

CHAPTER-IV AUDIT OF TRANSACTIONS

4.1 Infuctuous/wasteful expenditure and overpayment

DEPARTMENT OF ELEMENTARY EDUCATION

4.1.1 Nugatory expenditure on pay and allowances of idle teachers

Non-implementation of the State Government decision to close paper schools by the Department resulted in nugatory expenditure of Rs 81.15 lakh on pay and allowances of idle teachers. Besides, services of 192 teachers posted in uneconomical schools were grossly underutilised.

Pursuant to decision taken (September 1999) by the Coordination Committee of Director Elementary Education, Rajasthan, Bikaner, the Directorate of Elementary Education (Department) initiated (October 1999) action to close the schools having 'nil' enrolment of children (paper schools) and to merge the schools having less than 20 students enrolled (uneconomical schools) with the schools located nearby.

Test check (March 2008) of the records of Commissioner, Primary Education, Bikaner revealed that after October 1999 no periodical review of the position was conducted. State Government reiterating (February 2007) the above instructions clarified that the schools would be considered as paper/uneconomical depending upon the strength of students on 30 September 2006. Accordingly, the Additional Director, Primary Education sent (September 2007) a proposal to close 110 paper schools and merging of 129 uneconomical schools to the State Government. State Government conveyed (March 2008) acceptance of the proposal with the instruction to adjust staff of these schools against vacant posts in the same District. Adjustment/posting of idle staff was awaited (July 2008).

Meanwhile, Government of India, Ministry of Human Resource Development, Department of School Education and Literacy, New Delhi observed (August 2007) that a large number of schools¹ in Rajasthan did not have a single student and asked the State Government for a status report by 16 August 2007 with reasons for existence of the schools without enrolment. No further follow up was available on the records. Neither the schools were identified nor were the reasons for running such paper schools investigated. Of 1381 schools, only 110 paper schools were identified. It was noticed that an expenditure of Rs 81.15 lakh was incurred during April 2007 to June 2008 on pay and allowances of 55 idle teachers (II grade: 3, III grade: 45 and 7 para-teachers) in 37 paper schools, which proved nugatory. There were no teachers in remaining schools. Besides, services of 192 teachers posted in 129 uneconomical schools were being grossly underutilised.

1. 711 schools during 2005-06 and 1381 schools during 2006-07.

Government stated (June 2008) that the proposal to close 110 paper schools and merging of 129 uneconomical schools had been accepted (March 2008) and directions have been issued for adjusting teachers of these schools against vacant posts. Follow up on these orders was awaited (July 2008).

HIGHER EDUCATION DEPARTMENT

4.1.2 Excess release of grant for reimbursement of tuition fees

Non-deduction of the inadmissible expenditure of Rs 43.59 lakh towards reimbursement of tuition fees to the staff, resulted in excess payment of regular grant to two Universities to that extent.

Maharana Pratap University of Agriculture and Technology (MPUAT), Udaipur and Mohan Lal Sukhadia University (MLSU), Udaipur executed Memorandum of Understanding (MoU) with State Government in January 2000 and November 2000 respectively, *inter alia*, providing that all allowances and other perks paid to the University employees should not be more than the entitlements of similarly placed Government employees. The allowances paid in excess should be revised within four months of signing the MoUs failing which the Government would deduct the amount paid in excess of the entitlements for Government employees from the regular grant.

Scrutiny (February 2007 to August 2007) of the records of the Vice-Chancellor (VC), MLSU, Udaipur and VC, MPUAT, Udaipur and further information collected (April 2008) revealed that the Universities did not adhere to the conditions of the MoU and continued reimbursing the tuition fees of the children of their employees though such benefit was not available to similarly placed Government employees. The Finance Committee and Board of Management of the Universities were required to ensure compliance with the terms of MoU by issuing appropriate orders. It was noticed that Universities wrongly extended the benefit amounting to Rs 43.59 lakh² on the ground that this scheme was for welfare of the staff and the expenditure incurred would be met out from other source of the Universities income viz. sale proceeds of publication and interest receipts etc. Thus, non-deduction of this inadmissible amount of tuition fees by the Government from the regular grant of Universities resulted in excess reimbursement of Rs 43.59 lakh.

Government stated (January 2008 and March 2008) that reimbursement of tuition fees by the Universities was irregular and directed Universities to stop reimbursement of tuition fees. The Government has not given any reason for not deducting the amount from the regular grant.

2.

	Period	Amount (Rupees in lakh)
MLSU	April 2001 to March 2008	16.50
MPUAT	April 2000 to March 2008	27.09
Total		43.59

SOCIAL JUSTICE AND EMPOWERMENT DEPARTMENT

4.1.3 Excess reimbursement of scholarship

Failure of the Department in limiting the fees of the students as prescribed resulted in excess reimbursement of scholarship amounting to Rs 58 lakh.

Government of India (GOI), Ministry of Tribal Affairs and Ministry of Social Justice and Empowerment, New Delhi introduced (April 2003) the Post Matric Scholarship Scheme (Scheme) for students belonging to Scheduled Tribes and Scheduled Castes respectively for studies in India. The guidelines of the scheme stipulated providing financial assistance to students whose parents'/guardians' annual income was below Rs one lakh to enable them to complete their post matric education. Para-V of the regulation governing the award of scholarship prescribed that the scholars would be reimbursed fees compulsorily payable by them to the Institution or University/Board. Fees for students admitted in private colleges would be limited to fees prescribed in government colleges/institutions and extra fees, if any, would have to be borne by the students.

Scrutiny (May - August 2007) of the records of the seven³ offices of Social Justice and Empowerment Department revealed that during September 2004 to February 2007, 1161 students⁴ of 19 private colleges/ institutions pertaining to various courses⁵ were reimbursed by the Department the fees of Rs 2.01 crore as actually charged by the respective private colleges/ institutions, without limiting it to the fees prescribed in government colleges/institutions. As per the fees prescribed by Government in government colleges/institutions, the students were eligible for reimbursement of fees amounting to Rs 1.43 crore only. Thus, the Department paid scholarship amounting to Rs 58 lakh in excess to the institutions as it failed to scrutinise the reimbursement claims.

While accepting the facts, the Government stated (July 2008) that GOI instructions of May 2006 limiting reimbursement of tuition fee to fee prescribed in government colleges/institutions had been withdrawn in March 2008. Further, an amount of Rs 1.75 lakh had been recovered. However, the remaining amount of Rs 56.25 lakh was yet to be recovered.

3. District Probation and Social Welfare Officers, Bundi, Dholpur, Nagaur; Assistant Directors, Banswara, Jhunjhunu, Sawaimadhopur and Deputy Director, Bharatpur
4. Banswara: 115, Bharatpur: 63, Bundi: 106, Dholpur: 210, Jhunjhunu: 131, Nagaur: 80 and Sawaimadhopur: 456.
5. Post Graduate Diploma in Computer Applications/Diploma in Computer Software Technology/Diploma in Computer Applications (1084), General Nursing and Midwifery (22), Veterinary Assistant (3), Fitter (29), Electricians (14), Diesel Mechanic (4) and Insurance Agent (5)

WATER RESOURCES DEPARTMENT

4.1.4 Infertuous expenditure on Irrigation Project

Projection of wrong catchment area/selection of wrong site for dam besides using unsuitable soil in construction of dam led to infertuous expenditure of Rs 5.77 crore defeating the very objective of providing irrigation.

Rule 289 of Public Works Financial and Accounts Rules requires detailed survey and investigation to be carried out before preparation of detailed estimate.

Government accorded (September 1996) administrative and financial sanction of Rs 5.71 crore for Dharia Irrigation Project, Tehsil Desuri (District Pali) for irrigating 1137 hectare land. The construction of dam and canal system was completed in August 2002 and March 2005 respectively. Upto 31 March 2006, Rs 5.77 crore had been spent on construction of dam, canal and allied works. No irrigation was provided due to zero inflow in the dam during 2002-06, despite adequate rainfall. The dam, however, breached on 19 August 2006 only at 0.70 metre (m) against the designed flood lift of 1.20 m in the upstream of dam due to one day's rainfall of 120 millimeter (mm) and inflow received from two breached dams lying in upstream of the dam.

Test check (September-October 2006) of records of Executive Engineer (EE), Water Resources Division, Pali and further collection (November 2007) of information revealed the following:

- Proper study of hydrology of the dam catchment was not conducted as evident from the fact that the dam was proposed on the basis of free and average type catchment area of 71.50 square mile to store 307.30 million cubic feet (mcft) water against expected yield of 474.116 mcft at 22 inch (545 mm) average rainfall. Despite rainfall of 343 mm (2002-03), 728 mm (2003-04), 448 mm (2004-05) and 473 mm (2005-06) there was zero inflow in the dam and no irrigation activities could be carried out. Thus, Rs 5.77 crore incurred on construction of dam and canal system proved infertuous.

- Further, on 19 August 2006 the dam breached even at 0.70 m above full tank level of the dam as against the designed maximum overflow of 1.20 m due to receiving heavy inflow from two breached tanks lying in its upstream besides, 120 mm rainfall on the very day due to use of dispersive soil.

Thus, projection of wrong catchment area/selection of wrong site for dam besides using unsuitable soil in construction of dam led to infertuous expenditure of Rs 5.77 crore defeating the very objective of providing irrigation.

Government stated (February-May 2008) that zero inflow despite substantial rainfall was due to low intensity of rainfall which did not generate sufficient

runoff and soil used was suitable for construction of earthen dam. The reply was not tenable as the proposals of inflow in dam were based on inadequate hydrology of the area. Besides, soil was used in construction of dam without investigation of property of dispersiveness of soil.

4.2 Avoidable/excess/unfruitful expenditure

CIVIL AVIATION DEPARTMENT

4.2.1 Avoidable expenditure on hiring/maintenance of helicopter

Lack of planning, arranging qualified manpower (pilots as well as technicians) and infrastructure (Workshop) before committing a huge expenditure on the purchase of helicopter led to avoidable expenditure of Rs 1.14 crore on its maintenance and hiring of other helicopters.

For movement of Very Important Persons (VIPs), State Government entered into a contract (July 2004) with Agusta, an Italian Helicopter Company for purchase of Agusta A-109E Power Helicopter at Rs 20.01 crore (USD 4.55 million). As per terms and conditions of the contract, the Company was required to impart ground and flight training to two pilots, additional flight training to one pilot and three weeks maintenance training to two technicians designated by the State Government at Company's facilities in Italy. The training was to be harmonized with the delivery of helicopter. The helicopter was to be delivered at seller's facility in Italy within 10 months from contract effective date. Accordingly, the helicopter accepted by the team on 23 May 2005 in Italy, reached Delhi on 29 July 2005 and at Jaipur base on 22 September 2005.

Test check (March-May 2007) of records of Deputy Secretary, Civil Aviation Department (Department) and further information collected in December 2007 revealed that though the helicopter had arrived at Jaipur base on 22 September 2005, it could not be utilised as the requisite training was provided to one pilot only in January 2006 almost five months after the arrival of the helicopter. Consequently, the State Government had to hire the services of chartered helicopters on six occasions during 10 November 2005 to 28 January 2006 by paying Rs 45.65 lakh.

Of the two technicians designated (May 2005) by the State Government for imparting airframe maintenance course at the Company in Italy, Shri 'X' was appointed only on 13 June 2005 as Aircraft Maintenance Engineer with the condition that he would have to obtain desired licence for maintenance of all helicopters available at present in the State within one year of his appointment. Though Shri 'X' completed airframe maintenance course in July 2005 in Italy and engine course in March 2007 at Singapore, Shri 'X' failed to get the requisite licence endorsement as of July 2007 even after lapse of two years from his appointment. Meanwhile, the State Government had entered (October 2005) into an agreement with M/s OSS Air Management Private

Limited (an Agusta Service Centre in India) for the maintenance and for keeping the helicopter airworthy and paid Rs 68.37 lakh to OSS during the period 22 September 2005 to 26 October 2007. Had a trained Aircraft Maintenance Engineer been appointed in time, the expenditure incurred on maintenance of helicopter could have been avoided.

Government admitted (July 2008) that as Agusta A 109E was introduced first time in September 2005, no experienced pilot on type was available in India at that time. Due to this helicopter was chartered at the prevailing market rate. Further, as the Company provided the required training to technician Shri 'X' under Category 'A' and Category 'C' in July 2005 and March 2007, he could not appear before the Director General Civil Aviation for an oral examination upto March 2007 and the maintenance of helicopter had to be entrusted to an outside agency. The fact remained that due to lack of planning, positioning qualified pilots and technicians, the Department had to spend Rs 1.14 crore on maintenance of the helicopter and hire charges on other helicopters.

FOREST DEPARTMENT

4.2.2 Undue benefit to a firm

Failure of the Department in recovering Net Present Value and taking preventive action against mining activities in the forest land led to undue benefit of Rs 59.05 crore to the firm.

Pursuant to the orders of Supreme Court (30 October 2002 and 01 August 2003) Government of India, Ministry of Environment and Forests (MoEF) issued (September 2003) guidelines for collection of Net Present Value (NPV) of forest land diverted for non-forest use from the user agency where 'in-principle' approval was granted after 30 October 2002. Compensatory Afforestation Fund Management and Planning Authority (CAMPA), New Delhi further clarified (October 2006) that recovery of NPV of the forest land so diverted should be made in all cases for which final approval had either already been granted on or after 30 October 2002 or shall be granted thereafter irrespective of the date of issue of in-principle approval. CAMPA further instructed (September 2007) that in such cases where the NPV has not been recovered, project activities in the forest land should be stopped.

Test check of the records (April 2008) of the Deputy Conservator of Forests (DCF), Social Forestry, Bhilwara revealed that MoEF granted (June 1998) in-principle approval for diversion of 641.86 hectare (ha) of forest land for mining of soap-stone in favour of Udaipur Mineral Development Syndicate (UMDS) Private Limited in Bhilwara District. The final approval for such diversion was granted by the MoEF on 7 January 2003. The DCF, Social Forestry, Bhilwara issued (December 2006) order to recover the NPV amounting to Rs 59.05 crore from UMDS at Rs 9.20 lakh per ha but the firm

did not deposit the same despite eight demand notices issued from December 2006 to April 2008. The Department failed to stop the mining activities of UMDS as of April 2008.

The Department stated (April 2008) that action under Forest (Conservation) Act would be taken against the firm for its failure to deposit NPV. The reply indicated Department's failure as neither the NPV could be recovered from the UMDS nor any action was initiated to stop mining activities in the forest land despite lapse of 16 months.

Thus, failure of the Department in recovering NPV and taking preventive action against mining activities in the forest land led to undue benefit of Rs 59.05 crore to the firm. Besides, CAMPA suffered loss of Rs 14.17 crore towards interest on NPV of Rs 59.05 crore at 18 *per cent* per annum for the period January 2007 to April 2008.

The matter was referred to Government in May 2008, their reply has not been received (August 2008)

GENERAL ADMINISTRATION DEPARTMENT

4.2.3 Blocking of funds and avoidable expenditure on payment of additional lease

Failure of the Government in planning and finalising bid documents in time led to avoidable payment of additional lease of Rs 20.27 lakh to CIDCO. Besides, Rs 1.38 crore was blocked on land for 15 years.

State Government requested (September 1988) Maharashtra Government for allotment of land in Mumbai for construction of a Complex (Rajasthan Bhawan) to accommodate various Government offices at one place to provide information regarding Industrial, Commercial and Tourism of Rajasthan State. Accordingly, City and Industrial Development Corporation of Maharashtra Limited, Mumbai (CIDCO) allotted (November 1992 and February 1993) two commercial cum residential plots⁶ at Vashi, Navi Mumbai on 90 years' lease for which State Government deposited (May 1992 to May 1993) Rs 1.47 crore towards lease premium etc. with CIDCO. Possession of plots was taken by the Executive Engineer, Public Works Department Construction Division, Jaipur only in February 2001 after executing a lease agreement with the CIDCO. Clause 3(a) and (d) of the lease agreement provided for submission of plans, etc. of the buildings to be erected to Town Planning Officer of CIDCO within six months for approval and completion of work within five years from the date of agreement i.e. by 26 February 2006.

Scrutiny (December 2005 and September 2007) of records of General Administration Department revealed that despite depositing Rs 1.47 crore in May 1993 the possession of the plots was belatedly taken (February 2001)

6. Plot No. 22: 3,765.69 square metre (sqm); Plot No. 21: 2009.10 sqm.

after more than seven years. The Department took no action to construct the proposed complex within the stipulated period of five years and only appointed (October 2005) a legal consultant for preparation of bid documents for construction of Rajasthan Bhawan. In December 2006, the Government constituted a committee for examining the bid documents prepared by the legal consultant and inviting tenders. The approval of bid documents was still awaited (April 2008). Since the Department could not adhere to the provisions of clause 3(a) and (d) of agreement it had to pay (January 2006) additional lease amount of Rs 20.27 lakh to CIDCO for granting extension of the construction period upto 26 February 2009.

Since the preliminary proposals like bid documents, estimates, administrative and financial sanction for construction works have not been finalised even as of April 2008, the possibility of construction of building by the extended target date of 26 February 2009 is remote and possibility to pay extra lease to CIDCO for further extension as per agreement can not be ruled out.

Government accepted (January and April 2008) that construction of building had been delayed as the issue regarding land allotment in Central Mumbai in place of Navi Mumbai remained under correspondence with CIDCO and bid documents for building construction prepared by legal consultant were under finalisation with the committee and stated that payment of additional lease for granting extension in construction period was not an avoidable expenditure in view of appreciation in cost of plots. The reply was not tenable as defective planning of the Government had led to blocking of Rs 1.38 crore⁷ for more than 15 years and avoidable expenditure on payment of additional lease of Rs 20.27 lakh.

PUBLIC WORKS DEPARTMENT

4.2.4 Unfruitful expenditure on rural roads lying incomplete due to land dispute

Proposing roads having alignment through private lands/forest land without acquisition/approval of Forest Department led to roads lying incomplete rendering the expenditure of Rs 9.82 crore as unfruitful.

Rule 351 of Public Works Financial and Accounts Rules lays down that no work should be commenced on land which has not been duly made over by responsible Civil Officer. The Forest (Conservation) Act, 1980 also prohibits use of forest land for other purposes without prior approval of Government of India.

State Government accorded (February 2004 to April 2006) administrative and financial sanction of Rs 18.36 crore for 17 approach roads under *Pradhan Mantri Gram Sadak Yojana* (PMGSY) and Rural Infrastructure Development

7. Rs 9.42 lakh was refunded by CIDCO at the time of handing over possession of a plot short in area by 369.60 sqm.

Fund-XI (RIDF-XI) with the objective of providing connectivity by all weather roads and upgradation of rural roads.

Scrutiny (June 2007 to March 2008) of records of three Circles and four Divisions⁸ of Public Works Department (PWD) revealed that the Department awarded (June 2004 to September 2006) construction works of 17 rural roads to contractors without ensuring availability of dispute free private land and without prior permission from Forest Department for forest land required. Consequently, the works were stopped during the period from April 2005 to March 2008 by the contractors midway due to objections raised by land owners and the Forest Department during execution of road works after incurring expenditure of Rs 9.82 crore (53.5 per cent) (**Appendix-4.1**) as of July 2008. Thus, expenditure incurred on incomplete roads proved unfruitful and also defeated the very objective of providing connectivity.

Thus, proposing roads having alignment through private lands/forest land without acquisition/approval of Forest Department led to roads lying incomplete rendering the expenditure of Rs 9.82 crore as unfruitful.

Government while accepting the facts stated (November 2007 and July 2008) that efforts were being made to get clearance of the Forest Department and to solve the disputes with land owners for completion of these approach roads. The fact remained that the Department failed to ascertain clear title/availability of land before commencement of the works.

WATER RESOURCES DEPARTMENT

4.2.5 Unfruitful expenditure on Mamer Irrigation Project

Award of the work before obtaining clearance from the Forest Department for dereservation of land led to non-completion of the dam rendering the expenditure of Rs 29.04 lakh unfruitful. The beneficiaries were also deprived of drinking water and irrigation facilities.

Public Works Financial and Accounts Rules lay down that clear title to land is a pre-requisite for planning and designing any work and no work should be commenced on land which has not been duly made over by the responsible Civil Officer.

Government accorded (July 1999) administrative and financial sanction of Rs 2.95 crore for construction of Mamer Irrigation Project at *Tehsil* Kotra (District Udaipur) to cater to irrigation in 336 hectare (ha) area alongwith drinking water facility to people living in tribal areas. The Additional Chief Engineer, Water Resources Department (WRD), Udaipur Zone issued

8. Superintending Engineer (SE), PWD, Circle-Alwar; SE, PWD, Circle-Rural-I, Jaipur; SE, PWD, Circle-Sawaimadhopur; Executive Engineer (EE), PWD Division-I, Jhalawar; EE, PWD, Division-Karauli; EE, PWD, Division-Karauli/Sapotra and EE, PWD, Division-Sardarshahar.

(October 2004) technical sanction of Rs 1.87 crore. As per the estimates, no area of the project was falling in the forest land.

Test check (July-August 2007) of the records of Executive Engineer (EE), WRD, Division Udaipur disclosed that Deputy Chief Warden (Wild life), Udaipur intimated (24 January 2005) EE, WRD, Udaipur that the area proposed for construction of Mamer Irrigation Project was coming in forest sanctuary as such non-forestry work should not be started without the prior approval of the Supreme Court. Even then, the work of the project was awarded (February 2005) to a contractor for Rs 2.17 crore with the stipulated date of completion as 14 August 2006. Assistant Conservator of Forests, Kotra alongwith the Assistant Engineer, WRD, Sub-Division, Kotra (Udaipur) visited the site on 11 March 2005 and confirmed that 31 ha forest land was coming in the submergence of the dam. Forest Department again objected (5 April 2005) to the construction work. Consequently, the work was stopped (11 April 2005) and the proposal for dereservation of forest land was sent (11 April 2005) to Central Empowered Committee, New Delhi by the Additional Chief Engineer, WRD, Udaipur Zone.

Thus, award of the work before obtaining clearance from the Forest Department for dereservation of land led to non-completion of the project rendering the expenditure of Rs 29.04 lakh unfruitful. Besides, the beneficiaries were also deprived of drinking water and irrigation facilities.

Government stated (May 2008) that the work was started after obtaining (May 2004) 'No objection certificate' from the Sub-Divisional Officer, Kotra (Revenue Department) and no objection was raised by the Forest Department. The reply was not tenable as the fact of forest land coming in the submergence of Mamer Irrigation Project had been brought (January 2005) to the notice of WRD by the Forest Department before awarding (February 2005) the work to contractor.

4.2.6 Avoidable extra expenditure

Department's failure to provide dispute free land to contractor 'A' and arranging adequate funds led to abandonment of work by him and re-allotment of work to other contractor at higher cost resulted in avoidable extra expenditure of Rs 25.59 lakh.

Public Works Financial and Accounts Rules (PWF&ARs) provide that no work should commence on land which has not been duly made over by the responsible Civil officer.

Test check (October 2006) of the records of Executive Engineer (EE), Water Resources Department (WRD), Division-I, Chittorgarh revealed that Superintending Engineer (SE), WRD, Circle Bhilwara sanctioned (August 2002) the technical estimate of Rs.88.83 lakh for construction of the main dam of Guner Minor Irrigation Project (MIP) in Chittorgarh District. EE, WRD, Division-I, Chittorgarh issued (October 2002) work order to contractor 'A' at 23.68 *per cent* below Schedule 'G' (Rs.86.24 lakh) for Rs.65.82 lakh

with completion of main dam by 13 October 2003. The contractor 'A' stopped (October 2003) the work after executing work worth Rs 6.55 lakh due to objections raised by the land owners whose land was coming in submergence/borrow area and also due to not getting timely payment for the work. SE, WRD, Circle Bhilwara granted extension of time of 316 days (i.e. up to 24 August 2004) in December 2003 which was further extended (August 2004) up to 17 April 2005 on the aforesaid grounds. Despite this, the contractor after executing work worth Rs 13.19 lakh finally left (March 2005) the work incomplete due to non-availability of dispute free land. The SE, WRD, Circle Bhilwara ordered (April 2005) withdrawal of the work from the contractor 'A' levying 10 *per cent* compensation under clause 2 of the agreement and getting the remaining work executed at the risk and cost of the contractor 'A' under clause 3 (c) *ibid*.

Aggrieved by the order, the contractor 'A' represented (May 2005) that he could not complete the work due to objections raised by land owners and not getting timely payments and requested (August 2005) for review of the order. Additional Chief Engineer (ACE), WRD, Zone Udaipur while admitting (September 2005) departmental failure in providing dispute free site to the contractor until July 2005 and also failure to arrange adequate funds, recommended (September 2005) withdrawal of action proposed under clause 2 and 3(c) of the agreement.

For the balance work, tenders were re-invited (November 2005) and work was allotted (November 2005) to contractor 'B' at 18 *per cent* above Schedule 'G' (Rs 68.92 lakh) aggregating to Rs 81.33 lakh with scheduled date of completion as 19 September 2006. Contractor 'B' executed work worth Rs 72.44 lakh (Schedule 'G' amount: Rs 61.39 lakh) as of July 2008 and the work was in progress.

Thus, Department's failure to provide dispute free land to contractor 'A' and arranging adequate funds led to abandonment of work by him and re-allotment of work to other contractor at higher cost resulted in avoidable extra expenditure of Rs 25.59 lakh⁹.

Government stated (July 2007) that as no decision for withdrawal of action under clause 3 (c) of agreement against contractor had been taken, it was still operative and recovery towards risk and cost would be effected from the contractor 'A'. The reply was not tenable as the contractor had not been found at fault by the ACE and CE and action under clause 2 against him was withdrawn on the grounds of non- providing dispute free site to contractor and on the same ground action under clause 3(c) was also proposed for withdrawal. Thus, there were no grounds for recovery under clause 3(c) of agreement and Government would have to bear the extra expenditure.

9. 41.68 *per cent* of Rs 61.39 lakh.

4.3 Blocking of funds/idle investment

MEDICAL AND HEALTH DEPARTMENT

4.3.1 Blocking of funds and unfruitful expenditure on incomplete buildings

Failure of the Department in monitoring the progress of work resulted in blocking of funds of Rs 5.93 crore, unfruitful expenditure of Rs 1.36 crore on 22 buildings lying incomplete and a loss of Rs 4.09 crore towards interest on Rs 5.93 crore.

State Government transferred (January and November 1996) Rs 16.42 crore in the Personal Deposit (PD) account of Rajasthan Housing Board (RHB), Jaipur with the instruction to transfer the funds to *Avas Vikas Sansthan* (AVS) immediately for construction of 31 Community Health Centres (CHCs), 54 Primary Health Centres (PHCs) and 43 Doctor's quarters under Minimum Needs Programme. Of Rs 16.42 crore lodged in PD account, RHB transferred (February 1996-February 1998) Rs 15.41 crore to AVS and retained Rs 1.01 crore as of August 2008. AVS spent Rs 10.49 crore¹⁰ on construction of these buildings as of March 1999 (went into liquidation thereafter).

Test check (May-June 2007) of the records of Director, Medical and Health Services, Rajasthan, Jaipur revealed the following:

- Out of 128 buildings, 22 buildings were lying incomplete after spending Rs 1.36 crore as the AVS went into liquidation in March 1999. The works of 12 buildings¹¹ were not taken up by the AVS due to non-availability of the site. Unspent balance of Rs 4.92 crore was not recovered (August 2008) from AVS. The leftover works were not got completed by RHB. Thus, the expenditure of Rs 1.36 crore incurred on buildings lying incomplete since March 1999 proved unfruitful.
- Further, Rs 4.92 crore remained blocked for more than nine years with AVS. As the Department did not include any condition in the sanctions for obtaining bank guarantee from AVS towards the amount released to it, the possibility of recovery of Rs 4.92 crore from RHB, which owns all the assets and liabilities of AVS after its liquidation is remote. RHB also unauthorisedly retained Rs 1.01 crore since November 1996.
- The Department took-up the matter regarding incomplete works with RHB only in July 2003 (after more than four years) and in August 2006 (after further three years). Though in the meeting held under the chairmanship of Principal Secretary, Medical and Health Department, it was decided

10. Completed buildings-CHCs: 29 out of 31; PHCs: 34 out of 54 and Doctor's quarters: 31 out of 43 : (Rs 9.13 crore); Incomplete buildings- CHCs: 2; PHCs: 13 and Doctor's quarters: 7: (Rs 1.36 crore).

11. PHCs: 7 and Doctor's quarters: 5.

(August 2006) that the incomplete buildings would be completed by RHB and handed over by 31 March 2007 to the Department alongwith the balance amount, no progress in the works was made by RHB as of July 2008. No action was initiated by the Department against RHB for non-completion of the buildings or to recover the amount of Rs 5.93 crore from RHB indicating lack of monitoring at the Department's level.

Thus, failure of the Department in monitoring the progress of work resulted in blocking of funds of Rs 5.93 crore as well as unfruitful expenditure of Rs 1.36 crore on 22 buildings lying incomplete for more than nine years. Besides, Government also suffered a loss of Rs 4.09 crore towards interest (at the prevailing rates on PD Accounts) on Rs 5.93 crore lying with RHB/AVS for nine years.

Government while accepting the facts stated (August 2008) that the matter regarding completion of remaining works and refund of balance amount has been taken-up with RHB. The fact remained that the works were still incomplete and unutilised balance was not refunded by RHB as of August 2008.

TRIBAL AREA DEVELOPMENT DEPARTMENT

4.3.2 Blocking of funds in an incomplete project for Tourism Development

Failure of the Department in obtaining clearance of Forest Department before getting the work executed and defective planning led to blocking of funds of Rs 90.33 lakh in a Tourism Development Project.

Tribal Area Development (TAD) Department of the State Government accorded (October 2002) administrative and financial sanction of Rs 2.24 crore for construction of a *Shaheed Smarak at Mangarh Dham (Smarak)* in Banswara District for development of tourism. For this, forest land of 20 acre was required. Simultaneously, Public Works Department (PWD), sanctioned (January 2003) an estimate of Rs 2.25 crore for execution of BT road, *Smarak*, water and electric works, development of lawn/garden, cement concrete (CC) chairs, recreation shed, retaining wall and other works for development of *Smarak*. Government, TAD Department released Rs 1.10 crore between March 2003 and January 2004 to Commissioner, TAD. The Commissioner, TAD, Udaipur released (May 2003 to February 2004) a total amount of Rs 91.45 lakh to three agencies¹². Since the land on which *Smarak* was constructed belonged to Forest Department, Collector, Banswara identified and proposed (December 2002) to transfer 55 acre of revenue land to Forest

12. Executive Engineer (EE), PWD, Division-II, Banswara (subsequently transferred to EE, PWD, Division-I, Banswara due to transferring the work to this Division): Rs 50 lakh (May 2003); EE, Public Health Engineering Department Division, Banswara: Rs 35 lakh (June 2003 and February 2004) and *Ajmer Vidyut Vitran Nigam Limited*, Banswara : Rs 6.45 lakh (July 2003).

Department in lieu of 20 acre forest land needed for the project. The Divisional Forest Officer, Banswara also agreed to it and accordingly forwarded (January 2003) the proposal for dereservation of forest land to Conservator of Forests, Western Circle, Udaipur. The work of *Smarak* was lying incomplete¹³ since March 2004 after spending Rs 90.33 lakh (PWD: Rs 49.51 lakh, Public Health Engineering Department: Rs 34.37 lakh and *Ajmer Vidyut Vitran Nigam Limited*: Rs 6.45 lakh).

Scrutiny (October 2007) of the records of Project Officer, TAD Department, Banswara revealed that though the Department was aware that the *Smarak* was to be constructed on forest land and action (January 2003) for dereservation of 20 acre forest land was in progress, the Commissioner released the funds to executing agencies to begin the works. As the work was started on forest land without obtaining clearance of the Forest Department, the Forest Department stopped the work in March 2004 and the same was lying incomplete¹⁴ since then.

Thus, failure of the Department in obtaining clearance of Forest Department before getting the work executed led to blocking of funds of Rs 90.33 lakh. The permission for dereservation was yet to be received and the *Smarak* has been lying incomplete over four years.

Government accepted (September 2008) that the proposals for dereservation of forest land were under consideration, clearance for starting the work again was still not obtained from Forest Department. Whenever, it would be received the work would be completed by providing the balance amount required to complete remaining work.

4.4 Regularity issues and other points

AGRICULTURE DEPARTMENT

4.4.1 Unnecessary liability on the State ex-chequer

Failure of the Department in preparing single series of crop yield estimates led to unnecessary burden of Rs 32.60 crore.

The National Agriculture Insurance Scheme (NAIS) was introduced by Government of India (GOI) in Rajasthan State from *Kharif* 2003 season with the main objective of providing insurance coverage and financial support to the farmers in the event of failure of any of the notified crops as a result of natural calamities, pests and diseases. The scheme guidelines, *inter alia*, stipulate that in case of failure of crops due to natural calamities, pests and

13. Road, overhead tank, pipeline work and electric work were at incomplete stage and work of development of garden/lawn, CC chairs, recreation shed and retaining wall were not taken up.

14. Roads upto WBM stage without bitumen, incomplete over head tank with loose pipes lying along the road side.

diseases, the farmers whose crops were insured were to be compensated by NAIS upto 100 *per cent* (food crops and oilseeds) and 150 *per cent* (commercial/horticulture crops) of premium. The compensation for the remaining amount of losses was to be paid by the Department and the expenditure was to be shared equally by State Government and GOI. Further, the State Government was required to plan and conduct a requisite number of Crop Cutting Experiments (CCEs) of all notified crops for estimation of crops yield in the notified insurance units and to maintain a single series of CCEs conducted at *Tehsil, Mandal* and *Gram Panchayat* level and resultant yield estimates both for crop production and crop insurance. The claims were to be worked out and settled by the implementing agencies on the basis of yield data furnished by State Government as per the cut-off dates.

Scrutiny (May-June 2007) of records of Director, Agriculture, Jaipur revealed that during 2003 *Kharif* (October-December) to 2005-06 *Rabi* (May-July), net claims for crop compensation amounting to Rs 324.74 crore were to be paid to 11.53 lakh beneficiaries after adjusting premium of Rs 119.26 crore. The State Government and GOI were to share this equally i.e. Rs 162.37 crore each. The State Government was supposed to maintain data for estimated crop production and crop yield for insurance, if any, at single level i.e. District/*Tehsil, Mandal*, etc., which was not maintained in all cases. GOI while considering the claim stated that keeping in view the interest of farmers of Rajasthan and also the norm and practice followed in other States, the claims of Rajasthan for *Kharif* 2005 season may be settled by taking yield estimates at original unit area level i.e. *Tehsil* level. However, the GOI would share claims worked out on the basis of yield estimates at District level (single series) and the difference in two amounts (i.e. claims amount at *Tehsil* and District levels) is to be met by the State Government themselves. Consequently, GOI contributed Rs 129.77 crore only as against Rs 162.37 crore. Resultantly, the State Government had to bear an extra liability of Rs 32.60¹⁵ crore due to non-observing the provisions of the NAIS regarding preparation of single series of data.

Thus, failure of the Department in preparing single series of crop yield estimates led to unnecessary burden of Rs 32.60 crore on the State ex-chequer.

Government stated (February-July 2008) that single series of data could not be maintained earlier due to non-receipt of directions in this regard from GOI and the same was being maintained since *Kharif* 2006. The reply was not tenable as the required single series of data were now being maintained by the Department at its own by conducting required CCEs since *Kharif* 2006. This indicated that the State Government could have maintained the single series at its own level earlier also. Had this been done earlier, State Government could have escaped from bearing unnecessary burden.

15. This includes Rs 4.45 crore which are yet to be paid by State Government.

DISASTER MANAGEMENT AND RELIEF DEPARTMENT

4.4.2 Inadmissible expenditure

Non-adherence to the norms prescribed by Government of India led to inadmissible expenditure of Rs 3.91 crore on payment of assistance out of Calamity Relief Fund to farmers for removal of crop waste.

As per Government of India (GOI) modified (April 2003) eligibility criteria for assistance from the Calamity Relief Fund (CRF)/National Calamity Contingency Fund (NCCF), removal of crop wasted due to natural calamities from farmers land was not eligible for assistance.

However, Secretary, Disaster Management and Relief Department permitted (March 2005) District Collector (DC) (Relief), Sriganaganagar to sanction assistance for removal of crop wasted due to hailstorms under relief works. Accordingly, DC paid (March-October 2005) assistance of Rs 3.91 crore out of CRF to 8,426 farmers for removing crop waste from their fields generated due to hailstorm in Ghadsana (Rs 1.59 crore) and Anoopgarh (Rs 2.32 crore) *Tehsils*. The action of the Government to allow assistance out of CRF on this item without prior approval of GOI tantamount to inadmissible expenditure of Rs 3.91 crore.

Government stated (March 2008) that assistance for removing crop waste was provided out of CRF considering to the possibility of outbreak of epidemic from decay of crop waste, as there was no provision for removal of crop waste under other schemes. The reply was not tenable as the assistance for removal of crop waste did not qualify for expenditure under CRF/NCCF.

FINANCE DEPARTMENT

4.4.3 Excess payment of pension

Failure of the treasury officers to exercise prescribed checks led to excess/irregular payment of pension/family pension amounting to Rs 1.22 crore.

Treasury Officers (TOs) are responsible for checking the accuracy of pension payment, family pension and other retirement benefits made by the banks with reference to the records maintained by them, before incorporating the transactions in their accounts.

Cases of excess payments to pensioners also featured in the earlier Audit Reports (Civil)¹⁶. The Public Accounts Committee recommended (2001-02) that recoveries of excess payment be effected, responsibility fixed against

16. Para 3.2 of 1997-98, Para 3.7 of 1999-2000, Para 4.4.1 of 2002-03, Para 4.2.5 of 2003-04, Para 4.4.1 of 2004-05, Para 4.1.3 of 2005-06 and Para 4.5.7 of 2006-07.

defaulting officers and the administrative inspection of treasuries be strengthened to avoid recurrence of such irregularities in future. The Department issued (16 August 2002) necessary instructions to the TOs for verification of pension payments by visiting the banks. While examining para 4.2.5 of Report of the Comptroller and Auditor General of India for the year ending 31 March 2004 (Civil)-Government of Rajasthan, Public Accounts Committee (2006-07) again viewed it seriously.

Test check (April 2007 to March 2008) of the records of pension payments made by the Banks involving 24 TOs, however, disclosed that excess/irregular payment of superannuation/family pensions was made to 287 pensioners¹⁷ amounting to Rs 1.22 crore as of June 2008 as detailed below:

S. No.	Particulars	Excess/irregular payments	
		Number of cases	Amount (Rupees in lakh)
1.	Non-reduction of family pension after expiry of the prescribed period (Rule 62 of Pension Rules, 1996 ¹⁸).	100	23.70
2.	Family pension not stopped after attaining the age of 25 years/marriage/employment of dependents (Rule 67).	1	0.10
3.	Non-reduction of pension after its commutation (Rule 28).	23	5.19
4.	Pension credited in Bank Accounts without receipt of life certificates (Rule 134).	37	52.90
5.	Pensions not stopped even after death of pensioners (Rule 136).	7	0.82
6.	Dearness relief paid to pensioners during the period of their re-employment (Rule 164).	2	0.91
7.	Excess payment of dearness relief due to erroneous re-merger of dearness pay in pension	50	21.46
8.	Pension and dearness relief paid at higher rate than admissible.	15	3.72
9.	Non-recovery of dues from Gratuity payments (Rule 92).	23	4.33
10.	Miscellaneous.	29	8.88
Total		287	122.01

It would be seen that the irregularities had persisted due to failure of the TOs in conducting concurrent checks of payments made by banks, despite the recommendations of the Public Accounts Committee.

The Government accepted (July 2008) the facts and recovered Rs 1.07 crore at the instance of audit.

17. Ajmer: 25; Alwar: 34; Banswara: 2; Baran: 1; Bikaner: 9; Bharatpur: 5; Bhilwara: 20; Bundi: 23; Chittorgarh: 31; Dausa: 3; Ganganagar: 2; Jaipur: 17; Jaisalmer: 13; Jhalawar: 2; Jhunjhunu: 1; Jodhpur: 26; Karauli: 3; Kota: 6; Nagaur: 2; Pratapgarh: 1; Rajsamand: 5; Sikar: 9; Tonk: 8 and Udaipur: 39.

18. Rajasthan Civil Services (Pension) Rules, 1996.

FOREST DEPARTMENT

4.4.4 Irregular retention of funds

Compensatory Afforestation Fund Management and Planning Authority funds of Rs 3.95 crore were unauthorisedly retained by the Department in violation of orders of Supreme Court/instructions of Government of India.

Ministry of Environment and Forest (MoEF), Government of India (GOI) constituted (April 2004) Compensatory Afforestation Fund Management and Planning Authority (CAMPA) in pursuance of Supreme Court's order dated 30 October 2002. Money recoverable as per conditions of GOI stipulated in its approval granting use of forest land for non-forestry purposes under Forest (Conservation) Act, 1980 has to be deposited in CAMPA. The MoEF directed (May 2006) that all funds received by the State Government from the user agencies towards compensatory afforestation, Net Present Value (NPV) of forest land, catchment area treatment plan, protection of national parks/sanctuaries etc. on account of diversion of forest land for non-forestry purposes and were lying unspent as fixed deposit or in any other form with the State Government should immediately be transferred to CAMPA.

Scrutiny (March-April 2007) of records of Conservator of Forests, Kota revealed that MoEF accorded in principle/final approval on 8 September 2005/2 March 2006 for diversion of 58.51 hectare (ha) forest land required for widening of National Highway No. 76 in between km 397 to km 579 subject to deposition of cost of compensatory afforestation by the user agency. Accordingly, the user agency, National Highways Authority of India (NHAI) deposited (October-November 2005) Rs 15.53 crore¹⁹ with Divisional Forest Officer, Baran. The Department transferred (February-April 2007) Rs 11.92 crore (principal) with interest of Rs 0.95 crore only to CAMPA. Contrary to orders of Supreme Court/GOI to deposit all funds received from user agency into CAMPA, Rs 3.61 crore (cost of fallen trees: Rs 61.47 lakh and protection wall: Rs 3 crore) and interest of Rs 0.34 crore was not transferred to CAMPA as of February 2008.

Thus, CAMPA funds of Rs 3.95 crore were unauthorisedly retained by the Department in violation of orders of Supreme Court/instructions of GOI.

Government stated (February 2008) that these funds were not transferred to CAMPA as these were not recovered as per terms and conditions of the approval issued by GOI. The reply was not tenable as all money deposited by user agency on account of diversion of forest land for non-forestry purposes should have been transferred immediately to CAMPA as per instructions (May 2006) of GOI. Further, on a clarification sought by Audit (April 2008)

19. Road side plantation: Rs 6.12 crore; compensatory afforestation: Rs 0.41 crore; NPV: Rs 5.39 crore; cost of trees: Rs 0.61 crore and protection wall: Rs 3 crore.

from MoEF it was clarified that the amount collected from the user agencies has to be deposited in full in ad-hoc CAMPA. It was further stated that the Rajasthan State Government will have to deposit back the balance amount of Rs 3.61 crore.

HIGHER EDUCATION DEPARTMENT

4.4.5 Non/short recovery of rent from commercial establishment

Failure of the University in revising rent and inaction to recover the outstanding rent from five commercial establishments resulted in non/short recovery of rent amounting to Rs 87.58 lakh.

Mention was made in para 6.1.9 (iv) of the Report of the Comptroller and Auditor General of India (Civil) for the year ended March 2001- Government of Rajasthan regarding non-revision of rent of commercial establishments let out on rent about 22 years back by University of Rajasthan (University), Jaipur and non-recovery of rent from them at rates revised (4 to 174 times) since April 2000. During examination (December 2004) of the case by Public Accounts Committee (PAC), the Government intimated to PAC that instructions had been issued to University for immediate recovery of rent at revised rates.

Memorandum of Understanding (MoU) executed by the University with the State Government in December 1999 provide for increase of rent of shops in the University campus let out by the University as per Government norms.

Test check (February-December 2007) of the records of Vice-Chancellor, University of Rajasthan revealed that despite issuance of standing orders (eight times between 1973-1997) by the Public Works Department (PWD) for determining the value of buildings to assess the rent of Government buildings rented to Central Government/State Government/ other officers and private parties, University did not revise/enhance monthly rent of its buildings upto March 2000. The monthly rent of five commercial establishments²⁰ was raised²¹ only in April 2000 as per the rates based on PWD BSR Standing Order No. X-3/1997. The revised rent was not accepted by the allottees. Consequently, University reduced (Bank of Rajasthan: August 2003 and other four establishments: November 2001) the rent²² without the approval of the State Government. This was in violation of the clause 10 of the condition attached to release of grant by Government which stipulated that the

20. Cooperative Store (May 1964), Bank of Rajasthan (February 1975), Post Office (NA), Hair Dresser (May 1979) and Best Book Company (September 1979).

21. Cooperative Store: from Rs one to Rs 13,800 per month, Bank of Rajasthan: from Rs 3000 to Rs 64,300 per month, Post Office: from Rs 125 to Rs 21,800 per month, Hair Dresser: Rs 60 to Rs 3,720 per month and Best Book Company: Rs 200 to Rs 10,533 per month.

22. Cooperative Store: Rs 6,000; Bank of Rajasthan: Rs 45,000; Post Office: Rs 5,400; Hair Dresser: Rs 1,000 and Best Book Company: Rs 4,500.

University would not take any decision which might reduce its income without the Government's prior approval. Even the reduced rent was not paid by four commercial establishments (Bank of Rajasthan deposited the reduced rent at Rs 45,000 per month). No action was initiated for eviction of the defaulters.

Consequent upon further issuance of similar instructions to revise rent by PWD in 2006, the University Engineer re-assessed (November 2006), the rent²³. As these rates were yet to be approved by the Syndicate, these could not be made applicable as of December 2007. This indicated inaction on the part of the University and led to non/short-recovery of rent amounting to Rs 87.58 lakh²⁴ pertaining to the period from May 2000 to December 2007.

Thus, failure of the University in revising rent and inaction to recover the outstanding rent from five commercial establishments resulted in non/short recovery of rent amounting to Rs 87.58 lakh.

While accepting the fact the Government stated (May 2008 and August 2008) that directions have been issued to the University for immediate recovery of enhanced rent and for initiating legal action against the defaulting commercial establishments.

4.4.6 Short recovery of examination fees

Non-observance of the provision of the ordinance by the Principal led to loss of Rs 33.87 lakh towards balance examination fees.

Ordinance 0.144 of the University of Rajasthan (University) provides that candidates who fail to put in minimum 75 per cent attendance shall be detained from appearing in the examination as regular candidates. Ordinance 0.145A(i) permits such candidates to get their candidature converted as non-collegiate candidates on payment of balance amount of fees (difference²⁵ in the fees of collegiate and non-collegiate candidates). Enforcing minimum 75 per cent attendance by the candidates in the colleges was also stressed by the Rajasthan High Court²⁶ (December 1995 and October 1997) and by the University (September 1996 and February 2003). For ensuring attendance of students, the High Court also directed the Head of the Department or Principal of the Colleges to prepare the attendance registers regularly and properly and to send the said information to University monthly within 10 days from the end of each month, otherwise he would be liable for departmental inquiry and disciplinary action.

Test check (February to December 2007) of the records of the Rajasthan University revealed that in constituent Commerce College, Jaipur out of

23. Cooperative Store: Rs 20,806; Bank of Rajasthan: Rs 97,418; Post Office: Rs 28,683, Hair Dresser: Rs 5,620; and Best Book Company: Rs 15,745.

24. The Bank of Rajasthan: Rs 38.77 lakh; Post Office: Rs 21.02 lakh; Cooperative Store: Rs 13.68 lakh; Hair Dresser: Rs 3.69 lakh and Best Book Company: Rs 10.42 lakh.

25. Rs 480 for B.Com. Part-I and Rs 405 for B.Com. Part-II and III.

26. SB civil writ petition dated 5 December 1995 filed in public interest on the ground that guidelines issued by University Grant Commission pertaining to minimum attendance of the students were not being followed by the Colleges affiliated to the University.

10,829 candidates permitted to appear as regular candidates during 2003-06, 7,857 candidates (72.6 per cent) had attendance less than 75 per cent²⁷ during sessions.

Thus, 7,857 candidates were irregularly permitted to appear as regular candidates during 2003-06 by the University contrary to the provisions of ordinances as well as the directions of Rajasthan High Court. Further, non-treating of such candidates as non-collegiate candidates deprived the University from collection of balance examination fees of Rs 33.87 lakh being the difference of prescribed examination fees of the non-collegiate candidate and the regular candidate.

Government stated (August 2008) that candidates who failed to attain 75 per cent attendance initially obtained the required percentage of attendance by attending extra classes run by the college at the request of the students. Reply of the Government was not tenable as no record of conducting extra classes was maintained and furnished by the college. Besides, obtaining 75 per cent attendance in a short period of about two months was not feasible as attendance of 5,987 candidates (out of 7,857 candidates) was below 40 per cent. Of this, 1,294 candidates attended classes for one to ten days only during the sessions.

4.4.7 Short realisation of affiliation fees from private colleges

Non-adherence to the provisions of the Ordinance of the Rajasthan University led to short realisation of Rs 3.27 crore towards affiliation fee from 43 private engineering colleges.

Ordinance 80 of University of Rajasthan (University) (Hand Book Part-II) provides that college applying for affiliation for one or more courses of study or in additional subject or for permanent affiliation should remit fee alongwith the application. University notified (July 2000) an affiliation fee of Rs 50,000 for every under-graduate Engineering course²⁸ or additional subjects²⁹. In July 2003, fee for fresh provisional affiliation for additional subject was revised to Rs 10,000.

Scrutiny (February 2007 to December 2007) of the records of the University revealed that during 2000-07, University charged Rs 1.09 crore from 43 private engineering colleges for granting provisional/permanent affiliation for 947 under-graduate engineering courses at Rs 50,000 per college for all initial courses and Rs 10,000 for each additional courses during the year of proposals.

27. Out of 202 to 405 number of classes for different sections held during the session, attendance of regular candidates were in the range between minimum one and maximum 293 classes.

28. B.E. Computer Science, B.E. Electronics and Communication, B.E. Electrical, B.E. Information Technology, B.E. Mechanical, B.E. Instrumentation, B.E. Bio-Technology, B.E. Automobile, etc.

29. Courses subsequently added after getting affiliation of courses initially.

In view of the provisions of the Ordinance 80, the provisional affiliation fee of Rs 50,000 was to be charged for each course (initial and additional) upto 2002-03 and thereafter Rs 10,000 for every additional courses every year in addition to affiliation fee of Rs 50,000 per course existing already. Accordingly, affiliation fee of Rs 4.36 crore (Rs 4.26 crore at Rs 50,000 for 852 initial courses and Rs 0.10 crore at Rs 10,000 for 95 addition in subjects) was chargeable as against Rs 1.09 crore actually charged. No action has been initiated by the University for effecting the due affiliation fees despite lapse of more than eight years extending undue benefits to the private colleges.

Thus, non-adherence to the provisions of the Ordinance of the Rajasthan University led to short realisation of Rs 3.27 crore³⁰ towards affiliation fee from 43 private engineering colleges.

Government stated (May 2008) that the University has been directed to furnish reply early. Further reply has not been received (August 2008).

SCHOOL EDUCATION AND SANSKRIT EDUCATION DEPARTMENTS

4.4.8 Excess payment of grant-in-aid (GIA) to aided institutions

Non-observance of instructions issued by the Finance Department of the Government led to excess payment of grants-in-aid amounting to Rs 7.61 crore to 91 non-Government Educational Institutions.

Rule 13(4) of the Rajasthan Non-Government Educational Institutions Rules 1993 provides that total recurring Grant-in-Aid (GIA) in any year shall not exceed the difference between the total approved expenditure taking into account and the income³¹ from the fees and other recurring sources during that year. Despite these instructions in place, the School Education and Sanskrit Education Departments of Government relaxed (March 1994) this rule to the extent that fees charged over and above the prescribed norms of the State Government may not be included in the income of the non-Government

30. Year-wise details of affiliation fee to be charged, actually charged and short charged:

Year	Affiliation fee (Rupees in lakh)		
	To be charged	Actually charged	Short charged
2000-01	25.00	7.50	17.50
2001-02	40.50	10.60	29.90
2002-03	59.00	14.60	44.40
2003-04	66.20	16.90	49.30
2004-05	79.20	19.90	59.30
2005-06	82.90	19.50	63.40
2006-07	82.70	19.60	63.10
Total	435.50	108.60	326.90

31. Income from the fees includes tuition fees, tutorial fees, admission fees, transfer certificate fees and any other fees except subject fees e.g. commerce fees, science fees, agriculture fees, etc.

Educational Institutions (NGEIs). In order to ensure that the GIA does not become the source of income to the institutions, Finance Department of the Government issued (August 2003) instructions that the actual tuition fees collected by the non-Government Educational Institutions (NGEIs) from the students should be included in the income for the purpose of computation of admissible grant from 2003-04 onward. The School Education and Sanskrit Education Departments had withdrawn their orders of March 1994 belatedly in June 2005.

Scrutiny (November 2007-March 2008) revealed that eight assessing authorities³² neither complied with the Finance Department instructions of August 2003 nor followed the Department's orders of June 2005 and did not consider the total fees (development fees, annual fees, consolidate fees etc.) for computing the GIA of the NGEIs. Thus, the GIA was assessed incorrectly and sanctioned without considering their entire income including total fees, which led to excess payment of GIA of Rs 7.61 crore to 91 NGEIs during 2003-04 to 2006-07 as shown in *Appendix- 4.2*.

Government while accepting the facts stated (September 2008) that as the relaxation was withdrawn in June 2005, income from total fees charged by NGEIs was to be considered from 2004-05 only. Reply was not acceptable because excess GIA paid during 2003-2007 was recoverable from the NGEIs, as the instructions were issued by Finance Department in August 2003 to all Departments concerned.

DEPARTMENT OF PERSONNEL

4.4.9 Non-recovery of electricity charges and non-revision of rents

Poor estate management of the Department led to non-recovery of Rs 30.89 lakh towards electricity charges and failure to re-determine, the value of properties and revise rent accordingly led to loss of revised rent from the tenants.

Rule 7 of General Financial and Accounts Rules (GF&ARs) stipulates that it is the duty of the Administrative Department concerned to see that the dues of Government are correctly and promptly assessed, collected, accounted for and paid into the treasury.

Scrutiny (May-September 2007) of the records of the Deputy Secretary, Department of Personnel and further information collected (June 2008) revealed that the Registrar³³, Government Secretariat, Jaipur let out some portion of Secretariat to State Bank of Bikaner and Jaipur (Bank) and *Lok mitra*. The Department spent Rs 30.89 lakh towards electricity charges consumed by these institutions during the period from January 2005 to

32. Director, Sanskrit Education; Commissioner, Secondary Education; Dy. Directors, Elementary Education, Ajmer, Churu, Jaipur, Jodhpur, Kota and Udaipur.

33. The Registrar is the Caretaker of the Government Secretariat properties and his duties also include House Keeping jobs.

January 2008 and except issuing demand notices, took no action to recover the electricity charges from these institutions or to disconnect the power supply of defaulting tenants.

Further, State Government in Public Works Department revised rates from time to time (1984-2006) for re-determining the value of land/building with a view to assess the present day fair rent of the rented buildings. However, the fair rent of properties rented to Bank (Rs 1,005 per month), two shops viz. *Sachivalaya Sandesh* and Yash Communications and thirteen carts (Rs 200 per month) was not revised after 1981 (Bank) and 1994 (Shops/cart holders) by the Department. Records pertaining to allotment, assessment of rent and recovery thereof could not be produced to Audit as these were stated to have been found missing. Thus, lack of pursuance on the part of Department and poor estate management led to non-recovery of the electricity charges of Rs 30.89 lakh³⁴ and loss of revised rent.

Government stated (June 2008) that action for recovery of electricity charges and re-assessment of rent by Executive Engineer, Public Works Department, *Sachivalaya* (Division), Jaipur has been started now. No reasons, however, have been furnished by Government for non-recovery of electricity charges since January 2005 to date and for not making periodical re-assessment of rents of the rented properties.

GENERAL

4.4.10 Recovery at the instance of Audit

As per Rule 8(1) of Government and aided hostels operation Rules, 1982 regulating running of Government and aided hostels established for students of Scheduled Castes, Scheduled Tribes, nomadic tribes and other backward classes studying in class VI to class XII by Social Justice and Empowerment Department (SJED), the hostels are to run for 10½ months per session i.e. from 1 July to 15 May and grant at Rs 675³⁵ per student per month is payable towards food, clothes, uniform, shoes, hair oil and soaps, etc. for 9½ months after taking into account Winter, Deepawali, Dussehra and other vacations of 30 days. Thus, hostels were to be run for 10½ months out of grant of 9½ months.

Test check (May-June 2007) of the records of Assistant Directors (AD), SJED, Banswara, Pali and District Probation and Social Welfare Officer (DPSWO), Nagaur, revealed that during the education session 2005-06 and 2006-07, 134 Government and aided hostels in Banswara (80) and Pali (54) Districts were operated upto 10-12 April every year i.e. only for 9½ months instead of prescribed 10½ months and were paid excess grant of Rs 20.26 lakh (Banswara: Rs 13.13 lakh, Pali: Rs 7.13 lakh). Besides, excess grant of Rs 2.28 lakh was paid for education session 2005-06 for 20 hostels running in Nagaur District due

34. State Bank of Bikaner and Jaipur: Rs 29.34 lakh and *Lok mitra*: Rs 1.55 lakh.

35. Applicable from session 1999-2000 was subsequently raised to Rs 725 per student per month from session 2006-07.

to sanctioning grant for 10½ months instead of the prescribed maximum 9½ months.

Government stated (July 2008) that as of July 2008, Rs 11.18 lakh have been recovered at the instance of Audit.

4.4.11 Lack of response to Audit

For early settlement of outstanding Inspection Reports (IRs) and paragraphs, the Government issued (August 1969) instructions to all departmental officers for sending the first reply to IRs within a month and replies to further audit observations within a fortnight. These instructions were reiterated from time to time. The instructions issued in March 2002 envisaged appointment of nodal officers and Departmental Committee in each of the Administrative Department for ensuring compliance to all the matters relating to audit. Latest instructions were issued in November 2006.

As of 31 March 2008, there were 7,542 IRs containing 27,148 paragraphs issued during the period 1982-83 to 2007-08 (upto September 2007) pertaining to 80 Civil and 7 Works Departments pending for settlement, as under:

Year	Numbers pending	
	IRs	Paragraphs
Upto 2001-02	1,993	5,170
2002-03	602	1,997
2003-04	808	2,550
2004-05	1,093	3,639
2005-06	862	3,939
2006-07	1,434	6,108
2007-08 (upto September 2007)	750	3,745
Total	7,542	27,148

An analysis of 1,554 IRs relating to Food, Civil Supply and Consumer Affairs Department (46 IRs), Mines and Geology Department (31 IRs), Medical and Health Department (900 IRs), Medical Education Department (108 IRs) and Water Resources Department (469 IRs) revealed that 4,771 paragraphs (*Appendix-4.3*) were outstanding as of 31 March 2008. It was further noticed that first reply of the 18 IRs of the Food, Civil Supply and Consumer Affairs Department, 16 IRs of Mines and Geology Department, 197 IRs of Medical and Health Department and 11 IRs of Medical Education Department were pending for six months to 10 years³⁶.

According to Rule 327(1) of General Financial and Accounts Rules, the retention period for various accounting records ranged between one and three years after audit. Failure of departmental officers to comply with the observations in IRs within the prescribed retention period, the possibility of their settlement in future appeared to be bleak due to non-availability of records.

36. Food, Civil Supply and Consumer Affairs Department: 9 months to 17 months; Mines and Geology Department: 12 months to 120 months; Medical and Health Department: 7 months to 112 months and Medical Education Department: 6 months to 25 months.

Audit Committees comprising the Principal Secretary/Secretary of the Department and representatives of the Finance Department and Principal Accountant General were formed in 36 Departments out of 87 Departments for taking speedy action on pending audit matters. Finance Department issued (November 2004) instructions for conducting four meetings per year but not a single Department adhered to the instructions of Finance Department. Only 47 Audit Committee meetings were held by 24 Departments during the year.

The Government should look into the matter and ensure that procedures exist for (a) taking action against the officials who failed to send replies to IRs/paragraphs within the prescribed time schedule, (b) taking action to recover loss/outstanding advances/ overpayments in a time bound manner and (c) revamping the system to ensure prompt and proper response to the audit observations.

4.4.12 Action taken by Government on PAC recommendation

Government/Heads of Departments have to take necessary remedial action on the points mentioned in the Reports of the Comptroller and Auditor General of India. Test checked of compliance of some of the crucial issues/system deficiencies pointed out in the Audit Reports of previous years by revisiting the audited units concerned.

Scrutiny of compliance of the action taken on the irregularities/system deficiencies in one case in a Department pointed out in the Audit Report for the year 2000-01 disclosed that shortcomings/deficiencies were not rectified and the irregularities persisted as follows:

The Public Accounts Committee of the 12th Vidhan Sabha (2004-05) while examining para 3.8.3 of the Report of Comptroller and Auditor General of India (Civil) for the year ended 31 March 2001-Government of Rajasthan regarding uneconomic running of Government presses recommended to intimate the progress to the committee. In turn, the Government intimated (March 2006) that due to non-availability of finances there was no progress in the status of presses and the proposals for closing of three presses (Alwar, Udaipur and Bikaner) were still on the way for submission to Cabinet. Further scrutiny (August 2007) of the records of Director, Printing and Stationery, Rajasthan, Jaipur revealed that the financial position of five presses³⁷ could not be improved as these could not be modernised till date. During the years 2002-07, the excess of expenditure over the revenue in these presses ranged between Rs 6.80 crore and Rs 10.43 crore mainly due to the machines/equipment being too old.

37. Alwar, Bikaner, Jaipur, Jodhpur and Udaipur.