

Press Brief on Audit Report (PRIs) 2020-21-GoR

This Report relates to Audit of receipts and expenditure of the Panchayati Raj Institutions 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. Accordingly, Report of the Comptroller and Auditor General of India for the year ended 31 March 2021 (PRIs)-Government of Rajasthan, has been laid on the table of the State Legislature on 28 February 2023. As per procedure, the Report of the CAG stand referred to the Committee on Local Bodies and Panchayati Raj Institution of the State Legislature.

This Report contains observation on Panchayati Raj Institutions (PRIs) and includes three chapters. Chapter-I includes ‘An overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Panchayati Raj Institutions’. Chapter-II comprises of Performance Audit on ‘Implementation of Border Area Development Programme’ and ‘Functioning of Member of Legislative Assembly Local Area Development Scheme’. Chapter-III comprises of four paragraphs noticed during Compliance Audit.

A synopsis of important findings contained in this report is presented below:

Chapter-I

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

The Rajasthan Panchayat Samiti and Zila Parishad Act, 1959 conforms to the new pattern of Panchayati Raj which provides for a three tier structure of local self-governing bodies at district, block and village levels and enhanced decentralisation of powers. The Rajasthan Panchayati Raj Act (RPRA), 1994 came into effect from April 1994, consequent to the 73rd Constitutional Amendment giving constitutional status to Panchayati Raj Institutions (PRIs).

As mandated by RPRA, 1994, five standing committees were to be constituted by each PRI, however, the actual status of their constitution has not been made available to Audit, despite repeatedly commenting in the previous Audit Reports.

Though, certain sources of revenue like fair tax, building tax, fees, rent from land and buildings, water reservoir etc. and capital receipts from sale of land had been provided to the PRIs, but they have remained dependent upon the grants in aid released by State and Central Government. Even figures of ‘own revenue’ were not available with the Department for the past many years.

DLFAD is the primary auditor of PRIs. However, huge arrears in audit as well as certification of accounts of PRIs on part of the DLFAD, is an area of concern. DLFAD also did not ensure compliance to the observations made by this office under parameter 4 and 5 of Technical Guidance & Support (TG&S).

Piling up of outstanding Audit objections over the years indicates the lack of interest of the PRIs in addressing the issues pointed out by Audit. The PRIs have not provided the first compliance of 32 IRs containing 381 paragraphs. The prescribed number of Audit Committee Meetings to settle the outstanding audit paras were also not conducted.

(Paragraphs 1.1 to 1.11, pages:1-16)

Chapter-II

Implementation of Border Area Development Programme

BADP in the State was implemented with the objective to meet the special developmental needs and wellbeing of the people living in remote and inaccessible areas situated near the international border.

Audit scrutiny revealed that to identify the critical gaps in infrastructure, baseline survey was not conducted and accordingly, village wise long term action plan to fulfill these critical gaps, was also not prepared. As a result, works were not taken up in more than 40 *per cent* of the border villages situated within 0-10 kms, while 18.38 *per cent* (759 out of 4,130) works amounting to ` 148.06 crore were sanctioned during 2016-21 beyond 10 km without ensuring saturation of the villages/habitation within 10 km range.

District Level Committee (DLC) neither defined the term '*saturation of a village with basic infrastructure*' nor was any village within 10 km from zero line declared as saturated despite utilisation of ` 2,187.20 crore for the Programme by the State during the period 1993-2021.

Funds remained parked with GoR for long periods and were thus released to Implementing Agencies with delays. Also, advances given to Implementing Agencies were not adjusted timely. The interest earned by Implementing Agencies on BADP funds was not accounted for. Instances of lower participation of females in skill development trainings, imparting training in non-BADP blocks, non-employment of 44.38 *per cent* trainees under Employment Linked Skill Training Programme, non-creation of skill development training centres despite availability of funds, charging of inadmissible administrative expenditure by Rajasthan Skill and Livelihood Development Corporation (RSLDC), non-reconciliation and non-adjustment of advances from RSLDC, were also noticed.

Expenditure incurred on construction of Polytechnic college, ITI building, Residential School (Boys and Girls) at *Jaisindhar*, Barmer remained

infructuous. Various deficiencies were noticed in execution of works during physical verification such as executed work not found on site, execution of inadmissible work, unfruitful/idle/non-functional work, damaged and incomplete works etc.

The internal control and monitoring mechanism was poor as quarterly progress reports were not submitted in time, follow up action on Third Party Inspection and evaluation study was not monitored properly. Required number of meetings of SLSC and DLC were not conducted. Reports related to inspection were not maintained and Social Audit of the Scheme was not conducted.

(Paragraph 2.1, pages:17-67)

Functioning of Member of Legislative Assembly Local Area Development Scheme

The MLALAD Scheme was introduced in 1999-2000, with a view to carry out developmental works of capital nature in the constituency areas, on recommendations of MLAs. The annual entitlement of an MLA was ` 2.25 crore since 2016-17.

A performance audit of the Scheme covering the period 2016-21, revealed that the Scheme was popular as substantial number of works for creation of assets of public use, were undertaken to cater to local requirements. Audit, however, observed that an amount equals to more than double the average annual allocation always remains with the executive agencies, as advance. During 2018-21, GoR released only 60.75 *per cent* of the budget provision due to availability of sufficient/unspent funds in the PD Account of ZPs and advances with executive agencies.

The Department did not initiate stern and effective steps against executive agencies for adjustment of pending advances, which increased to ` 809.14 crore as of March 2021. Annual utilisation of the available funds ranged between 33.86 *per cent* and 74.94 *per cent* due to delayed or non-submission of Utilisation Certificate (UC)/Completion Certificate (CC).

MLAs of four (out of seven) test checked districts did not recommend 20 *per cent* funds for the areas inhabited by SC/ST and *Sambal Gram* as prescribed in the scheme guidelines. Convergence of available funds with MGNREGS was also not done by the seven test checked districts.

Instances of execution of inadmissible works, execution of works without following prescribed norms/regulations, incomplete works, delay in issue of sanctions, non-submission of UCs/CCs by executive agencies, inadequate coverage of areas inhabited by SC/ST community, not taking action on recommendations of evaluation study of the scheme etc. were also noticed, despite pointed out in previous Audits of the scheme.

(Paragraph 2.2, pages:68-99)

Chapter-III

Execution of additional work in violation of the provisions of RTPP Rules, 2013 resulted in unauthorised expenditure of ` 6.16 crore.

(Paragraph 3.1, pages:101-103)

The PS unauthorisedly executed the works without inviting tenders in contravention to the provisions of RTPP Act and RTPP Rules.

(Paragraph 3.2, pages:103-104)

Payments for works carried out in Gram Sabhas were made in clear violation of extant rules. Further, duplication /non-mentioning of names in muster rolls indicate probability of fictitious payments and misappropriation of funds.

(Paragraph 3.3, pages:104-105)

Failure to observe the Operational Guidelines of Integrated Watershed Management Programme (*IWMP*) and the guidelines of Department led to non-recovery of ` 1.66 crore from Self Help Groups thus, adversely affecting the objective to support the livelihood activities of landless/assetless persons.

(Paragraph 3.4, pages:105-107)