

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



## CHAPTER-II

### AUDIT FINDING ON PANCHAYATI RAJ INSTITUTIONS

This Chapter contains a Thematic Audit on *Implementation of Mewat Area Development Scheme*, two Long Draft Paragraph on *Mahatma Gandhi Janbhagidari Vikas Yojana, Release and Utilisation of Grants as recommended by Fifth State Finance Commission* and six draft paragraphs relating to Panchayati Raj Institutions.

#### Rural Development and Panchayati Raj Department

### 2.1 Implementation of Mewat Area Development Scheme

#### 2.1.1 Introduction

Alwar and Bharatpur Districts' area in Rajasthan, which is thickly populated by the Meo community, is known as the Mewat Area. This area is considered socially and economically backward. Mewat Area Development Scheme (MADS) was started (February 1987) for socio-economic development of the Mewat area and is being implemented in 14 Panchayat Samities<sup>1</sup> (PSs) of the Mewat Area. MADS is a State funded scheme and being implemented in the rural areas with the following objectives.

- (i) Economic and social infrastructural development of Mewat area.
- (ii) Execution of works related to five basic facilities included in SHREE Yojana<sup>2</sup> on priority basis
- (iii) To execute the works related to education, medical, archaeology and environment conservation etc.
- (iv) Phase-wise overall development of villages on the basis of population of villages and Gram Panchayats (GPs) headquarters.
- (v) Maintenance of assets constructed under other developmental schemes.
- (vi) Establishment of small-scale industries and development of necessary resources for employment and livelihood to local citizens.
- (vii) Development of art, culture and tourism.

The guidelines for implementation of the MADS were issued in March 2015<sup>3</sup> by the Rural Development and Panchayati Raj Department (RD&PRD), Government of Rajasthan (GoR). The Guidelines provided that 20 *per cent* of total allotted fund would be reserved at State level for basic infrastructures such as Railway Under Bridge, Railway Over Bridge, Community Warehouses, Community Small Scale Units etc. and three *per cent* of the

1 **Alwar:** Kathumar, Kishangarhbas, Kotkasim, Laxmangarh, Mundawar, Ramgarh, Tijara, and Umren; **PSs included since June 2020: Govindgarh and Malakhera; Bharatpur:** Deeg, Kama, Nagar and Pahadi.

2 Sanitation, Health, Rural connectivity, Education & Medical facility and Energy (SHREE).

3 Before March 2015 the MADS was functioning on the basis of recommendations/guidelines issued by Mewat Area Development Board (constituted in February 1987).

allotted fund would be utilised for administrative expenditure (State, District and Block level). From 2017-18, 19 *per cent* of allotted fund was to be reserved at State level for basic infrastructure and one *per cent* was to be utilised for administrative expenditure (State, District and Block level). The 50 *per cent* of the remaining funds would be allocated to the selected districts on the basis of number of families below poverty line in the district. The other 50 *per cent* of the funds would be allocated on the basis of literacy rate and difference of literacy rate of the districts to the literacy rate of the State.

The RD&PRD is the administrative department for implementation of MADS at State level with overall responsibility for supervision, monitoring and co-ordination of various activities of Panchayat Raj Institutions (PRI). Agencies responsible for planning and implementation of programme/scheme at State, District, Block and Gram Panchayat (GP) level are given in **Table 2.1**.

**Table 2.1**

S. No.	Level	Agency	Headed by	Role/responsibility
1	State	Mewat Area Development (MAD) Board	Chairperson nominated by Minister of RD&PRD	Approval of Comprehensive Village Development Annual Plan (CVDA Plan) received from districts. Supervision and review of progress of implementation of MADS and give guidance for further improvement.
		RD&PRD	Additional Chief Secretary	Administrative department for implementation of MADS.
2	District	ZP (RDC)	Chief Executive Officer	ZP (RDC) is the Nodal Agency at the district level.
		District Level Mewat Area Development Committee	District Collector	All works relating to assessment, implementation, execution and control of annual work plan for the development of Mewat Area.
3	Block	PS	Block Development Officer (BDO)	Sending of annual work plan (approved by GP) to ZP after approval in General Body Meeting of PS.
4	Gram Panchayat (GP)	GP	Village Development Officer (VDO)	Preparation and approval of annual work plan in Gram Sabha and execution of approved works.

A compliance audit of implementation of MADS, for the period 2015-2018 was conducted during May 2018 to October 2018. For the purpose, six PSs (Alwar: 4 and Bharatpur: 2) being 50 *per cent* of the total PSs in each district where MADS was implemented, 60 GPs (10 GPs in each selected PSs) were selected for audit on the basis of maximum expenditure incurred and the number of Meo families' living in villages under PSs. (details in *Appendix III*). Further, in each selected GP, detailed check/physical verification of works limited to maximum 10, were also carried out by the audit teams.

The audit findings were communicated (November 2018) to the Department/ Government for comments but no reply was received. Thereafter, audit

findings were updated till March 2020 through detailed check/physical verification of works (maximum three) during November-December 2020 and March 2021. However, due to COVID-19 pandemic situation, this time sample was limited to four PSs (two from each district) and 20 GPs (five from each select PS).

### **Audit findings**

Audit on implementation of MADS in both the districts of the State revealed deficiencies in planning, execution of works, management of funds and monitoring of the scheme. The deficiencies noticed during audit are discussed in the succeeding paragraphs.

### **2.1.2 Planning and Governance**

#### **2.1.2.1 Preparation of Detailed Project Report/Consolidated Project Report and Prospective plan**

Paragraph 6.1 of MADS guidelines provided for preparation of Detailed Project Report/Consolidated Project Report (DPR/CPR) for development of Mewat area in forthcoming years. Further, Paragraph 6.2 of MADS guidelines envisaged preparation of a prospective plan for next four years for comprehensive village development of Mewat area.

Scrutiny of records of RD&PRD and test checked ZPs, PSs and GPs revealed that DPR/CPR and prospective plan for comprehensive village development were not prepared.

GoR stated (November 2021) that Annual Plan is prepared at ZP level on the basis of proposals received from PS/GP concerned. Usually, these proposals are based on the demands of public and are approved by the Gram Sabha.

The reply is not acceptable as prospective plan for Mewat area is different from the annual plan. A prospective plan is a comprehensive village level development plan for a period of next four years while Annual Plan being a part of prospective plan is executed during a particular year. The Department also did not prepare DPR/CPR.

#### **2.1.2.2 Delay in approval of Plan**

As per Paragraph 9.2 & 9.3 of guidelines, the process for approval of Annual Plan should be completed by end of April every year by District Level Area Development Committee (DLADC) and should be approved by the MAD Board /RD&PRD within 15 days from the receipt of plan.

Scrutiny of records of RD& PRD and ZPs Alwar & Bharatpur revealed that the annual plans for the years 2015-20 were submitted by ZPs Alwar and Bharatpur with delays ranging from 10 to 285 days and approved by MAD Board/RD&PRD with delays ranging from one to 152 days beyond prescribed period. Due to delay in submission and approval of annual plan, the execution of plan and sanction of works were delayed to that extent.

GoR replied (November 2021) that the delays in preparation of plans during the period 2015-17 was normal. It stated that postponement of preparation of plan at State level due to political and administrative reasons and imposition of code of conduct for election were mainly responsible for delays in submission and approval of annual plan during 2017-19.

The reply is not acceptable as there was a delay of 144 & 273 days in submission of annual plan by ZP Alwar during 2015-17, which cannot be justified as normal. Further, the department remained silent on the fact that there was a delay of one to 152 days in approval of plan during 2015-20.

### **2.1.2.3 Preparation of drainage plan**

Paragraph 6.3 of MADS guidelines provided for preparation of a drainage plan for systematic development of villages under MADS.

Scrutiny of records of RD&PRD and test checked ZPs, PSs and GPs revealed that drainage plans were not prepared.

RD&PRD accepted the facts and stated (May 2018) that drainage plans were not prepared as the Finance Department had not sanctioned administrative expenditure for this purpose. The Department of Finance allowed (February 2017) expenditure of one *per cent* of fund available for detailed survey, identifying critical gaps etc. as administrative expenses. RD&PRD further stated (August 2020) that concerned ZPs are also carrying out drainage works from the other schemes.

GoR stated (November 2021) that Annual Plans at GP, PS and ZP level are being prepared in accordance with the scheme guidelines issued in 2015.

The reply is not convincing as drainage works done by department were part of annual plan and not drainage plan, which was not prepared even after sanction of funds by the Finance department.

Thus, in the absence of plan, systematic drainage system in villages of Mewat area could not be developed (as discussed in para 2.1.3.4 (ii)).

## **2.1.3 Execution of the scheme**

### **2.1.3.1 Non execution of works as envisaged in the objectives of MADS**

The main objective of MADS was to implement projects relating to livelihood activities, establishment of small-scale industries, creation of community assets and infrastructural assets, employment generation works relating to art, culture and tourism development and execution of five<sup>4</sup> basic infrastructure facilities included in SHREE Yojana.

Scrutiny of records of RD&PRD, ZPs Alwar and Bharatpur revealed that total 4,263 works worth ₹ 190.21 crore were sanctioned during the period 2015-20. Details are given in Table 2.2 below:

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4 Sanitation, Health, Rural connectivity, Education & Medical facility and Energy (SHREE).

Table 2.2

S. No.	Name of works	Number of works sanctioned	Sanctioned Amount (₹ in Crore)	Percentage of total sanctioned amount
1	Sanitation	178	13.35 <sup>5</sup>	7.02
2	Health	1,883	35.38 <sup>6</sup>	18.60
3	Rural connectivity	1,373	87.20 <sup>7</sup>	45.84
4	Education and medical facility	284	13.98 <sup>8</sup>	7.35
5	Energy	5	0.50 <sup>9</sup>	0.27
6	Other activities <sup>10</sup>	540	39.80 <sup>11</sup>	20.92
	<b>Total</b>	<b>4,263</b>	<b>190.21</b>	<b>100</b>

Source: As per information provided by ZPs.

It is evident from the above table that majority (79.08 per cent) of the works were executed prioritising the components of the SHREE Yojana. However, other activities such as establishment of small-scale industries, projects relating to livelihood activities and works relating to art, culture and tourism development were not included as envisaged in the objectives of the scheme.

Moreover, Guidelines of 2015 provided that 20 per cent (2015-17) and 19 per cent (2017-18 onwards) of total allotted fund would be reserved at State level for basic infrastructures such as Railway under Bridge, Railway Over Bridge, Community Warehouses, Community Small Scale Units etc. It was observed that a provision of ₹ 23.90 crore only was made for the period 2015-17, however, no funds were sanctioned. During 2017-18, ₹ 9.40 crore were reserved at the Headquarter and were transferred to the *Mukhyamantri Jal Swavlamban Yojana*. Further, during 2018-19, no provision was made and during 2019-20, ₹ 1.22 crore were reserved at Headquarter, however, expenditure for basic infrastructure was not done.

GoR stated (November 2021) that livelihood, art, culture and tourism have been benefited due to the ease of transport by the roads constructed in the Mewat area of the National Capital Region.

Further, small scale units have also been benefited by the use of local materials in construction of sanctioned assets.

The reply is not acceptable as department did not undertake works/activities related to establishment of small-scale industries, which would have directly generated livelihood and employment for residing community. Further, ease of transport could benefit art, culture and tourism only indirectly. Activities for protection of environment and development of art, culture and tourism were also not sanctioned in Mewat area under the scheme.

5 ZP Alwar- 53 works: ₹ 8.60 crore and ZP Bharatpur-125 works: ₹ 4.75 crore.

6 ZP Alwar- 1,156 works: ₹ 25.47 crore and ZP Bharatpur-727 works: ₹ 9.91 crore.

7 ZP Alwar-788 works: ₹ 60.61 crore and ZP Bharatpur-585 works: ₹ 26.59 crore.

8 ZP Alwar- 169 works: ₹ 9.46 crore and ZP Bharatpur-115 works: ₹ 4.52 crore.

9 ZP Alwar- 0 work: ₹ 0.00 crore and ZP Bharatpur-5 works: ₹ 0.50 crore.

10 Construction of tin sheds, platform and boundary wall of crematorium, Construction of community halls etc.

11 ZP Alwar- 318 works: ₹ 15.05 crore and ZP Bharatpur-222 works: ₹ 24.75 crore.

### **2.1.3.2 Maintenance of Assets**

**(a)** Paragraph 5.4 of MADS guidelines provided that upto 15 *per cent* of available funds could be utilised for maintenance, strengthening, restoration and upkeep of the assets created under various scheme.

During 2015-20, funds amounting to ₹ 133.01 crore (ZPs Bharatpur: ₹ 55.56 crore and ZP Alwar: ₹ 77.45 crore) were released by State Government. Therefore, upto 15 *per cent* funds i.e. ₹ 19.95 crore (ZPs Bharatpur ₹ 8.33 crore and ZP Alwar: ₹ 11.62 crore) could be utilised for maintenance, strengthening, restoration and upkeep of the assets. The roads were found in damaged condition due to non-construction/blockage of drains during joint physical verification conducted (May-October 2018, November-December 2020 and March 2021) by Audit with department (**discussed in Para 2.1.3.4**). However, expenditure on maintenance/repair of these roads was not incurred by test checked ZPs, PSs and GPs on these activities.

RD&PRD replied (March 2020) that in Bharatpur during 2015-17, no proposals for repair and maintenance were received from the GPs at the district level while during 2017-18, six works amounting to ₹ 19.90 lakh were approved for repair and maintenance. ZP Alwar and Bharatpur further, replied (September 2020) that the sanctions of works for repairing and maintenance included in approved plan, will be issued soon.

GoR stated (November 2021) that maintenance works wherever required, are being included in Annual Plans by the *Gram Sabhas* and approved accordingly.

The reply is not acceptable as repair and maintenance works were not sanctioned/undertaken during 2019-20 despite availability of funds, though included in the approved annual plans.

Further, various assets/roads constructed under the scheme were damaged and therefore, maintenance/repair thereof was necessary. However, only six maintenance/repair works in ZP Bharatpur were executed despite availability of 15 *per cent* earmarked funds for this purpose.

**(b)** As per paragraph 24.3 of GKN, 2010, a register of assets (Assets Register) is required to be maintained at ZPs, PSs and GPs to record all assets created under various schemes in each GP.

Scrutiny of records of selected ZPs, PSs and GPs revealed that register of assets created under various schemes was not maintained in test checked ZP Bharatpur, PSs Nagar, Laxmangarh & Tijara.

Further, out of test checked 60 GPs, register of assets were not being maintained in the two GPs, 45 GPs stated that registers are being maintained but copies of register were not made available to audit for verification while in remaining 13 GPs, audit could verify the registers being maintained.

GoR stated (November 2021) that asset register has regularly been maintained at ZP, PS and GP levels. However, these registers were not made available to audit for verification by 47 test checked GPs. In the absence of the registers, Audit could not assess as to whether the registers were maintained properly by the ZP/PS/GP.

### 2.1.3.3 Physical performance of works

The position of works sanctioned and completed in the test checked ZPs during 2015-20 was given in Table 2.3 below:

**Table 2.3**

(₹ in crore)

S No.	Name of ZPs	No. of works sanctioned	Sanctioned amount	No. of works completed	Expenditure	No. of incomplete works	Amount of incomplete works
1	2	3	4	5	6	7=(3-5)	8=(4-6)
1	Alwar	2,484	119.19	2,246	103.51	238	15.68
2	Bharatpur	1,779	71.02	1,674	67.74	105	3.28
	<b>Total</b>	<b>4,263</b>	<b>190.21</b>	<b>3,920</b>	<b>171.25</b>	<b>343</b>	<b>18.96</b>

Source: Information as per Integrated Works Monitoring System

It can be seen that 343 works amounting to ₹ 18.96 crore (10 per cent) were not completed.

GoR stated (November 2021) that only 253 works in ZPs Alwar (148 works) and Bharatpur (105 works) were under progress as on September 2021 and the same would be completed soon; while other 90 works in ZP Alwar were stated to be completed.

### 2.1.3.4 Joint physical verification

For the audit period 2015-18, out of the total 1,602 completed works amounting to ₹ 63.93 crore in test checked 60 GPs of six PSs; 550 works amounting to ₹ 22.21 crore (34.33 per cent) were physically verified (May-October 2018). For updation period i.e. 2018-20, out of total 99 completed works amounting to ₹ 4.06 crore in test checked 20 GPs of four PSs; 53 works amounting to ₹ 3.02 crore (74.38 per cent) were physically verified (November-December 2020) alongwith the officials of the department (Assistant Engineer (AEN)/Junior Technical Assistant (JTA)/Village Development Officer of GPs). The results of physical verification are discussed below:

#### (i) Unfruitful expenditure

Thirteen works of Cement Concrete (CC) road, installation of single phase/deep bore with tanki, nallah/nali nirman, boundary wall, kamra nirman, hand pump nirman and pokhar khudai karya were sanctioned (March 2016-December 2018) at a cost of ₹ 0.46 crore and completed (June 2016-December 2019) with an expenditure of ₹ 0.43 crore in five PSs. These assets were not being utilised due to encroachment, damage, accumulation of water, not ensuring catchment area and non-installation of motor & electric

connection on single phase boring etc. (Details of defects are given in **Appendix IV**).

Some of the, illustrative cases are as under:

#### **Case study 1**

Work: *Nallah nirman karya asru se johad ki aur* at GP Piproli, PS Ramgarh, District Alwar. The *nallah* was blocked due to presence of stone, sand, bushes and it was encroached at one place. The expenditure on construction of the *nallah* was unfruitful as it was not connected with the pond.



#### **Case study 2**

Work: *Pokhar Khudai Karya, Jhanjhar* at GP Jhanjhar, PS Nagar, District Bharatpur. There was no catchment area for incoming water and *Pokhar* was dry.



Thus, an expenditure of ₹ 0.43 crore incurred on these works remained unfruitful.

RD&PRD replied (March 2020) that the defects of hand pump have been repaired and are now in working condition, *nallah* has been cleaned, complete catchment area was ensured for the *pokhar*, motor for the boring has been repaired and is now being used. However, these defects were found not to have been rectified even during physical verification conducted by Audit along with departmental officials in March 2021.

GoR attached certain photographs and stated (November 2021) that out of total 13 non-functional assets, seven assets (02 hand pumps, 01 boring, 03 *nallahs* and 01 gate) were functional as of September 2021 and were being utilised by the community. In case of one non-functional hand pump (S.No. 2)

it was stated that the water level had depleted. Further, in cases of two *pokhars* (S.No. 12-13) it was stated that the catchment area for the *pokhars* was ensured before sanction of works but the *pokhars* dried due to lesser rainfall (290 mm) in 2017-18 than the average annual rainfall (674 mm) in the district and high percolation rate of the sand. In respect of remaining three damaged/non-functional assets (S.No. 9-11) the compliance had been sought (June 2021) by GoR from the ZPs concerned and the same was awaited (December 2021).

The reply is not acceptable as photographs provided (November 2021) to show the assets as functional were those photographs which were earlier provided (March 2020) by the department and the same were found incorrect during the joint physical verification in March 2021. Further, low rainfall cannot be the sole reason for dried *pokhars* as sufficient annual rainfall was recorded in PS Nagar during 2018 (480 mm) and 2019 (450 mm). Audit is of the view that absence of catchment area for inflowing water to the *pokhars* could be the main reason.

**(ii) Damaged works**

GKN-2010 provided that wherever required, drains should be constructed along the roads to prevent water logging and improve strength of the road. Further, MADS guidelines also provided that internal roads should be constructed along with drains.

**(a) Works where drains were required but not constructed**

Sixty three works of CC roads/interlocking tiles *Kharanja sadak* were sanctioned (September 2015- November 2019) for ₹ 3.22 crore and completed (November 2015- December 2019) at a cost of ₹ 3.15 crore. It was observed that drains were not constructed along the roads. As a result 39 out of 63 roads were either damaged or there was water logging/mud on the roads. Further, 20 roads were also damaged due to laying of pipe line under the Chambal Project. These roads were required to be repaired by contractor but the same has not been repaired so far (March 2021). (Details are given in *Appendix V*). Illustrative cases are as under:

**Case study 3**

Work: CC *sadak mai nali nirman kalu khan ke makan se masjid ki aur*, titarka at GP Langadbas, PS Kishangarhbas, District Alwar.

It was observed that the drain was not constructed. Road was damaged and logged with water and mud, it was inconvenient for traffic flow.



#### Case study 4

Work: CC road *nirman Ishak ke ghar se school tak* at GP Bilond, PS Kama, District-Bharatpur.

It was observed that the drain was not constructed along with road and there was sludge and pits at some places of the road due to dirty water flowing from houses and lack of cleaning.



#### Case study 5

Work: CC Road *Chhirmauli ke ghar se hargyan ke ghar ki aur* at GP Sonokhar, PS Kaman, District Bharatpur.

It was observed that due to non-construction of drain, there was dirty water and mud on the road and road was damaged.



RD&PRD stated (March 2020) that works were constructed as per guideline and the expenditure incurred was not unfruitful. Due to dispute between the families residing nearby, the construction of drain could not be completed. It was also stated that there is *johad*<sup>12</sup> on one side and fields on the other side of the roads therefore, construction of drain was not taken in estimate. It further stated that in some works the construction of road was done with one side slope so that water flows out of one side and brick drain has been made on that side. In other works both side slopes are made along with road for water drainage due to which there is no problem in water drainage. It was further explained that at present roads are in good condition and no dirty water is collected on the road. RD&PRD also stated that cleaning of road is being done regularly with support of the villagers.

The reply is not convincing as the roads were not constructed with drains as provided in guidelines as well as GKN 2010. This resulted in repeated

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<sup>12</sup> Johad is a small check dam built from earth and rocks to intercept and conserve rain water. It helps to improve percolation and increases groundwater recharge.

occurrence of water logging and mud deposition, thereby, damaging the road. The facts were reconfirmed during the physical verification conducted (March 2021) by Audit.

GoR stated (November 2021) that out of 63 works, in 19 cases (S.No. 4,9-12,15,17-23 and 31-36) there was no requirement of drain as the slope of road was constructed in such way as to let the water flow easily. In 08 cases (S.No. 1, 2, 14, 16 and 26-29), the drain has been constructed and in 05 cases (S.No. 3 and 5-8), drains would be constructed from 14<sup>th</sup> Finance Commission's grants. In 03 cases (S.No. 24, 25, 30), the garbage/sand deposited on the edges of road that blocked the water flow was cleared and in a case (S.No. 13), the drain was not constructed as the road was narrow and construction of drains would have further reduced the width of road. In remaining 27 cases (S.No. 37-63) compliance had been sought (June 2021) from ZP Bharatpur and the same was awaited (December 2021).

The reply is not acceptable as photographs provided (November 2021) to show that drains were constructed were those photographs which were earlier provided (March 2020) by the department and the same were found incorrect during the joint physical verification in March 2021. Further, in the cases where GoR said that the drain was not required, roads were found in damaged condition during physical verification (March 2021) due to water logging in absence of drains.

**(b) Roads were damaged due to blockage of drains**

Construction works of 23 CC/Interlocking Tiles/Interlocking Cement *Eent Kharanja* roads with drain were sanctioned (September 2015-November 2016) for ₹ 1.14 crore and completed (November 2015-April 2017) at a cost of ₹ 1.12 crore in PSs Kaman and Nagar (ZP Bharatpur) and PSs Laxmangarh and Ramgarh (ZP Alwar) (details are given in *Appendix VI*).

It was found that although the road were constructed with drains, the drains were blocked and dirty water/mud was lying on the roads due to which the road were badly damaged.

Some of the illustrative cases are as under:

**Case study 6**

Work: CC Road with *Nali Nirman Ratti ki Dukan se Illiyas ke Ghar ki ore* at GP Bilond, PS Kama, District-Bharatpur.

It was observed that the road was damaged due to flow of dirty water and mud logging.



### Case study 7

Work: CC Road mai nali puliya main road se Rajkiya Uchha Prathmik Vidyalaya Pangsedi GP- Saidampur, PS- Laxmangarh, District- Alwar.

It was observed that drain was blocked and dirty water/mud was logged on the road, thereby, damaging the road.



RD&PRD replied (March 2020) that drains were not being cleaned due to closure of *Mukhymantri Gram Swachha Yojana*. However, the roads have now been cleaned with the support of villagers.

The reply is not convincing as under MADS, sanitation work is part of SHREE Yojana, which is to be done on priority basis. Thus, under sanitation head, arrangements could have been made for cleaning of drains to ensure cleanliness in village and to prevent damage of roads. Further, the joint physical verification conducted (March 2021) by Audit with the departmental officials revealed that the roads were still not cleaned and drains were blocked.

GoR stated (November 2021) that out of 23 works, in two cases (S.No.1-2) the *nallah* had been cleaned and there was no water logging on the road. It was also stated that compliance with evidence had been sought (June 2021) from the ZPs concerned for rest of the 21 works. However, the same was still awaited (December 2021).

Interestingly, evidence in support of cleaning of the *nallaha* was not made available to Audit. On the other hand an old photograph (March 2020) of a work (out of 21 works) where compliance with evidence from ZPs was awaited, has been provided, which is not relevant to the issue.

#### **(iii) Inadmissible works**

While approving the Annual Work Plan for the year 2015-16, RD&PRD issued (June 2015) directions that works of construction of boundary wall and other construction works in *Shamshan Ghat* and *Kabristan* etc. could be executed under *Gramin Jan Sahbhagita Yojana* so these works should not be executed under MADS.

During scrutiny of records of ZP Alwar, Audit observed that 20 works of construction of boundary wall and tin shed of *Shamshan Ghat/Kabristan* worth ₹ 1.04 crore were sanctioned (January 2016-March 2016) and an expenditure of ₹ 0.94 crore was incurred. These works were not permissible under MADS. (Details are given in *Appendix VII*).

GoR stated (November 2021) that as per MADS guidelines the construction of boundary wall in *Shamshan Ghat/Kabristan* was not inadmissible. It was also

stated that these works were executed in accordance with the plan approved by the MAD Board and the approval of the ZP.

The reply is not convincing as such type of works were already covered under the *Gramin Jan Sahbhagita Yojana* separately implemented by the GoR and during approval of Annual Work Plan for the year 2015-16, RD&PRD specifically prohibited these works. Thus, expenditure of ₹ 0.94 crore incurred on execution of these works under MADS was irregular.

**(iv) Unfruitful Expenditure on single phase boring and hand pump**

Under MADS seven *single phase boring with tanki and hand pump* were constructed (June 2016-November 2017) at a cost of ₹ 0.15 crore in PSs Kishangarhbas and Tijara. (Details are given in *Appendix VIII*).

It was observed that constructed assets were idle due to non-installation of electricity connection on single phase boring, absence of connection from single phase boring to *tanki*, defective submersible pump, broken *tanki* and hand pump platform etc. Thus, the constructed assets were not being utilized which resulted in unfruitful expenditure of ₹ 0.15 crore.

RD&PRD replied (March 2020) that the boring/submersible is running smoothly and being used by the people. In cases where there was no electricity connection, an electrical connection has been made and the platform has been repaired and these have been certified by the Assistant Engineer of the concerned PSs.

The reply is not convincing as assets were found to be lying idle during joint physical verification (March 2021) conducted by Audit along with departmental officials.

GoR stated (November 2021) that out of seven works, in five works (S.No. 2-6) single phase boring with tanki and water tank has been installed. Electricity connection has also been provided and assets have been made functional. In one work of hand pump (S.No. 7) the platform has been repaired and hand pump is in working condition and in case of another hand pump (S.No. 1), the water level has depleted. However, no evidence to support the installation of electricity connection from public contribution, was made available to Audit.

**Case study 8**

Work: *single phase motor boring mai tanki nirman karya jagat patel putra shri birju ke ghar ke pas* GP Phullawas, PS Tijara, District- Alwar.

It was observed that the bore was non-functional and there was no motor and *tanki*.



(v) **Funds utilised in inadmissible works**

Paragraph 8.2 (e) of MADS guidelines provided that execution of works for individual benefits is prohibited. Further, Paragraph 6.3.6 of GKN 2010 provided that technical officer would inspect the work sites and ensure feasibility and utility of the construction work.

Thirteen works for construction of single-phase boring along with water tank and hand pump were sanctioned (April 2016-May 2017) for ₹ 0.24 crore and completed (November 2016-October 2017) at a cost of ₹ 0.21 crore in PSs Tijara and Kishangarhbas (ZP-Alwar).

It was found that the above assets were constructed in the fields of farmers and personal land of individual household which was in contravention of the MADS guidelines. Individuals were using these assets with private electricity connection for personal use (Details of works are given in *Appendix IX*). Illustrative case is as under:

**Case study 9**

Works: *Hand pump nirman karya lal bhagat ke ghar ke pass evam babita bewa k ghar k pas* GP Khaleelpur, PS Tijara, District-Alwar. It was observed that the hand pump was installed inside a house for personal use.



**Case study 10**

Works: *Single phase boring and tanki nirman near house of Nabba, Banshi ka bas* GP Sirmoli, PS Kishangarh bas, District-Alwar. It was observed that bore was being used personally by using private electricity connection.



RD&PRD replied (March 2020) that the works constructed under the scheme are not being utilised by individual. Villagers were benefitted by creating these assets. The reply was not tenable as at the time of joint physical verification (March 2021) these assets were being utilised by individuals.

GoR stated (November 2021) that out of 13 works, in seven works (S.No.1-7) of single-phase borings, the electricity connections have now been installed with public contribution. In two works (S.No.8-9), the boring and tanki were constructed on donated land and the same are being used by public. Further, in two works (S.No.10,13), the hand pumps were installed along with the boundary wall of the houses on public road and in two other works (S.No.11-12), the hand pumps were being used by the nearby residing families, thus, these assets are not for personal benefits.

Audit acknowledges the details of action taken provided by the GoR. However, these responses could not be substantiated in the absence of supporting evidence.

## 2.1.4 Financial management

### 2.1.4.1 Utilization of funds

The consolidated position of funds released and expenditure incurred there against on the scheme during 2015-20 was given in Table 2.4 below:

**Table 2.4**

(₹ in crore)							
S. No.	Year	Opening Balance	Funds released by GoR	Total funds available	Expenditure incurred	Closing Balance	Percentage of expenditure against total fund available
1	2015-16	89.19	46.20	135.39	26.64	108.75	19.68
2	2016-17	108.75	43.22	151.97	47.77	104.20	31.43
3	2017-18	104.20	40.09	144.29	29.62	114.67	20.53
4	2018-19	114.67	0	114.67	43.17	71.50	37.64
5	2019-20	71.50	3.50	75.00	30.21	44.79	40.28
<b>Total</b>			<b>133.01</b>		<b>177.41</b>		

**Note:** Expenditure incurred include expenditure on complete as well as incomplete work.

Source: Information as per Districts CA Reports

The percentage of expenditure ranged only between 19.68 and 40.28 during 2015-20. At the end of March 2020, balance of ₹ 44.79 crore (33.67 per cent of total amount allotted during 2015-20) was unutilized. Further, funds were not released during 2018-19 and only a meagre amount was released during 2019-20 for the scheme.

Besides, only 4.02 per cent fund (₹ 3.81 lakh) out of allotted ₹ 2.14 crore for the MAD Board were utilized during 2016 -18 while no funds were utilized during the period 2015-16 and 2018-20.

RD&PRD stated (March & September 2020) that the fund allotted for MAD Board could not be utilized due to vacant posts in the board.

GoR stated (November 2021) that after reviewing the expenditure and calculating the surplus amount of last three years, no amount was released for 2018-19. Works worth ₹ 18.98 crore in ZP Alwar and ₹ 20.24 crore in ZP Bharatpur were sanctioned despite non-release of amount from the State level in the year 2018-19. A special campaign is underway to complete the works.

The fact thus, remains that only 19.68 to 40.28 *per cent* of available funds were utilised during 2015-20.

#### **2.1.4.2 Diversion of funds**

Para 2 of Chapter VI (Re-appropriation) of 'Accounting Procedure-2001 for the District Rural Development Agencies/Zila Panchayats' envisaged that funds are not allowed to be diverted from one scheme to another scheme.

Scrutiny of record of ZPs Alwar and Bharatpur revealed that ₹ 3.02 crore<sup>13</sup> of MAD funds were diverted to DRDA-Administration scheme during 2015-20 which was not admissible under the scheme and contrary to the provision of Accounting Procedure. Total fund outstanding of ₹ 4.09 crore were not recouped as of 31 March 2020.

GoR stated (November 2021) that due to non-availability of funds in the DRDA administration head, advance was taken for payment of salary allowances from the scheme and the same has been transferred to the scheme head. The Government of India and the State Government were requested in this regard. The advance given had no adverse effect on the progress of the scheme.

Date wise details of the recovery/transfer of diverted funds and documents in support of correspondence with Government of India and the State Government were not provided to Audit to verify the response.

#### **2.1.4.3 Adjustment of advance given to Implementing Agencies**

Para 22.12 of GKN 2010 provides that if an executing agency/department fails to complete the work in time as specified in Para 22.10 (ranging from three to nine months) then the responsibility for the delay may be fixed and accordingly disciplinary action must be taken against the responsible officer.

Scrutiny of record of ZPs Alwar and Bharatpur revealed that an advance of ₹ 47.47 crore (Alwar ₹ 36.79 crore and Bharatpur ₹ 10.68 crore) were outstanding with executive agencies<sup>14</sup> as on 31 March 2020. Further, it was noticed that in ZP Alwar ₹ 0.42 crore and in ZP Bharatpur ₹ 1.38 crore remained outstanding since 2013-14 and 2010-12 respectively with various implementing agencies as of 31 March 2020.

RD&PRD stated (March 2020) that a special campaign is under progress for completing the works and adjusting the advances. ZP Alwar replied (September 2020) that out of ₹ 36.79 crore outstanding amount, ₹ 11.00 crore has been adjusted (up to August 2020) from executive agencies and efforts are

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13 ZP Alwar ₹ 0.89 crore (2015-16: ₹ 0.84 crore, 2019-20: ₹ 0.05 crore). ZP Bhartpur: ₹ 2.13 crore (2015-16: ₹ 1.02 crore, 2016-17: ₹ 0.28 crore, 2017-18: ₹ 0.36 crore, 2019-20: ₹ 0.47 crore).

14 Alwar (PSs : ₹ 0.34 crore GPs : ₹ 18.78 crore and Other agencies : ₹ 17.67 crore), Bharatpur (PSs : ₹ 0.47 crore, GPs : ₹ 5.55 crore and Other agencies : ₹ 4.66 crore).

being made for adjustment of remaining ₹ 25.00 crore. ZP Bharatpur did not furnish reply though called for.

GoR stated (November 2021) that most of the advances given to the executing agencies have been adjusted. The outstanding advances with a few executing agencies would be adjusted soon.

GoR did not provide the details of outstanding/adjusted advances with the executive agencies/ departments. Further, the reply is silent regarding initiation of disciplinary action against the officials responsible for the delay, as per the provision of GKN.

#### **2.1.4.4 Pendency of Utilisation/Completion Certificates**

According to Para 22.0 of GKN 2010 UCs would be submitted within a maximum of 15 days and Completion Certificates (CCs) should be issued within a maximum of 30 days.

Scrutiny of records of ZPs Alwar and Bharatpur revealed that during 2015-20, 411 UCs/CCs amounting to ₹ 20.02 crore (Alwar: 306<sup>15</sup> amounting to ₹ 16.74 crore and Bharatpur: 105<sup>16</sup> amounting to ₹ 3.28 crore respectively were outstanding as of March 2020.

GoR stated (November 2021) that directions have been issued to complete the remaining 253 works (Alwar: 148 works and Bharatpur: 105 works). It was also stated that a special campaign was being carried out for adjustment of UCs/CCs and the same would be completed soon.

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

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

Paragraph 6.9 of guidelines provided that impact study of MADS was to be carried out by the department to evaluate the socio-economic development of village community residing in Mewat area based on the assets developed and facilities provided under MADS.

Scrutiny of records of RD&PRD, test checked ZPs, PSs and GPs revealed that impact study of the scheme to evaluate the socio-economic development of Mewat area was not carried out during 2015-20.

GoR stated (November 2021) that the amount sanctioned have been spent for transportation, higher education, clean drinking water, energy, better medical facilities in the entire Mewat area. Apart from this, works of community importance have also been approved from time to time. Due to above mentioned expenditure, there has been a big change in the picture of the entire Mewat area. The entire Mewat area was highly backward before inception of

15 306 UCs: (2015-16: 5 UCs-₹ 0.39 crore, 2016-17: 45 UCs-₹ 2.65 crore, 2017-18: 61 UCs- ₹ 3.45 crore, 2018-19: 159 UCs-₹ 9.13 crore and 2019-20: 36 UCs-₹ 1.12 crore).

16 105 UCs: (2016-17: 4 UCs-₹ 0.04 crore, 2017-18: 31 UCs-₹ 0.86 crore, 2018-19: 53 UCs-₹ 1.98 crore and 2019-20: 17 UCs-₹ 0.40 crore).

MADS, but it has now been connected to the mainstream as a result of the various infrastructure works approved under MADS.

In the absence of an impact study of the scheme, the achievements stated by the Department could not be vouchsafed in audit. Implementation of the scheme has focused mainly on construction of CC Road/other small construction activities and the works related to establishment of small-scale industries, livelihood activities, art, culture and tourism development were not included as envisaged in the objectives of the scheme. Moreover, no expenditure was incurred for basic infrastructure such as Railway under Bridge, Railway Over Bridge, Community Warehouses, Community Small Scale Units etc. (as discussed in **Para 2.1.3.1** ).

Audit is of the view that if the impact study of the works executed under the MADS had been conducted by the Department, it would have helped in better planning and execution of the scheme.

#### **2.1.5.2 Third Party inspection of works**

Paragraph 6.7 of guidelines provided that third party inspection of works executed in the MADS, was to be carried out.

Scrutiny of records of RD&PRD, test checked ZPs, PSs and GPs revealed that third-party inspection was not carried out.

GoR stated (November 2021) that the provision of third-party inspection as described in para 6.7 of the guidelines is allowed in the administrative head, but it is not mandatory. It was also stated that third party inspections would be carried out on the direction of State Government.

The reply was not tenable as the MADS guidelines clearly provided for third party inspection under administrative expenses.

#### **2.1.5.3 Inspection of Works**

Paragraph 16.2 and 16.3 of GKN, 2010 provided that periodical inspection for ensuring quality of work at every stage should be carried out by the Junior Engineer (JE), JTA and AE of PSs, Assistant Project Officer (APO), AE, Senior Technical Assistant, Executive Engineer (EE) and Administrative Officer of ZPs. Further, an inspection register in a prescribed proforma was required to be maintained at ZPs, PSs and GPs. The norms of inspection for concerned authorities are given **Table 2.5** below:

**Table 2.5**

(in per cent)

S. No.	Total cost of work	JE and JTA of PS	APO, AE, Sr. TA of ZPs and AE of PS	EE of ZP	BDO	District Collector/ CEO
1	Up to ₹ 2 lakh	100	25	-	25*	5*
2	₹ 2 lakh to ₹ 10 lakh	100	100	25		
3	₹ 10 lakh and above	100	100	100		

*\*of total works ensuring that work of each scheme running in the area may be covered*

During audit scrutiny of ZPs, PSs and GPs, records related to periodical inspections for the periods 2015-20 were not made available to Audit.

RD&PRD replied (March 2020) that inspections are being carried out from time to time and instructions are given to the executing agencies. It mentioned that Inspection Register is being maintained in Alwar, but not being maintained in Bharatpur. It further stated that special attention will be given to maintain the inspection registers. The reply given (March 2020) by RD&PRD was also endorsed by GoR (November 2021).

However, as per replies received (September 2020) from ZP Alwar and Bharatpur, the inspection registers have not been prepared till now. In the absence of the register it could not be assessed in Audit as to whether the inspection was conducted by designated authority.

### **2.1.6 Conclusion**

The MADS was aimed at overall economic and social development of Mewat area. Small-scale industries and necessary resources were to be developed for employment and livelihood of local citizens alongwith maintenance of assets constructed under MADS and other developmental schemes.

Results of the Audit conducted revealed that planning for implementation of the scheme was not effective as prospective plan, drainage plan, detailed project report/consolidated project report were not prepared. There were delays in submission and approval of annual plans. Only 19.68 to 40.28 per cent of the funds available under the scheme were utilised. Further, funds were diverted to other scheme and advances given to implementing agencies were not adjusted. Joint Physical Verification revealed that inadmissible works were sanctioned under the scheme and unfruitful expenditure was made on works without electricity connection. Also, the assets created under the scheme were found badly damaged despite availability of dedicated funds for maintenance of assets upto 15 per cent of total available fund, which remained unutilised. Third party inspection/impact study and evaluation of the scheme as envisaged in the guidelines was not also conducted resulting in poor monitoring and supervision of the scheme.

The scheme did not focus on establishment/ development of small-scale industries and necessary resources for employment and livelihood of local citizens and more than two third of the available funds were deployed mainly for construction of CC Road/other small construction activities.

### **2.1.7 Recommendations**

*The State Government needs to*

- 1. Develop a four year prospective plan for MADS and prepare annual plans in line with the prospective plan for comprehensive development of Mewat Area;*
- 2. Focus on achievement of all the objectives of MADS including development of small scale industries, education, art and culture etc.;*

3. Properly maintain the assets created under MADS/other developmental scheme;
4. Develop an effective mechanism for monitoring and supervision of the scheme which should include third party inspection, impact study and evaluation of the scheme.

## Rural Development Department

### 2.2 Mahatma Gandhi Janbhagidari VikasYojana

#### 2.2.1 Introduction

The *Mahatma Gandhi Janbhagidari Vikas Yojana* (MGJVY<sup>17</sup>) formerly known as *Guru Golwalkar Janbhagidari Vikas Yojana*<sup>18</sup> was launched in September 2014 in all 33 districts of Rajasthan. The objective of the scheme is to ensure public participation in rural areas for development, employment generation and construction and maintenance of community assets and improve living standard of families of the rural areas.

The scheme is funded by the State Government. Under the scheme, for construction of boundary-walls of 'Shamshaans/Kabristan' along with plantation, tin sheds and platforms, 90 per cent funds and for other community assets, 70 per cent funds would be provided by the State Government and remaining matching amount would be contributed by the community which includes individual, NGOs, trust, social organization, local public, etc. However, for construction of other assets in the schedule castes (SC)/schedule tribes (ST) dominated areas<sup>19</sup> 80 per cent funds would be provided by the State Government.

The Rural Development and Panchayati Raj Department (RD&PRD) is responsible for overall supervision, monitoring and co-ordination of various activities of the scheme. At the District level, ZP (Rural Development Cell) is the nodal agency for implementation of the scheme. The amount of public contribution has to be deposited with *Panchayat Samiti (PS)* or *Zila Parishad (ZP)* concerned in cash or through bank's demand draft. In case, if a donor wants to engrave his name on created community assets, 51 per cent contribution is required to be deposited. However, the ownership of the assets so constructed would vest in the State Government/*Panchayati Raj Institution (PRI)* and will be entered in Register of assets maintained in the *Gram Panchayat (GP)*.

With a view to examine the implementation of the MGJVY in the State, a compliance audit for the period from 2014 to 2020 was conducted in three

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17 Existing name of the scheme (*Guru Golwalkar Janbhagidari Vikas Yojana*), with effect from 06 February, 2020 was changed to *Mahatma Gandhi Janbhagidari Vikas Yojana*.

18 Formerly known as *Gramin Janbhagidari Vikas Yojana* (upto September 2014).

19 Where SC/ST population is more than 40 per cent of total population of village (Census 2011).

spells<sup>20</sup> ending in January 2021 in 130 selected PRIs (ZPs: 6, PSs: 12 and GPs: 112). To draw the Audit sample, out of seven zones in the State, two zones i.e. Jaipur and Udaipur were selected randomly. Thereafter, in the selected two zones, 50 per cent of the districts i.e. total six districts (Jaipur zone: Alwar, Jaipur and Jhunjhunu and Udaipur zone: Banswara, Chittorgarh and Udaipur) were selected randomly. Further, 12 PSs (two PSs in each selected district) and 112 GPs in these 12 PSs<sup>21</sup> were selected on the basis of maximum works executed in each GP. Sampling was done using IDEA software. The details are given in *Appendix X*.

### Audit Findings

Audit observations noticed during audit of MGJVY in the six selected districts relating to financial management, execution of works, monitoring of the scheme are discussed in the succeeding paragraphs.

### 2.2.2 Financial Management

#### 2.2.2.1 Utilisation of Funds

- (i) The year-wise allotment of funds and expenditure there against on the scheme during 2014-20 is given in **Table 2.6** below.

**Table 2.6**

(₹ in crore)

S. No.	Year	Opening Balance	Funds released during the year		Total funds available	Expenditure	Closing Balance	Percentage of expenditure against total funds available
			GoR	Misc. Receipts*				
1	2014-15	123.00**	50	4.99	177.99	66.88	111.11	37.58
2	2015-16	111.11	100	15.96	227.07	54.82	172.25	24.14
3	2016-17	172.25	100	11.50	283.75	100.27	183.16	35.34
4	2017-18	183.16	125	15.46	323.62	88.03	235.59	27.20
5	2018-19	235.87	0	13.55	249.42	104.46	144.96	41.88
6	2019-20	144.96	1.91	2.30	149.17	64.99	84.18	43.57
<b>Total</b>			<b>376.91</b>	<b>63.76</b>		<b>479.45</b>		
* Includes public contribution and interest amount								
** As per GoR order (September 2014) unutilised funds of previous scheme Gramin Janbhagidari Vikas Yojana were to be utilised.								

Source: Information provided by RDD

It is evident from the above table that

20 Initially, compliance audit covering the period 2014-17 was conducted during May-September 2017, thereafter audit findings were updated (September-October 2018) upto March 2018. Audit findings were finally updated upto March 2020 during October 2020-January 2021.

21 Jaipur zone (Alwar District: Tijara, Kathumar; Jaipur District: Govindgarh, Sambharlake and Jhunjhunu District: Jhunjhunu, Udaipurwati), Udaipur zone (Banswara District: Ghadi, Ghatol; Chittorgarh District: Chittorgarh, Nimbahera and Udaipur District: Jhadol, Salumber).

- Out of total available funds<sup>22</sup> of ₹ 563.67 crore under the scheme an amount of ₹ 479.45 crore (85.06 per cent) was utilized, However, annual utilization of the available funds ranged from 24.14 per cent to 43.57 per cent only, during 2014-20.
- During 2018-20, as compared to earlier years only a nominal amount of ₹ 1.91 crore (2018-19: nil and 2019-20: ₹ 1.91 crore) was released for the scheme and the name of the scheme was changed (February 2020). Audit is of the view that huge unspent balances of ₹ 235.87 crore as of March 2018, could be the reason for nominal allotment of funds in next two years i.e. 2018-20.
- An amount of ₹ 84.18 crore remained unutilized with the respective ZPs and implementing agencies at the end of March 2020.
- Further, a difference of ₹ 0.28 crore was noticed between closing balance of 2017-18 (₹ 235.59 crore) and opening balance of 2018-19 (₹ 235.87 crore) in the consolidated annual accounts of ZPs at RDD. Similarly, the closing balance for the year 2016-17 was shown as ₹ 183.16 crore instead of ₹ 183.48 crore (₹ 283.75 crore- ₹ 100.27 crore), that is lesser by ₹ 0.32 crore.

RDD stated (August 2020) that difference of ₹ 0.28 crore was due to certain rectification in Chartered Accountant (CA) Reports of ZP Bhilwara, Bundi, Dholpur and Jaisalmer.

The reply is not acceptable as department did not correct their accounts after knowing the facts about rectification of CA Reports even after lapse of three years.

- (ii) Similarly, in the six test checked ZPs, only 78.46 per cent of the available fund<sup>23</sup> (₹ 111.41 crore out of total ₹ 142.00 crore) was utilized. Annual utilization of the available funds ranged from 23.20 per cent to 36.94 per cent, during 2014-20. The details are given in Table 2.7 below.

Table 2.7

(₹ in crore)

S. No.	Year	Opening Balance	Funds released during the year		Total funds available	Total Expenditure	Closing Balance	Percentage of expenditure against total funds available
			GoR	Misc. Receipts				
1	2014-15	26.49	13.88	1.54	41.91	13.29	28.62	31.71
2	2015-16	28.62	25.11	5.27	59.00	13.69	45.31	23.20
3	2016-17	45.31	30.01	4.10	79.42	24.77	54.65	31.19
4	2017-18	54.65	28.89	3.47	87.01	22.61	64.40	25.99
5	2018-19	64.40	0.00	2.14	66.54	24.58	41.96	36.94
6	2019-20	41.96	0.30	0.80	43.06	12.47	30.59	28.96
	<b>Total</b>		<b>98.19</b>	<b>17.32</b>		<b>111.41</b>		

Source: Chartered Accountants Audit Reports of ZPs.

22 Opening balance of previous scheme: ₹ 123.00 crore, total release: ₹ 376.91 crore and misc. receipts: ₹ 63.76 crore.

23 Opening balance of previous scheme: ₹ 26.49 crore, total release: ₹ 98.19 crore and misc. receipts: ₹ 17.32 crore.

An amount of ₹ 30.59 crore remained unutilized with the ZPs and executing agencies at the end of March 2020.

The Rural Development Department while accepting the facts attributed (August 2020) the less utilization of funds due to non-adjustment of advances given to executing agencies for want of Utilisation Certificates (UCs) and Completion Certificates (CCs). It also stated that necessary directions were issued from time to time for submission of UCs/CCs.

GoR stated (September 2021) that funds allotted to ZP Chittorgarh during 2014-20 have been utilised except ₹ 3.00 lakh, which would be utilised on incomplete works. In ZP Alwar, the amount (₹ 161.04 lakh) received after August 2020 under the scheme, has also been utilised.

Audit noticed that GoR's reply was silent about the funds which remained unutilised during the period 2014-15 to 2019-20. Further, information in respect of four ZPs (Jaipur, Jhunjhunu, Udaipur and Banswara) was awaited (December 2021) though called for (September 2021) from concerned ZPs.

### 2.2.3 Execution of the Scheme

As per the guidelines (September 2014) of the scheme, the works of *Shamshaans/ Kabristan* will be taken on priority. In the absence of any proposal in the district under this category, to ensure construction of community assets/facilities and rapid growth in economic and social development of the villages, any other works which is useful and beneficial to the local community could be taken up under this scheme. In special circumstances, the incomplete or left over works of other scheme could also be executed in this scheme. Various provisions and norms contained in the *Gramin Kary Nirdeshika* (GKN) with regard to technical estimates, detailed estimates, execution and completion of works, were also applicable in execution of works under MGJVY. Works related to commercial organisation/personal institutes, assets for individual benefit, worship places for religious rituals and caste or religion wise community centers were not admissible under the scheme.

Audit scrutiny of the records and joint physical verification of the works in selected PRIs revealed the following.

#### 2.2.3.1 Incomplete works

Paragraph 6.3.5 and 6.3.6 of GKN, 2010 stipulate that technical officer should ensure feasibility by inspecting the work sites and utility of the construction work before preparation of detailed estimates and sanction of work. Further, paragraph 22.10.1 of *ibid* also prescribes the completion period of nine months (maximum) from the date of sanction of a work.

In the six test checked ZPs, a total of 1,719 works amounting to ₹ 145.60 crore were sanctioned during 2014-20, of which 1,389 works (80.80 per cent) amounting to ₹ 116.87 crore were completed. Three hundred and thirty

works<sup>24</sup> (19.20 per cent) amounting to ₹ 28.73 crore were still incomplete after incurring an expenditure of ₹ 19.26 crore as of August 2020. The details are given in the Table 2.8 below.

Table 2.8

(₹ in crore)							
S. No.	Year	Sanctioned works	Amount	Completed works	Amount	Incomplete works	Amount
1	2014-15	265	17.95	239	16.27	26	1.68
2	2015-16	398	35.63	346	30.77	52	4.86
3	2016-17	319	28.86	294	26.72	25	2.14
4	2017-18	389	33.95	313	26.59	76	7.36
5	2018-19	302	25.73	189	15.73	113	10.00
6	2019-20	46	3.48	8	0.79	38	2.69
	<b>Total</b>	<b>1,719</b>	<b>145.6</b>	<b>1,389</b>	<b>116.87</b>	<b>330</b>	<b>28.73</b>

GoR stated (September 2021) that the incomplete works in ZP Alwar (03), ZP Jaipur (41) and ZP Chittorgarh (10) would be completed at the earliest. The works in ZP Udaipur remained incomplete due to paucity of funds and the same will also be completed by utilising the fund received in June 2021.

GoR, however, did not furnish reply in respect of ZP Banswara, while information in respect of ZP Jhunjhunu was awaited (December 2021) though called for (September 2021).

### 2.2.3.2 Splitting of works

Para 6.5 of the scheme guidelines stipulates that the works may be sanctioned within the maximum limit of ₹ 15 lakh, so that more works can be executed in a district from the available funds. In unavoidable circumstances for the works costing more than ₹ 15 lakh, the proposals indicating details of funds available may be sent to RD&PRD for obtaining sanction.

Scrutiny of records of two ZPs (Barmer and Churu) revealed that four works related to construction of boundary wall of crematoriums (₹ 25 lakh), CC roads (₹ 19.33 lakh) and 12 class rooms with verandah in two schools (₹ 60 lakh) were sanctioned (2017-18) by splitting these works into 11 works for ₹ 104.33 lakh. The works were completed (2017-19) with an expenditure of ₹ 100.62 lakh. Details of works are given in the *Appendix XI*.

Audit observed that the works were split to avoid sanction of the competent authorities i.e. RD&PRD.

GoR did not furnish specific reply to Audit. The compliance in this regard was called for (September 2021) from the concerned ZPs by the GoR, which was still awaited (December 2021).

24 330 works: 2014-15 (26 works): ₹ 1.49 crore, 2015-16 (52 works): ₹ 4.30 crore, 2016-17 (25 works): ₹ 1.75 crore, 2017-18 (76 works): ₹ 4.86 crore, 2018-19 (113 works): ₹ 6.06 crore and 2019-20 (38 works): ₹ 0.79 crore.

### 2.2.3.3 Irregular expenditure on works sanctioned to Trust/NGO

As per para 4.1.1 (xii) of the scheme guidelines (March 2015), one or more works for *gauseva* cannot be sanctioned to any Trust/Non-Governmental Organisation (NGO) for a limit exceeding ₹ 10 lakh under any circumstances.

Scrutiny of records of RDD revealed that ZP Bikaner irregularly sanctioned (February 2018) three<sup>25</sup> works of construction at *Nandi Gaushala*, Gajner, PS Kolayat for ₹ 30 lakhs (₹ 10 lakh for each work), in contravention of provisions of the scheme guidelines. Thus, undue benefit of ₹ 20 lakh was extended to this *Gaushala*.

ZP Bikaner stated (November 2020) that provision for sanction of such works are given at the point no. 6 of scheme guidelines and sanction of works were issued in reference to the para 6.5 under admissible financial limit of ₹ 15 lakh.

The reply of ZP Bikaner was not acceptable as provisions for works related to *Gauseva* are contained in para 4.1.1 (xii) which clearly prescribes the limit of ₹ 10 lakh for *Gauseva*. While provisions contained in para 6.5 of the guidelines pertains to the works other than *Gauseva*.

GoR intimated (September 2021) that ZP Bikaner has been directed to submit compliance in this regard, which was awaited (December 2021).

### 2.2.3.4 Non-execution of works after collection of public contribution

Paragraph 3.3 of scheme guidelines 2014 envisaged that funds in prescribed ratio would be provided by the State Government for construction of community assets and remaining matching amount would be contributed by the community. The public contribution would be deposited with PS or ZP concerned in cash or through bank's demand draft.

In three ZPs (Chittorgarh, Jhunjhunu and Udaipur) local community deposited (July 2014 to November 2019) contribution of ₹ 291.86 lakh<sup>26</sup> for 247 works (costing ₹ 20.25 crore) for construction of boundary wall, tin shed and development of crematorium, CC road, community hall, class room and open verandah in schools etc. However, the required administrative, financial and technical sanctions were not issued even after lapse of 4 to 68 months (as of March 2020).

ZP Udaipur accepted the fact and stated (December 2020) that the public contribution is lying with PS/GP concerned. Other ZPs did not furnish any reply.

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25 (1) Construction of boundary wall for stray animals part I, (2) Construction of boundary wall for stray animals part II, *Choukidar* room and (3) Construction of animal *kheli* and water tank for stray animals.

26 ZP Chittorgarh (80 work): ₹ 134.92 lakh, Udaipur (59 work): ₹ 63.20 lakh and Jhunjhunu (108 works) : ₹ 93.74 lakh : Total : ₹ 291.86 lakh.

GoR stated (September 2021) that in ZP Chittorgarh, works could not be sanctioned due to non-allotment of state share during 2019-20 and now the public contribution is being returned to the concerned GPs on their demand. GoR further added that works in ZP Udaipur remained incomplete due to paucity of funds and now works would be completed by utilising the fund received in June 2021.

It was stated that compliance from ZP Jhunjhunu was still awaited (December 2021), though, the same was called for by the GoR (September 2021).

#### **2.2.3.5 Works sanctioned without deposit of required contribution**

As per scheme guidelines, for construction of community assets public contribution at 30 *per cent* of cost of work was required to be deposited with ZP/PS. However, in case of areas having population of Schedule Castes (SC)/ Schedule Tribes (ST) more than 40 *per cent* of total population of village as per census 2011, only 20 *per cent* public contribution was required to be deposited.

In ZP Udaipur, 13 works related to construction of community hall/boundary wall of *Snanghat* and CC road etc. were sanctioned (March 2015 to March 2019) for ₹ 95.62 lakh in 10 villages of four PSs (Jhallara, Lasadia, Jhadol & Salumbar) and an expenditure of ₹ 76.04 lakh was incurred. Details are given in *Appendix XII*.

Audit observed that population of SC/ST in these 10 villages was less than 40 *per cent* as required, therefore, contribution of ₹ 28.69 lakh was required to be deposited at the rate of 30 *per cent*. However, only ₹ 19.12 lakh contribution was deposited at the rate of 20 *per cent*. Thus, ₹ 9.57 lakh less contribution was deposited.

GoR stated (September 2021) that population of SC/ST was 40 *per cent* in these villages therefore only 20 *per cent* public contribution was required under the scheme, which was received. Further, in case of community hall in GP Bhabrana (Sl no.2) 10 *per cent* public contribution was required to be deposited as per rule, which has also been received.

The reply is not acceptable as SC/ST population in all these villages was not more than 40 *per cent* as per census 2011, therefore, for community works in these villages including GP Bhabrana (Sl no.2), 30 *per cent* public contribution was required to be deposited.

#### **2.2.3.6 Inadmissible works**

ZP Jhunjhunu sanctioned construction works of boundary wall of crematorium at GP Bhimsar, PS Jhunjhunu for ₹ 29.98 lakh in two spells of ₹ 14.99 lakh (July 2016) and ₹ 14.99 lakh (June 2017) and completed the works in November 2016 and March 2018 respectively with an expenditure of ₹ 29.97 lakh. CCs of both spells have been issued.

As per *jamabandi*<sup>27</sup>, 5,100 square meter (sqm), land was earmarked by Revenue Department for crematorium at GP Bhimsar. Therefore, construction of boundary wall was to be executed in 5,100 sqm of land.

Scrutiny of records and joint physical verification revealed that boundary wall in length of 1,622 feet and 1,680 feet was constructed in first and second spell respectively, covering 1,13,329 sqm of land against 5,100 sqm of land allotted/earmarked for crematorium. As such boundary was constructed on 1,08,220 sqm of *Charagah*<sup>28</sup> land in excess of allotted land.

GoR stated (September 2021) that compliance was called for (September 2021) from ZP Jhunjhunu, which was still awaited (December 2021)

#### **2.2.3.7 Delay in issue of Completion Certificates**

Para 20.1 of GKN 2010 stipulates that CCs should be issued within a maximum of 30 days from completion of work. In case, CC is not issued within prescribed time limit, the responsibility for delay should be fixed and disciplinary action may be initiated against the responsible officer along with imposition and recovery of penalty.

Scrutiny of records of four ZPs (Chittorgarh, Jhunjhunu, Jaipur and Udaipur) revealed that 91 works<sup>29</sup> related to construction of boundary wall of *shamshanghat*, open verandah, community hall, CC road and wood house, etc. were sanctioned during 2012-19 for ₹ 642.37 lakh and completed with an expenditure of ₹ 622.38 lakh during 2012-20. CCs of aforesaid 91 works have been issued after a lapse of two months to 72 months.

GoR accepted the facts and stated (September 2021) that due to paucity of funds, the works in ZPs Jaipur and Udaipur could not be completed in prescribed time, while completion of works in ZP Chittorgarh was delayed at the end of executive agencies.

The reply is not relevant to the audit finding as it was silent regarding delay in issue of CC after completion of works. GoR also intimated (September 2021) that ZP Jhunjhunu has been directed to submit compliance in this regard, which was awaited (December 2021).

#### **2.2.4 Physical verification of works**

Out of total 382 works in test checked GPs, 261 works<sup>30</sup> were physically verified (May-September 2017, September-October 2018 and October 2020-January 2021) along with Junior Engineer (JEN)/Junior Technical Assistant (JTA), secretary of GPs and other departmental authorities.

27 *Jamabandi* means Record of Rights, containing the name of the landowner, an area of cultivation, the share of owners, and other rights.

28 *Charagah* is a land used for grazing of animals (Pasture Land).

29 ZP Udaipur: 43 cases, ZP Chittorgarh: 17 cases, ZP Jaipur: 16 cases, ZP Jhunjhunu: 15 case.

30 261 works: (ZPs- Alwar: 26 works, Banswara: 60 works, Chittorgarh: 45 works, Jaipur: 32 works, Jhunjhunu: 46 works and Udaipur: 52 works)

The important audit findings noticed during the physical verification are discussed below:

#### **2.2.4.1 Payment made for items not executed**

GKN 2010<sup>31</sup> provided that CC Roads are to be constructed in two layers i.e. first CC layer of 15 cm thickness in the ratio of 1:3:6 (Cement 1: Sand 3: 40 mm Grit 6) and second CC layer of 10 cm thickness in the ratio of 1:1.5:3 (Cement 1: Sand 1.5: 20 mm Grit 3) and with drains along the roads to prevent water logging and for strengthening of the roads.

In ZP Banswara, eight works of construction of CC roads were sanctioned (May 2014-September 2016) and completed (June 2014-December 2016) at an expenditure of ₹ 78.40 lakh.

Joint physical verification (May-September 2017) of the works revealed that roads were actually constructed in lesser thickness as compared to sanctions. However, in MBs, thickness of all these roads were recorded on higher side than the actual thickness found in Physical verification. Payments for these works were also made according to the measurements recorded in respective MBs. Thus, not only were roads constructed with lower specification but also, payment of ₹ 30.89 lakh were made for quantities/measurements which were actually not executed. Details of works are given in *Appendix XIII*.

No action in this regard was taken (January 2021) by ZP Banswara despite GoR directions (March 2018). ZP Banswara stated (January 2021) that factual position was called for from the PS Ghadi.

Suitable action may be initiated against the officials involved in misappropriation of the public money.

GoR intimated (September 2021) that ZP Banswara has been directed to submit compliance in this regard, which was awaited (December 2021).

#### **2.2.4.2 Construction of CC roads without drains and expansion joint**

GKN-2010 (para 17 (A) and 23 of Annexure-I) provided that drains should be constructed along the roads to prevent water logging and improve strength of the road and expansion joints should also be given in every span of 15 meters on CC roads.

Scrutiny of records of four ZPs (Banswara, Jaipur, Jhunjhunu and Udaipur) revealed that 16 CC road works were completed with an expenditure of ₹ 1.25 crore. Details are given in *Appendix XIV*.

Joint physical verification (May-September 2017 and October 2020-January 2021) revealed that these 16 CC roads were damaged due to water logging in the absence of drains. Further, it was also observed that 10 out of these 16 CC

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31 Paragraph 17(a) and Map no. 17 (Appendix-3).

roads were constructed without expansion joint resulting in cracks and damage to roads.

		
Water logging on CC road from house of Data Ram to Ami Lal, Seethal	Water logging on CC road from Bodala Well to Meena Mohalla, Seethal	Water logging on CC road from Bodala Well to Meena Mohalla, Seethal

GoR intimated (September 2021) that four ZPs Jaipur, Jhunjhunu, Udaipur and Banswara have been directed to submit compliance in this regard, which was awaited (December 2021).

Further, GoR directed BDO Jhadol to recover cost of drains based on calculations by the Technical officer and to initiate disciplinary action as required in the matter

#### 2.2.4.3 Works not executed on site

ZP Udaipur sanctioned (2016-19) ten works relating to construction of CC road, community hall, class room in school with interlocking tiles on ground & construction of crematorium including shade and other facilities which were completed (2017-19) at an expenditure of ₹ 92.50 lakh. Audit scrutiny of records and joint physical verification (May-September 2017 and October 2020-January 2021) revealed that these works were not executed/partially executed on site but shown as completed in records.

Interestingly, quality control reports of the CC roads have also been issued by Public Works Department. Details of the cases are given in **Table 2.9** below.

**Table 2.9**

S. No.	Name and details of work	Findings of physical verification
1	<p>Construction of CC road with drainage from Naveen Panchayat Bhawan to main road (2017-18/25939) GP Netaji ka Bara, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 08.01.18 Date of completion: 15.03.18</p> <p>Sanctioned cost: ₹ 10 lakh Expenditure: ₹ 10 lakh</p>	 <p>CC road was not found constructed on site.</p>

S. No.	Name and details of work	Findings of physical verification
2	<p>Construction of CC road from near Tube Well to Babu Lal Vadera farm. (2018-19/28776) GP Netaji ka Bara, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 12.09.18 Date of completion: 30.09.18</p> <p>Sanctioned cost: ₹ 10 lakh Expenditure: ₹ 10 lakh</p>	 <p>CC road from road Antri Ghati to main road was sanctioned (January 2018) for ₹ 10 lakh. However, CC road from near Tube Well to Babu Lal Vadera sanctioned (September 2018) was already covered under length of CC road from Antri Ghati to main road. Starting point of both the roads is same place.</p>
3	<p>Construction of CC road from near house of Somraj Meena to near house of Peetha Lal Kolar. (2018-19/28742) GP Peelak, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 11-09-18 Date of completion: 30-09-18</p> <p>Sanctioned cost: ₹ 10 lakh Expenditure: ₹ 10 lakh</p>	 <p>CC road was not found constructed on site.</p>
4	<p>Construction of Crematorium development and plantation Saraka Khera (2016-17/10503) GP Peelak, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 26-12-16 Date of completion: 30-09-17</p> <p>Sanctioned cost: ₹ 9.96 lakh Expenditure: ₹ 9.10 lakh</p>	 <p>Construction of boundary wall, tin shed etc. not found at site.</p>
5	<p>Construction of crematorium and plantation Kolar (2016-17/9366) GP Peelak, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 26-12-16</p> <p>Sanctioned cost: ₹ 8.64 lakh Expenditure: ₹ 8.62 lakh</p>	 <p>Boundary wall was constructed without plaster, length of 63.5 meter of wall was found instead of 173.13 meter. Tin shed and DPC, stone <i>kharanja</i> on platform were also not found.</p>

S. No.	Name and details of work	Findings of physical verification
6	<p>Construction of CC road with drainage from Katala Falan main road to Nana Gayari and near around village street Beeda. (2017-18/15442)</p> <p>GP Jhadol, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 14-08-17</p> <p>Sanctioned cost: ₹ 6.38 lakh</p> <p>Expenditure: ₹ 6.38 lakh</p>	 <p>CC road was not found constructed on site.</p>
7	<p>Construction of New class room with playground, retaining wall and interlocking tiles from main gate to class room at Government Primary School Beeda, Jhadol (2017-18/22506)</p> <p>GP Jhadol, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 06-12-17</p> <p>Date of completion: 30-03-18</p> <p>Sanctioned cost: ₹ 13.40 lakh</p> <p>Expenditure: ₹ 13.40 lakh</p>	 <p>New class room, retaining wall and interlocking tile in playground was not found constructed at village Beeda, GP Jhadol.</p>
8	<p>Construction of CC road from near house of Amaraji Patel to common way Hathikaad, Jhadol (2018-19/28752)</p> <p>GP Jhadol, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 11-09-18</p> <p>Date of completion: 30-09-18</p> <p>Sanctioned cost: ₹ 10 lakh</p> <p>Expenditure: ₹ 10 lakh</p>	 <p>CC road was not found constructed.</p>
9	<p>Construction of CC road Kharafalan, Paliakhera, Selana (2018-19/19571)</p> <p>GP Selana, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 19-07-18</p> <p>Date of completion: 15-02-19</p> <p>Sanctioned cost: ₹ 5 lakh</p> <p>Expenditure: ₹ 5 lakh</p>	 <p>Technical Officer could not tell starting point and end point of CC road. Therefore, construction of the sanctioned CC road could not be verified. The constructed road was damaged at many places.</p>

S. No.	Name and details of work	Findings of physical verification	
10	Construction of community hall near Government Primary School, Chaukhal Bara, GP Neta Ji Ka Bara, PS Jhadol ZP Udaipur  Date of Sanction: 09/2018  Expenditure: ₹ 10 lakh		
		Photo-1: Actual picture of community hall	Photo-2: Fictitious picture shown in CC
		Community hall was actually incomplete (Photo-1). However, CC of work had been issued by using the picture of other community hall (Photo-2) and expenditure was adjusted by ZP. Thus, payment of ₹ 10 lakh was fraudulently made for an incomplete community hall using picture of other completed community hall.	

GoR stated (September 2021) that instructions had been issued (July 2021) to BDO, Jhadol to initiate action for recovery, FIR or disciplinary action against the concerned officers, as required.

Further progress in this regard was awaited (December 2021). Audit is of the view that stringent action needs to be taken for the fraudulent payments made for these works.

#### 2.2.4.4 Improper execution of works

In five ZPs (Banswara, Chittorgarh, Jaipur, Jhunjhunu and Udaipur) 29 works relating to construction of boundary wall of crematorium and graveyard, roof on pillars, tin shed, CC work, leveling of sports ground and CC roads etc. were sanctioned (July 2014-October 2018) and completed (August 2014-March 2019) at an expenditure of ₹ 2.45 crore.

Joint physical verification of works revealed that without executing/completing the works in all respect, the works were shown completed in respective MBs and full payment in case of each work was made, while, items/works amounting to ₹ 26.85 lakh were pending execution. Detail of the works is given in *Appendix XV*. The CCs of these works were issued by EE/BDO/JE and JTA after inspection of works.

Thus, full payments were made for 29 works, which actually were not found to be completed during Joint Physical Verification.

GoR stated (September 2021) that instructions for taking necessary action against erring officers and recovery have been issued to the concerned BDOs in Jaipur, Chittorgarh and Udaipur. ZPs Jhunjhunu and Banswara were also directed (September 2021) to submit compliance in this regard, however, the same was awaited (December 2021).

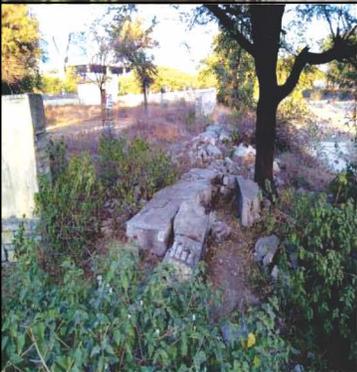
### 2.2.4.5 Non maintenance of assets created under the scheme

Scrutiny of records of selected ZPs revealed that 10 works relating to construction of boundary wall, tin shed and platform of crematorium along with water facilities, CC road, etc. were sanctioned (April 2014-June 2019) and completed (September 2014-September 2019) at an expenditure of ₹ 86.37 lakh.

Joint physical verification (May-September 2017 and October 2020 -January 2021) of the works revealed that these works were in damaged state due to lack of maintenance. The details of works are given in **Table 2.10** below:

**Table 2.10**

S. No.	Name of work	Date of sanction/ completion and sanctioned amount/ expenditure incurred	Findings of physical verification	
1	Construction of tin shed and platform of crematorium along with water facilities for Meghwal Samaj at Village Manas, GP Goran, PS Jhadol, ZP Udaipur.	September 2014/ September 2014 Sanctioned cost: ₹ 3.00 lakh Expenditure: ₹ 2.47 lakh	Tin shed and platform of crematorium were found damaged (May 2017). The condition was same during joint physical verification carried out on 21.12.2020.	
2	Tin shed and platform of crematorium along with water facilities for Patel Samaj at Village Manas, GP Goran, PS Jhadol, ZP Udaipur.	September 2014/ September 2014 Sanctioned cost: ₹ 3.00 lakh Expenditure: ₹ 2.47 lakh	Tin shed and platform of crematorium were found damaged (May 2017). The condition was same during joint physical verification carried out on 21.12.2020.	

S. No.	Name of work	Date of sanction/ completion and sanctioned amount/ expenditure incurred	Findings of physical verification	
3	Construction work of boundary wall and open verandah in the crematorium at village Borkheri, GP Gadola, PS Nimbahera, ZP Chittorgarh.	September 2014/ January 2015  Sanctioned cost: ₹ 10 lakh Expenditure: ₹ 10 lakh	Boundary wall and open verandah were damaged at various places (June 2017). The condition was same during joint physical verification carried out on 2.12.2020.	
4	Construction work of incomplete boundary wall of crematorium, Baijika Johda, Khasra No. 2268/3, Village Khajiroli, GP Khajiroli, PS Govindgarh, ZP Jaipur	August 2016/ March 2017  Sanctioned cost: ₹3.50 lakh Expenditure: ₹ 3.49 lakh	The incomplete boundary wall was constructed in two spells, small pieces of stone and inferior material were utilized in masonry work which had been damaged at many places, cracks were also found at many places, coping was not done. (15.10.2020)	
5	Construction work of boundary wall, tin shed and water facility of crematorium at village Sangriya, GP Badoli, Madhosingh, PS Nimbahera, ZP Chittorgarh.	April 2014/ September 2019  Sanctioned cost: ₹10 lakh Expenditure: ₹10 lakh	Boundary wall of crematorium was found damaged and cracked at various places. Masonry work of foundation was of inferior quality. Tube Well was being utilised for personal use. (1.12.2020)	
6	Construction of open verandah (Shed) at Graveyard of Meerashiyon, GP Seethal, PS Udaipurwati, ZP Jhunjhunu.	June 2017/ September 2017  Sanctioned cost: ₹4.17 lakh Expenditure: ₹4.17 lakh	Open verandah was found in bad condition. There was leakage of water from roof, lintels and roof was bent. Pipes for drainage of rain water were not affixed in land. (19.1.2021)	

S. No.	Name of work	Date of sanction/ completion and sanctioned amount/ expenditure incurred	Findings of physical verification
7	Construction of CC road from main road to house of Lal Singh Banjara via house of Hukum Chand. GP Karanpur, PS Garhi, ZP Banswara.	December 2014/ January 2015  Sanctioned cost: ₹15 lakh Expenditure: ₹14.75 lakh	Drain was not constructed along with the CC Road, water was spilling over the road. CC Road was damaged /broken at various places. (19.1.2021) 
8	Construction work of <i>baradary</i> building with boundary wall Crematorium, Sundani, GP Sundani, PS Garhi, ZP Banswara.	June 2017/ September 2018  Sanctioned cost: ₹14 lakh Expenditure: ₹13.91 lakh	The boundary wall was found damaged at various places. (18.1.2021) 
9	Construction work of Crematorium with boundary wall Ojaria Metwala GP Metwala, PS Garhi, ZP Banswara.	September 2018/ November 2018  Sanctioned cost: ₹15.00 lakh Expenditure : ₹14.98 lakh	The boundary wall was found damaged at various places. (19.1.2021) 
10	Construction work of boundary wall and earth filling of old graveyard near Ishab's house at Village Khorike Khurd, GP Mayapur, PS Tijara, ZP Alwar.	June 2019/ August 2019  Sanctioned cost: ₹12.11 lakh Expenditure: ₹10.13 lakh	Boundary wall was found constructed on top of an old wall. A large portion of the boundary wall was broken which shows inferior quality of work. (21/22.1.2021) 

ZPs/PSs concerned did not furnish any reply.

GoR stated (September 2021) that instructions have been issued to concerned BDOs for initiating necessary action in ZPs Chittorgarh, Alwar and Udaipur. ZPs Jaipur, Jhunjhunu and Banswara were also directed (September 2021) to submit compliance in this regard, however, the same was awaited (December 2021).

#### 2.2.4.6 Unfruitful expenditure on incomplete work

Scrutiny of records of PS Govindgarh revealed that construction of verandah and cement chair at Sarv Samaj crematorium, Kishanpura, PS Govindgarh was sanctioned (March 2018) for ₹ 4.50 lakh and an expenditure of ₹ 4.57 lakh was incurred (July 2018).

Joint physical verification (October 2020 - January 2021) revealed that only structure of verandah was constructed, pavement and plaster work of verandah were not done and cement chairs were also not constructed.

However, even after incurring an expenditure in excess of the sanctioned amount, no entry was made in Measurement Book.



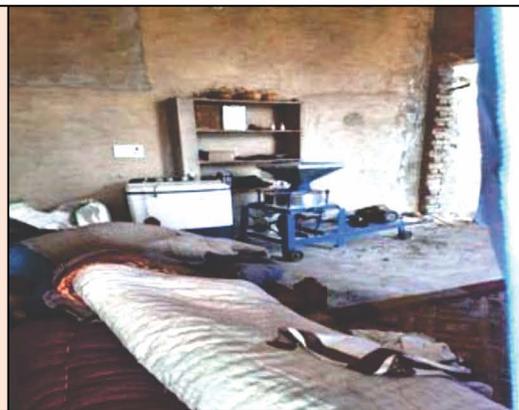
GoR stated (September 2021) that ZP Jaipur has been directed to submit compliance in this regard, which was awaited (December 2021).

#### 2.2.4.7 Assets being used for personal purposes

(i) A community hall was sanctioned (December 2018) for ₹ 6 lakh near Fazzar's house at village Arandka, GP Roopwas, PS Tijara, ZP Alwar and completed (September 2019) with an expenditure of ₹ 5.97 lakh.

Joint physical verification (January 2021) revealed that two rooms and an L-shaped verandah were attached with under construction private house. There was no separate entry gate and signboard was not displayed.

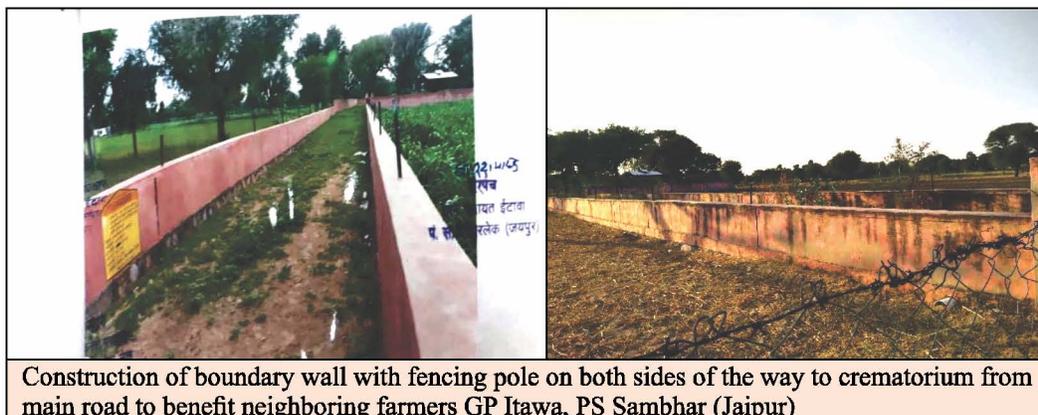
A flourmill, washing machine, two beds and other domestic articles were also found in the verandah. Rooms were locked which showed that it was being utilized for private purposes



(ii) Construction of boundary wall, tin-shed, ground level tank and leveling of Joshi crematorium, GP Itawa, PS Sambhar, was sanctioned (November 2017) for ₹ 15 lakh and work was completed (June 2018) with an expenditure of ₹ 14.98 lakh.

Joint physical verification of the work revealed that in addition to boundary wall of crematorium, a 158 feet boundary wall with fencing pole was also constructed on both sides of the pathway to crematorium from main road. The land where additional boundary wall was constructed was not part of the crematorium as per map issued by Revenue Department. There were farms on both side of this pathway and resultantly the neighboring farmers were benefitted.

Thus, due to incorrect estimates prepared by Junior Technical Assistant, avoidable expenditure of ₹ 2.07 lakh<sup>32</sup> was incurred on additional boundary wall.



Construction of boundary wall with fencing pole on both sides of the way to crematorium from main road to benefit neighboring farmers GP Itawa, PS Sambhar (Jaipur)

GoR stated (September 2021) that both the ZPs have been directed to submit compliance in this regard, which was awaited (December 2021).

## 2.2.5 Monitoring, Evaluation and Social Audit

### 2.2.5.1 Inspection of Works

Paragraph 16.2 and 16.3 of GKN, 2010 provided that periodical inspection for ensuring quality of work at every stage should be carried out by the Junior Engineer (JE), Junior Technical Assistant (JTA) and Assistant Engineer (AE) of PSs, Assistant Project Officer (APO), AE, Senior Technical Assistant, Executive Engineer (EE) and Administrative Officer of ZPs. Further, an inspection register in a prescribed proforma was required to be maintained at ZPs, PSs and GPs. The norms of inspection for concerned authorities are given in Table 2.11 below:

Table 2.11

(in per cent)

S. No.	Total cost of work	JE and JTA of PS	APO, AE, Sr. TA of ZPs and AE of PS	EE of ZP	BDO	District Collector/ CEO
1	Up to ₹ 2 lakh	100	25	-	25*	5*
2	₹ 2 lakh to ₹ 10 lakh	100	100	25		
3	₹ 10 lakh and above	100	100	100		

\*of total works ensuring that work of each scheme running in the area may be covered

Scrutiny of records of selected GPs, PSs and ZPs (except Alwar) revealed that records relating to periodical inspections for the period 2014-20 were not maintained. Selected PS and GPs of Alwar did not furnish information/records to audit.

ZPs and PSs did not furnish reply except ZP Jhunjhunu and PS Jhadol who accepted that records were not maintained and PS Salumber who stated that hundred per cent inspection will be done in future.

32 Foundation and super structure -78.25 cum x at the rate of ₹ 2,650.87

GoR stated (September 2021) that periodical inspections of works were carried out in ZP Alwar, by the technical officers at all level, however, inspection records were not maintained. Now, in ZP Alwar as well as in ZP Chittorgarh inspection registers are being maintained.

Compliance in this regard was awaited (December 2021) from ZP Udaipur despite being directed by GoR (September 2021) while, in respect of other selected ZPs no specific reply was furnished by GoR.

#### **2.2.5.2 Social Audit of the Scheme**

Section 7 (i) of Rajasthan Panchayati Raj Act, 1994 provided that the ward sabha of GP would conduct social audit of all the works implemented in the area.

Scrutiny of records of test checked GPs, PSs and ZPs revealed that social audit of works executed under the scheme during 2014-20 was not carried out. PS Jhunjhunu, Ghatol and GP Sawa, Jalampura (Chittorgarh), Bhatiwada (Udaipurwati), Sawania (Ghatol) and Satkhanda (Nimbahera) stated that Social audit was conducted but details were not made available to audit. Further, selected PS and GPs of Alwar did not furnish information/record to audit.

GoR stated (September 2021) that ZPs Chittorgarh and Udaipur have been directed to submit compliance in this regard, which was awaited (December 2021). GoR did not furnish specific reply in respect of other selected ZPs.

#### **2.2.6 Conclusion**

The main objective of MGJVY is to encourage local public participation in socio-economic development of villages through creation of community assets in rural areas. Government contributed ₹ 376.91 crore, while community contributed ₹ 60 crore approximately under the scheme, during 2014-20. Though, 85 per cent of the funds were utilized, the year wise expenditure ranged from 24.14 per cent to 43.57 per cent of the available funds. Government contributed only nominal funds of ₹ 1.91 crore during last two years. As of March 2020, 330 works worth ₹ 28.73 crore were still incomplete after incurring an expenditure of ₹ 19.26 crore.

Instances of splitting of sanctions for works to avoid sanction of the competent authorities, sanction of works without deposit of required contribution and non execution of works even after deposit of the public contribution were noticed.

Cases of fraudulent payment, assets being used for personal purposes, non maintenance of damaged assets and execution of inadmissible works etc. were also noticed. Payments were made for unexecuted and/or partially executed items. Monitoring under the scheme was weak and social audit was also not carried out.

Thus, the prime objective of the scheme i.e. creation of community assets through public participation **could be achieved only to a limited extent.**

### 2.2.7 Recommendations

1. *The Department should ensure optimal utilisation of the funds allotted for the scheme.*
2. *The works sanctioned under the scheme should be executed effectively and efficiently and the assets created should be maintained properly.*
3. *The department should initiate disciplinary action against those responsible for fraudulently certifying and making payments on works not executed or partially executed.*
4. *The department should ensure designated authorities carry out inspections and social audit of the works executed under the scheme.*

### Panchayati Raj Department

### 2.3 Release and Utilisation of Grants as recommended by Fifth State Finance Commission

#### 2.3.1 Introduction

Article 243-I of the Constitution of India provides that the Governor of a State is required to constitute a Finance Commission every five years in order to (i) review the financial position of the Panchayats; (ii) recommend the principles which should govern the distribution of the net proceeds of the taxes, duties, tolls and fees between the State and the Panchayats and the allocation between the Panchayats at all levels of their respective shares of such proceeds; and (iii) recommend the grants in aid to be devolved to the Panchayats from the Consolidated Fund.

Accordingly, the Fifth State Finance Commission (SFC) was constituted (May 2015) for the period 2015-20. The Commission submitted two interim reports for 2015-16 (in September 2015) and for 2016-17 (in September 2016) and final report for whole of the award period in November 2018, which were presented to the Legislative Assembly on 22 September 2015; on 2 September 2016 and on 23 July 2019 respectively. The State Government while accepting most of the recommendations, issued guidelines from time to time for utilisation of the grants to be released under recommendation of Fifth SFC.

The main recommendations of Fifth SFC (detailed in *Appendix XVI*) *inter alia*, included the following.

- Devolution of funds to the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), at the rate of 7.182 per cent of the net own tax receipts of the State in ratio of 75.1 per cent and 24.9 per cent respectively.

- In the year 2015-16, devolved funds were to be distributed between 'basic and development functions' and 'national/state priority schemes' in the ratio of 85 *per cent* and 10 *per cent* respectively, rest 5 *per cent* was to be released as incentive grant.
- During 2016-20, the earmarked funds were categorized into three components *viz.* 55 *per cent* amount for the 'basic and development functions', 40 *per cent* for 'national/state priority schemes' and rest 5 *per cent* for incentivizing keeping of accounts, record, assets register and efforts for raising own revenues. For the year 2015-16, the devolved funds were to be allocated tier-wise among the PRIs *viz.* Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP) in the ratio of 5:15:80. This ratio was revised to 5:20:75 for the period 2016-20.

During 2015-20, the State Government devolved grants of ₹ 10,345.71 crore under recommendation of Fifth SFC to the PRIs, of which an amount of ₹ 10,226.76 crore (98.85 *per cent*) was utilized.

The State, divided into seven<sup>33</sup> administrative divisions, has adopted three tier structure of PRIs *viz.* Zila Parishad (ZP) at district level, Panchayat Samiti (PS) at block level and Gram Panchayat (GP) at village level. At the State level, Panchayati Raj Department (PRD) is the administrative department for the implementation of recommendations of the Fifth SFC. Chief/Additional Chief Executive Officer (CEO/ACEO), Block Development Officer (BDO) and Village Development Officer (VDO) are responsible for the implementation of the recommendations of the Fifth SFC at the District, Block and Village level respectively.

A compliance audit covering the period of 2015-20 was conducted during April 2019 to November 2019 and September 2020 to December 2020 to examine the implementation of recommendation of Fifth SFC and the devolution/utilisation of funds in PRIs. Records of PRD at State level and 59 PRIs (ZPs: 04, PSs: 06 and GPs: 49) representing each level of PRIs selected<sup>34</sup> on the basis of Simple Random Sampling using IDEA software, were test checked during the Audit. Details of selection are given in *Appendix XVII*. In the selected GPs, 663 works were physically verified along with departmental authorities. Audit findings are discussed in the succeeding paragraphs.

### **Audit Findings**

PRIs utilised 98.85 *per cent* of the funds released under Fifth SFC to maintain their core services. Certain deficiencies observed in the implementation of the scheme are discussed in succeeding paragraphs.

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33 Ajmer, Bharatpur, Bikaner, Jaipur, Jodhpur, Kota and Udaipur.

34 Initially, four divisions (out of seven) were selected on the basis of maximum expenditure incurred. Thereafter, 4 districts (one district from each of the selected divisions), 6 PSs in selected districts (10 *per cent* PSs of a selected district) and 49 GPs in selected PSs (20 *per cent* GPs of a selected PS) were selected on the basis of Simple Random Sampling using IDEA software.

### 2.3.2 Devolution of funds to PRIs

As per the Guidelines, grants under the component 'basic and development functions' 55 per cent (85 per cent in 2015-16) with effect from April 2016 were to be released for creation, addition and maintenance of basic civic amenities like solid waste management, street and road lights, crematoriums, sanitization and drinking water. Further, all the direct or indirect expenditure on drinking water in rural areas was to be met as first charge on this component of grant.

Similarly, the grant under the component 'national/state priority schemes' 40 per cent of total grant (10 per cent in 2015-16) could be used for any of the prescribed State or national scheme. Mukhyamantri Jal Swavlamban Abhiyan (MJSA), was to be given top priority and Pradhan Mantri Awas Yojana (PMAY) and Swachhh Bharat Mission (SBM) were among the important programme included under this component.

The year wise position of State's own net tax revenue (SOTR), amount of grants to be devolved and grants actually transferred to the PRIs, is given in the Table 2.12 below.

Table 2.12

(₹ in crore)

S. No.	Year	State's Own Net Tax Revenue	Grants to be transferred to PRIs				Grants actually transferred to PRIs			Excess (+)/less (-) devolution of grants		
			Basic & development Function	National /State priority Schemes	Incentive grants	Total	Common fund	Incentive Grants	Total	Common fund	Incentive Grants	Total
1	2015-16	41,006.48	1,880.00	221.17	110.59 <sup>+</sup>	2,211.76	2,247.39	Nil	2,247.39	146.22	(-) 110.59	35.63
2	2016-17	42,178.92	1,251.25	910.00	113.75	2,275.00	2,486.16	138.55	2,624.71	324.91	24.80	349.71
3	2017-18	42,273.43	1,254.06	912.04	114.00	2,280.10	2,632.38	138.55	2,770.93	466.28	24.55	490.83
4	2018-19	44,840.67	1,330.21	967.42	120.93	2,418.56	2,223.69	29.26	2,252.95	(-) 73.94	(-) 91.67	(-) 165.61
5	2019-20	47,528.24	1,409.94	1,025.41	128.17 <sup>+</sup>	2,563.52	361.95	87.78*	449.73	(-)2,073.40	(-) 40.39	(-) 2,113.79
<b>Total</b>		<b>2,17,827.74</b>	<b>7,125.46</b>	<b>4,036.04</b>	<b>587.44</b>	<b>11,748.94</b>	<b>9,951.57</b>	<b>394.14</b>	<b>10,345.71</b>	<b>(-)1,209.93</b>	<b>(-) 193.30</b>	<b>(-) 1,403.23</b>

Note: (i) + Incentive grants for 2015-16 and 2019-20 were not transferred to the PRIs

(ii) \*This grant pertains to year 2018-19.

Source: Information provided by PRD and Fifth SFC final report

From the above table it can be seen that:-

#### Grants for 'basic & development functions' and 'national/state priority schemes'

- The State Government did not release component wise grants for basic & development works and national/state priority schemes and released grants in lump sum, during 2015-20. However, incentive grants was released separately.
- During 2015-20, against the total award of ₹ 11,748.94 crore the State Government transferred only an amount of ₹ 10,345.71 crore to the PRIs, which was lesser by ₹ 1,403.23 crore (11.94 per cent) than the grants awarded by the Fifth SFC.

- The State Government transferred grants of ₹ 876.17 crore in excess of recommended grants during 2015-16 to 2017-18. However, the Government did not transfer grants of ₹ 2,279.40 crore (45.75 per cent) out of recommended grants of ₹ 4,982.08 crore to the PRIs, during 2018-20.

Scrutiny of records further revealed that during 2019-20, an amount of ₹ 1,922.64 crore (75 per cent of total grant of ₹ 2,563.52 crore) was required to be transferred to GPs however, sanction for only ₹ 1,085.72 crore was issued (October 2019) by PRD and even that was not transferred to GPs as of March 2020. However, after approval of Finance Department, an amount of ₹ 1,197.57 crore was transferred to GPs during 2020-21.

### **Incentive grants**

- Incentive grants of ₹ 110.59 crore and ₹ 128.17 crore for the years 2015-16 and 2019-20 respectively, were not released to PRIs. Overall incentive grants were short released by ₹ 193.30 crore (49.04 per cent).

The PRD stated (January 2020) that major period of the financial year 2015-16 was consumed in working out the modalities for payments of incentive grants (2015-16) to PRIs. It also stated that incentive grant for financial year 2015-16 was provided during 2016-17.

The reply is not tenable as there was overall short release of incentive grant of ₹ 193.30 crore during 2015-20.

Test check of records in ZP Udaipur revealed that incentive grants of ₹ 12.42 crore<sup>35</sup> was transferred to its all PRIs without furnishing the eligibility certificates by ZP Udaipur as prescribed for the years 2016-17 and 2018-19. The PRD did not furnish reply in this regard (September 2021).

Further, the Fifth SFC in its interim report for 2015-16 recommended (September 2015) that PRD may issue detailed scheme for utilization of incentive grants and notify the same to PRIs upto GP level. The PRD in compliance of the interim report of Fifth SFC for 2015-16 issued guideline (December 2015) stating that directions/guideline for use of incentive grant will be issued separately. However, no such separate guideline were issued by PRD.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

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35 2016-17: ZP Udaipur: ₹ 0.34 crore, 17 PSs of ZP Udaipur: ₹ 1.35 crore and 544 GPs of PS Udaipur: ₹ 5.05 crore, 2018-19: ZP Udaipur: ₹ 0.28 crore, 17 PSs of ZP Udaipur: ₹ 1.14 crore and 544 GPs of PS Udaipur: ₹ 4.26 crore.

### 2.3.3 Utilisation of grants under recommendation of Fifth SFC

The status of total grants transferred under recommendation of fifth SFC to the PRIs and expenditure incurred there against during 2015-20, is given below:

- During 2015-20, funds to the tune of ₹ 10,345.71 crore were transferred to the PRIs to maintain their core services, of which an amount of ₹ 10,226.76 crore (98.85 per cent) was utilized.
- However, in 59 test checked PRIs, against total allocation of ₹ 245.53 crore only ₹ 200.53 crore (81.67 per cent) could be utilized during 2015-20, as detailed in Table 2.13 below.

Table 2.13

(₹ in crore)					
S. No.	Particulars	Funds released	Funds utilized	Closing Balance	Percentage Utilisation
1	ZPs (4)	163.46	125.33	38.13	76.67
2	PSs (6)	49.83	40.85	8.98	81.98
3	GPs (49)	32.24	34.35	(-) 2.11	106.54
	<b>Total</b>	<b>245.53</b>	<b>200.53</b>	<b>45.00</b>	<b>81.67</b>

Source: Information provided by PRIs

- It can be observed that 18.33 per cent of the funds received was lying unutilised mainly with the ZPs and PSs for the works sanctioned from ZP/PS funds.

The PRIs concerned stated (September-December 2020) that the funds were lying unutilised/unadjusted due to non-receipt of Utilisation Certificates (UCs)/Completion Certificates (CCs) from the executive agencies.

This indicated that the UCs/CCs of the completed works were not being submitted by the concerned authorities within the time limit as prescribed in provisions of *Gramin Karya Nirdeshika* (GKN) 2010.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

- **Diversion of funds:** Rule 199 of RPRR, 1996 provides that grants received from the State Government/Central Government should be spent for the purpose for which it was sanctioned and amount sanctioned under a major head should not be transferred to another major head.

However, in PS Gogunda, an amount of ₹ 9.99 lakh actually incurred on for painting work of biography of Maharana Pratap at GP Gogunda under other scheme Shyama Prasad Mukherji Rurban Mission was debited to grants under Fifth SFC. Thus, grants of Fifth SFC was diverted to the work sanctioned/executed under other scheme. The reasons for the same were not furnished to Audit, though called for (October 2019).

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

### **2.3.3.1 Annual Action Plans not prepared by PRIs as mandated**

PRD issued (October 2015) guidelines for preparation of an inclusive and decentralised Gram Panchayat Development Plan (GPDP) based on requirement at the GP level. Accordingly, a GPDP was to be prepared for all the available resources and state/central scheme being implemented. Once it was approved by the Gram Sabha, the plan was to be sent to the concerned PS. After consolidation and adding PS level works the Panchayat Samiti Development Plan (PSDP) would be approved by the General Body of the PS. At the District level, after consolidation and adding ZP level works including development schemes for the urban areas, the District Development Plan (DDP) would be approved by the General Body of the ZP.

Audit scrutiny of records revealed that out of four, two test checked ZPs (Jodhpur and Udaipur) did not prepare the development plans during 2015-20, as prescribed.

In ZP Udaipur, though plans were prepared by its PSs and GPs, the same were not consolidated at ZP level. In ZP Jodhpur, plans were not prepared by two test checked PSs (Luni: for 2015-18 and PS Shergarh: for 2015-19) and seven GPs (PS Shergarh for 2015-19). In ZP Sikar, a test checked PS Dhod also did not prepare development plans for the period 2015-18.

ZP Udaipur and PSs Dhod, Luni and Shergarh stated (September-December 2020) that the works were being sanctioned on the basis of recommendations made by *Zila Pramukh/Pradhan* and public representatives. ZP Jodhpur stated (December 2020) that the works were being sanctioned after approval of works in the meeting of General Body and standing committee of ZP on administration and establishment. GPs of PS Shergarh stated (November 2019) that proposals of works have been taken in the Gram Sabha.

Further, the quorum of one-tenth of the total number of members including members belonging to scheduled castes, scheduled tribes, backward classes and women members as prescribed in Rajasthan Panchayati Raj Act, 1994 for a meeting of Gram Sabha, was not fulfilled in any of the Gram Sabha meetings of the test checked 49 GPs.

The concerned GPs accepted the facts and stated (September-December 2020) that the quorum was not fulfilled due to excessive number of meetings and the members were not interested to take part in *Gram Sabha* meetings.

Thus, due process with respect to planning as envisaged was not adhered to. The development plans were not formulated with the mandated approval of the Gram Sabha having due representation of the weaker sections and women.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

### **2.3.3.2 Component-wise sanctions and expenditure not maintained**

Guidelines (December 2015, November 2016 and September 2019) issued by PRD prescribed for component wise distribution and utilization of grants released under Fifth SFC to PRIs. However, nothing was mentioned regarding component wise maintenance of accounts of the expenditure.

Scrutiny of records of PRD and all the selected 59 PRIs revealed (April–November 2019 and September–December 2020) that neither funds were released component wise as prescribed by Fifth SFC nor were the sanctions of works issued component wise by the PRIs. Further, component wise record of expenditure incurred under Fifth SFC was also not maintained by the test checked PRIs and PRD at State level.

The selected PRIs accepted the facts and stated (September–December 2020) that lump sum expenditure is accounted for in the accounts.

In the absence of details of component wise sanctions and expenditure at the State level, the component wise utilisation of funds as prescribed by Fifth SFC could not be ascertained by audit.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

### **2.3.3.3 Expenditure incurred on roads beyond the prescribed limits**

As per the Guidelines, the work related to creation, addition and maintenance of basic civic amenities like solid waste management, street and road lights, crematoriums, sanitization and drinking water could be undertaken under the component “basic & development functions” of grant. However, for construction of roads a ceiling of 60 *per cent* under this component was prescribed.

Audit compiled and analyzed the component wise utilisation data of funds, in respect of 4,958 works sanctioned in 59 test checked PRIs as the same was not maintained by the PRIs at any level.

Analysis of data revealed that during 2015-20 only in 14 PRIs (ZP Jodhpur, PS Gogunda, PS Shergarh and 11 GPs<sup>36</sup>) the prescribed limit of 60 *per cent* for the road works was adhered to. While, in 45 test checked PRIs, against the earmarked funds of ₹ 45.59 crore being 60 *per cent* of the grant (₹ 75.98 crore) devolved under the component ‘basic & development functions’, sanctions of road works amounting to ₹ 80.29 crore were issued. This constituted an

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36 PS Gogunda: GP Madra, GP Rawalia kalan, GP Rawalia khurd; PS Kherwara: GP Bawalwara; PS Shergarh: GP Gajesingh Nagar, GP Devigarh, GP Bhandujati, GP Khirja Tibna, GP Himmatpura and GP Bapunagar and PS Luni: GP Daipada Khichiyani.

average of 105.67 *per cent* (ranged from 66.88 to 250.47 *per cent*) of the available grants (₹ 75.98 crore) under this component, which was in contravention of the guidelines (*Appendix XVIII*).

In case of 32 PRIs, even whole of the grants provided under the component 'national/ state priority schemes' was utilized on the road works, which indicated that construction of roads was given top priority by the PRIs over other development works.

On being pointed out, ZP Tonk and PS Tonk accepted (September 2020) that during 2015-19 road works were sanctioned in excess of prescribed limit but these were within the prescribed limit during 2019-20. ZP Sikar, ZP Udaipur, PS Kherwara and PS Dhod stated (September-December 2020) that excess road works were sanctioned based on requirement and proposal received from GPs. Other PRIs did not offer any comment in this regard.

The replies of the ZPs/PSs are not acceptable as the expenditure on road works was to be incurred up to the prescribed percentage of funds as envisaged in the Fifth SFC guidelines. Excess expenditure on roads reduced the availability of funds for other basic and development works like works pertaining to water conservation, drinking water etc.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

#### **2.3.3.4 Convergence of Fifth SFC funds with MGNREGS**

As per the instructions issued (November 2015) by Rural Development and Panchayati Raj Department (RD&PRD), sanctions for the works permitted under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) were to be issued for at least 20 *per cent* of the total funds received in a financial year under various schemes. The ZPs are responsible to approve/sanction works under MGNREGS through convergence with other schemes.

Audit scrutiny of records of the test checked PRIs revealed that out of total grants of ₹ 166.83 crore received under Fifth SFC, against an instruction of 20 *per cent* funds i.e. ₹ 33.38 crore, only ₹ 3.95 crore (2.37 *per cent*) was utilised by only 12 PRIs (ZPs: 2, PSs: 2 and GPs: 8) for the works permitted under MGNREGS through convergence during 2015-20 (*Appendix XIX*).

While accepting the facts, three<sup>37</sup> PRIs stated (September-December 2020) that convergence would now be ensured with the MGNREGA and other three PRIs (ZP Jodhpur, ZP Sikar and PS Dhod) stated (September-December 2020) that convergence could not be ensured due to non-receipt of proposals. The reply was not acceptable as the proposals for convergence were to be included in Annual Action Plan at each level i.e. GP (GPDP), PS (PSDP) and ZP (DDP).

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37 PS Tonk, PS Luni and PS Shergarh.

Two PRIs (ZP Udaipur and PS Kherwara) stated (August-September 2019) that sanctions for MGNREGS works under convergence of Fifth SFC would be issued from the financial year 2019-20, but no action was taken in this regard as of December 2020.

Audit is of the view that more resources could have been provided to the job seekers under MGNREGS if the ZPs had been able to ensure convergence with MGNREGS.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

### 2.3.4 Execution of Works

- **Physical Progress of Works:** Paragraph 22.10 of GKN 2010 provides that works sanctioned should be completed within prescribed time schedule (three to nine months depending on the nature and expenditure involved). For utilisation of grants released under recommendation of Fifth SFC, 3,37,641 works were sanctioned in the State during 2015-20.

As per progress report of March 2020, 12,313 works were under progress, 452 works were cancelled and 1,528 works could not be started till March 2020, reasons for the same were not available on the records. Thus, 3,23,348 works (95.77 per cent) were completed during 2015-20.

- **Test Check:** Further, in test checked 59 PRIs, 4,958 works were sanctioned, of which 1,298 works remained incomplete and 99 works amounting to ₹ 2.41 crore were cancelled/not started and 3,561 works (71.8 per cent) were completed. Details are given in the Table 2.14 below.

Table 2.14

S. No.	No. of PRIs	Works						Percentage of incomplete works
		Sanctioned		Completed		Incomplete		
		Number	Amount	Number	Amount	Number	Amount	
1	ZPs (4)	2,209	68.18	1,236	37.69	952	21.45	43.10
2	PSs (6)	1,536	50.02	1,157	37.33	321	6.66	20.90
3	GPs (49)	1,213	34.89	1,168	30.85	25	0.62	2.06
	<b>Total</b>	<b>4,958</b>	<b>153.09</b>	<b>3,561</b>	<b>105.87</b>	<b>1,298</b>	<b>28.73</b>	

Source: Information provided by PRIs

Audit noticed that the percentage of completed works in the State during 2015-20 was shown 95.77 per cent as per the consolidated monthly progress reports (MPR) at State level. However, the same did not reflect in the test checked PRIs, where only 71.8 per cent works were completed.

On being enquired (September-December 2020), the PRIs concerned stated that certain works were shown as incomplete due to non-submission of UCs/CCs and some works are yet to commence. This indicates that the works

physically completed but actually pending for UCs/CCs were shown as completed in the MPRs. Thus, MPRs needs to be prepared with due diligence.

- **Joint Physical verification:** Out of 4,958 works, 663 works were physically verified (July-November 2019 and September-December 2020) by the Audit along with the departmental officials. The category wise details of these 663 works are given in the Table 2.15 below.

Table 2.15

S. No.	District	Blocks	Number of GPs	Number of works	Roads	Water sources <sup>38</sup>	Retiring Hall	Nallah (drain)	Misc. work <sup>39</sup>
1	Jodhpur	Luni	9	126	77	19	-	9	21
2		Shergarh	7	89	20	37	1	-	31
3	Sikar	Dhod	9	131	88	19	-	6	18
4	Tonk	Tonk	10	137	105	10	1	7	14
5	Udaipur	Gogunda	5	71	27	10	3	5	26
6		Kherwara	9	109	52	22	1	8	26
<b>Total</b>			<b>49</b>	<b>663</b>	<b>369</b>	<b>117</b>	<b>6</b>	<b>35</b>	<b>136</b>
<b>Deficiencies found</b>					<b>282</b>	<b>36</b>	<b>1</b>	<b>1</b>	<b>4</b>
<b>Percentage</b>					<b>76.42</b>	<b>30.77</b>	<b>16.67</b>	<b>2.86</b>	<b>2.94</b>

The results of test check of records of selected 59 PRIs and joint physical verification of 663 works are discussed in the succeeding paragraphs.

#### 2.3.4.1 Internal roads works

##### (i) CC roads constructed with lower specifications

As per design prescribed in GKN 2010 (map No.17), a CC road is to be constructed in two layers viz. first layer of 15 cm thickness of CC in the ratio of 1:3:6 (cement: 1; sand: 3 and grit: 6) and second layer of 10 cm thickness of CC in the ratio of 1:1.5:3 (cement: 1; sand: 1.5 and grit: 3).

Audit however, observed that 21 CC roads of ₹ 87.98 lakh in test checked four PRIs (ZP Tonk: 04, ZP Udaipur: 02, PS Tonk: 05 and PS Kherwara: 10) were constructed only in single layer of cement concrete, despite the fact that provision for two layers was taken in the detailed estimates prepared after inspection of the site by technical officer. In most of these cases, either length or width of the road was increased compared to the length/width taken in the estimates to consume the sanctioned amount of these roads, while thickness of the road was compromised to consume the sanction amount.

Further, test check of records of PS Tonk, revealed that in case of 73 CC roads (18 GPs) completed at an expenditure of ₹ 3.69 crore, specification of the base layer was changed to 40 mm dry grit instead of 15 cm thickness of CC in the ratio of 1:3:6 (cement: 01, sand: 03 and grit: 06).

Thus, roads were constructed with lower specification than those prescribed, despite availability of adequate funds and quality of road was also

38 Anicut, hand pump, tanka, panghat, pipe lines, cattle ghat etc.

39 Levelling of ground, toilet, boundary wall, repair work etc.

compromised to that extent. This was also indicative of lack of supervision and inspection by the departmental officials as pointed out in the **paragraph 2.3.4.6 (iii)**.

PS Tonk stated (August 2019) that base layer had been prepared with the laying of dry 40 mm grit as per the requirement of the area. Other three PRIs stated (September-December 2020) that works were executed by laying only the top layer as per the site requirement.

The reply is not tenable as roads were not constructed as per provisions of GKN 2010 and approved detailed technical estimates.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

**(ii) Construction of Internal Roads without drains and expansion joints**

According to Fifth SFC Guidelines, with a view to achieve sanitation and water conservation, the works of internal roads and cement concrete (CC) (including interlocking block) roads with drain would be permissible.

Audit observed that 208 roads (96 CC roads, 112 CC block roads) completed at an expenditure of ₹ 10.38 crore in nine test checked PRIs (four<sup>40</sup> ZPs and five<sup>41</sup> PSs) were constructed without drains. Five similar cases (of ₹ 0.22 crore) were also noticed during compliance audit (July 2019) of PS Chauth ka Barwara (ZP Sawai Madhopur).

Further, Para 23 (3) of Appendix-1 of GKN 2010, stipulates that expansion joints at the distance of 15 meters each are required to be given in the CC road for enhancing the technical quality. However, out of 213 roads, expansion joints were not given in 89 CC roads (41.78 *per cent*), which was necessary for enhancing the quality of these roads. Thus, road safety was also compromised to that extent.

Two ZPs (Tonk and Udaipur) and three PSs (Tonk, Kherwara and Gogunda) stated (September 2020-December 2020) that drains were constructed wherever required, while other ZPs and PSs did not furnish any reply.

The reply is not tenable as drains were to be constructed along with the roads to ensure sanitation and water conservation as envisaged in the Fifth SFC guidelines.

**(a) Physical verification:** A joint physical verification of 369 roads with Departmental Authorities revealed that 274 CC roads (74.25 *per cent*) completed at a cost of ₹ 11.34 crore, were constructed without drains. This led to damage of the top surface (11 works) and water logging (8 works) apart from failure to ensure adequate sanitation and water conservation. Illustrative cases are mentioned below:

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40 Four ZPs: Jodhpur, Udaipur, Sikar and Tonk

41 Five PSs: Dhod, Luni, Tonk, Kherwara and Gogunda

	
<p><b>Case 1:</b> Construction of CC road from main road to house of Jeevat Ram, GP Dabaycha, PS Kherwara: the road was found without drain and damaged top surface</p>	<p><b>Case 2:</b> Construction of CC road from house of Devikishan Gurjar to house of Babu Khatik, Kuredi, GP Kureda, PS Tonk: the road was found without drain and with water logging</p>

**(b) Construction of roads at a different location:** In five<sup>42</sup> cases of PS Tonk, it was also noticed that CC roads costing ₹ 24.56 lakh, either entire road or a portion of the road, was constructed at a place other than the sanctioned location. Junior Technical Assistant/Junior Engineer/Assistant Engineer responsible for certifying the payment of these roads, certified the payment only on the basis of Measurement Books (prepared as per sanction) without inspecting the sites.

The PS stated (September 2020) that necessary action would be taken and Audit will be informed accordingly.

**(c) Damaged Roads:** The works of construction of four CC/interlocking block roads was completed at an expenditure of ₹ 14.82 lakh in PS Gogunda (GP Madra), PS Kherwara (GP Kanpur and GP Kanbai) and PS Tonk (GP Arniyamal).

These roads were found damaged due to non-laying of base layer and absence of side packing etc., during physical verification of the sites. No action to correct the defects of the roads, was found on record. An illustrative case is given below.


<p><b>Case 3:</b> Construction of CC road from main road towards house of Kure Singh/Sardar Singh GP Kanpur (PS Kherwara)</p>

42 GPs-Sankhna: 1; Soran: 2 and Ghas: 2.

(d) **Encroachment on Roads:** A work of construction of CC road with drain for sanitation from *Main Road towards Kota Kakar*, GP Obra Kalan, PS Gogunda was sanctioned (December 2017) and completed (January 2018) at a cost of ₹ 3.70 lakh. Encroachment was found (October 2019) on the road as an iron gate was fixed in the middle of the road blocking the passage.

The VDO stated (October 2019) that the encroachment would be removed soon. However, the encroachment was not removed till December 2020.



**Case 4:** Encroachment (October 2019) on the road by fixing an iron gate in the middle of the road.

The matter was forwarded (March 2021) to the Government, their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

#### 2.3.4.2 Works related to water sources

##### (i) **Construction of Panghat without providing electricity connection**

The PRD issued (November 2015) circular that while preparing an estimate for installation of a water source, provision for electricity connection and cost thereof should be made in the estimate. In case the electricity connection is not provided, the water source would be deemed unfruitful and the expenditure incurred on the development of the water source would be recoverable from the executing agency. The CCs will be issued after obtaining electricity connection.

Audit scrutiny of records of two test checked PRIs (ZP Udaipur and PS Kherwara) however, revealed that 17 works<sup>43</sup> of construction of *Panghat*<sup>44</sup> were completed with an expenditure of ₹ 27.19 lakh during June 2016 to December 2019 but provision for electricity connection was not taken in the detailed estimates. Similarly, 45 bore motor works were completed without provision of electricity in PS Gangrar (compliance audit in February 2019) at an expenditure of ₹ 63.00 lakh

43 ZP Udaipur (eight works ) and PS Kherwara (nine works).

44 A structure for providing drinking water to the people.

Moreover, the CCs were issued for these 62 works without provision of electricity connection, rendering the whole expenditure of ₹ 90.19 lakh unfruitful.

PS Kherwara stated (September 2019) that all works have been executed with the consent of GPs and electricity connections are already available, while ZP Udaipur did not furnish any reply (December 2020).

The reply is not factually correct because in four cases<sup>45</sup> out of nine such *Panghat* works (completed in PS Kherwara during May-July 2018) private electricity connections were found to be taken from nearby houses during joint physical verification (September 2019). Moreover, the position was found unchanged on joint physical verification again in December 2020. An illustrative case is given below. Thus, possibility of government electricity connections in remaining *Panghats* is remote.



**Case 5:** Construction of *Panghat* near house of Kishore Singh, GP Kanpur, PS Kherwara without government electricity connection.

**(ii) Installation of hand pumps without cattle water tank and soak pits**

PRD issued (September 2014) circular regarding installation of hand pump (HP) which prescribes that the drain, cattle water tank (CWT) and soak pit should be constructed in such a way that the waste water flows naturally into the cattle water tank.

Audit scrutiny of records (measurement books and detailed estimates) however, revealed that 123 works<sup>46</sup> of installation of HPs in four test checked PRIs (ZP Tonk, ZP Udaipur, PS Kherwara and PS Gogunda) were completed

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<sup>45</sup> Construction of *Panghat* near Bus Stand, GP Kanpur, PS Kherwara: Sanctioned amount ₹ 1.55 lakh and expenditure of ₹ 1.50 lakh; Construction of *Panghat* near Panchayat headquarters, GP Jayra PS Kherwara: Sanctioned amount ₹ 1.55 lakh and expenditure of ₹ 1.55 lakh, Construction of *Panghat* near house of Banshi/Roopsi, Futla, GP Karawada, PS, Kherwara: Sanctioned amount ₹ 1.55 lakh and expenditure ₹ 1.51 lakh and Construction of *Panghat* near house of Kishore Singh, GP Kanpur, PS Kherwara: Sanctioned amount ₹ 1.55 lakh and expenditure ₹ 1.51 lakh.

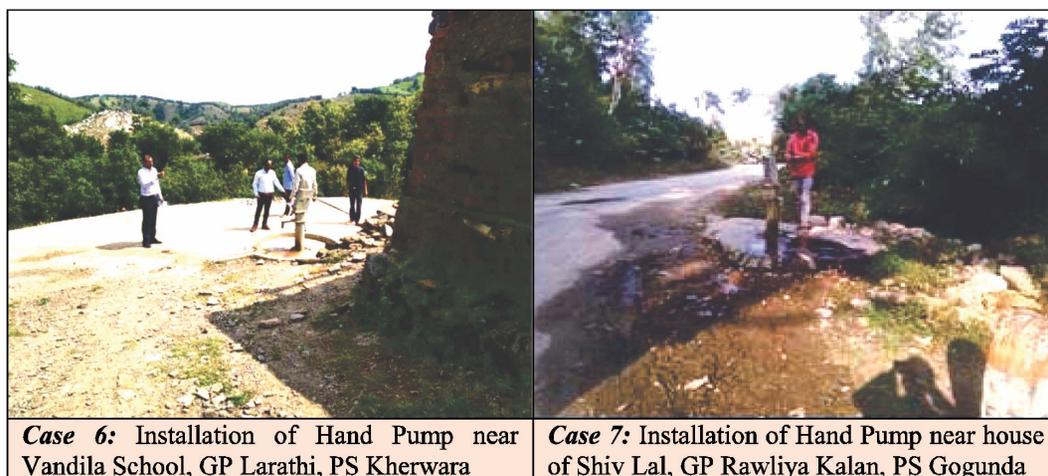
<sup>46</sup> ZPs Tonk (10 works), Udaipur (36 works) and PSs Kherwara (54 works), Gogunda (23 works).

at an expenditure of ₹ 76.06 lakh without construction of soak pits and CWTs, as prescribed.

PRIs stated (September 2020-December 2020) that the construction of CWT and soak pit would be ensured.

- **Physical verification:** Further, out of the 117 physically inspected works of water sources, deficiencies were noticed in 36 works (30.77 per cent) as discussed below:

(a) 18 HPs were installed/constructed during October 2016-June 2018 in two PRIs (PS Gogunda: 3 works and PS Kherwara: 15 works) at an expenditure of ₹ 9.39 lakh but CWTs and soak pits were not constructed with the HPs. Illustrative cases of installation of HPs without CWT and soak pits are given below:



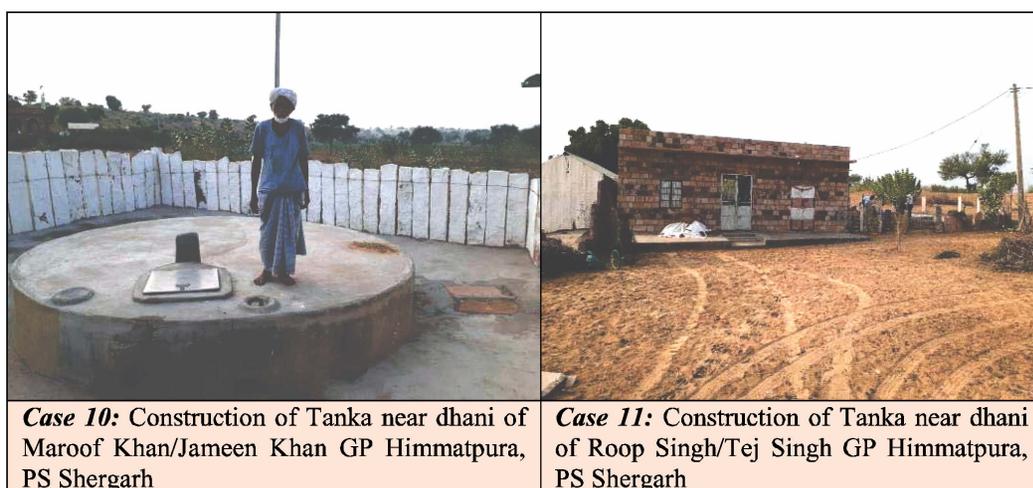
(b) 12 works of construction of water tank and pipeline were sanctioned (June 2016-September 2018) at a cost of ₹ 29.62 lakh and completed (July 2016-September 2019) with an expenditure of ₹ 29.19 lakh in PSs Dhod (one work) and Shergarh (11 works). These assets were found not being utilised due to absence of connection to the water source, thus, rendering whole expenditure of ₹ 29.19 lakh unfruitful. The illustrative cases are given below.





Case 9: Madarsa Bahmani Sindhiyon Ki Dhani GLR Mai Pipe Line Karya (GP Himmatpura)

(c) Two works<sup>47</sup> of Public Tanka completed at an expenditure of ₹ 1.20 lakh in PS Shergarh were constructed within the premises of houses covered by boundary wall. Thus, the possibility of use of *Tankas* by public is remote.



Case 10: Construction of Tanka near dhani of Maroof Khan/Jameen Khan GP Himmatpura, PS Shergarh

Case 11: Construction of Tanka near dhani of Roop Singh/Tej Singh GP Himmatpura, PS Shergarh

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

#### 2.3.4.3 Retiring hall, drain and other works

(i) Construction of Retiring Hall at Meghwal Basti, GP Gogunda, PS Gogunda was undertaken at an expenditure of ₹ 4.63 lakh. It was observed (September 2019) that the work was incomplete and debris was dumped in the hall. The Retiring Hall was found in the same condition even during the physical verification in December 2020. Thus, the purpose for construction of Retiring Hall could not be served.

47 Construction of Public Tanka near *Dhani* of Roop Singh/Tej Singh, GP Himmatpura PS Shergarh (sanctioned cost: ₹ 0.63 lakh, expenditure: ₹ 0.60 lakh) and Construction of Public Tanka near *Dhani* of Maroof Khan/Jameen Khan GP Himmatpura, PS Shergarh (sanctioned cost: ₹ 0.63 lakh, expenditure: ₹ 0.60 lakh).



**Case 12:** Construction of retiring hall at meghwal basti, GP Gogunda, PS Gogunda

(ii) The work of construction of *Nallah* near Masjid, Allahpura, GP Arniyamal, PS Tonk was executed at an expenditure of ₹ 2.00 lakh. The exit of *Nallah* was opening within the habitation and a lot of filth and waste was found around the *Nallah*. Thus, the purpose of sanitation through construction of *Nallah* was not fulfilled.

(iii) For the work of construction of toilet-urinal in Government Senior Secondary School Patiya, GP Patiya PS Kherwara, an expenditure of ₹ 1.60 lakh was incurred. However, joint physical verification (September 2019) of the work, revealed that material worth ₹ 0.54 lakh was lying unutilised and water tank and toilet sheet were not installed/fixd.



**Case 13:** Incomplete work of toilet-urinal in Government Senior Secondary School Patiya, GP Patiya PS Kherwara (December 2020).

Even during the next physical verification (December 2020), the condition of toilet remained unchanged. Since, there were no other toilet/urinal facilities in this school, children were facing difficulties. The VDO stated (December 2020) that the work could not be completed as space/land available for toilet-urinal was not sufficient.

(iv) Physical verification of three works<sup>48</sup> completed at an expenditure of ₹ 6.92 lakh in PS Shergarh, ZP Jodhpur revealed that these works were constructed on personal lands and were not being used by the public.



The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

#### 2.3.4.4 Works executed without preparation of technical estimates

Provisions for preparation of estimates for construction of various works are provided in Para 6 of the GKN 2010. Accordingly, para 6.3.1 and 6.3.5 envisage that detailed estimate should be prepared for new works by assessing the quantities of each item to be executed as per approved drawings and requirement of site. The quantity of items and unit cost of item, total cost of work should be shown in prescribed formats. The technical sanction of the works and execution of works would be based on these detailed estimates.

Audit, observed that detailed technical estimates by showing the quantities of items of work and unit rates etc., were not prepared in prescribed format for

48 Construction of Retiring Hall Rewat Singh Ki Dhani, GP, Khirja Tibna: sanctioned cost: ₹ 2.20 lakh and expenditure ₹ 2.16 lakh; Construction of Public Library Guman Singh Ki Dhani, Khirja Tibna : sanctioned cost: ₹ 2.30 and expenditure ₹ 2.26 lakh; Construction of Public Library Khanodi Sadak Par Bhilon Ki Dhani Ke Pas, GP Babu Nagar: sanctioned cost: ₹ 2.50 lakh and expenditure ₹ 2.50 lakh.

115 works<sup>49</sup> in test checked 9 GPs of PS Dhod. The works were completed at an expenditure of ₹ 3.60 crore against sanctioned cost of ₹ 4.10 crore.

Most of these works were found to be completed. However, irregularities like non construction of drains with roads (49 work of ₹ 2.05 crore), non-availability of quality test reports (54 work of ₹ 2.21 crore), non-existence of display boards at site (11 work of ₹ 0.44 crore) and works not included in GP development plan (three work of ₹ 0.08 crore) etc., were noticed during physical verification. However, in absence of detailed estimate, deviation of quality/quantity could not be ascertained.

#### **2.3.4.5 Lack of transparency**

##### **(i) Works executed without following the provisions of Rajasthan Transparency in Public Procurement Rules**

The Rajasthan Transparency in Public Procurement (RTPP) Rules, 2013 were promulgated by the State Government to regulate public procurement with the objectives of ensuring transparency, fair and equitable treatment of bidders, promoting competition, enhancing efficiency and economy and safeguarding integrity in the procurement process.

Rule 5 of RTPP Rules, 2013 provides that procurement of works having estimated value of rupees five lakh or more should be through e-procurement. Further, in case of a rate contract, rule 29(2) of *ibid* Rules provides that the period of rate contract shall be generally one year, which could be extended on same price, terms and conditions for a period not exceeding 3 months in unavoidable circumstances. It should be ensured that new rate contracts become operative right after the expiry of the existing rate contracts without any gap.

**(a)** In PS Gogunda, tenders for works of installation of HPs and Tube Wells (TWs) for the period 2015-16 were invited (September 2015) for an estimated value of ₹ 35.00 lakh and ₹ 10.00 lakh respectively. The rates of contractor 'A' being lowest were approved and a rate contract was entered (November 2015) with the contractor for execution of work amounting to ₹ 45.00 lakh during 2015-16. Against this rate contract, PS Gogunda awarded 103 works for ₹ 74.07 lakh and the contractor executed 81 works for ₹ 57.81 lakh during 2015-17.

Audit observed that the rate contract was irregularly extended up to June 2017 beyond the prescribed limit of three months (June 2016). The PS Gogunda irregularly, executed 58 works on incurring an expenditure of ₹ 41.42 lakh through this contractor 'A', instead of inviting fresh tenders. Besides, the process of e-Procurement was also not followed for inviting tenders as envisaged in the RTPP Rules, 2013.

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49 Works of CC road:78; Water source:14; Repair work:2; Boundary wall:5; Sewerage:10 and other works:6.

**(b)** In PS Kherwara, a rate contract with contractor 'B' was executed (July 2018) for installation of HPs and construction of *Panghats* in PS Kherwara for the period of one year up to July 2019. In July 2019, the rate contract was extended upto three months (upto October 2019).

Audit, observed that PS Kherwara irregularly, sanctioned 33 works of *Panghats* and HPs for ₹ 29.07 lakh during December 2019 to May 2020, beyond extended period of rate contract and the work was completed at an expenditure of ₹ 28.78 lakh by the contractor 'B'. This was in contravention of provisions of the RTPP Rules.

The PS stated (December 2020) that the works were executed in public interest. The reply is not tenable as the works were sanctioned after expiry of extended period of rate contract.

Thus, provisions of transparency in public procurement as envisaged in RTPP Rules were not adhered to by these two PRIs while executing the works out of grants under Fifth SFC.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

**(ii) Wall painting of details of funds provided by the Fifth SFC**

As per the instructions issued (June and September 2016) by PRD, for ensuring transparency in the utilisation of funds, the information regarding funds received and expenditure incurred under various development schemes is required to be provided to public through wall paintings at GP or *Atal Seva Kendras*. The funds received under Fifth SFC could be utilised for this purpose.

Audit however, observed that wall painting displaying the above details was not made by any of the test checked 49 GPs during 2015-20. The GPs accepted the facts and stated (September-December 2020) that no expenditure was incurred on wall paintings.

Thus, people were deprived of the information regarding utilisation of funds provided under Fifth SFC and the transparency was also hindered to that extent.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

**(iii) Information of works not displayed at work-site**

Paragraph 24.2 of GKN 2010 envisages that information relating to works such as name of the work with work site, name of the scheme, sanctioned amount, man-days, date of commencement and completion of work, expenditure incurred and resulting benefits/utilities to the public *etc.*, is required to be displayed on a board at each work site.

However, such information was not found displayed on the boards in respect of 353 works<sup>50</sup> (53.24 per cent), out of 663 works physically verified in the test checked districts.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite reminders (April to December 2021).

#### **2.3.4.6 Internal Control and Monitoring Mechanism**

##### **(i) Non Submission of Utilisation /Completion Certificates in time**

Para 22.6 and 22.7 of GKN 2010 provide that on receipt of intimation of completion of the works by the executing agencies, the UCs and CCs should be furnished by the competent authority within 15 days and 30 days respectively, of utilisation of funds and completion of works. Further, para 22.10 of GKN 2010, has prescribed maximum period for completion of works as nine months. In case, CC is not issued within prescribed time limit, the responsibility for delay should be fixed and disciplinary action may be initiated against the responsible officer along with imposition and recovery of penalty as provided in para 20.1 of GKN 2010.

**(a)** Audit scrutiny of record of 59 test checked PRIs revealed that out of 4,958 works (worth ₹ 153.09 crore) sanctioned during 2015-20, UCs/CCs were pending in respect of 1,553 works<sup>51</sup> (31.32 per cent) amounting to ₹ 37.77 crore, as of December 2020.

The PRIs concerned stated (September-December 2020) that UCs/ CCs were pending due to non-submission of UCs/CCs by executive agencies, non-measurement of works and non completion of works etc.

**(b) Utilisation/adjustment of funds of earlier SFCs:** An amount of ₹ 8.78 crore<sup>52</sup> released under earlier SFCs, was pending adjustment in the test checked ZPs and PSs, even after 6 to 11 years of expiry of the period of SFCs.

The ZPs and PSs stated (September-December 2020) that the funds remained unutilised/unadjusted due to non-submission of UCs/CCs and the unutilised funds would be paid after adjustment of UCs/CCs.

The reply is not acceptable because all the works should have been completed within nine months of the sanction and UCs/CCs should have also been submitted timely as prescribed in the GKN 2010. The Department should have

50 ZP Jodhpur: 31; ZP Tonk: 130; ZP Sikar: 14 and ZP Udaipur: 178.

51 2015-16: 29 works (₹ 53.04 lakhs); 2016-17: 238 works (₹ 471.15 lakhs); 2017-18: 211 works (₹ 580.17 lakhs); 2018-19: 501 works (₹ 1211.20 lakh) and 2019-20: 574 works (₹ 1461.21 lakhs).

52 4 ZPs: Tonk (SFC III- ₹ 0.27 crore, SFC IV- ₹ 0.58 crore), Sikar (SFC III- ₹ 0.91 crore, SFC IV- ₹ 1.44 crore), Jodhpur (SFC IV- ₹ 1.73 crore) and Udaipur (SFC III- ₹ 1.35 crore, SFC IV- ₹ 1.27 crore) 5 PSs: Luni (SFC IV- ₹ 0.65 crore), Shergarh (SFC III- ₹ 0.002 crore), Tonk (SFC III- ₹ 0.06 crore), Dhod (SFC III- ₹ 0.04 crore, SFC IV- ₹ 0.13 crore) and Kherwara (SFC III- ₹ 0.21 crore, SFC IV- ₹ 0.14 crore).

initiated disciplinary action against the officers responsible for not issuing CCs within prescribed time limit.

Further, keeping the amounts unadjusted for a long period may lead to misappropriation of public money. In this regard, a case of double/ fictitious payment noticed during test check/physical verification of GP Larathi (PS Kherwara, Udaipur), is discussed in **sub paragraph (c)** below.

**(c) Fictitious payment:** A work of construction of a CC road with drain from *Alkha Ramji ke ghar se main road ki aur* in GP Larathi was sanctioned (August 2015) at a cost of ₹ 2.00 lakh under Thirteenth Finance Commission (TFC) and an expenditure of ₹ 1.78 lakh was incurred (September 2015), but completion certificate was not issued.

Subsequently, in March 2016, construction of a CC Road *main road se Babu/Alkha ke ghar ki aur* was sanctioned at the same site in the same GP Larathi with a cost of ₹ 2.50 lakh under Fifth SFC and an expenditure of ₹ 2.51 lakh was incurred (April 2016). The Completion Certificates of this work was not issued. A departmental inquiry was conducted, which proposed (September 2019) recovery of ₹ 1.78 lakh for the earlier work sanctioned under TFC. The amount was pending for recovery as of February 2021 despite assurance of the PRD (December 2020).

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

#### **(ii) Maintenance and Submission of Annual Accounts**

As per rule 246 and 247 of RPRRs, 1996, at the end of the year a GP/PS is required to prepare an abstract of annual accounts in Form XXXVI showing its income and expenditure under each head of the budget and send it to the State Government through ZP by 1<sup>st</sup> May of the following year. Abstract of annual accounts is required to be accompanied by a statement of grants-in-aid in Form XXXVII, expenditure incurred, supported by UCs etc., a list of works undertaken under the various schemes and a statement of assets and liabilities. ZP will closely scrutinise these statements and send it to state Government along with his comments. The Annual Accounts of the ZPs are required to be sent to the State Government by 15<sup>th</sup> of May.

Audit observed that during 2015-20, the PSs submitted their annual accounts directly to PRD without submitting them to ZPs for scrutiny. Thus, accounts finalisation could not be supervised/validated by ZPs as prescribed in the rules.

Further, the test checked ten PRIs (four ZPs and six PSs) also submitted their annual accounts, with delays of five days to 306 days.

Seven<sup>53</sup> PRIs accepted the facts and stated (September-December 2020) that there were delays in submission due to time taken in preparation of accounts, while three PRIs did not submit any reply.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

**(iii) Inspection of works**

Para 16.2 and 16.3 of GKN, 2010 provide that periodical inspections for ensuring quality of work at every stage should be carried out by the departmental officials<sup>54</sup>. Further, an inspection register of works should be maintained in prescribed proforma at ZP, PS and GP level having details of inspection of works carried out by the ZP, PS and GP level authorities. The norms for the inspection are given in the Table 2.16 below.

**Table 2.16**

(Figures in percentage)

S. No.	Total cost of work	JE and JTA of PS	Astt. PO, AE, Sr. TA of ZPs and AE of PS	EE of ZP	BDO	District Collector/ CEO
1	Up to ₹ 2 lakh	100	25	0	25*	5*
2	₹ 2 lakh to ₹ 10 lakh	100	100	25		
3	₹10 lakh and above	100	100	100		

\*of total works ensuring that work of each scheme running in the area may be covered.

Scrutiny of records of selected PRIs revealed that inspection registers of works were not maintained at any level.

The PRIs concerned stated (September-December 2020) that periodical inspections were carried out from time to time but details of inspections were not maintained. They further stated that inspection register would now be maintained.

In absence of inspection registers, it could not be assured that periodical inspections were carried out or any corrective measure has been taken, as prescribed. However, deviation in specification during construction of CC roads as discussed in **paragraph no. 2.3.4.1 (i)** could be attributable to the lack of inspection/supervision by the authorities during execution of these works.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

**(iv) Third party inspection and impact assessment study**

According to Para 10.39 (XV) of final recommendation report of Fifth SFC,

53 Two ZPs (Udaipur and Sikar) and five PSs (Gogunda, Kherwara, Luni, Shergarh and Tonk).

54 Junior Engineer (JE), Junior Technical Assistant (JTA) and Assistant Engineer (AE) of PSs and Assistant Project Officer (Asstt. PO), AE, Senior Technical Assistant (Sr. TA), Executive Engineer (EE) and Administrative Officer of ZPs.

third party inspection and impact assessment study of works executed under Fifth SFC, was to be carried out by an independent agency.

However, such impact assessment study and third party inspections of works executed under Fifth SFC was not carried out in the State. The PRD accepted (June 2020) the facts.

**(v) Register of assets and Register of works not maintained**

**(a) Register of assets was not maintained at ZPs and PSs**

Para 24.3 of GKN 2010 provides that a register of assets constructed (Development Register) shall be maintained at all three levels of PRIs i.e. ZPs, PSs and GPs level.

The register of constructed assets was maintained by all the test checked GPs. However, the asset register was not maintained at ZP and PS levels. The concerned ZPs and PSs accepted (September–December 2020) the fact.

**(b) Rule 180 of RPRRs, 1996 stipulates that every PRIs shall keep a register of works in Form XXV for each work.**

However, none of the 59 test checked PRI maintained the register of works in the prescribed form. All the PRIs except PS Kherwara, accepted the facts and stated (September-December 2020) that register of works would now be maintained in the prescribed format.

PS Kherwara stated (December 2020) that register of works was being maintained.

The reply is not acceptable as the copy of register provided to Audit was not found as per the prescribed format.

### **2.3.5 Conclusion**

Fifth State Finance Commission was constituted to review the financial position of Panchayats and to recommend principles for distribution of revenue receipt between the State and the Panchayats and allocation between the Panchayats at all levels of their respective shares of such proceeds and grant in aid from the consolidated fund of State.

Audit observed that the State Government did not release 11.94 per cent of the grant as recommended by fifth SFC. The PRD also did not release incentive grant of ₹ 193.30 crore during 2015-16 and 2019-20. Component-wise sanction and expenditure details were not maintained by the PRIs. Physical verification of assets created through Fifth SFC grants revealed that the CC roads were constructed without drains, works were executed without preparation of estimates and executed works were of lower specification. Registers of works and assets constructed were not maintained in PRIs. Third party inspection and impact assessment study was not conducted.

### **2.3.6 Recommendations**

- 1. The State Government should ensure release of the whole amount of grant to PRIs as recommended by fifth SFC.*

2. *The PRD should issue component-wise sanctions and PRIs should maintain component-wise expenditure details.*
3. *The PRIs should prepare detailed estimates of works and execute the works accordingly.*
4. *The PRD should carry out third party inspection and impact assessment study of the works executed under fifth SFC.*

#### **2.4 Deprivation of the legitimate income**

**Non-observance of Rajasthan Panchayati Raj Rules, 1996 while leasing out the assets of two Panchayat Samities resulted in deprivation of legitimate income to the tune of ₹ 3.30 crore.**

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

Scrutiny of records (January and February 2019) in two PRIs (PS Talwara and PS Dug) and further information collected (August 2021) revealed that:

In PS Talwara, 12 newly constructed shops were leased out from the month of June 2007 through auction (February-March 2007) for rent of ₹ 1,250 to ₹ 2,175 per month with usual terms and conditions. Audit, however, noticed that eight shops were leased out to the tenants who did not accept the condition of increase in rent by 10 *per cent* annually, which was in contravention to the rule *ibid*. The PS neither initiated the action to get the shops vacated after three years and to allot the shops afresh nor increased the rent by 20 *per cent* annually to the existing tenants as per the Rules.

Further, 20 old shops instead of being leased out through auction, were continued to be leased out in February 2008 at fixed rent of ₹ 700 per month (₹ 500 per month since 2002) despite the prevailing market rate of ₹ 1,250 to ₹ 2,175 per month. The rent in February 2008 would have been ₹ 1,045 per month i.e. more than the rent of ₹ 700 per month fixed by the PS, had the rent been increased by 10/20 *per cent* since 2002 as per the Rules. This resulted in deprivation of legitimate income of ₹ 2.32 crore to the PS till July 2021.

PS Talwara, even after six year of its constitution did not revise the rent and neither took action against defaulters to recover the outstanding dues nor got the shops vacated.

Similarly, in case of PS Dug, rent of 16 shops which were leased out between April 2006 to June 2007, was increased after three years by only 10 *per cent* annually against the provision of 20 *per cent* during May 2006 to July 2021, which also resulted in deprival of legitimate income of ₹ 0.98 crore. PS Dug while accepting the facts, stated (January 2019) that recovery of rent is under process.

GoR stated (February 2022) that PS Talwara was newly constituted in 2014-15 and prior to this, the shops were under the jurisdiction of PS Banswara. It also stated that the tenants requested to effect minimum increase in rent in view of their low income from business and therefore, in the meetings of standing committee (November 2019) and general body (December 2019) of PS, it was decided to condone the recovery of increase in rent.

Reply is not convincing as the action of PS of condoning the increase in rent was in contravention to Rule 164 of RPRRs. GoR did not furnish reason for non-recovery of outstanding rent in respect of PS Dug.

Moreover, in both the PSs the tenants defaulted in regular payment of rent. The PSs did not take any action to recover the outstanding rent or to get the shops vacated. Thus, due to non-adherence to the provisions in respect of assets to be leased out on rent and non-initiation of any action against the defaulters, the PS was deprived of the legitimate income to the tune of ₹ 3.30 crore over a period of 19 years (*Appendix XX*).

Similar irregularities in leasing out the assets of PRIs, were featured as para no. 2.6 and 2.3 of the Audit Reports on Local Bodies for the period 2014-15 and 2016-17 respectively. However, such irregularities were again noticed which indicates that the Panchayati Raj Department and the PRIs have not ensured compliance of the prescribed Rules.

## **2.5 Expenditure in violation of Rajasthan Transparency in Public Procurement Rules**

### **Non-observance of the provisions of RTPP Rules, 2013 by Panchayat Samitis resulted in unauthorised expenditure of ₹ 3.11 crore.**

The Rajasthan Transparency in Public Procurement (RTPP) Rules, 2013 were promulgated by the State Government to regulate public procurement with the objectives of ensuring transparency, fair and equitable treatment of bidders, promoting competition, enhancing efficiency and economy and safeguarding integrity in the procurement process.

According to the Rule 73 of RTPP Rules, 2013 repeat orders for extra items or additional quantities, limited to 50 *per cent* of the value of goods or services of the original contract may be placed if it is provided in the bidding documents. Further, Rule 29(2) of *ibid* Rules provides that the period of rate contract shall be generally one year, which could be extended on same price, terms and conditions for a period not exceeding 3 months in unavoidable circumstances. It should be ensured that new rate contracts become operative right after the expiry of the existing rate contracts without any gap.

Tendering process for 2017-18 was to be completed by March 2017. However, considering the fact that tenders for 2017-18 would not be finalised in most of the districts by March 2017, the State Government allowed (April 2017) an extension of three months for the existing contract subject to the condition that procurement of additional quantities would be limited to 50 per cent of the value of goods or services of the original contract. The Government also directed (April 2017) that procurement as per the rates after finalising tenders for 2017-18 was to be ensured. The existing contracts were finally extended (June 2017) up to September 2017.

Panchayat Samiti (PS) *Todaraisingh* (District Tonk) and PS *Baseri* (District Dholpur) issued (April-May 2016) notice inviting tenders (NITs) for procurement of material for construction works to be executed in these PSs under various schemes during the year 2016-17 and approved (June 2016) rates of lowest bidders (at par BSR rates) for supplying the material amounting to ₹ 50 lakh in each PS.

Audit scrutiny (November 2018 and February-March 2019) of records revealed that PS *Todaraisingh* did not execute a formal rate contract with the supplier. The PS placed 56 supply orders during 2016-17 and procured construction material of worth ₹ 1.57 crore. However, without inviting fresh tenders for rate contract PS continued the procurement for another one year and placed 37 supply orders valuing ₹ 1.04 crore to the same supplier, which was in contravention of the provisions contained in the RTPP rules.

Similarly, in PS *Baseri* 25 supply orders for procurement of construction material valuing ₹ 1.03 crore were placed during 2016-17 against the annual rate contract<sup>55</sup> (approximate value ₹ 50 lakh). The PS, without inviting tenders for fresh rate contract, continued the existing contract for another one year and placed 28 supply orders valuing ₹ 0.95 crore to the same supplier, which was in contravention of the provisions contained in the RTPP rules. Even, the previous rate contract (for the year 2015-16) of the same supplier was also extended upto June 2016.

Details of procurement of additional quantities by PSs *Todaraisingh* and *Baseri* are given in the Table 2.17 below:

**Table 2.17**

(₹ in crore)						
S No.	PS	Original contract value	Total permissible limit of procurement including additional quantities	Actual Procurement value	Value of additional procurement (per cent of original contract value)	Value of unauthorised procurement (per cent of original contract value)
	(1)	(2)	(3)= Original contract value plus 50 per cent of original contract value	(4)	(5)=(4)-(2)	(6)=(4)-(3)
1	Todaraisingh	0.50	0.75	2.62	2.12 (424)	1.87 (374)
2	Baseri	0.50	0.75	1.99	1.49 (298)	1.24 (248)
	<b>Total</b>	<b>1.00</b>	<b>1.50</b>	<b>4.61</b>	<b>3.61 (361)</b>	<b>3.11 (311)</b>

55 Copy of the formal rate contract executed by PS *Baseri* with the supplier was not provided to the Audit.

It is evident from the table above that the procurement made by PSs were in excess of the original contract value by 424 and 298 *per cent* respectively whereas the permissible limit was only 50 *per cent*. Thus, the PSs irregularly procured additional/extra material worth ₹ 1.87 crore<sup>56</sup> and ₹ 1.24 crore<sup>57</sup> respectively in violation of the provisions of rule 73 of RTPP Rules, 2013 and GoR Directions.

On being pointed out, PS *Todaraisingh* accepted (November 2018) the facts and PS *Baseri* stated (December 2019) that GoR had extended (June 2017) the period of all the existing contracts upto 30.09.2017. The reply is not tenable as extension of all the rate contracts was granted subject to procurement of additional quantity upto 50 *per cent* only. Moreover, after 30.09.2017, procurement was to be done as per the tenders finalised for 2017-18 but these PSs did not initiate tenders for 2017-18 in terms of the provision of rule 29 (2) of RTPP Rules, 2013.

Thus, non-observance of the provisions of RTPP Rules, 2013 defeated the very purpose of these rules which were introduced to ensure greater transparency in the public procurements and resulted in unauthorised expenditure of ₹ 3.11 crore.

The matter was referred (June 2019, July 2019 and August 2020) to the Government of Rajasthan for comments; their reply was awaited (February 2022) despite repeated reminders (February, August, October and December 2021).

## **2.6 Irregular retention of royalty share**

### **Lackadaisical approach of Zila Parishads in transferring royalty share to eligible Gram Panchayats in contravention to State Finance Commission's recommendations as well as Government of Rajasthan's directions**

Excavation of minerals in rural areas creates problems for the rural population and results in pressure on the civic services to be provided by the village panchayats. Considering these issues, the Second State Finance Commission (SFC) of Rajasthan (award period 2000-05) recommended transfer of one *per cent* of net receipts from royalties on minerals (both major and minor) to the Gram Panchayats (GPs) of respective districts and if feasible, within a district to the GPs of the area where mining was done. The Fourth SFC of Rajasthan (award period 2010-15) reiterated the recommendation.

In compliance with the recommendation made in Second SFC, the Government of Rajasthan (GoR) issued (December 2007) an order that one

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56 (Total procurement of ₹ 2.62 crore) minus (contract value of ₹ 0.50 crore and 50 *per cent* limit for additional quantity ₹ 0.25 crore).

57 (Total procurement of ₹ 1.99 crore) minus (contract value of ₹ 0.50 crore and 50 *per cent* limit for additional quantity ₹ 0.25 crore).

*per cent* of royalty collected from the year 2000-01 be distributed amongst the Zila Parishads (ZPs) in the ratio of royalty originating from the ZPs. It also directed that the share received by a ZP would be distributed amongst the GPs where mining takes place according to an appropriate formula determined in the general body of respective ZP.

Test-check (March 2019) of records of ZP Ajmer revealed that the ZP received an amount of ₹ 2.43 crore towards royalty share during 2006-07 to 2012-13 but distributed only ₹ 0.63 crore among the GPs. Further, during 2013-20, no amount of royalty was received/disbursed by ZP Ajmer as shown in annual accounts. Audit observed that an amount of ₹ 1.80 crore which was to be distributed among the eligible GPs, was lying unutilised with the ZP Ajmer, since March 2013.

Similarly, ZP Kota received an amount of ₹ 4.30 crore towards royalty share during 2006-07 to 2014-15 but distributed only ₹ 2.48 crore among the GPs through Panchayat Samities (PS) and balance of ₹ 1.82 crore<sup>58</sup> was lying undisbursed with the ZP since March 2015. Further, during 2015-20, no amount of royalty was received/disbursed by ZP Kota.

In respect of ZP Ajmer GoR stated an amount of ₹ 1.80 crore has been transferred to GPs concerned. In respect of ZP Kota, GoR stated (February 2022) that the GP wise detail has been received from mining department for transferring an amount of ₹ 1.14 crore but the same could not be transferred to GPs because of enforcement of code of conduct of panchayat elections. The details for remaining amount of ₹ 0.51 crore has not been received so far from mining department and this amount would be transferred on receiving the same.

Reply of GoR in respect of ZP Ajmer is not tenable as the ZP, though transferred the amount but did not furnish the evidence in support. In respect of ZP Kota the pending amount pertained to the period 2006-15 and in the same period ZP had already disbursed an amount ₹ 2.48 crore to the GPs through PSs. Thus there was no need to wait for directions/details from mining department.

ZPs Kota and Ajmer did not transfer an amount of ₹ 3.62 crore to GPs in violation of the SFC's recommendation as well as GOR's directions to strengthen their financial resources for six to eight years. Thus, the GPs which are affected by the mining activities were deprived of their respective royalty share.

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58 Though the annual accounts of ZP Kota shows pending amount of royalty ₹ 1.65 crore only.

## 2.7 Irregular retention of funds

**Panchayat Samitis disregarded the directions regarding transfer of the unspent funds and irregularly retained ₹ 2.92 crore, thereby depriving the beneficiaries of the designated benefits under the Mid Day Meal Scheme.**

The Mid-Day Meal (MDM) Scheme is a centrally sponsored scheme, to enhance enrollment, retention and attendance and simultaneously improve nutrition levels among children. In Rajasthan, Panchayati Raj Department (PRD) was initially designated (May 2009) as the administrative department for implementation of this Scheme. Later, the Government of Rajasthan, designated (January 2016) Elementary Education Department as the administrative department in place of PRD. Accordingly, Commissioner, MDM directed (19 May 2016) the Chief Executive Officers (CEOs) of Zila Parishads (ZPs) to ensure transfer of entire records and balance amount of MDM Scheme lying with them, to District Education Officer, Elementary Education within 15 days.

Test-check (December 2018 to February 2021) of records and annual accounts of 12 Panchayati Raj Institutions (PRIs) and further information collected (September 2021) from these PRIs, revealed that an amount of ₹ 2.92 crore<sup>59</sup> was still lying with these PRIs, pending transfer to Elementary Education Department as of September 2021. Thus, the amount of ₹ 2.92 crore had not been transferred to Elementary Education Department even after lapse of four years since issue of directions by Commissioner, MDM.

On being pointed out, three PRIs (PSs Balesar, Sanganer and Bamanwas) stated (March 2019 and September 2021) that in the absence of clear directions, the unspent funds of MDM Scheme could not be transferred. PSs Desuri and Sanchore stated (February and March 2019) that the unspent funds of MDM Scheme would be transferred after adjustment from other Scheme. Two PRIs (PSs Nagaur and Uniyara) stated (March 2021 and September 2021 respectively) that the action is being taken for transferring the unspent funds of MDM Scheme. Four PRIs (PSs Bassi, Sagwara, Deedwana and Mandore), did not furnish reply. ZP (RDC) Bharatpur transferred (November 2021) the due amount to the Elementary Education Department, at the instance of Audit.

The replies need to be seen in light of the fact that the remaining balance of MDM Scheme was to be transferred within 15 days of issue (19 May 2016) of directions by Commissioner, MDM. However, these 11 PRIs failed to transfer the balance even after lapse of more than four years. Also, the response of PSs Desuri and Sanchore about adjustment of balances under MDM scheme against balances of other schemes tantamounts to diversion of funds from one Scheme to another.

59 PS Balesar: ₹ 80 lakh, PS Desuri: ₹ 20 lakh PS Bamanwas: ₹ 6.64 lakh, PS Uniyara: ₹ 0.18 lakh, PS Sanganer: ₹ 1.96 lakh, PS Bassi: ₹ 112.82 lakh, PS Sagwara: ₹ 6.62 lakh, PS Nagaur: ₹ 3.19 lakh, PS Deedwana: ₹ 20.97 lakh, PS Sanchore: ₹ 14.77 lakh, PS Mandore: ₹ 14.07 lakh and ZP (RDC) Bharatpur: ₹ 10.40 lakh.

GoR stated (February 2022) that PS Desuri and PS Balesar transferred (November and August 2021) ₹ 0.20 crore and ₹ 0.24 crore respectively to Elementary Education department. Reply in respect of PS Balesar is not tenable as the PS transferred only ₹ 0.24 crore against the balance amount of ₹ 0.80 crore under MDM. GoR did not furnish reply in respect of other nine PRIs.

Thus, even after lapse of four years, the 11 PRIs did not comply with the directions issued by the Government. Irregular retention of funds has direct adverse effect on availability of resources for effective implementation of the MDM scheme and also creates a situation conducive to fraud/embezzlement.

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

#### **2.8 Fraudulent payment to contractors**

##### **Fraudulent payment of ₹ 1.06 crore towards procurement of material in violation of the directions of higher authorities.**

Rural Development and Panchayati Raj Department (RD&PRD) Rajasthan issued (February 2014) instructions regarding electronic payment of material for the works executed through line department/Gram Panchayats (GP) under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). Accordingly, existing practice of providing advances for material in cases of works to be executed by the line departments/GP was dispensed with and instead the bills of material verified by line departments/GP were to be submitted for payment to the Panchayat Samiti (PS). The PS, after scrutiny, was to make direct payment to the suppliers' account through National Electronic Fund Management System (Ne-FMS). Copy of Measurement Book (MB) of related works and approval of MGNREGS Standing Committee were also required to be obtained before making payment of these bills.

To effect a payment on Ne-FMS platform, e-pay order (FTO) after due verification are prepared by the signatories at the PS level. The concept of Maker and Checker is inbuilt in the NREGASoft, where first signatory is responsible to generate the FTO and second signatory for checking and pushing it as e-pay order to NREGASoft server. Further, RD&PRD categorically instructed (May 2014) that the Block Development Officer (BDO) and authorized Accounting officials of the PS (whose digital signature had been authorized) would be directly and personally responsible for any irregularity in payment for material or transfer to a bogus supplier.

Test-check (February-March 2018) of e-pay orders (FTO) of PS Hindoli in respect of works executed under MGNREGS through line departments revealed that during 2015-18, PS Hindoli processed FTOs of ₹ 1.06 crore of five suppliers for supplying materials to 23 works which were executed by two departments (Forest/Water Resources) and GP, Mendi without obtaining the certified bills of material, copy of MBs and work completion certificates from the executive agencies. Audit scrutiny of the relevant records obtained from

the line departments further revealed that the suppliers to whom FTOs were issued didn't supply material for the aforesaid works. The fact was also confirmed by both line departments and GP Mendi. Thus, fraudulent payment of ₹ 1.06 crore was made to the five firms without availability of bills duly verified with reference to the related MB/approval of MGNREGS Standing Committee. Such payment is possible only if the digital signatories (the Maker and the Checker of the FTOs) share their authority with others who collude with such firms. In that case possibility of fraud by the digital signatories cannot be ruled out.

It was also noticed that these FTOs were processed against such works which had already been completed and payment to the actual suppliers of material had also been made. This indicates a control failure in the Ne-FMS platform as it allows an opportunity to process FTOs against the already completed works, which needs to be plugged in.

The Department stated (October 2020) that a *lekha sahayak* (on contract service) responsible for the incident had been terminated (February 2018) and an FIR had been lodged in police against the defaulters to recover the balance amount. Further, process of issuing charge sheet under Rule 16 of the Rajasthan Civil Services (classification, control and appeal) Rules, 1958 to the officers (BDOs:7 and Assistant Accounts officers:1) involved in the case, was also stated to be under progress.

The reply reveals that a person hired on contract was provided authority for the digital signatures by the BDOs and AAOs, which is a serious system lapse. The Department needs to strengthen its internal control mechanism to avoid repetition of such instances in future. The matter may also be examined to identify the lacunae in Ne-FMS system that makes such fraudulent payments possible.

The Government while accepting the facts stated (March 2021) that an amount of ₹ 72.57 lakh had been recovered from respective firms and balance amount of ₹ 33.71 lakh would be recovered soon. It was stated that all the District Collectors had been instructed (January 2021) to ensure that government officers responsible for payment would not share their digital signature certificate with any contractual person and in no case, a contractual person would be authorized to make payments. The matter regarding providing suitable checks in Ne-FMS system to stop such fraudulent payments, was under process to be taken up with Government of India.

## **2.9 Blocking of funds**

**Violation of the executive orders and directions resulted in irregular retention of unspent balances/grants and led to blockage of ₹ 6.99 crore for development activities.**

The financial resource base of PRIs consists of State Finance Commission (SFC) grants, Central Finance Commission (CFC) grants, State Government grants and Central Government grants for development activities and implementation of schemes. The funds allotted to the PRIs through different sources are kept in banks. While Central and State grants are utilised by the

PRI for execution of Central and State sponsored schemes as per guidelines issued by the GoI and State Government, the own receipts are utilised for execution of schemes and works formulated by the PRIs themselves.

With the passage of time, many of the development schemes and programmes cease to be in operation or are merged/subsumed with other schemes/programmes. However, unspent funds remained deposited in respective banks or PD accounts opened as per the guidelines. In respect of such unspent balances, RD&PRD directed (December 2012) all the PRIs to remit back the unspent balances to Consolidated Fund of the State under respective receipt heads of the grants. In respect of three schemes<sup>60</sup> RD&PRD directed (December 2013) the PRIs to surrender the unspent balances of Central and State share of grants to the Ministry of Rural Development, GoI (through Demand Draft) and Consolidate Fund of the State respectively as prescribed.

Similarly, six employment generation schemes/programmes<sup>61</sup> were merged in other similar schemes from time to time and eventually merged/subsumed in NREGA/MGNREGA. As per NREGA guidelines (2005) the balance funds of existing Samproon Gram Rozgar Yojna (SGRY) was to be transferred immediately to NREGA Account. Further, RD&PRD also directed (August 2015) the PRIs to transfer all the unspent balances to MGNAREGA Account.

(i) Audit scrutiny of records of five PRIs revealed (July 2018 to April 2019) that unspent balances of ₹ 1.64 crore pertaining to four closed Schemes/Programmes<sup>62</sup> in four PRIs and ₹ 1.37 crore pertaining to six employment generation Schemes<sup>63</sup> in two PRIs were not transferred to Public exchequer and MGNREGA respectively as of March 2018.

In addition, an amount of ₹ 78.48 crore given as advance for execution of projects/works to the various agencies by four PRIs under these Schemes/Programmes<sup>64</sup>, was lying unspent/un-adjusted with the executive agencies as of March 2018 for want of Utilisation Certificates, which needs to be adjusted/recovered.

60 Desert Development Programme (DDP), Community Development Programme (CDP) and Integrated Wastelands Development Programme (IWDP) schemes.

61 National Rural Employment Programme (NREP) and Rural landless Employment Guarantee Programme (RLEGP) were merged under Jawahar Rozgar Yojna (JRY) in 1989 which was restructured and renamed as Jawahar Gram Smiridhi Yojna (JGSY) in 1999. Employment Assurance Scheme (EAS) and JGSY were merged under Samproon Gram Rozgar Yojna (SGRY) in 2001 which was eventually subsumed under National Rural Employment Guarantee Act (NREGA) in 2005.

62 **ZP Churu:** ₹ 60.69 lakh (DDP: ₹ 24.82 lakh, CDP: ₹ 18.05 lakh, NWDPR: ₹ 17.82 lakh); **ZP Nagaur:** ₹ 30.47 lakh (DDP: ₹ 5.50 lakh, Hariyali: ₹ 24.97 lakh); **ZP Pali:** (NWDPR: ₹ 32.21 lakh) and **PS Lunkaransar:** (DDP: ₹ 40.93 lakh).

63 **ZP Jodhpur:** ₹ 70.94 lakh (EAS: ₹ 19.68 lakh, JRY: ₹ 45.82 lakh, NREP: ₹ 4.84 lakh, RLEGP: ₹ 0.60 lakh) and **PS Lunkaransar :** ₹ 65.90 lakh (JRY: ₹ 63.25 lakh, SGRY: ₹ 2.65 lakh).

64 **ZP Churu:** ₹ 10.81 crore (DDP: ₹ 2.97 crore, CDP: ₹ 6.55 crore, NWDPR: ₹ 1.29 crore); **ZP Hanumangarh:** ₹ 2.06 crore (DDP: ₹ 0.34 crore, NWDP : ₹ 0.07 crore, Hariyali: ₹ 1.65 crore); **ZP Jodhpur:** ₹ 53.24 crore (EAS: ₹ (-)0.06 crore, JRY: ₹ 48.78 crore, NREP: ₹ 2.99 crore, RLEGP: ₹ 0.61 crore, SGRY: ₹ 0.92 crore) and **ZP Nagaur:** ₹ 12.37 crore (DDP: ₹ 1.14 crore, Hariyali: ₹ 8.48 crore, DDP (Combating): ₹ 2.25 crore, DDP (special Project, Hariyali): ₹ 0.50 crore).

(ii) Further, in nine PRIs<sup>65</sup> even after expiry of the award period of CFCs<sup>66</sup> and SFCs<sup>67</sup> the unspent grants of ₹ 11.45 crore (₹ 4.69 crore under CFC and ₹ 6.76 crore under SFC) were not surrendered as of March 2018 to the Public exchequer as directed by RD&PRD (December 2012).

Thus, these PRIs did not comply with the repeated directions of the RD&PRD and irregularly retained unspent balances of ₹ 14.46 crore even after lapse of two to 29 years since cessation/merger/ subsume of Schemes/Programmes or expiry of award period of CFCs/SFCs. This practice of retention of funds may lead to possible embezzlement or irregular diversion of funds.

GoR stated (February 2021) that an amount of ₹ 65.04 lakh in respect of closed schemes had been deposited to GoI/GoR<sup>68</sup> by three PRIs i.e. ZP Churu: ₹ 2.20 lakh (DDP: ₹ 1.69 lakh and CDP: ₹ 0.51 lakh), ZP Pali: (NWDPR: ₹ 32.21 lakh) and ZP Jodhpur: ₹ 30.63 lakh (EAS: ₹ 17.28 lakh, JRY: ₹ 7.91 lakh, NREP: ₹ 4.84 lakh and RLEGP: ₹ 0.60 lakh), while the process for surrender of unspent balances in other PRIs was under progress. In ZP Hanumangarh, adjustment of outstanding advances against the implementing agencies was stated to be under process.

GoR further stated (February 2022) that an amount of ₹ 2.38 crore has been adjusted/utilised by two PRIs i.e. ZP (PRC) Rajsamand (CFC: ₹ 52.23 lakh and SFC: ₹ 171.85 lakh) and PS Gogunda (SFC: ₹ 14.00 lakh) and an amount of ₹ 4.44 crore has been surrendered by 4 PRIs i.e. PS Gogunda (CFC & SFC : ₹ 12.44 lakh), PS Dug (CFC: ₹ 25.84 lakh and SFC: ₹ 56.87 lakh), PS Sindhari (CFC: ₹ 117.49 lakh and SFC : ₹ 216.87 lakh) and PS Peepalkhunt (CFC: ₹ 14.08 lakh). However, no evidence was furnished w.r.t. utilization/adjustment/ surrenders mentioned in the reply furnished by GoR in February 2022.

The fact remains that 14 PRIs did not surrender the remaining funds of closed/merged/subsumed schemes to Government in time in violation of extant directions and an amount of ₹ 6.99 crore is still remaining with 11 PRIs. Reply regarding not surrendering the unspent balances by three PRIs (PSs Mandal, Arain and Sanchore) and non-settlement of advances against implementing agencies in four PRIs, was still awaited (February 2022).

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65 **ZP Rajsamand** : ₹ 3.45 crore (CFC: ₹ 0.85 crore & SFC: ₹ 2.59 crore), **PS Mandal**: ₹ 0.40 crore (CFC: ₹ 0.39 crore & SFC: ₹ 0.01 crore), **PS Gogunda**: ₹ 0.26 crore (CFC: ₹ 0.09 crore & SFC: ₹ 0.17 crore), **PS Arain**: ₹ 0.31 crore (CFC: ₹ 0.12 crore & SFC: ₹ 0.19 crore), **PS Dug**: ₹ 0.83 crore (CFC: ₹ 0.26 crore & SFC: ₹ 0.57 crore), **PS Mandore** : ₹ 0.98 crore (CFC: ₹ 0.55 crore & SFC: ₹ 0.43 crore), **PS Sindhari**: ₹ 3.34 crore (CFC: ₹ 1.17 crore & SFC: ₹ 2.17 crore), **PS Sanchore**: ₹ 1.74 crore (CFC: ₹ 1.12 crore & SFC: ₹ 0.62 crore), **PS Peepalkhunt** : ₹ 0.14 crore (CFC).

66 The award period of Tenth, Eleventh, Twelfth and Thirteenth FCs expired in 2000, 2005, 2010 and 2015 respectively.

67 The award period of Second, Third and Fourth SFCs expired in 2005, 2010 and 2015 respectively.

68 GoI: ₹ 30.64 crore and GoR: ₹ 34.40 crore.