

# Chapter 1

## Introduction

### 1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from performance audit of selected programmes and activities and compliance audit of Government departments and autonomous bodies.

Compliance audit refers to examination of the transactions relating to expenditure of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with. On the other hand performance audit, besides conducting a compliance audit, also examines whether the objectives of the programme/activity/department are achieved economically and efficiently.

The primary purpose of the Report is to bring to the notice of the State Legislature, important results of audit. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective actions as also to frame policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance.

This chapter, in addition to explaining the planning and extent of audit, provides a synopsis of the significant deficiencies and achievements in implementation of selected schemes, significant audit observations made during the audit of transactions and follow up on previous Audit Reports. Chapter 2 of this Report contains findings arising out of performance audit of selected programmes/activities/departments. Chapter 3 contains observations on compliance audit of Government departments and autonomous bodies. Chapter 4 contains Chief Controlling Officer based Audit of Department of the Command Area Development and Water Management.

### 1.2 Profile of Audit Entity

There are 90 departments in the State at the Secretariat level, headed by Chief Secretary/Principal Secretaries/Secretaries, who are assisted by Deputy Secretaries/Commissioner and subordinate officers under them and 268 autonomous bodies which are audited by the Principal Accountant General (Civil Audit).

The comparative position of expenditure incurred by the Government of Rajasthan (GoR) during 2010-11, and in the preceding two years, is given in **Table 1**.

**Table 1 Comparative position of expenditure**

Particulars	2008-09			2009-10			2010-11		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>(₹ in crore)</b>									
<b>Revenue expenditure</b>									
General services	110	12,840	12,950	101	15,546	15,647	175	16,562	16,737
Social services	2,677	11,376	14,053	3,007	13,487	16,494	3,929	13,966	17,895
Economic services	2,984	4,283	7,267	3,179	4,793	7,972	4,649	5,571	10,220
Grants-in-aid	-	26	26	-	19	19	-	21	21
<b>Total</b>	<b>5,771</b>	<b>28,525</b>	<b>34,296</b>	<b>6,287</b>	<b>33,845</b>	<b>40,132</b>	<b>8,753</b>	<b>36,120</b>	<b>44,873</b>
<b>Capital expenditure</b>									
Capital Outlay	6,096	(-) 196 <sup>1</sup>	5,900	5,819	(-) 644 <sup>2</sup>	5,175	5,231	20	5,251
Loans & Advances disbursed	324	16	340	463	35	498	189	73	262
Payment of Public Debt			2,433			2,945	-	-	3,317
Contingency Fund			165			-	-	-	-
Public Accounts disbursement			91,779			1,07,714	-	-	1,16,298
<b>Total</b>			<b>1,00,617</b>			<b>1,16,332</b>	-	-	<b>1,25,128</b>
<b>Grand Total</b>			<b>1,34,913</b>			<b>1,56,464</b>	-	-	<b>1,70,001</b>

Source: Audit Report on State Finances for the year 2010-11.

### 1.3 Authority for Audit

The authority for audit by the Comptroller and Auditor General of India (C&AG) is derived from Articles 149 and 151 of the Constitution of India and the C&AG's (Duties, Powers and Conditions of Service) Act, 1971. The Principal Accountant General (Civil Audit) conducted audit of expenditure of Civil and Works Departments, Autonomous Bodies of the GoR under Sections 13<sup>3</sup>, 14<sup>4</sup>, 15<sup>5</sup>, 17<sup>6</sup>, 19(2)<sup>7</sup> and 20<sup>8</sup> of the C&AG's (DPC) Act. The principles and methodology for compliance audit are prescribed in the manuals issued by the C&AG.

1. minus figure is due to transfer of ₹ 212 crore from Rajasthan State Investment Fund.
2. minus figure is due to transfer of ₹ 688 crore from Rajasthan State Investment Fund.
3. Audit of (i) all expenditure from the Consolidated Fund of the State, (ii) all transactions relating to Contingency Fund and Public Accounts and (iii) all trading, manufacturing, profit & loss accounts, balance sheets & other subsidiary accounts.
4. Audit of (i) all receipts and expenditure of a body or authority substantially financed by grants or loans from the Consolidated Fund of the State and (ii) all receipts and expenditure of any body or authority where the grants or loans to such body or authority from the Consolidated Fund of the State in a financial year is not less than ₹ 1 crore.
5. Audit of grant or loan given for any specific purpose from the Consolidated Fund of India or State to any authority or body, to scrutinise the procedures by which the sanctioning authority satisfies itself as to the fulfillment of the conditions subject to which such grants or loans were given.
6. Audit of accounts of stores and stock.
7. Audit of the accounts of Corporations (not being Companies) established by or under law made by the Parliament in accordance with the provisions of the respective legislations.
8. Audit of accounts of any body or authority on the request of the Governor, on such terms and conditions as may be agreed up on between the C&AG and the State Government.

## **1.4 Organisational Structure of the Office of the Principal Accountant General (Civil Audit), Rajasthan**

Under the directions of the C&AG, the office of the Principal Accountant General (Civil Audit), Rajasthan, conducts audit of civil and works departments and autonomous institutions through three groups for inspection of civil departments and one for works departments.



and autonomous institutions through three groups for inspection of civil departments and one for works departments. During 2010-11, 69 audit parties (Civil: 51, Works: 18) conducted compliance audit of the selected units under various civil and works departments of the State Government, autonomous bodies, externally aided projects etc.

## **1.5 Planning and conduct of audit**

Audit process starts with the assessment of risk exposure of various Government departments/organizations/autonomous bodies and schemes/projects, etc. based on expenditure, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and the concerns of stakeholders. Previous audit findings are also considered in this exercise.

After completion of audit of each unit, Inspection Reports, containing audit findings, are issued to the head of the unit. The units are requested to furnish replies to the audit findings within one month of receipt of the Inspection Report. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the audit reports.

During 2010-11, 15,880 audit party days were used to carry out compliance audit of 1,913 out of 13,483 units in civil and works departments. The audit plan covered those units/entities, which were vulnerable to significant risk, as per the assessment.

## **1.6 Significant audit observations**

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities through performance audits, as well as on the quality of internal controls in selected departments, which impact on the success of programmes and functioning of the departments. Similarly, the deficiencies noticed during compliance audit of the Government departments/organisations were also reported.

### 1.6.1 Performance audit of programmes/activities/departments

This report contains the performance audits of 'National Horticulture Mission Programme', 'Implementation of Drinking Water Supply Projects', 'Implementation of schemes for welfare and upliftment of weaker and backward sections of society', 'Working of Rajasthan University of Health Sciences, Jaipur', 'Twelfth Finance Commission Grant for Maintenance of Roads and Bridges' and 'Chief Controlling Officer based Audit of Department of the Command Area Development and Water Management'. The salient features of the performance audit are discussed in the following paragraphs:

#### 1.6.1.1 National Horticulture Mission Programme

The National Horticulture Mission (NHM), a Centrally Sponsored Scheme, was announced in 2005-06 with 100 *per cent* assistance by Government of India (GoI) during 10<sup>th</sup> Plan (2005-06 to 2006-07) and 85 *per cent* during 11<sup>th</sup> Plan (2007-08 to 2011-12). The State Government was to contribute 15 *per cent*. The NHM aimed to promote holistic growth of horticulture sector was implemented in Rajasthan in September 2005 initially in 13 districts<sup>9</sup>. Eleven districts were added subsequently in 2006-07 (four)<sup>10</sup> 2007-08 (six)<sup>11</sup> and in 2008-09 (one)<sup>12</sup> totalling to 24 districts as on date. A review of the NHM Scheme revealed that the RHDS has made efforts in synergising and convergence with other ongoing schemes viz. State Plan, *Rashtriya Krishi Vikas Yojana* and National Rural Employment Guarantee Act. The progress reported under development of nurseries, area covered in rejuvenation of senile plants, creation of water sources viz. *a viz.* targets appear satisfactory. However it was seen that the scheme was implemented without conduct of proper base line surveys, feasibility study and perspective plan. The physical and financial targets fixed for field units were not based on Annual action plans proposed by District Horticulture Development Society which resulted in short achievements (physical/financial) under establishment of gardens, protected cultivation, Integrated Pest Management, organic farming, technology dissemination and Post Harvest Management. Cluster approach was not adopted in implementing the scheme. Thus the objective of holistic growth of horticulture sector was not fulfilled. Leakages from water sources and non installation of drip system resulted in non fulfillment of the objective of economical use of stored water. In the absence of data regarding production, employment provided specifically under NHM, degree of enhancement of horticulture production, income support to farm households and employment generation of skilled and unskilled persons could not be ascertained.

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9. Ajmer, Alwar, Baran, Barmer, Chittorgarh, Jaipur, Jalore, Jodhpur, Jhalawar, Kota, Nagaur, Pali and Sriganganagar.

10. Banswara, Karauli, Sawaimadhopur and Tonk.

11. Bundi, Bhilwara, Dungarpur, Jhunjhunu, Sirohi and Udaipur.

12. Jaisalmer.

### **1.6.1.2 Implementation of Drinking Water Supply Projects**

In Rajasthan, due to scanty rainfall and excessive use of ground water for irrigation and drinking purposes, water level has depleted to an alarming level which has brought about adverse changes in the geo-chemistry of ground water, due to which natural contamination such as fluoride, nitrate, chloride and salts etc are increasing in the ground water, resulting in non-providing of safe and adequate quantity of drinking water to the rural and urban population of the State. To overcome this problem, the State Government through Public Health Engineering Department has taken up from time to time various drinking water supply projects to provide surface drinking water. As on 31 March 2011, 57 drinking water supply projects were in progress. Out of these, 19 projects which were not completed by the scheduled dates of their completion (July 2008 to April 2010) were allowed to be re-phased by the Finance Committee of Rajasthan Water Supply and Sewerage Management Board in March and July 2010. Of the 19 projects re-phased, eight<sup>13</sup> projects lying incomplete were selected for review. A review disclosed that the State Government's objective to provide adequate drinking water to the population of the concerned villages within the stipulated time remains unachieved due to re-phasing of the projects on account of funds constraints on the one hand and surrender of funds on the other hand indicating defective financial management which led to cost/time overrun. Misinterpretation of decision resulted in financial benefits to the contractors and loss to the State exchequer. Failure of the State Government in ensuring dispute free site and reservation of water prior to taking up of project activities and not taking up activities of transmission and distribution system simultaneously, the water supply schemes could not be commissioned as per schedule denying benefit of drinking water to the villagers despite heavy expenditure on rising pipeline and reservoirs. Non-observance of rules/provisions resulted in undue financial aid to contractors viz. irregular payment of secured advances, escalation charges in lump sum contracts, non-deduction of security deposits, labour cess and royalty etc; failure of oversight resulted in blocking of funds. Deficiency in monitoring and prescribed periodical inspections and non-observance of norms of quality control led to non-execution of works as per specifications.

### **1.6.1.3 Implementation of schemes for welfare and upliftment of weaker and backward sections of society**

The "Department of Social Welfare" was established (1951-52) to uplift and empower the weaker sections of the Society. In February 2007, it was renamed as 'Social Justice and Empowerment Department' (SJED). SJED implements, manages and executes various schemes for the educational/social upliftment and welfare, empowerment of Scheduled Tribes (ST), Scheduled Castes (SC), Other Backward Class (OBC)<sup>14</sup> and weaker, downtrodden, exploited and

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13. Barmer Lift Water Supply Project (BLWSP), Gulendi Water Supply Project (GWSP), Chambal-Dholpur-Bharatpur Water Supply Project (CDBWSP), Indroka-Manaklao-Dantiwara Water Supply Project (IMDWSP), Indroka-Manaklao-Khangta Water Supply Project (IMKWSP), Kalikhar Water Supply Project (KWSP), Matasukh-Farrod-Jayal-Jharali Water Supply Project (MFJJWSP) and Narmada Water Supply Project (NWSP).

14. Other backward classes are entitled for benefits only under 'Construction of hostels for SC, ST and OBC' scheme.

backward classes as envisaged in the Directive Principles of the State Policy of Constitution of India. A review of implementation of six<sup>15</sup> selected schemes revealed *ad-hoc* allotment of funds without proper assessment, which resulted in non utilisation of funds in some districts and shortage in others. In five schemes,<sup>16</sup> excessive delay in sanctioning of assistance to beneficiaries and absence of monitoring inspite of prescribed time schedule, was indicative of indifferent attitude of Department. Inadequate internal control checks resulted in assistance to ineligible applicants in four schemes.<sup>17</sup> Non- ensuring of production of required documents with the application by applicants, in five schemes.<sup>18</sup>, non-maintenance of records of scholarships disbursed through Educational Institutions, insensitive implementation of Palanhar scheme, inadequate monitoring of construction of Hostels, indifferent implementation of the Nari Niketan scheme in the absence of monitoring committee and apparent lack of oversight and governance through monitoring by the Department/State Government was also observed.

#### **1.6.1.4 Working of Rajasthan University of Health Sciences, Jaipur**

Rajasthan University of Health Sciences (RUHS) was established at Jaipur with the objectives to disseminate and advance knowledge in medicine and dentistry and to ensure systematic medical education, and to develop super speciality treatment facilities and various research/therapy centres. A review of the functioning of RUHS revealed that in the absence of an action plan inspite of availability of funds objective could not be achieved. Super speciality hospital planned to be constructed by February 2009 was not completed. The State Government also did not provide even the sanctioned amount. In the absence of regular and qualified staff effective monitoring and administrative control over financial management, granting affiliation to colleges, conducting inspection to watch the delivery of qualitative medical education, enrolment of students and conducting various examinations was inadequate. Its cascading adverse effect was reflected in cases of colleges continuing without affiliation, non-inspection of colleges, closing of certain courses by colleges without prior permission of RUHS, irregular admissions in private colleges and inaccuracy and delay in declaration of results.

#### **1.6.1.5 Twelfth Finance Commission Grant for ‘Maintenance of Roads and Bridges’**

The Twelfth Finance Commission (TFC) constituted on 1 November 2002 recommended a total grant of ₹ 633.32 crore<sup>19</sup> for Rajasthan for ‘maintenance of roads and bridges’ considering the total length of roads (1,25,224 km) in the

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15. *Sahyog, Palanhar*, Financial aid for Happy Married Life to Disabled Young Couple, Scholarship to disabled students, *Anuprati* and Financial Assistance to Disabled Persons.

16. *Sahyog, Palanhar*, Financial aid for Happy Married Life to Disabled Young Couple, Scholarship to disabled students, and Financial Assistance to Disabled Persons.

17. *Sahyog, Palanhar*, Financial aid for Happy Married Life to Disabled Young Couple and *Anuprati*.

18. *Sahyog*, Financial aid for Happy Married Life to Disabled Young Couple, Scholarship to Disabled Students, *Anuprati* and Financial Assistance to Disabled Persons.

19. 2006-07: ₹ 158.33 crore; 2007-08: ₹ 158.33 crore; 2008-09: ₹ 79.165 crore (Second instalment was released belatedly in 2009-10) and 2009-10: ₹ 237.495 crore.

State. This was in addition to the expenditure from the State Government's regular budget on maintenance of roads and bridges. The expenditure out of TFC grant was to be governed by the specified conditionalities<sup>20</sup> for the release and utilisation of this grant. Scrutiny of works carried out under TFC revealed that planning and monitoring was deficient. Shelf of works to be executed in TFC period was not prepared and not only the works beyond the closure of TFC period were sanctioned, but incomplete works were treated as final due to closure of TFC period. Capital nature of works were executed out of TFC grant in contravention of TFC guidelines. Non-adherence to financial rules/regulations and instructions led to wasteful expenditure on roads lying incomplete due to land disputes, non-levy of compensation on contractors for delayed works and acceptance of sub-standard works by Executive Engineers. There were deviations in number of works executed, expenditure incurred and road length given in the Status Report and that actually noticed in records provided by Chief Engineer (Roads). Monitoring by the High Level Committee was also inadequate.

#### **1.6.1.6 Chief Controlling Officer based Audit of Department of the Command Area Development and Water Management**

The Command Area Development and Water Management Department was set up to maximize agriculture production and productivity by ensuring creation of Culturable Command Area (CCA) of 26.22 lakh ha for six projects. A review of the functioning of the Department revealed that only 15 lakh ha CCA has been created as of 31 March 2011. Shortfall was mainly under Bisalpur Project (61 *per cent*) and Amar Singh Sub Branch Project (49 *per cent*). Indira Gandhi Nahar Pariyojana (IGNP) was foreclosed in August 2010 without completion of water courses in 4.09 lakh ha. Deficient planning in execution was noticed as Annual plans were not synchronised with the perspective plans. Targets were reduced and even the reduced targets were not achieved. Delay in sending Memorandum of Understanding to Government of India (GoI) for IGNP, Chambal and Bisalpur Projects deprived the State Government of Central assistance of ₹ 72.51 crore during 2010-11. Weak manpower management also resulted in less achievement. The Department could not utilise Central/State funds amounting to ₹ 19.65 crore. The Department did not form water users association which resulted in non-participation of farmers in implementation of the schemes and constructed water courses were deprived of their oversight. Farmers contribution was not recovered under all the schemes. Non-adherence to rules/regulations/instructions led to extending undue benefits to contractors due to non-recovery of labour cess, compensation/penalty for delay. Supervision/inspection system was deficient. The evaluation of the projects was not got done by any

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20. Conditionalities: (i) Grants should be budgeted and spent for meeting the non-plan revenue expenditure under the heads (major head 3054 – sub major head 03 & 04), (ii) grants allocated in two equal instalments in a financial year and the second instalment will be released during the year on the fulfillment of the conditions that Budget Estimate (BE) of the current year under Non Plan Revenue Expenditure (NPRE) of the relevant major head-3054 should not be less than the projected total NPRE for the year and Revised Estimate (RE)/actuals for the NPRE of the relevant major head should not be less than the projected normal expenditure of the previous year plus the actual release of TFC grant.

independent agency to assess their performance. Internal control mechanism was poor.

### **1.6.2 Significant audit observations during Compliance Audit**

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings of compliance audit (25 paragraphs) have also been reported. The major observations relate to:

- Non-compliance with rules and regulations.
- Audit against propriety and cases of expenditure without adequate justification.
- Persistent and pervasive irregularities.
- Failure of oversight/governance.

#### **1.6.2.1 Non-compliance with rules and regulations**

For sound financial administration and control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This helps in maintaining financial discipline and prevents irregularities, misappropriation and frauds. This report contains instances of non-compliance with rules and regulations involving ₹ 20.26 crore. Some important audit findings are as under:

Failure of University of Rajasthan to ensure correctness of electricity bills resulted in avoidable payment of Electricity Duty amounting to ₹ 1.09 crore.

*(Paragraph 3.1.1)*

Non-availing of benefit of Excise Duty (ED) exemption for pipes supplied for rising pipeline entitled for ED exemption under Government of India notification no. 6/2007 of 1 March 2007 and failure of Chief Engineer, Public Health Engineering Department in inserting a specific clause regarding refund of ED in rate contract led to loss of ₹ 1.09 crore to the Government.

*(Paragraph 3.1.2)*

Proposing alignments of roads<sup>21</sup> through Forest land without obtaining approval of GoI by the Public Health Engineering Department led to delayed completion of six roads (₹ 4.29 crore), non-completion of two roads (₹ 0.70 crore) and non-starting of one road. Besides, contrary to guidelines of 'Pradhan Mantri Gram Sadak Yojana,' funds amounting to ₹ 1.71 crore were diverted to meet the expenditure for de-reservation of forest land though refunded in July 2011.

*(Paragraph 3.1.3)*

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21. Approach roads from Dholapani Kalacot to Harmara Ki Rail; Magri to Gamet; Kerwas to Nai Ka Pathar; Nakor to Jambukhera; Bev to Reechhari; Gotameshwar to Talaya; Raipur Kangarh road to Veerpura; Luharkhali to Bhanso Ki Nal; Pandawa to Mehendi Khera.



The Executive Engineers of nine Public Works Divisions<sup>22</sup> irregularly charged *pro-rata* towards establishment, tools and plants on the deposit works executed by Rajasthan State Road Development Construction Corporation Limited which led to increase in Capital expenditure by ₹ 9.94 crore and unauthorised increase of revenue receipts to that extent.

*(Paragraph 3.1.4)*

Non-adherence to norms of Indian Standard code for economy in construction of bank top of minors and distributaries of canals<sup>23</sup> (having discharge upto 3 cumecs) by Water Resources Department resulted in avoidable expenditure of ₹ 2.05 crore on extra earth work and its compaction.

*(Paragraph 3.1.5)*

Non-following of approved norms of assistance and wrong certification of calamity by Disaster Management and Relief Department led to irregular and unauthorised expenditure of ₹ 4.38 crore on charging of cost of 14 ambulances (₹ 2.52 crore) and on repair and restoration of roads damaged due to heavy rains (₹ 1.86 crore) to Calamity Relief Fund.

*(Paragraph 3.1.6)*

#### **1.6.2.2 Audit against propriety and cases of expenditure without adequate justification**

Authorisation of expenditure from public funds has to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money. Audit scrutiny revealed instances of impropriety and extra expenditure involving ₹ 40.89 crore. Some important audit findings are as under:

Undue delay in processing the procurement through consultancy services by the Department of Ayurved led to the desired equipments not being procured and supplied to Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy hospitals depriving patients of treatment facilities and resulted in blocking of Central assistance amounting to ₹ 2.21 crore for more than three years (August 2011).

*(Paragraph 3.2.1)*

Benefits of the special scheme for construction of women's hostels could not be provided to the intended beneficiaries due to failure of the College Development Committees of affiliating universities under Medical Education

22. Executive Engineer (EE), Public Works (PW) Division, Ajmer; EE, PW City Division, Ajmer; EE, PW Division-I Bharatpur; EE, PW Division-I, Barmer; EE, PW Division, Dausa; EE, PW Division, Gangapurcity; EE, PW Division, Nagaur; EE, PW Division, Rajakhera and EE, PW Division, Abu Road (Sirohi).

23. Panoriya Lift Distributary of Narmada Main Canal, Minors of Panoriya Distributary and Bhimguda Distributary.

Department in conducting timely physical verification of constructed hostel buildings and ineffective monitoring of the work deprived women of hostel facilities despite incurring an expenditure of ₹ 8.95 crore.

*(Paragraph 3.2.2)*

Due to inadequate planning by Medical and Health Department the new Community Health Centres at Malpura (Tonk) and Kapasan (Chittorgarh) could not be made (September 2011) fully operational in the new buildings taken over in March 2009/December 2009.

*(Paragraph 3.2.3)*

Defective planning in assessing water demand inclusive of agriculture and all other losses by the Public Health Engineering Department rendered the expenditure of ₹ 7.48 crore on construction of anicut (₹ 1.87 crore) for Jawar-Chandipur Water Supply Project, Manoharthana, District Jhalawar and laying of additional pipeline etc. (₹ 5.61 crore) largely unfruitful.

*(Paragraph 3.2.4)*

Failure of the Public Health Engineering Department in first ensuring reservation of water in Gambhiri Dam from Water Resources Department and to take up the issue of the feasibility of laying pipelines under railway tracks with the Railway authorities led to drinking water supply scheme, Nimbahera, Chittorgarh remaining incomplete even after four years (March 2011) and incurring expenditure of ₹ 9.76 crore.

*(Paragraph 3.2.5)*

Inadequate survey and defective planning by the Public Health Engineering Department resulted in selection of source of water for Urban Water Supply Scheme, Lakheri, District Bundi in forest area which was subsequently changed to the existing source, already found unsuitable and unreliable. Consequently, 100 lpcd drinking water could not be provided to the population of Lakheri town for the last more than four years despite spending ₹ 6.86 crore.

*(Paragraph 3.2.6)*

### **1.6.2.3 Persistent and pervasive irregularities**

An irregularity is considered persistent if it occurs year after year. It is deemed pervasive when prevalent in the entire system. Recurrence of irregularities, despite being pointed out in earlier audits, is indicative of slackness on the part of the executive and lack of effective monitoring. This in turn encourages willful deviations from observance of rules/regulations and results in weakening of administrative structure. Audit observed instances of persistent

and pervasive irregularities of ₹ 33.33 crore. Some important audit findings are as under:

Inaction of the University of Rajasthan to lay down a proper system and time schedule to ensure accountal of examination forms issued to colleges for timely collection of revenue and taking back of unused forms indicated lack of monitoring and administrative control by the Higher Education Department that led to ₹ 2.20 crore lying un-recovered from 490 Government/Private Colleges for one to nine years on account of sale proceeds of forms in University of Rajasthan.

*(Paragraph 3.3.2)*

Indecisiveness of the Medical Education Department resulted in utilisation of only 33 *per cent* of approved units and 36 *per cent* of bed capacity despite taking 16 years in planning. The new hospital building at Kota constructed at a cost of ₹ 23.99 crore could also not be put to use even after three years of taking possession.

*(Paragraph 3.3.3)*

Proposing and awarding the work of eight roads<sup>24</sup> passing through private/forest land without acquisition of private land and obtaining prior approval of Forest Department by the Public Works Department rendered the expenditure of ₹ 6.56 crore unfruitful as the roads were lying incomplete though scheduled to be completed between September 2006 and March 2010.

*(Paragraph 3.3.4)*

#### **1.6.2.4 Failure of oversight/governance**

Government has an obligation to improve the quality of life of the people in the area of health, education, development and upgradation of infrastructure, public services etc. Audit noticed instances where the funds released by the Government for creating public assets remained unutilised/blocked or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. Test-check cases of failure of oversight/governance noticed in audit involved ₹ 9.55 crore. Some important audit findings are as under:

The Ayurved Drug Testing Laboratory could not be put to operation rendering the entire expenditure of ₹ 77.57 lakh unproductive and ₹ 22.43 lakh lying idle with the Ayurved Department/Public Works Department for more than nine years. Besides, possibility of deterioration of equipment in the absence of maintenance and operation can not be ruled out.

*(Paragraph 3.4.1)*

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24. Badoda Gaon to Jaskaranpura; Gaddi Nai Gaddi road to Pratapgarh; Mamoni to Mohanpura; Malba to Modathali; Bansi to Nainwa; Talwas to Khedi; Narayanpura Tatwara Railway Station to Ramgarh via Nagadi Guwadi and Behraunda Khandar to Jagner road.

Indecisiveness of the Labour and Employment Department in selection of a construction agency led to non-utilisation of central subsidy of ₹ 1.40 crore, denying, the targeted Beedi workers of housing facilities inspite of admissibility of subsidy of ₹ 2.80 crore as Central assistance.

*(Paragraph 3.4.2)*

Inaction of the Public Health Engineering Department to recover extra cost of ₹ 2.45 crore from the Contractor 'A' towards supplying, laying, jointing, testing and commissioning of pipeline between Pohra and Gajroopsagar work in Jaisalmer executed at his risk and cost led to undue favour to Contractor 'A'.

*(Paragraph 3.4.3)*

Incorrect entries of receipt/utilisation of Bitumen in Consumption Statement of six road<sup>25</sup> works under missing link in District Sikar by Public Works Department led to acceptance of substandard road works of ₹ 0.65 crore and loss to Government.

*(Paragraph 3.4.4)*

In the absence of adequate instructions, the Project Officers/ Deputy Project Officers of Tribal Area Development Department failed in implementation of the Scheduled Tribe Women Self Help Group scheme resulting in Special Central Assistance of ₹ 1.53 crore remaining locked in Personal Deposit accounts of field officers depriving the Scheduled Tribe women of Below Poverty Line families of the intended benefits.

*(Paragraph 3.4.5)*

Lack of proper grassroot planning, monitoring and co-ordination with line Departments by Tribal Area Development Department led to non-utilisation of Special Central Assistance of ₹ 2.52 crore sanctioned during 2006-08 for 10 Watershed Development Projects in Banswara, Dungarpur and Pratapgarh Districts which was lying idle in the Personal Deposit accounts of Project Officers/ Deputy Project Officers (July 2011).

*(Paragraph 3.4.6)*

## **1.7 Response of the Departments to Reviews/Draft Audit Paragraphs**

The Finance Department had issued directions to all departments (August 1969) to send their response to the draft audit paragraphs, proposed for inclusion in the Report of the Comptroller and Auditor General of India, within three weeks.

Accordingly, draft paragraphs are forwarded to the Principal Secretaries/ Secretaries of the departments concerned, drawing their attention to the audit

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25. Hetamsar to Rasoolpur; Godiya Chhota to Hetamsar; Bhunchari to Almas; Roru Bodi to Rajas; Nawalgarh to Birodi Chhoti and Sardarpura to Birania.

findings and requesting them to send their response within three weeks. It is brought to their personal attention that in view of likely inclusion of such paragraphs in the Audit Reports of the Comptroller and Auditor General of India, which are placed before Rajasthan Legislature, it would be desirable to include their comments in the matter. They are also advised to have meetings with the Principal Accountant General to discuss the reviews/draft audit paragraphs, proposed for Audit Reports. Reviews/draft paragraphs proposed for inclusion in this report were forwarded to the Principal Secretaries/ Secretaries concerned.

All the Departments furnished replies to draft paragraphs and draft performance reviews forwarded to the Principal Secretaries/Secretaries. The responses of the Departments, received have been appropriately incorporated in the Report.

### **1.8 Follow-up on Audit Reports**

The Finance Department of the State Government decided (December 1996) that Action Taken Notes (ATNs) on all paragraphs/reviews that have appeared in Audit Reports be submitted to the Public Accounts Committee, duly vetted by Audit, within three months from the date of laying of the Reports in the State Legislature. A review of the outstanding ATNs on paragraphs/ performance reviews included in the Reports of the Comptroller and Auditor General of India pertaining to various Departments as of October 2011 revealed that 15 ATNs<sup>26</sup> were pending from the Departments.

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26. Paragraphs 2.1, 2.3, 2.4, 2.6, 2.7, 3.2.2, 3.2.3, 3.3.1, 3.3.2, 3.3.3, 3.4.2, 3.4.4, 3.5.1, 3.5.3 and 3.5.5 of the Audit Report (Civil) 2009-10.