected unipoles/signage boards, M Corp, Udaipur could also not earn advertisement revenue of ₹ 1.07 crore<sup>41</sup> as envisaged in the proposal. M Corp had also not made any effort to re-allot the work even after a lapse of more than three years.

(b) Municipal Corporation, Udaipur awarded license (November 2013) to a firm for small display boards on electricity poles for ₹ 51 lakh and ₹ 56 lakh for the period 01 November 2013 to 30 October 2014 and 01 November 2014 to 30 October 2015 respectively. The firm proposed (October 2015) to continue the above contract for one more year with a 10 per cent increase over the previous year for ₹ 61.60 lakh, this was not accepted by M Corp, Udaipur and fresh tender was invited in December 2015. Finally agreement was executed with the same firm in May 2016 and sanction was accorded in June 2016 for the period from 1 April 2016 to 31 March 2017 with license fee of ₹ 60.25 lakh which led to revenue loss of ₹ 1.35 lakh (₹ 61.60 lakh - ₹ 60.25 lakh). (January 2017).

Though the previous contract expired in October 2015, due to delays by M Corp in the tendering process, no revenue could be received from November 2015 to March 2016. Thus, delay in processing and finalisation of

41. 2012-13: ₹ 0.18 crore, 2013-14: ₹ 0.19 crore, 2014-15: ₹ 0.21 crore, 2015-16: ₹ 0.23 crore, 2016-17: ₹ 0.26 crore (Total = ₹ 1.07 crore).

tendering resulted in loss of revenue of ₹ 26.45 lakh (₹ 25.10 lakh<sup>42</sup> + ₹ 1.35 lakh<sup>43</sup>).

The matter was referred to the Government of Rajasthan (March and May 2017); reply is awaited (January 2018).

**4.7 Non/short recovery of registration/annual permission fee from marriage places**

**Non recovery of registration fee and arbitrary reduction in the annual permission fee without approval of Local Self Government Department resulted in non/short recovery of ₹ 97.12 lakh from marriage places.**

Section 340 of RMA, 2009 provides that every Municipality may frame such bye-laws which are not inconsistent with Act or Rules made there under. The Government of Rajasthan enacted Model Bye-Laws for Registration of marriage place in 2010 and all Municipal Bodies were required to adopt/amend their bye-laws for implementation in their jurisdiction. In pursuance of above directions, MC, Sriganganagar notified (December 2010) their Bye-Laws for registration of marriage places. As per Section 10 (A) of the Bye-Laws, registration fee was notified to be ₹ 20,000 and annual permission fee for use of marriage place was notified to be ₹ 20 per Square Yard (Sqyd). It was also provided that if these charges are not deposited as prescribed above, penalty of 10 *per cent* of total due amount should be imposed for first three months and there after ₹ 50 per day would be recovered as late fee (penalty).

Test check (January 2016) of records of MC, Sriganganagar revealed that 18 registered marriage places were running in the MC area without depositing annual permission fee from the year 2010. Beside this, these marriage places did not also renew their registration due before April 2015 for the next five years.

According to the board decision dated 1 March 2013, the MC, Sriganganagar reduced the annual permission fee from ₹ 20 per Sqyd to ₹ 5 per Sqyd and sent (8 May 2015) the proposal to the LSGD, GoR for approval. In spite of the fact that the LSGD rejected the proposal, the MC continued to recover the annual permission fee from July 2015 at the reduced rates after taking an affidavit/undertaking from the marriage place owners.

Thus, non recovery of registration fee and arbitrary reduction in the annual permission fee without approval of LSGD, resulted in non/short recovery of ₹ 97.12 lakh from marriage places (*Appendix-XXI*).

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42. Loss of revenue for five months = ₹ 60.25/12 months x 5 months = ₹ 25.10 lakh.

43. ₹ 61.60 lakh (amount proposed by contractor as an offer) - ₹ 60.25 lakh (amount approved finally) = ₹ 1.35 lakh.

The MC replied (February 2018) that 50 *per cent* amount had been deposited in compliance of ad-interim order of High Court in 12 cases against order in 15 cases.

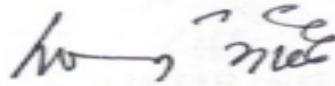
The matter was referred to the Government of Rajasthan in June 2017; reply is awaited (January 2018).



**JAIPUR,**  
**The 25 June 2018**

**(R G VISWANATHAN)**  
**Principal Accountant General**  
**(General and Social Sector Audit), Rajasthan**

**Countersigned**



**NEW DELHI,**  
**The 2 July 2018**

**(RAJIV MEHRISHI)**  
**Comptroller and Auditor General of India**

# Appendices



## APPENDIX-I

**(Refer paragraph 1.3.1; Page 3)**

### Details of devolution of 29 Subjects listed in the Constitution to PRIs.

Sl. No.	Subjects	Status of devolution to PRIs		
		Funds	Functions	Functionaries
1.	Agriculture including agricultural extension	Yes	Yes	Yes
2.	Land improvement, implementation of land reforms, land consolidation and soil conservation	Yes	Yes	Yes
3.	Minor irrigation, water management and watershed development	Yes	Yes	Yes
4.	Animal husbandry, dairy and poultry	No	No	No
5.	Fisheries	Yes	Yes	Yes
6.	Social forestry and farm forestry	Yes	Yes	Yes
7.	Minor forest Produce	Yes	Yes	Yes
8.	Small scale industries including food-processing industries	No	Yes	No
9.	Khadi, village and cottage industries	No	Yes	No
10.	Rural housing	Yes	Yes	Yes
11.	Drinking water	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 2.1.2; page 18)**

**Organisational structure**

<b>Level</b>	<b>Authority responsible for implementation of the Scheme</b>	<b>Functions and responsibilities</b>
<b>State level</b>	State Employment Guarantee Council	<ul style="list-style-type: none"> <li>• Advising the State Government regarding implementation of the Scheme, determining the preferred works, reviewing the monitoring and redressal mechanism from time to time and preparation of annual report to be laid before the State Legislature.</li> </ul>
	State Rural Employment Guarantee Commissioner	<ul style="list-style-type: none"> <li>• Overall supervision and monitoring of the implementation of the Scheme in the State and to empanel reputed agencies to carry out impact assessment of the Scheme.</li> </ul>
<b>District level</b>	District Panchayat	<ul style="list-style-type: none"> <li>• Principal authority for planning and review of implementation of the Scheme, approving District/ Block Rural Employment Guarantee Scheme plans.</li> <li>• Finalizing and approving Block-wise shelf of projects.</li> <li>• Executing its own proposals and proposals received from the other line departments.</li> <li>• Overall supervision and monitoring of implementation of the Act.</li> </ul>
	District Programme Coordinator	<ul style="list-style-type: none"> <li>• Assist the District Panchayat in discharging its functions.</li> <li>• Consolidation of plans prepared by Block Panchayats for inclusion in shelf of projects.</li> <li>• According approval and coordinating with and supervising the performance of Programme Officers.</li> <li>• Conducting periodic inspection of works in progress.</li> </ul>
<b>Block level</b>	Block Panchayat	<ul style="list-style-type: none"> <li>• Planning at the Block level and prioritizing the works and monitoring the implementation.</li> </ul>
	Programme Officer	<ul style="list-style-type: none"> <li>• Scrutinizing the proposals submitted by Gram Panchayats for technical feasibility. Matching employment opportunities with the demand for work at the Block level.</li> <li>• Ensuring (i) execution of works as scheduled, (ii) payment of wages to labourers engaged and (iii) social audits.</li> </ul>
<b>Village level</b>	Gram Panchayat	<ul style="list-style-type: none"> <li>• Planning of works, registering households, issuing Job cards, allocating employment and implementation of the Scheme and conducting social audit.</li> </ul>
<b>Line Department and other</b>	Line Departments- Forest, irrigation etc.	<ul style="list-style-type: none"> <li>• To give technical support for preparation of estimates, measurement, supervisions of executed works.</li> </ul>
	Non-Government Organisations	<ul style="list-style-type: none"> <li>• Execution of works etc.</li> </ul>

## APPENDIX-III

(Refer paragraph 2.1.5; page 20)

Details of selected units			
Zila Parishad	Panchayat Samiti	Gram Panchayat	Number of GPs
Banswara	Anandpuri	Barliya, Chhaja, Kajaliya, Naharpura, Patanawadhara, Tamtiya, Tezpura, Udaipura Bara	8
	Gangartalai	Chalka Talai, Gandoli, Jhajharwa Kalan, Khoraleem, Rohaniya, Rohanwari	6
	Kushalgarh	Bassi, Bawaliya Para, Billi Para, Doongri Para, Gopalpura, Jheekli, Lohariya Kalan, Mahura, Mohkampura, Ruppigarh	10
Barmer	Barmer	Balera, Barmer Agor, Beriwala Tala, Bhadres, Chooli, Juna Patrasar, Kagau, Khariya Tala, Kudla, Maroodi, Muradala Gala, Rani Gaon, Rohili	13
	Gadraroad	Aasari, Beejawal, Jhankali, Khabdala, Khaniyani, Ratredi Kalan, Bandasar	7
	Sindhari	Arniyali Mehchan, Ed Sindari, Kamthai, Motisara, Nakoda, Neemal Kot, Sanpa Manji, Sindari Charnan	8
	Siwana	Bhagwa, Goliya, Gura, Kankhi, Mahilawas, Pau, Siwana	7
Bhilwara	Asind	Badhor, Barsani, Chatarpura, Kaliyas, Motras, Nimbahera, Ratanpura (Bha), Rughnathpura, Sareri, Shambhoo Garh, Negariya	11
	Bijauliya	Beejoliya Kalan, Bhopatpura, Chandji Ki Kheri, Shyampura, Veekam Pura	5
	Mandal	Almas, Baolas, Bhadoo, Bheemdiyas, Chandras, Chitamba, Gorkhya, Gyangarh, Karera, Kidimal, Nareli, Thana	12
Dungarpur	Aspur	Aspur, Bhewri, Galiyana, Ganeshpur, Gol, Khaleel, Parda Thoor	7
	Dowda	Dhawari, Doja, Faloj, Khempur, Pal Bassi, Punali	6
	Galiakot	Daiyana, Diwrachhota, Gara Jasrajpur, Ghata Ka Gaon, Jogpur, Ramsor	6
Jaipur	Chaksu	Ballupura, Jhapda Kalan, Kadera, Kareda Khurd, Kot Khawada, Kumhariyawas, Narpapura / Haripura, Shivdasapura, Thali, Theekariya Meenan	10
	Pawta	Bhonawas, Bhuri Bhadaj, Buchara, Fatehpurr Khurd, Paota, Pathreri, Sundarpura Dhadha	7
	Sanganer	Dantli, Jagannathpura, Kalwara, Kapoorawala, Kheri Gokulpura, Lakhana, Madau, Muhana, Neota, Vidhani	10
	Sambharlake	Dhani Nagan, Dyodhi, Itawa, Jaisinghpura, Kazipura, Khejrawas, Loharwada, Looniyawas, Malikpura, Norangpura, Pachkodiya, Ralawata	12
Jalore	Chitalwana	Bhatki, Bheemguda, Chitalwana, Doongri, Doothwa, Keriya, Sesawa, Veerawa	8
	Jaswantpura	Basra Dhanji, Boogaon, Kalapura, Pawli, Pooran, Ramseen, Savidhar	7
Jodhpur	Balesar	Balesar Durgawata, Bastawa, Belwa Rannaji, Deonagar, Dugar, Gopalsar, Kui Inda	7
	Bap	Chimana, Jamba, Kalansingh Ki Seer, Kansingh Ki Seer, Narayan Pura, Noore Ki Burj, Tekra, Tepoo	8
	Bapini	Aau, Denok, Indon Ka Bas, Kadawa, Motaniya Nagar, Ompura, Ridmarsar, Siyol Nagar	8
	Sekhala	Bhaloo Rajwa, Deriya, Ketoo Mada, Nathdau, Sukhmandala, Thadiya	6
Nagaur	Jayal	Gugriyali, Jalniyasar, Jocheena, Kherat, Ratanga, Rotoo, Soneli, Surpaliya, Tangala, Tarnau	10
	Ladnu	Baldoo, Chhapara, Dujar, Indrapura, Kasumbi Alipur, Meethri, Sanwrad, Sunari	8
	Makrana	Besroli, Bhaiya Kalan, Chandi, Dhananwana, Jakhli, Joosri, Modi Charna, Nandoli Mertiya, Sarnawara	9
	Naawa	Barjan, Bhagwanpura, Govindi, Loonnwa, Muaana, Panchota	6
<b>8 ZPs</b>	<b>27 PSs</b>		<b>222 GPs</b>

**APPENDIX-IV**

**(Refer paragraph 2.1.5; page 20)**

**Perception about Rights and Entitlements to Workers under MGNREGA**

The MGNREGA provides a number of legal entitlements to rural workers through a series of provisions in the law. To ascertain the level of workers satisfaction on the rights and entitlements provided under the Act, a detailed questionnaire was prepared and beneficiary survey was conducted during April to October 2017 by the audit parties along with officials of GPs in 218 selected GPs covering 10 beneficiaries from each GP. The response received from the 2180 workers is tabulated below:

**Beneficiary survey and response received**

Entitlement No.	Rights of Workers	Workers response
<b>1. Right to a Job card</b>		
(i)	Possession of Job cards	88 <i>per cent</i> had job cards in their own custody. 12 <i>per cent</i> did not have job cards in their own custody
(iii)	Fresh Job cards	56 <i>per cent</i> had received job card for which no cost was paid from their pocket. 44 <i>per cent</i> had received job card for which cost was paid from their pocket.
<b>2. Right to Demand and Receive Work within 15 days</b>		
(i)	Demand for work	67 <i>per cent</i> had demanded work orally however work was provided as and when available instead of providing work on demand. 33 <i>per cent</i> had shown satisfaction in providing work on demand.
(ii)	Multiple mechanism for demand for work	93 <i>per cent</i> had never demanded work through other channel (other than GP)
(iii)	Dated Receipt	78 <i>per cent</i> had never received receipt in respect of their demand for work.
(iv)	Intimation of allocation of Work	95 <i>per cent</i> had never received written intimation of allocation of work; however oral intimation was given by the MATE about allocation of work.
(v)	Emphasis on continuous availability of work	88 <i>per cent</i> told that work was provided as and when available instead of continuous availability of work. 12 <i>per cent</i> told that they had received intimation of allocation of work.
<b>3. Right to Unemployment allowance</b>		
No one received Unemployment allowance.		
<b>4. Right to Plan And Prepare a Shelf of Project</b>		
43 <i>per cent</i> told that they had never participated in the Gram Sabha to Plan and prepare a Shelf of Project.		
<b>5. Right to obtain work within radius of 5 KM.</b>		
100 <i>per cent</i> had obtained work within radius of 5 KM.		

Entitlement No.	Rights of Workers	Workers response
<b>6. Right to Work site Facility</b>		
(i)	Medical aid	100 per cent told that Medical aid facility was not provided at the worksite.
(ii)	Drinking Water	100 per cent told that Drinking Water facility was provided at the worksite.
(iii)	Shade	100 per cent told that Shade facility was not provided at the worksite.
(iv)	Crèche	100 per cent told that Crèche facility for children was not provided at the worksite.
(v)	Look after for Children below age of 5/6 years	100 per cent told no person was engaged to look after for Children below age of 5/6 years at the worksite.
(vi)	Insurance under various Schemes	97 per cent told that they are not insured under any scheme for MGNREGA workers.
<b>7. Right to notified wage rate</b>		
70 per cent told that they had not received full amount of notified wage rate instead of payment was made as per combined task basis and received wage proportionately.		
<b>8. Right to receive wage within 15 days</b>		
64 per cent told that they had not received wage within 15 days. 36 per cent had shown satisfaction in respect of wage payment.		
<b>9. Right to Compensation for delay in wage payment</b>		
73 per cent told that they had not received Compensation for delay in wage payment.		
<b>10. Right to time bound redress of grievances</b>		
68 per cent had no knowledge about the grievances redressal mechanism as well as help line numbers.		

The response received from the beneficiaries suggested lack of satisfaction in respect of worker rights (except right to a job card and Right to obtain work within radius of 5 km and providing drinking water facilities on worksite facility) in the implementation of MGNREGS.

## APPENDIX- V

(Refer paragraph 2.1.8.4; page 31)

## Details of works relating to Digging of Talab/Talai/Nada/Nadi/Johad/ Nala/ Minor/Canal/Nahar/Anicut etc.

Sl. No.	Name of GP/ PS/ZP	Name of work	Findings of joint physical verification
1.	Siwana/ Siwana/ Barmer	<b>Digging of Rata Nadi Work in Radia Wala</b> Date of sanction: June 2012 Sanctioned amount: ₹12.79 lakh Date of completion: March 2013 Expenditure: ₹ 12.59 lakh	The <i>nadi</i> was to be excavated to 4.5 meter depth; however, the excavation was done only upto 0.3 meter. Therefore, purpose of digging the <i>nadi</i> failed as there was no water in the <i>nadi</i> even in the monsoon season.
2.	Golia/ Siwana/ Barmer	<b>Digging of Khorishwar Nadi Work</b> Date of sanction: July 2014 Sanctioned amount: ₹ 9.93 lakh Date of completion: July 2015 Expenditure: ₹ 9.67 lakh	<i>Nadi</i> was constructed at the base of the mountain; however no structure was available at present as it appeared to have been washed away. Thus the purpose of construction of <i>nadi</i> for conservation of water was defeated.
3.	Golia/ Siwana/ Barmer	<b>Digging of Tharuda Nadi Work</b> Date of sanction: July 2014 Sanctioned amount: ₹ 9.93 lakh Date of completion: July 2016 Expenditure: ₹ 9.75 lakh	<i>Nadi</i> was constructed at the base of mountain without catchment area because of which no water could be collected. Thus, the purpose of construction of <i>nadi</i> for conservation of water was defeated.
4.	Sareri/ Asind/ Bhilwara	<b>Work of Nadi Khudai with Face Wall near Bhairu Kheda</b> Date of sanction: May 2011 Sanctioned amount: ₹ 9.92 lakh Date of completion: July 2014 Expenditure: ₹ 6.24 lakh	Face wall work was not executed and there was no catchment area. Due to these deficiencies no water was available in the <i>nadi</i> .
5.	Motras/ Asind/ Bhilwara	<b>Construction of Nadi and Face wall at Gurjaron Ka Seja</b> Date of sanction: December 2013 Sanctioned amount: ₹ 9.05 lakh Date of completion: July 2014 Expenditure: ₹ 4.22 lakh	Face wall work was not constructed and catchment area was not available as <i>nadi</i> was surrounded by the <i>khatadari</i> land.
6.	Vikrampura/ Bijolia/ Bhilwara	<b>Construction of Nadi at Ummed Rajji ka Kheda</b> Date of sanction: March 2014 Sanctioned amount: ₹ 9.83 lakh Date of completion: July 2015 Expenditure: ₹ 7.65 lakh	<i>Nadi</i> and constructed wall around the <i>nadi</i> was encroached by villagers as stone pitching and <i>pucca</i> work was not executed.
7.	Thali/ Chaksu/ Jaipur	<b>Construction of kyaryawali Nadi Khudai and Pitching Work</b> Date of sanction: May 2012 Sanctioned amount: ₹ 7.51 lakh Date of completion: July 2014 Expenditure: ₹ 5.36 lakh	The <i>nadi</i> was constructed by executing earth work only. Since no stone pitching work was executed, <i>nadi</i> got damaged.

Sl. No.	Name of GP/ PS/ZP	Name of work	Findings of joint physical verification
8.	Nurikeburj/ Bap/ Jodhpur	<b>Work of Sab ka Nada Digging at Ajeri Par</b> Date of sanction: May 2011 Sanctioned amount: ₹ 20.00 lakh Date of completion: June 2015 Expenditure: ₹ 7.09 lakh	Due to improper site selection and digging of <i>nadi</i> , there was no catchment area and hence no water could be collected.
9.	Ridmalsar/ Bapini/ Jodhpur	<b>Work of Digging Nadi at Dhhudwalia Main</b> Date of sanction: June 2011 Sanctioned amount: ₹ 15.00 lakh Date of completion: February 2016 Expenditure: ₹ 9.70 lakh	<i>Nadi</i> was constructed in <i>Dhora</i> so it had neither water and nor catchment area.
10.	Aau/ Bapini/ Jodhpur	<b>Work of Digging Nadi at Gogaji</b> Date of sanction: March 2015 Sanctioned amount: ₹ 20.00 lakh Date of completion: June 2016 Expenditure: ₹ 18.16 lakh	<i>Nadi</i> neither had water nor catchment area.
11.	Denok/ Bapini/ Jodhpur	<b>Work of Digging Nadi</b> Date of sanction: March 2015 Sanctioned amount: ₹ 20 lakh Date of completion: June 2016 Expenditure: ₹ 19.61 lakh	<i>Nadi</i> neither had water nor catchment area.
12.	Chandi/ Makrana/ Nagaur	<b>Work of Digging of Nimbolia Nadi</b> Date of sanction: June 2014 Sanctioned amount: ₹ 24.89 lakh Date of completion: February 2016 Expenditure: ₹ 26.64 lakh	Improper work was executed in catchment of existing Nimoboli <i>nadi</i> and incoming water source for existing <i>nadi</i> was interrupted.
13.	Fatehpura Khurd/ Paota/ Jaipur	<b>Johad Khudai at Kankariya Wala Johad</b> Date of sanction: February 2014 Sanctioned amount: ₹ 9.96 lakh Date of completion: July 2014 Expenditure: ₹ 6.45 lakh	The work was incomplete however it was shown completed in MIS. Only excavation of earth was done that too without considering the catchment area. Moreover, a wall was constructed alongside forest area by Forest Department which stopped the inflow of water. Hence, a durable asset was not created.
14.	Bhuribadaj/ Paota/ Jaipur	<b>Johad Khudai at Bhuribadaj, Nadawala Dungari Ka Karya (GP Bhuribadaj, PS Paota)</b> Date of sanction: July 2013 Sanctioned amount: ₹ 10 lakh Date of completion: January 2015 Expenditure: ₹ 8.43 lakh	The work was incomplete however work was shown completed in MIS. Only excavation of earth was done.
15.	Chacha Nehru Nagar/ Sunderpura / Dada	<b>Johad Khudai and Suraksha Diwar, Pyoroda Johad Karya</b> Date of sanction: June 2014 Sanctioned amount: ₹ 9.96 lakh Date of completion: August 2016 Expenditure: ₹ 4.72 lakh	The work was incomplete however was shown completed in MIS and <i>suraksha diwar</i> work was not constructed along with Johad.

Sl. No.	Name of GP/PS/ZP	Name of work	Findings of joint physical verification
16.	Jaisinghpura/Sambharlake/Jaipur	<b>Talai Khudai Shamshan Bhumi</b> Date of sanction: June 2012 Sanctioned amount: ₹ 9.62 lakh Date of completion: January 2014 Expenditure: ₹ 5.84 lakh	The construction of <i>Talai</i> was incomplete and no water inflow was there in the <i>talai</i> . As such only excavation of earth was done without catchment.
17.	Dhaninagan/Sambharlake/Jaipur	<b>Talai Khudai Work, Near B.Ed. College</b> Date of sanction: October 2013 Sanctioned amount: ₹ 7.94 lakh Date of completion: July 2014 Expenditure: ₹ 6.05 lakh	There was no storage of water as a <i>nala</i> was constructed instead of <i>Talai</i> . Only soil work was done which affected asset's durability.
18.	Dantli/Sanganer/Jaipur	<b>Talai Khudai Work Sisyawas</b> (2712008218/WC/112908112920) Date of sanction: May 2011 Sanctioned amount: ₹ 9.51 lakh Date of completion: April 2016 Expenditure: ₹ 8.42 lakh	There was no inflow of water in the <i>talai</i> . Only excavation of earth was done, without catchment.
<b>Talab Bawdi Work</b>			
19.	Chatrpura/Asind/Bhilwara	<b>Construction of Jal Sanrakshan Dhancha at border of Rampura</b> Date of sanction: March 2014 Sanctioned amount: ₹ 9.51 lakh Date of completion: March 2017 Expenditure: ₹ 4.92 lakh	Only <i>Kuchcha Karya</i> was executed. There was no water in the structure and it did not have catchment area.
20.	Barsni Asind Bhilwara	<b>Deepening of Ganeshpura Talab and repair of Face wall and Construction of Pakki Canal</b> Date of sanction: May 2016 Sanctioned amount: ₹ 6.99 lakh Date of completion: NA Expenditure: ₹ 5.88 lakh	<i>Talab</i> was dry and face wall and canal works were not executed. Only <i>kachcha karya</i> was executed.
21.	Doja/Dovada/Dungarpur	<b>Construction Work of Hangari Wala Talab Sudrikaran with Puliya</b> Date of sanction: February 2013 Sanctioned amount: ₹ 9.68 lakh Date of completion: June 2013 Expenditure: ₹ 9.60 lakh	<i>Talab</i> was dry in rainy season and no work for <i>sudrikaran</i> was executed.
22.	Kotkhawda/Chaksu/Jaipur	<b>Talab Khudai Dewasi Ki Dhani, Gram Dewasi ki Dhani</b> Date of sanction: April 2010 Sanctioned amount: ₹ 23.79 lakh Date of completion: July 2016 Expenditure: ₹ 17.26 lakh	Only excavation of earth was done and patthar pitching work was not executed.

Sl. No.	Name of GP/ PS/ZP	Name of work	Findings of joint physical verification
23.	Kumahari-yawas/ Chaksu/ Jaipur	<b>Talab Khudai, Suraksha Diwar and Pattar Piching Work</b>  Date of sanction: May 2009 Sanctioned amount: ₹ 14.00 lakh Date of completion: May 2013 Expenditure: ₹ 8.68 lakh	Only earth work was executed. <i>Patthar pitching &amp; suraksha diwar</i> work was not executed. Also, there were uneven ditch type pits in the <i>Talab</i> .
24.	Shivdaspura/ Chaksu/ Jaipur	<b>Talab Khudai near Sansion ki Dhani</b>  Date of sanction: December 2011 Sanctioned amount: ₹ 8.48 lakh Date of completion: August 2013 Expenditure: ₹ 5.28 lakh	The work was incomplete however work was shown completed on 08.07.2013 in MIS. <i>Patthar pitching and suraksha diwar</i> work was not executed.  Duplication of works - The aforesaid <i>Talab</i> again got financial sanction of ₹ 7.42 lakh, issued on 02-01-2017 against which an expenditure of ₹ 2.48 lakh was incurred. Hence despite incurring an expenditure of ₹ 8.76 lakh on the <i>Talab</i> site, durable assets was not created and duplication of soil work was being done.
25.	Pachkodia/ Sambharlake/ Jaipur	<b>Talab Khudai work, Gram Pachkodia</b>  Date of sanction: April 2010 Sanctioned amount: ₹ 20.20 lakh Date of completion: July 2016 Expenditure: ₹ 15.91 lakh	Only excavation of earth was done that too without catchment.
26.	Khejrawas/ Sambharlake/ Jaipur	<b>Talab Khudai Work Jogion ki Dairy</b>  Date of sanction: May 2012 Sanctioned amount: ₹ 9.06 lakh Date of completion: July 2013 Expenditure: ₹ 6.71 lakh	Only excavation of earth was done that too without catchment.
27.	Haripura/ Chaksu/ Jaipur	<b>Talab Khudai Dayal Sagar Mundrahedhi work</b> (2712013385/WC/112908132561)  Date of sanction: May 2011 Sanctioned amount: ₹ 9.97 lakh Date of completion: July 2016 Expenditure: ₹ 8.03 lakh	One side of earthen wall ( <i>Pal</i> ) of <i>Talab</i> was damaged which precluded the possibility of storing water in <i>Talab</i> .
<b>Construction Work of Check Dam</b>			
28.	Ganeshpur / Aspur / Dungarpur	<b>Construction Work of Check Dam at Katrva Upala on Governmet Land</b>  Date of sanction: December 2013 Sanctioned amount: ₹ 9.81 lakh Date of completion: February 2016 Expenditure: ₹ 3.91 lakh	Check dam was constructed with small pieces of stones, thus it had low strength. No water was found in check dam.
29.	Ghata ka Gaon/ Galiyakot / Dungarpur	<b>Construction Work of Hangiya Phala to Puccaa Check Dam on Government Land</b>  Date of sanction: May 2012 Sanctioned amount: ₹ 8.63 lakh Date of completion: June 2014 Expenditure: ₹ 7.67 lakh	Only <i>kachha</i> check dam with soil was constructed at the base of hill and soil. It appeared to have been washed away and no water was found in the dam.

Sl. No.	Name of GP/ PS/ZP	Name of work	Findings of joint physical verification
30.	Deyana/ Galiakot/ Dungarpur	<b>Construction Work of Kuchcha Check Dam for New Talavdi</b>  Date of sanction: April 2013 Sanctioned amount: ₹ 8.58 lakh Date of completion: December 2013 Expenditure: ₹ 8.08 lakh	Constructed check dam was broken and rain water was not stored.
31.	Kadera/ Chaksu/ Jaipur	<b>Dam Khudai with Pitching Work</b>  Date of sanction: March 2008 Sanctioned amount: ₹ 24.35 lakh Date of completion: July 2013 Expenditure: ₹ 18.85 lakh	Without completion certificate, the work was shown completed in MIS. Only earth work was executed and <i>pathar</i> pitching work was not executed.
32.	Ramseen/ Jaswantpura/ Jalore	<b>Construction of Dam with Safety Wall for Storage of Overflow Water</b>  Date of sanction: June 2013 Sanctioned amount: ₹ 24.67 lakh Date of completion: December 2014 Expenditure: ₹ 6.06 lakh	A 359 feet wall was constructed inside the river bank, instead of a dam. Moreover, other works related to dam were also not completed.
<b>Construction work of Canal/Nahar</b>			
33.	Badnor/ Asind/ Bhilwara	<b>Repair of Nahar and Pucca Karya Jetsagar Talab to Pratapura Talab</b>  Date of sanction: July 2013 Sanctioned amount: ₹ 9.58 lakh Date of completion: May 2014 Expenditure: ₹ 5.44 lakh	<i>Kachhi Nahar</i> was dug, instead of repair work.
34.	Raja ji ka Kareda/ Mandal/ Bhilwara	<b>Construction of Canal from Phutiya Talab towards Village</b>  Date of sanction: February 2014 Sanctioned amount: ₹ 9.90 lakh Date of completion: March 2016 Expenditure: ₹ 8.69 lakh	<i>Phutiya Talab</i> canal was damaged to the extent of 20 feet; hence canal was not in use.
35.	Aspur/ Aspur/ Dungarpur	<b>Construction Work of Nala Nirman</b>  Date of sanction: April 2010 Sanctioned amount: ₹ 9.84 lakh Date of completion: October 2012 Expenditure: ₹ 9.84 lakh	<i>Nala</i> was blocked with mud and garbage.
36.	Doja/ Dovada/ Dungarpur	<b>Ghodacha Minor ka Sudhardikarn Work</b>  Date of sanction: October 2013 Sanctioned amount: ₹ 5.49 lakh Date of completion: May 2014 Expenditure: ₹ 4.84 lakh	Canal was blocked due to sand and stone pieces and causing water overflow during rainy season.
37.	Paota/ Paota/ Jaipur	<b>Kharnali Khudai Karya, Shivnagar</b>  Date of sanction: June 2014 Sanctioned amount: ₹ 10.69 lakh Date of completion: July 2016 Expenditure: ₹ 6.87 lakh	<i>Nala khudai</i> work was executed without constructing the side walls along the <i>nala</i> .

Sl. No.	Name of GP/PS/ZP	Name of work	Findings of joint physical verification
38.	Mundtra Somta/ Jaswantpura/ Jalore	<b>Repair of Somata Distributor of Sindhra Main Canals</b> Date of sanction: October 2015 Sanctioned amount: ₹ 33.99 lakh Date of completion: February 2016 Expenditure: ₹ 7.90 lakh	It was noticed that total length of canal of Bandi Sindhara dam was 17,105 meter. The canal was damaged from RD 4680 to 5,730 meter in 2015. It was further observed that repair work was executed beyond RD 5,730. The repair work should have been executed in the damaged area to ensure smooth flow of water.
<b>Construction Work of Anicut</b>			
39.	Barsni/ Asind/ Bhilwara	<b>Construction of Anicut, Face wall and Mori at Haziya road</b> Date of sanction: May 2016 Sanctioned amount: ₹ 6.93 lakh Date of completion: NA Expenditure: ₹ 5.72 lakh	Only <i>kachcha karya</i> was executed and Mori was not constructed. The face wall was already in existence.
40.	Haripura/ Chaksu/ Jaipur	<b>Anicut Khudai Charagah Gram Mundraheri</b> Date of sanction: March 2009 Sanctioned amount: ₹ 24.94 lakh Date of completion: June 2016 Expenditure: ₹ 19.90 lakh	Only earthen wall was constructed instead of anicut as per sanction. Hence the purpose of stopping water was not achieved.

APPENDIX-VI

(Refer paragraph 2.1.9.3; page 38)

Payment of compensation for delayed payment of wages

Year	Delayed compensation					Rejection reason(In Days)					delayed compensation paid (in ₹)	Due (in ₹)
	Payable (in delay days)	Payable amount (In ₹)	Approved (in delay days)	Approved amount	Amount yet to be verified	Insufficient fund	Natural calamities	Compensation not due	Other	Total rejected days		
1	3	4	5	6	7	8	9	10	11	12	13*	14 (6-13)
2013-14	119553702	59706372	521	304	34	13802161	46755876	47858052	11136792	119552881	23	281
2014-15	143981542	72603671	532146	323326	76075	547754	38148197	19407827	85144608	143248386	2,90,030	33,296
2015-16	195302344	111064515	3677000	2067435	232176	853854	103171634	47098410	40118204	191242102	20,25,437	41,998
2016-17	69104716	44593740	4368751	3217491	-381203	Nil	28917054	21359481	15106818	65383353	31,40,779	76,712
<b>Total</b>	<b>527942304</b>	<b>287968298</b>	<b>8578418</b>	<b>5608556</b>	<b>-72918</b>	<b>15203769</b>	<b>216992761</b>	<b>135723770</b>	<b>151506422</b>	<b>519426722</b>	<b>54,56,269</b>	<b>1,52,287</b>
			<i>1.62 per cent of total payable delay days</i>			<i>2.93 per cent of total rejected delay days</i>	<i>41.78 per cent of total rejected delay days</i>	<i>26.13 per cent of total rejected delay days</i>	<i>29.16 per cent of total rejected delay days</i>	<i>98.38 per cent of total payable delay days</i>		

Source: MIS data NREGASoft as on 4 January 2018.

## APPENDIX-VII

(Refer paragraph 2.2.4.2; page 57)

**Details of five works relating to construction of CC road with drain/CC block/Paver interlocking block in ZP, Bhilwara and Rajsamand**

(₹ in lakh)

Sl. No.	Name of work	Date of sanction/ completion and sanctioned amount/ expenditure incurred (₹ in lakh)	Findings of Joint physical verification	Amount charged for work not executed
1.	Construction of CC block road from Kaletra Sadak to Ranjeet Singh house (GP Kookerkhera, PS Bhim, ZP Rajsamand)	September 2013/ February 2014 Sanctioned : ₹ 5.00 Expenditure: ₹ 5.00	No Precast Cement Concrete (PCC) (base layer of CC block road) was found spread out in the road. However, 74.71 cum quantity of PCC was recorded in the measurement book.	1.49
2.	CC block road from Manish Joshi house to Main Bazar (GP Kookerkhera, PS Bhim, ZP Rajsamand)	September 2013/ February 2014 Sanctioned : ₹ 5.00 Expenditure: ₹ 5.00	No PCC (base layer of CC block road) was found spread out in the road. However, 76.45 cum quantity of PCC was recorded in the measurement book.	1.53
3.	Construction of CC road Government Upper Primary School to Darwaja in village Bharat Singh Gudha (GP Pardi, PS Devgarh, ZP Rajsamand)	August 2013/ January 2014 Sanctioned : ₹ 4.00 Expenditure: ₹ 3.99	Base layer was not spread out whereas 66.44 cum quantity of base layer was recorded in the measurement book.	1.63
4.	Construction of Paver Block interlocking block road with drain work (GP Dhuwala, PS Mandal, ZP Bhilwara)	December 2014/ May 2015 Sanctioned : ₹ 3.50 Expenditure: ₹ 3.49	No PCC (base layer of CC block road) was found spread out in the road. However, 66.54 cubic meter quantity of PCC was recorded in the measurement book.	1.49
5.	Construction of CC road with drain from Chouraha Se Government Primary School Galeta village Dhanval (GP Farara, PS Rajsamand, ZP Rajsamand)	December 2013/ September 2014 Sanctioned : ₹ 10.00 Expenditure: ₹ 9.85	Base layer was not spread out whereas 160.83 cubic meter quantity recorded in the MB.	3.49
	<b>Total</b>			<b>9.63</b>

**APPENDIX-VIII**

**(Refer paragraph 2.2.4.2; page 58)**

**Details of eight works relating to construction of CC road with drain/CC block/Paver interlocking block in ZP, Bhilwara Pali and Rajsamand**

(₹ in lakh)

Sl. No.	Name of GP/PS/ZP	Date of sanction/ completion and sanctioned amount/ expenditure incurred (₹ in lakh)	Findings of Joint physical verification	Amount charged for work not executed
1.	Construction of CC block with drain from Kaletra to Aadi Magri. (GP Kookerkhera, PS Bhim, ZP Rajsamand)	August 2015/ January 2016 Sanctioned : ₹ 5.00 Expenditure: ₹ 4.85	Average four inches PCC was recorded in measurement book whereas two inches PCC was found. Thus 2 inch PCC layer less executed.	0.67
2.	Construction of CC block road with drain in the village of Kodadai (GP Kushalपुरa, PS Bhim ZP Rajsamand)	August 2015/ December 2015 Sanctioned : ₹ 8.00 Expenditure: ₹ 7.81	3.48 inch PCC was recorded in measurement book whereas two inch PCC was found. Thus 1.48 inch PCC layer less executed.	0.80
3.	Construction of CC interlocking block road with drain from Heera Lal Gurjar house to Lachhu Gurjar house. (GP Jalariya, PS Asind, ZP Bhilwara)	December 2014/ June 2015 Sanctioned : ₹ 10.00 Expenditure: ₹ 10.00	Six inches PCC was recorded in measurement book whereas PCC was found in three inch. Thus three inch PCC layer less executed.	1.65
4.	Construction of Paver Block interlocking block road with drain from Durga Singh house to Ram Lal house, Tikhi ka Wadia (GP Nareli, PS Mandal, ZP Bhilwara)	October 2014/ September 2015 Sanctioned : ₹ 6.00 Expenditure: ₹ 5.98	Average 3.80 inch PCC was recorded in measurement book whereas PCC was found in two inch. Thus 1.80 inch PCC layer less executed.	0.81
5.	Construction of CC road with drain Main Road to via Bhil Basti upto School in village Jeeran (GP Jeeran, PS Devgarh, ZP Rajsamand)	2013-14/ December 2013 Sanctioned : ₹ 5.00 Expenditure: ₹ 4.51	Six inch (average three inch of each layer) thickness of base and top layer was recorded in measurement book whereas it was found four inch (average two inch of each layer) .Thus two inch base and top layer less executed.	1.53
6.	Construction of CC road with drain from Pucca Sadak to Seemar Mata Ji (Swadri B) (GP Swadri, PS Devgarh, ZP Rajsamand)	December 2014/ March 2015 Sanctioned : ₹ 5.00 Expenditure: ₹ 4.69	Average five inch top layer was recorded in measurement book whereas top layer was found three inch. Thus two inch top layer less executed.	1.35
7.	Construction of CC road with drain from Lachhuji house to Government Upper Primary School, Khakharda (GP Kalesariya, PS Devgarh, ZP Rajsamand)	August 2013/ September 2013 Sanctioned : ₹ 5.00 Expenditure: ₹ 4.97	Average 3.5 inch top layer was recorded in measurement book whereas top layer was found two inch. Thus 1.5 inch top layer less executed.	1.18

Sl. No.	Name of GP/PS/ZP	Date of sanction/ completion and sanctioned amount/ expenditure incurred (₹in lakh)	Findings of Joint physical verification	Amount charged for work not executed
8.	Construction of CC Block from Bijali house towards Government Senior Secondary School (GP Siryari, PS Marwar Junction, ZP Pali)	December 2014/ June 2016 Sanctioned : ₹ 5.00 Expenditure: ₹ 5.00	Four inch base layer (1:4:8) was recorded in measurement book whereas it was found three inch base layer was executed. Thus one inch base layer (1:4:8) less executed.	0.50
	<b>Total</b>			<b>8.49</b>

**APPENDIX-IX**

**(Refer paragraph 2.2.4.2; page 58)**

**Details of eight works relating to construction of CC road with drain/CC block/Paver interlocking block in ZP Rajsamand**

(₹ in lakh)

Sl. No.	Name of work	Date of sanction/ completion and sanctioned amount/ expenditure incurred	Findings of Joint physical verification	Fictitious Amount
1.	Construction of CC road interlocking with nali from Government Upper Primary School opposite Gurjaron ke Rahat to Kishan Singh house  (GP Farara, PS Rajsamand, ZP Rajsamand)	December 2013/ January 2015 Sanctioned : ₹ 10.00 Expenditure: ₹ 10.00	Road was found 1756 feet whereas 2044 feet recorded in Measurement Book. 288 feet length of the road was found short.	1.42
2.	Construction of CC road interlocking with nali near Bharat Nirman Rajeev Gandhi Seva Kendra  (GP Mundol, PS Rajsamand, ZP Rajsamand)	August 2013/ January 2014 Sanctioned : ₹ 5.00 Expenditure: ₹ 5.00	Road was found 527 feet whereas of 639 feet recorded in Measurement Book. 112 feet length of the road was found short	0.88
3.	Construction of CC road with drain from Mukhya Sadak to Bhil Basti  (GP Boraj, PS Rajsamand, ZP Rajsamand)	August 2013/ February 2014 Sanctioned : ₹ 5.00 Expenditure: ₹ 5.00	Road was found 692 feet whereas 888.5 feet recorded in Measurement Book. 196.5 feet road was found short	1.10
4.	Construction of CC road from River to Isharji ka Khera  (GP Bhim, PS Bhim, ZP Rajsamand)	December 2013/ June 2014 Sanctioned : ₹ 10.00 Expenditure: ₹ 9.97	Road was found 1115 feet whereas 2380.50 feet recorded in Measurement Book. 1265.50 feet length of the road was found short.	5.30
5.	Construction of CC road from Keraram house to Khera ki Rail in village Selma  (GP Balli Khera, PS Bhim, ZP Rajsamand)	May 2014/ December 2014 Sanctioned : ₹ 4.00 Expenditure: ₹ 4.00	Road was found 690 feet whereas 1059.75 feet recorded in Measurement Book. 369.75 feet length of the road was found short	1.40
6.	Construction of CC road with drains from Charbhujia Mandir to Anganwadi Galeta Village Dhanval.  (GP Farara, PS Rajsamand, ZP Rajsamand)	August 2015/ December 2015 Sanctioned : ₹ 7.00 Expenditure: ₹ 6.92	Road was found 798 feet whereas 921.35 feet recorded in Measurement Book. 123.35 feet length of the road was found short	0.93
7.	CC road with drain from Rawali Pol to Bus Stand, Saliyon Ka Kheda  (GP Anjana, PS Devgarh, ZP Rajsamand)	December 2014/ - NA- Sanctioned : ₹ 4.00 Expenditure: ₹ 3.99	Road was found 182 meter instead of 240.3 meter recorded in measurement book. Thus 58.30 meter road was found short	0.97
8.	Construction of CC block road from Uparla Jelwa to Hanuman Mandir Ganga Ki Ghati with drain.  (GP Thaneta, PS Bhim, ZP Rajsamand)	August 2015/ January 2016 Sanctioned : ₹ 8.00 Expenditure: ₹ 7.76	Road was found 964 feet whereas 1174 feet recorded in Measurement Book. 210 feet length of the road was found short.	0.94
<b>Total</b>				<b>12.94</b>

## APPENDIX-X

(Refer paragraph 2.2.4.2; page 58)

## Statement showing the defeated execution of work

Sl. No.	Name of work	Name of of			Date of		Sanction Amount	Expenditure incurred	Findings of Joint physical verification
		GP	PS	ZP	Sanction	Completion			
1.	Construction of library building in Dol Ka Wadia	Chainpura	Asind	Bhilwara	September 2013	June 2014	4.00	4.00	Building was lying idle since June 2014
2.	Construction of library building in Government Upper Primary School near Marevda	Jalariya	Asind	Bhilwara	September 2013	November 2013	4.00	3.65	Library building was lying idle.
3.	Construction of Government Sub Health Centre at Chauhanoyrn ke Kameri	Umari	Manda	Bhilwara	September 2013	October 2015	8.00	8.00	Sub Health Centre was lying idle since October 2015 due to non- posting of officials.
4.	Construction of Sub Health Centre at Suliya Khera	Govardhan-pura	Mandal	Bhilwara	September 2013	March 2014	8.00	7.90	Sub Health Centre was lying idle since March 2014 due to non -posting of staff.
5.	Construction of Sub Health Centre at Jeeran	Jeeran	Devgarh	Rajsamand	September 2013	August 2014	7.58	5.64	Sub Health Centre was lying idle since August 2014 due to non-posting of staff and not transferred to concerned Department.
6.	Construction of Ayurved building	Chainpura	Asind	Bhilwara	February 2012	January 2013	5.00	4.43	Building was not handed over to the Departmentconcerned.
7.	Construction of Government Ayurvedic Hospital Umari	Umari	Mandal	Bhilwara	October 2012	August 2016	5.00	4.87	Hospital building was lying idle since October 2016 due to non-posting of officials.

**Audit Report (Local Bodies) for the year ended 31 March 2017**

Sl. No.	Name of work	Name of			Date of		Sanction Amount	Expenditure incurred	Findings of Joint physical verification GP
		GP	PS	ZP	Sanction	Completion			
8.	Construction of bathroom GP Tunkda	Baman	Rajsamand	Rajsamand	June 2015	October 2016	2.00	2.00	Bathroom was lying unused due to non supply of water supply since its completion
9.	Construction of Public Toilets, Bathroom, Bore, Motor and Water Tank,Sawaipura	Chatarpura	Asind	Bhilwara	March 2015	October 2016	5.00	3.13	Works was lying idle due to no electric connection since August 2016
10.	Construction of shops and CC block road along with drain	Ojhiyana	Asind	Bhilwara	December 2014	August 2016	7.00	7.00	Shops was lying idle due to non allotment since August 2016
11.	Construction of Sulabh Complex	Badnor	Asind	Bhilwara	December 2014	March 2017	5.00	5.00	Sulabh Complex was lying idle
12.	Construction of well , motor, electric connection and laying of pipeline in village Mogar	Mogar	Asind	Bhilwara	September 2013	June 2014	10.00	9.98	Work was lying idle (June 2014) due to no electric connection.
13.	Construction of Community Centre in front of house of Motisingh, Sadak Ka Wadia	Shivpur	Mandal	Bhilwara	October 2013	October 2015	3.00	2.88	Community Centre was lying idle since October 2015 due to non-availability of light and water facility.
14.	Construction of Library building	Chainpura	Asind	Bhilwara	October 2013	April 2014	6.00	6.00	Building was lying idle since April 2014.
15.	Construction of Library building nearby Mataji Sthan Mohara	Jalariya	Asind	Bhilwara	September 2013	November 2013	3.00	2.99	Building was lying idlesince November 2013
16.	Construction of library building in village Bhagwanpura	Ojhiyana	Asind	Bhilwara	September 2013	June 2014	3.00	2.40	Building was lying idle since June 2014.
17.	Construction of Library building	Jalariya	Asind	Bhilwara	September 2013	November 2013	4.00	3.97	Building was lying idlesince November 2013
<b>Total</b>							<b>89.58</b>	<b>83.84</b>	
<b>Say ₹in crore</b>							<b>0.90</b>	<b>0.84</b>	

## APPENDIX-XI

(Refer paragraph 2.2.4.2; page 58)

## Statement showing the intended purpose of execution of work defeated

Sl. No.	Name of work	Name of			Date of		Sanction Amount	Expenditure incurred	Findings of Joint physical verification
		GP	PS	ZP	Sanction	Completion			
1.	Construction of work of GLR	Saran	Marwar Junction	Pali	September 2013	August 2014	3.00	2.31	GLR was not connected to the source and lying unused since August 2014
2.	Construction of Water Tank (GLR) with pipeline	Saran	Marwar Junction	Pali	January 2014	September 2014	5.00	5.00	Water Tank was not connected to the source and lying unused since September 2014.
3.	Construction of Water Scheme	Mogar	Asind	Bhilwara	September 2013	December 2013	3.00	3.00	Water Scheme was not connected to the source and motor pump set was not installed into the source since December 2013.
4.	Construction of Water Tank(GLR)	Kareda	Mandal	Bhilwara	December 2014	March 2015	2.00	1.64	Water Tank was not connected to the source and lying unused since March 2015.
5.	Construction of Water Tank	Pardi	Devgarh	Rajsamand	September 2016	December 2016	2.00	2.00	Water Tank was not connected to the source and lying unused since December 2016.
6.	Construction of Water Tank	Kundwa	Devgarh	Rajsamand	September 2016	October 2016	3.00	2.98	Water Tank was not connected to the source and lying unused since October 2016.
7.	Construction of Water Tank	Kundwa	Devgarh	Rajsamand	September 2016	October 2016	6.00	5.98	Water Tank was not connected to the source and lying unused since October 2016.
<b>Total</b>							<b>24.00</b>	<b>22.91</b>	

**APPENDIX-XII**

(Refer paragraph 2.3; page 62)

**Details of outstanding rent in respect of 16 shops in PS, Shiv (Barmer)**

(Amount in ₹)

Shop Number	Allotment date	Period of tenancy	Total rent accrued	Rent paid	Outstanding rent
1	23.06.2003	23.06.2003 to 22.12.2016	728,984*	2,31,369	4,97,615
2	18.03.2002	18.03.2002 to 05.12.2016	630,147	1,91,313	4,38,834
3	06.12.2007	06.12.2007 to 05.12.2016	1,83,572	68,870	1,14,702
4	05.05.2001	05.05.2001 to 04.12.2016	5,98,291	1,18,199	4,80,092
5	01.04.2005	01.04.2005 to 31.03.2016	12,10,672	1,12,624	10,98,048
6	01.04.2005	01.04.2005 to 31.03.2006	8,34,526	5,06,741	3,27,785
7	18.03.2005	01.04.2005 to 31.12.2016	6,50,362	28,292	6,22,070
8	05.06.2007	05.06.2007 to 31.12.2016	135,678	77,300	58,378
9	18.03.2005	18.03.2005 to 31.12.2016	7,25,420	1,83,833	5,41,587
10	29.12.2006	23.12.2006 to 31.12.2016	3,59,912	86,056	2,73,856
11	03.08.2006	03.08.2006 to 02.12.2006	7,13,840	2,15,132	4,98,708
12	15.04.2011	15.04.2011 to 14.12.2016	12,32,132	1,56,000	10,76,132
13	15.04.2011	15.04.2011 to 14.12.2016	12,53,532	2,61,175	9,92,357
14	15.04.2011	15.04.2011 to 15.12.2016	19,52,456	2,47,200	17,05,256
15	18.04.2014	18.04.2014 to 17.12.2016	2,26,404	68,400	1,58,004
16	18.04.2014	18.04.2014 to 17.12.2016	45,344	15,600	29,744
<b>Total</b>			<b>1,14,81,272</b>	<b>25,68,104</b>	<b>89,13,168</b>
<b>Say ₹ in lakh</b>			<b>114.81</b>	<b>25.68</b>	<b>89.13</b>

\* Monthly rent of shop ₹ 1,335 per month from 23.06.2003 (Monthly rent increase 10 per cent every year upto 22.06.2006 and after that 20 per cent increase per year)  
**Calculation of Accrued Rent of Shop No.1:** from 23.06.2003 to 22.06.2004: ₹ 1,335 per month x 12 months = ₹ 16,020; from 23.06.2004 to 22.06.2005: ₹ 1,468 per month (₹ 1,335 + 10 per cent) x 12 months = ₹ 17,622; from 23.06.2005 to 22.06.2006: ₹ 1,616 per month (₹ 1,468 + 10 per cent) x 12 months = ₹ 19,392; from 23.06.2006 to 22.06.2007: ₹ 1,939 per month (₹ 1,616 + 20 per cent) x 12 months = ₹ 23,268; from 23.06.2007 to 22.06.2008: ₹ 2,327 per month (₹ 1,939 + 20 per cent) x 12 months = ₹ 27,924; from 23.06.2008 to 22.06.2009: ₹ 2,792 per month (₹ 2,327 + 20 per cent) x 12 months = ₹ 33,504; from 23.06.2009 to 22.06.2010: ₹ 3,350 per month (₹ 2,792 + 20 per cent) x 12 months = ₹ 40,200; from 23.06.2010 to 22.06.2011: ₹ 4,020 per month (₹ 3,350 + 20 per cent) x 12 months = ₹ 48,240; from 23.06.2011 to 22.06.2012: ₹ 4,824 per month (₹ 4,020 + 20 per cent) x 12 months = ₹ 57,888; from 23.06.2012 to 22.06.2013: ₹ 5,789 per month (₹ 4,824 + 20 per cent) x 12 months = ₹ 69,468; from 23.06.2013 to 22.06.2014: ₹ 6,947 per month (₹ 5,789 + 20 per cent) x 12 months = ₹ 83,364; from 23.06.2014 to 22.06.2015: ₹ 8,336 (₹ 6,947 + 20 per cent) x 12 months = ₹ 1,00,032; from 23.06.2015 to 22.06.2016: ₹ 10,003 (₹ 8,336 + 20 per cent) x 12 months = ₹ 1,20,038; from 23.06.2016 to 22.12.2016: ₹ 12,004 (₹ 10,003 + 20 per cent) x 6 months = ₹ 72,024 (Total : ₹ 7,28,984).

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**APPENDIX-XIII**

(Refer paragraph 3.3.1; page 67)

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

<b>A. Functions fully devolved to Urban Local Bodies</b>	
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>B. Functions yet to be devolved to Urban Local Bodies</b>	
1.	Urban planning including town planning
2.	Water supply for domestic, industrial and commercial purposes

**APPENDIX-XIV**

(Refer paragraph 4.1.3; page 81)

**Details of test checked ULBs and PRIs**

**A. ULBs**

Sl. No.	Name of					
	District	M Corps	MCs	MBs		
				Type-II	Type-III	Type-IV
1.	Baran	-	Baran	Anta	-	Mangrol
2.	Bharatpur	-	-	-	Nadbai	Nagar
3.	Bikaner	Bikaner	-	-	Nokha	Deshnok
4.	Jaipur	Jaipur	-	-	Sambhar	Viratnagar
5.	Jhalawar	-	Jhalawar	-	Bhawanimandi	Pidawa
6.	Karauli	-	Karauli	-	-	Todabhim
7.	Pali	-	Pali	Sumerpur	Sojatcity	Jaitaran
8.	Udaipur	-	-	-	Fateh Nagar	Salumbar

**B. PRIs**

Sl. No.	District	PSs	Name of test checked GPs
1.	Baran	Chabra	Bhilwada Neecha, Hanya Heri, Mundakiya and Mundla (4)
2.	Bharatpur	Bayana	Bajna, Kapoora Malooka, Khan Khera, Mahmudpura, Mahrawar, Naroli and Parua (7)
3.	Bikaner	Nokha	Beekasar, Gondusar, Raisar, Somalsar and Soorpura (5)
4.	Jaipur	Shahpura	Bidara, Chharsa, Manoharpur, Nathawala and Surana (5)
5.	Jhalawar	Khanpur	Jolpa, Khandi, Malan Wasa, Moondla, Piplaj and Soomar (6)
6.	Karoli	Hindaun	Alipura, Dhindora, Khareta, Kherli Goojar, Kotri, Mahoo Ibrahimpur, Pataunda and Todoopura (8)
7.	Pali	Rohat	Diwandi, Gelawas and Singari (3)
8.	Udaipur	Girwa	Barapal, Dodawali, Kanpur, Popalty and Saweena (Rural) (5)

## APPENDIX-XV

(Refer paragraph 4.2; page 109)

## Details of non-recovery of premium charges, lease rent and external development charges

(Amount in ₹)

Sl. No.	Name of Scheme	Total Area		Area of land converted in agricultural to non-agricultural (in Sqyd)	Date of issue of demand notice	Premium rate ** (per Sqyd)	Premium charges		Recoverable lease rent*** (Col.8 x 4 x 2.5 per cent x 8 years)	EDC		Total amount recoverable (Col.8 + Col.10 + Col.11)	Total amount recovered (Col.9 + Col.12)	Short Recovered (Col.13 - Col.14)
		In Square yard*	In Square meter*				Recoverable (Col. 5 x Col.7)	Recovered		Recoverable (Col. 4 x ₹ 100 per Sqm)	Recovered			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1.	Achal Vatika	5,740.50	4,799.06	2,865.63	11.03.2013	60	1,71,938	17,193	1,37,550	4,79,906	-	7,89,394	17,193	7,72,201
2.	Golden City	8,000	6,688	5,000.47	11.03.2013	60	3,00,028	30,003	2,40,022	6,68,800	-	12,08,850	30,003	11,78,847
3.	Banke Bihari Colony	32,763	27,389.87	17,231	26.07.2013	60	10,33,860	12,45,332	8,27,088	27,38,987	-	45,99,935	12,45,332	33,54,603
4.	Achal Nagar	24,756.26	20,696.23	14,748.30	11.03.2013	60	8,84,898	88,490	7,07,918	20,69,623	-	36,62,439	88,490	35,73,949
5.	Shyam Vatika	21,271	17,782.56	12,673	02.07.2014	63	7,98,399	1,29,228	6,38,719	17,78,256	5,98,332	32,15,374	7,27,560	24,87,814
<b>Total</b>							<b>31,89,123</b>	<b>15,10,246</b>	<b>25,51,297</b>	<b>77,35,572</b>	<b>5,98,332</b>	<b>1,34,75,992</b>	<b>21,08,578</b>	<b>1,13,67,414</b>
<b>Say ₹ in crore</b>							<b>0.32</b>	<b>0.15</b>	<b>0.26</b>	<b>0.77</b>	<b>0.06</b>	<b>1.35</b>	<b>0.21</b>	<b>1.14</b>

\* One Square yard = 0.836 Square meter

\*\* Premium rate as per notification dated 3 September 2012 should be ₹ 60 (for plots of size upto 200 sqyd and for housing schemes above 5,000 sqyd) and ₹ 90 (for plots of size above 200 sqyd) per square yard upto 31 March 2014 and after that rate would be increased by five per cent every year.

\*\*\* Lease rent : As per Rule 10 (ii)(a) of Policy for residential group housing and other schemes - 2.5 per cent per annum on four times of the premium charges (one time lease amount of 20 per cent for eight years.) e.g. lease rent = 2.5 per cent of (₹ 1,71,938 x 4) x 8 years = ₹ 1,37,550

**APPENDIX-XVI**

**(Refer paragraph 4.2; page 109)**

**Details of short recovery of Premium and Urban assessment (Lease rent) by MC, Jalore**

**(Amount in ₹)**

Sl. No	Case No./year	Date of Approval	Change of land use from Agriculture to Residential/Commercial	Area of land to be converted (in sqyd)	Premium rate (Per sqyd)		Amount to be Recovered			Amount recovered			Short Recovery			Reason for under valuation
					Rate adopted	Rate to be taken**	Premium (Col.5 x Col.7)	Lease rent*	Total	Premium	Lease rent	Total	Premium(Col.8-Col.11)	Lease rent(Col.9-Col.12)	Total(Col.14 + Col.15)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1.	13/2013-14	06.03.2014	Residential	3,825.77	90	99 (90+10%)	3,78,751	3,03,000	6,81,751	3,44,319	2,75,455	6,19,774	34,432	27,545	61,977	60 feet or above road charges not recovered
2.	45/2013-14	09.02.2015	-do-	3,228	90	104 (90+5%+10%)	3,35,712	2,68,569	6,04,281	2,90,520	2,32,416	5,22,936	45,192	36,153	81,345	60 feet or above road charges + 5% DLC
3.	44/2013-14	24.09.2013	-do-	3,226	90	99 (90+10%)	3,19,374	2,55,499	5,74,873	2,90,520	2,32,416	5,22,936	28,854	23,083	51,937	60 feet or above road charges not recovered
4.	43/2013-14	24.09.2013	-do-	3,228	90	99 (90+10%)	3,19,572	2,55,658	5,75,230	2,90,520	2,32,416	5,22,936	29,052	23,242	52,294	60 feet or above road charges not recovered
5.	6/2013-14	15.07.2013	-do-	4,373.41	60	99 (90+10%)	4,32,968	3,46,374	7,79,342	2,62,405	2,09,920	4,72,325	170,563	1,36,454	3,07,017	-do- and Rates below 200 Sqyd was calculated
6.	7/2013-14	11.03.2013	-do-	4,359.05	60	99 (90+10%)	4,31,546	3,45,237	7,76,783	2,61,543	2,09,232	4,70,775	170,003	136,005	3,06,008	-do- and Rates below 200 Sqyd was calculated
7.	49/2012-13	06.03.2014	-do-	355.83	60	90	32,025	25,620	57,645	21,350	17,080	38,430	10,675	8,540	19,215	Rates below 200 Sqyd was calculated
8.	70/2013-14	08.10.2014	-do-	634.66	63	105 (90+5%+10%)	66,005	52,804	1,18,809	46,331	37,065	83,396	19,674	15,739	35,413	Rates below 200 Sqyd was calculated and corner charges not recovered

Sl. No	Case No./year	Date of Approval	Change of land use from Agriculture to Residential/ Commercial	Area of land to be converted (in sqyd)	Premium rate (Per sqyd)		Amount to be Recovered			Amount recovered			Short Recovery			Reason for under valuation
					Rate adopted	Rate to be taken**	Premium (Col.5 x Col.7)	Lease rent*	Total	Premium	Lease rent	Total	Premium (Col.8- Col.11)	Lease rent(Col.9- Col.12)	Total(Col.14 + Col.15)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
9.	47/ 2013-14	13.10.2014	-do-	266.66	63	105 (90+5%+ 10%)	27,733	22,186	49,919	19,467	15,574	35,041	8,266	6,612	14,878	Rates below 200 Sqyd was calculated and corner charges not recovered
10.	157/ 2012-13	17.10.2014	-do-	350	63	95 (90+5%)	33,250	26,600	59,850	22,050	17,640	39,690	11,200	8,960	20,160	Rates below 200 Sqyd was calculated
11.	1159/ 2012-13	28.10.2014	-do-	658	63	95 (90+5%)	62,510	50,008	1,12,518	41,454	33,163	74,617	21,056	16,845	37,901	Rates below 200 Sqyd was calculated
12.	226/ 2013-14	23.09.2014	Residential (Group Housing)	14,951.95	63	69 (60+5%+ 10%)	10,31,685	8,25,348	18,57,033	9,41,973	7,53,578	16,95,551	89,712	71,770	1,61,482	60 feet or above road charges not recovered
13.	112/ 2012-13	25.02.2015	Industrial	13,289.89 (5,000+8,289.89)	63 & 32	70 & 35 (60+5%+ 10%) & its 50 %	6,40,146 (350000+290 146)	1,02,4234 (Premium x 4 timesx5% x 8 years)	16,64,380	5,80,277	4,64,224	10,44,501	59,869	5,60,010	6,19,879	-do-
14.	53/ 2014-15	25.02.2015	Commercial	1,912.89	95	416 (360+5%+ 10%)	7,95,762	12,73,219 (Premium x 4 timesx5% x 8 years)	20,68,981	1,81,725	1,45,380	3,27,105	6,14,037	11,27,839	1,74,1876	-do- and commercial rates were not calculated
<b>Total</b>							<b>49,07,039</b>	<b>50,74,356</b>	<b>99,81,395</b>	<b>35,94,454</b>	<b>28,75,559</b>	<b>64,70,013</b>	<b>13,12,585</b>	<b>21,98,797</b>	<b>35,11,382</b>	
<b>Say ₹ in lakh</b>													<b>13.12</b>	<b>21.99</b>	<b>35.11</b>	

\* Lease rent : As per Rule 10 (ii)(a) of Policy for residential group housing and other schemes - 2.5 per cent per annum on four times of the premium charges (one time lease amount of 20 per cent for eight years.) e.g. Lease rent : 2.5 per cent of (Premium charges i.e. ₹ 3,78,751 x 4) x 8 years = ₹ 3,03,000

\*\* Premium rate as per notification dated 3 September 2012 should be ₹ 60 (for plots of size upto 200 sqyd and for housing schemes above 5,000 sqyd) and ₹ 90 (for plots of size above 200 sqyd) per square yard upto 31March 2014 and after that rate would be increased by five per cent every year.

APPENDIX-XVII

(Refer paragraph 4.2; page 109)

Details of Short recovery of premium by MB, Fatehpur Shekhawati

(Amount in ₹)

Khasra No.	Date of Approval	Change of land use		Area of land to be converted (in Sqyd)	Premium rate		Premium amount		
		from	to		Adopted	To be taken*	Recoverable	Recovered	Short recovered (Col. 8 – Col. 9)
1	2	3	4	5	6	7	8	9	10
514/1/1/1, 514/3/1/1, 430/3	17.12.2014	Agricultural	Residential	30,941.45	10	63 (60+5%)	19,49,311	3,09,720	16,39,591
32/1/1	17.07.2015	-do-	-do-	206.66	10	100 (90+5%+5%)	20,666	2,070	18,596
<b>Total</b>							<b>19,69,977</b>	<b>3,11,790</b>	<b>16,58,187</b>
<b>Say ₹ in lakh</b>							<b>19.70</b>	<b>3.12</b>	<b>16.58</b>

\* Premium rate as per notification dated 3 September 2012 should be ₹ 60 (for plots of size upto 200 sqyd and for housing schemes above 5,000 sqyd) and ₹ 90 (for plots of size above 200 sqyd) per square yard upto 31 March 2014 and after that rate would be increased by five *per cent* every year.

## APPENDIX-XVIII

(Refer paragraph 4.2; page 109)

## Details of short recovery of conversion charges and lease rent on change of land use from residential to commercial purpose

(Amount in ₹)

Sl. No	Location of plot	Area (in Sqm)	Residential reserve price		Conversion charges			Lease rent			Total Short recovery (Col. 9 + Col. 12)
			Per Sqm	Total (Col. 4 x Col. 5)	Recoverable (40 per cent of Col. 6)	Recovered	Short recovery (Col.7 - Col.8)	Recoverable (5 per cent of Col. 6)	Recovered	Short recovery (Col.10 - Col.11)	
1	3	4	5	6	7	8	9	10	11	12	13
1.	B-Block	41.00	7,000	2,87,000	1,14,800	86,100	28,700	14,350	4,305	10,045	38,745
2.	C-Block	105.00	7,000	7,35,000	2,94,000	2,10,000	84,000	36,750	10,500	26,250	1,10,250
3.	D-Block	49.07	8,000	3,92,560	1,57,024	1,31,160	25,864	19,628	6,558	13,070	38,934
4.	F-Block	120.00	7,000	8,40,000	3,36,000	2,52,000	84,000	3,36,000*	67,500*	2,68,500	3,52,500
5.	Gaushala Road	557.60	10,000	55,76,000	22,30,400	7,80,640	14,49,760	22,30,400*	1,56,128*	2,074,272	35,24,032
6.	H-Block	76.21	7,000	5,33,470	2,13,388	1,60,041	53,347	26,673	26,674	Nil	53,347
7.	Industrial area Krishna Talkies	412.40	2,500	10,31,000	4,12,400	3,54,664	57,736	51,550	17,733	33,817	91,553
8.	N-Block	69.70	7,000	4,87,900	1,95,160	7,580	1,87,580	24,395	2,439	21,956	2,09,536
9.	P-Block	185.87	7,000	13,01,090	5,20,436	3,38,281	1,82,155	65,055	8,457	56,598	2,38,753
10.	Ravindra path	54.00	10,000	5,40,000	2,16,000	75,600	1,40,400	27,000	1,890	25,110	1,65,510
11.	Vinoba Basti	139.40	7,000	9,75,800	3,90,320	1,95,160	1,95,160	48,790	Nil	48,790	2,43,950
<b>Total</b>					<b>50,79,928</b>	<b>25,91,226</b>	<b>24,88,702</b>	<b>28,80,591</b>	<b>3,02,183</b>	<b>25,78,408</b>	<b>50,67,110</b>
<b>Say ₹in lakh</b>					<b>50.80</b>	<b>25.91</b>	<b>24.89</b>	<b>28.80</b>	<b>3.02</b>	<b>25.78</b>	<b>50.67</b>

\* Lease rent: One time = Eight times of recoverable lease rent (5 per cent of residential reserve price) i.e 8 times x 5 per cent of (₹ 8,40,000) = ₹ 3,36,000

APPENDIX-XIX

(Refer paragraph 4.2; page 109)

Details of short recovery of urban assessment (Lease rent) on conversion of land from residential to commercial purposes.

(Amount in ₹)

Sl. No.	Applicant address	Area (Sqft)	Residential reserve price of area (per Sqft)	Total reserve price of area (Col. 3 x Col. 4)	Period of urban assessment/lease rent recovered (one time for 10 years or one year)	Urban Assessment/Lease rent		
						Recoverable (5 per cent of Col. 5 x Col.6)	Recovered (40 per cent of Col. 5 x 5 per cent x Col. 6)	Short recovered (Col. 7 – Col.8)
1	2	3	4	5	6	7	8	9
1.	Plot No. 238/59, Village Shyampura	1,625	725	11,78,125	10	5,89,063	2,35,625	3,53,438
2.	Plot No.1358, Village Banswara	3,600	325	11,70,000	10	5,85,000	2,34,000	3,51,000
3.	Plot No. 47, Village Banswara	674	325	2,19,050	10	1,09,525	43,810	65,715
4.	Plot No. 44/2, Village Shyampura	4,500	725	32,62,500	1	1,63,125	65,250	97,875
5.	Plot No 44/2, Village Shyampura	4,500	725	32,62,500	1	1,63,125	65,250	97,875
6.	Plot No. 356/40/1, Village Piplod	9,133	245	22,37,585	10	11,18,793	4,47,517	6,71,276
7.	Plot No. 2839/307, 840/309, Village Banswara	3,000	85	2,55,000	10	1,27,500	51,000	76,500
8.	Plot No. 1901/01, Village Banswara	5,440	645	35,08,800	10	17,54,400	7,01,760	10,52,640
9.	Plot No. 1472/688A-1 (A+B), Village Thikriya	636	265	1,68,540	10	84,270	33,708	50,562
10.	Plot No. 113/2, Village Shyampura	2,100	725	15,22,500	10	7,61,250	3,04,500	4,56,750
<b>Total</b>						<b>54,56,051</b>	<b>21,82,420</b>	<b>32,73,631</b>
Say ₹ in lakh						<b>54.56</b>	<b>21.82</b>	<b>32.74</b>

APPENDIX-XX

(Refer paragraph 4.5; page 112)

Details of short/non-recovery of betterment levy

(Amount in ₹)

Date of Application /Grant of permission	Area of Plot in Sqm	Standard	Maximum	Applied for	FAR				Total Excess area in Sqm (Col.8 + Col.10)	Reserve price	Betterment levy should be charged at rate whichever is higher (per sqm)				Betterment levy			
					Difference of maximum and Standard (Col.5-Col.4)	Area in Sqm (Col.3 x Col.7)	Difference between applied and standard /maximum	Area in Sqm (Col.3x Col.9)			25 per cent of reserve price (Col.12) In ₹	30 per cent of reserve price (Col.12) In ₹	₹100 per sqft	₹200 per sqft	Recoverable	Recovered	Short/ non-recovery (Col.17- Col. 18)	
																		Excess
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
<b>Municipalities Bikaner</b>																		
<b>1. Outside Jassuar Gate near Kothari Hospital, Gajner Road</b>																		
15.02.2012 and 05.12.2014/ 12.02.2016 (Residential Purpose)	15,070	1.33	2.25	2.66	0.92	13,864.40	0.41 (Col.6-Col.5)	6,178.70	20,043.10	1963.60**	490.90 (for 0.92 FAR)	589.08 (for 0.41 FAR)	1,076 sqm*	NA	2,15,66,376 (Col.11 x Col.15))	1,08,15,618	1,07,50,758	
<b>2. Opposite DRM Office</b>																		
23.02.2011/ 24.10.2011 (Commercial - Hotel Purpose)	1,880.11	1.33	2.25	2.00	-	-	0.67 (Col.6-Col.4)	1,259.67	1,259.67	10,500	2,625 (for 0.67 FAR)	NA	NA	2,152 sqm	33,06,634 (Col.11 x Col.13)	Nil	33,06,634	
<b>Municipalities Nagaur</b>																		
<b>3. Karni Colony</b>																		
15.02.2013/ 24.04.2013 (Residential Purpose)	2,182.88	1.33	2.25	3.79	0.92	2008.25	1.54 (Col.6-Col.5)	3361.63	5369.88	418.60	104.65 (for 0.92 + 1.54 FAR)	NA	1,076 sqm*	NA	57,77,991 (Col. 11 x Col. 15)	Nil	57,77,991	
<b>Total</b>																<b>1,98,35,383</b>		
<b>Say in ₹ crore</b>																<b>1.98</b>		
*₹ 100 for 1 square feet, 1 square feet = 0.092903 square meter For 1 square meter = ₹ 100/0.092903 = ₹ 1,076 ** Reserve price = 40 per cent of ₹ 4,909 per sqm (DLC rate) = ₹ 1,963.60 per sqm																		

APPENDIX-XXI

(Refer paragraph 4.7; page 114)

Details of non/short-recovery of registration and annual permission fee from marriage places

(Amount in ₹)

Sl. No.	Name of Marriage Place	Area of land (in Sqyd)	Recovered amount of annual permission fee	Amount due of		Recoverable Amount		Total recoverable amount (Col. 7 + 8)
				Annual permission fee* (Col. 3 x ₹ 20 x 5 years)	Penalty (from April 2010 to March 2017) **	Annual permission fee (Col. 5 + 6 - 4)	Registration fee (2015)	
1	2	3	4	5	6	7	8	9
1.	Agarwal Marriage Palace	8,888	Nil	12,44,320	2,47,432	14,91,752	20,000	15,11,752
2.	Amar Palace	7,464.88	1,29,500	10,45,086	2,27,508	11,43,094	20,000	11,63,094
3.	Celebration Palace	1,366	1,33,525	1,91,240	1,42,124	1,99,839	20,000	2,19,839
4.	City Garden	5,312	4,73,581	7,43,680	1,97,368	4,67,467	20,000	4,87,467
5.	Dev Marriage Palace	1,859.55	44,450.00	2,60,337	1,49,033	3,64,920	20,000	3,84,920
6.	Durgesh Marriage Palace	4,115	2,90,000	5,76,100	1,80,610	4,66,710	20,000	4,86,710
7.	Ganga Palace	10,236	8,95,964	14,33,040	2,66,304	8,03,380	20,000	8,23,380
8.	Ganpati Palace	583.66	50,500	81,620	1,31,162.00	1,62,282	20,000	1,82,282
9.	Gaurav Marriage Palace	8,027.55	5,00,000	11,23,857	2,35,385	8,59,242	20,000	8,79,242
10.	Jindal Marriage Palace	5,436	4,87,000	7,61,040	1,99,104	4,73,144	20,000	4,93,144
11.	Malwa Palace	2,205	1,94,450	3,08,700	1,53,870	2,68,120	20,000	2,88,120
12.	Moti Palace	1,520	42,865	2,12,800	1,44,280	3,14,215	20,000	3,34,215
13.	Saraswati Palace	5,010	3,50,000	7,01,400	1,93,140	5,44,540	20,000	5,64,540
14.	Shree Palace	3,610	2,98,900	5,05,400	1,73,540	3,80,040	20,000	4,00,040
15.	Shringaar Marriage Palace	524.44	42,400	73,395	1,30,339	1,61,334	20,000	1,81,334
16.	SSK Party	1,357.77	35,000	1,90,085	1,42,008	2,97,093	20,000	3,17,093
17.	Sukhwant Marriage Palace	4,330	Nil	6,06,200	1,83,620	7,89,820	20,000	8,09,820
18.	Taj Marriage Palace	2,318.55	2,12,770	2,31,855	1,46,185	1,65,270	20,000	1,85,270
<b>Total</b>			<b>4,180,905</b>	<b>10,290,155</b>	<b>32,43,012</b>	<b>93,52,262</b>	<b>3,60,000</b>	<b>97,12,262</b>

\* Annual permission fee ₹ 20 per sqyd for seven years (April 2010 to March 2017).

\*\* 10 per cent of due amount for first three months + ₹ 50 per day of delay after three months. (e.g. 10 per cent of due amount of permission fee for first three months (from April 2010 to June 2010) i.e 10 per cent of ₹ 12,44,320 = ₹ 1,24,432 + ₹ 1,23,000 (₹ 50 x 2,460 days (from July 2010 to March 2017) = ₹ 2,47,432

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