



सत्यमेव जयते

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



For the year ended 31 March 2015

GOVERNMENT OF RAJASTHAN

Report No. 4 of the year 2016

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

For the year ended 31 March 2015

GOVERNMENT OF RAJASTHAN

Report No. 4 of the year 2016

TABLE OF CONTENTS		
	Reference to	
	Paragraph	Page
Preface		v
Overview		vii
PART-A		
CHAPTER-I		
AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF PANCHAYATI RAJ INSTITUTIONS		
Introduction	1.1	1
Organisational Set up	1.2	2
Functioning of PRIs	1.3	2
Formation of Various Committees of PRIs	1.4	3
Audit Arrangement	1.5	4
Response to Audit Observations	1.6	5
Social Audit	1.7	6
Lokayukta	1.8	7
Submission of Utilisation Certificates	1.9	7
Internal Audit and Internal Control System of PRIs	1.10	7
Financial Reporting Issues	1.11	7
Conclusion	1.12	12
CHAPTER-II		
AUDIT FINDINGS ON PANCHAYATI RAJ INSTITUTIONS		
Rural Development and Panchayati Raj Department		
Integrated Watershed Management Programme	2.1	15
Rural Development Department		
Border Area Development Programme	2.2	33
Rural Development and Panchayati Raj Department		
Social Audit under MGNREG Scheme	2.3	47
Panchayati Raj Department		
Non-Recovery of <i>Pro-rata</i> Charges	2.4	58
Wasteful Expenditure on Plantation under MGNREG Scheme	2.5	59
Lack of Transparency in Leasing out of Assets on Rent	2.6	60

TABLE OF CONTENTS		
	Reference to	
	Paragraph	Page
PART-B		
CHAPTER-III		
AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING OF URBAN LOCAL BODIES		
Introduction	3.1	63
Organisational Set up	3.2	64
Functioning of ULBs	3.3	64
Formation of Various Committees	3.4	65
Audit Arrangement	3.5	66
Response to Audit Observations	3.6	67
Lokayukta	3.7	68
Property Tax Board	3.8	68
Fire Hazard Response	3.9	69
Submission of Utilisation Certificates	3.10	69
Internal Audit and Internal Control System of ULBs	3.11	69
Financial Reporting Issues	3.12	69
Conclusion and Recommendations	3.13	75
CHAPTER-IV		
AUDIT FINDINGS ON URBAN LOCAL BODIES		
Local Self Government Department		
Non-tax Receipts in Nagar Nigams (Municipal Corporations)	4.1	77
Short Realisation of Revenue	4.2	92
Irregular Retention of Urban Assessment (Ground Rent)	4.3	93
Short Realisation of Revenue	4.4	94
Funds Lying Idle	4.5	95
Unauthorised Execution of Work Prior to Finalisation of Tender	4.6	96
Avoidable Extra Expenditure	4.7	97
Imprudent Decision Led to Procurement of Fodder on Higher Rates	4.8	99

APPENDICES		
Number	Particulars	Page
I	Details of devolution of 29 Subjects listed in the Constitution to PRIs as of August 2015	103
II	Statement showing the details of Target of Institutional and Capacity Building	104
III	Shortfall/Excess meetings conducted in WCDC, PIA and WC level	105
IV	Statement showing the details of unspent balance amount lying with the districts	107
V	Statement showing the details of physical verification of work at works site	108
VI	Results of physical verification of works done by Audit	109
VII	Statement showing the details of non-fulfillment of quorum of Gram Sabha	111
VIII	Non-revision of rent as per rules in respect of 29 shops leased during 2001	112
IX	Rent outstanding in respect of 36 shops leased during 1985 to 1991	113
X	Statement showing devolution of functions to Urban Local Bodies as listed in the Constitution	114
XI	Statement showing the license fees outstanding in respect of registered marriage places for the period 2010-15 in M Corp, Jodhpur	115
XII	Statement showing under recovery and delayed payment for unipole during 2010-15 in M Corp, Jodhpur	116
XIII	Details of Recoverable amount of unipole site auctioned in M Corp, Kota	117
XIV	Shortfall on recovery of fire NOC on Residential/ Commercial Building during 2010-15 in M Corp, Jodhpur	118
XV	Statement of short recovery of fire cess in multi-storey building in M Corp, Udaipur	119
XVI	Glossary of Abbreviations	120

PREFACE

This Report for the year ended 31 March 2015 has been prepared for submission to the Governor of the State of Rajasthan.

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

The instances mentioned in this Report are those, which came to notice in the course of test Audit during the period 2014-15 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 2014-15 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 which include two Chapters. Chapter-I represents ‘An Overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Panchayati Raj Institutions’ and Chapter-II comprises two Performance Audit and four paragraphs.

Part-B represents Urban Local Bodies which include two Chapters. Chapter-III represents ‘An Overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Urban Local Bodies’ and Chapter-IV comprises eight paragraphs.

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

PART-A

Panchayati Raj Institutions

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

Panchayati Raj Institutions continue to maintain the annual accounts in conventional formats though State Government had accepted the simplified accounting formats issued by the Ministry of Panchayati Raj, Government of India. In Panchayati Raj Institutions, prescribed returns/statements were being maintained only by the Zila Parishad and Panchayat Samiti. No such records were being maintained at the Gram Panchayat level. Own revenue of Panchayati Raj Institutions for the year 2014-15 was ‘Nil’. Panchayati Raj Institutions were totally dependent on the Government grants. Substantial portion of Central/State grants was not utilised for the intended benefit to the rural people. Local Fund Audit Department had not certified the accounts of any of the tiers of Panchayati Raj Institutions, as the accounts were not maintained in prescribed formats.

(Paragraph 1.1)

2. Audit Findings on Panchayati Raj Institutions

Integrated Watershed Management Programme

The Integrated Watershed Management Programme was launched (April 2009) by Government of India to restore ecological balance by harnessing, conserving and developing natural resources such as soil, vegetative cover and water and to create sustainable livelihoods to the people residing in the watershed areas.

Performance Audit of Integrated Watershed Management Programme in two zones (Ajmer and Jodhpur) revealed that according to perspective and strategic plan, 58.50 lakh hectare area was to be treated under batch-I to VI during 2009-10 to 2014-15, against which 57.24 lakh hectare area was sanctioned and only 9.96 lakh hectare (17 *per cent* during 2009-15) treated. There was delay in completion of the 749 projects sanctioned during 2009-13 and the percentage of expenditure incurred ranged between 3.42 *per cent* and 42.50 *per cent*.

Watershed committees were required to be constituted to implement the watershed projects with the technical support of the Watershed Development Teams in the village. Against the requirement of 3,536 members of Watershed Development Teams in 884 projects sanctioned under batches-I to V, only 1,100 members of Watershed Development Teams were engaged as of March 2015. Thus, there was shortage in constituting Watershed Development Teams by about 70 *per cent*. Entry Point Activities includes works based activities of urgent needs of the community with the stipulated period of completion within the first one-two years of the project period. In Batch-V, no Entry Point Activities were undertaken against the target of 1,500 Entry Point Activities even after a lapse of two years from the date of sanction of the projects.

Cases of non-utilisation of funds, reporting of excess expenditure to Government of India, delay in release of State share, cut in Central share due to non-submission of consolidation evaluation report, unspent balances prior to Integrated Watershed Management Programme, shortfall in conduct of mandatory meetings were noticed.

(Paragraph 2.1)

Border Area Development Programme

The Border Area Development Programme aims to meet the special development needs of people living in remote and inaccessible areas situated near the international border. The Central assistance was provided for filling up critical gaps for execution of projects relating to infrastructure, livelihood, education, health etc.

Performance Audit of Border Area Development Programme conducted in two districts (Bikaner and Sriganganagar) revealed that the guidelines emphasised a bottom up approach for planning to assess the critical gaps. Though base-line survey was conducted in Jaisalmer (2009-10) and Bikaner (2011-12), however, compilation of data was not found in both the districts.

Base-line survey was not conducted properly. This resulted in sanctioning of works which were not feasible and had to be cancelled. Roads were constructed for villages which had already road connectivity or did not connect any habitations. There was difference in length of road as per measurement books and actual length. Constructed buildings were not utilised for intended purpose. Tube-wells were constructed without ensuring potability of water. Instances of works executed against the provision of guidelines were noticed.

A system of third party inspection for feedback on the quality of work was to be established and the Nodal Officer was required to submit a quarterly report to GoI in this regard. The nodal officers for inspection of works in the border blocks were not appointed and the quarterly reports highlighting the important achievements/ lacunas were not sent to GoI during 2010-15.

(Paragraph 2.2)

Social Audit under Mahatma Gandhi National Rural Employment Guarantee Scheme

The Directorate, Social Audit is responsible for conducting Social Audit of implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme to ensure transparency. The Directorate was functioning under the administrative control of Rural Development Department and was also dependent on Commissioner Employment Guarantee Scheme for funds. The Directorate, Social Audit was thus not functioning independently. As against the provision in the operational guidelines, the required numbers of persons were not deputed to facilitate Gram Sabha conducting Social Audit. Similarly, persons having technical knowledge were not appointed to assist the Social Audit Committees rendering the Social Audit Committees ill-equipped to carry out its day-to-day work.

All the original records were not provided to Social Audit Committees 15 days before the scheduled date of Gram Sabha and Social Audit Committees did not interact with all the labourers as stipulated in the operational guidelines. Social Audit Committees did not physically verify all the works executed. Gram Sabhas were conducted without ensuring fulfillment of quorum. Video recording of Gram Sabhas was not done and Social Audit Unit did not upload the Social Audit Reports in the public domain on Mahatma Gandhi National Rural Employment Guarantee Act website.

(Paragraph 2.3)

Non-recovery of *pro-rata* charges by Zila Parishads (Panchayat Cell) Ajmer and Banswara resulted in deprival of legitimate income to the tune of ₹ 0.95 crore.

(Paragraph 2.4)

Wasteful expenditure of ₹ 1.33 crore in Panchayat Samiti, Surajgarh on failed plantation work under Mahatma Gandhi National Rural Employment Guarantee Scheme.

(Paragraph 2.5)

In Panchayat Samiti, Chirawa leasing the Panchayati Raj Institutions assets on rent deprived Panchayat Samiti of own income to the tune of ₹ 0.95 crore due to non-revision of rent.

(Paragraph 2.6)

PART-B

Urban Local Bodies

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

Own resources of Urban Local Bodies were not adequate and they were largely dependent on grants and loans from the Central and State Governments. Accounts of all 188 Urban Local Bodies are required to be certified every year, whereas, certification of accounts of only 30 Urban Local Bodies has been done by the Local Fund Audit Department between 2009-14. Annual accounts of Urban Local Bodies were still being maintained in the conventional formats on cash basis instead of on accrual.

(Paragraph 3.1)

4. Audit Findings on Urban Local Bodies

Non-tax receipts in Nagar Nigams (Municipal Corporations)

The resource base of Municipal Corporations consists of own revenues which includes tax-revenue and non-tax revenue, grants received from Government of India and Government of Rajasthan. Non-tax revenue comprises on an average 38 *per cent* of their own revenue receipts.

In general, Municipal Corporations could not achieve their targets of collection of non-tax revenue consistently during 2010-15.

The entire system of collection of non-tax revenue such as assessment, demand and collection of the revenue was found in a bad shape resulting in huge arrears/losses of revenue. Even the relevant records relating to non-tax revenue are not being properly maintained. Deficiencies in recovery of betterment levy, registration of marriage places, mobile towers and fire cess were noticed.

(Paragraph 4.1)

Non-recovery of conversion charges for change of land use from agricultural land to non-agricultural purposes of total land resulted in short realisation of revenue of ₹ 0.64 crore by MC, Sirohi

(Paragraph 4.2)

Irregular retention of entire urban assessment (Ground Rent) by Municipal Corporation, Jaipur in disregard to rules resulted in non-crediting of Government revenue of ₹ 22.83 crore to the Consolidated Fund of the State.

(Paragraph 4.3)

Municipal Council, Bundi recovered conversion fee on residential rates instead of commercial rates for conversion of land use from agricultural to commercial purpose which led to short realisation of revenue of ₹ 0.66 crore.

(Paragraph 4.4)

Non-disbursement of financial assistance to the Below Poverty Line (BPL) families and other category families equivalent to BPL families resulted in ₹ 2.23 crore lying idle with Urban Local Bodies.

(Paragraph 4.5)

Work of ₹ 0.75 crore executed by the Municipal Corporation, Jaipur prior to finalisation of tender was unauthorised and in violation to the provisions of Public Works Financial and Accounting Rules.

(Paragraph 4.6)

Allotment of works without ensuring availability of land resulted in avoidable extra expenditure of ₹ 0.29 crore on execution of works by Municipal Corporation, Jaipur.

(Paragraph 4.7)

Imprudent decision of Municipal Corporation, Jaipur by giving supply offer to non-participating firm with retrospective effect instead of inviting fresh tenders for procurement of fodder, resulted in avoidable extra expenditure of ₹ 0.34 crore.

(Paragraph 4.8)

Part-A
PANCHAYATI RAJ INSTITUTIONS

CHAPTER-I

**An 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 tier¹ structure of local self governing bodies at district, block and village levels and enhances decentralisation of powers.

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

There were 33 Zila Parishads (ZPs) with two cells in each ZP viz. Rural Development Cell (RDC) and Panchayat Cell (PC), 248 Panchayat Samitis (PSs)² and 9,177 Gram Panchayats (GPs) in the State. State Government vide notification dated 5 November 2014 reconstituted the PRIs, which enhanced the number of PSs and GPs to 295 and 9,894 respectively as of March 2015.

Rajasthan is the largest State in the country in terms of size and spans an area of 3.42 lakh square kilometers (sqkm). As per the Census 2011, the total population of the State was 6.85 crore, of which 5.15 crore (75.18 per cent) lived in rural areas. The comparative demographic and developmental profile of the State vis-à-vis the national profile as per Census 2011 is given in **Table 1.1** below:

Table 1.1

Indicator	Unit	Figures as per Census 2011	
		State level	National level
Population	Crore	6.85	121.06
Population (Rural)	Crore	5.15	83.35
Population (Urban)	Crore	1.70	37.71
Population Density	Persons per sqkm	200	382
Decadal Growth Rate	Percentage	21.30	17.70
Sex Ratio	Females per 1,000 males	928	943
Total literacy Rate	Percentage	66.10	73.00
Female Literacy Rate	Percentage	52.10	64.60
Male Literacy Rate	Percentage	79.20	80.90
Total literacy Rate (Rural)	Percentage	61.40	67.77
Female Literacy Rate (Rural)	Percentage	45.80	57.93
Male Literacy Rate (Rural)	Percentage	76.20	77.15
Birth Rate	Per 1,000 Mid year Population	25.9 (2012)	21.6 (2012)
Death rate	Per 1,000 Mid year Population	6.6 (2012)	7.0 (2012)
Infant mortality Rate	Per 1,000 live births	49 (2012)	40 (2012)
Maternal Mortality Rate	Per lakh live births	255 (2010-12)	178 (2010-12)

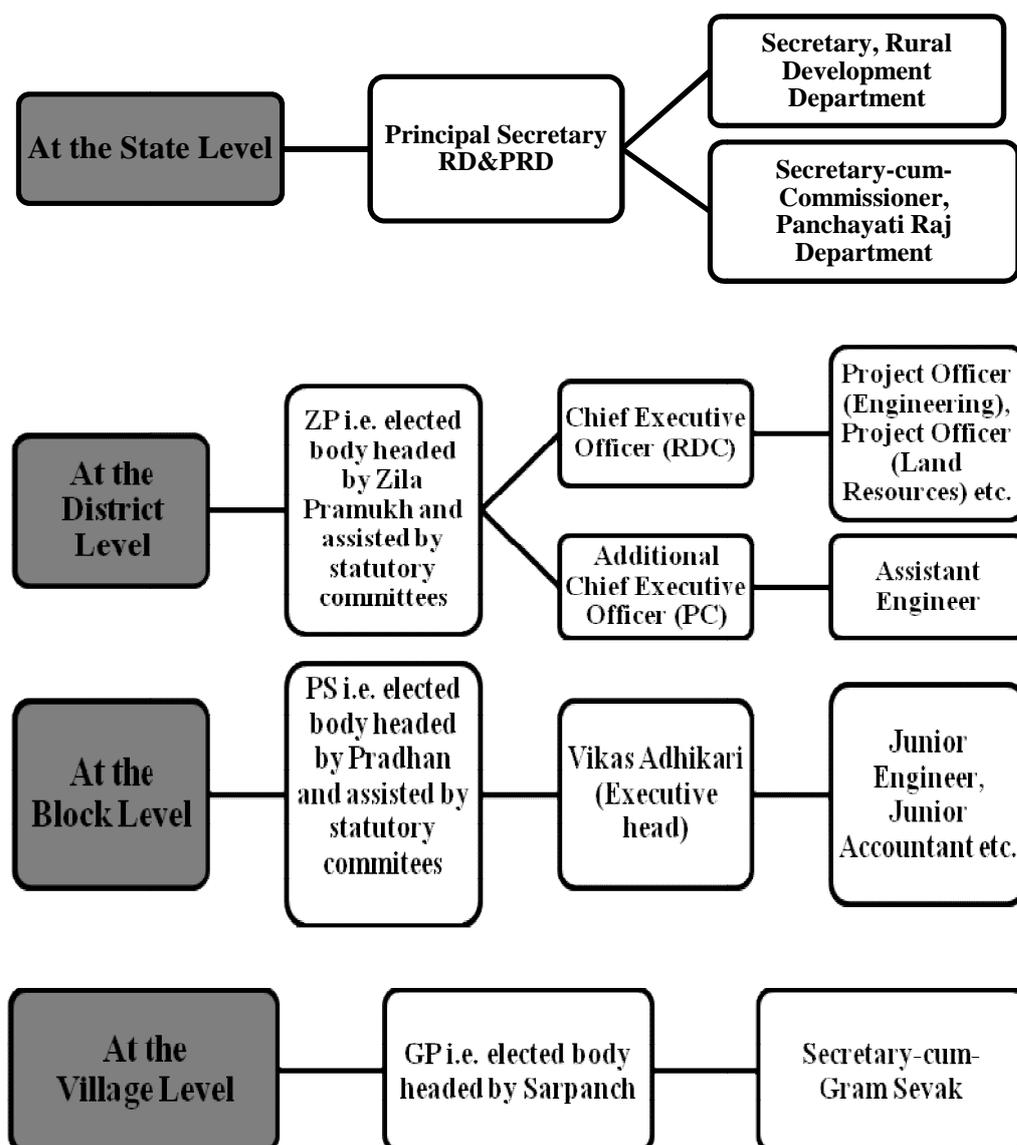
Source: As per Department of Economics and Statics

1. Zila Parishad at District level, Panchayat Samiti at Block level and Gram Panchayat at village level
2. This does not include PS, Reshabhdev which is not functional due to stay by court of law

1.2 Organisational Set up

Rural Development Department (RDD) and Panchayati Raj Department (PRD) dealing with the affairs of the PRIs are under the administrative control of Principal Secretary, Rural Development and Panchayati Raj Department (RD&PRD). The organisational set up of the PRIs is given in **Chart 1.1** below:

Chart 1.1



1.3 Functioning of PRIs

Section 2 (xvii) of RPR, 1994 defines the PRI as an institution of Self-Government established under this Act for rural areas at the level of village or block or district.

Functions of a village level PRI (GP) includes 33 functions like general administrative works related to agricultural, minor irrigation, drinking water, education and rural sanitation etc. have been 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.

- ***Devolution of Funds, Functions and Functionaries to Panchayati Raj Institutions***

Following the 73rd Constitutional Amendment, orders on devolution were issued by the State Government in June 2003 and October 2010. Accordingly, out of 29 functions to be devolved in terms of 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.

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 2014-15, important decisions such as approval of District Annual Plan/five year plan, annual plan of Backward Region Grant Fund, Zila Navachar Funds works and discussion on sanctioned works under untied funds scheme were taken in DPC meetings. However, out of 33 districts, only four districts (Barmer, Chittorgarh, Jaisalmer and Pratapgarh) held the prescribed four DPC meetings, 25 districts did not hold the prescribed number of meetings and remaining four districts (Baran, Bharatpur, Dholpur, and Nagaur) did not hold any meeting at all. Baran and Dholpur did not hold any meetings of DPC during 2013-14 also.

The Department attributed the reasons for not holding of DPC meetings as required was due to General, Urban Local Bodies and Panchayats elections and restructuring of DPC in progress.

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, *gramdan*, 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.

Government stated (January 2016) that the actual status of constitution and working of standing committees were being collected from PRIs and would be intimated to Audit accordingly.

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 (LFAD) as per provisions of the Rajasthan Local Fund Audit Act (RLFAR), 1954. The Audit Report³ of the Director, LFAD includes two chapters on Audit of PRIs viz. one of “Status of accounts of PRIs” and other of “Audit findings”. The paragraphs pertaining to PRIs are discussed by committee on Local Bodies and Panchayati Raj Institution constituted by Rajasthan State Legislature.

The Audit Report of LFAD, Rajasthan for the year 2013-14 has been laid before the State legislature on 25 March 2015.

- ***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 ZPs, PSs and GPs. However, only transaction Audit was being conducted by the LFAD and certification of annual accounts was not being done at any level of PRIs. Director, LFAD replied that due to non-maintenance of books of accounts by PRIs, it is not possible to certify the accounts.

In absence of certification of accounts, it was not possible for Audit to ascertain the correctness of figures given in the annual accounts prepared by the PRIs at the ZP, PS and GP level.

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

- **Arrears of Audit of Local Fund Audit Department**

Against total 9,457 units of PRIs there were arrears of 7,857 units of PRIs (ZPs: 27, PSs: 203 and GPs: 7,627) as of March 2015 due to vacant posts and election duties of staff.

Director, LFAD issued total 6,444 inspection reports (IRs) containing 59,266 paragraphs which were pending for settlement as of March 2015. Out of 59,266 paragraphs, 7,596 paragraphs involving ₹ 21.35 crore were related to embezzlement.

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 RPR⁴, 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.

- **Implementation of Technical Guidance and Support/Supervision**

In pursuance of recommendations of XIII Central Finance Commission, Government of Rajasthan (GoR), Finance (Audit) Department issued notification on 2 February 2011 for adoption of 13 parameters under the Technical Guidance and Supervision/Support (TG&S) over the Audit of all the tiers of PRIs and ULBs by Director Local Fund Audit.

Comments/suggestions in respect of 11 factual statements and draft paragraphs proposed by Director, LFAD for inclusion in their Audit report and comments on the 12 IRs of Director, LFAD upto March 2015 were communicated to Director, LFAD (upto March 2015) under the TG&S by the Principal Accountant General (General and Social Sector Audit) Rajasthan.

1.6 Response to Audit Observations

- **Response to Paragraphs and Inspection Reports**

As of March 2015, 2,372 IRs comprising 25,932 paragraphs issued by the Principal Accountant General (General and Social Sector Audit) Rajasthan in respect of ZPs and PSs (including GPs) were pending for settlement as detailed in **Table 1.2** below:

Table 1.2

Year	IRs	Paragraphs
Up to 2006-07	1,052	7,131
2007-08	185	2,204
2008-09	200	3,138
2009-10	163	2,557

4. All accounts kept and maintained by a Panchayati Raj Institution shall be audited, as soon as may be after the end of each financial year, by the Director, Local Fund Audit 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

Year	IRs	Paragraphs
2010-11	115	1,697
2011-12	215	3,554
2012-13	190	3,069
2013-14	187	2,075
2014-15	65	507
Total	2,372	25,932

This indicated lack of prompt response on the part of PRIs which resulted in recurrence of the deficiencies and lapses pointed out earlier. However, an amount of ₹ 4.59 lakh was recovered in five cases during 2014-15 at the instance of Audit.

- ***Response to Paragraphs Appeared in Audit Reports***

Nine paragraphs involving money value of ₹ 1,072.07 crore appeared in previous four Audit Reports⁵ were pending with State Government for want of reply as on 31 December 2015.

- ***Discussion on Audit Reports by the Committee***

A Committee on Local Bodies and Panchayati Raj Institution has been constituted since 01 April 2013 in Rajasthan Vidhan Sabha to examine and discuss the Audit Reports of Comptroller and Auditor General of India on local bodies.

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 Rules⁶, 2011. For the purpose of these rules, Audit of scheme includes Social Audit also. 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 on 29 September 2009 under the administrative set up of Principal Secretary RD&PRD. Director, Social Audit is responsible for

5. Audit Report 2008-10 (one para: ₹ 15.17 crore), 2010-12 (two para: ₹ 236.46 crore), 2012-13 (one para: ₹ 0.52 crore) and 2013-14 (five para: ₹ 819.92 crore)

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

conducting Social Audit of scheme⁷ in the State as per provisions of the Social Audit Guidelines, 2012.

Further Audit comments on Social Audit have been included in paragraph number 2.3 of this report.

1.8 Lokayukta

In the State, The Rajasthan Lokayukta and Up-Lokayuktas Act, 1973 came into force on 3 February 1973 which also covers the actions of 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.

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

1.9 Submission of Utilisation Certificates

In RDD, against grants of ₹ 2,519.06 crore released as on March 2015 by RDD to ZPs, utilisation certificates (UCs) of ₹ 2,321.64 crore (92.06 per cent of total grants) were pending against executing agencies. Year-wise breakup of pending UCs as on March 2015 was not provided by the department though called for.

It was informed (January 2016) by the RD&PRD that pending UCs were being collected from the PRIs.

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 Director, LFAD as per the provision of the RLFAA, 1954.

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

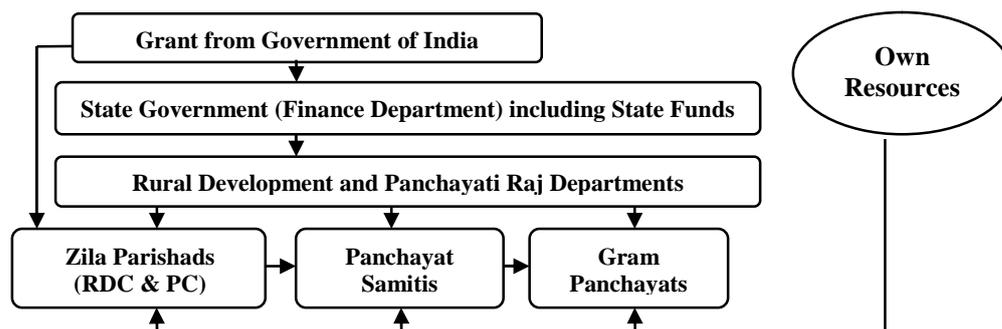
1.11 Financial Reporting Issues

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:

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

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 2010-15 is given in **Table 1.3** below:

Table 1.3

Particulars	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
(A) Revenue receipts					
Own Tax	NA	NA	NA	-	-
Own Non-Tax (ZP)	NA	NA	2.90	4.66	Nil
Total Own Revenue	-	-	2.90	4.66	Nil
Grants-in-aid from State Government	1,051.77	2,197.21	2,928.48	3,107.37	4,777.81
Thirteenth Finance Commission Grants	370.10	609.40	953.81	1,017.14	1,042.09*
Total Receipts	1,421.87	2,806.61	3,885.19	4,129.17	5,819.90
(B) Expenditure					
Revenue Expenditure (Pay and allowances and maintenance expenditure)	1,416.22	2,805.64	3,863.29	4083.79	5,403.36
Capital Expenditure	5.65	0.97	19.00	10.12	1.85
Total Expenditure	1,421.87	2,806.61	3,882.29	4,093.91	5,405.21
<i>Source: As per data provided by PRD NA : Not available</i>					
<i>* It includes ₹ 171.20 crore pertaining to year 2013-14, which was allotted in April 2014</i>					

The above table indicated that:

- Total receipts and expenditure increased by 40.95 and 32.03 per cent respectively in 2014-15 over the previous year.
- Grants-in-aid from the State Government increased by 53.76 per cent in 2014-15 over the previous year.
- Similarly, Thirteenth Finance Commission (TFC) grants also increased by 2.45 per cent in 2014-15 over the previous year.

- Own revenue of PRIs is shown 'Nil' for the year 2014-15 and reflects total dependency on grants-in-aid received from State Government and Finance Commission grants. Complete dependency on grants and lack of fiscal autonomy of PRIs is a matter of serious concern that needs to be addressed for improving governance at the grass root level.
- A huge portion of expenditure (99.97 per cent) was incurred on pay and allowances and maintenance. Thus, capital expenditure (developmental works) comprised only 0.03 per cent of the total expenditure of ₹ 5,405.21 crore in the year 2014-15.

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 2011-15 is given in **Table 1.4** below:

Table 1.4

(₹ in crore)

Particulars	2011-12			2012-13			2013-14			2014-15		
	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total
Opening balance	745.84	206.32	952.16	770.62	253.86	1,024.48	673.29	373.98	1,047.27	823.89	325.44	1,149.33
Receipts	1,010.65	259.01	1,269.66	648.18	535.86	1,184.04	972.45	647.25	1,619.70	754.30	613.51	1,367.81
Total available funds	1,756.49	465.33	2,221.82	1,418.80	789.72	2,208.52	1,645.74	1021.23	2,666.97	1,580.11*	938.95	2,519.06
Expenditure	1,070.03	216.69	1,286.72	885.28	431.78	1,317.06	1,006.78	743.88	1,750.66	1,042.46	504.71	1,547.16
Closing balance	686.46	248.64	935.10	533.52	357.94	891.46	638.96	277.35	916.31	537.65	434.24	971.89
Percentage of expenditure to the total available funds	60.92	46.57	57.91	62.40	54.68	59.64	61.17	72.84	65.94	65.97	53.75	61.42

Source: As per data provided by RDD
 CSS: Centrally Sponsored Scheme, SSS: State Sponsored Scheme
 *This includes receipt of ₹ 1.92 crore on account of interest on available funds in CSS

The above table indicated that:

- There was a difference of ₹ 233.02 crore between the closing balance of 2013-14 and the opening balance of 2014-15. Regarding the difference in figures, State Government stated (November 2014) that information provided was based on Monthly Progress Reports received from districts in which adjustment of UCs of many completed works remains pending. Similar discrepancies were also commented in the previous Audit Reports but they still persist. Remedial action for reconciliation of the differences needs to be taken by the State Government.
- Total receipts from Central and State Government declined by 15.55 per cent. The expenditure also declined by 11.62 per cent in 2014-15 in comparison to 2013-14.
- During 2014-15, utilisation of available funds was 61.42 per cent and there was decline in utilisation of funds over the previous year.

1.11.2 Recommendations of the State Finance Commission

As per information provided by the department, grants of ₹ 2,073.75 crore were released during 2014-15 under Fourth State Finance Commission (SFC-IV) among GPs, PSs and ZPs in the ratio of 85, 12 and three *per cent* respectively. Accordingly, State Government transferred SFC-IV grants of ₹ 2,073.75 crore to PRIs (GPs: ₹ 1,762.69 crore, PSs: ₹ 248.85 crore and ZPs: ₹ 62.21 crore) during 2014-15.

1.11.3 Recommendations of the Central Finance Commission

The position of allocation and expenditure of TFC grants to the State PRIs is exhibited in the **Table-1.5** below:

Table 1.5

(₹ in crore)

Year	Allocation to the State by TFC	Opening Balance	Received from GoI	Total available funds (Col.3+Col.4)	Expenditure	Unspent Balances	
						Amount	Percentage
1	2	3	4	5	6	7	8
2010-11	370.30	-	370.10	370.10	74.75	295.35	79.80
2011-12	576.10	295.35	609.40	904.75	250.50	654.25	72.31
2012-13	845.40	654.25	953.81	1,608.06	378.36	1,229.70	76.47
2013-14	998.40	1,229.70	1,017.14	2,246.84	1,198.97	1,047.87	46.64
2014-15	1,179.10	1,047.87	1,043.72*	2,091.59	1,336.58	755.01	36.09
Total	3,969.30		3,994.17		3,239.16		

Source: Compiled from data provided by PRD
 * It includes ₹ 1.60 crore released by GoI on 31 March 2015 but further allotted to PRIs on 9 April 2015

It would be seen from the above table that:

- Government of India released ₹ 24.87 crore in excess of original allocation during the award period 2010-15.
- The unspent amount ranged between 36.09 *per cent* to 79.80 *per cent*.
- Slow utilisation of funds led to accumulation of ₹ 755.01 crore as on 31 March 2015.
- An amount ₹ 1,367.78 crore included in the total available funds was drawn as performance grant by the State without complying with the performance grant conditions such as adoption of Model Accounting System, allotment of specific codes to ZPs, PSs and GPs etc. prescribed by the CAG.
- During 2014-15, State Government released TFC grants to PRIs within the prescribed 10 days from dates of credit to the State Government accounts by GoI.

1.11.4 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.

In test checked 178 PRIs (ZP: One, PSs: 29 and GPs: 148), though the prescribed returns/statements were being maintained by the ZP and PSs but none of the GP prepared/maintained the prescribed returns/accounts. Other prescribed records⁸ were being maintained by all the test checked PRIs. However, ledger showing expenditure incurred under various heads of expenditure incurred out of the funds in prescribed format (vide rule 236 of RPRR, 1996) was not being maintained by the PRIs. Due to non-maintenance of ledgers, Director, LFAD did not certify the annual accounts of the PRIs.

- As per recommendations of TFC, an accounting framework and codification pattern consistent with the Model Panchayat Accounting System should be adopted. In addition, for proper monitoring of the budget allocation and consolidation of accounts of PRIs at State level, the States are required to allot specific codes to each ZP, PS and GP.

However, annual accounts for the year 2014-15 were maintained by the PRIs in conventional formats prescribed under Chapter 11 of RPRRs, 1996. Meanwhile, simplified accounting formats 2009 issued by Ministry of Panchayati Raj, GoI have been adopted for mandatory implementation with effect from 1 April 2011.

It was noticed in 178 PRIs test checked (ZP: One, PSs: 29 and GPs: 148), GPs did not maintain the accounts as per formats prescribed in the RPRR, 1996. The GPs used to prepare statement of annual income and expenditure (*Goshwara*) by just mentioning name of scheme/work.

Panchayati Raj Department intimated (July 2015) that out of 9,458 PRIs, 9,427 PRIs (ZPs: 33, PSs: 248 and GPs: 9,146) closed their year books for the period 2013-14 and in 2014-15, 5,771 PRIs (ZPs: 17, PSs: 177 and GPs: 5,577) closed (up to January 2016) their year books on Panchayati Raj Institution Accounting Software (PRIASoft), which is a centralised accounting package that facilitates maintenance of accounts under Model Accounting System.

The Department attributed the slow progress of closing of annual accounts to shortage of staff and slow speed of internet.

8. Cash book, asset register, advance register, stock register and other records

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

It was observed that 12 out of 33 ZPs (PC) sent their annual accounts within the prescribed time while 20 ZPs (PC) sent their annual accounts for the year 2013-14 with delays ranging from one to 97 days and one ZPs (Jhalawar) did not sent their annual accounts to PRD as of July 2015.

Annual accounts of ZPs (RDC) for the year 2013-14 were required to be sent to RDD by 30 September 2014.

It was observed that 32 out of 33 ZPs (RDC), sent their annual accounts for the year 2013-14 with delays ranging from 76 to 293 days while ZP (RDC) Pali did not send their annual accounts to RDD as of August 2015. It was further observed that ZP (RDC), Pali sent their annual accounts for the year 2010-11 in July 2015.

1.11.5 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 80 PRIs⁹ revealed that in 112 cases balances to the tune of ₹ 87.68 crore as of 31 March 2015 were pending for reconciliation with bank and PRIs records.

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

Database formats for district and State level as recommended by the CAG were also not been maintained by the PRD as insertion of new formats in the RPRR, 1996 could not be done up to April 2015. The issue of insertion was pending with the Law Department of Rajasthan.

As per information provided (January 2016) by PRD the implementation of the aforesaid database formats as recommended by CAG have been incorporated in Rule 246 of RPRRs, 1996 (May 2015) and PRIs have been directed to maintain the database in the prescribed formats accordingly.

1.12 Conclusion

- The PRIs should take effective steps to augment their own resources so as to minimise dependence on Government assistance and to provide better civic facilities.

9. ZPs (PR): Nine, ZPs (RD Cell): Five and PSs: 66

- Annual Accounts were neither maintained in the prescribed formats nor submitted to RDD/PRD within the stipulated time. Further, certification of correctness of annual accounts of PRIs was not being done by Director, LFAD. In absence of certification of accounts, the correctness of figures given in the annual accounts prepared by the PRIs could not be ascertained.
- Substantial portion of CSS/SSS grants was not utilised for the intended benefits of the rural people.
- There were huge pendency of Audit observations and delays in their settlement. The Government should issue suitable instructions to PRIs to ensure prompt response to the Audit observations.
- Government should also ensure that all the committees as prescribed in the Act for PRIs be constituted and functions effectively.

CHAPTER-II
Audit Findings on
Panchayati Raj Institutions

CHAPTER-II

AUDIT FINDINGS ON PANCHAYATI RAJ INSTITUTIONS

This chapter contains two Performance Audit of 'Integrated Watershed Management Programme' and 'Border Area Development Programme' and four paragraphs relating to Panchayati Raj Institutions.

PERFORMANCE AUDIT

Rural Development and Panchayati Raj Department

2.1 Integrated Watershed Management Programme

Executive Summary

Government of India launched (April 2009) Integrated Watershed Management Programme as a centrally sponsored programme to restore the ecological balance on watershed basis. Cost of the watershed was to be shared between Government of India and State Government in the ratio of 90:10.

State Government prepared a State perspective and strategic plan during 2009. State identified 179 lakh hectare area for land treatment under Integrated Watershed Management Programme over a period of 18 years (2009-2027). However, 58.50 lakh hectare area was included for treatment in the perspective and strategic plan for the period 2009-10 to 2014-15, against which 57.24 lakh hectare was sanctioned by Government of India.

Each project was envisaged to be completed between four and seven years from the date of sanction by Government of India. The activities of projects were sequenced in (i) preparatory phase (stipulated completion period one-two years), (ii) works phase (stipulated completion period two-three years) and (iii) consolidation and withdrawal phase (stipulated completion period one-two years).

A multi-tier approach was to be adopted towards the implementation of the Watershed Development Projects in the sequence of ridge-to-valley to maximize conservation. The watershed development process was also to be synergised with employment generation programmes.

Performance Audit of Integrated Watershed Management Programme revealed that shortfall in land treatment of 47.28 lakh hectare (82.60 per cent) and slow progress in implementation of project under all three phases of Integrated Watershed Management Programme i.e. preparatory phase, work phase and consolidation and withdrawal phase.

In preparatory phases Detailed Project Reports for 37 projects (sanctioned during the period 2009-15) were not prepared and the projects were not started till March 2015, even after lapse of the preparatory phase period. Instances of deviation from Detailed Project Reports and shortage in formation of the Watershed Development Teams were noticed. There was a shortfall of 73 per cent in training mandays to be imparted at various levels to stake holders during 2009-10 to 2014-15.

Total 68.40 per cent expenditure was incurred on Entry Point Activities upto March 2015 against total sanctioned amount of ₹ 274.05 crore. In Batch-V (2013-14), no Entry Point Activities were undertaken even after a lapse of two years from the sanction of the project. It was revealed in physical verification that works taken up in Entry Point Activities did not serve the purpose of water conservation to the community.

Audit scrutiny further revealed that in works phase against the total allocation of ₹ 4,209.33 crore for watershed development works activities only 23.10 per cent expenditure was incurred at State level which indicates remote possibility of achieving the targets set by Government of India. Further, in test checked districts only 23.25 per cent funds were utilised leaving a balance of ₹ 260.06 crore unutilised as of March 2015.

No major livelihood activities had been carried out under the production and micro enterprise component against the total allocation. An expenditure of ₹ 65.10 crore (7.47 per cent) was incurred upto March 2015. No efforts for convergence with other schemes were made.

Utilisation of funds improved during 2014-15 though utilisation prior to 2013-14 was quite low. Instances of excess expenditure reported to Government of India, delay in releases of State share and cut in Central share due to non-submission of consolidation evaluation report were noticed. Unspent balances prior to Integrated Watershed Management Programme schemes were not deposited with Government of India/Government of Rajasthan.

Introduction

The Integrated Watershed Management Programme (IWMP) was launched (April 2009) by Government of India (GoI) to restore the ecological balance by harnessing, conserving and developing natural resources such as soil, vegetative cover and water. This would help to prevent soil run-off, regeneration, rain water harvesting and recharging of ground water table. This enables multi-cropping and introduction of diverse agro-based activities, which help to provide sustainable livelihoods to the people residing in the watershed areas. Cost of the development of the watershed was to be shared between GoI and State Government in the ratio of 90:10. The project had a cost ceiling of ₹ 12,000 per hectare to ₹ 15,000 per hectare depending upon the topography of the area and with a stipulated completion period of four to seven years.

A common guideline was issued during 2008, which was subsequently revised in 2011, for implementation of IWMP. The broad objectives of IWMP are elaborated below:

- Restore ecological balance by harnessing, conserving and developing natural resources of water, soil and vegetative cover.
- Harvest every drop of rainwater for purposes of ground water recharging, irrigation, drinking water and development of rain fed areas.
- Ensure overall development of rural areas through livelihood activities for creating regular sources of income through development of fisheries, dairying etc.

The stipulated completion period for each watershed project was four-seven years depending on the size of the cluster (1,000-5,000 hectare).

Activities of the project were divided into three phases as follows:

Preparatory Phase (stipulated completion period one-two years): It included Entry Point Activities (EPA) for creating rapport with the rural community, preparation of detailed project report and institutional and capacity building.

Watershed Works Phase (stipulated completion period two-three years): It included activities like watershed development works such as treatment of land, contour cultivation, sand dune stabilisation, construction of *tankas*¹ and *khadin*² for ground water recharge, development of livelihood activities for the asset less persons and production system and micro enterprises such as live stock development and ancillary agriculture activities (poultry, beekeeping, oil extraction etc.).

Consolidation (stipulated completion period one-two years): It included activities for completion of various works and sustainable management of natural resources during post project period.

Organisational Set-up

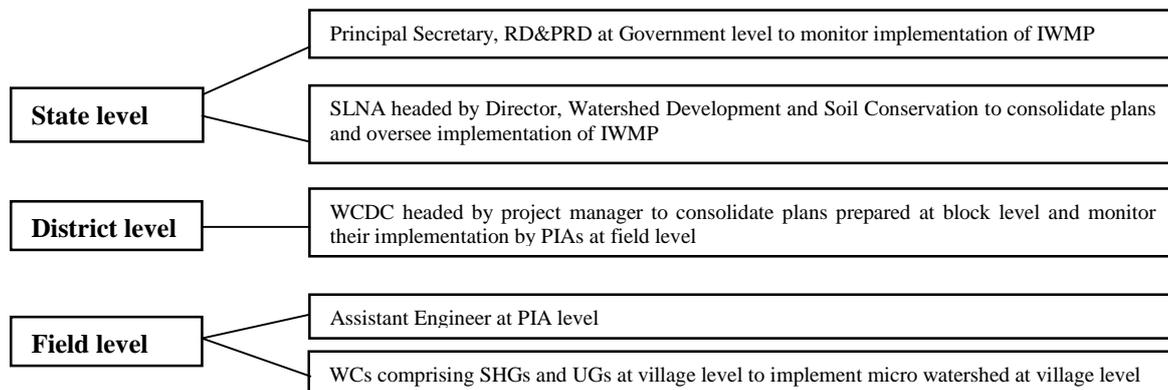
The project was being implemented by the Rural Development and Panchayati Raj Department (RD&PRD). State Level Nodal Agency³ (SLNA) headed by Director, Watershed Development and Soil Conservation (WDSC) is responsible for planning, monitoring and implementation of IWMP. At the District level the programme is being implemented by the Watershed Cell cum Data Centre (WCDC) through the Project Implementing Agencies (PIA). The PIA appoints a dedicated Watershed Development Team (WDT) which includes at least four members (broadly with knowledge and experience in agriculture, soil science, water management etc.). The WDT assists in

1. *Tankas*: *Tankas* is a covered masonry runoff storage tank, which collects runoff water from artificial catchment constructed around it
2. *Khadin*: An earthen bund constructed across the slop on flatter land where rain water is received from the relatively impervious uplands with steeper slopes
3. Director of Watershed Development and Soil Conservation

planning and implementation of the programme at the Gram Panchayat (GP) level. Gram Sabha, at the village level, would constitute a Watershed Committee (WC) in association with Self Help Groups (SHGs)⁴ and User Groups (UGs)⁵.

The responsibility centers for implementation of the programme at various levels are given in **Chart 1** below:

Chart 1



2.1.1 Audit objectives

The Performance Audit of the IWMP was taken up with the objective of assessing the

- Adequacy and effectiveness of the planning process for promoting resource conservation and regeneration through development of watersheds;
- Whether watershed projects were implemented efficiently with multi tier approach as envisaged in programme guidelines within the stipulated time frame, adequacy and effectiveness of the monitoring mechanism; and
- Efficacy of financial management.

2.1.2 Audit criteria

The sources of Audit criteria were:

- Government of India guidelines April 2008 and 2011 on watershed management;
- State perspective and strategic plan;
- Detailed Project Reports;

4. Self Help Group is a small voluntary association of poor people, preferably from the same socio-economic background. They come together for the purpose of solving their common problem through self-help and mutual help

5. User group is a set of people who have similar interest, goals or concerns. The members have regular meetings where they can share their ideas

- General Financial and Accounting Rules and Public Works Financial and Accounting Rules; and
- Orders/guidelines/circulars issued by GoI and State Government from time to time.

2.1.3 Audit Scope and Methodology

The State is divided into seven zones. Two zones, Ajmer and Jodhpur were selected for test check on the basis of maximum expenditure incurred during 2010-15. In selected zones 50 *per cent* of the districts i.e. two districts out of four in Ajmer zone (Ajmer and Nagaur) and three districts out of six in Jodhpur zone (Barmer, Jaisalmer and Jodhpur) were selected. In each selected district, two PIAs were further selected through random sampling using IDEA software. In each PIA, scrutiny of all of projects (maximum 10 projects) was carried out. Physical verification of 10 *per cent* of works carried out under the work phase in the test checked projects was also carried out jointly with departmental staff. Exit conference was conducted on 26 February 2016 with Government and responses of the Government were considered while drafting the report.

Audit Findings

The Audit findings are organised into the following sub-sections:

- Planning
- Implementation
- Monitoring and Evaluation
- Financial Management
- Other Issues

2.1.4 Planning

The State Level Nodal Agency (SLNA) prepared a perspective and strategic plan (2009) for watershed development on the basis of plans prepared at the block and district level. Geographical area of State is 342 lakh hectares and out of this about 179 lakh hectare area was targeted for watershed development treatment over a period of 18 years (2009-2027). However, 58.50 lakh hectare (32.68 *per cent*) area was included for treatment in the perspective and strategic plan for the period 2009-10 to 2014-15, against which 57.24 lakh (31.99 *per cent*) hectare was sanctioned by GoI. Against the sanctioned area, only 9.96 lakh hectare area was treated during the period. Government of Rajasthan (GoR) stated (January 2016) that watershed areas of the State were also taken up under various schemes. The reply is not convincing as only 2.08 lakh hectare area was taken up under other schemes by various departments and only 17.40 *per cent* area was treated during the period 2009-2015 under IWMP. Thus, the possibility of achieving the targets is remote.

- The State Government was required to submit Annual Action Plans (AAPs) by the end of February every year indicating ongoing liabilities as well as new projects proposed to be taken up. It was seen that AAP for the initial period of IWMP i.e. 2009-10 to 2011-12 was not prepared. However, AAP was prepared from 2012-13 onwards.

State Government stated (January 2016) that for the period 2009-12, they were not required to submit AAP to GoI. The reply is not convincing because GoI common guidelines for watershed development projects provided for submission of AAP by the end of February every year.

- According to common guidelines of GoI, projects under IWMP were to follow ridge-to-valley sequenced approach. Higher reaches of forests and hilly regions in the upper catchment areas were to be covered first to arrest soil erosion and degradation of forest and also to benefit lower tiers in terms of runoff/water yield, soil erosion, sedimentation, fodder etc. The detailed guidelines for inclusion of forest area in IWMP were issued by GoI in July 2011.

Scrutiny of records of SLNA revealed that though 48 projects were sanctioned under ridge-to-valley approach during 2009-10, but not treated till March 2015. Further, Forest department opined (October 2014) that out of sanctioned 48 projects, 38 were in small patches and did not require treatment whereas remaining 10 projects were left untreated. State Government accepted (January 2016) the facts.

- According to guidelines, a technology manual with the standards and specifications for the multi-disciplinary and integrated approach required for implementation of the projects for the benefit of all the users, who will be using technology of watershed management in the State was to be prepared by SLNA.

Scrutiny of records of SLNA revealed that final draft technology manual was submitted (July 2013) to GoI but not yet finalised (September 2015). State Government accepted the facts (January 2016).

2.1.5 Implementation

Details of projects sanctioned in four batches during 2009-15 and the status⁶ of their implementation as of March 2015 is given in **Table 2.1** below:

6. Position shown only for upto work phase and consolidation phase was not started

Table 2.1

(₹ in crore and area in lakh hectare)

Year (Batch)	Projects approved by GoI	Treatable area	Treated area/ (per cent)	Project cost	Expenditure up to March 2015	Percentage of expenditure
2009-10 (I)	162	8.85	3.65 (41.24)	1,240.13	527.15	42.50
2010-11 (II)	213	12.57	3.76 (29.91)	1,746.48	572.68	32.79
2011-12 (III)	229	13.01	2.22 (17.06)	1,820.00	370.67	20.36
2012-13 (IV)	145	7.88	0.33 (0.04)	1,051.58	35.97	3.42
2013-14 (V)	135	7.44	-	991.85	NA	-
2014-15 (VI)	141	7.49	-	986.63	Nil*	-
Total	1,025	57.24	9.96	7,836.67	1,506.47	19.22

* Administrative and financial sanctions were not issued for batch-VI

(Source: Information collected/provided by SLNA)

From the table it is seen that:

- Only 9.96 lakh hectare land was treated against the sanctioned 57.24 lakh hectare during the period 2009-10 to 2014-15. Thus, there was a shortfall in treatment of 47.28 lakh hectare (82.60 per cent).
- Government of India issued (July 2015) instructions to complete the projects sanctioned in batch-I by March 2016. It was seen that only 3.65 lakh hectare (41.24 per cent) were treated against the sanctioned 8.85 lakh hectare with an expenditure of ₹ 527.15 crore (42.50 per cent) as of March 2015.

The Details of projects sanctioned and status of implementation in test checked districts as of March 2015 is given in **Table 2.2** below:

Table 2.2

(₹ in crore and area in lakh hectare)

Year (Batch)	Projects approved by GoI	Treatable land	Treated land/ (per cent)	Project cost	Expenditure up to March 2015	Percentage of expenditure
2009-10 (I)	60	3.35	1.50 (44.94)	497.76	209.63	42.11
2010-11 (II)	78	4.84	1.44 (29.63)	717.39	220.48	30.73
2011-12 (III)	83	4.66	0.88 (18.80)	755.25	144.31	19.10
2012-13 (IV)	31	1.69	0.09 (5.48)	248.45	19.39	7.80
2013-14 (V)	31	1.77	-	260.10	59.92	22.76
2014-15 (VI)	27	1.48	-	216.85	Nil*	-
Total	310	17.79	3.91	2,695.80	653.73	24.25

* Administrative and financial sanctions were not issued for batch-VI

(Source: Information collected/provided by SLNA)

It is evident from the table above that percentage of financial achievement for the projects ranged between 7.80 per cent to 42.11 per cent during 2009-13, whereas, the physical target ranged between 5.48 per cent to 44.94 per cent.

State Government stated (January 2016) that non-availability of WDTs and vacant post of Junior Engineers and Technical officers were the main reasons for short fall in treatment of land.

The reply is not convincing as Government should have addressed these issues in advance for effective implementation.

2.1.5.1 Preparatory Phase

The preparatory phase includes preparation of DPRs in respect of all identified projects, monitoring and implementation taken at the village level, institutional and capacity building to develop WCs, SHGs and UGs at village level and taking up EPAs to establish rapport with village community.

2.1.5.2 Detailed Project Reports

According to guidelines, one *per cent* of the project cost was allocated for DPR preparation. DPR includes the basic information on watershed viz., rainfall, soil, forests, land use pattern etc. and should be in tune with the perspective plan.

- Test check of records revealed that 1,025 projects were sanctioned during the period 2009-15. However, the DPRs for 37 projects of 2011-13 were not prepared and the projects were not started till March 2015, even after lapse of the preparatory phase period. State Government stated (January 2016) that DPRs were not prepared as GoI revised the funding pattern i.e. 50 *per cent* Central share and 50 *per cent* State share instead of 90 *per cent* Central share and 10 *per cent* State share for IWMP. The reply is not convincing as the DPRs were to be prepared in the preparatory phase of the projects of batch-II and III.

2.1.5.3 Deviation from Detailed Project Report

Detailed Project Report is to be prepared with the entire database in a systematic manner so that the basic information on watershed like rainfall, topography, soil, forests, demographic features, land use patterns etc. included. DPR for watershed shall be in tune with the district perspective plan. Test check by Audit revealed the following:

- Two hundred twenty seven *tankas* were proposed to be constructed in three projects with a cost of ₹ 2.63 crore in two test checked PIAs (Baitu and Balotra) in Barmer district. However, 280 *tankas* were constructed costing ₹ 3.41 crore. Thus, an excess expenditure of ₹ 0.78 crore was incurred over the sanctioned cost approved in DPRs.

State Government accepted the facts and stated (February 2016) that the proposal for revision in DPR of two test checked PIAs would be sent to SLNA.

- During scrutiny of records of two test checked PIAs (Bilara and Luni) Jodhpur district, 432 *tankas* were constructed at a cost ₹ 4.15 crore against ₹ 3.13 crore included in DPR. Thus, excess expenditure of ₹ 1.02 crore was incurred on these works.

State Government stated (February 2016) that excess expenditure incurred was due to construction of *agore*⁷ to cover larger area than stipulated in DPRs.

- During scrutiny of records of test checked PIA (Pisangan) Ajmer district, 51 *khadins*, 272.85 hectare bunds and five loose stone check-dams were constructed at a cost ₹ 2.76 crore against ₹ 0.93 crore included in DPR. Thus, excess expenditure of ₹ 1.83 crore was incurred on these works.

7. *Agore* is a place platform constructed around the *tanka* to collect the rain water in to the *tanka*

State Government stated (February 2016) that the expenditure in WCDC, Ajmer was according to physical and financial provision of the DPR. Reply is not convincing as excess expenditure was incurred against the provision of funds in DPR.

This indicated that due diligence was not done while preparing the DPRs.

- Scrutiny of records of WCDC, Jaisalmer revealed that in IWMP-IV and V (PIA, Jaisalmer) *tankas*, *diggies*, *khadin*, *khet talai* and *dhoras* were to be constructed in arable land as approved in the DPR. It was, however, observed that 23 *tankas* (₹ 0.17 crore), three *diggies* – rain water harvesting system (₹ 0.05 crore), five *khadin* – a structure built up in the downstream of field to block rain water (₹ 0.14 crore), two *khet talai* (₹ 0.07 crore) and two *dhoras* – sand dunes (₹ 0.04 crore) were constructed on non-arable land, whereas, these were to be constructed on arable land of farmers.

Thus, the works costing ₹ 0.47 crore were executed on non-arable land by deviating from DPR. This in turn would reduce the impact of increase in water table on agricultural productivity. State Government did not furnish reply in this regard.

- Scrutiny of records of PIA (Baitu), Barmer district, revealed that provisions for crop demonstration and plants distributions were not approved in DPR. However, 2,469 crop demonstrations costing ₹ 46.04 lakh⁸ were carried out on arable land and 4,300 plants worth ₹ 0.53 lakh⁹ were distributed to beneficiary villagers during 2014-15. State Government accepted the facts and stated (February 2016) that activities were not shown in the DPRs prepared. However, crop demonstration activities were being shown in the forthcoming DPRs.

- Scrutiny of records of PIAs (Jaisalmer and Sam), Jaisalmer district revealed that provision for construction of *talai*, *dhora*, *nadi*, *khadin* and *tanka* were not approved in DPRs. However, 53 works costing ₹ 0.74 crore¹⁰ of construction of *talai*, *dhora*, *nadi*, *khadin* and *tanka* were carried out on non-arable land. State Government did not furnish the reasons for deviation from the DPR.

2.1.5.4 Implementation Team

Watershed Committees (WCs) were required to be constituted to implement the watershed projects with the technical support of the WDTs in the village. The WDT was an integral part of the PIA and was to be set up for guiding the

-
8. IWMP-1 (243): ₹ 4.59 lakh, IWMP-2 (211): ₹ 3.70 lakh, IWMP-3 (191): ₹ 3.53 lakh, IWMP-24 (253): ₹ 4.57 lakh, IWMP-25 (280): ₹ 5.46 lakh, IWMP-26 (223): ₹ 4.12 lakh, IWMP-27 (321): ₹ 6.24 lakh, IWMP-43 (380): ₹ 7.22 lakh and IWMP-44 (367): ₹ 6.61 lakh
 9. IWMP-2 (330 plants): ₹ 0.07 lakh, IWMP-24 (100 plants): ₹ 0.02 lakh, IWMP-25 (470 plants): ₹ 0.09 lakh, IWMP-26 (300 plants): ₹ 0.06 lakh, IWMP-43 (250 plants): ₹ 0.05 lakh and IWMP-44 (2,850 plants): ₹ 0.24 lakh
 10. IWMP-3 (two works): ₹ 0.07 crore, IWMP-5 (28 works): ₹ 0.25 crore and IWMP-7 (23 works): ₹ 0.42 crore

WCs in the formulation of the watershed action plan, conducting the participator baseline survey, training and capacity building etc.

- Scrutiny of records of SLNA revealed that against the requirement of 3,536 members of WDTs in 884 projects sanctioned under batches-I to V, only 1,100 members of WDTs were engaged as of March 2015. Thus, there were shortage of approximately 70 per cent.

Further, scrutiny of records of test checked districts revealed that as on March 2015, a total of 2,836 WCs were constituted against required 2,896 WCs and under two test checked districts (Jaisalmer and Nagaur), treatment of 2,338 hectare was not started, as three WCs (Jaisalmer: two and Nagaur: one) for these projects were not constituted. Thus, non-constitution of WCs would affect the implementation of projects. State Government accepted the facts (January 2016).

- In 83 projects of nine tests checked PIAs (Ajmer: two, Barmer: two, Jaisalmer: two, Jodhpur: two and Nagaur: one), only 220 members (69 per cent) of WDTs were engaged against the requirement of 332 members of WDTs as of March 2015.

The State Government stated (January 2016) that non-availability of eligible persons, non-sanction of regular posts and less amount of honorarium to the members were the reasons for vacant post of WDT. The reply is not convincing as these issues should have been resolved before undertaking scheme activities. Thus, the intended purpose could not be achieved due to shortage of engagement of members of WDTs.

2.1.5.5 Institutional and Capacity Building

According to guidelines, five per cent of the cost of the project (₹ 5,858.19 crore up to batch-IV) was earmarked for Institutional and Capacity Building (ICB) activities under preparatory phase i.e. training to be provided to WCDC, PIA, WDC, SHG, UG and WC to enhance knowledge, skills and develop the correct orientation and perspectives. It was, however, observed that as per action plan for ICB activities under IWMP, 37,22,545 training mandays was to be imparted at various levels to stake holders during 2009-10 to 2014-15 whereas, only 10,11,817 training mandays were imparted as of March 2015 (*Appendix-II*). Thus, there was a shortfall of 27,10,728 (73 per cent) training mandays. Non-achievement of targets for training to the functionaries hampered their knowledge enhancement, skills and development for the correct orientation and perspectives. State Government stated (January 2016) that delay in preparation of DPRs, late start of projects and lack of trainees were the reasons for non-achieving the required training under IWMP.

Thus, Government failed to enhance knowledge, skills and develop the correct orientation and perspectives due to shortfall in trainings.

2.1.5.6 Entry Point Activities

Four *per cent* of the project cost was earmarked for Entry Point Activities (EPAs) with the stipulated period of completion within the first one-two years of the project period.

The EPAs included:

- Works based on urgent needs of the community including revival of common natural resources, drinking water, development of local energy potential, augmenting ground water potential;
- Repair, restoration and up gradation of existing common property assets and structures to obtain optimum and sustained benefits from previous public investment and traditional water harvesting structures;
- Productivity enhancement of existing farming system for community mobilisation and building rapport; and
- Construction of *tankas*, ground level reservoir (GLR), *khadin* etc.

Scrutiny of records revealed that 21,467 EPAs were targeted under batch-I to VI with an amount of ₹ 274.05 crore during the years 2009-10 to 2014-15. Of this 17,402 with an expenditure of ₹ 187.46 crore (68.40 *per cent*) were achieved upto March 2015. In Batch-V, no EPAs were undertaken against targeted 1,500 (2013-14) even after lapse of two years from the sanction of the project, though an amount of ₹ 39.72 crore was sanctioned.

State Government accepted the facts and stated (February 2016) that the work could not be started due to dispute/court case at local level.

- Scrutiny (December 2013) of records of ZP (RDC), Ajmer revealed that in five Panchayat Samities (PS) of Ajmer district, against the allocated amount ₹ 5.61 crore, an expenditure of ₹ 0.60 crore was incurred irregularly during June 2011 to January 2013 on 38 works of construction of *teenshed/baithak* at *shamshan ghats*, *chabutara/hatai*, *vishram sthali* etc. under EPA of IWMP in contravention of provisions of the project.

Further, three districts (Jaisalmer, Jodhpur and Nagaur) purchased 692 solar lights at a cost of ₹ 1.69 crore and installed these solar lights during 2011-12 under EPAs against the guidelines but these were out of order presently.

Thus, funds meant for development of rain fed areas worth ₹ 2.29 crore (₹ 0.60 crore and ₹ 1.69 crore) were diverted to ineligible works and solar lights were out of order which resulted in deprivation of the intended benefits of watershed development.

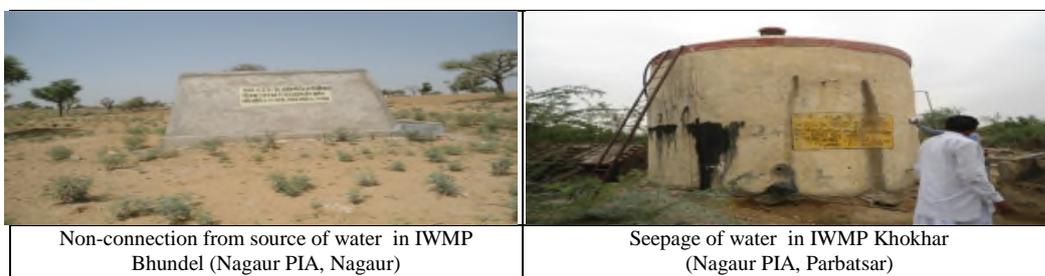
The PIA (Parbatsar), Nagaur district and WCDC, Jodhpur district stated (June-July 2015) that the solar lights were out of order due to non-maintenance of installed solar lights. Whereas, WCDC, Barmer and Ajmer did not furnish

status of solar lights installed in their project area. State Government did not furnish reasons for non-maintenance of installed solar lights.

2.1.5.7 Physical Verification

Joint physical verification with departmental authorities had been conducted during the period June 2015 to August 2015. The physical verification revealed that:

- Ground Level Reservoir (GLRs) and Roof Top Water Harvesting Structure (RTWHS) on public buildings were constructed in Nagaur districts. Four GLRs were constructed during 2012-13 and 2014-15 at a cost of ₹ 5.87 lakh¹¹ in PIA, Nagaur and Parbatsar. It was found that two GLRs constructed in PIA, Nagaur were lying idle due to non-connectivity from source of water and the other two GLRs in PIA, Parbatsar were having seepage and thus, these were not usable. State Government stated (February 2016) that the work of connecting two GLR is under progress and would be connected shortly.



This indicated that works taken up in EPAs did not serve the purpose of water conservation to the community and an amount of ₹ 5.87 lakh remained unfruitful.

2.1.5.8 Work Phase

Government of India stipulated that 50 *per cent* (enhanced to 56 *per cent* in 2011) of project cost was to be allocated for execution of watershed development works (WDW). Ten *per cent* of cost of works executed on private land was required to be contributed by the people towards the Watershed Development Fund (WDF: a distinct account which include the income from people contribution and created assets), which was mandatory for selection of villages for watershed projects. The works relating to (i) watershed work phase activities like watershed development works including ridge area treatment, drainage line treatment, development of water harvesting structures etc., (ii) livelihood activities and (iii) production system and micro enterprise were to be executed in this phase.

- Audit observed that as against the total allocation of ₹ 4,209.33 crore during 2009-15 for watershed development works activities, an expenditure ₹ 972.24 crore (23.10 *per cent*) was incurred (March 2015) at State level.

11. Bus Stand Bhundel: ₹ 1.09 lakh and Bhomiyon ki Dhani: ₹ 1.01 lakh under IWMP-17 in PIA Nagaur and Navoda Beri ki Dhani: ₹ 1.99 lakh and at Dayal Baba ki Dhani: ₹ 1.78 lakh under IWMP-10 in PIA, Parbatsar

Thus, the pace of work phase was quite slow and there is remote possibility of achieving the targets set by GoI.

State Government stated (February 2016) that efforts were being made to complete the work as fixed by GoI timelines.

- An amount ₹ 338.87 crore was targeted for achievement of work phase activities¹² (65 projects) in test checked districts. However, against the allocation of ₹ 338.87 crore only an amount of ₹ 78.81 crore (23.25 per cent) was utilised by these districts, leaving a balance of ₹ 260.06 crore as of March 2015.

Scrutiny of records of WCDC, Jaisalmer revealed that ₹ 1.20 crore was released for eight projects of batch-I and II (sanctioned during 2009-11) to seven WCs. These WCs did not take up activities of work phase after incurring an expenditure of ₹ 0.56 crore on EPAs as of March 2015 though sufficient funds of ₹ 0.64 crore were available with them.

The reasons for non-execution of work phase activities and utilisation of funds were not furnished.

2.1.5.9 Physical Verification

Joint physical verification of work phase activities was conducted by Audit with departmental staff in PIA, Jawaja (WCDC, Ajmer), Parbatsar (WCDC, Nagaur) and Sam (WCDC Jaisalmer) during the period June 2015 to August 2015. The physical verification revealed that:

- Construction of *dhoras* and *khadin* in four projects was sanctioned for ₹ 0.23 crore in PIA, Sam (WCDC, Jaisalmer). Dry stone pitching work was included on the surface of structure to prevent soil erosion. The works were completed with an expenditure of ₹ 0.23 crore without stone pitching on the earthen walls of *dhoras/khadin*.

Scrutiny of records and joint physical verification of the work sites revealed that earth work to the tune of 43,312.68 cum were executed against the sanctioned quantity of 18,876 cum resulting in excess earth work to the tune of 24,436.68cum. Therefore, pitching works amounting to ₹ 5.14 lakh were not executed. Non-execution of pitching would result in damage on the embankment due to soil erosion. The reasons for non-execution of pitching work were not furnished to Audit.

- Two works of pasture development and plantation at Khera Pati Balaji, PIA, Parbatsar (WCDC, Nagaur) and Mataji ki Doongiri Madia, PIA, Jawaja (WCDC, Ajmer) were sanctioned (July 2012 and 2013-14) at a cost of ₹ 0.06 crore and ₹ 0.09 crore respectively. An Expenditure of ₹ 0.03 crore and

12. **In arable land:** *Tanka, Khadin, nadi, dhora, talai, med bandi*, earthen bound, contour vegetative hedge, *krishi vaniki* etc. and **Non-arable land:** *tanka, nadi talai, pond, khadin*, water harvesting structure, loose stone check dam, minor masonry structure, V-ditch, pasture development, afforestation, fencing/road side plantation etc.

₹ 0.04 crore (total: ₹ 0.07 crore) was incurred. During physical verification it was found that no plantation existed on the pasture lands. The PIAs stated (August 2015) that pasture land could not be sustained due to non-cooperation of villagers and exposure of cattle in pasture. Thus, the benefit of pasture land could not be achieved resulting in unfruitful expenditure of ₹ 0.07 crore.

2.1.5.10 Convergence with Other Schemes/Programmes

According to the operational guidelines (GoR), IWMP was to be implemented by converging with different schemes of various departments such as Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Scheme, Backward Region Grant Fund, Agriculture, Horticulture and Animal Husbandry.

Scrutiny of records of test checked PIAs¹³ of Barmer, Jaisalmer, Jodhpur and Nagaur district revealed that no convergence was made with other schemes during 2009-10 to 2014-15. State Government stated (January 2016) that convergence with various schemes were not essential. The reply is not convincing because common guidelines of GoI as well as operational guidelines of GoR provided for convergence of IWMP with various schemes.

2.1.5.11 Livelihood Activities

This component includes development activities like dairy, small ruminants, petty business, skilled business etc. which are to facilitate the eligible beneficiaries identified by PIAs. Ten *per cent* (reduced to nine *per cent* in 2011) of the project cost was earmarked for livelihood activities.

As against the total allocation of ₹ 737.15 crore which includes ₹ 178.05 crore sanctioned during the year 2013-14 and 2014-15 for 1,025 projects, an expenditure of ₹ 45.14 crore has been incurred upto March 2015. The percentage of expenditure ranged between 1.14 *per cent* (2012-13) to 12.39 *per cent* (2009-10). This indicated that no major livelihood activities had been carried out. State Government did not furnish reply in this regard.

2.1.5.12 Production System and Micro Enterprise

The production system and micro enterprise component included community based activities like fertility and animal health camps, propaganda for cattle insurance, improvement of cattle variety, cropping pattern demonstration, establishment of orchards and units of vermi compost, bee-keeping etc. Under production system and micro enterprise 13 *per cent* (reduced to 10 *per cent* in 2011) of the project cost was earmarked for the activities involved.

- As against the total allocation of ₹ 870.85 crore during the year 2009-10 to 2014-15 for 1,025 projects, an expenditure of ₹ 65.10 crore (7.47 *per cent*) has been incurred upto March 2015. The percentage of expenditure ranged between 0.47 *per cent* (2012-13) to 15.28 *per cent* (2009-10). This indicated that among the recommended activities, only construction of *Than* – a place

13. Baitu, Balotra, Bilara, Jaisalmer, Nagaur, Parbatsar and Sam

where cattle fodder is filled up for feeding and moong seed demonstration were executed. State Government did not furnish any reason for not taking up community based activities under the production system and micro enterprise component.

2.1.6 Monitoring and Evaluation

State Level Nodal Agency issued (September 2013) order for introduction of a three tier District Level Monitoring System for monitoring of project implementation and conducting of at least one meeting in every month at WCDC, PIA and WC levels.

During the year 2014-15, at district level, against the mandatory 396 meetings for 33 districts, 10 districts held 617 meetings, 13 districts held 92 meetings and 10 districts did not provide any records to audit.

Further, at PIA level, 11 districts held 1,225 excess meetings and in 12 districts, 663 less meetings than mandatory were held and 10 districts did not provide any records to audit.

At WC level, 14,256 meetings were held in 22 districts against the mandatory 30,402 meetings. Ten districts did not provide any records to audit.

There was an overall shortfall of total 16,873 meetings (53 per cent) against required 31,614 meetings during 2014-15 (*Appendix-III*). The status of meetings held at district level, PIA level and WC level in remaining 10 districts¹⁴ was not provided to Audit. State Government accepted (February 2016) the facts.

- The role of SLNA was critical in ensuring Social Audit arrangements at appropriate levels. SLNA commenced Social Audit under IWMP from April 2013 by adopting MGNREG Scheme Social Audit guidelines. Social Audit was conducted in 971 WCs out of 2,836 WCs constituted (sanctioned during the years 2009-13) in 33 districts as of July 2015. The follow-up action on Social Audit Reports and Social Audit files were called for (May 2015) but not provided to Audit. Thus, the follow up action of Social Audit Reports could not be ascertained. State Government stated (February 2016) that instructions were being issued for conducting of social audit to all project managers.

2.1.7 Financial Management

Integrated Watershed Management Programme is a centrally sponsored programme and the cost of development of watershed was to be shared between GoI and State Government in the ratio of 90:10 (April 2009). The project had a cost ceiling of ₹ 12,000 per hectare to ₹ 15,000 per hectare depending upon the topography of the area.

14. Bharatpur, Bundi, Chittorgarh, Dholpur, Hanumangarh, Jalore, Karauli, Pratapgarh, Sawai Madhopur and Sriganganagar

The funds were to be released in three distinct phases such as preparatory phase, works phase and consolidation phase in the proportion of 22:73:05 according to the guidelines, which was further revised to 22:75:03 in the 2011.

Year-wise break-up of amount released by GoI, and State Government and expenditure incurred there against during 2010-15 is given in **Table 2.3** below:

Table 2.3

(₹ in crore)

Financial year	Opening Balance	Release		Total Available funds	Expenditure	Percentage of expenditure
		Central share	State share			
2010-11	77.69	257.48	28.29	363.46	36.24	9.97
2011-12	327.22	318.33	35.69	681.24	86.72	12.73
2012-13	594.52	424.53	47.17	1,066.22	217.86	20.43
2013-14	848.36	0.00	0.00	848.36	509.52	60.06
2014-15	338.84	378.08	42.01	758.93	709.04	93.43
Total		1,378.42	153.16	3,718.21	1,559.38	41.93

(Source: Information collected/provided by SLNA)

It is evident from the above table that:

- The utilisation of funds increased from 2010-11 to 2014-15. The percentage of expenditure ranged between 9.97 *per cent* and 93.43 *per cent* during 2011-15. It is seen that the funds utilisation prior to 2013-14 was quite low.
- In test checked districts against the allocation of ₹ 2,695.80 crore, only an expenditure of ₹ 653.73 crore (24.25 *per cent*) has been made and the percentage of expenditure ranged 7.80 *per cent* to 42.11 *per cent* during the period 2009-15 (Reference Table Number 2.2). This indicated that overall development of rural areas not been achieved.
- State share was released to WCDC with a delay ranged between two to nine months. While accepting the facts State Government stated that the delay in release of State share was due to delay in receipt of GoI share in the account of SLNA.
- Government of India deducted ₹ 69.83 crore (40 *per cent* of Central share of ₹ 174.56 crore) during 2014-15, due to non-submission of consolidation, evaluation and action taken report for batch-III (sanctioned during 2011-12). State Government stated (January 2016) that GoI set the target for 20 *per cent* achievement in batch-III during 2014-15 and submission of consolidation, evaluation and action taken report was not required for release of 20 *per cent* amount by GoI. The reply is not convincing because 20 *per cent* amount was released by GoI for the preparatory phase, which was to be completed upto 2013-14. However, the projects included in batch-III were under progress since 2014-15.

2.1.7.1 Mis-reporting

At State level, an excess expenditure of ₹ 178.42 crore was reported to GoI as Management Information System (MIS) exhibited expenditure ₹ 848.43 crore,

whereas, audited statement exhibited ₹ 670.01 crore. An excess amount of ₹ 96.42 crore was reported to SLNA in the test checked districts.

State Government accepted (February 2016) the facts and stated that expenditure reported in MIS was as per execution of works while actually paid amount of expenditure was depicted in audited accounts. The reply is not convincing as no regular reconciliation was carried out by the implementing agencies.

2.1.8 Other Issues

2.1.8.1 Utilisation Certificates

Operational guidelines 2013 State Government envisaged that maximum amount of ₹ five lakh at a time as revolving funds would be provided to WC and amount more than ₹ five lakh would not remain at any time with the WC. WC would submit utilisation certificates (UCs) after utilising 60 per cent of the amount within seven days to PIA.

- Scrutiny of records of WCDC, Jaisalmer revealed that an amount of ₹ 35.86 crore was released to 55 WCs (March 2015). Out of this UCs for ₹ 5.60 crore (March 2015) were not submitted by these WCs.
- Scrutiny of records of PIA, Balotra (Barmer district) revealed that funds amounting to ₹ five lakh were released (January 2014) as revolving fund to WC, Simrakhiya. WC did not utilise the funds as of June 2015 and the funds were lying unutilised with WC for more than one year.

State Government did not furnish the reasons for non-submission of UCs.

2.1.8.2 Foreclosure of Projects

Guidelines stipulates that in extreme cases where projects may get stalled and no progress was made despite careful planning, implementation and monitoring, the project may be foreclosed to avoid waste of time, energy and resources.

Scrutiny of records of WCDC, Jodhpur and Nagaur revealed that two watershed projects of batch-I were not making progress after incurring an expenditure of ₹ 0.46 crore (Jodhpur: ₹ 0.25 crore and Nagaur: ₹ 0.21 crore) as the matter was pending in the court of law and dispute amongst the villagers. However, the projects were not foreclosed. State Government accepted the facts (January 2016).

2.1.8.3 Funds Lying with the Department

Schemes of Rural Development such as Desert Development Programme (DDP), Drought Prone Area Programme (DPAP) and Integrated Wasteland Development Programme (IWDP) etc. were closed on 31 December 2012 by GoI. The unspent balance was to be returned to GoI and State Government in proportion of their share in the schemes.

Scrutiny of records of SLNA revealed that balance amount ₹ 178.24 crore, was lying with 26 district as of July 2015. The details are given in *Appendix-IV*.

State Government intimated (January 2016) that regular efforts have been made to return the unspent balances.

2.1.9 Conclusions and Recommendations

Integrated Watershed Management Programme was launched with the objective of development of rain fed areas by conserving natural resources of water by harvest rainwater for purposes of ground water recharging, irrigation, drinking water and ensure overall development of rural areas.

As per perspective and strategic plan, 58.50 lakh hectare area was to be treated under batch-I to VI during 2009-10 to 2014-15, against which 57.63 lakh hectare area was sanctioned and only 9.96 lakh hectare (17 per cent during 2009-15) was treated as of March 2015. There was delay in completion of 749 projects sanctioned during 2009-13 and the percentage of expenditure incurred ranged between 3.42 per cent and 42.50 per cent.

There was a shortage in formation of WDT by about 70 per cent. In Batch-V, no EPAs were undertaken even after a lapse of two years from the sanction of the project. In work phase only 23.10 per cent expenditure was incurred.

State Government may review the strategic plan and prepare a revised plan to achieve the target of treatment of 179 lakh hectare with the proper and timely implementation of the project. State Government may make efforts for formation of required WDT for proper implementation of IWMP.

Cases of non-utilisation of funds, excess expenditure reported to GoI, delay release of State share, cut in central share due to non-submission of consolidation evaluation report, unspent balances prior to IWMP schemes were also noticed.

The State Government should maintain a proper mechanism so that cases of non-utilisation of funds, delay in release of State share, cut in central share may not be repeated in future.

Monitoring and impact evaluation are continuous processes for smooth implementation of programme and outcome indicators. SLNA issued (September 2013) order for introduction of a three tier District Level Monitoring System, for monitoring of project implementation and prescribed holding at least one meeting in every month at WCDC, PIA and WC levels. However, shortfalls in conduct of mandatory meeting were noticed.

For effective monitoring the State Government should ensure that regular meetings are held every month at all levels and impact evaluation carried out for necessary intervention wherever necessary. Social Audit arrangements may be strengthened at appropriate level.

PERFORMANCE AUDIT

Rural Development Department

2.2 Border Area Development Programme

Executive Summary

Border Area Development Programme (BADP) is a centrally sponsored scheme through the State Governments as part of a comprehensive approach to Border Management. The programme aims to meet the special development needs of the people living in remote and inaccessible areas situated near the international border. The funds under Border Area Development Programme are provided to the States as a 100 per cent non-lapsable special central assistance for filling up of the critical gaps relating to infrastructure, livelihood, education, health, agriculture, and allied sectors to meet the special developmental needs among the people living in remote and inaccessible areas situated near the international border.

The guidelines provide for conduct of base-line survey of border areas by the State Government to identify and formulate specific schemes. Performance Audit revealed that base-line survey was not conducted properly and further resulted in sanctioning of works which were not feasible and had to be cancelled.

During 2010-15, achievement regarding completion of works was around 50 per cent only. In selected districts, roads were constructed for villages which already had road connectivity. Instances of roads which did not connect any habitations and difference in length of road as per measurement books and actual length were found during physical verification.

Further, constructed buildings were not utilised for the intended purpose and tube-well were constructed without ensuring potability of water. Cases of works executed for the benefit of individual/dhani and works in villages beyond limit of 20 kilometers and prohibited works under scheme were also noticed.

Utilisation of funds during 2010-15 ranged between 40.75 per cent to 61.41 per cent only. There were instances of delay in release of Central funds by Government of Rajasthan to implementing agencies, funds were diverted and no convergence of Border Area Development Programme with State and Central schemes was made. Social Audit system was also not established.

Introduction

The Department of Border Management, Ministry of Home Affairs has been implementing the Border Area Development Programme (BADP) a Centrally Sponsored Scheme through the State Governments as part of a comprehensive approach to Border Management. The programme aims to meet the special

development needs of the people living in remote and inaccessible areas situated near the international border and to saturate the border areas with the required essential infrastructure through convergence of Central/State/Local schemes and participatory approach.

The funds under BADP are provided to the States as a 100 *per cent* non-lapsable special central assistance for filling up of the critical gaps for execution of projects relating to infrastructure, livelihood, education, health, agriculture and allied sectors to meet the special developmental needs and inculcate a sense of security and well-being among the people living in remote and inaccessible areas situated near the international border.

The guidelines of the programme were revised in February 2009 and February 2014.

Organisational Structure

Department of Rural Development and Panchayati Raj is the nodal department for planning and implementation of BADP in the State, which is headed by Principal Secretary. The various agencies responsible for planning and implementation of BADP at State, district and block levels are depicted in the **Table 2.4** below:

Table 2.4

Level	Agency	Headed by	Role/responsibility
State	State Level Screening Committee	Chief Secretary of State	<ul style="list-style-type: none"> Finalisation of list of schemes/projects for implementation under BADP and approval of Annual Action Plan for submission to GoI Development of an institutional system for inspection of BADP Receipt of funds from GoI and disbursement to Zila Parishads Development of an inventory of assets created under BADP
	Rural Development and Panchayati Raj Department (RD&PRD)	Principal Secretary, RD&PRD	
District	Zila Parishad (Rural Development Cell)	District Collector and Chief Executive Officer, Zila Parishad	<ul style="list-style-type: none"> Conduct of base-line survey in border village Holding individual meeting with line departments Monitoring and evaluation

Border Area Development Programme was implemented through the line departmental agencies¹⁵, which get the schemes executed through their field offices in the districts and blocks.

2.2.1 Audit Objectives

Performance Audit of BADP was conducted to ascertain the extent to which implementation of the programme was successful in meeting the special needs of the border areas duly examining whether:

- Annual Action Plan for developing the border blocks was prepared by the State Government keeping in view the requirement of the infrastructure for

15. Department of Education, Medical and Health, Agriculture, Animal Husbandry, Public Works, Public Health Engineering, Panchayat Raj and Rural Development and Jodhpur Vidhyut Vitran Nigam Limited

livelihood, education, health etc. in the border area;

- Scheme was implemented with due regard to economy, efficiency and effectiveness; and
- Implementation of scheme was properly monitored.

2.2.2 Audit Criteria

- Revised guidelines for BADP issued during 2009 and 2014;
- Orders/guidelines/circulars issued by Ministry of Home Affairs, Department of Border Management and the State Government from time to time;
- General Financial and Accounts Rules;
- Public Works Financial and Accounts Rules; and
- Physical and Financial Progress Reports and Management Information System.

2.2.3 Audit Coverage and Methodology

The scheme covered four districts Barmer, Bikaner, Jaisalmer and Sriganganagar in the State. Two districts Bikaner and Jaisalmer were selected by random sampling method using IDEA software, which covered 55 per cent of total expenditure during the period 2010-15. The Performance Audit was carried out in all the border blocks (Bikaner: Khajuwala, Kolayat and Jaisalmer: Jaisalmer, Sam) of test check districts during June 2015 to August 2015. Joint physical verification of works executed was conducted with the representatives of Zila Parishads (ZPs) in the border blocks. Exit conference was conducted on 26 February 2016 with Government and responses of the Government were considered while drafting the report.

Audit Findings

2.2.4 Planning

Border Area Development Programme scheme guidelines emphasised a bottom up approach for planning by carrying out base-line surveys in the villages to assess the critical gaps in existing basic physical and social infrastructure. The Annual Action Plan (AAP) consisting of the schemes as approved by State Level Screening Committee (SLSC) was to be forwarded to Government of India (GoI).

Construction of roads, tube-wells, rooms, buildings etc. works were undertaken in the scheme.

2.2.4.1 Planning for Border Area Development Programme

As per the guidelines of BADP a base-line survey was to be carried out in border villages to assess the gaps in existing physical and social infrastructure

and a village-wise plan prepared. The guidelines also envisaged convergence of various State and Central plan schemes with BADP. Only those villages which are located within 20 kilometers (km) distance from the international border were to be covered under BADP. If the first village in a block is located at a far away location from the international border, than first village/hamlet in the block was to be taken as '0' km distance village for drawing the priority list.

Scrutiny of records of test checked districts revealed that:

- Base-line survey was conducted in Jaisalmer (2009-10) and Bikaner (2011-12) district. Further, village-wise plans were prepared in the test checked districts. However, compilation of data to assess the critical gap in infrastructure was not found done in Jaisalmer. In Bikaner AAP upto 2010-11 was prepared without conducting base-line survey.
- In test checked districts (Bikaner and Jaisalmer), it was noticed that convergence of various Central/State scheme with BADP was not ensured while preparing AAPs.
- Chief Executive Officers (CEOs) and District Collectors of Bikaner and Jaisalmer found that 167 works sanctioned during 2006-07 to 2014-15 worth ₹ 36.53 crore¹⁶ were non-feasible as the works were sanctioned without ascertaining availability of land, works already sanctioned in other schemes, non-clearance from forest department. These works were cancelled after a lapse of one to six years. Moreover, an expenditure of ₹ 0.19 crore was made on five works before their cancellation.
- Seventy six works (Bikaner: 63 works and Jaisalmer: 13 works) of construction of rooms, toilets, boundary walls, quarters etc. amounting to ₹ 7.77 crore were sanctioned in 41 villages, which were beyond 20 km distance from the international border/habitations.
- Executing agency could not start (July 2015) construction of seven bituminous roads sanctioned (October 2014) by ZP, Bikaner for ₹ 10.50 crore because the land (Katani Rasta) was not available. Subsequently, an amount of ₹ 5.25 crore transferred (December 2014) to the executing agency by ZP, Bikaner, remained unutilised.

This indicated that due diligence was not given while preparing AAPs.

2.2.5 Implementation

The main aim of BADP is to fill the gap in social and physical infrastructure of border areas and improve capacity building by providing trainings and maintenance of assets. The scheme focused mainly on construction of roads, digging of tube-wells, establishment of training centres etc.

16. ZPs, Bikaner (123 works): ₹ 27 crore and Jaisalmer (44 works): ₹ 9.53 crore

The position of works sanctioned and executed under BADP during 2010-15 is given in **Table 2.5** below:

Table 2.5

Year	Number of works			Completed during the year	Percentage of completed works
	Sanctioned during previous year and taken up during the year	Sanctioned during the year	Total		
2010-11	605	1,234	1,839	975	53.02
2011-12	856	1,334	2,190	1,034	47.21
2012-13	1,147	1,469	2,616	1,314	50.23
2013-14	1,246	1,286	2,532	894	35.31
2014-15	1,680	1,166	2,846	1,496	52.57
Total		6,489			

(Source: Monthly Physical Reports)

It is seen from the table above that the number of works that remained incomplete at the end of each year did not match with opening balance of next year, which indicated that the Monthly Physical Reports did not depict the true position of works completed during the year. The achievement during the period 2010-15 was around 50 per cent only.

2.2.5.1 Construction of Roads

Test check by Audit of the works implemented revealed the following:

Road to Mandhala

The work of construction of 52 kilometre (km) long bituminous road from Shahgarh to Mandhala (km 0/0 to 52/0) was sanctioned (₹ 8.62 crore) in nine spells during 2006-07 to 2013-14. The road was constructed up to 49.200 km with an expenditure of ₹ 8.18 crore, leaving the remaining 2.800 km incomplete towards Mandhala.

Scrutiny of the records and joint physical verification with the representatives of ZP, Jaisalmer of the road revealed that after a construction period of seven years, both the end point villages were not connected till March 2015. Thus, the desired connectivity was yet to be achieved.

Border out Post (Pabani to Border Fencing Road)

Sanction for construction of 1,215 M long bituminous road from Border Out Post (BOP), Pabani to border fencing was issued (November 2012) by ZP, Bikaner for ₹ 0.22 crore. The work was put to tender by the executing agency and lowest rate of 15.55 per cent above Schedule-G, amounting to ₹ 0.23 crore was approved. The contractor did not execute the work after executing the agreement and the executing agency imposed (September 2013) compensations¹⁷ amounting ₹ 0.08 crore under the agreement clauses and the work was subsequently awarded (February 2014) to another contractor at 47.91 per cent above Schedule-G, amounting to ₹ 0.29 crore. ZP, Bikaner did

17. Ten per cent of delay in completion under clause 2 of the agreement (₹ 0.02 crore) and difference of cost for awarding the remaining work to other contractor under clause 3 (C) of the agreement (₹ 0.06 crore)

not recover ₹ 0.08 crore from the contractor. Further, the road could not be completed even after lapse of three years from issue of sanction.

Road from 10 BD to Border out Post Himgiri

Sanctions for construction of a Bituminous road from 10 BD to BOP Himgiri was issued (November 2014) by ZP, Bikaner for ₹ 1.25 crore and ₹ 0.63 crore was transferred to the executing agency¹⁸. The executing agency incurred an expenditure of ₹ 0.23 crore (March 2015) and the road was incomplete.

Scrutiny of records revealed that village 10 BD was connected from the road network and BOP Himgiri was already connected to Bikaner by a bituminous road constructed by General Reserve Engineering Force¹⁹ (GREF), therefore there was no necessity for construction of bituminous road from 10 BD to BOP Himgiri. Thus, the road constructed for connectivity without proper planning served no fruitful results.

2.2.5.2 Physical verification

A joint physical verification of roads constructed revealed the following:

- Zila Parishad, Jaisalmer constructed two roads in which measurement books recorded more length than actually constructed. The details of the roads are given in **Table 2.6** below:

Table 2.6

(In meter)

Village to be connected	Length of road as per MBs	Actual length of road (Approx)	Difference of length
Myajlar to Veer Singh ki Dhani	2,610	2,000	610
Shahgarh to Mandhala	7,967	7,200	767

- Roads constructed under ZP, Jaisalmer revealed that three roads constructed under the scheme did not connect the habitations as detailed in **Table 2.7** below:

Table 2.7

Village to be connected	Length of road (in km)	Cost of construction (₹ in crore)	Status of the roads
	3	0.50	Village Pochina is situated on Myajlar to Karda Road and the link road did not connect any other habitation but encircling the village.
45 NUD to 3CNM	18	2.24	The road was sanctioned in two parts (0/0 to 12/0 km and 17/0 to 23/0 km). The start point of the road (0/0 km) is a culvert on a canal (NUD) no habitation exist in the vicinity and no metal road reaches the culvert. Further, 3 km road between 12/0 to 17/0 km was not constructed. Thus, construction of road 45 NUD to 3 CNM did not connect any habitation.
Tonotrai nagar to Sukaniyon Bhomiyon ki Dhani	4	0.64	The off take and end points of the road neither connected to any habitation nor any road.
Total		3.38	

18. Executive Engineer, Public Works Department, Division-I, Bikaner

19. General Reserve Engineer Force is the execution force under the Ministry of Defense as a part of Border Roads Organisation.

Thus, the purpose of improving the infrastructure was not achieved and expenditure to the tune of ₹ 3.38 crore did not serve the desired purpose.

2.2.5.3 Training Centre and Community Centre

Sanction for construction of training centre and community centre along with compound wall at Khajuwala was issued (January 2011) for ₹ one crore by ZP, Bikaner. The work was completed with an expenditure of ₹ 0.80 crore and one work of construction of fibre shed for vehicles (₹ 0.11 crore) was also completed from the savings that occurred in the sanction.

Joint physical verification of the work revealed that the building for training centre and community centre was utilised for office of PS, Khajuwala.

Thus, building constructed for training centre and community centre was not utilised for the intended purpose.

2.2.5.4 Utilisation of Assets for Commercial Use

Sanction for extension of community bhawan near Jat Dharmshala on Dantor road (near Tejaji Mandir) in village Khajuwala was issued (October 2012) by ZP, Bikaner for ₹ seven lakh. The work was completed (June 2013) with an expenditure of ₹ seven lakh.

Joint physical verification of the work revealed that the building of community bhawan was being utilised as Veer Tejaji Bhojanalaya (a restaurant). Thus, the building constructed for community bhawan under BADP was utilised for commercial activity.

2.2.5.5 Construction of Tube-wells

Principal Secretary, Public Health Engineering Department (PHED) directed (February 2006) not to take up the work of tube wells/hand pumps in water quality affected habitations. Further, chemical analysis of water of the nearby tube well/hand pump would be done to ensure the potability before issue of sanction for tube wells/hand pumps.

Scrutiny of records of PHED, Division, Pokran revealed that 11 works of construction of tube wells and allied works (construction of clear water reservoirs, pipe lines and power generating sets etc.) were sanctioned (July 2010-August 2011) for ₹ 1.61 crore by ZP, Jaisalmer. The works were completed with an expenditure of ₹ 1.29 crore.

The record for chemical analysis to ensure potability of water was not available with the executing agency. Further, during joint physical verification of five works²⁰ it was found that tube wells were not connected to electric power and the water was saline. Allied works of clear water reservoirs, pipe lines etc. were also not constructed. Thus, the tube wells were constructed without ensuring the potability of water and thus remained unutilised.

20. Akal ka Tala, Malasar, Raichandwala, Rohidwala and Tawariwala

2.2.5.6 Development of Tourist Place

Sanction for development of BOP Maruti as a tourist place was issued (December 2010) by ZP, Bikaner for ₹ 0.23 crore. It included construction of cement platform, parking sheds, toilets. A watch tower was to be constructed to enable visiting tourists to see the international border.

Scrutiny of records revealed that all the structures except the watch tower were constructed (August 2011) with an expenditure of ₹ 0.13 crore. However, the watch tower was not constructed and the purpose of developing it as a tourist place was not achieved.

2.2.6 Works Executed for the benefit of Individuals/Dhanies

Creation of tangible assets should be given priority under the BADP. Asset creation, which were of direct benefit in nature to specific village/individual were not permissible.

Scrutiny of records of ZP, Jaisalmer revealed that 179 works of covering and maintenance of water courses, which are to be maintained by farmers, were sanctioned during 2012-13 for ₹ 3.48 crore and completed with an expenditure of ₹ 3.27 crore. These works were irregular as they were executed for the benefit of individuals which were not allowed under BADP.

- Three sanctions were issued (September 2009: ₹ 0.70 crore; August 2010: ₹ 0.78 crore and February 2014: ₹ 0.69 crore) by ZP, Jaisalmer for construction of road from 0 RD of MKD to Gopiram Jaton ki Dhani. The road was completed (March 2013) with an expenditure of ₹ 1.99 crore.

Joint physical verification of the road revealed that the road connected to the habitation Gopiram Jaton ki Dhani, which had only one house. Thus, the road was constructed for the benefit of an individual.

- Sanctions of construction of three bituminous roads in Khajuwala block were issued (November-December 2014) by ZP, Bikaner for ₹ 3.50 crore as detailed in **Table 2.8** below:

Table 2.8

Name of work	Sanctioned Amount	Amount transferred to executing agencies	(₹ in crore)
			Adjusted amount
Approach road to 27-26 KND	1.00	0.50	0.29
Bituminous road From 33 KJD abadi to 36 KJD via 32 KJD	1.75	0.88	Nil
Bituminous road from Chak 19 KLD (CAD) canal bridge to Gokulgarh	0.75	0.37	0.13
Total	3.50	1.75	0.42

Any scheme of individual benefit (such as roads to *dera's* and *dhanies* etc.) were not permissible under the BADP. However, roads were sanctioned for

*dhanies*²¹, which were not villages. Thus, the roads were sanctioned against the scheme guidelines. These roads were still under construction (September 2015).

2.2.7 Prohibited Works

The guidelines prohibited works for the benefit of individual, construction of boundary walls, office and residential buildings.

It was, however, observed that prohibited works such as construction of office buildings and electrification of farms of individuals etc were included in the AAPs and executed in test checked blocks. The details are given in **Table 2.9** below:

Table 2.9

(₹ in crore)

District (Block)	Name of works	Sanctioned amount	Expenditure incurred
Bikaner (Khajuwala and Kolayat)	38 works of construction of rooms, extension of compound wall, toilets, water tank and water huts near Rajeev Gandhi Seva Kendra (Blocks Khajuwala: 20 works and Kolayat: 18 works)	3.00	2.89
	Five works of electrification work in individual farm houses	0.32	0.15
Jaisalmer (Jaisalmer and Sam)	Construction of police chowki, patwar ghars and Post office	0.08	0.08
	16 works of Construction of Tanka in individual field/houses	0.04	0.04
	Total	3.44	3.16

Further, the works of construction of pavilion in stadium, district control room and extension of ZP building, development work in Nagar Parishad, Jaisalmer city and construction of incomplete work of Ravindra Rang Manch in Bikaner city amounting to ₹ 3.34 crore²² were executed from BADP funds at district headquarters, which were not permissible.

Zila Parishad, Bikaner and Jaisalmer stated (June and August 2015) that the works were approved by SLSC. The replies were not convincing because BADP was targeted for rural area located within 20 km distance from the international border/habitations whereas, works were executed in urban areas against the provision of the guidelines.

2.2.8 Capacity Building

Government of India directed (September 2012) for utilisation of five *per cent* of allocated funds under BADP for vocational studies and training for employment and skill development in the border areas. GoR decided

-
21. It is a term used to define a group of families living in proximity to each other, within a village. It could have homogenous demographic pattern. There can be more than one habitation in a village but not vice versa
 22. ZP, Jaisalmer: (i) Extension of pavilion in Pooran Sing Stadium at Jaisalmer: ₹ 0.14 crore, (ii) Development and extension of ZP building, Jaisalmer: ₹ 0.07 crore and (iii) Development works in Nagar Parishad, Jaisalmer (12 works): ₹ 1.13 crore
ZP Bikaner: Construction of incomplete work of Ravindra Rang Manch, Bikaner ₹ two crore

(September 2012) to appoint Rajasthan Skill and Livelihood Development Corporation, Jaipur²³ (RSLDC) for conducting trainings under the programme. RSLDC was to be paid ₹ 10,000 for each trainee. Artisan and weavers of border blocks under BADP were to be provided training.

Bikaner and Jaisalmer districts were allocated funds amounting to ₹ 3.44 crore²⁴ and ₹ 6.18 crore²⁵ respectively during 2012-15 for artisans and weavers and transferred (August 2013) ₹ 0.92 crore and ₹ 2.06 crore respectively to RSLDC to organise the training programmes without specifying the trainings to be provided.

Scrutiny of the records revealed that RSLDC incurred expenditure of ₹ 0.15 crore (Bikaner: ₹ 0.10 crore and Jaisalmer: ₹ 0.05 crore). Further, RSLDC provided training to only 132 candidates²⁶ in Bikaner and 39 candidates²⁷ in Jaisalmer districts during 2012-15 for courses on industrial security guard, tourism and travels, hospital assistant and mason trade etc.

Thus, the object of providing training to the artisan and weavers even after incurring an expenditure of ₹ 0.15 crore could not be achieved.

2.2.9 Management of Assets

Border Area Development Programme was in operation in the State since 1993-94. Further, the guidelines provided that GoR can utilise funds up to 15 *per cent* amount of the allocation made to the State for maintenance of assets created three years earlier under BADP.

During scrutiny of records of test checked districts, it was revealed that test checked districts were allocated amount of ₹ 317.07 crore (Bikaner: ₹ 144.15 crore and Jaisalmer: ₹ 172.92 crore) under the programme during 2010-15. Out of allocated funds, 15 *per cent* funds amounting to ₹ 47.56 crore could be utilised for maintenance of assets in the districts. However, these districts did not maintain/create asset register and spent no amount on maintenance during 2010-15 on the assets created under BADP since 1993-94.

Chief Executive Officer, ZP, Bikaner and Jaisalmer stated (February 2016) that the provision of 15 *per cent* of allocation could not be made because the proposals for maintenance of assets created under BADP were not received from the executing departments.

This shows the indifferent approach of the department regarding maintenance of created assets.

23. An organisation formed under the chairmanship of the Chief Minister to address the challenges of unemployment and ensuring gainful and sustainable employment

24. ₹ 3.44 crore was received during 2012-13 only

25. ₹ 2.06 crore in 2012-13, ₹ 2.06 crore in 2013-14 and ₹ 2.06 crore in 2014-15 allocated for Jaisalmer district

26. 2012-13: 34 candidates and 2013-14: 98 candidates

27. 2014-15: 39 candidates

2.2.10 Financial Management

Government of India allotted funds in two installments. First installment of 90 per cent of the allocation for the State was to be released after receipt of UCs for the 50 per cent amount released in the previous year. If there is any shortfall in furnishing the UCs for the amount released during the previous years, the same would be deducted at the time of release of the first installment. Second installment of the remaining 10 per cent of the allocation of the State was to be released after furnishing of UCs of at least 50 per cent of the amount released during the previous year and physical and financial progress reports.

Government of Rajasthan distributed the allocated funds in the proportion on 30:25:30:15 for Barmer, Bikaner, Jaisalmer and Sriganganagar districts respectively during 2010-15.

The position of funds management under BADP during 2010-15 is given in **Table 2.10** below:

Table 2.10

(₹ in crore)						
Year	Opening balance	Funds released	Total amount	Expenditure	Percentage of expenditure	Closing balance
2010-11	57.23	86.96	144.19	84.69	58.73	59.50
2011-12	77.15	114.09	191.24	104.41	54.60	86.83
2012-13	109.13	138.00	247.13	151.76	61.41	95.37
2013-14	124.64	138.00	262.64	107.03	40.75	155.61
2014-15	176.11	103.13	279.24	164.37	58.86	114.87

(Source: Annual progress reports)

It may be seen from the table above that utilisation of funds during 2010-15 ranged between 40.75 to 61.41 per cent. Further, GoI deducted ₹ 36.33 crore for the year 2014-15 as GoR had not submitted UCs for 50 per cent allocation of fund in the previous year. There was incoherency in the amount remained unutilised at the end of each year and opening balance of next year, which indicated that annual progress reports did not depict the true position of utilisation of funds.

2.2.10.1 Release of Funds

- According to guidelines, funds should be released by the State Government to the implementing agencies immediately upon receipt from GoI and as per directions of GoI, Ministry of Finance, parking of funds at any level is strictly prohibited. Details of release of funds are given in **Table 2.11** below:

Table 2.11

(₹ in crore)			
Date of receipt of funds from GoI	Date of transferred to ZPs by GoR	Delay in Days	Amount
06.09.2012	25.10.2012	50 days	1.10
26.02.2013	19.03.2013	20 days	15.16
05.03.2014	23.06.2014	110 days	1.73

From the above table, it is seen that there was delay ranging from 20 days to 110 days in release of central funds by GoR to the implementing agencies.

- It was observed that during 2012-13 to 2014-15 ZP, Bikaner transferred funds to scheme account with delay ranging from 11 days to 36 days, which resulted in to loss of interest amounting to ₹ 0.10 crore. Details are given in the **Table 2.12** below:

Table 2.12

(₹ in lakh)

Date and amount of fund received in PD account		Transfer of fund in scheme bank account	Total delay in days	Interest (at the rate of four <i>per cent</i>) per annum
Date	Amount			
28.03.2013	7.50	03.05.2013	36	0.03
30.03.2013	595.67	03.05.2013	34	2.22
18.02.2014	3074.43	01.03.2014	11	3.71
11.12.2014	2532.54	24.12.2014	13	3.61
Total				9.57
Say ₹ in crore				0.10

2.2.10.2 Reporting of Expenditure

Border Area Development Programme guidelines provides allotment of funds in two installments, 90 *per cent* funds are to be released as first installment after deduction of amount of previous years pending UCs and second installment would be released on receipt of 50 *per cent* UCs of preceding year and balance amount of previous year.

Government of Rajasthan intimated GoI that no amount remained unspent during 2010-11 and 2011-12 and there were unspent balances amounting to ₹ 4.91 crore and ₹ 45.91 crore during 2012-13 and 2013-14 respectively. However, unspent balances of funds as detailed in **Table 2.13** below were lying with district implementing agencies during 2010-11 to 2013-14:

Table 2.13

(₹ in crore)

Year	Unspent balances out of funds received from GoI	Unspent balance reported to GoI
2010-11	111.60	Nil
2011-12	152.16	Nil
2012-13	177.39	4.91
2013-14	204.17	45.91

(Source: Utilisation certificates)

It was observed that reconciliation of figures was not done with the implementing agencies and GoR intimated an incorrect picture of expenditure to GoI.

2.2.10.3 Diversion of Funds

Scrutiny of records revealed that

- An amount ₹ 2.24 crore (ZPs, Bikaner: ₹ one crore and Jaisalmer: ₹ 1.24 crore) was diverted to DRDA Administrative Scheme (Jaisalmer) and

Chief Minister Below Poverty Line Awas Scheme (Bikaner) during the period 2010-15.

- Zila Parishad, Bikaner issued (August 2012) sanction for providing trainings for dairy activities and purchase of testing kits for ₹ 0.50 crore and transferred ₹ 0.50 crore to Urmul Dairy, Bikaner.

Urmul Dairy purchased aluminum cans worth ₹ 0.16 crore, which were not sanctioned under the training programme.

2.2.11 Contingency Charges

According to estimates of the works, the executive agency was authorised to charge three *per cent* contingency charges over the cost of works. Scrutiny of records of ZP, Bikaner revealed that nine works of construction of tube-wells, tanks and other allied works were sanctioned (October 2012-January 2014) for ₹ 1.26 crore.

The executing agency charged ₹ 1.16 crore to ZP for the works, whereas, the works worth ₹ 1.02 crore was measured as executed. Thus, contingency charges of ₹ 0.03 crore was chargeable at the rate of three *per cent* on the work executed, whereas ₹ 0.14 crore was charged resulting in over charge of ₹ 0.11 crore to ZP.

2.2.12 Monitoring

Border Area Development Programme guidelines provided that the State Government would develop an institutional system for inspection of the BADP works in each border block by assigning a block wise high ranking Nodal Officer, who would make a regular visit in the blocks. A system of third party inspection for feedback on the quality of work was to be established and the Nodal Officer would submit a quarterly report to GoI indicating the number of inspections conducted and highlighting the important achievements/lacunas.

Further, the State Government was to submit a quarterly progress report along with consolidated UC. The guidelines further provided that the State Government would also develop an inventory of assets created under BADP and communicate the analytical results to GoI.

Scrutiny of the records revealed that:

- The nodal officers for inspection of works in the border blocks were not appointed and the quarterly reports highlighting the important achievements/lacunas were not sent to GoI during 2010-15.

- An evaluation study of selected works was conducted by Director of Evaluation Organisation²⁸ of works sanctioned in 2011-12 and submitted the report GoR during August 2015. The organisation suggested measures for effective implementation of the programme, which could not been utilised by GoR because they were not intimated in time. Thus, the object of conducting the third party inspection was not fulfilled.
- Though GoR intimated (October 2015) that Social Audit was conducted in Bikaner district and other districts have been directed to conduct Social Audit. It was, however, observed that reports of Social Audit conducted in Bikaner district were not sent to GoR.
- Inventory of assets created under BADP in border area was not maintained by GoR.

The State Government stated (October 2015) that inspection of blocks were regularly conducted by officers of the department and Social Audit was conducted in Bikaner district. The reply is not convincing as the quarterly reports highlighting the important achievements/lacunas were not sent to GoI during 2010-15.

2.2.13 Conclusions and recommendations

Guidelines emphasised a bottom up approach for planning by carrying out base-line survey to assess the critical gaps in basic physical and social infrastructure. Village-wise annual plan was to be prepared at the district level based on critical gaps defined in base-line survey. Base-line survey was not conducted properly and further resulted in sanctioning of works which were not feasible and cancelled.

State Government should emphasise a bottom up approach for planning by carrying out base-line surveys to assess the critical gaps in basic physical and social infrastructure to achieve the objectives of BADP.

Roads were constructed for villages which already had road connectivity and did not connect any habitations and difference in length of road as per measurement books and actual length were found during physical verification. Constructed buildings were utilised for commercial purpose and tube-wells were constructed without ensuring potability of water. Instances were noticed where works were executed against the provision of guidelines.

The State Government should evolve a mechanism to ensure proper execution of works and only the permissible works are executed under BADP.

Institutional system for inspection of the BADP works in each border block by assigning a block-wise high ranking Nodal Officer was not set up and third

28. The State Evaluation Organisation was set up in the State with the objective of undertaking evaluation of Panchayati Raj and Community Development Programme and further assigned the task of making evaluation of development schemes/ projects initiated under different five year plans

party inspection for feedback on the quality of work was not done by GoR. Social Audit of the works taken up under BADP was not done by GoR.

State Government should make necessary arrangements for effective monitoring and Social Audit of implementation of the programme.

2.3 Social Audit under Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Scheme

Introduction

Government of India (GoI) enacted (September 2005) National Rural Employment Guarantee Act for providing wage employment to rural population. In Rajasthan, the Act was made applicable from 2 February 2006 initially in six districts and extended to all the districts by April 2008.

Social Audit was formally brought into Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Scheme through MGNREG Audit of Scheme Rules²⁹, 2011. Conduct of Social Audit by Gram Sabha, once in six month, is a mandatory activity as per Section 17 of the MGNREG Act.

These rules prescribe procedures and manner for conduct of Social Audit. Government of Rajasthan (GoR) formulated detailed Social Audit guidelines during 2012 for effective implementation of the scheme and delegation of responsibilities to various functionaries.

With a view to evaluate the extent of assurance provided through Social Audit as per MGNREG Audit of Scheme Rules 2011, a sample of 50 Gram Panchayats (GPs) of five districts was selected for Audit through random selection on the basis of information³⁰ available on the MGNREGA website. Audit of the selected sample was conducted during May-July 2015.

Director of Social Audit also conducted (May 2015) Social Audit in the campaign mode on the direction (December 2014) of GoI in 500 GPs (two GPs from each block) covering the works executed during 2014-15. Officers from Office of the Principal Accountant General (General and Social Sector Audit), Rajasthan also witnessed the process of Social Audit of 14 GPs of five districts³¹ as observers.

The Audit findings are discussed below in subsequent paragraphs in two parts:

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

30. Social Audits were conducted in 8,649 GPs during 2014-15

31. Ajmer District: Baral-II, Daulatpura-II (Block- Masuda), Kayad, Dhal (Block-Srinagar), Barmer District: Badnava Jagir, Sajiyali Padamsingh (Block-Balotra), Dungarpur District: Chhapi, Sundarpur (Block-Bichhiwara), Bundi District: Manglikala, Pagara (Block-Hindoli) and Jaipur District: Devan, Khoraladkhani (Block-Shahpura), Jawanpura, Tulsipura (Block-Viratnagar)

Audit Findings

2.3.1 Competence and Independence of Social Audit Unit

Rule 4(1) of the MGNREG Audit of Scheme Rules, 2011 and Para 13.2.1 of the operational guidelines of the Scheme provides for creation of an independent Social Audit Unit (SAU) to facilitate conduct of Social Audit by Gram Sabhas. Further, the operational guidelines of MGNREG Scheme also provided that the Directorate, Social Audit was required to function independently of implementing department. It was responsible for capacity building of Gram Sabhas for conducting Social Audit, preparation of resource material, creation of awareness amongst the labourers about their rights and entitlements and hoisting the Social Audit Reports including action taken reports in public domain.

The Directorate for Social Audit was created (September 2009) in Rajasthan under State Rural Employment Guarantee Council³² functioning under the administrative control of Rural Development and Panchayati Raj Department of the GoR.

It was observed that the expenditure on establishment, training and payments to resource persons was being made by Commissioner, Employment Guarantee Scheme (EGS), as SAU had no funds under their own charge.

The State Government stated (November 2015) that the Directorate, Social Audit is a fully independent for the activities and expenditure on establishment to organise the training and payments to resource persons was made by Commissioner, EGS as an administrative arrangement.

The reply is not convincing as the Directorate was under the administrative control of Secretary Rural Development for conduct of Social Audit including preparation of calendar for conducting Social Audits, deployment of manpower and follow up in the districts. It was also dependent on Commissioner, EGS for finances.

2.3.1.1 Allocation of Funds and Expenditure on Social Audit

Ministry of Rural Development decided (August 2012) to allocate one *per cent* within administrative charges under MGNREG Scheme for cost of establishing the SAU and conducting Social Audit. The details of grants received and expenditure incurred on the Scheme during the period 2012-13 to 2014-15 is elaborated in the **Table 2.14** below:

32. A council created in the state for effective implementation of MGNREG Scheme and headed by Commissioner, Employment Guarantee Scheme

Table 2.14

(₹ in crore)

Years	Opening balance	Grants received		Miscellaneous Receipts ³³	Total	Adjusted expenditure	Funds allocable to SAU
		Central	State				
2012-13	1,128.85	2,585.34	265.30	44.94	4,024.44	3,465.40	34.65
2013-14	559.03	2,059.43	300.16	42.24	2,960.87	2,791.31	27.91
2014-15	169.56	2,976.10	314.35	0.85	3,460.85	3,257.69	32.58

However, no details of funds received and expenditure incurred on various activities of Social Audits in the State was available with SAU. Thus, total expenditure on Social Audit could not be ascertained/analysed in Audit.

The Commissioner, EGS intimated (July 2015) that expenditure incurred on Social Audit for the year 2013-14 was only ₹ 0.54 crore at the State level, which was negligible against the allocable amount of ₹ 27.91 crore. The expenditure on Social Audits in districts however, was not compiled by the Commissioner, EGS.

Thus, SAU was not an independent body as it was dependent on implementing agency (Commissioner, EGS) for receipts of funds and expenditure on its activities in the State.

2.3.2 Coverage and Impact of Social Audit in the State

There were 9,177 GPs functioning in the State as of March 2015. The year-wise coverage of Social Audits in the State as detailed in **Table 2.15** below:

Table 2.15

Year	Total number of GPs	Social Audit conducted	
		First six months	Second six months
2010-11	9,176	9,169	9,171
2011-12	9,177	9,152	-
2012-13		-	867
2013-14		7,976	-
2014-15		8,649	8,456

As against the provision³⁴ of conducting at least one Social Audit in each GP every six months, the SAU could not conduct stipulated Social Audits except in two years, i.e. 2010-11 and 2014-15.

Impact of Social Audit

The position of recoveries pointed in the State by SAU during the period from 2011-12 to 2014-15 is given in **Table 2.16** below:

Table 2.16

(₹ in crore)

Year	Upto 2011-12	2012-14	2014-15
Total number of cases (in numbers)	204	195	27
Amount of recovery pointed out (₹ in crore)	0.60	0.07	0.06
Amount recovered (₹ in crore)	0.11	0.07	0.05
Percentage of recovery to the amount pointed out	19.00	99.00	88.00

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

34. Rule 6 of MGNREG Audit of Scheme Rules, 2011 and para 35 of Chapter-2 of Guidelines on Social Audit, 2012

It is evident from the table that the amount of recovery pointed out by SAU declined to negligible amount. Further, out of total amount pointed out by SAU for recovery during 2011-12, merely 19 *per cent* amount could be recovered despite lapse of three years indicating slow pace of recoveries pointed out by SAU.

The State Government stated (November 2015) that efforts would be made to recover the amount.

2.3.2.1 Deployment of Resource Persons

Para 13.2.2 of operational guidelines of the Scheme provided that SAU would identify appropriate number of Resource Persons at State and District levels apart from Block Resource Persons (BRP) and Village Resource Persons (VRP), to facilitate the Gram Sabha in conducting Social Audit. Further, Rule 4 (2) (a) of MGNREG Audit of Scheme Rules, 2011 and para 7.1 of Guidelines of Social Audit, 2012 prescribed constitution of a Social Audit Committee (SAC) of six members comprising one BRP and five VRP.

However, in five test checked GPs, no BRP was deputed, while in 16 test checked GPs adequate number of VRPs as prescribed were not deputed in SACs. In fact in one GP (Devan, Shahpura block) only one VRP was deputed.

Social Audit Unit stated (October 2015) that the post for one Social Development Consultant, six State Resource Persons (SRPs), and 91 District Resource Persons (DRPs) had been identified. It was, however, observed that the process of selection of persons for these posts was not completed (January 2016).

The State Government accepted the facts and stated (November 2015) that persons who did not participate in Social Audit would not be selected for subsequent year and all Districts Collectors and Districts Programme Coordinators have been instructed to comply with the provisions.

2.3.2.2 Technical Assistance to the Social Audit Teams

Para 5.4(9) and 5.7(i) of guidelines of Social Audit 2012 prescribed that appointment of a person having technical knowledge for assistance in examination of civil construction works with SAC.

Scrutiny of records of 50 selected GPs revealed that in 28 GPs (56 *per cent*), persons having technical knowledge were not appointed to assist the SACs, rendering the SACs ill-equipped to carry out its day to day work.

The State Government accepted the facts and stated (November 2015) that all Districts Collectors and Districts Programme Coordinators have been instructed to ensure the deployment of a person having technical knowledge for assistance in examination of civil construction works, with SAC.

2.3.3 General Shortcomings and Bottlenecks in Social Audits

Guidelines provide that all the original records along with their photocopies should be provided to the Social Audit team. The Social Audit teams were also required to interact with all the labourers by making door-to-door visits and physical verification of work sites. Independent observers were also required to be nominated to observe the proceedings of the Gram Sabha. The general shortcomings and bottlenecks noted in conduct of Social Audit are discussed below:

2.3.3.1 Verification

- **Door-to-Door Survey to Share Information with Villagers**

Para 8.4 (3) of guidelines of Social Audit 2012 and para 13.4.3.(vi) of operational guidelines of the Scheme provided that interaction with all the labourers and primary stakeholders should be done by making door-to-door visits by SACs to verify entries in job card and payments to the labourers and receive their grievances regarding employment under the Scheme.

It was noticed that out of total of 43,163 labourers who worked in 50 test checked GPs under the Scheme during 2013-14, interaction was done with only 162 labourers. It was also noticed that in 25 GPs the SACs did not interact with any of the labourers through door-to-door visit.

- **Physical Verification of the Work Site**

As per para 13.3.4 of operational guidelines of the Scheme and para 8.4(4) of guidelines of Social Audit, 2012, the Resource Persons deployed by SAU along with primary stakeholders were required to verify the work sites and assess the quantity of work done with reference to the records.

Scrutiny revealed that out of total 1,577 works³⁵ executed under the Scheme during 2013-14 in 50 test checked GPs, only 22 works were physically verified by the SACs (*Appendix-V*).

Physical verification of the works by Audit revealed instances of execution of work for individual benefits, non-payment to supplier/labourers, non/delayed payments to labourers, inappropriate site selection, incomplete work due to land dispute and encroachment of work sites in 27 works of other 14 GPs (*Appendix-VI*).

Had the SACs conducted physical verification of all the works they would have noticed irregularities in the works executed under the scheme and could have pointed out recovery for more amount from the executing agencies.

Thus, SACs interacted with only 0.40 *per cent* labourers in 25 GPs and did not interact with any of the labourers in other 25 GPs, to verify payments made to

35. Construction of anicut, gravel road, cement concrete road, precast blocks road, tube-wells, hand-pumps, houses under Indira Awas Yojana, plantation work, nadi Kudai, pitching work and deepening of wells etc.

the labourers and receive their grievances. Similarly, only 1.40 *per cent* works were physically checked by SACs. This indicated that the important steps of verification of payments made and works executed were however, negligible.

2.3.3.2 Nomination of Observers

As per para 13.3.6 of operational guidelines of the Scheme, an observer should be nominated by the District Programme Coordinator to observe the proceedings of the Gram Sabha.

Audit observed that in eight selected GPs though the observers were nominated but they did not attend the Gram Sabhas.

State Government stated (November 2015) that all districts collectors and Districts Programme Coordinators have been instructed to ensure that all the records should be provided to SAC at least 15 days before the scheduled date of Gram Sabha, interaction with all the labourers should be done, observers should attend the proceedings the GSs and verification of the work sites should be done to assess the quantity of work with reference to the records.

Providing all the records, interaction with the labourers and primary stakeholders and nomination of observers and verification of works are an integral part of Social Audit. The State Government instead of taking steps to ensure effective Social Audit, merely issued instructions to Districts Collectors and Districts Programme Coordinators for compliance of the provisions. The fact that less than two *per cent* of works were verified defeats the purpose of Social Audit.

2.3.4 Conduct of Gram Sabha

Guidelines provide that a Gram Sabha would be convened in a neutral public space and chaired by an elderly person to discuss the findings of the physical verification done by Social Audit team and review the compliance on transparency and accountability, fulfillment of the rights and entitlements of labourers and proper utilisation of funds. Fulfillment of quorum of Gram Sabha with 10 *per cent* members (voters) was also required to be ascertained.

The shortcomings noticed in conduct of Gram Sabha are discussed below:

2.3.4.1 Fulfillment of Quorum

As per provisions contained in para 9.3 (3) of guidelines of Social Audit 2012, fulfillment of quorum of Gram Sabha with 10 *per cent* members (voters) was required to be ascertained. In case of non-fulfillment of quorum the Gram Sabha would be postponed and new date would be decided according to Rule 6 of Rajasthan Panchayati Raj Rules 1996.

Scrutiny revealed that in 31 selected GPs the Gram Sabhas were held without fulfillment of quorum. Members ranged from 0.70 to 9.09 *per cent* only were

present in these GPs (*Appendix-VII*). However, the Gram Sabha was not postponed to future date as required under the provision.

The State Government stated (November 2015) that all Districts Collectors and Districts Programme Coordinators have been instructed to ensure fulfillment of quorum of GS. The fact remains that majority of GS were conducted without fulfillment of quorum rendering the whole exercise a mere formality.

2.3.4.2 Delay submission of records

As per para 13.4.1 of operational guidelines of the Scheme and para 8.1(1) of guidelines of Social Audit, 2012 all the original records along with their photocopies were required to be provided by the Programme Officer to SAC at least 15 days before the scheduled date of Gram Sabha.

It was noticed that 13 GPs, records were provided with a delay of five to 11 days.

2.3.4.3 Gram Sabha

Para 13.3.5 of operational guidelines of the Scheme stipulates that the Gram Sabha should nominate an elderly person to chair the Gram Sabha.

It was noticed that in all selected 50 GPs Sarpanch/ Deputy Sarpanch chaired the Gram Sabha and no elderly person was nominated to chair the Gram Sabha as per the provisions.

State Government stated (November 2015) that according the Rajasthan Panchayati Raj Act, Sarpanch/Deputy Sarpanch was to chair the GS.

The reply is not convincing as MGNREGA operational guidelines categorically stated that Gram Sabha to be chaired by an elderly person.

2.3.5 Reporting on Social Audit

Guidelines provided that preparation of report in prescribed format, video recording of Gram Sabha and stored with District Programme Coordinator and uploading the report in the public domain on MGNREG Scheme website.

2.3.5.1 Preparation of Social Audit Report

Though a format for preparation of Social Audit Report has been prescribed vide para 9.5 of guidelines of Social Audit, 2012 but in five test checked GPs³⁶ Social Audit Reports were not prepared by SACs in the prescribed format (format-8).

36. GPs: Dhal, Dilwara Kayad and Makarwali (Block-Srinagar) and Baral-II (Block-Masuda)

2.3.5.2 Video Recording of Gram Sabha

Para 9.2 (4) of guidelines of Social Audit 2012 and Para 13.3.11 of operational guidelines of MGNREG Scheme provided that video recording of the Gram Sabha was required to be done and the video recording will also be stored with District Programme Coordinator.

Audit noticed that in 23 test checked GPs video recording was not done.

2.3.5.3 Uploading of Social Audit Report on Website

Chapter 10(5) of guidelines of Social Audit 2012 and Para 13.4.3(vii) of operational guidelines of MNREG Scheme provided that SAU would upload the Social Audit Reports in the public domain on MGNREGA website.

Audit noticed in 50 test checked GPs that in no case Social Audit Report was uploaded in the public domain on MGNREGA website.

The State Government stated (November 2015) that all Districts Collectors and Districts Programme Coordinators have been instructed to ensure the compliance of directions issued for preparation of Social Audit Reports and video recording of the Gram Sabha.

The facts remain that the Social Audit Reports were not prepared in prescribed formats and not uploaded on the website and also the video recording of Gram Sabha was not done.

Findings of Observers

2.3.6 Director Social Audit conducted (May 2015) Social Audit in the campaign mode on the direction (December 2014) of Ministry of Rural Development, GoI in coordination with civil society organizations conducted the campaign, in 500 GPs (two GPs from each block) covering the works executed during 2014-15. The GPs were selected at the district level through lottery system by the concerned District Collector. The Rural Development Department made special arrangements to improve the quality of Social Audit by imparting trainings to trainers at the State level, who, in turn, trained the resource persons of selected SACs at the district levels.

Officers from Office of the Principal Accountant General (General and Social Sector Audit), Rajasthan also witnessed the process of Social Audit of 14 GPs of five districts³⁷ as observers. Observations from Social Audit process are discussed below:

37. Ajmer District: Baral-II, Daulatpura-II (Block- Masuda), Kayad, Dhal (Block-Srinagar), Barmer District: Badnava Jagir, Sajiyali Padamsingh (Block-Balotra), Dungarpur District: Chhapi, Sundarpur (Block-Bichhiwara), Bundi District: Manglikala, Pagara (Block-Hindoli) and Jaipur District: Devan, Khoraladkhani (Block-Shahpura), Jawanpura, Tulsipura (Block-Viratnagar)

2.3.6.1 The required numbers of resource persons were not deployed in SACs in three GPs (Chhapi of Bichhiwara block, Jawanpura and Tulsipura of Viratnagar block).

2.3.6.2 Social Audit Committees (SACs) were responsible for verification of work sites, quality of work, labour facilities at work sites, payment of wages to labourers. However, instances of inappropriate site selection, non/delay in payment to labourers, incomplete work due to land dispute, execution of work for individual benefit, non-payment to supplier/labourers were noticed by us.

Further, the record related to MGNREG Scheme was not provided within stipulated 15 days prior to Gram Sabha in three GPs (Manglikala of Hindoli block and Chhapi and Sundarpur of Bichhiwara block).

2.3.6.3 The wall paintings³⁸ were done in all 13 GPs except GP Baral-II (Block- Masuda), where the wall paintings did not display details of expenditure such as money paid to all job card holders, work-wise and item-wise expenditure on material and wages.

2.3.6.4 Social Audit Committees were required to provide the information regarding the rights and entitlements to the labourers by door-to-door visits. However, in four GPs (Baral-II of Masuda block, Khoraladkhani of Shahpura block, Jawanpura and Tulsipura of Viratnagar block) SAC did not make door-to-door visits and did not share the information regarding the rights and entitlements to the labourers.

During observation of process of verification of work in 14 GPs, we observed that:

- In six GPs (Kayad and Dhal of Srinagar block, Badnava Jagir, and Sajiyali Padamsingh of Balotra block, Chhapi of Bichhiwara block, Pagara of Hindoli block) verification of work sites and payment of wages to labourers was not carried out by SACs.
- In eight GPs (Baral-II and Daulatpura-II of Masuda block, Kayad and Dhal of Srinagar block, Badnava Jagir and Sajiyali Padamsingh of Balotra block, Chhapi, Sundarpur of Bichhiwara block) availability of crèche, drinking water, tent and medicines at work site was not verified by the SAC.
- In five GPs (Daulatpura-II of Masuda block, Kayad and Dhal of Srinagar block, Sajiyali Padamsingh of Balotra block, Tulsipura of Viratnagar block) verification of works with reference to specifications was not carried out by SAC.

38. Wall Paintings is one of the most effective and popular methods to raise awareness among the people, which may be given utmost importance as tool for the dissemination of knowledge related with MGNREGS. Templates for wall writings prescribed by GoR are used for display of information. The wall paintings shows the details of money paid to all job card holders and procurement of materials.

2.3.6.5 During Jan Sunwai in GP, Khoraladkhani (Shahpura block) the issue of quality of work done at various work sites was discussed. On verification, the following issues were highlighted:

- A Johad was constructed under the famine relief works carried out earlier in GP, Khoraladkhani (Shahpura block). The Johad was further excavated under MGNREG Scheme with an expenditure of ₹ 11.60 lakh (sanctioned cost ₹ 55.66 lakh). A joint physical verification with Gram Sevak on 12 May 2015 revealed that the owner of the adjoining agriculture land had made encroachment on the land of Johads and leveled it. Land records to establish the title of the land were not available with GP.
- The work of deepening of a well on the land of a beneficiary³⁹ was completed in GP, Khoraladkhani (Shahpura block) with an expenditure of ₹ 1.33 lakh (sanctioned cost: ₹ 1.48 lakh). The well was not found deepened and the beneficiary diverted the funds to level the land during physical verification on 14 May 2015. Block Development Officer, Shahpura neither offered her comments on the matter in the Gram Sabha held on 14 May 2015 nor replied to Audit.

2.3.6.6 In GP, Dhal (Srinagar block) the observer nominated by the District Programme Coordinator did not attend the Gram Sabha.

2.3.6.7 District Programme Coordinator was required to ensure display of summary of musters roll and material purchases at public places on the day of Gram Sabha. However, summary of muster rolls and material purchases was not displayed at public places on the day of Gram Sabha in one GP (Baral-II of Masuda block).

2.3.6.8 District Programme Coordinator was responsible for providing wide publicity of the Social Audit by conventional as well as modern publicity methods such as distribution of pamphlets, use of public address system and drum beatings etc. However, in six GPs (Baral-II and Daulatpura-II of Masuda block, Badnava Jagir and Sajiyali Padamsingh of Balotra block, Chhapi and Sundarpur of Bichhiwara block) wide publicity of Social Audit (conventional or modern method) was not done by District Programme Coordinator.

2.3.6.9 Persons having technical knowledge were not attached with SAC in 12 GPs (Baral-II and Daulatpura-II of Masuda block, Kayad and Dhal of Srinagar Block, Badnava Jagir and Sajiyali Padamsingh of Balotra block, Manglikala and Pagara of Hindoli block, Devan and Khoraladkhani of Shahpura block, Jawanpura and Tulsipura of Viratnagar block).

2.3.6.10 In four GPs (Baral-II and Daulatpura-II of Masuda block, Dhal of Srinagar block and Chhapi of Bichhiwara block) enough number of Gram Sabha members were not present to fulfill the quorum. Thus, contrary to the provision, Gram Sabha was held without fulfilling the quorum.

39. Gokul S/o Bhura

2.3.6.11 In 11 GPs (Baral-II and Daulatpura-II of Masuda block, Kayad and Dhal of Srinagar block, Badnava Jagir and Sajiyali Padamsingh of Balotra block, Manglikala of Hindoli block, Devan and Khoraladkhani of Shahpura block, Jawanpura and Tulsipura of Viratnagar block) Gram Sabha was not chaired by an elderly person and chaired by Sarpanch/Deputy Sarpanch.

2.3.6.12 Social Audit Committee was required to prepare a comprehensive report comprising the irregularities noticed during the said Audit and read the report of outcomes of Social Audit in Gram Sabha. However, the report prepared by SAC was not read out in Gram Sabha of GP, Baral-II (Masuda block).

2.3.6.13 In seven GPs (Baral-II and Daulatpura-II of Masuda block, Kayad of Srinagar block, Badnava Jagir and Sajiyali Padamsingh of Balotra block, Khoraladkhani of Shahpura block, Jawanpura of Viratnagar block) list of complaints of labourers was not included separately in the reports of SAC.

2.3.6.14 Action Taken Report (ATR) on previous Social Audit Report was required to be read out at the beginning of the Gram Sabha. It was, however, observed that in four GPs (Kayad and Dhal of Srinagar block, Badnava Jagir and Sajiyali Padamsingh of Balotra block) the ATR on previous Social Audit Report was not read out. Further, in two GPs (Daulatpura-II of Masuda block and Sajiyali Padamsingh of Balotra block) all the conclusions of report prepared by SAC were not discussed in Gram Sabha.

On being pointed out, State Government accepted the facts and stated (November 2015) that all Districts Collectors and District Programme Coordinators have been instructed to ensure the conduct of Social Audit according to the provisions of the Audit of Scheme Rules.

2.3.7 Conclusion and Recommendations

The Directorate, Social Audit was responsible to conduct Social Audit of implementation of MGNREG Scheme to ensure promoting accountable, transparent and participatory rural local governance. The Directorate was under the administrative control of department of Rural Development and was also dependent on Commissioner, EGS for funds. Thus, the Directorate, Social Audit was not functioning independently.

The SAU of the State requires to be strengthened and their independence ensured through allocation of sufficient and regular funds and other human resources under its own control for better implementation of the Scheme.

All the resource persons were not deputed and persons having technical knowledge were not appointed to assist the SACs. Records were not provided timely to SAC. It was seen that interaction with all the labourers and verification of all works was not done by SAC. Verification of entitlement of labourers and works executed is an integral part of Social Audit.

State Government should make necessary arrangements to ensure deployment of adequate resource persons and ensure that records are

provided to SACs timely. SAU should also make arrangements to ensure SACs interact with all the labourers and verify all the works.

The observers nominated to observe the proceedings the Gram Sabha did not attend the Gram Sabhas. Gram Sabhas were conducted without ensuring fulfillment of quorum. Further, video recording of Gram Sabhas was not done in all test checked GPs and SAU did not upload the Social Audit Reports in the public domain on MGNREGA website.

State Government should ensure that observers attend the Gram Sabhas to observe the proceedings and ensure compliance of provisions regarding fulfillment of quorum for conduct of Gram Sabhas. It should also ensure transparency by making the reports public.

Panchayati Raj Department

2.4 Non-recovery of Pro-rata Charges

Non-recovery of pro-rata charges by Zila Parishads (Panchayat Cell) Ajmer and Banswara resulted in deprival of legitimate income to the tune of ₹ 0.95 crore.

As per provisions⁴⁰ of the Gramin Karya Nirdeshika (GKN), 2010 of Rural Development and Panchayati Raj Department, Rajasthan, *pro-rata* charges at a rate of five *per cent* are chargeable on the works of other departments executed through the Panchayati Raj Institutions (PRIs) and shall be deposited in income account of ZP/PS concerned.

The Department of Agriculture issued three administrative and financial sanctions amounting to ₹ 294.80 crore during August 2012 to January 2013 for execution of works of 244 Kisan Sewa Kendras-cum-Knowledge Centres (KSK-VKC) at 244 Panchayat Samities and 3,000 KSK-VKC and Land-Record Information Centres (LRIC) at 3,000 GPs, falling under 33 districts of the State for implementation. These sanctions were issued on the proposal of the Panchayati Raj Department, which was based on a technical estimate of ₹ 10 lakh for each KSK-VKC and ₹ nine lakh each KSK-VKC and LRIC including *pro-rata* charges on prevailing basic scheduled rates (BSR) of PS, Chaksu (Jaipur). Accordingly, funds were deposited to the PS concerned.

Similarly, Planning Department of the State issued (September 2012) administrative sanction for construction of 248 Block Statistical Office (BSO) buildings in all PSs at an estimated cost of ₹ 24.87 crore (₹ 10 lakh each) under 'India Statistical Strengthening Project' in the State.

Scrutiny of records of ZP (PC) Ajmer (September 2014) and Banswara (February 2014) revealed that during the period 2012-15, these ZPs

40. Note three to paragraph 3.2.2 of Gramin Karya Nirdeshika (GKN), 2010

executed/completed various works of ₹ 19.04 crore⁴¹ but the *pro-rata* charges (at the rate five *per cent*) to the tune of ₹ 0.95 crore⁴² were not recovered.

On being pointed out (August 2015) Government stated (November 2015) that ZP (PC), Ajmer had instructed (September 2014) Block Development Officers concerned to recover *pro-rata* charges, while in case of ZP (PC), Banswara the departments concerned were being repeatedly informed to pay *pro-rata* charges for the works executed.

The replies of both the ZPs were not convincing as the funds deposited with PS concerned were based on the proposal of Panchayati Raj Department which included *pro-rata* charges on the prevailing basic schedule rates. Therefore, at the time of completion of works, these charges should have been recovered or adjusted from the funds deposited with the PS concerned as per provision of GKN, 2010. Failure to do so resulted in deprival of legitimate income to the tune of ₹ 0.95 crore on account of *pro-rata* charges.

2.5 Wasteful Expenditure on Plantation under MGNREG Scheme

Wasteful expenditure of ₹ 1.33 crore in Panchayat Samiti, Surajgarh on failed plantation work under MGNREGA Scheme

One of the main goals of Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Schemes is to provide livelihood security to the poor through creation of durable assets, improved water availability, soil conservation and drought-proofing and flood management in rural India.

District Programme Coordinator cum District Collector, Jhunjhunu issued (June 2011) financial sanction of ₹ 2.70 crore⁴³ for developing plantation in 121 villages of PS, Surajgarh under Harit Rajasthan Scheme (HRS) through MGNREG Scheme based on detailed technical estimates prepared by PS, Surajgarh. The scheme involved plantation of 400 plants in each village at a cost of ₹ 2.23 lakh⁴⁴, which included the cost of plantation in first year and cost of maintenance for the second year. As per conditions of the financial sanction, plants of more than three feet height were to be planted. The period of completion of work was 24 months which included provisions for watering the plants eight-nine times in each year and all due measures for safety of plants were also made.

Scrutiny of records (January 2015) of PS, Surajgarh for the period 2011-14 and requisite information collected (July 2015) revealed that the PS incurred an expenditure of ₹ 1.33 crore on road side plantation of 27,247 plants in 121 villages falling under 37 GPs during 2011-12. Out of these only 10,202 plants could survive till April 2012. The number of plants that survived further declined to 2,630 in August 2012 and finally to zero by September 2014.

41. State Agriculture Department: ₹ 17.47 crore (₹ 1.57 crore + ₹ 15.90 crore) and Planning Departments: ₹ 1.57 crore

42. Department of Agriculture: ₹ 0.87 crore (five *per cent* of ₹ 156.97 lakh + ₹ 1,590.07 lakh) + Planning Department: ₹ 0.08 crore (five *per cent* of ₹ 156.49 lakh)

43. Labour component: ₹ 2.28 crore and Material component: ₹ 0.42 crore

44. Labour component: ₹ 1.88 lakh + material component: ₹ 0.35 lakh

Thus, expenditure incurred on plantation under MGNREG Scheme proved wasteful as no improvement in environment conditions was achieved.

In response to Audit observation (January 2015), PS, Surajgarh stated that the plants could not be saved due to hailing and frosting in the area. It was further, stated that funds of ₹ 1.33 crore was only for plantation and amount for maintenance of the plants was not received.

The reply is not convincing as it was not supported by any detailed weather report or any similar report of land revenue authorities of the area concerned. Moreover, PS, Surajgarh being executing agency failed to maintain the plants after incurring an expenditure of ₹ 1.33 crore and non-utilisation of ₹ 1.37 crore against the financial sanction of ₹ 2.70 crore, resulted in wasteful expenditure of ₹1.33 crore.

The matter was referred (October 2015) to the State Government, reply awaited (February 2016).

2.6 Lack of Transparency in Leasing Out of Assets on Rent

In Panchayat Samiti, Chirawa leasing the Panchayati Raj Institutions assets on rent deprived Panchayat Samiti of own income to the tune of ₹ 0.95 crore due to non-revision of rent

Rule 164 of Rajasthan Panchayati Raj Rules (RPRRs), 1996⁴⁵ stipulates that shops and other commercial sites may be leased out for not more than three years and only through open auction by a committee of three members. The agreements for leasing out such premises on rent shall include the condition of 10 *per cent* increase of rental amount every year. In case the premises are not vacated after three years time limit, or it is sub-let to other persons in violation of terms of agreement or rent is not deposited regularly, Chief-Executive Officer shall get the premises vacated after giving Show Cause Notice for eviction of premises, if requested by the Panchayat or Panchayat Samiti concerned. Sub rule (5) of the rules *ibid* states that Panchayat and Panchayat Samiti may also negotiate the matter for extending the terms of the three years, but in such case yearly increase in rent shall be 20 *per cent* amount every year by mutual agreement.

Test check (February 2015) of records of PS, Chirawa (Jhunjhunu) for the period 2011-2014 revealed that in respect of 29 shops, which were leased out on rent in 2001 to various individual through auction and the rent of shops was levied as per terms and conditions decided by a committee set up much earlier in 1985 instead of following the of provisions of increase in rental amount every year. This non-revision of rent of these shops as per rules, resulted in deprival of legitimate income to the tune of ₹ 0.72 crore over a period of 14 years⁴⁶ (*Appendix-VIII*).

45. The Act came into effect from 30 December 1996

46. From 1 January 2001 to 31 March 2015

It was further noticed that the tenants of 36 shops, which were let out during 1986 to 1991 defaulted in regular payment of rents for their shops but no action in any case was taken by the department against the defaulters for vacating the shops and to refund their balance amount of advance deposits as per the conditions of the agreements. Even an amount of ₹ 0.23 crore was pending for recovery as on 31 March 2015 (*Appendix-IX*).

In reply to Audit observation (February 2015), the Vikas Adhikari, PS, Chirawa stated that the agreements were made according to terms and conditions decided by Rent Committee.

The reply is not convincing due to the fact that with the introduction of RPRRs, 1996 lease agreements executed by department should have included the conditions as per the provisions of RPRRs, 1996. The department did not initiate any legitimate action against the defaulters to get the shops vacated in old cases where agreements were executed prior to existence of RPRRs, 1996. Moreover, in as many ten instances, the tenants were allowed (January 1999 to February 2002) to transfer their shops to other parties with mutual adjustment of advance deposits instead of getting the shops vacated, which was against the essence of rules.

Thus, due to non-revision of rent of tenants on PRI assets leased, PS was deprived of income to the tune of ₹ 0.95 crore⁴⁷.

The matter was referred (September 2015) to the State Government for their comments but the reply was awaited (February 2016).

47. ₹ 0.72 crore for 29 shops and ₹ 0.23 crore for 36 old shops

Part-B
URBAN LOCAL BODIES

CHAPTER-III

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

CHAPTER-III

AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF URBAN LOCAL BODIES

3.1 Introduction

In pursuance of the 74th Amendment in 1992, Articles 243 P to 243 ZG were inserted in the Constitution of India whereby the State legislature could endow certain powers and duties to the Municipalities in order to enable them to function as institutions of Self-Government and to carry out the responsibilities conferred upon them including those listed in the Twelfth Schedule of the Constitution. The Rajasthan Municipalities Act (RMA), 2009 was accordingly enacted by repealing all the prevailing municipal laws and enactments to enable the Urban Local Bodies (ULBs) to function as third tier of the Government.

There were 188 ULBs¹ i.e. seven Municipal Corporations² (M Corps), 34 Municipal Councils³ (MCs) and 147 Municipal Boards⁴ (MBs) as of March 2015. As per census 2011, the important statistics of Rajasthan State are given in **Table 3.1** below:

Table 3.1

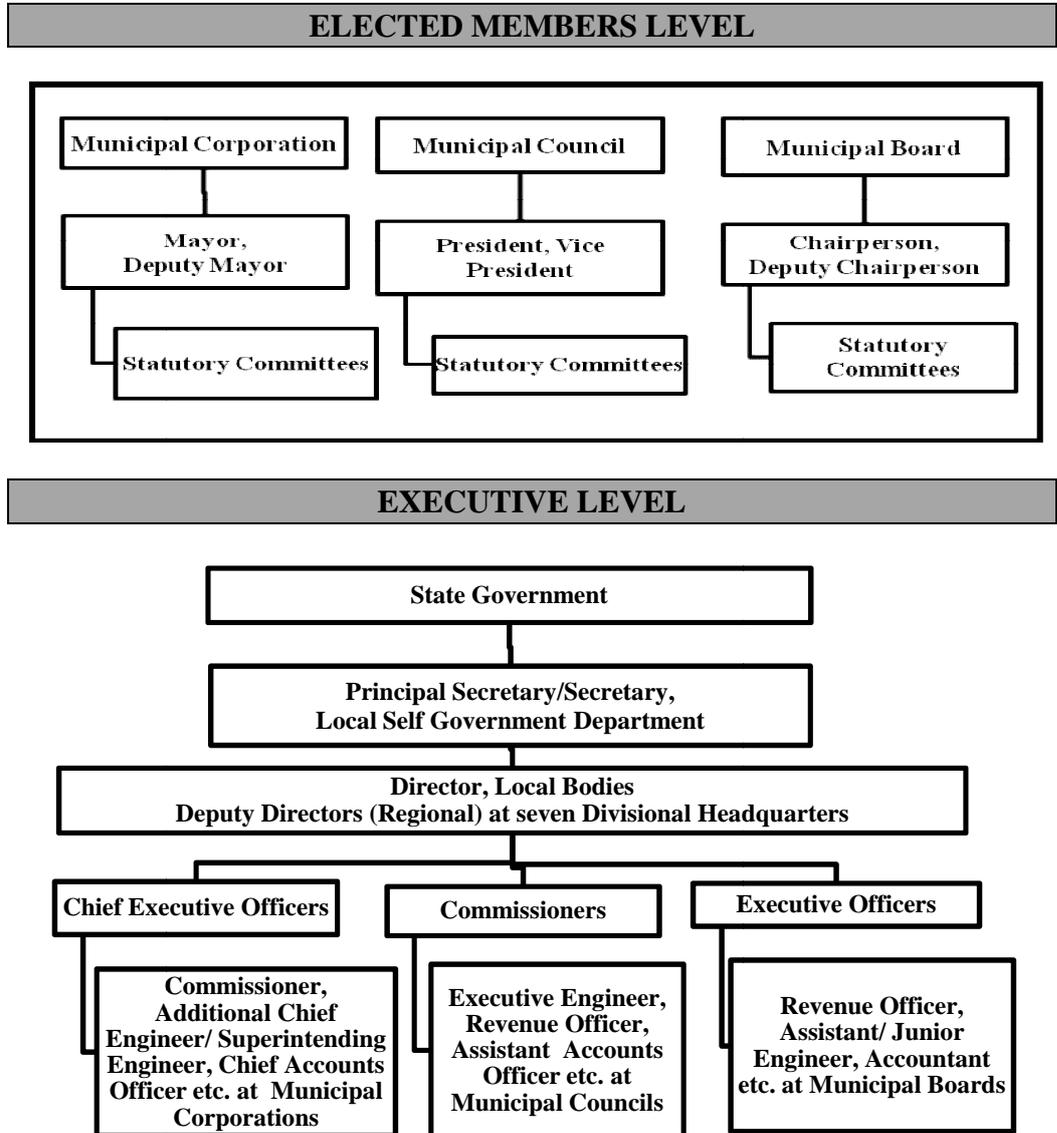
Indictor	Unit	State level
Population	Crore	6.85
Population (Urban)	Crore	1.70
Population Density	Persons per sqkm	200
Decadal Growth Rate	Percentage	21.30
Sex Ratio	Females per 1,000 males	914
Total Literacy Rate	Percentage	Male 87.90 Female 70.70
Urban Per Capita Income	Rupees per annum	65,974
Municipal Corporation	Numbers	7
Municipal Council	Numbers	34
Municipal Board	(Class II)	13
	(Class III)	58
	(Class IV)	76
<i>Source: Annual Progress Report 2014-15 of Local Self Government Department, Rajasthan</i>		

1. MBs, Roopwas (August 2014), Degana (December 2014), Kishangarhbas (March 2015) and Itawa (March 2015) were constituted as Class-IV. The newly constituted these MBs were not in function as of March 2015
2. Municipal Corporations: Ajmer, Bharatpur, Bikaner, Jaipur, Jodhpur, Kota and Udaipur
3. Municipal Councils: Alwar, Balotara, Banswara, Baran, Barmer, Beawar, Bhilwara, Bhiwadi, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Dungarpur, Gangapurcity, Hanumangarh, Hindoncity, Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Karauli, Kishangarh, Makarana, Nagaur, Pali, Pratapgarh, Rajsamand, Sawai Madhopur, Sikar, Sirohi, Sriganagar, Sujangarh and Tonk
4. Municipal Boards: Class-II (with population 50,000-99,999): 13, Class-III (with population 25,000-49,999): 58 and Class-IV (with population less than 25,000): 76

3.2 Organisational Set up

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

Chart 3.1



3.3 Functioning of ULBs

Functioning of ULBs are mentioned in sections 45 to 47 and 101 to 103 of RMA, 2009 as core functions⁵, other functions in sphere of protection of

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

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

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

Article 243W inserted through the 74th Constitutional Amendment envisaged devolution of powers and responsibilities to municipalities in respect of 18 subjects mentioned in XII Schedule of the Constitution. As per information given by Directorate, Local Bodies Department (February 2016), functions relating to 16 subjects (***Appendix-X***) were already being performed by ULBs. The remaining two functions, 'Water Supply' is being carried out by eight⁷ 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.

Functioning of DPCs was not intimated by the Department (January 2016).

3.4.2 Standing Committees

As per the provision contained in section 55 of RMA, 2009, in every municipality there shall be an executive committee constituted and 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) looking to the functions of a municipality, it may also constitute such

-
6. The State Government may by general or special order, require a municipality to perform such other municipal functions as the State Government may, having regard to the necessity and the resources of the municipality, think fit to be performed by the municipality
 7. Bundi, Chomu, Jaisalmer, Karauli, Nagaur, Nathdwara, Nokha and Sriganganagar

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 necessary⁸.

Directorate of Local Bodies (DLB) stated (January 2016) that committees are being constituted in all local bodies as per section 55 of the RMA, 2009. The actual status of existing standing committees was called for, however the same has not been provided by the department (January 2016).

3.5 Audit Arrangement

3.5.1 Primary Auditor

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

The Audit Reports of LFAD, Rajasthan for the years 2011-12, 2012-13 and 2013-14 have been laid on the table of the State legislature on 22 March 2013, 20 February 2014 and 25 March 2015 respectively. Audit Report for the year 2014-15 was under process (January 2016).

The Director LFAD covered only 43 units of ULBs (M Corp: two, MCs: seven and MBs: 34) in Audit and remaining ULB units remained uncovered under Audit as of March 2015. The Director, LFAD intimated (May 2015) that the shortfall in Audit was due to vacant posts and staff engaged in general, ULBs and panchayat elections.

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 amended⁹ in 2011 provides Audit of municipalities to the CAG.

A committee on Local Bodies and Panchayati Raj Institution has been constituted since 1 April 2013 in Rajasthan Vidhan Sabha to examine and discuss the Audit Reports of Comptroller and Auditor General of India on local bodies.

- **Implementation of Technical Guidance and Support/Supervisions**

In pursuance of recommendations of XIIIth Central Finance Commission, the Government of Rajasthan, Finance (Audit) Department has issued notification

8. The State Government may, looking to the functions of a municipality, increase the maximum limit of committees specified in this clause

9. 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

(2 February 2011) for adoption of 13 parameters under the Technical Guidance and Supervision/Support (TG&S) over the Audit of all the tiers of Panchayati Raj Institutions and ULBs.

Comments/suggestions in respect of 58 factual statements and draft paragraphs proposed by Director, LFAD for inclusion in their Audit Report and comments on the 12 Inspection Reports of Director LFAD upto March 2015 were communicated to Director, LFAD under the TG&S by the Principal Accountant General (General and Social Sector Audit), Rajasthan.

3.6 Response to Audit Observations

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

- For the period 2010-15, 377 IRs containing 3,700 paragraphs in respect of ULBs, issued by Office of the Principal Accountant General (General and Social Sector Audit), Rajasthan involving money value of ₹ 5,853.92 crore were pending for settlement as on 31 March 2015. Out of this, even first compliance report of 1,495 paragraphs of 128 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
2010-11	37	347	584.89	02	19
2011-12	65	478	512.45	-	-
2012-13	79	925	1,408.08	28	345
2013-14	103	957	1,862.99	38	426
2014-15	93	993	1,485.51	60	705
Total	377	3,700	5,853.92	128	1,495

This indicated lack of prompt response on the part of ULB authorities, resulting in recurrence of the deficiencies and lapses pointed out earlier.

- From the period of 2010-11 to March 2015, 2,38,165 paragraphs of 20,353 IRs issued by Director, LFAD were pending for settlement. Audit observations including 33 embezzlement cases involving monetary value of ₹ 0.12 crore were pending for settlement. Further, first compliance to 37 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)
2010-11	5,027	57,967	08	16	2.32
2011-12	5,544	59,549	07	06	0.10
2012-13	4,870	59,920	14	05	0.05
2013-14 (upto March 2015)	4,912	60,729	08	06	9.85
Total	20,353	2,38,165	37	33	12.32

Source: As per data provided by Director, Local Fund Audit Department, Rajasthan

This indicated lack of prompt response on the part of the municipal/departmental authorities which resulted in recurrence of the deficiencies and lapses pointed out earlier.

- No Audit committee meeting was conducted by the department since February 2013, whereas Audit committee meeting is required to be conducted every quarter.

Response to Paragraphs in Audit Reports

Fifteen paragraphs involving money value ₹ 871.25 crore appeared in previous Audit Reports¹⁰ were pending for settlement for want of reply from the Government on 31 December 2015.

Impact of Audit

During 2014-15 recovery of ₹ 0.90 crore in seven cases were made at the instance of Audit.

On the basis of Draft Paragraphs issued by Audit (June 2015), MC, Bhilwara recovered an amount of ₹ 0.50 crore as conversion fee for conversion of land use from non-commercial to commercial purposes. Further, MC, Sriganganagar recovered ₹ 0.35 crore as labour welfare cess from contractors at the instance of Audit.

Accountability Mechanism and Financial Reporting Issues

Accountability Mechanism

3.7 Lokayukta

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

3.8 Property Tax Board

The Thirteenth Finance Commission (TFC) recommended the 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 shall enumerate, or cause to enumerate, all properties in the ULBs in the State and develop a data base, review the property tax system and suggest suitable basis for valuation of properties, design and formulate transparent procedure for valuation of properties, inspection for verification in ULBs in the State.

10. Audit Report 2008-10 (four paragraphs : ₹ 659.65 crore), 2012-13 (five paragraphs: ₹ 48.77 crore) and 2013-14 (six paragraphs: ₹ 162.83 crore)

The State Government constituted (February 2011) a State Level Property Tax Board.

Information regarding current status of Property Tax Board was called (January 2016) from department but reply was awaited (February 2016).

3.9 Fire Hazard Response

As per guidelines for release and utilisation of the TFC grants, all M Corps with population of more than ten lakh (Census 2001) must put in place a fire hazard response and mitigation plan for their respective jurisdictions. Publication of these plans in the respective State Government Gazette will demonstrate compliance with this condition.

As per Census 2011, only M Corp, Jaipur prepared a fire hazard response and mitigation plan and it was notified (21 March 2011) by the State Government.

3.10 Submission of Utilisation Certificates

During 2014-15 grants of ₹ 692.23 crore and ₹ 200.26 crore under fourth State Finance Commission (SFC-IV) and TFC respectively were received and the same were released to ULBs by the Finance Department. ULBs submitted UCs of ₹ 351.37 crore (SFC-IV) and ₹ 201.30 (TFC) and UCs of ₹ 340.86 crore (49 *per cent*) in respect of SFC-IV grant were pending.

In absence of pending UCs under SFC-IV the proper utilisation of funds could not be ascertained. Reasons of pending UCs were not furnished (February 2016).

3.11 Internal Audit and Internal Control System of ULBs

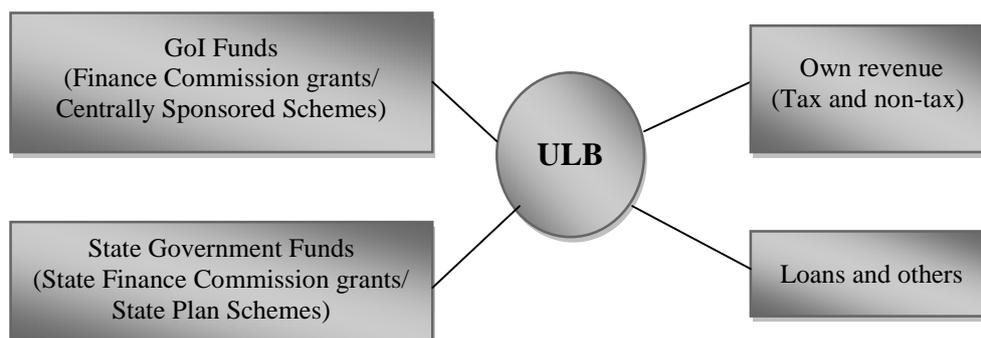
As per section 99 of RMA, 2009 the State Government or the Municipality may provide for internal Audit of the day to day account of the Municipality in the manner prescribed.

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

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:



The position of receipts under various heads of the ULBs during 2010-11 to 2014-15 is given in **Table 3.4** below:

Table 3.4

(₹ in crore)

Sources of receipts	2010-11	2011-12	2012-13	2013-14	2014-15
(A) Own Revenue					
(a) Tax Revenue					
(i) House tax	17.59	Nil	Nil	Nil	Nil
(ii) Urban development tax ¹¹ / property tax	38.94	39.57	46.88	45.31	32.61
(iii) Octroi/ <i>Margasth</i> fee	25.51	Nil	Nil	Nil	Nil
(iv) Tax on vehicles	0.20	Nil	Nil	Nil	Nil
(v) Passenger tax	3.52	Nil	Nil	Nil	Nil
(vi) Terminal tax	0.08	Nil	Nil	Nil	Nil
(vii) Other taxes ¹²	21.26	81.10	205.41	169.94	178.39
(viii) Outsourcing	44.33	Nil	Nil	Nil	Nil
Total of Tax Revenue (a)	151.43 (7.38)	120.67 (5.29)	252.29 (7.04)	215.25 (5.55)	211.00 (6.02)
(b) Non-tax Revenue					
(i) Revenue from bye-laws ¹³	99.39	157.25	416.83	474.33	263.88
(ii) Revenue from assets	26.75	26.69	36.08	31.74	22.65
(iii) Revenue from Acts	49.05	Nil	Nil	Nil	Nil
(iv) Revenue from penalties	11.73	Nil	Nil	Nil	Nil
(v) Revenue from waterworks	0.32	Nil	Nil	Nil	Nil
(vi) Interest on investments	22.13	24.80	26.30	42.42	49.07
(vii) Misc. non-tax revenue ¹⁴	56.29	297.95	477.90	606.72	462.73
(viii) Sale of land ¹⁵	305.34	110.38	199.30	139.54	121.04
Total of Non-tax Revenue (b)	571.00 (27.83)	617.07 (27.06)	1,156.41 (32.27)	1,294.75 (33.37)	919.37 (26.24)
Total of Own Revenue (A)	722.43 (35.21)	737.74 (32.35)	1,408.70 (39.31)	1,510.00 (38.91)	1,130.37 (32.26)
(B) Assigned Revenue/ Entertainment tax	7.21 (0.35)	7.38 (0.32)	0.01 (0.00)	0.00	0.00

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

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

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

14. Income from sewerage tax, fair fees, application fees, income from contract of Bakra Mandi, income from cattle house, income from lease, etc

15. Receipt from sale of land to public, Government and other commercial organisation

Sources of receipts	2010-11	2011-12	2012-13	2013-14	2014-15
(C) Grants and Loans					
(i) General and special grant	40.87	642.78	1,162.55	1,308.41	1,205.06
(ii) Grant in lieu of Octroi	754.09	877.81	965.60	1,062.15	1,168.36
(iii) Special assistance and loans	351.67	14.81	47.07	Nil	Nil
Total of Grants and Loans (C)	1,146.63 (55.90)	1,535.40 (67.33)	2,175.22 (60.69)	2,370.56 (61.09)	2,373.42 (67.74)
(D) Miscellaneous Non-recurring Income¹⁶	175.11 (8.54)	Nil	Nil	Nil	Nil
Grand Total (A to D)	2,051.38	2,280.52	3,583.93	3,880.56	3,503.79
Source: As per data provided (December 2015) by Directorate, Local Bodies, Rajasthan					
Note: Figures in brackets denote percentage to the total receipts					
The above figures are of 184 ULBs only as four ULBs were not functioning					

The above table indicates the following:

- The total receipts of ULBs decreased by ₹ 376.77 crore during 2014-15 (a decline of 9.71 *per cent*) over the previous year.
- Tax revenue comprised only 6.02 *per cent* of the total revenue during 2014-15. Total tax revenue declined by 1.97 *per cent* during 2014-15 over the previous year. The major decrease in tax revenue was under urban development tax which declined by 28.03 *per cent* (₹ 12.70 crore).
- Non-tax revenue comprised 26.24 *per cent* of the total revenue during 2014-15. It declined by 28.99 *per cent* during 2014-15 over the previous year, despite an increase in interest on investments by ₹ 6.65 crore. The decrease in non-tax revenue was under various heads like revenue from bye laws¹⁷ ₹ 210.45 crore (44.37 *per cent*), revenue from assets ₹ 9.09 crore (28.64 *per cent*) miscellaneous non-tax revenue ₹ 143.99 crore (23.73 *per cent*) and sale of land ₹ 18.50 crore (13.26 *per cent*).
- Urban Local Bodies received lesser amount in ‘general and special grants’ amounting to ₹ 103.35 crore i.e. a decline of 7.90 *per cent* over the previous year. The ‘grant in lieu of octroi’ amounting to ₹ 106.21 crore increased by 10 *per cent* over the previous year.
- During 2014-15 own revenue (tax and non-tax) comprised 32.26 *per cent* of total receipts. In 2013-14 own revenue comprised 38.91 *per cent* of total receipts. This indicates an increase in dependency of ULBs on grants and loans.

Expenditure

The position of expenditure in ULBs during 2010-11 to 2014-15 is given in **Table 3.5** below:

16. Including deposits and recoveries of loans and advances

17. The municipal bodies have power to make bye-laws under Section 340 of the Municipalities Act, 2009

Table 3.5

(₹ in crore)

Items of Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15
(A) Recurring Expenditure					
General administration	519.03 (28.47)	966.84 (33.45)	1,090.10 (31.19)	1,129.71 (28.56)	1,157.04 (33.33)
Public health and sanitation	359.19 (19.70)	637.66 (22.06)	772.28 (22.10)	197.30 (4.99)	228.21 (6.57)
Maintenance of civic amenities	220.89 (12.11)	737.67 (25.52)	898.26 (25.70)	862.68 (21.81)	671.97 (19.36)
Total of Recurring Expenditure (A)	1,099.11 (60.28)	2,342.17 (81.03)	2,760.64 (78.99)	2,189.69 (55.36)	2,057.22 (59.27)
(B) Non-recurring Expenditure					
Expenditure on developmental works	408.33 (22.39)	394.56 (13.66)	518.72 (14.84)	1,401.32 (35.43)	1,150.42 (33.14)
Purchase of new assets	24.03 (1.32)	NA -	NA -	Nil -	Nil -
Repayment of loans	85.08 (4.67)	NA -	NA -	24.22 (0.61)	31.79 (0.92)
Miscellaneous non-recurring expenditure ¹⁸	206.78 (11.34)	153.62 (5.31)	215.66 (6.17)	339.95 (8.60)	231.79 (6.68)
Total of Non-recurring Expenditure (B)	724.22 (39.72)	548.18 (18.97)	734.38 (21.01)	1,765.49 (44.64)	1,414.00 (40.73)
Grand Total (A+B)	1,823.33	2,890.35	3,495.02	3,955.18	3471.22

Source: As per data provided (December 2015) by Directorate Local Bodies, Rajasthan
Note: The above figures are of 184 ULBs only as four ULBs were not functioning

The above table indicates the following:

- Recurring expenditure in 2014-15 decreased by ₹ 132.47 crore (6.05 per cent) over the previous year. This was mainly due to decline in expenditure incurred on maintenance of civic amenities by ₹ 190.71 crore (22.11 per cent).
- Non-recurring expenditure declined in 2014-15 by ₹ 351.49 crore (19.91 per cent) over the previous year, this was mainly due to decline in developmental work, miscellaneous non-recurring expenditure and increase in repayment of loans.

Break-up of receipts and expenditure of category wise ULBs is given in **Table 3.6** below:

Table 3.6

(₹ in crore)

Category of ULBs	2013-14		Surplus (+)/ Shortfall (-)	2014-15		Surplus (+)/ Shortfall (-)
	Receipts	Exp.		Receipts	Exp.	
(A) Municipal Corporations						
(i) Ajmer	96.83	90.72	(+) 6.11	103.23	86.01	(+) 17.22
(ii) Bikaner	67.89	72.25	(-) 4.36	61.66	65.94	(-) 4.28
(iii) Jaipur	662.49	715.15	(-) 52.66	667.23	478.18	(+) 189.05
(iv) Jodhpur	165.28	290.01	(-) 124.73	184.79	227.04	(-) 42.25
(v) Kota	174.44	146.48	(+) 27.96	186.09	181.55	(+) 4.54
(vi) Udaipur	124.24	132.68	(-) 8.44	147.32	175.63	(-) 28.31
(vii) Bharatpur ¹⁹	-	-	-	45.90	40.06	(+) 5.84
Total (A)	1,291.17	1,447.29	(-) 156.12	1,396.22	1,254.41	(+) 141.81
(B) Municipal Councils	1,272.17	1,241.52	(+) 30.65	1,002.57	988.71	(+) 13.86
(C) Municipal Boards	1,317.22	1,266.37	(+) 50.85	1,105.00	1,228.10	(-) 123.10
Grand Total (A+B+C)	3,880.56	3,955.18	(-) 74.62	3,503.79	3,471.22	(+) 32.57

Source: As per data provided (February 2016) by Directorate Local Bodies, Rajasthan

18. It includes refunds or deposits, investment made and disbursement of loans and advances
19. Bharatpur had Municipal Council, which was upgraded to M Corp during June 2014

The above table indicates the following:

- During 2014-15, M Corps, Bikaner, Jodhpur, and Udaipur incurred expenditure more than the receipts.
- During 2014-15, M Corp, Ajmer, Bharatpur, Jaipur and Kota had a surplus.
- During 2014-15, there was an overall surplus of ₹ 32.57 (0.93 per cent) crore.

The position of funds received directly/through State Government for implementation of major schemes/programmes and actual expenditure of last five years was called for (December 2015) and the same has not been provided by the department (February 2016)

3.12.2 Recommendations of the State Finance Commission

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

The position of grants required to be released by the State Government under the SFC-IV during 2010-11 to 2014-15 and their utilisation is given in **Table 3.7** below:

(₹ in crore)

Year	Grants to be released by the State Government	Grants released by the Finance Department to Director, Local Bodies	Grants released to ULBs by Director, Local Bodies	Short (-)/ Excess (+) release of grants	UCs received from ULBs		UCs Pending from ULBs	
					Amount	Percentage	Amount	Percentage
2010-11	134.87	132.12	45.00	(-) 87.12	29.91	66.47	15.09	33.53
2011-12	147.95	150.70	237.53	(+) 86.83	106.77	44.95	130.76	55.05
2012-13	325.37	325.37	325.66	(+) 0.29	153.24	47.06	172.42	52.94
2013-14	325.08	325.08	325.08	Nil	126.06	38.78	199.02	61.22
2014-15	692.23	692.23	692.23	Nil	351.37	50.76	340.86	49.24
Total	1,625.50	1,625.50	1,625.50	Nil	767.35	47.21	858.15	52.79

Source: As per data provided (January 2016) by Directorate Local Bodies, Rajasthan

As on January 2016, only 47.21 per cent UCs were received and 52.79 per cent were still pending.

3.12.3 Recommendation of the Central Finance Commission

The position of grants released by the Government of India to State Government and further released by the State Government to ULBs under the

TFC during 2010-11 to 2014-15 and their utilisation is given in **Table 3.8** below:

Table 3.8

(₹ in crore)

Year	Grants to be released by GoI	Actual grants released by GoI	Grants released to ULBs by State Government	UCs received from ULBs		UCs pending	
				Amount	Percentage	Amount	Percentage
2010-11	111.36	111.36	111.36	60.49	54.32	50.87	45.68
2011-12	173.30	209.49	187.56	98.64	52.59	88.92	47.41
2012-13	254.49	252.06	273.99	95.62	34.90	178.37	65.10
2013-14	361.81	361.81	361.81	218.81	60.48	143.00	39.52
2014-15	355.96	333.15	200.26 ²⁰	200.26	100.00	Nil	Nil
Total	1,256.92	1,267.87	1,134.98	673.82	59.37	461.16	40.63

Source: As per data provided (January 2016) by Directorate Local Bodies, Rajasthan

As on January 2016, UCs amounting to ₹ 461.16 crore were pending. This indicated slow 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.

Directorate Local Bodies Department intimated (January 2016) that books of accounts and reports/returns maintained at ULB level. No reports/returns are being received at Directorate level.

3.12.5 Maintenance of Accounts by Urban Local Bodies

- 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. The Director, LFAD intimated (May 2015) that certification of accounts of 30 ULBs²¹ for the period 2009-10 to 2013-14 has been done by the LFAD and in remaining ULBs certification of accounts could not be done due to non-maintenance of annual accounts and ledger in prescribed format. Thus, accounts of all 188 Urban Local Bodies are required to be certified every year, whereas, certification of accounts of only 30 Urban Local Bodies has been done by the Local Fund Audit Department between 2009-14.

- 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

20. General Basic Grant: ₹ 199.64 crore, General Performance Grant: ₹ Nil, Special Areas Basic Grant: ₹ 0.18 crore and Special Areas Performance Grant: ₹ 0.44 crore
 21. 2009-10: one, 2010-11: seven, 2011-12: seven, 2012-13: 11, 2013-14: four

Manual has been prepared. Accordingly, the LSGD directed (December 2009) all ULBs to maintain the accounts on Accrual Based (Double Entry) Accounting System from 1 April 2010.

However, the DLB intimated (January 2016) that Accrual Base Double Entry Accounting System is a specialised work and appropriate manpower is not available at ULB level for this work. It was also intimated that tenders have been invited for empanelment of Chartered Accountant firms for the work.

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

The Ministry of Urban Development, GoI has issued (April 2010) seven database formats to be adopted by ULBs as prescribed by the TFC. The DLB intimated (June 2015) that prescribed database formats have been forwarded to all ULBs and relevant information as to its adoption was being collected.

3.13 Conclusion and Recommendations

- As is evident by the data provided by DLB, own resources generated by ULBs were not adequate and they were largely dependent on grants and loans from Central/State Government. The receipts of ULBs showed increasing trend till 2013-14 and then declined during 2014-15 due to less realisation of income mainly from urban development tax, revenue from bye-laws, miscellaneous non-tax revenue and sale of land.

The ULBs should take steps to become self-sufficient by focusing on collection of own tax & non tax revenue.

- Absence of timely finalisation of accounts in the prescribed formats and lack of certification of accounts resulted in denial of correct information to stakeholders. Maintenance of records was not monitored at higher level. Accounts of all 188 Urban Local Bodies are required to be certified every year, whereas, certification of accounts of only 30 Urban Local Bodies has been done by the Local Fund Audit Department between 2009-14.

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

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

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

CHAPTER-IV
Audit Findings on
Urban Local Bodies

CHAPTER-IV

AUDIT FINDINGS ON URBAN LOCAL BODIES

This chapter contains eight paragraphs relating to Urban Local Bodies.

Local Self Government Department

4.1 Non-tax receipts in Nagar Nigams (Municipal Corporations)

Introduction

The resource base of Municipal Corporations (M Corps) consists of own revenue which includes tax revenue and non-tax revenue, grants received from Government of India (GoI) and Government of Rajasthan (GoR). Rajasthan Municipalities Act (RMA), 2009 governs the functioning of Urban Local Bodies. Local Self Government Department (LSGD) is the administrative department dealing with affairs of the M Corps.

As per annual accounts of all six test checked M Corps¹, it was seen that non-tax revenue comprised on an average 38 *per cent* of their own revenue receipts.

Organisational Set up

The Commissioner/Chief Executive Officer (CEO) is the executive head of M Corps and performs all the duties and exercise the powers delegated under the RMA, 2009. The Chief Municipal Officer (CMO) prepare and maintain accounts of receipts and expenditure of municipalities. The Revenue Officer of M Corps is responsible for the assessment and collection of all the revenue including non-tax revenue.

Components of Non-tax Revenue

Non-tax revenue comprises of income earned under bye-laws i.e income from registration fees and utilisation charges from marriage places, fees from mobile towers, advertisement and registration fee from hotels/restaurants etc. It also includes revenue from assets, acts and rules and non-tax non-recurring income² i.e. income from sale of land, lease money, land use conversion charges etc.

The test check (May–September 2015) of records of six³ out of seven⁴ M Corps was done to examine whether an efficient and adequate system to ensure correct assessment, prompt raising of demand and collection of non-tax revenue existed in the M Corps during the period 2010-11 to 2014-15.

-
1. M Corps - Ajmer, Bikaner, Jaipur, Jodhpur, Kota and Udaipur
 2. Non-tax non-recurring income represents the income which is not a regular income
 3. M Corps - Ajmer, Bikaner, Jaipur, Jodhpur, Kota and Udaipur
 4. Bharatpur had Municipal Council, which was upgraded to M Corps during June 2014

Audit Findings

4.1.1 Status of Non-tax Revenue

Chapter-VII of RMA, 2009 empowers M Corps to levy taxes to generate their internal revenues and prescribes the manner for their realisation. Further, chapter-XVI empowers M Corps to make rules and bye-laws in this regard.

The year-wise position of target and achievement of non-tax revenue of six M Corps for the year 2010-11 to 2014-15 is given in **Table 4.1** below:

Table 4.1

(₹ in crore)

M Corp	2010-11		2011-12		2012-13		2013-14		2014-15	
	T	A	T	A	T	A	T	A	T	A
Ajmer	26.83	7.80 (29.07)	28.64	16.88 (58.94)	30.09	26.29 (87.37)	29.41	20.71 (70.42)	42.55	29.97 (70.43)
Bikaner	23.05	14.19 (61.56)	65.48	62.31 (95.16)	34.42	33.71 (97.94)	38.16	14.54 (38.10)	39.18	20.83 (53.16)
Jaipur	198.07	148.88 (75.16)	372.82	153.59 (41.20)	305.32	156.44 (51.24)	402.86	243.74 (60.50)	417.81	197.15 (47.19)
Jodhpur	164.09	37.94 (23.12)	121.10	27.88 (23.02)	186.70	97.45 (52.20)	172.48	39.39 (22.84)	182.74	33.02 (18.07)
Kota	23.92	11.39 (47.62)	28.36	10.11 (35.65)	49.00	12.50 (25.51)	58.40	17.66 (30.24)	72.40	11.42 (15.77)
Udaipur	22.58	12.63 (55.93)	18.60	21.27 (114.35)	21.74	27.61 (127.00)	22.31	28.44 (127.48)	26.73	33.16 (124.05)
Total	458.54	232.83	635.00	292.04	627.27	354.00	723.62	364.48	781.41	325.55

T: Target and A: Achievement

Note: Figures in brackets denote percentage to the target revenue

(Source: As per data provided by M Corps)

The above table indicates the following:

- Municipal Corporations could not achieve their targets consistently by a substantive margin except M Corp, Udaipur which collected ₹ 123.11 crore as non-tax revenue during 2010-15 against the target of ₹ 111.96 crore (109.96 per cent).

Achievement of targets of remaining five M Corps ranged between 15.77 per cent and 97.94 per cent during the period 2010-15.

- Total non-tax revenue of six M Corps increased by 39.82 per cent (from ₹ 232.83 crore to ₹ 325.55 crore) during 2010-11 to 2014-15. The increase in non-tax revenue is mainly attributed to increase of 115.96 per cent in receipt

from bye-laws (from ₹ 52.63 crore to ₹ 113.66 crore)⁵ and increase of 119.22 per cent under miscellaneous income (from ₹ 23.10 crore to ₹ 50.64 crore)⁶.

Municipal Corporations, Bikaner accepted the facts and stated (June 2015) that no effective steps for achievement of targets was taken. M Corp, Ajmer did not specify the reasons for short achievements of target whereas M Corp, Jaipur did not furnish reasons for not achieving the targets even after repeated requests by Audit. M Corps, Jodhpur (June 2015) and Kota (July 2015) stated that the targets could not be achieved due to shortage of staff. The reply is not convincing since the trend in achieving the targets during 2010-15 was not static, efforts should have been taken to achieve the targets by identifying reasons for shortfall.

4.1.2 Income from Bye-laws

Income from bye-laws includes income from registration fees and utilisation charges from marriage places, registration fee from hotels/restaurants, fees from mobile tower and income from advertisements etc.

During scrutiny of records relating to income from bye-laws in six M Corps, the following observations emerged:

4.1.2.1 Regulation of Marriage Places

Government of Rajasthan issued (February 2010) model bye-laws for regulation of marriage places, which was adopted by all test checked M Corps except M Corp, Jodhpur.

According to Marriage Places Bye-laws (M Corps, Ajmer: 2012, Bikaner: 2010, Jaipur: 2012, Jodhpur: 2008, Kota: 2010 and Udaipur: 2010) no person would operate a marriage place in the area without obtaining a license. The license/registration fees and other charges such as utilisation charges, sanitation charges etc. were payable every year at the rates prescribed in the respective M Corps bye-laws.

Shortcomings noticed during scrutiny of records of M Corps are discussed below:

Registration and Annual Utilisation Charges

Rajasthan Municipalities Act, 2009 provided that before imposing or altering a tax the proposal for such imposition/alteration should be approved by the general body of M Corps and notified in the official gazette.

5. M Corps – Ajmer (2010-11: ₹ 0.42 crore to 2014-15: ₹ 0.54 crore), Bikaner (2010-11: ₹ 0.44 crore to 2014-15: ₹ 1.09 crore), Jaipur (2010-11: ₹ 36.87 crore to 2014-15: ₹ 89.32 crore), Jodhpur (2010-11: ₹ 8.27 crore to 2014-15: ₹ 13.96 crore), Kota (2010-11: ₹ 3.50 crore to 2014-15: ₹ 4.08 crore) and Udaipur (2010-11: ₹ 3.13 crore to 2014-15: ₹ 4.67 crore)
6. M Corps – Ajmer (2010-11: ₹ 4.94 crore to 2014-15: ₹ 21.88 crore), Bikaner (2010-11: ₹ 2.32 crore to 2014-15: ₹ 17.13 crore), Jaipur (2010-11: ₹ 11.99 crore to 2014-15: ₹ 3.62 crore), Jodhpur (2010-11: ₹ 3.39 crore to 2014-15: ₹ 4.13 crore), Kota (2010-11: ₹ 0.25 crore to 2014-15: ₹ 1.25 crore) and Udaipur (2010-11: ₹ 0.21 crore to 2014-15: ₹ 2.63 crore)

Marriage place bye-laws of M Corp, Bikaner provided registration of marriage place at a one-time fee of ₹ 30,000, which was reduced to ₹ 15,000 (April 2013). The annual utilisation charges of ₹ 30 per square meter (sqm) were also reduced to ₹ 10 per sqm, ₹ seven per sqm and ₹ four per sqm (April 2013) respectively for A, B and C category⁷ of marriage places.

- Scrutiny of records revealed that the association of owners of marriage places requested (February 2014) Mayor of M Corp, Bikaner for further reduction in registration and annual utilisation charges. Consequently, the Commissioner, M Corp, Bikaner presented the proposal to the executive committee for reduction of registration charges to ₹ 5,000 and annual utilisation charges to ₹ four per sqm. The executive committee approved (February 2014) the reduction of these charges. Accordingly, the rates for registration charges and annual utilisation charges were reduced.

This reduction in charges done in year 2014 was not in consonance with the provision of RMA, 2009 as the proposal was neither approved by the general body of M Corp, Bikaner, nor was any gazette notification issued by GoR for its enforcement. The reasons for reducing the rates for registration and utilisation charges were called for (October 2015), reply awaited (February 2016).

- Three M Corps identified 449 marriage places⁸ for registration. However, out of these, 341 marriage places had not been registered by the M Corp concerned and did not pay registration charges of ₹ 1.02 crore (at the rate of ₹ 30,000 per marriage place). Subsequently, utilisation charges were also not deposited by these unregistered marriage places. Further, out of remaining 108 registered marriage places, 24 registered marriage places (M Corps, Bikaner: 22 marriage places and Kota: two marriage places) deposited less utilisation charges amounting to ₹ 0.08 crore (M Corps, Bikaner: ₹ 0.06 crore and Kota: ₹ 0.02 crore). However, reasons for less deposit of utilisation charges were not available on record.

The records depicting area of marriage places and demand and collection of utilisation charges were not made available to Audit. In the absence of which, the utilisation charges recoverable from 341 identified unregistered marriage places could not be worked out. On being pointed out, M Corps, Ajmer and Kota stated that effective steps would be taken to recover the outstanding license fee/utilisation charges from the defaulting marriage places. No reply was furnished by M Corp, Bikaner.

- Marriage places bye-laws of M Corp, Jodhpur provided recovery of annual license fee (registration fee) from marriage places based on its area at the rate approved by District Level Committee (DLC)⁹. M Corp, Jodhpur did

7. Marriage place collecting booking fee more than ₹ one lakh for each booking (Category-A), ₹ 0.50 lakh to ₹ one lakh for each booking (Category-B) and less than ₹ 0.50 lakh for each booking (Category-C)

8. M Corps, Ajmer: 131 marriage places, Bikaner: 165 marriage places and Kota: 153 marriage places

9. Calculated on DLC rate multiplied by the area (in square feet) of the marriage place to the ratio of 500.

not provide the complete requisite information regarding total number of existing as well as registered marriage places and provided files of 11 marriage places. Scrutiny of these cases revealed that an amount of ₹ 0.62 crore was recoverable from marriage places, out of which ₹ 0.19 crore was recovered and ₹ 0.43 crore (*Appendix-XI*) is still outstanding. The reasons for non-recovery of license fee were called for (June 2015), but reply was awaited (February 2016).

Municipal Corporations, Udaipur and Jaipur did not provide required information regarding registered/unregistered marriage places.

4.1.2.2 Trade License Fee from Hotel, Restaurant, Bakery, Sweet Shops etc.

As per the bye-laws of all M Corps, any person who intends to use any place as a restaurant, bakery, sweet shop etc. would apply for a trade license to M Corp. License fee ranging from ₹ 100 to ₹ 50,000 (M Corp, Jodhpur) and ₹ 300 to ₹ 30,000 (M Corp, Kota) is payable every year to M Corp at the rate fixed according to the category of vocation/trade. Further, bye-laws of respective M Corps provides for levy of penalties at the prescribed rates for non-renewal of licenses.

- Municipal Corporation, Jodhpur issued 13,270 licenses for various vocations during 2010-11 to 2014-15. Scrutiny of records revealed that M Corp itself assessed that 3,180 license holders did not renew their licenses but ₹ 2.11 crore recoverable as license fee¹⁰ was not recovered. No action for collection of penalties was initiated by M Corp. The reasons for non-recovery of license fee were called for (June 2015), reply was awaited (February 2016).
- Municipal Corporation, Kota issued only five licenses (four license during 2012-13 and one license during 2013-14) and license fee of just ₹ 0.10 lakh was recovered in a city having population more than 10 lakh. It is worth mentioning here that M Corp, Kota itself had 952 properties (shops, kiosks, land etc.) which were rented for various vocations. No action was taken to recover the license fee from tenants of these shops/kiosks. Further, no steps were taken to impose any penal action. M Corp stated (July 2015) that due to shortage of staff, survey for recovery of license fee was not conducted. The reply of the M Corp, Kota is not convincing as the license issuing authority have to ensure that these places should be suitable for human habitation and should not affect the health of human being as provided for in the bye-laws. Thus, non-initiating action for issuing/renewal of license resulted in deprivation of revenue besides neglecting the health aspects of the population as well.

It is worth mentioning here that M Corp, Jodhpur issued 13,270 licenses while M Corp, Kota issued only five licenses during the period from 2010 to 2015 despite the facts that the Kota is an institutional area and a renowned educational hub.

10. Regulation of hotel, restaurant and other selling points, license fee ranging from ₹ 100 to ₹ 50,000 (M Corp, Jodhpur) and ₹ 300 to ₹ 30,000 (M Corp, Kota)

No information regarding demand, collection and details of outstanding amount of license fee etc. were provided by M Corps, Jaipur, Ajmer and Udaipur.

4.1.2.3 Registration and Annual Fees from Mobile Tower/Pole Antenna

Local Self Government Department directed (March 2011 and January 2012) all M Corps to recover one-time fee of ₹ 25,000 per mobile tower and an annual fee of ₹ 5,000 per mobile tower for the period 2010-12. Meanwhile, GoR issued a model bye-law during 2012 for regulation of installation of mobile tower/pole antenna and prescribed a registration fee of ₹ 30,000 and an annual charge of ₹ 10,000 per mobile tower. It also provided that M Corps would conduct a survey for identification of towers. It was noticed that GoR did not allow (March 2011) M Corps to take punitive actions for recovery of due charges from defaulters in this regard.

Scrutiny of records of M Corps revealed that:

- Five hundred thirty six mobile towers were installed under the jurisdiction of four M Corps (Ajmer, Bikaner, Jodhpur and Kota) during 2010-15. An amount of ₹ 2.95 crore¹¹ was recoverable as registration and annual charges for these mobile towers. Whereas, M Corps recovered only ₹ 1.35 crore¹² from mobile tower companies. Thus, M Corps did not recover ₹ 1.60 crore from mobile tower companies.

On being pointed out (July 2015) M Corps, Ajmer and Kota stated that the recovery of license/registration fee would be made from the mobile tower companies, whereas M Corps, Bikaner and Jodhpur did not furnish a reply (January 2016). The fact remains that the M Corps concerned could not recover the registration and annual charges from the mobile towers resulting in revenue loss.

- According to information provided by head office of M Corp, Jaipur, 917 mobile towers were installed in the city by various telecom companies. Whereas, all the eight zonal offices¹³ of M Corp, Jaipur intimated installation of total 226 mobile towers only which showed a huge mismatch between information provided by head office and its zonal offices. M Corp, head office, Jaipur and its zonal offices did not provide any specific information such as year of installation of these mobile towers, amount recoverable/deposited etc. in the absence of which exact recoverable amount for these mobile towers could not be worked out in Audit. This indicated apathy of management in zones and head offices of M Corp, Jaipur.

11. Ajmer (153 mobile towers): ₹ 1.07 crore, Bikaner (233 mobile towers): ₹ 1.28 crore, Jodhpur (81 mobile towers): ₹ 0.32 crore and Kota (69 mobile towers): ₹ 0.28 crore

12. Ajmer: ₹ 0.45 crore, Bikaner: ₹ 0.45 crore, Jodhpur: ₹ 0.24 crore and Kota: ₹ 0.21 crore

13. Amer, Civil Lines, Hawa Mahal (East), Hawa Mahal (West), Mansarovar, Moti Dungari, Sanganer and Vidhyadhar Nagar

4.1.2.4 Advertisement Bye-laws

Municipal Corporation enacted Advertisement Bye-laws to regulate the display of hoarding on buildings, bridges, roads, electric/telephone poles, kiosks, moving vehicles and any open space under their jurisdictions. The hoardings also included unipoles¹⁴ installed at the public places.

Unipole License Fee

Scrutiny of records of M Corps revealed that:

- Municipal Corporation, Jodhpur called Notice Inviting Tender (NIT) for installation of unipoles with the condition of depositing 25 per cent amount of bid value on the day of auction and remaining 75 per cent amount within seven days by the successful bidder. Further, the amount of license fee for the next financial year was to be increased by 15 per cent every year. The amount of license fee was to be deposited by 31 March of preceding financial year.

Municipal Corporation, Jodhpur allotted (July 2008) license for 166 unipole sites to five firms for the period of five years (2008-13). The period of license was extended up to June 2014.

However, M Corp, Jodhpur did not maintain proper records of demands and number of sites allotted to the contractors. Scrutiny of the correspondences with the firms revealed that M Corp, Jodhpur raised demands of ₹ 7.44 crore (at the 15 per cent incremental rate on original bid amount) to these firms for the period 2010-15 but only ₹ 7.03 crore was deposited by them. Thus, license fee amounting to ₹ 0.41 crore was less recovered from the firms (*Appendix-XII*). Reasons were called for (June 2015), reply is awaited (February 2016).

- Three firms were allotted 46 sites for installation of unipoles by M Corp, Kota during 2010-16 for license fee amounting to ₹ 1.17 crore. However, only ₹ 0.81 crore was recovered from the firms. Thus, license fee amounting to ₹ 0.36 crore was not recovered from the firms (*Appendix-XIII*). M Corp, Kota accepted the facts (July 2015).
- Hoarding sites of zone-II of M Corp, Bikaner were awarded to a firm for 2009-12 for an annual fee of ₹ 0.05 crore, which was to be increased by 10 per cent annually. The firm deposited ₹ 0.06 crore and ₹ 0.06 crore for 2010-11 and 2011-12 respectively.

Thereafter, bids for 2012-13 were invited (June 2012) and firm 'A'¹⁵ offered fee of ₹ 0.12 crore which was 87 per cent more than last year's fee for the same hoarding sites of zone-II. The offer of the firm was accepted by the competent committee and firm deposited one fourth of bid amount. Subsequently, the offer was rejected by the Commissioner on the grounds that the bid offered was less. Bids were re-invited (September 2012) and firm 'B'¹⁶ offered ₹ 0.12 crore. The offer of this firm was also not accepted by the

14. Unipole is a hoarding structure based on single steel pipe

15. Sawantantra Publicity, Bikaner

16. Bhawani Advertising Company, Bikaner

Commissioner on the ground that less fee was offered. The bids were again invited (October 2012) but no response was received and bid was not finalised for the year 2012-13.

It was observed that subsequently firm 'C'¹⁷ offered ₹ 0.14 crore for 2013-14, which was accepted by the Commissioner. Thus, due to non-accepting the offer of firm 'A', Bikaner for 2012-13, M Corp was deprived of ₹ 0.12 crore despite the fact that the offer was more than 87 *per cent* of previous bid.

Hoarding License

- Municipal Corporation, Kota issued licenses (2013-14) to two advertising agencies to hoist hoardings of various sizes on private building/land in Kota for ₹ 0.19 crore¹⁸.

Scrutiny of records of M Corp, Kota revealed that advertising agencies deposited license fee only of ₹ 0.11 crore¹⁹ against the license fee of ₹ 0.19 crore. Thus, ₹ 0.08 crore²⁰ was not deposited by the advertising agencies. M Corp, Kota accepted the facts (July 2015).

- Municipal Corporation, Jaipur did not provide required records.

4.1.3 Rajasthan Building Regulation

Local Self Government Department issued (June 2011) model Rajasthan Building Regulation Bye-laws, 2010 applicable to urban area of the State except walled city areas of all cities and Jaipur city as a whole. M Corps promulgated their building bye-laws by adopting the model bye-laws. The model Rajasthan Building Regulation Bye-laws provided permissible standard Floor Area Ratio²¹ (FAR) to 1.33, which could be increased to 3.75 after payment of Betterment Levy.

Short comings noticed in assessment and collections of betterment levy are discussed below:

4.1.3.1 Betterment Levy

- In M Corp, Ajmer, FAR of 1.33 for the construction of commercial building having area between 1,000 sqm and 2,500 sqm was permissible under the Building Bye-laws, 2013. Betterment levy equal to higher of 25 *per cent* of reserve price for commercial properties or ₹ 200 per square feet for excess FAR was recoverable for FAR more than 1.33.

17. Godawan Publicity Limited

18. NS Publicity India Private Limited, Jaipur: ₹ 0.09 crore and Quick Advertising Company, Kota: ₹ 0.10 crore

19. NS Publicity India Private Limited, Jaipur: ₹ 0.07 crore and Quick Advertising Company, Kota: ₹ 0.04 crore

20. NS Publicity India Private Limited, Jaipur: ₹ 0.02 crore and Quick Advertising Company, Kota: ₹ 0.06 crore

21. Floor Area Ratio is the ratio of a building's total floor area to the size of the land upon which it is built

Scrutiny of records revealed that a builder constructed a commercial complex on a plot measuring 1,341.99 sqm with FAR of 1.78. But betterment levy amounting to ₹ 35.11 lakh²² was not recovered from the builder.

Similarly, another builder applied (May 2013) for construction of a commercial building on 1,618.29 sqm land with FAR of 1.81. But neither the permission was granted within stipulated time of 60 days, nor the betterment levy amounting to ₹ 45.16 lakh²³ was recovered. The matter was brought to the notice (July 2015) of the commissioner M Corp, Ajmer but reply was awaited (January 2016).

- Building Bye-laws, 2007 of M Corp, Bikaner provided maximum permissible FAR of 1.75, which was enhanced to 2.25 in the revised Building Bye-laws, 2010. Betterment levy, equal to higher of 25 *per cent* of the reserve price for commercial properties or ₹ 200 per square feet for excess FAR was recoverable for FAR more than 1.33.

During scrutiny of records of M Corp, Bikaner, it was observed that a person²⁴ was granted (October 2008) permission for construction of commercial building on a plot of 920 sqm with FAR of 1.75. The owner of building again submitted (September 2011) an application for increase in FAR to 2.10. The application was accepted (November 2011) by building construction committee on payment of betterment levy, but the Commissioner did not issue the order for additional FAR. Hence, the owner of the land constructed additional floors without depositing betterment levy fee of ₹ 18.23 lakh²⁵.

The Mayor referred (June 2014) the matter to the Compromise Committee of the councilors, which decided to regularise the unauthorised construction on payment of applicable betterment levy along with five *per cent* amount as penalty. The Compromise Committee reviewed (September 2014) its earlier decision and decided to regularise the construction on payment of composition money amounting to ₹ 0.06 crore only rather than recovery of betterment levy of ₹ 0.18 crore.

- A hotel firm²⁶ applied (January 2012) to M Corp, Bikaner for additional FAR of 0.52 over the permissible FAR of 1.33 on the plot of area 4,274.81 sqm. Scrutiny of records revealed that the Commissioner issued (October 2012) sanction for additional FAR without the recovery of betterment levy of ₹ 47.84 lakh²⁷ before issue of sanction.

22. ₹ 35,10,924 for excess FAR 603.90 sqm (0.45 x 1,341.99 sqm) at ₹ 5,813.75 per sqm (25 *per cent* of reserve commercial rate ₹ 23,255 per sqm)

23. ₹ 45,16,005 for excess FAR 776.78 sqm (0.48 x 1618.29 sqm) at ₹ 5,813.75 per sqm (25 *per cent* of reserve commercial rate ₹ 23,255 per sqm)

24. Narendra Jain Surendra Jain

25. ₹ 18,22,904 for excess FAR 708.40 sqm (0.77 x 920 sqm) at ₹ 2,573.27 per sqm (25 *per cent* of reserve commercial rate ₹ 10,293.10 per sqm)

26. Chiragdeen Hotels Private Limited

27. ₹ 47,83,681 for excess FAR 2,222.90 sqm (0.52 x 4,274.81 sqm) at ₹ 2,152 per sqm (₹ 200 per square feet i.e. ₹ 2,152 per sqm)

Hence, due to non-recovery of betterment levy at the time of granting permission for construction of building, M Corp was deprived of betterment levy worth ₹ 0.48 crore for additional FAR.

- Jaipur Development Authority (Jaipur Region Building) Bye-laws, 2010 and 2012 (revised) were applicable for construction of buildings in Jaipur city. The maximum permissible FAR was 2.25 (Bye-laws 2010) which was later raised to 3.75 (Bye-laws 2012). Additional FAR was permissible after payment of betterment levy.

Scrutiny of records of M Corp, Jaipur revealed that in two cases, betterment levy of total ₹ 2.33 crore was recoverable, however, only ₹ 2.19 crore was recovered. Thus, M Corp, Jaipur recovered less betterment levy of ₹ 0.14 crore²⁸.

It was further observed that M Corp, Jaipur issued permission for building construction in more than 365 cases for raising heights of the buildings above eight meters, but despite repeated reminders and pursuance for production of records, M Corp, Jaipur provided only 20-25 case files. M Corp, Kota also did not produce records related to multi storey building constructions.

- Building Bye-laws 2010 of M Corp, Udaipur provided standard FAR of 1.33 and betterment levy, equal to higher of 25 *per cent* of reserve price for commercial properties or ₹ 200 per square feet for excess FAR was recoverable for FAR more than 1.33.

Municipal Corporation, Udaipur issued permission (December 2014) to a firm²⁹ for construction of one hotel building for FAR 1.65 on a plot of area 942.56 sqm. The M Corp issued order without ensuring the recovery of betterment levy fee of ₹ 6.49 lakh³⁰ for additional FAR of 0.32 (3,313 square feet) over the standard FAR. The M Corp accepted the facts (August 2015).

4.1.3.2 Occupancy/Completion Certificate Fee

Rajasthan Building Regulation, 2010 (revised 2013) was applicable to the urban area of the State except Jaipur city. Jaipur Development Authority Building Bye-laws, 2010 (revised during 2012) applicable for Jaipur city provided that the owner of a building of more than 15 meter height, after completing the construction of the residential/commercial/institutional buildings would obtain an occupancy certificate from M Corp after payment of prescribed fee³¹.

28. Sidharth Kansal, Jaipur: ₹ 0.01 crore (recoverable: ₹ 0.60 crore – recovered: ₹ 0.59 crore) and Ajit Singh Bafna: ₹ 0.13 crore (recoverable: ₹ 1.73 crore – recovered: ₹ 1.60 crore)

29. Udai Regency Private Limited

30. ₹ 6,49,086 for excess FAR 301.62 sqm (0.32 x 942.56 sqm) at ₹ 2,152 per sqm (₹ 200 per square feet i.e. ₹ 2,152 per sqm)

31. At the rate of ₹ 10/₹ 20 per sqm for residential/commercial buildings in M Corp, Bikaner and at the rate of ₹ 15/₹ 30 per sqm for residential/commercial buildings in M Corp, Jaipur

- Scrutiny of records of two M Corps (Jaipur and Bikaner) revealed that completion certificates were not issued for 13 buildings during 2010-15. Thus, M Corps were deprived of fee amounting to ₹ 0.13 crore³².
- The M Corp was required to inspect the completed building work to check whether the construction work was executed as per approved map and then a completion certificate was to be issued. However, the M Corp, Jodhpur recovered completion certificate charges at the time of issuance of building construction permission.

Municipal Corporations, Ajmer and Kota did not provide requisite records/information though called for.

4.1.3.3 Fire No Objection Certificate Charges

Municipal Corporation, Jodhpur issued (September 2010) orders for recovery of fee for issue of fire No Objection Certificate (NOC) at prescribed rates of ₹ one per square feet on built up area for residential buildings and ₹ 1.50 per square feet for commercial building of height upto 12 meters and ₹ two per square feet for commercial building of height above 12 meters. Annual renewal fee for the fire NOC was 50 per cent of the prescribed rates.

It was observed that M Corp did not recover fire NOC fee amounting to ₹ 0.06 crore from eight buildings (residential: 4,69,481 square feet and commercial: 44,411 square feet). Further, annual renewal fee amounting to ₹ 0.03 crore was also not recovered from these eight buildings. Thus, an amount of ₹ 0.09 crore was outstanding (*Appendix-XIV*).

4.1.3.4 Fire Cess

To make available the fire extinguishing facility and rejuvenating the fire brigade, GoR issued (October 2013) order for recovery of fire cess at the prescribed rates³³.

- It was observed that ₹ 0.17 crore was recoverable from five buildings in Udaipur city but M Corp recovered only ₹ 0.12 crore from these buildings. Thus, ₹ 0.05 crore was outstanding (*Appendix-XV*). On being pointed out, it was intimated (August 2015) that the due amount for fire cess would be recovered.
- In M Corp, Jaipur, fire cess at the prescribed rates were recovered while M Corps, Ajmer and Kota did not produce such records.

32. M Corp, Jaipur (10 cases) - Ajit Singh Bafna: ₹ 1.37 lakh, Keshav Dev Sharma: ₹ 1.35 lakh, Prem Kargo Movers: ₹ 0.54 lakh, Surendra Kumar Vaidya: ₹ 0.45 lakh, Sunita Jagtani: ₹ 0.94 lakh, Sidharth Kansal: ₹ 0.78 lakh, S.K. Bakliwal: ₹ 0.42 lakh, Atul Malhotra: ₹ 0.60 lakh, R.U. Oswal: ₹ 0.82 lakh and Mango People: ₹ 2.12 lakh
M Corp, Bikaner (three cases) - M/s Chiragdeen Hotels: ₹ 2.65 lakh, M/s K A Projects: ₹ 0.26 lakh and M/s Kashi Devi: ₹ 0.36 lakh

33. At the rate of ₹ 100 per sqm of FAR area for building of height from 15 meter and upto 40 meters and ₹ 150 per sqm of FAR area for building of height from 40 meter and upto 60 meters

4.1.4 Revenue from Assets

Revenue from assets of M Corps, include rent from shops, community centers, dairy booths, parking charges etc. Short comings noticed in assessment and collection of revenue from assets etc. are discussed below:

4.1.4.1 Rent of Shops

- Municipal Corporation, Ajmer have 1,393 properties (leased property: 347, shops: 822 and *chabutaras*: 224) and rented to various persons. The outstanding rent was ₹ 0.87 crore (₹ 0.42 crore on leased properties, ₹ 0.06 crore on 822 shops and ₹ 0.39 crore on 224 *chabutaras*) as of March 2015.
- Seventy shops were rented to various persons in Hawa Mahal Zone (East) of M Corp, Jaipur. Scrutiny of 53 files which were made available to Audit revealed that rent amounting to ₹ 0.73 crore was outstanding for recovery from the occupants as of March 2015. These shops were rented during 1969 and in one of the cases the rent has not been recovered since allotment.
- Municipal Corporation, Kota rented 952 properties (land, shops, platforms and kiosks) to various persons. A rent of ₹ 0.27 crore was outstanding on these properties as of March 2015.
- Seven hundred eighty nine shops were rented to various persons by M Corp, Jodhpur. The rent of ₹ 0.26 crore was outstanding as of March 2015.
- Seventy five shops and 99 kiosks were rented to various persons by M Corp, Udaipur. M Corp recovered rent from 71 shops and 77 kiosks, however rent amounting to ₹ 0.08 crore (four shops: ₹ 0.03 crore and 22 kiosks: ₹ 0.05 crore) could not been recovered from the occupants.

Reasons regarding non-recovery of outstanding rent from tenants were not provided by any M Corps.

4.1.4.2 Rent of Dairy Booths

Local Self Government Department prescribed (June 2005) rates for recovery of monthly rent from the dairy booths operating in urban area at the rates³⁴ of ₹ 400 to ₹ 850 per month

It was observed that:

- Five hundred ninety seven dairy booths of Rajasthan Cooperative Dairy Federation Limited (RCDF) were operating in municipal area of Jaipur. The outstanding rent for the period prior to 2010-11 was ₹ 2.82 crore. M Corp raised a demand of ₹ 4.63 crore (including interest amounting ₹ 2.87 crore payable for delay in payment of rent) towards the rent of these dairy booths for

34. Category-A (milk sale upto 100 liters): ₹ 400 per month, category-B (milk sale from 101 to 300 liters): ₹ 600 per month, category-C (milk sale from 301 to 1000 liters): ₹ 750 per month and category-D (milk sale more than 1000 liters): ₹ 850 per month

the period 2010-15. The rent to be deposited by RCDF after collecting it from the individuals. However, RCDF deposited only ₹ 1.40 crore with M Corp and balance rent amounting ₹ 6.05 crore remained outstanding as of March 2015.

- Though, Local Self Government Department prescribed (June 2005) rates for recovery of rent from the dairy booths operating in urban area, even then M Corps, Bikaner, Jodhpur, Kota and Udaipur were recovering the rent at different rates³⁵. M Corps, Jodhpur and Bikaner did not forward reasons for recovery of rent at different rates. M Corps, Kota and Udaipur accepted the facts (July-August 2015) and agreed to recover the rent at the prescribed rates.

4.1.5 Other Revenues

Revenue from acts and rules included road cutting charges, revenue from cattle houses and regularisation of *Kutchhi basti* etc. Scrutiny of records relating to revenue income from acts and rules in six M Corps the following Audit observations emerged:

4.1.5.1 Road Cutting Charges

Scrutiny of records of M Corps revealed that Public Health Engineering Department (PHED), Jaipur Vidhyut Vitran Nigam Limited, Jodhpur Vidhyut Parsaran Nigam Limited and Bharti Hexacom Limited made road cuts in the municipal roads without depositing road cutting charges to M Corps, Jaipur, Udaipur and Jodhpur. M Corps issued (February 2013 to March 2015) demand notices to these companies for depositing of road cutting charges amounting to ₹ 5.77 crore³⁶ but the same was not recovered from the users.

4.1.5.2 Share of Sale of Land

Government of Rajasthan directed (April 2010) that Rajasthan Housing Board (RHB), Development Authorities (DAs)³⁷ and Urban Improvement Trusts (UITs) would transfer 15 per cent share of sale of land and buildings to concerned M Corps on quarterly basis. Further, RHB, DAs and UITs would not adjust expenditure made on development works against the share of sale of land.

Short comings noticed by Audit in transfer of share of sale of land and buildings are discussed below:

- Urban Improvement Trusts, Kota sold land worth ₹ 470.76 crore during 2010-15, M Corp, Kota was entitled to ₹ 70.61 crore as its share. On enquiry

35. M Corps, Bikaner (88 booths): ₹ 500 per month, Jodhpur (276 booths): ₹ 800 per month, Kota (118 booths): ₹ 500 per month and Udaipur (25 booths): ₹ 300 per month and (40 booths): ₹ 600 per month

36. M Corp, Jaipur: ₹ 5.22 crore (Public Health Engineering Department: ₹ 4.60 crore, Jaipur Vidhyut Vitran Nigam Limited: ₹ 0.54 crore and Bharati Hexacom Limited: ₹ 0.08 crore), Jodhpur: ₹ 0.41 crore (Jodhpur Vidhyut Prasaran Nigam Ltd) and Udaipur: ₹ 0.14 crore (Public Health Engineering Department)

37. Ajmer Development Authority, Jaipur Development Authority and Jodhpur Development Authority

by audit, UIT, Kota intimated (July 2015) that it had transferred ₹ 10 crore to M Corp, Kota (2010-11: ₹ five crore and 2013-14: ₹ five crore) and adjusted ₹ 103.70 crore on account of development works executed by it. Thus, UIT, Kota did not remit an amount of ₹ 60.61 crore to M Corp, Kota and unauthorisedly adjusted ₹ 103.70 crore against expenditure made on development works contrary to directions of GoR.

Municipal Corporation, Kota intimated (July 2015) that UIT did not inform them about their entitled amount of share. Further no consent for adjustment of expenditure made on development works was given to UIT.

- Urban Improvement Trusts, Bikaner sold land worth to ₹ 111.06 crore during 2010-15, thus, M Corp, Bikaner was entitled of ₹ 16.66 crore as its share from the sale proceed. It was, however, observed that M Corp received only ₹ 14.67 crore. On being pointed out by Audit, M Corp, Bikaner stated that demand for transfer of its entitled amount had been raised to UIT, Bikaner. Thus, M Corp could not receive its entitled amount of ₹ 1.99 crore.

4.1.5.3 Contracts for Parking Places

Municipal Corporation, Kota handed over parking place of Nayapura Bus Stand to a Sehakari Samiti³⁸ for the period 2013-14 against the contract amount of ₹ 0.08 crore. The contract period was extended for the period April to June 2014 by enhancing the contract amount by 10 *per cent*. It was, however, observed that contract amount of ₹ 0.02 crore for the extended period was not recovered from the firm. M Corp, Kota accepted the facts (July 2015).

4.1.6 Other Observations

- A firm³⁹ deposited ₹ 0.02 crore for installation of five mobile towers (₹ 30,000 each) during June 2014-March 2015 through Demand Drafts (DDs) with Zone office, Sanganer of M Corp, Jaipur. The DDs were valid for three months from date of issue.

During scrutiny of records (August 2015) of zone office, Sanganer it was revealed that the DDs were not deposited in the bank account of M Corp, Jaipur. Thus, the amount of registration fee deposited by the mobile tower company was not realised. The time barred DDs were still lying in the files of zonal office.

- Rajasthan Municipalities Act, 2009 provided that revenue realised by M Corps should be credited in Bank account immediately. It was observed that cheques amounting to ₹ 0.65 crore received from a firm⁴⁰ were deposited by M Corp, Ajmer in the bank account with a delay of two to 10 months. This resulted in deprival of interest (at the rate of four *per cent*) amounting to ₹ 0.01 crore. M Corp, Ajmer accepted (July 2015) the facts.

38. M/s Jai Hind Purve Sainik Bahu Udaishiya Sehkari Samiti

39. Viom Networks Limited

40. M/s Pioneer Publicity

- Municipal Corporations, Ajmer, Jaipur, Kota, Jodhpur and Udaipur not produced the records⁴¹ even after recurring requests made by Audit.

The matter was referred to GoR (December 2015), reply was awaited (February 2016).

4.1.7 Conclusion and Recommendations

Municipal Corporations could not achieve their targets of collection of non-tax revenue consistently during 2010-15 and their achievement was lagging behind by a substantive margin, Municipal Corporation, Udaipur collected more revenue than the target during the period.

The entire system of collection of non-tax revenue such as assessment, demand and collection of the revenue was found in a bad shape resulting in huge arrears/losses of revenue. Even the relevant records related to non-tax revenue are not being properly maintained.

The rates for registration and annual utilisation charges were reduced by M Corp, Bikaner, which was not in consonance with the provision of Rajasthan Municipalities Act. M Corps, Ajmer, Bikaner and Kota could not recover registration and annual utilisation charges from identified marriage places. M Corps, Jodhpur, Udaipur and Jaipur did not provide the complete records of marriage places to audit.

Municipal Corporations, Jodhpur and Kota were deficient in recovery of license fee from Hotel, Restaurant, Bakery and Sweet Shops. M Corps Ajmer, Bikaner, Jodhpur and Kota did not recover the registration and annual charges from the mobile towers companies resulting in revenue loss. There was mismatch between information provided by zonal offices and head office of M Corp, Jaipur. Further, M Corp, Jodhpur did not maintain proper records relating to unipoles advertisement sites allotted to the contractors and M Corp, Bikaner did not finalise the bids for unipoles depriving them of revenue.

There were cases of non/partial recovery of betterment levy in all the M Corps. All the M Corps did not recover rent from properties rented to tenants. M Corp, Jaipur, Jodhpur and Udaipur did not recover road cutting charges from mobile and electricity distribution companies.

Thus, Audit could conclude that non-tax revenue was a completely neglected area though having good potential for collection of revenue and improving the financial position of the Municipal Corporations.

Municipal Corporations should evolve an effective and efficient mechanism to recover non-tax revenue from the defaulters duly following the provisions laid down.

41. M Corp: Ajmer (Building construction permission), Jaipur (building construction permission, mobile towers, marriage places, hotel, restaurant and advertisement), Kota (marriage places and building construction permission) and Udaipur (hotel restaurant)

Municipal Corporations were entitled of 15 *per cent* share of sale of land and buildings by RHB, DAx and UITs on quarterly basis. M Corps, Bikaner and Kota did not receive their share from respective UITs.

Municipal Corporations should take effective measures to receive their share of sale of land and buildings from other authorities.

4.2 Short Realisation of Revenue

Non recovery of conversion charges for change of land use from agricultural land to non-agricultural purposes resulted in short realisation of revenue of ₹ 0.64 crore by MC, Sirohi

Rule 8 of Rajasthan Township Policy, 2010 stipulates that before issue of *patta* to the developer or his nominee, conversion charges shall be deposited. Conversion charges levied for conversion of agricultural land into non-agricultural purposes for residential or other purposes. Different zone-wise charges are fixed for each town of Rajasthan. After conversion charge the layout plan shall be released. As per notification issued (September 2012) by the Local Self Government Department, the rate of conversion charges on actual land area of *pattas* was ₹ 60 per square yard (sqyd) for group housing/flats having land 5,000 sqyd or more for residential purposes and ₹ 360 per sqyd for land having more than 200 sqyd for commercial purposes.

Test check (September 2014) of records of the Municipal Council (MC), Sirohi for the period 2012-14 revealed that the MC, Sirohi issued orders for conversion of land from agricultural to non-agricultural purposes in nine cases during the period December 2012 to September 2013 as given in **Table 4.2** below:

Table 4.2

Name of Scheme		Total area of the			Conversion charges to be recovered on total area of approved plan (₹ in lakh)	Conversion charges recovered		Short recovery of conversion charges (Col.6-Col.8)
		Approved plan	Plots	Public facilities		Area of plots (in sqyd)	Amount (₹ in lakh)	
		(in sq yd)						
1	2	3	4	5	6	7	8	9
Abhay Nagar-A	Residential	23,322.00	13,991.00	9,331.00	13.99	13,912.00	6.18	7.81
Abhay Nagar-B	Residential	14,497.46	8,328.71	6,168.75	8.70	6,619.92	2.69	6.01
Abhay Nagar -C	Residential	22,584.11	11,229.25	11,354.86	13.55	9,239.05	3.91	9.64
Ahinsa Nagar	Residential	8,109.23	4,475.56	3,633.67	4.87	4,919.91	1.88	2.99
	Commercial	444.44	444.44		1.60	444.44	1.07	0.53
Ahinsa Nagar-A	Residential	6,936.66	4,150.00	2,786.66	4.16	4,174.95	1.67	2.49
Ahinsa Nagar-B	Residential	7,056.33	4,227.78	2,828.55	4.23	4,066.64	1.63	2.60
Nishta Enclave	Residential	22,961.06	13,688.31	9,272.75	13.78	6,697.86	3.11	10.67
Shiv Vatika	Residential	11,242.39	6,745.44	4,496.95	6.75	4,455.89	1.78	4.97
Balaji Residency IA	Residential	39,827.77	19,338.60	20,489.17	23.90	18,214.61	7.42	16.48
Total		1,56,981.45	86,619.09	70,362.36	95.53	72,745.27	31.34	64.19

Thus, MC, Sirohi had recovered conversion charges of ₹ 0.32 crore for the area of 72,745.27 sqyd land of plots for which *pattas* have been issued leaving areas of public facilities of 70,362.36 sqyd, whereas the conversion charges of ₹ 0.96 crore should have been recovered for the total area of the approved plan of 1,56,981.45 sqyd. This resulted in short realisation of conversion charges of ₹ 0.64 crore.

The State Government stated (August 2015) that conversion charges on actual land area of *pattas* were recovered at the rate of conversion charges applicable for group housing/flats having land 5,000 sqyd or more for residential purposes as per notification issued (September 2012) by the Local Self Government Department. It was further stated that no reference regarding recovery of conversion charges on land area of public facilities was included in any circular issued by Government. The reply is not convincing as conversion charges was recoverable on total land area at the applicable rate of conversion charges for group housing/flats having land 5,000 sqyd or more for residential purposes mentioned in notification issued in September 2012.

4.3 Irregular Retention of Urban Assessment (Ground Rent)

Irregular retention of entire urban assessment (ground rent) by Municipal Corporation, Jaipur in disregard to rules resulted in non-crediting of Government revenue of ₹ 22.83 crore to the Consolidated Fund of the State

Rule 7 (4) of the Rajasthan Municipalities (Disposal of Urban Land) Rules, 1974 provides that urban assessment (ground rent) deposited with the Municipal Board by 31 March each year is to be credited to the Consolidated Fund of the State, provided that 10 *per cent* of the collected amount may be retained by the Board by way of service charges for collection of urban assessment or ground rent provided that recovery made was at least 50 *per cent* of total amount due in a year.

Rule 5 and 6 of General Financial and Account Rules (GF&AR), Part-I provides that all moneys received by or on behalf of Government either as dues of Government or for deposit, remittance or otherwise shall be credited into the Consolidated Fund of the State and/or Public Account of the State without delay.

Test check of the records of the Municipal Corporation (M Corp), Jaipur for the year 2012-13 revealed (April 2015) that M Corp, Jaipur collected ground rent of ₹ 25.37 crore⁴² during the period 2010-14. Of this, an amount of ₹ 22.83 crore⁴³ was to be credited to the Consolidated Fund of the State after

42. 2010-11: ₹ 4.54 crore, 2011-12: ₹ 4.19 crore, 2012-13: ₹ 8.20 crore and 2013-14: ₹ 8.44 crore

43. 2010-11: ₹ 4.09 crore (₹ 4.54 crore – ₹ 0.45 crore), 2011-12: ₹ 3.77 crore (₹ 4.19 crore – ₹ 0.42 crore), 2012-13: ₹ 7.38 crore (₹ 8.20 crore - ₹ 0.82 crore) and 2013-14: ₹ 7.59 crore (₹ 8.44 crore – ₹ 0.85 crore)

retaining ₹ 2.54 crore (10 per cent of ₹ 25.37 crore) as service charges. However, M Corp, Jaipur retained the entire ground rent in their accounts without crediting any amount to the Consolidated Fund of the State.

On being pointed out (April 2015), the Commissioner (Revenue), M Corp, Jaipur accepted the facts and stated (April 2015) that due to their poor financial position, the ground rent was not deposited in the Consolidated Fund of the State.

Thus, M Corp, Jaipur disregarding the Rule 7(4) *ibid* and Rule 5 and 6 of GF&AR retained Government revenue of ₹ 22.83 crore which should have been credited to the Consolidated Fund of the State.

The matter was referred (July 2015) to the State Government; reply awaited (February 2016).

4.4 Short Realisation of Revenue

Municipal Council, Bundi recovered conversion fee on residential rates instead of commercial rates for conversion of land use from agricultural to commercial purpose which led to short realisation of revenue ₹ 0.66 crore

The State Government in Urban Development and Housing Department notified (May 2012) the “Rajasthan Urban Areas (Permission for use of Agricultural Land for Non-agricultural purposes and Allotment) Rules, 2012. As per Para 2(iii) of notification use of any land or premises for the purpose of business and commercial activity including godown comes under category of ‘commercial purposes’. Further, the State Government notified (September 2012) the rates of premium for conversion of land from agricultural to non-agricultural purposes. The premium rates for exceeding 200 square yard (sqyd) were fixed as ₹ 90 per sqyd and ₹ 360 per sqyd for conversion of land from agricultural to residential and commercial purposes respectively.

Scrutiny (July 2014) of records for the period 2013-14 of MC, Bundi revealed that the two land owners applied (October 2012) for conversion of 24,698.55 sqyd land from agricultural to non-agricultural purposes (for personal Godown purposes) and MC, Bundi charged (November 2012 and April 2013) conversion fee of ₹ 0.23 crore⁴⁴ at the rate of ₹ 90 per sqyd (for warehousing project) and issued land conversion orders in October 2013. According to the rules in force, the conversion rate shall be ₹ 360 per sqyd for land conversion for commercial purposes (personal business godown). Thus, imprudent decision of the MC, Bundi to recover the conversion fee at the rate of ₹ 90 per sqyd instead of ₹ 360 per sqyd in contravention of notification (May and

44. Shri Brijraj Nyati: ₹ 0.15 crore and Shri Rajesh Kumar Nyati : ₹ 0.08 crore = Total ₹ 0.23 crore

September 2012) of the State Government resulted in short realisation of revenue ₹ 0.66 crore (to be recovered ₹ 0.89 crore⁴⁵ – recovered ₹ 0.23 crore).

On being pointed out (April 2015), the Commissioner, MC, Bundi stated (April 2015) that the conversion fee was calculated according to State Government notification (September 2012), the premium rate for warehousing project was fixed as minimum premium rate of residential purpose (₹ 90 per sqyd) on land upto five acre and extra 25 per cent on land in addition to five acre for the conversion of land for the purpose of warehousing projects. The reply is not convincing as the warehouse is public utility activity, whereas godowns constructed for personal use/personal business is not covered under the umbrella of warehouse.

The matter was referred (July 2015) to the State Government; reply awaited (February 2016).

4.5 Funds Lying Idle

Non-disbursement of financial assistance to the BPL families and other category families equivalent to BPL families resulted in ₹ 2.23 crore lying idle with Urban Local Bodies

The State Government issued (June 2013) order for lump-sum payment of ₹ 1,500 as financial assistance to Below Poverty Line (BPL) families and other category families equivalent to BPL families for purchase of two sarees and one blanket for each family. The Chief Executive Officer, Zila Parishad and Additional District Collector (Administration) were appointed as Nodal Officers for implementation of the Scheme in rural and urban areas respectively. The financial assistance was to be disbursed during the period 27 June 2013 to 12 July 2013 by the Urban Local Bodies (ULBs).

Test check of records of the M Corps, Bikaner (September 2014), Udaipur (January 2015), MC, Hindauncity (July 2014) and information collected (April 2015) revealed that the State Government released (June 2013) ₹ 5.74 crore in Personal Deposit (PD) Accounts/Saving Account of these ULBs for disbursement of the financial assistance. The position of released, disbursed and unspent funds are given in the **Table 4.3** below:

45. Shri Brijraj Nyati (16,324.44 sqyd x ₹ 360 per sqyd) : ₹ 0.59 crore and Shri Rajesh Kumar Nyati (8,374.11 sqyd x ₹ 360 per sqyd): ₹ 0.30 crore (Total ₹ 0.89 crore)

Table 4.3

(₹ in crore)

Name of Municipal Body	Funds released by GoR	Total number of Identified families	Funds disbursed		Unspent fund	
			Number of families	Amount	Number of families	Amount
Bikaner	3.41	22,760	14,161	2.12	8,599	1.29
Hindauncity	0.82	5,457	3,636	0.55	1,821	0.27
Udaipur	1.51	10,290	5,601	0.84	4,689	0.67
Total	5.74	38,507	23,398	3.51	15,109	2.23

From the above table it is seen that municipal bodies disbursed financial assistance amounting to ₹ 3.51 crore to 23,398 BPL families and other category families equivalent to BPL families. An unspent amount ₹ 2.23 crore was lying idle in Saving Bank Account/PD Account of the local bodies concerned.

The State Government while accepting the facts and stated (August 2015) that in respect of M Corp, Udaipur that efforts were made for disbursing the financial assistance to eligible beneficiaries by organising special camps but failed to achieve targets. However, the Commissioner, M Corp, Bikaner and MC, Hindauncity also organised camps though additional BPL families did not apply for financial assistance. Thus, unspent funds were lying with municipalities.

Municipal Corporations concerned should have refunded the unspent fund to the State Government so as to utilize the funds for the implementation of other schemes.

Thus, failure on the part of the M Corps, to identify the targeted the beneficiaries resulted in non-disbursement of financial assistance of ₹ 2.23 crore to the BPL families and other category families equivalent to BPL families.

4.6 Unauthorised Execution of Work Prior to Finalisation of Tender

Work of ₹ 0.75 crore executed by the Municipal Corporation, Jaipur prior to finalisation of tender was unauthorised and in violation to the provisions of PWF&AR

Rule 348 (a) of the Public Works Financial and Accounting Rules (PWF&AR) provides that no work shall be commenced unless a properly detailed design and estimates have been sanctioned, allotment of funds made and orders for its commencement issued by the competent authority.

The State Government (Local Self Government Department) issued (May 2013) directions to set up flood control rooms prior to 25 June 2013 at the level of all local bodies to safeguard public and their properties from probable

losses caused by flood and heavy rainfall during south west monsoon 2013 and to make necessary arrangements of sand bags/empty bags (bags) and other supporting material in control room to deal with any emergent situation. Accordingly, M Corp, Jaipur invited (June 2013) tender for supply of labour, bags and other necessary arrangements at an estimated cost of ₹ 47.68 lakh at flood control room, Banipark with a completion period of three months. After receiving tenders (15 July 2013) and negotiation held (16 August 2013) with lowest tenderer firm 'A'⁴⁶, the M Corp, Jaipur issued (23 September 2013) ex-post facto administrative and financial sanction of ₹ 0.54 crore and issued work order (27 September 2013) in favour of firm 'A' with stipulated date of commencement and completion as 20 July 2013 and 19 July 2014 respectively. The firm 'A' completed the work costing ₹ 0.75 crore as of September 2013.

Test check of the records of the M Corp, Jaipur (February 2015) for the year 2013-14 revealed that the M Corp, Jaipur made (1 November 2013) payment of ₹ 0.75 crore to firm 'A' for essential arrangements at flood control at Jaipur such as labours, sand bags and other supporting material (PVC pipe, wire fencing, Duck Beg etc.) during the period 20 July 2013 to 30 September 2013 before finalisation of tender. The act of the M Corp, Jaipur to commence work prior to finalisation of tender and issue of work order was against Rule 348 (a) *ibid* and conducting of negotiation and finalisation of tender were merely a formality. Moreover, according to comparative statement there was provision of 4,500 labours for flood control whereas labour was engaged to the tune of 12,045. Authentic records like attendance register of labour, work executed by labour and use of sand bags were not made available to Audit.

Thus, work of ₹ 0.75 crore shown executed by the M Corp, Jaipur prior to finalisation of tender was unauthorised and in violation to the provision of Rule 348(a) *ibid*.

The matter was referred (September 2015) to the State Government; reply awaited (February 2016).

4.7 Avoidable Extra Expenditure

Allotment of works without availability of land resulted in avoidable extra expenditure of ₹ 0.29 crore on execution of works

Rule 348 of PWF&AR provides that no work shall be commenced unless a properly detailed design and estimates have been sanctioned, allotment of funds made and orders for its commencement issued by the competent authority. Rule 351 *ibid* also stipulates that no work should be commenced on land which has not been duly made over by the responsible civil officer.

The State Government issued (October 2009) administrative and financial sanction for the works of revitalisation of Ajmeri Gate in Jaipur city under

46. M/s Chhote Lal Vrendra Kumar Jain, Jaipur

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for ₹ 3.44 crore⁴⁷. Subsequently, the M Corp, Jaipur issued (October 2009) work order to contractor 'A'⁴⁸ with stipulated dates of commencement and completion as 5 October 2009 and 4 October 2010 respectively.

Scrutiny of the records of the M Corp, Jaipur (April 2015) for the period 2013-14 revealed that contractor 'A' did not maintain pro-rata progress of the work as complete lay out was not provided to the contractor against the work order amount of ₹ 3.44 crore. However, contractor 'A' merely executed work of ₹ 0.63 crore⁴⁹ against which payment was made (November 2010) through first running account bill. Subsequently, contractor 'A' left the work incomplete after a period of more than two years. The contractor 'A' was asked (March 2013) to execute remaining the works and granted provisional time extension upto 30 November 2013, but he refused to execute the work (April 2013).

It was further, noticed that period of JNNURM mission was likely to expire in March 2014 and M Corp, Jaipur was in haste to utilise the funds received from Government of India under JNNURM. Further, part of the work (i.e. heritage works) was handed over to another agency⁵⁰. Revised estimates of ₹ 2 crore⁵¹ for execution of left over works and new works were approved (March 2013) by Local Self Government Department.

Ultimately after inviting short term tender (May 2013), State Government approved (September 2013) revised work estimates of ₹ 3.98 crore for execution of left over works and new works⁵². The M Corp, Jaipur allotted (October 2013) the work to contractor 'B' at a cost of ₹ 3.35 crore⁵³ (67.51 per cent above G-schedule of ₹ 2 crore) without rescinding the contract agreement of previous contractor 'A' with the stipulated dates for commencement and completion of revised works were 4 October 2013 and 3 June 2014 respectively. As per second Running Account Bill (November 2014), contractor 'B' executed work of ₹ 1.37 crore⁵⁴ as of May 2014 and execution of remaining works was not possible as works on the proposed work sites were already executed by Jaipur Development Authority (JDA). This indicates that distinguish areas were not bifurcated and there was lack of co-ordination among the agencies viz. JDA and M Corp.

Thus, before taking up the works availability of land was not ensured on both the occasions which not only resulted in works remaining start-up despite

47. Civil works: ₹ 0.95 crore (at 32 per cent above G-schedule), road works: ₹ 2.08 crore (at 42 per cent above G-schedule), heritage works: ₹ 0.26 crore (at 25 per cent above G-schedule) and non-BSR item: ₹ 0.15 crore

48. M/s Kaviraj Constructions

49. Civil works: ₹ 0.14 crore and Road works: ₹ 0.49 crore

50. Amer Development & Management Authority

51. Civil works: ₹ 60.95 lakh, road works: ₹ 138.90 lakh and non-BSR item: ₹ 0.30 lakh (say ₹ 2 crore)

52. Cement Concrete road in Indira Bazar and Nehru Bazar

53. M/s Padmawati Enterprises - civil works: ₹ 102.10 lakh, road works: ₹ 232.67 lakh and non-BSR item: ₹ 0.45 lakh (say ₹ 3.35 crore)

54. G-Schedule work of ₹ 0.82 crore plus Tender Premium 67.51 per cent (i.e. ₹ 0.55 crore) = ₹ 1.37 crore

incurring expenditure of ₹ 2 crore and lapse of 42 months for schedule date of completion and change of contractor in resulting an extra expenditure of ₹ 0.29 crore⁵⁵.

On being pointed out (April 2015), Executive Engineer, M Corp, Jaipur stated (June 2015) that due to dispute on execution of works, a high level committee consisting members of Superintending Engineer, Executive Engineer and Assistant Accounts Officer has been constituted (August 2013) to ascertain the reasons for delay, the report thereof was still awaited (June 2015). However, the fact remains that allotment of works without due observance of availability of land/site as per provisions of PWF&AR, lack of co-ordination among the agencies viz. JDA and M Corp resulted in avoidable extra expenditure of ₹ 0.29 crore on execution of works and non-achievement of intended objective of even after lapse of more than five years.

The matter was referred (October 2015) to the State Government, reply awaited (February 2016).

4.8 Imprudent decision led to procurement of fodder on higher rates

Imprudent decision of Municipal Corporation, Jaipur by giving supply offer to non-participating firm with retrospective effect instead of inviting fresh tenders for procurement of fodder, resulted in avoidable extra expenditure of ₹ 0.34 crore

Rule 73(2) of the Rajasthan Transparency in Public Procurement Rules (RTPPR), 2013 provides that repeat orders for extra items or additional quantities may be placed, if it is provided in the bidding documents, on the rates and conditions given in the contract if the original order was given after inviting open competitive bids. The limit of repeat order shall be (a) 50 per cent of the quantity of the individual items and 50 per cent of the value of original contract in case of works, and (b) 50 per cent of the value of goods or services of the original contract.

Clause 10 of the 'Special Conditions for the Contract' annexed with Notice Inviting Tenders of Municipal Corporation (M Corp), Jaipur specified that instead of executing agreement for fodder supply with single firm, a panel of three or more tendering firms which agree to supply fodder at minimum rates shall be prepared.

Test check (March 2015) of the records related to Hingonia Gou-shala of M Corp, Jaipur for the period 2013-14 revealed that M Corp, Jaipur invited (November 2011) tender for supply of fodder for the year 2012-13. Seven firms participated in the tender process (29 December 2011). Firm 'A'⁵⁶ quoted the lowest rates and none of the remaining six tenderers agreed to

55. G-Schedule work ₹ 0.82 crore x 35.51 per cent = ₹ 0.29 crore

56. M/s Ravi Service, Jaipur

supply fodder at this rate. Hence, M Corp, Jaipur refunded the earnest money of remaining six tenderers.

Municipal Corporation, Jaipur finalised tender in favour of firm 'A' and issued order (7 February 2012) for supply of of *Khakhla* at ₹ 497 per quintal and *Kutti* at ₹ 595 per quintal for the period 2012-13 (7 February 2012 to 6 February 2013). Firm 'A' supplied fodder amounting to ₹ 2.90 crore for the period 7 February 2012 to 6 February 2013.

Meanwhile, the M Corp, Jaipur gave counter offer (26 December 2012) to another firm 'B'⁵⁷ for supply of fodder at approved rates (*Khakhla* at ₹ 497 per quintal and *Kutti* at ₹ 595 per quintal) of firm 'A' inspite of the fact that M Corp, Jaipur during the process of finalising the tender had already refused (20 December 2011) to accept the offer given by firm 'B' as it submitted the tender after the expiry of time of receipt of tenders. M Corp, Jaipur instead of initiating action for inviting fresh tenders or to extend the term of agreement of firm 'A' in terms of Rule 73(2) *ibid.* executed (22 February 2013) agreement with firm 'B' with retrospective effect i.e. for the period from 7 February 2012 to 6 February 2013 extendable for further period with the consent of parties concerned.

There was no justification for executing an agreement with firm 'B' and that also for a period which had already expired. Further, the M Corp, Jaipur extended the validity period of the contract upto May 2013 (upto the off season of fodder in the market) at their own without obtaining consent of firm 'B'.

Scrutiny by Audit further revealed that Firm 'B' started the supply of *Khakhla* and *Kutti* from 6 February 2013. It continued the supply at original rates upto 26 April 2013. Subsequently it refused to supply *Khakhla* at the contractual rates due to abnormal increase in rates and offered an increased rate of ₹ 735 per quintal. To consider this offer M Corp, Jaipur constituted (17 June 2013) a committee to conduct a survey (27 June 2013) for establishing market rates for *Khakhla*. The Committee recommended (20 January 2014) the rates of ₹ 730 per quintal for purchase of *Khakhla*. So, the M Corp, Jaipur purchased (between 1 June 2013 to 25 July 2013) 14,476.85 quintal *Khakhla* at rate of ₹ 730 per quintal and paid (upto September 2014) ₹ 1.06 crore to firm 'B', which was not in order as the contractual rate was ₹ 497 per quintal. This resulted in extra expenditure of ₹ 0.34 crore (calculated at the rate of ₹ 233 per quintal i.e. difference of ₹ 730 per quintal and ₹ 497 per quintal) on procurement of fodder because fresh tenders were not invited.

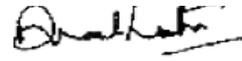
Municipal Corporation, Jaipur accepted the facts and stated (April 2015) that fresh tenders could not be invited in time for the year 2013-14 due to delay in new tender process and therefore, supply order was given to firm 'B'.

Reply is not convincing as the M Corp, Jaipur neither initiated timely action to invite fresh tenders for procurement of fodder for the year 2013-14 nor extended the existing agreement with firm 'A'. Further, an

57. M/s Dipendra Saini

agreement executed with firm 'B', whose offer was initially rejected and later supply from which was taken at higher rates, was not in order.

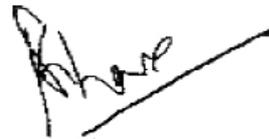
The matter was referred (October 2015) to the State Government; reply awaited (February 2016).



JAIPUR,
The 17 May 2016

(DIVYA MALHOTRA)
Principal Accountant General
(General and Social Sector Audit), Rajasthan

Countersigned



NEW DELHI,
The 18 May 2016

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

Appendices

Appendix-I

(Refer paragraph 1.3)

Details of devolution of 29 Subjects listed in the Constitution to PRIs as of August 2015

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

Source: Information provided by RD&PRD
** Devolved but withdrawn temporarily*

Appendix-II

(Refer paragraph 2.1.5.5)

Statement showing the details of Target of Institutional and Capacity Building

Particular	Batch -I (2009-10)			Batch -II (2010-11)			Batch -III (2011-12)			Batch -IV(2012-13)			Total		
	No. of Training	Days	Mandays	No. of Training	Days	Mandays	No. of Training	Days	Mandays	No. of Training	Days	Mandays	No. of Training	Days	Mandays
DWDU	3,290	9,411	15,345	4,238	11,995	19,058	4,236	12,115	19,119	2,172	6,548	10,357	13,936	40,069	63,879
PIA	3,821	11,233	13,887	5,147	15,382	19,155	4,923	15,121	19,025	2,644	8,467	10,829	16,535	50,203	62,896
WDF	4,652	17,018	48,836	6,095	23,119	66,263	5,891	22,359	67,053	2,835	11,342	31,819	19,473	73,838	2,13,971
SHG	4,351	8,632	2,67,708	5,147	9,907	3,38,184	4,069	7,265	3,01,434	1,890	3,151	1,41,769	15,457	28,955	10,49,095
UG	1,760	8,297	3,03,741	2,477	11,744	4,30,286	1,988	10,055	3,87,313	787	5,041	2,11,865	7,012	35,137	13,33,205
WC	1,884	6,183	2,20,129	2,419	8,009	3,01,221	2,248	9,045	2,98,943	1,322	4,754	1,79,206	7,873	27,991	9,99,499
Total	19,758	60,774	8,69,646	25,523	80,156	11,74,167	23,355	75,960	10,92,887	11,650	39,303	5,85,845	80,286	2,56,193	37,22,545

Achievement of Training and Capacity Building

Level of stakeholder	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total Mandays
SLNA	201	124	23	6,176	1,186	371	8,081
District	146	94	814	2,820	4,374	2,299	10,547
WDT	603	859	3,173	1,894	1,741	2,419	10,689
WC	40	5,838	2,10,561	2,59,231	2,47,693	2,59,137	9,82,500
Total	990	6,915	2,14,571	2,70,121	2,54,994	2,64,226	10,11,817

Appendix-III

(Refer Paragraph 2.1.6)

(A) Shortfall meetings conducted in WCDC, PIA and WC level

Sl. No.	District	Number of meetings held at WCDC Level			Number of meetings held at PIA Level				Number of meetings held at WC Level			
		Target	Achievement	Short-fall	No. of PIA	Target	Achievement	Short-fall	No. of WC	Target	Achievement	Short-fall
1.	Ajmer	12	3	9	9	108	2	106	127	1,524	2	1,522
2.	Alwar	12	7	5	10	120	27	93	174	2,088	54	2,034
3.	Bhilwara	-	-	-	-	-	-	-	142	1,704	842	862
4.	Bikaner	-	-	-	-	-	-	-	88	1,056	776	280
5.	Banswara	12	4	8	3	36	24	12	40	480	290	190
6.	Barmer	12	4	8	9	108	79	29	162	1,944	1,894	50
7.	Baran	12	12	0	-	-	-	-	118	1,416	1,176	240
8.	Churu	12	2	10	7	84	12	72	64	768	76	692
9.	Dausa	12	8	4	5	60	34	26	91	1,098	658	440
10.	Dungarpur	12	10	2	6	72	30	42	121	1,452	365	1,087
11.	Jhalawar	-	-	-	7	84	70	14	80	960	609	351
12.	Jhunjhunu	-	-	-	-	-	-	-	71	852	782	70
13.	Jaipur	12	4	8	-	-	-	-	208	2,496	718	1,778
14.	Jaisalmer	12	12	0	-	-	-	-	174	2,088	920	1,168
15.	Jodhpur	-	-	-	-	-	-	-	126	1,512	1,337	175
16.	Kota	12	6	6	6	72	40	32	-	-	-	-
17.	Nagaur	-	-	-	11	132	22	110	124	1,488	126	1,362
18.	Pali	12	8	4	-	-	-	-	127	1,524	660	864
19.	Rajasmand	-	-	5	5	60	43	17	59	708	-	708
20.	Sikar	12	12	0	-	-	-	-	126	1,512	986	526
21.	Sirohi	-	-	10	10	120	10	110	59	708	365	343
22.	Tonk	-	-	-	-	-	-	-	88	1,056	920	136
23.	Udaipur	-	-	-	-	-	-	-	164	1,968	700	1,268
	Total (A)	156	92	64	88	1,056	393	663	2,533	30,402	14,256	16,146

Summary of shortfall meetings conducted in WCDC, PIA and WC level

	Target	Achievement	Shortfall
WCDC	156	92	64
PIA	1,056	393	663
WC	30,402	14,256	16,146
Total	31,614	14,741	16,873

(B) Excess meetings held in WCDC, PIA and WC level

Sl. No.	District	Number of meetings held at WCDC			Number of meetings held at PIA Level			Number of meetings held at WC Level				
		Target	Achievement	Excess	No. of PIA	Target	Achievement	Excess	No. of WC	Target	Achievement	Excess
1.	Baran	-	-	-	8	96	140	44	-	-	-	-
2.	Bhilwara	12	15	3	11	132	169	37	-	-	-	-
3.	Bikaner	12	72	60	8	96	97	1	-	-	-	-
4.	Jaipur	-	-	-	8	96	142	46	-	-	-	-
5.	Jaisalmer	-	-	-	3	36	74	38	-	-	-	-
6.	Jhalawar	12	53	41	-	-	-	-	-	-	-	-
7.	Jhunjhunu	12	15	3	8	96	137	41	-	-	-	-
8.	Jodhpur	12	15	3	11	132	204	72	-	-	-	-
9.	Kota	-	-	-	-	-	-	-	60	720	1,420	700
10.	Nagaur	12	13	1	-	-	-	-	-	-	-	-
11.	Pali	-	-	-	10	120	296	176	-	-	-	-
12.	Rajsamand	12	15	3	-	-	-	-	-	-	-	-
13.	Sikar	-	-	-	9	108	243	135	-	-	-	-
14.	Sirohi	12	159	147	-	-	-	-	-	-	-	-
15.	Tonk	12	56	44	5	60	220	160	-	-	-	-
16.	Udaipur	12	204	192	11	132	607	475	-	-	-	-
	Total (B)	120	617	497	92	1,104	2,329	1,225	60	720	1,420	700

Summary of excess meetings conducted in WCDC, PIA and WC level

	Target	Achievement	Excess
WCDC	120	617	497
PIA	1,104	2,329	1,225
WC	720	1,420	700

Appendix-IV

(Refer Paragraph 2.1.8.3)

Statement showing the details of unspent balance amount lying with the districts

(₹ in crore)

Sl. No.	Name of district	Unspent balance	Returned amount	Balance amount to be returned
1.	Ajmer	7.67	2.18	5.49
2.	Alwar	1.10	0.64	0.46
3.	Barmer	32.48	17.92	14.56
4.	Baran	4.42	2.11	2.31
5.	Bharatpur	1.23	0.98	0.25
6.	Bhilwara	2.26	0.62	1.64
7.	Bikaner	28.30	10.12	18.18
8.	Bundi	1.59	0.41	1.18
9.	Churu	40.07	8.86	31.21
10.	Dholpur	1.79	0.44	1.35
11.	Dungarpur	3.93	3.25	0.68
12.	Hanumangarh	7.33	2.85	4.48
13.	Jhalawar	3.57	0.83	2.74
14.	Jaisalmer	48.62	30.97	17.65
15.	Jalore	36.87	20.39	16.48
16.	Jhunjhunu	14.49	4.62	9.87
17.	Jodhpur	45.30	37.63	7.67
18.	Karauli	1.19	0.79	0.4
19.	Kota	3.68	0.59	3.09
20.	Nagaur	36.80	22.73	14.07
21.	Pali	21.56	4.93	16.63
22.	Rajsamand	2.97	1.28	1.69
23.	Sawai Madhopur	0.99	0.18	0.81
24.	Sikar	10.83	8.91	1.92
25.	Sirohi	2.30	2.19	0.11
26.	Tonk	4.16	0.84	3.32
	Total	365.50	187.26	178.24

Appendix-V

(Refer paragraph 2.3.3.1)

Statement showing the details of physical verification of work at works site

District	Block	Gram Panchayat	Number of works executed in 2013-14	Availability of format 4 for physical verification	Remaining number of works which not physically verified
Ajmer	Masuda	1. Baral-II	6	-	6
		2. Daulatpura-II	18	-	18
		3. Deomali	22	1	21
		4. Harrajpura	23	1	22
		5. Masuda	6	-	6
	Srinagar	6. Dhal	10	-	10
		7. Dilwara	16	1	15
		8. Gagwana	1	1	0
		9. Kayad	4	-	4
		10. Makarwali	17	-	17
Barmer	Balotra	11. Badanawa Jagir	110	-	110
		12. Bagawas	106	3	103
		13. Chandesara	106	-	106
		14. Shajiyali Padam Singh	132	-	132
		15. Simrakhiya	89	-	89
	Sindhari	16. Dandali	70	-	70
		17. Hodoo	145	-	145
		18. Lolawa	31	-	31
		19. Panyla Kalan	81	-	81
		20. Panyla Khurd	163	-	163
Bundi	Hindoli	21. Cheta	8	-	8
		22. Hindoli	29	2	27
		23. Mangli Kalan	10	-	10
		24. Pagara	6	-	6
		25. Bara Naya Gaon	6	-	6
	Keshoraipatan	26. Balkasa	4	-	4
		27. Baswara	9	-	9
		28. Chanda Khurd	2	2	0
		29. Labaan	5	1	4
		30. Sakhawada	7	-	7
Dungarpur	Aspur	31. Baroda	15	-	15
		32. Dewla	24	-	24
		33. Gol	27	-	27
		34. Parda Thoor	13	-	13
		35. Punjpur	18	-	18
	Bichhiwara	36. Bokhla	9	2	7
		37. Chhapi	54	-	54
		38. Chundawara	36	3	33
		39. Sabli	65	3	62
		40. Sundarpur	15	1	14
Jaipur	Shahpura	41. Barijori	3	-	3
		42. Devan	2	-	2
		43. Hanutiya	5	-	5
		44. Jagatpura	4	-	4
		45. Khora Larkhani	10	-	10
	Viratnagar	46. Badnagar	24	1	23
		47. Jawanpura	5	-	5
		48. Jodhoola	1	-	1
		49. Sothana	1	-	1
		50. Tulsipura	4	-	4
Total			1,577	22	1,555

Appendix-VI

(Refer paragraph 2.3.3.1)

Results of physical verification of works done by Audit

(₹ in lakh)

Sl. No	Name of works	Place GP (Blocks)	Sanctioned Amount	Expenditure	Audit Findings
1.	Construction of Anicut	Jodhoola (Viratnagar)	8.38	5.00	Site selection was not appropriate as no rain precipitated in last 30 years and mark of water storage not seen in the Anicut. Thus the expenditure proved wasteful.
2.	Construction of Gravel road from Sukshma Vikas Sansthan to Dhani of Ram Singh Rajput.	Jawanpura (Viratnagar)	5.49	2.86	Gravel road was not constructed as per specification.
3.	Non-payment of wages to labourers	Jawanpura (Viratnagar)	-	-	Payment for 98 labour days was not made
4.	Construction of Gravel road from Jaisinghpura main road to Khel Maidan of Government Upper Primary School, Theekriya.	Tulsipura (Viratnagar)	12.16	2.12	Gravel road could not been completed as there was dispute in land. This resulted in unfruitful expenditure on incomplete road.
5.	Excavation of – (i) Dhankon wali Johad (ii) Dhobaniyon wali Johad	Khora Larkhani (Shahpura)	55.66	16.00	Johads were filled with sand by a farmer of nearby field. Hence, expenditure on excavation of Johad proved wasteful.
6.	Deepening of well on land of Gokul/Bhura was not carried out.	Khora Larkhani (Shahpura)	1.48	1.33	Instead of deepening of well, levelling of land was done because estimate was given for levelling work.
7.	Nimbali Nadi Khudai	Dandali (Sindhari)	6.24	5.53	Wrong site selection as the bitumen road submerged in the catchment of nadi and blocks the approach of villagers.
8.	Nadi Khudai near the field of Laxman Munga.	Dhal (Srinagar)	20.16	4.14	Villagers were lifting soil from the nadi with tractors and Mate intimated that the work was not executed.
9.	Nadi Khudai near Hardi Road	Dhal (Srinagar)	16.25	12.53	Due to excavation of canal in the embankment to the bottom level of Nadi to divert the water from Nadi to field of a khatedar. Hence, the Nadi was being utilized by an individual khatedar. Thus, purpose of the work was not fulfilled.
10.	Construction of Cement Concrete road	Makarwali (Srinagar)	6.48	4.91	Road was not constructed for common benefit but to facilitate an individual farm house owner.
11.	Delay in payment to labourers	Pagara, Hindoli, Mangli Kalan, Cheta (Hindoli)		11.91 44.93 17.01 10.47	Payment was made with delay of 15 days to above 90 days.
12.	Construction of Indira Awas	Pagara (Hindoli)	2.10	0.88	Woks were not started/ Incomplete.
13.	Construction of Indira Awas/CMRBPLAY	Pagara (Hindoli)	0.70	0.35	IAY (Up gradation) was sanctioned, subsequently CMRBPLA was also sanctioned for the work.
14.	Payment of supplier/ not done.	Pagara (Hindoli)	3.65	3.65	Supplier reported non payment of material supplied to the GP.
15.	Construction of Gravel road from Kharol Ka Jhoupra to Banne Pa Road	Pagara (Hindoli)	9.41	1.76	Excess length and thickness of 150 meters and 3cm respectively were recorded in MB. Compaction of Gravel was not done.

Audit Report (Local Bodies) for the year ended 31 March 2015

Sl. No	Name of works	Place GP (Blocks)	Sanctioned Amount	Expenditure	Audit Findings
16.	Construction of Gravel road Patelji ke Kuan near road from Kesar Mata to Dang, Hawalia	Pagara (Hindoli)	14.37	13.90	Excess length of 100 meters and 3 cm was recorded in MB.
17.	Construction of Tube-wells and Hand-pumps	Hindoli (Hindoli)	-	-	Non-installation of Electricity connection rendered expenditure unfruitful.
18.	Construction of Gravel road Amartiya to Kalali via Bhoot Ghati, Amawali	Hindoli (Hindoli)	15.05	15.05	Excess length of 800 meters was recorded in MB. Compaction of gravel was not done.
19.	Construction of Precast blocks road from Tara Walon Mohhle to Mataji	Hindoli (Hindoli)	6.39	4.44	Excess breath of 0.34 meters was recorded in MB.
20.	Construction of Gravel road from Dhobiyon Mohale to NK Mali Bade,	Cheta (Hindoli)	8.00		Excess length, breath & thickness of 20 meters, 0.94 meters and 5 cm excess respectively were recorded in MB. Compaction of gravel was also not done.
21.	Construction of Gravel road & Puliya, Nahar road Deroli to Unton ka Gira via Dev Narain	Mangli Kalan (Hindoli)	21.45	0.75	Excess length and thickness of 200 meters and 5 cm respectively were recorded in MB.
22.	Construction of Gravel road from Thane ke Raste to Salwalia Rasta Tahla, Mangli Kala	Mangli Kalan (Hindoli)	9.46	3.47	Excess length, breath & thickness of 215meters, 0.75 meters and 5 cm excess respectively were recorded in MB. Compaction of gravel was also not done.
23.	Plantation work on Ratnasagar Pahari	Bokhla (Bichhiwara)	33.91	20.13	Provision for watering was included for once in the estimate. Thus regular watering of the plants was not done which resulted in wasteful expenditure.
24.	Construction of Gravel road well of Kampa Lal to Petha Ram Badaya,	Harrajpura (Masuda)	9.90	0.35	Construction work was closed due to land dispute.
25.	Construction of Gravel road from Kayam Khani Badaya to house of Ratna/Rama	Harrajpura (Masuda)	9.74	1.32	The ratio of 60:40 could not be maintained, only earth work was done and damaged in rainy season. Hence, the work was abandoned.
26.	Dharmi Nadi Khudai & Pitching work	Harrajpura (Masuda)	7.92	1.35	The ratio of 60:40 could not be maintained, only earth work was done which was damaged in rainy season and Pitching work not done due to dispute.
27.	Construction of Gravel Sadak Gram Panchayat Building to Bhemore Phola Tak including Puliya,	Parda Thoor (Aspur)	9.92	7.27	The ratio of 60:40 could not be maintained, only earth work was done without levelling and damaged in rainy season. Hence, expenditure remained wasteful and the work was abandoned.
Total			294.27	213.41	

Appendix-VII

(Refer paragraph 2.3.4.1)

Statement showing the details of non-fulfillment of quorum of Gram Sabha

Name of district	Name of PS	Name of Gram Panchayat	Date of Social Audit	Total number of members of GS (Voters)	Total number of members of GS actually attended	Total number of members of GS shown in SAC Report	Percentage of members of GS attended in the GS
Ajmer	Masuda	1. Baral-II	09.10.2014	3,600	253	370	7.03
		2. Daulatpura-II	16.10.2014	4,538	311	459	6.85
		3. Deomali	09.10.2014	4,400	312	NA	7.09
		4. Masooda	16.10.2014	6,067	532	610	8.77
	Srinagar	5. Gagwana	28.08.2014	3,190	290	350	9.09
		6. Makarwali	28.08.2014	3,700	301	300	8.13
Barmer	Balotra	7. Chandesara	11.09.2014	2,095	170	225	8.11
		8. Simrakhiya	16.10.2014	3,215	99	325	3.08
	Sindhari	9. Hodoo	18.09.2014	6,650	212	670	3.19
		10. Lolawa	16.11.2014	2,805	127	295	4.53
		11. Panyala Khurd	18.09.2014	4,921	301	NA	6.12
Bundi	Hindoli	12. Cheta	11.09.2014	3,750	110	380	2.93
		13. Hindoli	11.09.2014	9,250	65	NA	0.70
		14. Mangli Kalan	09.10.2014	2,939	55	NA	1.87
		15. Pagara	18.09.2014	2,379	92	NA	3.87
		16. Bara Naya Gaon	11.09.2014	3,074	150	300	4.88
		17. Sakhawada	16.10.2014	2,027	104	NA	5.13
	Keshoraipatan	18. Baswada	09.10.2014	1,746	81	500	4.64
		19. Chandna Khurd	16.10.2014	1,850	43	205	2.32
		20. Baroda	11.09.2014	2,339	104	250	4.45
Dungarpur	Aspur	21. Dewla	18.09.2014	2,528	228	266	9.01
		22. Gol	18.09.2014	3,270	108	NA	3.30
		23. Punjpur	18.09.2014	3,294	44	330	1.33
		24. Bokhla	13.11.2014	3,716	334	378	8.99
	Bichhiwara	25. Chundawara	09.10.2014	5,134	178	520	3.47
		26. Barijori	18.09.2014	4,480	355	NA	7.92
Jaipur	Shahpura	27. Hanutiya	11.09.2014	2,800	NA	310	NA
		28. Khora Larkhani	16.10.2014	4,235	346	NA	NA
		29. Badnagar	18.09.2014	5,253	268	543	5.10
	Viratnagar	30. Jawanpura	09.10.2014	2,240	175	220	7.81
		31. Sothana	18.09.2014	4,000	83	NA	2.08

Appendix-VIII

(Refer paragraph 2.6)

Non-revision of rent as per rules in respect of 29 shops leased during 2001

(Amount in ₹)

Shop Number	Rent		
	Recoverable	Recovered	Outstanding
1	2,52,909	71,430	1,81,479
2	2,52,909	61,230	1,91,679
3	2,52,909	59,910	1,92,999
4	2,60,928	78,708	1,82,220
5	2,83,165	8,550	2,74,615
6	2,52,855	43,800	2,09,055
7	2,52,855	33,240	2,19,615
8	2,52,855	46,440	2,06,415
9	2,52,855	75,390	1,77,465
10	2,83,165	51,165	2,32,000
11	2,52,855	36,710	2,16,145
12	2,52,855	33,630	2,19,225
13	2,52,855	74,070	1,78,785
14	2,52,855	400	2,52,455
15	2,56,327	33,805	2,22,522
16	2,83,165	12,150	2,71,015
17	2,86,129	17,204	2,68,925
18	3,49,130	49,770	2,99,360
19	2,52,855	34,880	2,17,975
20	3,79,270	29,280	3,49,990
21	3,26,266	68,889	2,57,377
22	3,95,622	49,251	3,46,371
23	3,26,266	515	3,25,751
24	3,22,403	38,162	2,84,241
25	3,79,270	97,410	2,81,860
26	3,49,130	75,477	2,73,653
27	3,83,023	72,369	3,10,654
28	3,79,270	89,010	2,90,260
29	3,32,448	64,140	2,68,308
Total (29)	86,09,399	14,06,985	72,02,414
			(Say ₹ 0.72 crore)

Appendix-IX

(Refer paragraph 2.6)

Rent outstanding in respect of 36 shops leased during 1985 to 1991

(Amount in ₹)

Shop Number	Rent		
	Recoverable	Recovered	Outstanding as on 31 March 2015
1	41,060	4,275	36,785
2	1,17,503	59,460	58,043
3	1,20,254	44,124	76,130
4	1,20,254	69,059	51,195
5	1,21,098	42,807	78,291
6	1,20,698	32,220	88,478
7	1,20,598	40,754	79,844
8	1,20,354	63,290	57,064
9	1,20,054	77,796	42,258
10	1,20,300	60,035	60,265
11	1,17,076	42,095	74,981
12	1,18,367	40,594	77,773
13	1,14,810	42,952	71,858
14	1,14,935	55,761	59,174
15	1,13,646	27,384	86,262
16	1,13,248	26,970	86,278
17	1,12,032	53,333	58,699
18	1,12,650	74,198	38,452
19	1,11,629	65,723	45,906
20	36,520	12,670	23,850
21	66,950	4,350	62,600
22	1,53,130	80,351	72,779
23	1,56,412	97,855	58,557
24	1,53,606	62,612	90,994
25	1,50,700	59,251	91,449
26	1,51,700	95,626	56,074
27	1,61,700	51,417	1,10,283
28	1,50,920	75,242	75,678
29	1,50,920	63,038	87,882
30	1,49,920	1,25,668	24,252
31	1,48,920	86,443	62,477
32	1,49,540	89,048	60,492
33	1,46,420	1,18,280	28,140
34	1,46,018	53,042	92,976
35	1,46,340	84,810	61,530
36	35,360	14,323	21,037
Total (36)	44,05,642	20,96,856	23,08,786 (Say ₹ 0.23 crore)

APPENDIX-X

(Refer paragraph 3.3)

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

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

Appendix-XI

(Refer Paragraph 4.1.2.1)

Statement showing the license fees outstanding in respect of registered marriage places for the period 2010-15 in M Corp, Jodhpur

(Amount in ₹)

Sl. No.	Name of marriage place	Total area (sqy)	Year of registration	DLC rate per sqy (Year)	Recoverable license fee (DLC x Area/500)	License fee recovered	Outstanding license fee (Col:6-Col:7)
1.	2.	4.	3.	5.	6	7	8
1.	Silver Oak Nayapura, Mandore Road, Chakker wala Bagh, Jodhpur	7,348	2010-11	4,734 (2010-11)	69,571	69,571	
				6,262 (2011-12)	92,026	1,41,000	
				6,888 (2012-13)	1,01,226		
				16,140 (2013-14)	1,83,673		
				16,950 (2014-15)	1,92,891		
				Total	6,39,387	2,10,571	4,28,816
2.	Mangal Garden	7,48	2010-11	-	23,020	23,020	
				17,225 (2011-12)	25,768	25,768	
				17,225 (2012-13)	25,768	-	
				Total	74,556	48,788	25,768
3.	Tribhuvan Vatika Gyan Bhawan, Maha Mandire, Jodhpur	2,083	2010-11	13,020 (2010-11)	54,242	54,242	
				17,225 (2011-12)	71,760		
				17,225 (2012-13)	71,760		
				17,225 (2013-14)	71,760		
				17,225 (2014-15)	71,760		
				Total	3,41,282	54,242	2,87,040
4.	Saraswati Udhyan, Nagori Gate, Jodhpur	3,332	2010-11	23,672 (2010-11)	1,57,750	1,57,750	
				-	1,99,553	1,99,553	
				32,940 (2012-13)	2,19,512	2,19,512	
				32,940 (2013-14)	2,19,512		
				32,940 (2014-15)	2,19,512		
				Total	10,15,839	5,76,815	4,39,024
5.	Paru Marriage Place, 17, Jawala Vihar Suthala, L Jodhpur	1,500	2012-13	-	22,040	22,040	
				31,742 (2013-14)	95,226		
				33,330 (2014-15)	99,990		
				Total	2,17,256	22,040	1,95,216
6.	Vijay Garden 110, C Road, Sardarpura, Jodhpur	905	2010-11	29,590 (2010-11)	53,558	53,558	
				39,139 (2011-12)	70,842		
				43,053 (2012-13)	77,926		
				54,338 (2013-14)	98,352		
				57,050 (2014-15)	1,03,261		
				Total	4,03,939	53,558	3,50,381
7.	Kesar Palace, Plot No. 309, Jawala Vihar, Jodhpur	423	2010-11	18,938 (2010-11)	16,022	16,022	
				25,045 (2011-12)	21,188	21,188	
		354		27,550 (2012-13)	19,505	19,505	
				27,550 (2013-14)	19,505		
				27,550 (2014-15)	19,505		
				Total	95,725	56,715	39,010
8.	Manish Marriage Hall, Plot No. 24E Sector 12, Chopasni Housing Board, Jodhpur	400	2010-11	29,590 (2010-11)	23,672	23,672	
				39,139 (2011-12)	35,225		
		450		43,053 (2012-13)	38,748		
				54,338 (2013-14)	48,904		
				57,050 (2014-15)	51,345		
				Total	197,894	23,672	1,74,222
9.	Vivah Marriage Garden Ratanada Jodhpur	3,523	2010-11	17,754 (2010-11)	1,25,094	1,25,094	
				23,474 (2011-12)	1,65,398		
				25,821 (2012-13)	1,81,935		
				60,256 (2013-14)	4,24,564		
				63,270 (2014-15)	4,45,800		
				Total	13,42,791	1,25,094	12,17,697
10.	Dadu Dayal Vatika Opp. Bahiru Bagh Jain Mandir, Jodhpur	1,982	2010-11	37,875 (2010-11)	1,50,137	1,50,137	
				70,446 (2011-12)	2,79,248	2,79,248	
				77,491 (2012-13)	3,07,174		
				85,219 (2013-14)	3,37,808		
				85,219 (2014-15)	3,37,808		
				Total	14,12,175	4,29,385	9,82,790
11.	Parshav Paradise Marriage Palace 33-34 Industrial Area, Basnu, Jodhpur	4,051	2012-13	(2012-13)	1,19,201	1,19,201	
				(2013-14)	1,47,618	1,47,618	
				19,130 (2014-15)	1,54,991		
				Total	4,21,810	2,66,819	1,54,991
				Grant Total	61,62,654	18,67,699	42,94,955
				Say ₹ in crore	0.62 crore	0.19 crore	0.43 crore

Appendix-XII

(Refer Paragraph 4.1.2.4)

Statement of showing under recovery and delayed payment for unipole during 2010-15 in M Corp, Jodhpur

(₹ in lakh)

Number of unipole site	Recoverable amount	Recovered amount	Period of License fee upto	Deposit date	Balance recoverable amount
(1) Discovery Outdoor, C-Scheme, Jaipur (Work order number 2429/21.07.2008)					
71	52.32	52.32	March 2010	08.05.2010	Nil
	13.08	13.08		01.07.2010	Nil
	5.81	5.81		01.08.2010	Nil
	61.23	61.23	March 2011	01.05.2011	
	15.81	0.00		-	15.81
	6.68	6.68		01.08.2011	Nil
	70.42	70.42	March 2012	01.05.2012	Nil
	18.18	18.18		01.07.2012	Nil
	7.69	7.69	March 2012	01.08.2012	Nil
	95.80	42.56	March 2013	27.02.2014	
		42.57		15.03.2014	10.67
		27.12	27.12	March 2014	03.06.2014
Total	374.14	347.66			
(2) Planet Outdoor, Jaipur (Work order number 1046/14.07.2008)					
14	11.81	11.81	March 2010	30.04.2010	0.00
	13.58	13.58	March 2011	30.04.2011	0.00
	15.61	15.61	March 2012	30.04.2012	0.00
	11.97	11.73	March 2013	30.12.2013	0.24
	4.49	4.13		11.02.2014	0.36
	5.16	4.75	March 2014	02.06.2014	0.41
Total	62.62	61.61			1.01
(3) Balaji Advertising (Work order number 2430/ 21.07.2008)					
55	42.65	9.70	March 2010	05.06.2010	2.50
		12.33		30.06.2010	0.00
		6.43		20.07.2010	0.00
		11.69		30.08.2010	0.00
	11.16	11.16	March 2011	05.06.2011	0.00
		16.03		30.06.2011	0.00
		7.18		20.07.2011	0.00
	10.52	10.52	March 2012	30.08.2011	0.00
	50.62	12.83		08.07.2012	0.00
		17.43		08.08.2012	0.00
		8.26		27.08.2012	0.00
	12.10	12.10	March 2013	26.09.2012	0.00
	33.76	29.60		03.01.2014	4.16
	12.89	9.89		14.02.2014	3.00
	14.83	3.27	March 2014	11.06.2014	1.06
	0.00	3.50		20.06.2014	0.00
	0.00	3.50		01.07.2014	0.00
	0.00	3.50		17.07.2014	0.00
Total	199.64	188.92			10.72
(4) Ramesh Chandra (Work order number 2431/21.7.2008)					
11	8.13	8.13	2010March	10.06.2010	0.00
	6.18	6.18	2011March	03.06.2011	0.00
	3.17	3.17		20.01.2012	0.00
	10.75	10.75	2012March	28.03.2013	0.00
	10.55	10.21	2013March	17.02.2014	0.34
	3.62	3.62	2014March	09.10.2014	0.00
Total	42.40	42.06			0.34
(5) Gourav Enterprises (Work order number. 2473/21.07.2008)					
15	6.58	6.58	2010March	01.06.2010	0.00
	4.85	4.85		01.07.2010	0.00
	1.15	1.15		01.08.2010	0.00
	7.57	7.57	2011March	26.05.2011	0.00
	5.57	5.57		01.07.2011	0.00
	1.32	1.32		01.08.2011	0.00
	8.71	8.71	2012March	22.06.2012	0.00
	6.41	6.41		11.07.2012	0.00
	1.52	1.52		06.08.2012	0.00
	11.09	9.79	2013March	30.12.2012	1.30
	4.78	4.52		15.02.2014	0.26
	5.50	4.83		23.06.2014	0.67
	Total	65.05	62.82		
G. Total	743.85	703.07			40.78
Say ₹ in crore	7.44 crore	7.03 crore			0.41 crore

Appendix-XIII

(Refer Paragraph 4.1.2.4)

Details of Recoverable amount of unipole site auctioned in M Corp, Kota

						(₹ in lakh)
Name of firm	No. of Site	Date of Auction	Recoverable amount	Recovered amount	Date of deposit	Balance recoverable amount
1	2	3	4	5	6	7
Advance Advertising, Kota	33	09.04.2010	27.82	6.26	12.04.2010	-
				5.39	27.04.2010	-
				5.39	20.05.2010	-
				5.39	01.06.2010	-
				4.39	15.06.2010	-
				26.82		1.00
			30.59	10.00	30.05.2011	
				10.59	30.06.2011	
				20.59		10.00
			33.65	10.00	03.05.2012	-
				5.00	24.09.2012	-
				5.00	03.12.2012	-
20.00		13.65				
Total			92.06	67.41		24.65
M/s Aditya Engineering, Kota	6	07.04.2010	3.96	0.90	07.04.2010	-
				1.56	22.07.2015	
				0.50	17.91.2011	
				1.00	17.91.2011	
				3.96		-
			4.36	4.36	27.05.2011	-
				4.36		-
			4.79	Nil	-	4.79
	Nil	-	4.79			
Total			13.11	8.32		4.79
M/s Infiliyan Advertising, Kota	7	07.04.2010	5.61	1.27	15.04.2010	
				2.00	22.07.2010	
				1.85	17.08.2010	
				0.50	20.10.2010	
				0.08	28.03.2011	
		5.61	5.70		(-) 0.09	
		6.18	Nil	-	6.18	
		6.18	Nil	-	6.18	
Total			11.79	5.70		6.09
G. Total	46		116.96	81.43		35.53
Say ₹ in crore			1.17 crore	0.81 crore		0.36 crore

Appendix-XIV

(Refer paragraph 4.1.3.3)

Shortfall on recovery of fire NOC on Residential/Commercial Building during 2010-15 in M Corp, Jodhpur

(₹ in lakh)

Name of building owner	Height (in meter)	Date of permission granted	Built up area (in sqft)	Rate of fire NOC per Sqft	Fire NOC		Renewal charge Recoverable	Total Recoverable Charge fire NOC
					Recov-erable	Recove-red		
Residential								
Gulab Singh/Sumer Chand Bhandari, 39, BC Road Jodhpur	38.15	08.05.2012	25,732.10	1	0.26	Nil	0.25 (08.05.2013 to 07.05.2015)	0.51
Ranvijay Singh Bhagat ki Kothi, Jodhpur	27.00	24.11.2011	67,928.41	1	0.68	Nil	1.02 (24.11.2012 to 23.11.2015)	1.70
Arihant Thiyetors Private Limited	56.90	30.10.2013	1,23,877.72	1	1.24	Nil	0.62 (30.10.2014 to 29.10.2015)	1.86
Arvind Kumar Joshi Near Chopasni, Jodhpur	14.70	03.07.2014	1,86,01.24	1.	0.19	Nil	Nil	0.19
Maharaja Hari Singh Jalam Vilas, Paota B Road, Jodhpur	15.00	24.04.2013	2,33,341.36	1	2.33	Nil	1.17 (24.04.2014 to 23.04.2015)	3.50
Total			4,69,481		4.70			7.76
Commercial								
Sohanlal Babulal	14.95	30.10.2013	1,21,19.20	2.	0.24	Nil	0.12 (30.10.2014 to 29.10.2015)	0.36
Arihant Thiyetors Private Limited	56.90	12.02.2013	2,78,54.41	2	0.56	Nil	0.28 (12.02.2014 to 11.02.2015)	0.84
Devender Singh Choudhary	up to 12.00	18.10.2011	2,490.75	1.50	0.04	Nil	0.06 (18.10.2012 to 17.10.2015)	0.10
Amit Bhated 3rd B Road, Sardarpura, Jodhpur	up to 12.00	02.05.2012	1,947.00	1.50	0.03	Nil	0.03 (02.05.2013 to 01.05.2015)	0.06
Total			44,411		0.87			1.36
G.Total					5.57		3.55	9.12
Say ₹ in crore					0.06 crore		0.03 crore	0.09 crore

Appendix-XV

(Refer Paragraph 4.1.3.4)

Statement of short recovery of fire cess in multi-storey building in M Corp, Udaipur

(₹ in lakh)

Sl. No.	Name of building owner	Date of permission	Residential or commercial	FAR (in sqm)	Height (in metre)	Fire cess		
						Recoverable	Recovered	Shortfall
1.	M/s Archi the Orbit, Rishabh Bhanawat, Hiran Magri, Udaipur	13.01.2014	Residential	3,112.08	15	3.11	-	3.11
2.	Smt. Geeta Agarwal W/o Sh. Jagdish Prasad Agarwal, Bhatt ji ki Badi, Udaipur	01.11.2013	Residential	1,702.57	25	1.71	1.20	0.51
3.	Sh Shabbir Husain Paliwal, Hathipol, Udaipur	18.06.2014	Commercial	3,641.82	27	3.64	3.60	0.04
4.	Sh. Vinay Bafna/Deepak Bafna, Madhuban, Udaipur	02.05.2014	Commercial	4,738.90	53	7.11	6.31	0.80
5.	M/s Udai Regency Private Limited, Chougan Scheme, Udaipur	12.06.2014	Commercial	1,561.24	15	1.56	1.32	0.24
			Total	14,756.61		17.13	12.43	4.70
		Say in crore				0.17 crore	0.12 crore	0.05 crore

Appendix-XVI

Glossary of Abbreviations	
AAP	Annual Action Plan
ATR	Action Taken Report
BADP	Border Area Development Programme
BOP	Border Out Post
BPL	Below Poverty Line
BRPs	Block Resource Persons
BSO	Block Statistical Office
CAG	Comptroller & Auditor General of India
CBR	California Bearing Ratio
CEO	Chief Executive Officer
CMO	Chief Municipal Officer
CVPD	Commercial Vehicle Per Day
DAs	Development Authorities
DDO	Drawing and Disbursing Officer
DDP	Desert Development Programme
DDs	Demand Drafts
DIF	District Innovation Fund
DPAP	Drought Prone Area Programme
DPC	District Planning Committee
DPR	Detailed Project Report
DRPs	District Resource Persons
EPAs	Entry Point Activities
FAR	Floor Area Ratio
GF&AR	General Financial and Account Rules
GKN	Gramin Karya Nirdeshika
GLRs	Ground Level Reservoirs
GoI	Government of India
GoR	Government of Rajasthan
GPs	Gram Panchayats
GREF	General Reserve Engineering Force
GSB	Granular Sub-Base
IRs	Inspection Reports
IWDP	Integrated Wasteland Development Programme
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
Km	Kilometers
LFAD	Local Fund Audit Department
LRIC	Land-Record Information Centres
LSGD	Local Self Government Department
M Corps	Municipal Corporations
MBs	Municipal Boards
MCs	Municipal Councils
MGNREG	Mahatama Gandhi National Rrual Employment Guarantee
MIS	Management Information System
Mm	Millimeters
NMAM	National Municipal Accounts Manual
NOC	No Objection Certificate
PC	Panchayat Cell
PD	Personal Deposit
PHED	Public Health Engineering Department
PIA	Project Implementing Agencies
PO	Purchase Officer
PRD	Panchayati Raj Department
PRI	Panchayati Raj Institutions
PW&AR	Public Works Financial and Accounts Rules

Glossary of Abbreviations	
RCDFL	Rajasthan Cooperative Dairy Federation Limited
RD&PRD	Rural Development and Panchayati Raj Department
RDC	Rural Development Cell
RDD	Rural Development Department
RHB	Rajasthan Housing Board
RLFAA	Rajasthan Local Fund Audit Act
RMA	Rajasthan Municipalities Act
RPR	Rajasthan Panchayati Raj Act
RPRRs	Rajasthan Panchayati Raj Rules
RPRRs	Rajasthan Panchayati Raj Rules
RSLDC	Rajasthan Skill and Livelihood Development Corporation, Jaipur
RTWHS	Roof Top Water Harvesting Structure
SAC	Social Audit Committee
SAU	Social Audit Unit
SFC-IV	Fourth State Finance Commission
SGSY	Swarnjayanti Gram Swarajgar Yojana
SHGs	Self Help Groups
SLNA	State Level Nodal Agency
SLSC	State Level Screening Committee
Sqkm	Square Kilometers
Sqm	Square Meter
Sqyd	Square Yard
SRPs	State Resource Persons
STP	Sewerage Treatment Plant
TFC	Thirteenth Finance Commission
TG&S	Technical Guidance and Supervision/Support
UCs	Utilisation Certificates
UGs	User Groups
UITs	Urban Improvement Trusts
ULBs	Urban Local Bodies
VRPs	Village Resource Persons
WC	Watershed Committee
WCDC	Watershed Cell cum Data Centre
WDSC	Watershed Development and Soil Conservation
WDT	Watershed Development Team
WDW	Watershed Development Works
ZPs	Zila Parishads

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
www.cag.gov.in**

<http://www.agraj.cag.gov.in>