

CHAPTER II

PERFORMANCE AUDIT AND COMPLIANCE AUDIT OF PANCHAYATI RAJ INSTITUTIONS

This chapter contains one Performance Audit of 'Implementation of Indira Awaas Yojana' and four paragraphs relating to Compliance Audit of Panchayati Raj Institutions.

PERFORMANCE AUDIT

Rural Development Department

2.1 Implementation of Indira Awaas Yojana

Executive Summary

Indira Awaas Yojana (IAY) was introduced by the Government of India in 1985-86 for providing a lump sum financial assistance for construction/upgradation of dwelling units for the members of Scheduled Castes (SC)/Scheduled Tribes (ST) and freed bonded labourers as well as minorities and other non SC/ST rural Below Poverty Line (BPL) households.

Performance audit of the implementation of IAY in selected districts, blocks and gram panchayats revealed that only 77.52 per cent of available funds were utilised during 2008-13 at the State level. Instances of selection of ineligible beneficiaries, deduction of Central assistance of ₹ 23.90 crore, delay in release of State share, irregular adjustment of IAY funds (₹ 3.83 crore) and delayed preparation of Chartered Accountants' reports on accounts etc. were noticed.

The IAY beneficiaries were not provided sanitary latrines, drinking water and electricity through convergence with other schemes. Monitoring of the implementation of IAY and inspection of constructed houses was weak and unreliable. Grievance redressal mechanism remained inadequate. Management Information System Programme Software 'AWASSoft' was not working effectively.

2.1.1 Introduction

Indira Awaas Yojana (IAY), a flagship rural housing scheme of Government of India (GoI), was launched during 1985-86 as a sub-scheme of Rural Landless Employment Guarantee Programme. Since the launching of Jawahar Rozgar Yojana (JRY) in April 1989, IAY was continued as a sub-scheme of JRY. With effect from 1 January 1996, IAY was delinked from JRY and made an independent scheme. The primary objective of this scheme was to provide lump sum financial assistance to rural BPL households of SC/ST, freed

bonded labourers, minorities and other non SC/ST rural BPL families for construction/upgradation of dwelling units.

Since 1999-2000, a number of initiatives were taken and IAY was extended for upgradation of unserviceable *kuchcha* houses. Homestead sites for landless rural BPL households was also included as part of IAY since 2009.

For making the constructed dwelling unit a complete living house, as per IAY guidelines Zila Parishad (ZP), Rural Development Cell (RDC) should make concerted efforts to converge IAY with the Total Sanitation Campaign (TSC) for constructing sanitary latrines, Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) for providing free electricity connections, National Rural Water Supply Programme (NRWSP) for making provision of drinking water, Bima Yojana from Life Insurance Corporation (LIC) and smokeless *chullahs*.

2.1.2 Organisational set up

Additional Chief Secretary/Principal Secretary, Rural Development & Panchayati Raj Department (RD & PRD) is responsible for implementation of IAY at the State level. The organisational structure for implementation of IAY is given in **Table 2.1** below:

Table 2.1: Organisational structure for implementation of IAY

Level	Authority responsible for implementation of the Scheme	Function and responsibilities
State Level	Additional Chief Secretary/ Principal Secretary	Responsible for Implementation of IAY at State level.
District Level	Chief Executive Officer (CEO), ZP (RDC)	Responsible for overall management of funds, consolidation of beneficiary list, determination of number of houses to be constructed/upgraded and sanction of houses etc.
Block Level- Panchayat Samiti (PS)	Vikas Adhikari	Responsible for watching progress of IAY at block level.
Gram Panchayat (GP) Level	Secretary-cum-Gram Sevak	Responsible for identification of beneficiaries, preparation of waiting list and monitoring the progress of execution of IAY at Gram Panchayat level.

2.1.3 Audit objectives

The objectives of this performance audit were to assess whether:

- identification and selection of the target groups, processes for allotment, construction/upgradation of houses were in conformity with IAY provisions;
- the number of houses constructed/upgraded and allocation, release and utilisation of funds were as per plan and targets set out in IAY guidelines and the funds were utilised economically and efficiently;
- the convergence of the IAY activities with other schemes/programmes was achieved as envisaged to ensure a completely functional dwelling unit; and

- the mechanism for monitoring and evaluation of the outcomes of the scheme was proper.

2.1.4 Audit criteria

Audit criteria were derived from the following:

- IAY Guidelines issued by GoI, instructions/circulars issued by GoI and State Government and Plan documents;
- Periodical reports/returns prescribed by the State Government; and
- Census Report 2001 and BPL and Household Survey Reports 2002.

2.1.5 Audit scope, sampling and methodology

For performance audit of implementation of IAY, records of Rural Development Department (RDD), selected 8 districts, 16 blocks and 155 GPs (*Appendix-III*) for the period 2008-09 to 2012-13 were test checked (May to August 2013). Districts were selected on the basis of probability proportionate to size with replacement method whereas blocks and GPs were selected on the basis of simple random sampling without replacement method using IDEA software. Joint physical inspection with officials of GPs in respect of 1,680 beneficiaries was also conducted.

An Entry Conference was held (June 2013) with Additional Chief Secretary, RD&PRD in which the audit objectives, criteria, scope and methodology were discussed and agreed upon. Audit findings were discussed in an Exit Conference held (October 2013) with Secretary, RDD.

Audit acknowledges the cooperation extended by the State Government, ZPs and other audited units in conducting the audit.

Audit findings

Performance audit of implementation of IAY in eight districts of Rajasthan revealed deficiencies in planning, management of funds, process of allotment of houses and monitoring of the scheme.

2.1.6 Planning

Indira Awaas Yojana is a Centrally Sponsored Scheme funded on cost sharing basis between the GoI and the State Government in the ratio of 75:25. Under the scheme, Central assistance along with the district wise targets was directly released to the ZPs (RDC) in the States. The Central assistance and the targets for ZPs (RDC) were decided annually by Ministry of Rural Development (MoRD), GoI on the basis of 75 *per cent* weightage for rural housing shortage as per census data and 25 *per cent* weightage for poverty ratio. Similarly, allocation between blocks in a district was to be made on the same principle by ZPs (RDC).

On the basis of allocation and targets earmarked for the district, the ZPs (RDC) are to decide PS-wise number of houses to be constructed under IAY during a particular financial year. Similarly, the PSs are to decide GP-wise number of houses to be constructed under IAY during a particular financial year. This target is to be intimated to the GP concerned. Thereafter, the beneficiaries, restricted to the target number, are to be selected from the permanent IAY waitlists prepared on the basis of BPL list, following the same order. GPs are to draw up shelterless families from the BPL list strictly as per the order of the BPL list. Payments to the beneficiaries are made on staggered basis on completion of different stages after verification of the construction sites by the field officials. Inadequacies in the planning process of IAY are discussed in the succeeding paragraphs.

2.1.6.1 Non-preparation of Annual Plan

In spite of provisions in guidelines, none of the selected districts prepared Annual Plan of IAY for the period 2008-09 to 2012-13.

The State Government stated (January 2014) that directions for preparation of Annual Plan and approval from general body meeting of ZPs have been issued to all ZPs in October 2013.

2.1.6.2 Non-observance of criteria for allocation of targets

Audit observed that ZPs (RDC), Karauli, Pali, Sikar, Sriganganagar and Udaipur did not adhere to the norms for allotting the targets to blocks during 2008-13 and there was variation in allocation of targets as detailed in *Appendix-IV*. The variation in allocation of targets ranged between 625 (short in Anoopgarh block in 2008-09) and 481 (excess in Khandela block in 2010-11) from laid down norms. Non-adherence to this principle could result in distribution of funds without due weightage to housing shortage and SC/ST population.

The State Government stated (January 2014) that instructions were issued every year to all ZPs for adhering to the norms. However, directions have again been issued for compliance.

2.1.6.3 Selection of beneficiaries beyond the prescribed procedure

Once the lists of eligible beneficiaries are prepared based on the criteria as discussed in Para 2.1.6 above the same need to be approved by the Gram Sabha. Selection by the Gram Sabha was to be final. Scrutiny of records revealed that:

- All the 8 selected ZPs (RDC) released financial assistance without seeking approval of Gram Sabha concerned in the test checked 155 GPs except in 4 cases¹ during the period 2008-09 to 2012-13.

1. GP, Borela (Asind Block): 2012-13, Ajeta (Bundi Block): 2012-13, Dhanatari (Bundi Block): 2008-09 and Datunda (Hindoli Block): 2008-09 and 2009-10

The State Government stated (January 2014) that beneficiaries were selected from the list approved by the GPs. However, respective ZPs have been instructed to ensure the compliance of laid down procedure. The reply was not acceptable as no documentary evidence was produced in support of the contention.

- ZPs (RDC), Bikaner and Pali released ₹ 21.26 lakh² to 77 beneficiaries during 2008-09 to 2011-12 from IAY funds without ascertaining their eligibility. Though the sanctions were cancelled later on yet the amount has not been recovered as of January 2014 from these ineligible beneficiaries. Thus, selection of beneficiaries was not made as per the prescribed procedure.

The State Government accepted the facts and stated (January 2014) that ZPs Pali and Bikaner have been instructed to recover the amount.

2.1.6.4 Beneficiaries not selected as per priority

As per guidelines, beneficiaries were required to be selected from the list prepared by giving priority as prescribed³ in the guidelines. It was observed that priority wise lists were not prepared in all the selected blocks of Karauli (May 2013), Pali (July 2013), Sriganganagar (July 2013) and Udaipur (July 2013) districts for the period 2008-09 to 2012-13.

The State Government stated (January 2014) that in accordance with seniority, beneficiaries were selected from the permanent waiting list maintained at GP level. Further, for maintaining transparency, GP-wise permanent waiting list for SC/ST and others are uploaded on the departmental website. Reply was not acceptable as priority lists were not prepared in accordance with the guidelines.

2.1.6.5 Non-adoption of norms for SC/ST beneficiaries

As per guidelines, at least 60 *per cent* of the total IAY funds and physical targets at the district level were to be utilised for construction/upgradation of dwelling units for SC/ST BPL households.

It was observed that there was shortfall between 5.41 and 18.35 *per cent* in allocation of houses to SC/ST BPL beneficiaries during the year 2008-09 to 2012-13 in Bikaner, Bundi and Sikar districts as per details given in **Table 2.2** below:

-
2. ZP (RDC), Bikaner: ₹ 11.63 lakh (34 cases) and Pali: ₹ 9.63 lakh (43 cases)
 3. Priorities to be given in order of (i) Freed bonded labourers; (ii) SC/ST households (victims of atrocity, headed by widows and unmarried female, effected by natural and man-made calamities and other households); (iii) Families/widows of personnel from defence services/ paramilitary forces, killed in action; (iv) Non-SC/ST BPL households; (v) Physically and mentally challenged persons; (vi) Ex-servicemen and retired members of the paramilitary forces; and (vii) Displaced persons on account of developmental projects, nomadic/semi-nomadic and denotified tribals, families with physically/ mentally challenged members. The selection of the beneficiaries was subject to the condition that the households of all the above categories except (iii) were BPL.

Table 2.2: Shortfall in allocation of houses to SC/ST BPL beneficiaries

Sl. No.	Name of district	Total houses allotted (Numbers)	Houses allotted to SC/ST BPL (Numbers)	Percentage of allotment of houses to SC/ST BPL	Shortfall (in per cent)	SC/ST BPL Beneficiaries awaited (Numbers)
1.	Bikaner	17,550	8,415	47.95	12.05	686
2.	Bundi	14,120	7,708	54.59	5.41	2,399
3.	Sikar	11,203	4,666	41.65	18.35	172

Source: Information provided by the RDD

The State Government stated (January 2014) that instructions for ensuring prescribed limits every year in future, have been issued and reasons for non-adoption of norms for SC/ST beneficiaries have been called for from ZPs Bikaner, Bundi and Sikar.

2.1.6.6 Allotment of houses to minorities

As per guidelines, IAY funds and physical targets will be earmarked for BPL minorities in each State as indicated by MoRD. Accordingly, MoRD, GoI issued (August 2007) instruction that State/ZPs must earmark 15 per cent of their financial and physical target for the year, for minorities from district downward to the GP level. In case, all eligible minority beneficiaries are covered then the beneficiaries shall be selected out of non-minority categories according to permanent IAY waitlist.

It was observed that in ZPs (RDC), Bhilwara, Karauli, Sikar and Udaipur there was no pendency in IAY waitlist in respect of minorities, whereas as per information provided by the State Government (September 2013), there was pendency of 343 beneficiaries from the minority category⁴.

The State Government stated (January 2014) that for ascertaining the factual position information was being called for from the respective ZPs.

2.1.7 Financial management

IAY is a Centrally Sponsored Scheme funded on cost sharing basis between the GoI and the State Government in the ratio of 75:25. Under IAY, assistance of ₹ 0.35 lakh up to 31 March 2010 and ₹ 0.45 lakh thereafter was to be given for construction of a new house. For upgradation of house ₹ 0.15 lakh was to be given. Besides this, the State Government also released additional assistance of ₹ 0.15 lakh for SC beneficiaries of all the districts up to 31 March 2010 which was reduced to ₹ 0.05 lakh from 1 April 2010. An amount of ₹ 0.05 lakh was also disbursed to all the beneficiaries of five tribal notified districts⁵ from 1 April 2010. The consolidated position of funds released and utilised as per adjusted utilisation certificates (UCs) in all the ZPs of the State for the period 2008-13 is given in **Table 2.3** below:

4. Bhilwara (46), Karauli (165), Sikar (10) and Udaipur (122)

5. Banswara, Chittorgarh, Dungarpur, Sirohi and Udaipur

Table 2.3: Consolidated position of funds released and utilised at the ZP level

(₹ in crore)

Year	Allocation	Opening balance	Funds released to ZPs			Misc. receipts	Inter transfer of funds among ZPs	Total available funds with ZPs (3+6+7-8)	Funds utilised by ZPs as per UCs	Closing balance with ZPs (9-10)	Utilisation of funds (in per cent)
			By GoI	By State Government	Total (4+5)						
1	2	3	4	5	6	7	8	9	10	11	12
2008-09	237.17	22.28	181.31	89.70	271.01	0.93	0.27	293.95	176.65	117.30	60.10
2009-10	249.40	117.30	205.66	114.21	319.87	9.22	0.16	446.23	283.25	162.98	63.48
2010-11	715.79	162.98	373.68	176.43	550.11	6.05	5.19	713.95	304.53	409.42	42.65
2011-12	369.63	409.42	415.91	179.73	595.64	16.91	50.59	971.38	439.09	532.29	45.20
2012-13*	617.20	532.29	270.84	104.73	375.57	0.00	0.00	907.86	433.13	474.73	47.71
Total	2,189.19		1,447.40	664.80	2,112.20	33.11	56.21	2,111.38[†]	1,636.65		77.52

Source: Information (consolidated on the basis of CA Reports) made available by the State Government
 * Figures have been taken from Monthly Progress Report (except opening balance)
 ** Total available funds ₹ 2,111.38 crore arrived as ₹ 22.28 crore + ₹ 2,112.20 crore + ₹ 33.11 crore - ₹ 56.21 crore

- Against available funds of ₹ 2,111.38 crore, only ₹ 1,636.65 crore (77.52 per cent) were utilised during the period 2008-13.
- The year-wise utilisation of funds by all the ZPs ranged between 42.65 per cent (2010-11) and 63.48 per cent (2009-10) of the available funds. Utilisation of funds was highest during 2009-10 and thereafter it was much less in subsequent years. Main reason for under utilisation of funds was attributed to delay in completion of houses.
- The UCs of ₹ 1,636.65 crore have been adjusted and UCs of ₹ 474.73 crore were pending (up to May 2013).
- It was also observed that in all the selected districts, utilisation of funds was between 5.28 and 86.27 per cent during the period 2008-13.

This indicates poor utilisation of funds and slow execution of the flagship scheme of national importance.

The State Government stated (February 2014) that GoI allocated additional targets/funds at the fag end of the year as incentive which were utilised in the next financial year. Reply was not acceptable as only ₹ 397.65 crore was released at the fag end during 2008-13, whereas closing balance ranged from ₹ 117.30 crore in 2008-09 to ₹ 532.29 crore in 2011-12.

2.1.7.1 Deduction of Central assistance

As per IAY guidelines, a deduction in the release in the second instalment of Central assistance would be made in case of having opening balances in excess of the prescribed limit, short/late release of State share, non-submission of UCs and Chartered Accountants' (CA) Reports by district authorities.

It was observed that ₹ 23.90 crore⁶ was deducted by GoI from second instalment during the period 2008-09 to 2012-13 since excess opening balances, short/late release of state share etc. were noticed. The deducted

6. 2008-09: ₹ 2.84 crore, 2009-10: ₹ 5.66 crore, 2010-11: ₹ 1.12 crore, 2011-12: ₹ 0.53 crore and 2012-13: ₹ 13.75 crore

amount of ₹ 23.90 crore would have been sufficient to construct 5,851 houses⁷ under IAY. Thus, 5,851 rural BPL households were deprived benefits under IAY due to non-fulfilment of prescribed conditions.

The State Government stated (January 2014) that during the year 2012-13 necessary proposals in prescribed proforma had been sent to GoI in time, however, GoI did not release the second instalment for some districts. The reply was not acceptable as amount of assistance was deducted by the GoI due to non-fulfilment of prescribed conditions. No reply was furnished in respect of deduction made in earlier years' central assistance.

2.1.7.2 Short release of Central assistance due to irregular adjustment of interest

It was observed that an amount of ₹ 22.66 crore was released to ZP (RDC), Udaipur for implementation of homestead sites sub-scheme, on which interest of ₹ 1.10 crore was earned up to February 2012. Due to non-implementation of this sub-scheme (as commented in Para No. 2.1.8.3), GoI adjusted (June 2011) ₹ 23.76 crore including interest amount against regular Central share for the year 2011-12. As ₹ 0.55 crore out of total earned interest of ₹1.10 crore was earned on the State share, GoI adjusted the excess amount of ₹ 0.55 crore. This resulted in less receipt of grant of ₹ 0.55 crore from the GoI.

The state Government while accepting the facts stated (January 2014) that reminder will be issued to GoI for returning ₹ 0.55 crore.

2.1.7.3 Non-adjustment of natural calamity funds

As per Guidelines, five *per cent* of the total allocated funds will be kept apart to meet the exigencies arising out of natural calamities and other emergent situations like riot, arson, fire, rehabilitation under exceptional circumstances etc. The GoI directed (August 2010) that pending UCs for the funds released may be furnished otherwise the entire fund released along with interest will be adjusted against normal IAY funds.

It was observed that an amount of ₹ 1.57 crore (including miscellaneous receipts ₹ 0.90 lakh and opening balance ₹ 3.85 lakh as on 1 April 2008) was received for natural calamities under IAY for 11 districts⁸ during 2008-09 and 2009-10. Of this, only ₹ 0.77 crore was utilised and ₹ 0.80 crore remained unspent as on 31 March 2013. As directed by GoI, these ZPs neither submitted UCs to GoI nor adjusted unspent balance against normal IAY grant even after lapse of three years.

The State Government accepted the facts and stated (January 2014) that necessary instructions have been issued to concerned ZPs.

7. For 2008-09 and 2009-10: 2,429 houses (₹ 8.50 crore/₹35,000) and 2010-11 to 2012-13: 3,422 houses (₹ 15.40 crore/₹ 45,000)

8. Banswara, Barmer, Dungarpur, Jaisalmer, Jalore, Jhalawar, Pali, Rajsamand, Sirohi, Tonk and Udaipur

2.1.7.4 Unjustified adjustment of IAY funds

As per guidelines, at the district level, if the opening balances of IAY of a particular year exceeds 10 *per cent* of the available funds, Central share will be deducted proportionately at the time of release of the second instalment.

It was observed that ZP (RDC), Pali adjusted (March 2012) ₹ 3.83 crore under IAY without attaching valid UCs/completion certificates (CC) and adjustment vouchers at district and block levels. Hence, possibility of fictitious adjustment of ₹ 3.83 crore without supporting UCs/CCs to avoid deduction of Central share cannot be ruled out.

The State Government stated (January 2014) that concerned ZP has been directed to submit compliance in this regard.

2.1.7.5 Overstatement of expenditure in accounts

During scrutiny of records of ZP (RDC), Bundi, it was observed that beneficiaries returned cheques aggregating ₹ 1.11 crore⁹ under IAY due to incorrect account number, cancellation of sanctions etc. The amount of returned cheques should have been reduced from the expenditure as it was not incurred whereas the refunded amount was taken in receipt side under the Head 'Refund of subsidies from the bank during the year'. Thus, an expenditure of ₹ 1.11 crore was shown excess in the annual accounts of IAY for the period 2009-10 to 2011-12 and communicated to the GoI accordingly.

The State Government stated (January 2014) that concerned ZP has been directed to submit the compliance in this regard.

2.1.7.6 Parking of funds in PS accounts

IAY funds were being transferred to GPs through PSs up to 2007-08 and thereafter, the funds were being transferred directly into the beneficiaries' bank account by the ZPs. Accordingly, funds transferred prior to 2007-08 and remained unutilised at GP and PS level were required to be refunded to the respective ZP's IAY account.

It was observed that selected eight PSs did not refund unspent amount of ₹ 1.00 crore¹⁰ to ZP's account even after lapse of two to six years as of March 2013. This amount was kept in Personal Deposit (PD)/separate bank accounts. Moreover, there was loss of interest of ₹ 0.06 crore (Karauli: ₹ 0.02 crore, Hindaun: ₹ 0.03 crore, Girwa: ₹ 0.01 crore) on ₹ 0.35 crore kept in non-interest bearing PD accounts.

9. 2009-10: ₹ 0.25 crore, 2010-11: ₹ 0.14 crore, 2011-12: ₹ 0.54 crore (Incentive scheme) and ₹ 0.18 crore (Regular scheme)

10. ZP, Bhilwara (PS, Asind: ₹ 0.08 crore), Bikaner (PSs, Bikaner: ₹ 0.28 crore and Dungargarh: ₹ 0.13 crore), Karauli (PSs, Karauli: ₹ 0.09 crore and Hindaun: ₹ 0.21 crore), Sikar (PS, Dhod: ₹ 0.02 crore), Sriganganagar (PS, Anoopgarh: ₹ 0.13 crore) and Udaipur (PS, Girwa: ₹ 0.06 crore)

The State Government accepted the facts and stated (January 2014) that instructions for transferring the unspent balance along with interest have been issued to the concerned ZPs.

2.1.7.7 Delay in release/transfer of funds

- As per guidelines, IAY funds (Central share as well as State share) should be kept exclusively in a separate savings account of a nationalised/scheduled or cooperative bank or a Post Office by the ZP (RDC). It was observed that five¹¹ selected ZPs (RDC) deposited Central share ₹ 121.83 crore initially in common bank account, out of which ₹ 121.71 crore were transferred to IAY separate bank account with delays ranging between 2 and 314 days. ZP (RDC), Bikaner did not transfer the remaining ₹ 0.12 crore even after a lapse of 54 months (December 2008 to May 2013). Thus, due to delay in transfer of funds to the IAY separate bank account, interest of ₹ 0.37 crore at savings bank rate of 3.5 per cent could not be earned.

Similarly, six selected ZPs (RDC)¹² initially deposited State share of ₹ 57.54 crore in own PD accounts and thereafter transferred this amount to the IAY account with delays ranging between 1 and 396 days. Besides this, ZP (RDC), Bikaner did not transfer ₹ 5.32 crore (received between October 2008 and October 2012) to the IAY account as of May 2013. Thus, due to delay in transferring the funds from PD account to IAY account, interest amounting to ₹ 0.96 crore (₹ 0.56 crore on ₹ 5.32 crore and ₹ 0.40 crore on ₹ 57.54 crore) at savings bank rate of 3.5 per cent per annum could not be earned.

The State Government stated (January 2014) that Central assistance as well as proportionate State share is transferred initially in PD account. Amount deposited in PD account can be withdrawn whenever requirement arises. So, there is no loss of interest. Reply was not acceptable as IAY funds (Central as well as State share) should have been kept exclusively in a separate savings bank account of a nationalised/scheduled or cooperative bank or a Post Office by the ZP (RDC) as envisaged in the guidelines so that interest earned in the account can be utilised for providing houses to waitlisted BPL beneficiaries.

- As per guidelines, State Government had to release its share to IAY account within a month from the date of release of Central share. It was noticed that in all the selected districts the State Government released its matching share of ₹ 40.36 crore with delays beyond the prescribed period of one month which ranged from 4 to 602 days during 2008-13. Thus, delay in release of State share significantly increased the risk of non-achievement of physical targets under IAY. Besides, interest amounting ₹ 0.15 crore could not be earned on IAY funds.

11. ZP (RDC): Bikaner, Pali, Sikar, Sriganganagar and Udaipur

12. ZPs, Bikaner: interest of ₹ 0.19 crore on ₹ 11.47 crore (delay 26 to 396 days); Karauli: ₹ 0.05 crore on ₹ 7.55 crore (5 to 177 days); Pali: ₹ 0.04 crore on ₹ 7.12 crore (9 to 258 days); Sikar: ₹ 0.02 crore on ₹ 6.49 crore (5 to 87 days); Sriganganagar: ₹ 0.05 crore on ₹ 15.39 crore (1 to 239 days) and Udaipur: ₹ 0.05 crore on ₹ 9.52 crore (5 to 335 days)

The State Government stated (January 2014) that sanctions of Central assistance was not uploaded on the website in time and no information by post or e-mail was received in this regard. Therefore State share was not deposited in time. Moreover, additional funds were received at the fag end of the year and proportionate State share were transferred in next financial year. Reply was not acceptable as system for receiving intimation of central sanctions timely should have been developed by the State Government in consultation with GoI.

- As per State Government orders issued from time to time, instalment of assistance should be transferred to beneficiaries' accounts as and when financial sanctions are issued. It was observed that ZPs (RDC), Karauli and Udaipur released ₹ 9.51 crore to 4,330 beneficiaries¹³ with delay ranging between 21 and 300 days from the dates of issue of financial sanctions.

Delays in release/transfer of funds significantly increased the risk of non-completion of houses and consequently non-achievement of physical targets under IAY.

The State Government stated (January 2014) that directions have been issued to the concerned ZPs to furnish compliance.

2.1.7.8 Second instalment released without obtaining progress report of works executed

As per guidelines applicable up to March 2011, funds were to be distributed to the beneficiaries in two instalments, i.e., first instalment with the sanction order, second instalment after reaching of the construction up to the lintel level. Further, the State Government from time to time directed that the second instalment will be released after getting reports in prescribed proforma from GPs.

It was observed that ZPs (RDC), Karauli and Udaipur released ₹ 2.51 crore¹⁴ irregularly to 1,128 IAY beneficiaries as second instalment without obtaining the reports in the prescribed proforma from the concerned GPs, due to which possibilities of misutilisation of funds by beneficiaries cannot be ruled out.

The State Government stated (January 2014) that the concerned ZPs have been instructed to furnish compliance.

2.1.8 Execution of IAY

2.1.8.1 Non-achievement of Physical targets

The year-wise position of physical targets and achievements of construction of IAY houses as of March 2013 at the State level for the period 2008-09 to 2012-13 is given in **Table 2.4** below:

13. ZPs (RDC), Karauli: ₹ 3.34 crore (1,570 cases during 2010-11 to 2012-13) and Udaipur: ₹ 6.17 crore (2,760 cases during 2008-09, 2010-11 to 2012-13)

14. ZPs (RDC), Karauli: ₹ 1.34 crore (745 beneficiaries during 2008-10) and Udaipur (Block, Girwa): ₹ 1.17 crore (383 beneficiaries during 2008-11)

Table 2.4: Year-wise physical targets and achievements

Year	Target	Number of houses sanctioned during the year			Number of houses completed during the year			Number of houses under construction at the end of the year		
		New	Upgraded	Total	New	Upgraded	Total	New	Upgraded	Total
1	2	3	4	5	6	7	8	9	10	11
2008-09	47,350	45,273	6,406	51,679	47,085	5,301	52,386	41,212	1,823	43,035
2009-10	91,670	93,850	970	94,820	84,601	2,391	86,992	17,955	800	18,755
2010-11	63,362	80,079	617	80,696	63,126	338	63,464	38,312	421	38,733
2011-12	1,57,596	1,57,009	0	1,57,009	1,25,630	17	1,25,647	54,624	43	54,667
2012-13	88,825	81,866	19	81,885	83,447	0	83,447	67,146	0	67,146

Source : Information provided by the State Government

The State Government did not maintain records indicating houses constructed against targets and sanctions. Figures of columns 6 and 9 of Table 2.4 include figures pertaining to sanctions of previous years also. Hence, achievement of targets of a particular year could not be ascertained in audit.

The State Government stated (February 2014) that due to allocation of additional funds/targets at the fag end of the financial year, construction of houses was actually done in the next financial year and it is a continuous process. However, instructions for maintaining records of year-wise progress of targets have been issued to all ZPs.

2.1.8.2 Unfruitful expenditure on incomplete IAY houses

As per guidelines, houses were to be completed within two years after sanction. It was observed that ZPs (RDC), Bhilwara, Karauli, Pali, Sriganganagar and Udaipur released ₹ 8.70 crore for 2,960 IAY houses¹⁵ during the period 2008-09 to 2010-11 but these houses were not completed (January 2014) after lapse of two to four years due to shortage of funds with beneficiaries, rendering expenditure of ₹ 8.70 crore unfruitful. This also indicated lack of monitoring by the department at various levels.

The State Government stated (January 2014) that necessary instructions have been issued to concerned ZPs for recovery from concerned beneficiaries. The reply is not acceptable as recovery from the beneficiary was not the objective of the scheme and ZP (RDC) officials should have monitored the construction of houses sanctioned so that BPL families would have benefited from timely completion of houses.

2.1.8.3 Non-implementation of Homestead sites sub-scheme

The GoI launched (August 2009) homestead sites sub-scheme for providing homestead sites to those rural BPL households who have neither agricultural land nor house sites. In the first instance, State Government was to provide land either through regularisation of land occupied by BPL households or by transfer of Government land. In case suitable land was not available, financial

15. Bhilwara: ₹ 0.72 crore incurred expenditure on 398 houses (4.8 per cent of total 8,299 houses), Karauli: ₹ 1.61 crore of 683 houses (30.75 per cent of 2,221 houses), Pali: ₹ 5.89 crore of 1,664 houses (32.92 per cent of 5,055 houses), Sriganganagar: ₹ 0.03 crore of 14 houses (0.37 per cent of 3,833 houses) and Udaipur: ₹ 0.45 crore of 201 houses (8.80 per cent of 2,284 houses)

assistance up to ₹ 0.10 lakh or actual cost of land, whichever is less was to be provided to each landless BPL household for purchase of private land. If the amount per beneficiary fell short, the balance amount was to be contributed by the State Government. For this purpose, GoI and State Government released (March 2010) ₹ 34.40 crore to 11 districts¹⁶. It was noticed that, State Government informed (March 2011) GoI, that assistance of ₹ 0.10 lakh was not sufficient for purchase of land and requested to increase the assistance limit to ₹ 0.20 lakh. However, GoI directed (June 2011) that this amount may be adjusted in IAY targets for 2011-12. Instead of contributing the short amount of cost of land to this sub-scheme, the State Government adjusted ₹ 35.01 crore (including interest ₹ 0.60 crore) out of total available fund of ₹ 36.06 crore (the amount of ₹ 34.40 crore that had not been utilised and had become ₹ 36.06 crore after adding interest of ₹ 1.66 crore) during the year 2011-12 in IAY¹⁷. Remaining amount ₹ 1.05 crore was lying unadjusted with respective districts as of July 2013.

The State Government while accepting the facts stated (January 2014) that out of ₹ 1.05 crore, ₹ 0.47 crore has now been adjusted and remaining amount would be adjusted after receipt of CA report for the period 2012-13.

2.1.8.4 Deprivation of ST BPL beneficiaries from IAY houses

GoI allocated (February 2013) an amount of ₹ 308.60 crore for additional 68,578 houses (at the rate of ₹ 0.45 lakh per house) for ST BPL beneficiaries in permanent IAY list in accordance with their priority under Forest Right Act, 2006 for 5 districts (₹ 114.51 crore for 25,447 houses) and Particularly Vulnerable Tribal Groups (PVTG) for 13 districts (₹ 194.09 crore for 43,131 houses). Accordingly, GoI and State Government released (February 2013) first instalment of ₹ 154.30 crore¹⁸ to the respective ZPs (RDC). The amount was not distributed to any beneficiary and the entire amount was lying unutilised with respective ZPs (RDC) as of January 2014.

The State Government stated (January 2014) that funds under Forest Right Act, 2006 and PVTG were provided at the rate of ₹ 0.45 lakh per house in February and March 2013 by GoI, whereas assistance was raised to

16. Barmer, Churu, Dausa, Jalore, Jhalawar, Jhunjhunu, Kota, Pali, Rajsamand, Tonk and Udaipur

17. For 11 districts, number of landless BPL households have been calculated as 75,226 (Barmer: 8,421, Churu: 5,847, Dausa: 2,846, Jalore: 9,056, Jhalawar: 7,008, Jhunjhunu: 1,091, Kota: 8,244, Pali: 6,901, Rajsamand: 4,529, Tonk: 2,505 and Udaipur: 18,778) who could have benefitted had the Homestead sub-scheme been operationalised

18. **Forest Right Act 2006** - Banswara: ₹ 21.66 crore (9,627 houses), Dungarpur: ₹ 7.86 crore (3,493 houses), Pratapgarh: ₹ 12.98 crore (5,768 houses), Sirohi: ₹ 3.31 crore (1,472 houses) and Udaipur: ₹ 11.45 crore (5,087 houses), (Total ₹ 57.26 crore and 25,447 houses); **Particularly Vulnerable Tribal Groups** - Baran: ₹ 8.90 crore (3,954 houses), Bhilwara: ₹ 11.49 crore (5,106 houses), Bundi: ₹ 2.09 crore (929 houses), Chittorgarh: ₹ 7.69 crore (3,419 houses), Dausa: ₹ 3.00 crore (1,331 houses), Jalore: ₹ 5.79 crore (2,571 houses), Karauli: ₹ 5.15 crore (2,291 houses), Pali: ₹ 6.83 crore (3,036 houses), Pratapgarh: ₹ 4.62 crore (2,055 houses), Rajsamand: ₹ 6.41 crore (2,850 houses), Sawaimadhopur: ₹ 2.76 crore (1,228 houses), Tonk: ₹ 4.11 crore (1,828 houses) and Udaipur: ₹ 28.20 crore (12,533 houses) (Total ₹ 97.04 crore and 43,131 houses)

₹ 0.70 lakh per house with effect from 1 April 2013. Accordingly request was made to the GoI for increasing the assistance as per revised amount, but GoI did not agree. Hence, it was decided that differential amount at the rate of ₹ 0.25 lakh will be met by taking loan from HUDCO by respective ZPs.

However, despite availability of funds, 68,578 ST BPL beneficiaries were deprived of the benefit of IAY.

2.1.8.5 Double payment to IAY beneficiaries

ZPs (RDC), Karauli and Sikar disbursed ₹ 10.20 lakh and ₹ 1.35 lakh twice to 51 and 5 IAY beneficiaries respectively out of which ₹ 6.80 lakh were recovered from 35 beneficiaries in Karauli district leaving ₹ 4.75 lakh (Karauli: ₹ 3.40 lakh and Sikar: ₹ 1.35 lakh) unrecovered (June 2013) from 21 beneficiaries.

The State Government stated (January 2014) that the concerned districts have been instructed to submit compliance in this regard.

2.1.8.6 Findings of Joint Inspection on execution of IAY

Joint physical inspection of 1,680 IAY houses (*Appendix-V*) conducted in the selected GPs showed lack of monitoring and supervision by departmental officials, selection of ineligible beneficiaries, non-observance of provisions of the guidelines etc as detailed below:

- Ninety-two houses sanctioned during 2008-09 to 2012-13 for which an amount of ₹ 20.25 lakh was released were not in existence/started.

The State Government stated (January 2014) that instructions are being issued to the ZPs concerned for ascertaining the actual position.

- Two hundred fifty houses were found constructed on plots ranging from 100 to 210 square feet (sqft) area against the prescribed area of 216 sqft as per the IAY guidelines.

The State Government accepted the facts and stated (January 2014) that instructions have already been issued to all ZPs to follow the guidelines in this regard.

- In contravention of the State Government directions (April 2010), financial assistance of ₹ 1.71 lakh from IAY was given to four beneficiaries in Bundi block, who already had *pucca* houses.

The State Government stated (January 2014) that concerned ZP has been instructed to submit compliance in this regard.

- Fifty IAY houses were found constructed on Government land instead of individual plots.

The State Government stated (January 2014) that necessary instructions are being issued to all ZPs for ensuring that houses are not constructed on Government/encroached land.

- Drinking water facilities in 230 houses were available between 0.2 kilometre (km) and 2 km {0.2 to less than 0.5 km (76), 0.5 to less than 1 km (117) and 1 to 2 km (37)} away from their houses.

The State Government stated (January 2014) that instructions for providing drinking water to the beneficiaries in consultation with concerned Department are being issued to all ZPs.

- Display boards and logo of IAY were not found on 1,072 houses.

The State Government accepted the facts and stated (January 2014) that GoI has now increased (April 2013) the amount from ₹ 30, which was meagre, to ₹ 133 for fixing of IAY display board and logo, accordingly necessary instructions have been issued to all ZPs for compliance in this regard.

2.1.9 Convergence with other schemes

As per IAY guidelines, ZP (RDC) should make concerted efforts to converge IAY with the TSC for constructing sanitary latrines, RGGVY for providing free electricity connections, NRWSP for making provision of drinking water, Bima Yojana from LIC and Smokeless *chullahs*.

It was observed that figures of convergence of other schemes with IAY were not available in any of the selected districts, except Bhilwara. However, physical verification revealed that no convergence of Bima Yojana from LIC was done for 1,680 beneficiaries and convergence of 71 beneficiaries with TSC, 94 with Smokeless *chullahs*, 538 with NRWSP and 859 with RGGVY were seen in the selected districts. Thus, most of the beneficiaries were not aware about convergence of other schemes/programmes with IAY. In the absence of convergence with other schemes, utilisation of constructed houses as fully living units with facilities could not be ascertained.

The State Government stated (January 2014) that necessary instructions have been issued to ZPs from time to time in this regard. Greater efforts must be made to allow for convergence of other schemes with IAY.

2.1.10 Capacity building

The shortcomings noticed in capacity building are as under:

2.1.10.1 As per guidelines, awareness among the beneficiaries was to be created about the disaster resistant and environment friendly technology through exhibitions of low cost technologies at district and block level through seminars, workshops etc. It was observed that no such type of seminars, workshops were organised at all in the selected districts and blocks except one workshop (March 2013) in Sikar district regarding disaster management for district level officers and public representatives.

The State Government stated (January 2014) that all ZPs have been provided disaster resistant design for guidance and awareness among the beneficiaries. Reply was silent about non-holding of seminar/ workshop in the selected districts.

2.1.10.2 As per guidelines, local carpenters and masons should be trained for skill upgradation and use of low cost technology and local material under the Swarnajayanti Gram Swarozgar Yojana. No such training was organised at any of the selected districts and blocks.

The State Government while accepting the facts stated (January 2014) that necessary training/workshop could not be conducted/organised as funds were not provided by GoI for these activities.

2.1.10.3 Guidelines stipulated that a beneficiary, in addition to the assistance provided under the IAY, could avail loan up to ₹ 0.20 lakh per housing unit under differential rate of interest scheme, at interest rate of 4 *per cent* per annum. The State Government/ZP (RDC) concerned was to coordinate with financial institutions to get this credit facility extended to interested beneficiaries. It was observed that the State Government and ZPs (RDC) concerned did neither initiate any action for creating awareness of this facility nor take any steps for coordinating with financial institutions/banks during 2008-13 at the State as well as at the selected district level. In the beneficiary survey of 1,680 persons, 1,665 beneficiaries stated that they were not aware of scheme of differential rate of interest loan/credit cum subsidy grant. Further, 2,960 houses were lying incomplete for two to four years in 5 ZPs (RDC) (as commented in paragraph 2.1.8.2). Had these ZPs taken effective steps to coordinate with financial institutions to provide credit to these beneficiaries under this scheme, these houses would have been completed.

The State Government stated (January 2014) that necessary instructions have already been issued to all ZPs to coordinate with financial institutions to get this credit facility extended to interested beneficiaries. Further, all ZPs have now been re-instructed to comply with the directions.

2.1.11 *Monitoring and evaluation*

2.1.11.1 *Monitoring*

The State Level Vigilance and Monitoring Committee (SLVMC) and District Level Vigilance and Monitoring Committees (DLVMC) headed by Minister, RDD of concerned State and Member of Parliament of concerned district were responsible for monitoring of IAY at State and district level respectively. SLVMC and DLVMC each were required to hold one meeting in each quarter to discuss the implementation of IAY at State level and district level.

- Scrutiny of records revealed that the SLVMC constituted under the Chairmanship of Minister, RDD in May 2005 was subsequently dissolved in June 2009. Against the prescribed four meetings of SLVMC to be held during 2008-09, only one meeting in July 2008 was held. Review of minutes of the meeting showed that only fund flow of all the schemes implemented by RDD

was discussed and difficulties/ shortcomings noticed in implementation of IAY were not discussed.

The State Government stated (January 2014) that GoI is being requested for reviving the SLVMC.

- Similarly, at district level, in all the selected districts against prescribed 20 meetings of DLVMC of each district, only 2 to 11 meetings¹⁹ were held during 2008-13.

The State Government while accepting the facts stated (January 2014) that instructions were issued in June 2011 for conducting meeting at district level. However, fact remained that meetings were not convened as stipulated.

2.1.11.2 Lack of inspection of IAY houses

The IAY guidelines provide that State level officers should visit districts regularly for ascertaining implementation of IAY and construction of houses as per prescribed procedure. Likewise, district and block level officers were to closely monitor all aspects of the IAY through visits to the worksites. A schedule of minimum number of inspection for all level of supervisors was to be drawn up and strictly adhered to.

It was observed that PRD has prescribed²⁰ a schedule of inspection indicating minimum number of field visits for each supervisory officer of all levels, but in the absence of Inspection Registers in all the selected districts and blocks, compliance of this schedule could not be ascertained in audit. Lack of regular and effective inspection was evident from the fact that houses were left incomplete for years together, as observed during joint physical verification of houses.

The State Government stated (January 2014) that payment of instalment was done after verification of IAY houses at different level. The reply was not acceptable as no Inspection Register was found maintained in any selected districts and blocks during audit.

2.1.11.3 Late submission of Audited accounts and delay in Audit of accounts

As per IAY guidelines, finalised accounts of the previous year shall be got approved by the General Body of the concerned ZP up to 30 June and got audited by CA up to 31 August. Copies of the Audit Report as accepted by the General Body of the ZP should be sent to the State and Central Government by 30 September.

19. Bhilwara: 5, Bikaner: 6, Bundi: 4, Karauli: 11, Pali: 7, Sikar: 2, Sriganganagar: 8 and Udaipur: 10

20. Junior Engineer, PS (100 per cent work), Assistant Engineer (10 per cent work) and Executive Engineer (5 per cent work)

It was observed that in the selected districts²¹ General Bodies of the ZPs did not approve annual accounts for the period 2008-09 to 2012-13 of the concerned district and there was delay ranging from 27 to 149 days in preparation of CAs' Reports and further delay of 4 to 88 days in submission of annual accounts to the State and Central Government.

The State Government stated (January 2014) that all ZPs have been instructed to submit annual accounts by the prescribed period.

2.1.11.4 Grievance redressal mechanism

Scrutiny of records revealed that out of 400 complaints received by RDD, 20 were pending at State level at the end of March 2013. Similarly, out of 107 complaints received in two districts (Karauli: 99 and Sikar: 8) during 2008-13, 30 complaints (Karauli: 22 and Sikar: 8) were not disposed of. Five districts²² did not maintain proper records of complaints. This indicates that grievance redressal mechanism was not working effectively. Further, the age-wise pendency of complaints could not be worked out in the absence of non-maintenance of records.

The State Government stated (January 2014) that necessary instructions are being issued to all ZPs for maintenance of proper records of complaints at State and district level and their disposal at the earliest.

2.1.11.5 Non-maintenance of inventory of houses

The IAY guidelines provide that the implementing agencies should maintain a complete inventory of houses constructed/upgraded under IAY indicating dates of start and completion of construction of house, location of house, occupation and category of beneficiaries etc.

It was observed that none of the blocks and GPs of the selected districts maintained such inventory of IAY houses for the period 2008-09 to 2012-13. The control registers, maintained at the district level, showed only the details of the beneficiary without accompanying the dates of start and completion of construction of houses, construction status and their occupation. In the absence of complete inventory register, details of the beneficiaries for further reference would not be available.

The State Government stated (January 2014) that necessary instructions have already been issued to ZPs for maintaining inventory of houses; however, all ZPs have been re-directed in this regard.

21. Bhilwara (delay in preparation of CA Report: 27 to 30 days and delay in submission of accounts to Government: 4 days), Bikaner (68 to 114 days and 39 to 85 days), Bundi (27 to 91 days and 60 days), Karauli (76 to 149 days and 21 to 86 days), Pali (50 to 119 days and 20 to 88 days), Sikar (83 to 106 days and 53 to 76 days), Sriganganagar (30 to 101 days and 23 to 71 days) and Udaipur (34 to 64 days and 6 to 84 days)

22. Bhilwara, Bikaner, Bundi, Pali and Udaipur

2.1.11.6 Evaluation

As per guidelines, the GoI and the State Government may conduct periodic evaluation studies on the implementation of the IAY. It was observed that the evaluation of the scheme was carried out by Evaluation Department of the State Government in June 2013, in 4 Districts²³ covering 8 Blocks, 16 GPs including interaction with 160 beneficiaries and 70 non-beneficiaries. Scrutiny of evaluation report revealed the following:

- Out of 160 beneficiaries, 140 (87.50 per cent) constructed houses and the remaining 20 (12.50 per cent) did not construct houses even after availing full amount of assistance.
- Thirty three (24 per cent) beneficiaries constructed houses on land less than 220 sqft, 69 (49 per cent) constructed on land between 220 and 250 sqft and 38 (27 per cent) on land measuring more than 250 sqft.
- Only 2 per cent (3 numbers) of the beneficiaries agreed that sanction of IAY houses was as per priority.
- No beneficiary was provided with benefits of *Nirdhum* (smokeless) *chullah*.
- Eighty-nine beneficiaries (56 per cent) were given instalments in time.
- Ineligible beneficiaries were also given benefits, due to wrong information given by Sarpanchs/Gram Sevaks.
- Out of 70 non-beneficiaries, 18 (26 per cent) stated that funds were given to beneficiaries without construction of houses on false utilisation/completion certificates furnished by Sarpanchs.

Thus the above findings of evaluation confirm the audit findings given in the preceding paragraphs.

2.1.12 Social Audit

As per guidelines, system of social auditing of the scheme was to be developed by the State Government. It was observed that neither were directions issued by the State Government nor were posts sanctioned and staff posted for the purpose. Hence, no social audit was conducted.

The State Government stated (January 2014) that guidelines for conducting social audit has been issued by department and steps are being taken for conducting the social audit. However, no documentary evidence was produced.

23. Alwar, Dausa, Jaipur and Sikar

2.1.13 AWASSoft

GoI launched (July 2010) 'AWASSoft' web based software to capture beneficiary-wise data to enable workflow based transaction level Management Information System (MIS) and facilitate e-governance. The information hosted on the system would be accessible not only to all the stakeholders including beneficiaries but also to citizens at large. States were advised to upload bulk entries for previous years and 100 *per cent* data of the current year and release of second instalment was connected with expenditure generated through software. Audit of 'AWASSoft' revealed that:

2.1.13.1 The State Government issued (September 2011) instructions for uploading of data after delay of one year from launch of 'AWASSoft'.

The State Government stated (January 2014) that due to procedural and administrative delays, instructions could be issued to ZPs only in September 2011.

2.1.13.2 The programme has nine different modules²⁴ which were designed to capture all the transactions required for IAY, whereas only three modules 'Target setting for a year', 'Beneficiary management' and 'Fund management' were being used to register the beneficiaries, issue sanctions and transfer the fund to beneficiaries only.

2.1.13.3 The data for the years 2011-12 and 2012-13 were uploaded only; however, no mechanism for ensuring authenticity of data fed by Blocks/GPs was developed.

The State Government stated (January 2014) that 'AWASSoft' is being maintained by GoI hence no action is required at state level and no directions were issued by GoI for feeding of previous data. The reply was not acceptable as mechanism for authentication of data fed by Blocks/GPs should have been developed. Further, as per guidelines States were advised to upload bulk entries for previous years also.

2.1.13.4 There were differences between the data provided by the selected ZPs and that available on 'AWASSoft' relating to allocation of funds, funds released by Governments, physical performance of IAY and utilisation of funds as detailed in *Appendix-VI*.

2.1.14. Conclusion

The objective of IAY in providing housing to the rural poor was not fulfilled due to multiple lapses across different stages of planning, implementation and monitoring of the scheme. Instances of deduction of Central assistance, irregular adjustment of IAY funds, over statement of expenditure in accounts, parking of funds, irregular charge of expenditure under IAY and reduced

24. (i) Target setting for a year, (ii) Beneficiary management, (iii) Inspection/verification of houses, (iv) Fund management, (v) On line submission of demand for fund, (vi) Proposal processing in MoRD, (vii) Personal module, (viii) Grievance redressal system and (ix) Linkage with financial institutions

utilisation efficiency were noticed. Besides, houses were not completed within the stipulated period; the beneficiaries were not provided sanitary latrine, drinking water and electricity through convergence of other schemes. Monitoring was inadequate and ineffective at all levels and all modules of 'AWASSoft' were not implemented. Social audit was not conducted in any of the selected districts, blocks and GPs.

2.1.15 Recommendations

State Government should ensure that:

- An annual plan should be prepared at district level and sanction of IAY houses accorded in scheduled financial year according to the ranking of beneficiaries in waitlist and linking of all the payments with the physical progress.
- Mechanism is devised for ensuring convergence of other schemes with IAY.
- Schedule of monitoring and supervision at each level in the official hierarchy is well established along with a grievance redressal mechanism for ensuring accountability of implementing agencies.
- 'AWASSoft' is implemented effectively and Social audit is conducted.

COMPLIANCE AUDIT

Panchayati Raj Department

2.2 Non-compliance with rules and regulations

2.2.1 Unfruitful expenditure in execution of Swajaldhara Yojana

Lack of monitoring in execution of drinking water projects under Swajaldhara Yojana and follow up of instructions of SWSM, by ZP Jaisalmer resulted in unfruitful expenditure of ₹ 52.06 lakh and depriving drinking water to residents of desert areas.

Guidelines issued by GoI (June 2003) and State Water and Sanitation Mission (SWSM) (July 2003) under Swajaldhara Yojana for supply of drinking water in rural areas envisaged that (i) cost of projects was to be shared at 90 *per cent* by GoI and 10 *per cent* by villagers; (ii) GoI share was to be released in two equal instalments, the first instalment was to be released at the time of sanction of the projects and the second instalment on submission of utilisation certificates (UCs) of 60 *per cent* of available funds by SWSM; (iii) Gram Panchayat (GP) through Village Water and Sanitation Committee (VWSC) was to plan, design and implement the projects; and (iv) Zila Parishad (ZP) through District Water and Sanitation Committee (DWSC) was to approve the scheme, manage funds, monitor implementation of the projects submitted by VWSCs and interact with SWSM. Further, for completion of the incomplete projects, if any, the Member Secretary, SWSM instructed (May 2011) ZPs (i) to send the resolutions of GPs for operation and maintenance of projects so that these could be completed through the State Plan and National Rural Drinking Water Programme, and (ii) if resolution is not passed by GPs, to complete the projects from the Finance Commission's grants.

Test check (January 2012) of records of ZP, Jaisalmer revealed that District Collector, Jaisalmer accorded (January-March 2004) administrative and financial sanctions of ₹ 1.06 crore (GoI share: ₹ 0.96 crore, public share: ₹ 0.10 crore) for implementation of five drinking water supply projects (development of water sources, laying of pipe lines and civil works etc.) at five villages²⁵ in Jaisalmer district under Swajaldhara Yojana on the proposals of VWSCs and decision taken (January 2004) in DWSC. Superintending Engineer (SE), Public Health and Engineering Department (PHED), Jaisalmer issued technical sanction for the same amount. ZP released ₹ 48.35 lakh towards first instalment of GoI share during 2003-05 to VWSCs. The public share of ₹ 10.63 lakh by villagers was available with VWSCs. VWSCs started execution of these projects in the villages concerned under supervision of PHED, Jaisalmer. However, these were left incomplete since 2006 due to

25. Lakha Village: Estimated cost: ₹ 15.13 lakh (GoI share: ₹ 13.62 lakh and public share: ₹ 1.51 lakh); Lathi: ₹ 20.33 lakh (GoI: ₹ 18.30 lakh and public: ₹ 2.03 lakh); Pithala: ₹ 24.86 lakh (GoI: ₹ 22.37 lakh and public: ₹ 2.49 lakh); Sangad: ₹ 21.04 lakh (GoI: ₹ 18.94 lakh and public: ₹ 2.10 lakh) and Ujlan: ₹ 24.96 lakh (GoI: ₹ 22.46 lakh and public: ₹ 2.50 lakh)

paucity of funds, after incurring an expenditure of ₹ 52.06 lakh²⁶. It was further noticed that DWSC, Jaisalmer forwarded UCs of available funds in October 2007 to SWSM for onward submission to GoI for release of second instalment from GoI. Though SWSM forwarded the UCs to GoI in May 2008 yet the GoI did not release the second instalment owing to closure of Swajaldhara Yojana from April 2009. The projects thus remained incomplete for more than six years as of June 2013.

Further, in terms of SWSM's instructions (May 2011), ZP, Jaisalmer did not take any concrete action for collection of requisite resolution from GPs for completion of the projects from State Plan or for completion of the projects from 13th Finance Commission/Fourth State Finance Commission grants²⁷, in spite of having sufficient funds under these grants in ZP accounts, Jaisalmer as of March 2012.

Executive Engineer (Land Resources), ZP, Jaisalmer stated (January 2012) that projects could not be completed due to non-receipt of funds. Further, it was stated that due to increase in rates, it was not possible to complete the projects in the sanctioned amount. The reply was not acceptable as the VWSC was to plan, design, implement all activities of drinking water supply at village level and the DWSC was to manage funds, monitor the Swajaldhara Yojana and interact with SWSM and it was found that at DWSC level, neither the proper execution of projects was monitored through VWSC nor were incomplete works reported to SWSM for completion. Moreover, ZP (RDC), Jaisalmer had neither managed the funds for the projects from GoI nor taken any proper action for completion of the projects as per instructions of SWSM.

The State Government stated (March 2014) that for completion of these incomplete projects from National Rural Drinking Water Programme, revised technical sanctions of Lakha, Pithala and Sangad projects have been received from SE, PHED and forwarded to Chief Engineer (Rural), PHED for sanction. These projects would be completed on sanction of funds.

Thus, lack of monitoring execution of the projects and failure to follow instructions of SWSM by ZP, Jaisalmer resulted in drinking water supply projects lying incomplete for more than six years and rendering expenditure of ₹ 52.06 lakh unfruitful and 1,469 households in the desert areas being deprived of drinking water.

26. Lakha: ₹ 7.48 lakh, Lathi: ₹ 11.56 lakh, Pithala: ₹ 6.90 lakh, Sangad: ₹ 12.82 lakh and Ujlan: ₹ 13.30 lakh

27. 13th Finance Commission grants: ₹ 16.77 crore and Fourth State Finance Commission grants: ₹ 19.82 crore

2.3 Failure in implementation, monitoring and governance

Rural Development Department

2.3.1 Underutilisation of funds

Tardy implementation of a special project under Swarnajayanti Gram Swarozgar Yojana in Baran district, resulted in underutilisation of ₹ 2.19 crore which remained with ZP (RDC), Baran in a bank account and non-achievement of the intended target. Besides, the project lost support of ₹ 1.10 crore from Government of India and the State Government.

To improve the livelihood and quality of life of Sahariya (tribal community) families of Baran district, Government of India (GoI) approved (November 2005) comprehensive development of 936 Sahariya families of two Panchayat Samitis²⁸ of Baran district of Rajasthan through Jana Utthan Approach, a special project under Swarnajayanti Gram Swarozgar Yojana at the projected cost of ₹ 5.50 crore. The project cost was to be shared by GoI and the State Government (SG) on 75 : 25 basis and funds were to be released to Zila Parishad (ZP), Baran in three instalments in the ratio of 40 : 40 : 20. As per sanctions, GoI was to release second instalment on receipt of audited accounts along with utilisation certificate (UCs) of 60 *per cent* of available funds and third instalment on receipt of UCs of 90 *per cent* of total available funds. The SG was to release its share after receipt of GoI share. The project was to be executed by a Non- Government Organisation (NGO) by undertaking four key activities²⁹ during 2006 to 2011. The State Level Committee (SLC) and District Level Committee (DLC) were to monitor and evaluate the project.

Test check (September 2012) of records of ZP (RDC), Baran and additional information revealed that GoI and SG released (January 2006 to May 2010) ₹ 4.40 crore³⁰ towards first and second instalments to ZP (RDC), Baran. For execution of the project, ZP (RDC), Baran selected an NGO³¹ (approved by GoI) and an agreement was executed on 20 March 2006. As per agreement, ZP (RDC), Baran was to release 40 *per cent* of sanctioned cost within 15 days from the date of signing of the agreement and second (40 *per cent*) and third (20 *per cent*) instalments were to be released on receipts of UCs of 60 *per cent* of first instalment and 60 *per cent* of available funds respectively and subject to certification of satisfactory progress of activities by DLC. As per financial targets submitted (February 2006) by the NGO, 88 *per cent* of funds was required to be spent during first three years of the project. As against this, ZP

28. Panchayat Samiti, Kishanganj: 24 villages (481 families) and Shahbad: 18 villages (455 families)

29. Community mobilisation, Community/Area focused interventions, Family (Household) focused economic intervention and Women and child focused interventions

30. First instalment: ₹ 2.20 crore {GoI: ₹ 1.65 crore (January 2006) and SG: ₹ 0.55 crore (February 2006)}; second instalment: ₹ 2.20 crore {GoI: ₹ 1.65 crore (March 2010) and SG: ₹ 0.55 crore (May 2010)}

31. BAIF Development Research Foundation, Pune

(RDC), Baran released funds of ₹ 2.51 crore³² (45.64 per cent) to the NGO between March 2006 and December 2010 for which no reasons were available on records produced to Audit. Up to closure (March 2011) of project period the NGO executed the works worth ₹ 2.58 crore, out of which ₹ 2.48 crore was adjusted (January 2012) by ZP.

The component-wise physical performance of the project is given as under:

Sl. No.	Name of component	Target	Achievement	Percentage of achievement
1.	Community mobilisation	936 families	500 families	53.42
2.	Entry point activity	42 villages	16 villages	38.10
3.	Silvipasture development	600 hectares	135 hectares	22.50
4.	Prevent health care	936 families	500 families	53.42
5.	Community health	42 villages	16 villages	38.10
6.	Employment guarantee 100 days	936 families	461 families	49.25
7.	Improved agriculture	936 families	427 families	45.62
8.	Land development	936 families	65 families	6.94
9.	Water resource development	18 projects	5 projects	27.78
10.	Livestock support	500 families	275 families	55.00
11.	Rural non-farm services	25 families	16 families	64.00
12.	Women and child focus interventions	936 families	540 families	57.69
13.	Training and capacity building	936 families	540 families	57.69

The component-wise benefits ranged from 6.94 per cent in land development activity to 64 per cent in rural non-farm services activities which showed that all the targeted families neither benefited wholly as the activities of the project were not implemented completely. The shortfall in targets was highlighted by the NGO from time to time (January, July and September 2010 and April 2011) to ZP and Rural Development Department attributing it to slow release of funds by the former.

Further scrutiny revealed that though the works executed by the NGO were found satisfactory in physical verifications³³ conducted by the DLC and no shortcomings in the working of the NGO were noticed in the DLC meetings³⁴, the ZP did not release funds to the NGO as per the agreement or as per the financial targets of the NGO. It released only 45.64 per cent funds of total sanctioned cost and 57 per cent of available funds during entire project period in piecemeal manner, whereas 40 per cent of funds was to be released within 15 days of signing of the agreement and 88 per cent during first three years of the project. It was also seen that ZP adjusted UCs of ₹ 1.51 crore (more than 60 per cent of first instalment of GoI share) in August 2008 but forwarded proposals for second instalment to SG only after 16 months in January 2010 due to which the second instalment was received only at the end of the fourth year (March- May 2010) with little scope for full utilisation in the project period. Hence the third and last instalment of ₹ 1.10 crore could not be received from GoI and State Government.

32. ₹ 38.36 lakh (March 2006), ₹ 75.31 lakh (June 2007), ₹ 75 lakh (May 2008), ₹ 27 lakh (February-September 2009) and ₹ 35.34 lakh (February-December 2010)

33. April 2010, June 2010 and December 2011

34. June 2006, March 2007, July 2008 and January 2010

The State Government stated (December 2013) that ₹ 69.45 lakh were released during March 2006 and October 2010 and in the DLC meetings (June 2006 and February 2011) representative of the NGO intimated that no advance amount was required as of March 2011 as per action plan. The reply was not acceptable as ₹ 38.36 lakh were released for the year 2006-07 against which ₹ 51.69 lakh had already been incurred as of February 2007 and ₹ 31.09 lakh were released against demand of ₹ 1.67 crore of the NGO as per revised work plan of the year 2010-11. Representative of the NGO in the DLC meeting (March 2007) and thereafter continuously demanded release of funds as per the agreement. Thus, tardy implementation of the project and delayed release of funds by ZP to the NGO resulted in non-utilisation of ₹ 2.19 crore³⁵ which remained with ZP (RDC), Baran in a bank account and the intended targets were also not achieved. Besides, the project lost support of ₹ 1.10 crore from the GoI and SG.

Panchayati Raj Department

2.3.2 Unauthorised occupation of public property

Failure of the State Government to take concrete follow up action on recommendations of PAC for removal of unauthorised occupation of quarters and slackness of Panchayat Samiti, Amber in taking possession of the quarters from PWD led to unauthorised occupation of Panchayat Samiti's land valuing ₹ 2.81 crore and the quarters constructed thereon.

As per Rules 137 to 139 of Rajasthan Panchayati Raj Rules, 1996, Panchayati Raj Institutions should keep records of all immovable properties, maintain them and carry out timely inspection of such properties. Further, Rules *ibid* provide that Vikas Adhikari of Panchayat Samiti (PS) concerned should conduct inspection of such properties once in a year to ensure safety and proper maintenance of the properties.

Scrutiny (July 2013) of Assets Register of PS, Amber (District Jaipur) revealed that Public Works Department (PWD) constructed four staff quarters in 1966 on 290 square yards (sqyd) out of land allotted (4,041 sqyd) by the State Government. PS, Amber did not initiate timely action for taking possession of the quarters from PWD due to which these quarters along with entire land were unauthorisedly occupied by four persons³⁶ during April 1967 to August 1982. PS, Amber took action for possession of the quarters for the first time in April 1989 and after long correspondence the Executive Engineer, PWD, Division-III expressed (September 1990) his inability in handing over the quarters owing to non-availability of records, and intimated that the employees of PS were residing continuously in the quarters so these quarters were deemed handed over to PS. Though these quarters were constructed on a part of allotted land yet PS, Amber did not take timely effective action for taking possession of the quarters from PWD nor ensure non-encroachment on the remaining land.

35. As per bank balance as of January 2013

36. One police constable (April 1967) and three officials of the PS, Amber (April 1980 to August 1982)

Audit scrutiny further revealed that the authorised Estate Officer and Chief Executive Officer (CEO), Zila Parishad (ZP), Jaipur treating occupation of quarters as unauthorised, ordered (December 1992) the occupants to vacate the quarters under Section 5 of Rajasthan Public Premises (Eviction of Unauthorised Occupants) Act, 1964. On appeal by the occupants, Upper District and Sessions Judge, Jaipur set aside order of the Estate Officer and directed (November 1994) the Estate Officer to decide the case after satisfying himself under Section 4 of the Act *ibid* as to whether the disputed quarters were public properties and opponents had occupied them unauthorisedly. The PS, Amber approached (September 2004) Estate Officer and CEO, ZP, Jaipur after a lapse of nearly ten years of the court decision. The case was heard twice (October 2004 and January 2006) and the decision was pending as of February 2014.

The case was also brought to the notice of the State Government and Public Accounts Committee (PAC) earlier through Para 48 G (ii) of the Report of the Comptroller and Auditor General of India for the year 1973-74 (Civil). PAC settled the case in its 78th Report (1996-97) with the direction that State Government should take appropriate action in the matter. The State Government had failed to take action for eviction of the unauthorised occupants of the quarters and of 4,041 sqyd of land valuing ₹ 2.81 crore³⁷ (February 2014).

The State Government accepted the facts and stated (March 2014) that notices have been issued to the unauthorised occupants by the Estate Officer and CEO, ZP, Jaipur and action for eviction of unauthorised occupants is under progress.

Rural Development Department

2.3.3 Blockage of funds

Lack of proper sanctions and selection of sites for setting up of village haats by ZPs (RDC), Chittorgarh and Sirohi led to non-utilisation of funds of ₹ 50.14 lakh for more than four years. It also defeated the intended purpose of providing better marketing facilities to swarozgaris.

For creation of better marketing facilities to enable swarozgaris to sell their products throughout the year at one stop shopping platform, the Government of India (GoI) issued guidelines (March 2009) for setting up of three village haats in each district by District Rural Development Agency (Now Zila Parishad) under Swarnajayanti Gram Swarozgar Yojana. The cost of each village haat was fixed at ₹ 15 lakh, which was to be shared between GoI and the State Government in the ratio of 75:25 and funds were to be released in two equal instalments. The Governing body of Zila Parishad was to select three villages in each district for setting up of village haats and the State Government was to monitor the progress.

37. Calculated at the rate of ₹ 6,960 per sqyd as per District Level Committee Rate fixed by Sub Registrar, Amber as of July 2013

Scrutiny (February-March 2013) of records of Zila Parishads (Rural Development Cell) (ZP RDC), Chittorgarh and Sirohi revealed that GoI and State Government released (March and October 2009) first instalment of ₹ 22.50 lakh each to these ZPs for construction of three village haats. ZP (RDC), Chittorgarh selected only one site at PS, Rashmi and forwarded (August 2010 and June 2011) the proposal of ₹ 15 lakh to Rural Development Department (RDD), State Government for according sanction but RDD did not respond to proposal of ZP (RDC), Chittorgarh. In the case of Sirohi ZP (RDC), no site was selected for construction of village haats. The entire funds were lying unutilised in bank accounts of the both ZPs as of November 2013 for more than four years.

The State Government while accepting the facts, stated (December 2013) that the village haats could not be constructed due to non-availability of suitable sites. The State Government further stated that in Chittorgarh, agriculture and animal husbandry are main occupations of the swarozgaris and that milk products are sold through Dugdh Utpadak Sahakari Samitis. No other activities are carried out by swarozgaris for production of items which require village haats. The reply of the State Government was not acceptable as it showed that the rush to create the village haats and release of the first instalment of funds to the two ZPs was not judicious as sites were not available. This not only resulted in non-utilisation of funds of ₹ 50.14 lakh³⁸ (Chittorgarh: ₹ 24.66 lakh and Sirohi: ₹ 25.48 lakh) including interest for more than four years as of December 2013 but also denied better marketing facilities to swarozgaris.

38. Balances as on 31 March 2013