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**Report of the
Comptroller and Auditor General of India
on
Local Bodies
for the year ended 31 March 2014**



**Government of Rajasthan
Report No. 4 of the year 2015**

राजस्थान विधानसभा में दिनांक
22.09.2015 को उपस्थित किया गया।
Presented in Rajasthan Vidhan
Sabha on 22.09.2015

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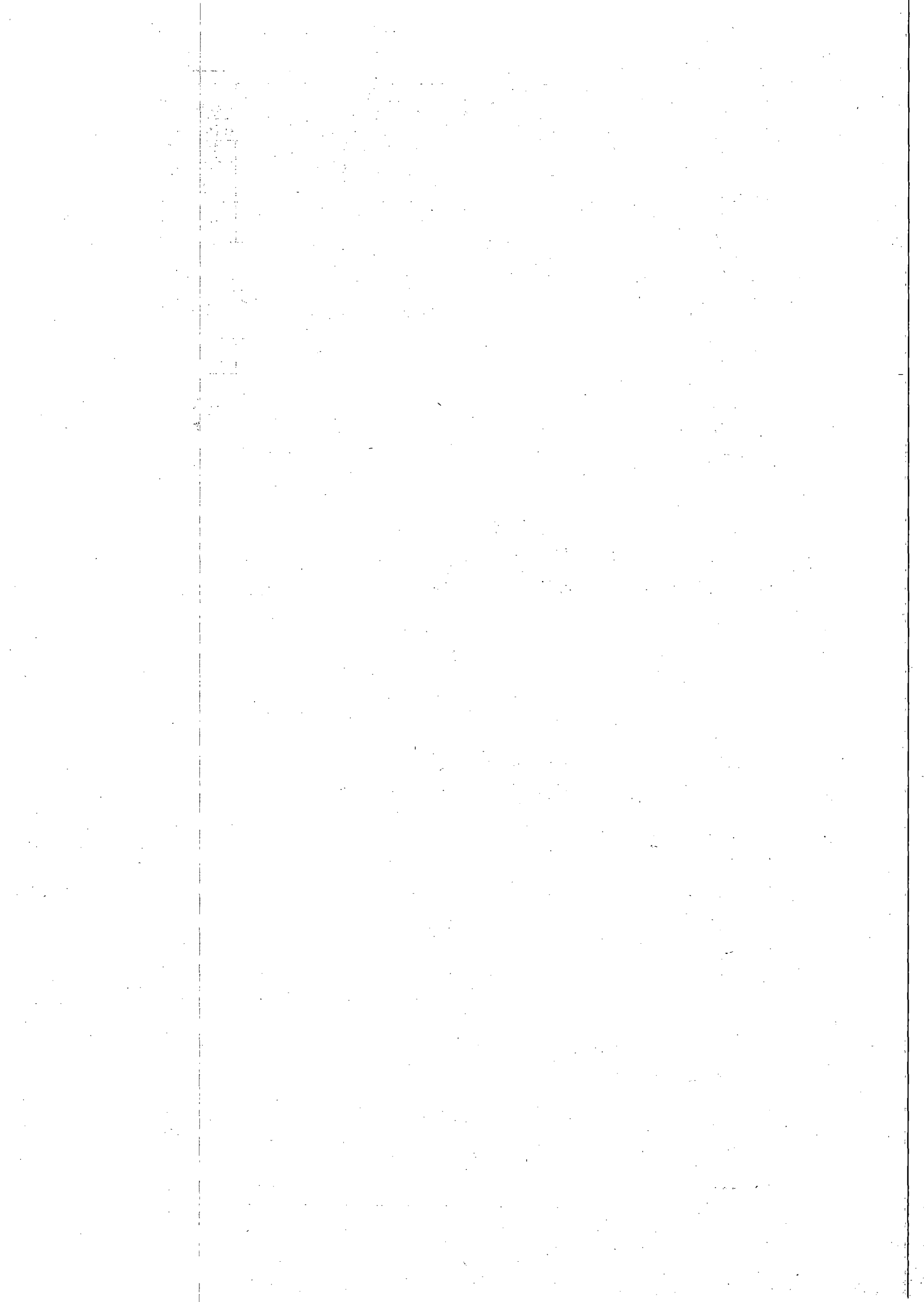
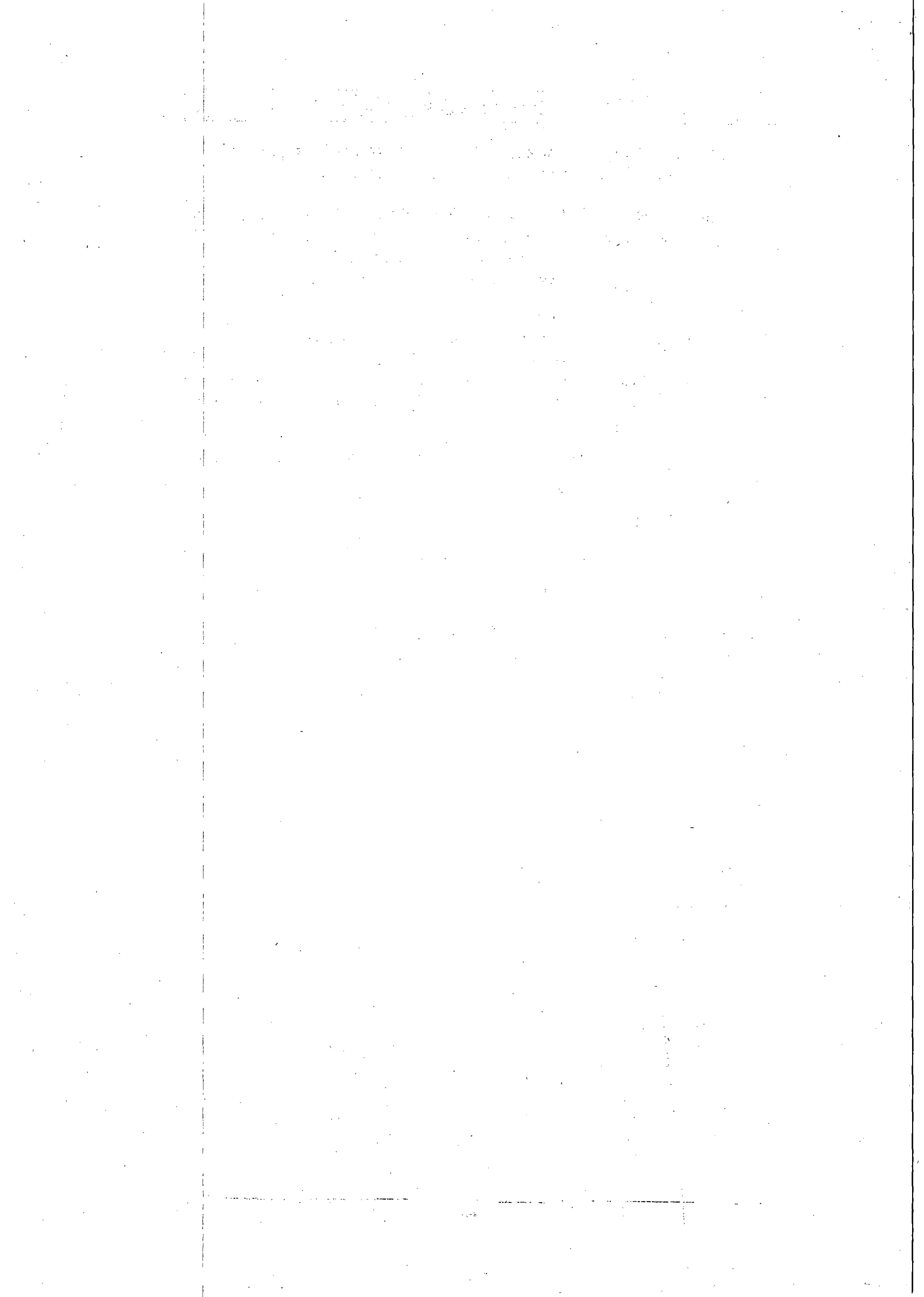


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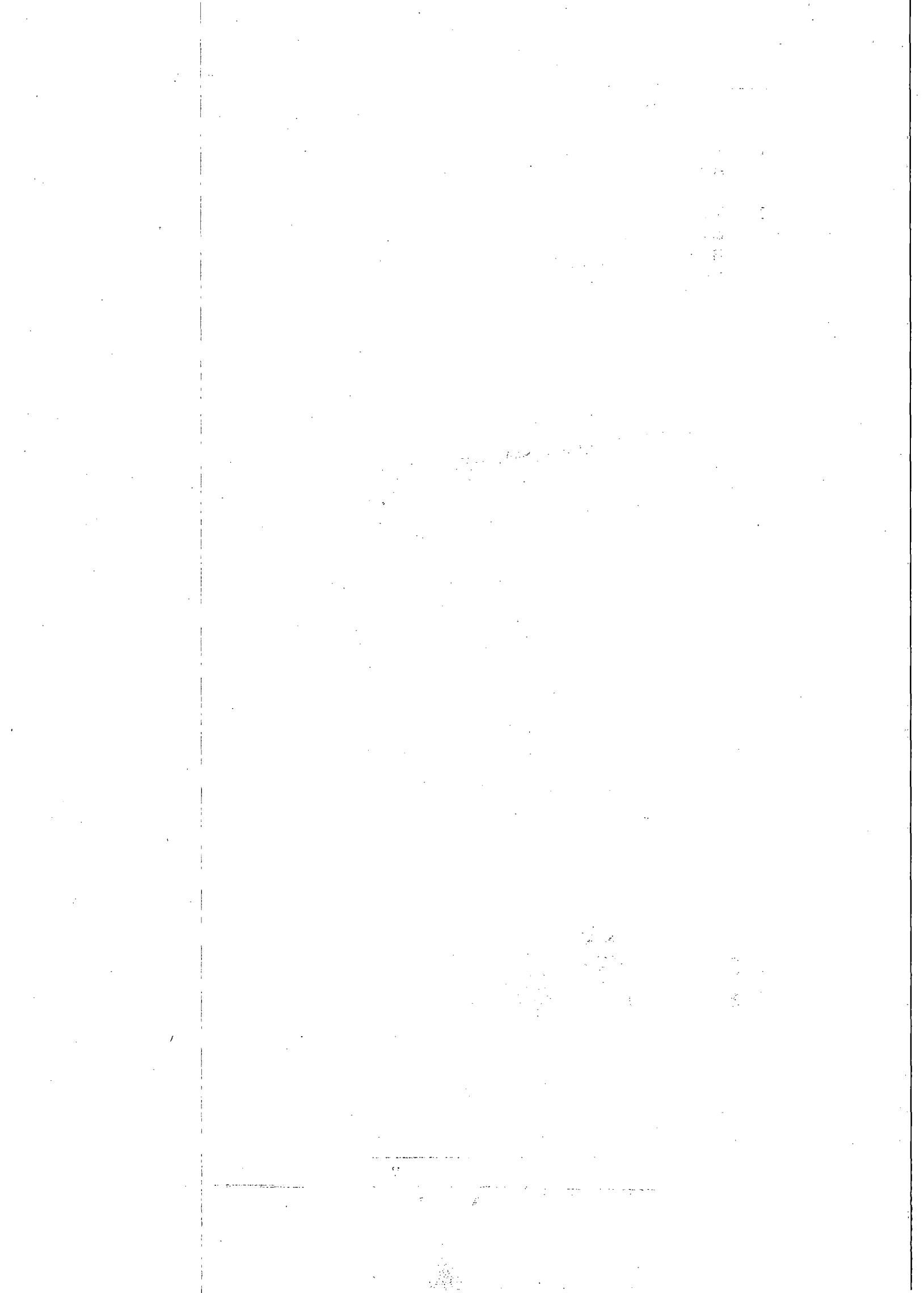
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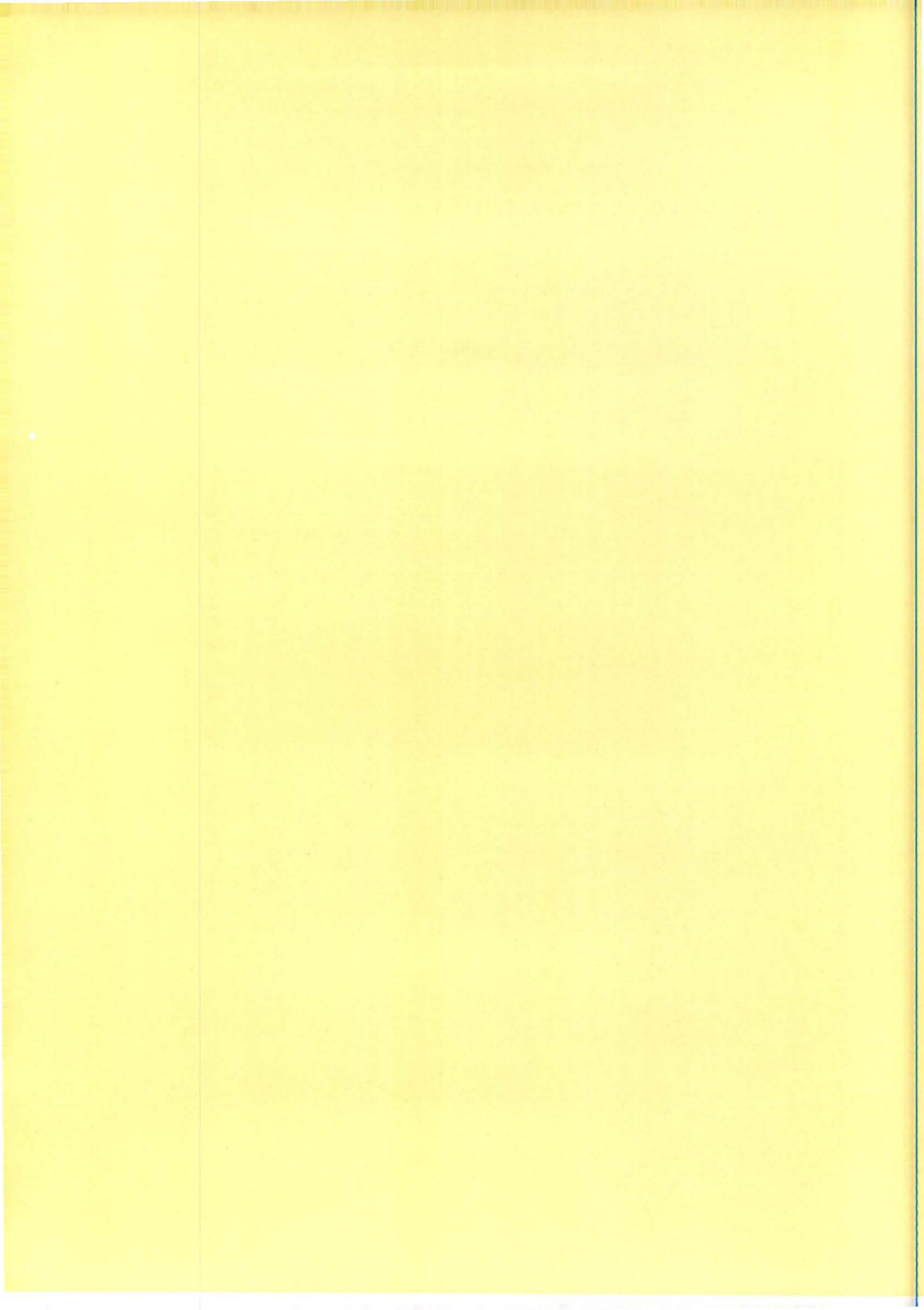


PREFACE

1. This Report for the year ended 31 March 2014 has been prepared for submission to the Governor of the State of Rajasthan.
2. This Report contains significant results of the performance audit and compliance audit of the Panchayati Raj Institutions and Urban Local Bodies of the Government of Rajasthan under the Rural Development Department and Panchayati Raj Department and Local Self-Government Department.
3. The instances mentioned in this Report are those, which came to notice in the course of test audit during the period 2013-14 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2013-14 have also been included, wherever necessary.
4. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



OVERVIEW



OVERVIEW

This Report includes four Chapters. Chapters I and III represent overview of the accounts and finances of the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) respectively. Chapter II comprises one performance audit, two thematic and three draft paragraphs and Chapter IV comprises two thematic and four draft paragraphs arising out of the compliance audit of the PRIs and ULBs respectively.

A synopsis of important findings contained in this report is presented in this overview.

(A) Panchayati Raj Institutions

1. An Overview of Accounts and Finances of Panchayati Raj Institutions

Panchayati Raj Institutions (PRIs) continue to maintain the annual accounts in conventional formats though State Government had accepted the simplified Accounting Formats issued by the Ministry of Panchayati Raj, Government of India. Database on the finances of PRIs was not yet developed. Own revenue of PRIs for the year 2013-14 was less than one *per cent* of their total receipts. PRIs were totally dependent on the Government grants. Substantial portion of Central/State grants was not utilised for extending the intended benefits to the rural people. Local Fund Audit Department had not certified the accounts of any of the tiers of PRIs, as the accounts were not maintained in prescribed formats.

(Paragraphs 1.5.2, 1.5.3 and 1.8)

2. Performance Audit

Total Sanitation Campaign/Nirmal Bharat Abhiyan

Government of India launched the Total Sanitation Campaign/*Nirmal Bharat Abhiyan* (TSC/NBA) with the objective of promoting sanitation facilities through awareness and education in the rural areas, proactive promotion of hygiene and sanitary habits among students and encouraging cost effective and appropriate technologies for safe and sustainable sanitation.

Performance Audit of TSC/NBA conducted in eight test check districts revealed that village level requirements were not assessed at Gram Panchayat level i.e. bottom-up approach were not followed in planning. Further, capacity building was poor as formation of Village Water and Sanitation Committee and appointment of Block Coordinator was not done.

There was declining trend in the targets fixed for construction of Individual Household Latrines (IHHLs). Despite this, achievements were less than 50 *per cent*. There was shortfall in solid and liquid waste management activities to

the extent of 99 to 100 *per cent*. During physical verification more than 50 *per cent* IHHLs were not in use and there was no piped water supply in toilets.

Information, Education and Communication (IEC) activities to mobilize community on health and hygiene practices were not disseminated as 66 *per cent* IEC funds was not utilised.

The implementation of the scheme also suffered as the *Swachhhata diwas* and Gram *Swachhhata Sabha* were not convened.

(Paragraph 2.1)

3. Compliance Audit

Management of Panchayat Land

Audit of management of Panchayat land in selected Zila Parishads, Panchayat Samitis and Gram Panchayats revealed that database and records/registers required for Panchayat land were not maintained by PRIs. The PRIs did not adhere to the prescribed rules and rates at the time of sale/auction/regularisation of Panchayat land. *Pattas* for vacant lands were irregularly issued at nominal rates instead of District Level Committee rates. Instances of sale of land below market price, irregular allotment of land in excess of the prescribed area were noticed. Cases of allotment of land free of cost/at concessional rates to beneficiaries, allotment of land to ineligible persons, short/non-recovery of rent of shops, non-fixing of water charges and grazing charges were noticed. A number of cases of non-removal of encroachment on Panchayat land were also found.

(Paragraph 2.2)

Release/utilisation of grants by PRIs as recommended by the Fourth State Finance Commission

There has been a substantial increase in the scale of functions of PRIs. Accordingly, the devolution of funds to PRIs has also been increased. Though the expenditure incurred by the PRIs has increased, it has not kept pace with funds devolved. Instances of execution of inadmissible works were also noticed. Underutilisation of funds indicates non-preparation of annual implementation plan and large numbers of incomplete works.

(Paragraph 2.3)

Under Mid Day Meal scheme, non-construction of kitchen in schools by Zila Parishad (Rural Development Cell), Jalore resulted in funds lying unutilised of ₹ 4.59 crore for four to seven years, depriving the school children of safe and hygienically cooked meals.

(Paragraph 2.4)

Irregular expenditure of ₹ 96.39 lakh was noticed on non-permissible works under Border Area Development Programme due to non-adherence to

instructions of Government of India by Zila Parishads (Rural Development Cell), Barmer and Jaisalmer.

(Paragraph 2.5)

Due to inconsistent instructions of Project Director, Rural Development Department, Border Area Development Programme funds were kept in non-interest bearing Personal Deposit Account by Zila Parishad (Rural Development Cell), Jaisalmer resulting in loss of interest amounting to ₹ 3.54 crore.

(Paragraph 2.6)

(B) Urban Local Bodies

4. An Overview of Accounts and Finances of Urban Local Bodies

Own resources of Urban Local Bodies (ULBs) were not adequate and they were largely dependent on grants and loans from the Central and State Governments. The receipts and expenditure data for the year 2013-14 were not compiled/available at the Directorate level. Annual accounts of ULBs were still being maintained in the conventional formats on cash basis instead of on accrual.

(Paragraphs 3.3 and 3.6)

5. Compliance Audit

Implementation of Jawaharlal Nehru National Urban Renewal Mission in Ajmer-Pushkar Mission City

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in December 2005 by the Government of India. The mission aimed at ensuring adequate investment of funds to fulfill the deficiencies in urban infrastructural services and to encourage cities to initiate steps for bringing phased improvement in their civic services level.

Scrutiny of execution of Urban Infrastructure and Governance (UIG) and Basic Services of Urban Poor (BSUP) components under JNNURM in Ajmer-Pushkar city revealed that under UIG, out of five project costing of ₹ 514.30 crore, only two projects after incurring an expenditure of ₹ 406.08 crore were completed. Under BSUP, against sanction of 5,377 houses, only 744 houses were completed, and only 482 houses were allotted to beneficiaries. Instances of non-reimbursement of value added tax of ₹ 98 lakh and created assets of ₹ 0.77 crore not put to use were also noticed.

Government of India withheld Additional Central Assistance of ₹ 25.35 crore due to partially implementation of mandatory reforms and non-implementation of optional reforms.

(Paragraph 4.1)

Swarna Jayanti Shahari Rozgar Yojana

SJSRY was launched by Government of India to improve the socio-economic status of the urban BPL families by providing gainful employment to the urban unemployed and under employed.

Audit of *Swarna Jayanti Shahari Rozgar Yojana* (SJSRY) revealed that compendium of activities / projects for each town for setting up of small enterprises was not developed. Under Urban Self-Employment Programme (USEP), loan amounts and subsidy were disbursed without conducting house-to-house survey for identification of beneficiaries. Further, loan applications were sent to banks without scrutiny. Under Skill Training for Employment Promotion amongst Urban Poor, trainings in various trades were imparted without conducting market survey. Under Urban Women Self-help Programme component, less number of Self Help Groups was formed. Provision for Information, Education and Communication (IEC) component was not made. Evaluation study for assessment of actual impact of the scheme was also not conducted. Thus, the primary objective of addressing the urban poverty alleviation through gainful employment to urban unemployed/under employed was not served.

(Paragraph 4.2)

Irregular retention of entire urban assessment (ground rent) by Municipal Councils, Bundi and Makrana in disregard to rules resulted in non-crediting of Government revenue of ₹ 5.81 crore to the Consolidated Fund of the State.

(Paragraph 4.3)

Municipal Council, Sriganganagar sold/allotted strips of land at District Level Committee rates instead of double the reserve price, which led to short realisation of revenue of ₹ 57.64 lakh and lease rent of ₹ 4.91 lakh.

(Paragraph 4.4)

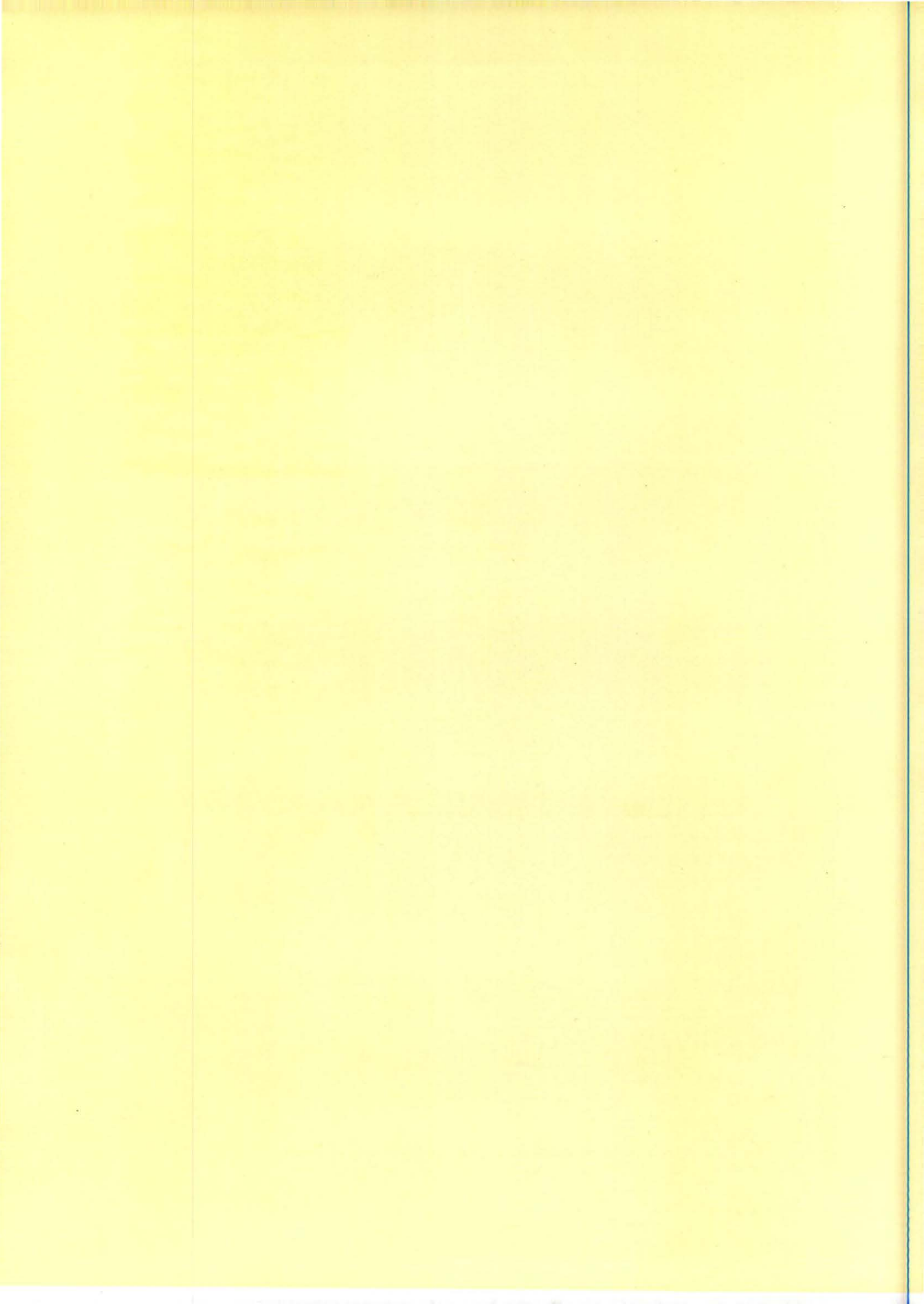
Municipal Corporation, Jodhpur realised conversion fee at lower rate for change of land use from non-commercial to commercial purposes, which led to short realisation of revenue of ₹ 0.88 crore.

(Paragraph 4.5)

Irregular expenditure of ₹ 2.58 crore was incurred by the Municipal Council, Makrana on construction of office building without inviting tenders and obtaining administrative and financial sanction and by diversion of funds of ₹ 1.58 crore from Sewerage Network.

(Paragraph 4.6)

CHAPTER-I
AN OVERVIEW OF
ACCOUNTS AND FINANCES
OF PANCHAYATI RAJ
INSTITUTIONS



CHAPTER I

AN OVERVIEW OF ACCOUNTS AND FINANCES OF PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

The Rajasthan Panchayat Act, 1953 was enacted keeping in view the provisions enshrined in Article 40 of the Constitution of India, which lays down that the State shall take steps to organise village Panchayats and endow them with such powers and authority so as to enable them to function as units of Self-Government. Subsequently, with a view to conform to the new pattern of Panchayati Raj, the Rajasthan Panchayat Samiti and Zila Parishad Act was enacted in 1959 which provided for a three-tier¹ structure of local self governing bodies at district, block and village levels with enhanced decentralisation of powers. Consequent to 73rd Constitutional Amendment giving Constitutional status to Panchayati Raj Institutions (PRIs), the Rajasthan Panchayati Raj Act (RPRA), 1994 came into effect from April 1994. It delineated functions, powers and responsibilities of PRIs enabling them to function as the third-tier of government. Later, Rajasthan Panchayati Raj Rules (RPRRs), 1996 were incorporated thereunder to ensure the smooth functioning of PRIs.

There were 33 Zila Parishads (ZPs) with two cells in each ZP viz Rural Development Cell (RDC) and Panchayat Cell (PC), 248 Panchayat Samitis² (PSs) and 9,177 Gram Panchayats (GPs) functioning in the State as of March 2014.

1.2 State profile

Rajasthan is the largest State in the country in terms of size and spans an area of 3.42 lakh square kilometers (sqkm). As per the Census 2011, the total population of the State was 6.85 crore, of which 5.15 crore (75.18 per cent) lived in rural areas. The comparative demographic and developmental profile of the State vis-à-vis the national profile as per Census 2011 is given in Table 1.1 below:

Table 1.1: Important statistics

Indicator	Unit	Figures as per Census 2011	
		State level	National level
Population	Crore	6.85	121.06
Population (Rural)	Crore	5.15	83.35
Population (Urban)	Crore	1.70	37.71
Population Density	Persons per sqkm	200	382
Decadal Growth Rate	Percentage	21.30	17.70
Sex Ratio	Females per 1,000 males	928	943
Total Literacy Rate	Percentage	66.10	73

1. Zila Parishad at District level, Panchayat Samiti at Block level and Gram Panchayat at Village level
2. This does not include PS, Rishabhdev which is not functional due to stay by court of law

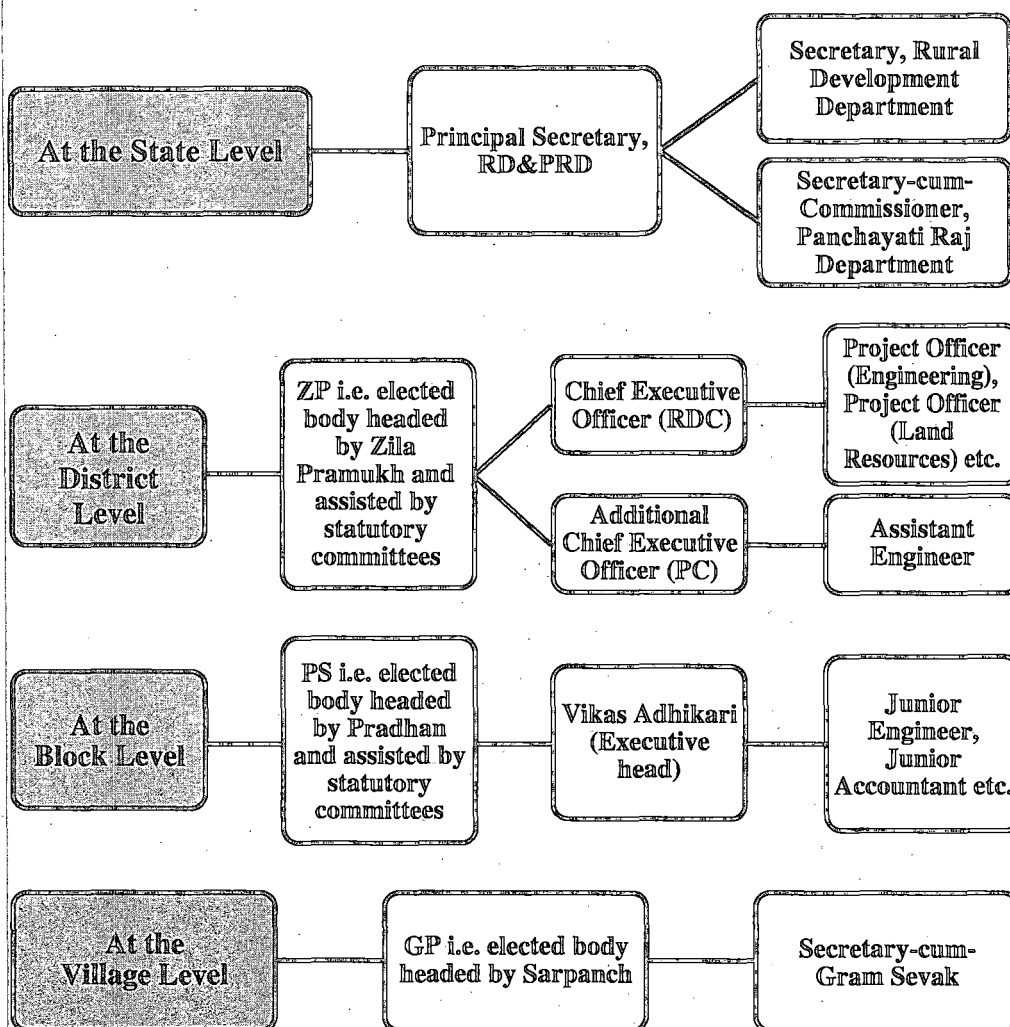
Indicator	Unit	Figures as per Census 2011	
		State level	National level
Female Literacy Rate	Percentage	52.10	64.60
Male Literacy Rate	Percentage	79.20	80.90
Birth Rate	Per 1,000 mid year population	25.90 (2012)	21.60 (2012)
Death Rate	Per 1,000 mid year population	6.6 0 (2012)	7.00 (2012)
Infant Mortality Rate	Per 1,000 live births	49 (2012)	40 (2012)
Maternal Mortality Rate	Per lakh live births	255 (2010-12)	178 (2010-12)

Source: figures provided by Department of Economics and statistics

1.3 Organisational set up

Rural Development Department (RDD) and Panchayati Raj Department (PRD) dealing with the affairs of the PRIs are under the administrative control of Principal Secretary, Rural Development and Panchayati Raj Department (RD&PRD). The organisational set up of the PRIs is given in Chart 1.1 below:

Chart 1.1: Organisational set up of PRIs



1.4 District Planning Committee

In pursuance of Article 243 ZD of the Constitution of India and Section 121 of RPRA, 1994, the State Government constitutes District Planning Committee (DPC) in all the districts of the State. State Government intimated (July 2014) that District Collector is a member of the DPC and he or his nominated officer attends the meeting of DPC. The required quorum for DPC meeting is presence of 33 per cent of members elected from rural and urban areas.

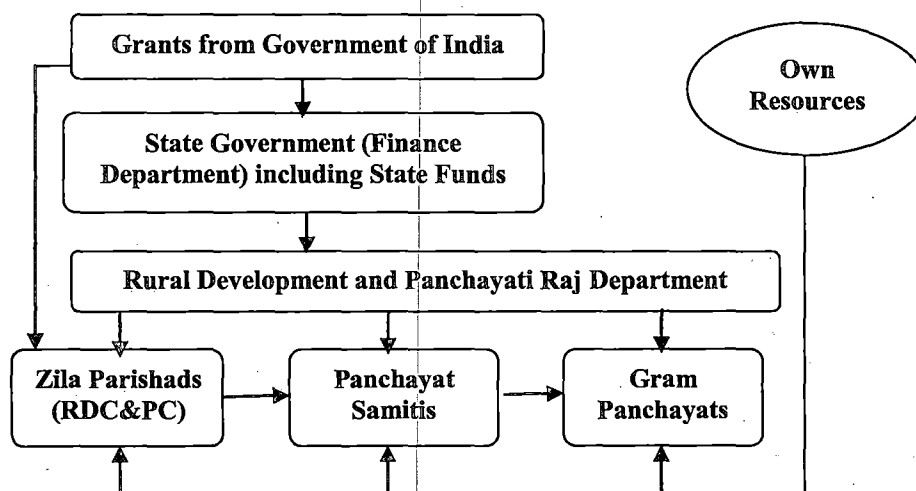
The main objective of DPC is to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft developmental plan for the district as a whole and forward it to the State Government. During 2013-14, it was observed that out of 33 districts, only one district (Udaipur) held the prescribed four DPC meetings, 26 districts did not hold the prescribed number of meetings and the remaining six districts (Baran, Bikaner, Bundi, Churu, Dausa and Dholpur) did not hold any meetings at all. Baran, Bikaner and Churu districts did not hold any meetings of DPC during 2012-13 also.

During 2013-14, various DPCs took decisions on some of the important issues i.e. approval of District Annual Plan, approval of annual plan of Development Fund under Backward Region Grant Fund for selected districts, and approval of proposals received under Zila Navachar Funds, etc. Further, on being pointed out about non-functioning of DPCs in 32 districts, the department replied (December 2014) that in these districts annual plan was implemented without approval of DPC. This is in contravention to the provisions of the Constitution of India and RPRA, 1994.

1.5 Financial position of PRIs

1.5.1 The receipts and expenditure of PRIs from all the sources are compiled by PRD and RDD separately at the State level. The schemes of PRD and RDD are executed by all the three-tiers of PRIs. The fund flow of PRIs is given in Chart 1.2 below:

Chart 1.2: Fund flow of PRIs



1.5.2 Financial position of PRIs as per PRD

In addition to their own sources of tax and non-tax revenue i.e. fair tax, building tax, fees, rent from land and buildings, water reservoir etc. and capital receipts from sale of land, the PRIs receive funds from the State Government and Government of India (GoI) in the form of grants-in-aid/loans for general administration, implementation of developmental schemes/works, creation of infrastructure in rural areas, etc. Funds are also provided under recommendations of the Central/State Finance Commissions.

The position of receipts and expenditure of PRIs for the schemes compiled by PRD for the period 2009-14 based on data made available (June 2014) is given in Table 1.2 below:

Table 1.2: Financial position of PRIs as per PRD

(₹ in crore)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
(A) Revenue receipts					
Own Tax	NA	NA	NA	NA	-
Own Non-Tax	NA	NA	NA	2.90	4.66
Total Own Revenue	-	-	-	2.90	4.66
Grants-in-aid from State Government	853.21	1,051.77	2,197.21	2,928.48	3,107.37
Thirteenth Finance Commission grants	246.00	370.10	609.40	953.81*	1,017.14
Total Receipts	1,099.21	1,421.87	2,806.61	3,885.19	4,129.17
(B) Expenditure					
Revenue expenditure (Pay and allowances and maintenance expenditure)	1,024.09	1,416.22	2,805.64	3,863.29	4,083.79
Capital expenditure	75.12	5.65	0.97	19.00	10.12
Total Expenditure	1,099.21	1,421.87	2,806.61	3,882.29	4,093.91

Source: As per data provided by PRD NA : Not available
* It includes ₹ 66.95 crore pertaining to year 2011-12

From the above table it is seen that:

- Total receipts and expenditure increased by 6.28 and 5.45 per cent respectively in 2013-14 over the previous year.
- Grants-in-aid from the State Government increased by 6.11 per cent in 2013-14 over the previous year.
- Similarly, Thirteenth Finance Commission grants also increased by 6.64 per cent in 2013-14 over the previous year.
- PRIs own revenue comprised less than one per cent of total receipts of PRIs and indicated total dependence on Government funds for not only undertaking developmental works, but also for providing basic civic amenities to the people. The lack of fiscal autonomy of PRIs is a matter of critical concern that needs to be addressed for improving governance at the grass roots level.
- A huge portion of expenditure (99.75 per cent) was revenue expenditure (pay and allowances and maintenance) and only a meager amount (0.25 per

cent) remained for capital expenditure (developmental works) during the year 2013-14.

1.5.3 Financial position of PRIs compiled by RDD

The position of receipts and expenditure of the rural development schemes compiled by RDD for the years 2010-14 is given in Table 1.3 below:

Table 1.3: Financial position of PRIs as per RDD

Particulars	2010-11			2011-12			2012-13			2013-14		
	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total
Opening balance	378.26	157.59	535.85	745.84	206.32	952.16	770.62	253.86	1,024.48	673.29	373.98	1,047.27
Receipts	977.99	248.81	1,226.80	1,010.65	259.01	1,269.66	648.18*	535.86*	1,184.04	972.45**	647.25**	1,619.70
Total available funds	1,356.25	406.40	1,762.65	1,756.49	465.33	2,221.82	1,418.80	789.72	2,208.52	1,645.74	1,021.23	2,666.97
Expenditure	849.14	182.09	1,031.23	1,070.03	216.69	1,286.72	885.28	431.78	1,317.06	1,006.78	743.88	1,750.66
Closing balance	507.11	224.31	731.42	686.46	248.64	935.10	533.52	357.94	891.46	638.96	277.35	916.31
Percentage of expenditure to the total available funds	62.61	44.81	58.50	60.92	46.57	57.91	62.40	54.68	59.64	61.17	72.84	65.64

Source: As per data provided by RDD *CSS: Centrally Sponsored Scheme, SSS: State Sponsored Scheme*
 * This includes receipt of ₹ 5.40 crore and ₹ 0.01 crore on account of interest on available funds and other income in CSS and SSS respectively
 ** This includes receipt of ₹ 2.23 crore and ₹ 0.15 crore on account of interest on available funds and other income in CSS and SSS respectively

The above table indicated that:

- There was a difference of ₹ 155.81 crore between the closing balance of 2012-13 and the opening balance of 2013-14. Regarding the difference in figures, the State Government stated (November 2014) that the information provided was based on Monthly Progress Reports received from districts in which adjustment of utilisations certificates of many completed works remains pending.
- The difference between the opening balance of current year and closing balance of previous year regularly existed from 2010-11 onwards despite being commented upon in the previous Audit Reports. Remedial action for real time reconciliation of such differences needs to be undertaken by the State Government.
- Total receipts from Central and State Government for development schemes increased by 36.79 per cent over the previous year. Expenditure incurred increased by 32.92 per cent during 2013-14.
- During 2013-14, utilisation of available funds was 65.64 per cent. There was a significant improvement in utilisation of funds over the previous year.

1.5.4 Finance Commission Grants

1.5.4.1 Thirteenth Finance Commission grants

The position of grants released by GoI and further released by the State Government to PRIs during 2013-14 under Thirteenth Finance Commission is given in Table 1.4 below:

Table 1.4: Grants of Thirteenth Finance Commission

(₹ in crore)

Nature of grant	Grants released by GoI to the State Government		Grants released by the State Government to PRIs		Number of days after which grants were released by the State Government
	Amount	Date	Amount	Date	
General Basic Grant I	307.71	25.07.2013	307.71	31.07.2013 01.08.2013	6 to 7
General Basic Grant II	294.67	21.02.2014	294.67	26.02.2014	5
General Performance Grant I	210.02	22.11.2013	210.02	26.11.2013 29.11.2013	4 to 7
General Performance Grant II	201.32	11.03.2014	201.32	18.03.2014	7
Special Area Basic Grant I	1.71	25.07.2013	1.71	01.08.2013	7
Special Area Basic Grant II	1.71	21.02.2014	1.71	26.02.2014	5
Extra Performance Grant	171.20	31.03.2014	171.20	07.04.2014	7
Total	1,188.34		1,188.34		

It would be seen from the above table that during 2013-14, the State Government released Thirteenth Finance Commission grants to PRIs within the prescribed 15 days from date of credit to the State Government accounts by GoI.

1.5.4.2 Fourth State Finance Commission grants

As per recommendations made by the Fourth State Finance Commission (SFC) in its final report (September 2013) ₹ 957.95 crore were to be distributed among GPs, PSs and ZPs in the ratio of 85, 12 and three *per cent* respectively during 2013-14. Accordingly, the State Government transferred Fourth SFC grants of ₹ 957.95 crore to PRIs (ZPs: ₹ 28.74 crore, PSs: ₹ 114.95 crore and GPs: ₹ 814.26 crore) for the same period.

1.6 Devolution of funds, functions and functionaries to PRIs

Following the 73rd Constitutional Amendment, orders on devolution were issued by the State Government in June 2003 and October 2010. Accordingly, out of 29 functions to be devolved in terms of XI Schedule of the Constitution, 28 functions were initially transferred. However, funds and functionaries were transferred in respect of 20 subjects only (details given in *Appendix-I*). Subsequently, devolution of funds, functions and functionaries of five subjects relating to Public Health Engineering Department, Public Works Department and Food and Civil Supply Department had been withdrawn in January 2004 by PRD.

1.7 Outstanding utilisation certificates

As of March 2014, against grants of ₹ 2,114.63 crore released (up to March 2014) by RDD to ZPs, utilisation certificates (UCs) of ₹ 1,493.86 crore were pending against executing agencies.

Details of UCs of grants released by PRD to ZPs pending against executing agencies have not been furnished by PRD as of December 2014.

1.8 Accounting and Audit arrangements and maintenance of accounts

1.8.1 As per recommendations of Thirteenth Finance Commission, an accounting framework and codification pattern consistent with the Model Panchayat Accounting System should be adopted. In addition, for proper monitoring of the budget allocation and consolidation of accounts of PRIs at State level, the States are required to allot specific codes to each ZP, PS and GP.

It was observed that annual accounts for the year 2013-14 were maintained by the PRIs in conventional formats prescribed under Chapter 11 of RPRRs, 1996. Meanwhile, Simplified Accounting Formats 2009 issued by Ministry of Panchayati Raj, GoI have been adopted for mandatory implementation with effect from 1 April 2011.

PRD intimated (October 2014) that 8,994 PRIs out of 9,458 PRIs closed their year books for the period 2013-14 as compared to 9,403 PRIs which closed their year books for the year 2012-13 on Panchayati Raj Institution Accounting Software (PRIASoft), which is a centralised accounting package that facilitates maintenance of accounts under Model Accounting System.

The department attributed the reasons for slow progress of closing of annual accounts to shortage of trained personnel and slow speed of internet.

Besides, database formats for District and State level as recommended by the Comptroller & Auditor General of India (CAG) were also not being maintained by the PRD. For implementation of the aforesaid database formats, necessary amendment in the Rules 245 and 246 of RPRRs, 1996 was under consideration of Law Department (August 2014).

1.8.2 The Director, Local Fund Audit Department (LFAD) is the Statutory Auditor of the accounts of the PRIs under the RPRA, 1994. Section 18 of the Rajasthan Local Fund Audit Act, 1954 requires Director, LFAD to submit his Annual Consolidated Report to the State Government and the Government shall lay this report before the State legislature. The Annual Consolidated Report of LFAD, Rajasthan for the year 2012-13 has been laid on the table of the State legislature on 20 February 2014. CAG conducts audit of PRIs under Section 14 of CAG's (Duties, Powers and Conditions of Service) Act, 1971 and Section 75(4) of the RPRA, 1994 (as amended on 27 March 2011).

CAG conducts audit of Rural Development Department (RDD) under Section 14 of CAG's (DPC) Act, 1971. CAG is empowered to conduct audit of PRIs and RDD and submit Audit Reports to the State Government for its placement on the State legislature.

1.8.3 Delayed submission of annual accounts

1.8.3.1 As per Rule 247(2) of RPRRs, 1996, every ZP (PR Cell) is required to prepare annual accounts of receipts and expenditure and furnish the same to the State Government by 15 May every year.

It was observed that two ZPs (PR Cell) (Jhalawar and Sawai Madhopur) did not send their annual accounts to PRD as of October 2014, while 16 ZPs (PC) sent their annual accounts for the year 2012-13 with delays ranging from two to 446 days and 15 out of 33 ZPs (PC) sent their annual accounts within the prescribed time (*Appendix-II*).

1.8.3.2 Similarly, annual accounts of ZPs (Rural Development Cell) (RDC) were required to be prepared and sent it to RDD by 30 September.

It was observed that ZP (RDC), Pali has not sent its annual accounts since 1994-95 and ZP (RDC), Jodhpur did not send their annual accounts for the year 2012-13 to RDD as of February, 2015. Further, 31 out of 33 ZPs (RDC), sent their annual accounts with delays ranging from 37 to 444 days (*Appendix-II*).

1.8.4 Certification of accounts

As per rule 23(h) of Rajasthan Local Fund Audit Rules, 1955 LFAD is required to certify the correctness of the annual accounts of PRIs. It was seen that LFAD had not certified the accounts of any of the tiers of PRI, though the accounts of ZPs and PSs were maintained in the conventional format. Further, regarding accounts of GPs, only a simple statement of income and expenditure was being prepared.

Director, LFAD intimated (June 2014) that due to non-maintenance of books of accounts by GPs and PSs, it is not possible to certify the accounts and on completion of maintenance of accounts by PRIs, certification of accounts will be done. Due to non-certification of accounts by Director, LFAD correctness of accounts could not be verified in audit.

1.8.5 Audit coverage

The position of audit coverage by office of the Principal Accountant General (General and Social Sector Audit) is indicated in **Table 1.5** below:

Table 1.5: Audit coverage of PRIs

Name of PRI	Audit coverage in terms of numbers		Audit coverage in terms of expenditure	
	2013-14		2013-14	
	Total	Audit coverage	Total expenditure	Audit coverage (Average basis)
(₹ in crore)				
GP	9,177	711	2,608.03	202.06
PS	248	125	920.07	463.74
ZP (PC)	33	33	565.81	565.81
ZP (RDC)	33	33	1,750.67	1,750.67
Total	9,491	902	5,844.58	555.45

Source: Total expenditure figures as per information provided by PRD and RDD

1.8.6 Arrears of Audit

The Director, LFAD is the Statutory Auditor of the accounts of PRIs. Against total 9,458 units of PRIs there were arrears of audit of 7,415 units of PRIs (20 ZPs, 201 PSs and 7,194 GPs) as of March 2014 due to vacant posts and

election duties of staff. Further, Director, LFAD intimated (August 2014) that as of May 2014, audit of 16 ZPs was due since the year 2010-13 and 164 PSs was due since 2008-2013.

1.8.7 Lack of response to Audit observations

1.8.7.1 As of May 2014, 58,379 paragraphs included in 6,376 inspection reports (IRs) of PRIs issued by Director, LFAD were pending for settlement. Out of 58,379 paragraphs, 7,404 paragraphs involving ₹ 19.55 crore related to embezzlement.

1.8.7.2 As of November 2014, 2,308 IRs comprising 25,620 paragraphs issued by the Principal Accountant General in respect of ZPs and PSs (including GPs) were pending for settlement as detailed in **Table 1.6** below:

Table 1.6: Outstanding IRs and paragraphs

Year	IRs	Paragraphs
Up to 2005-06	887	5,598
2006-07	165	1,556
2007-08	185	2,214
2008-09	200	3,159
2009-10	163	2,572
2010-11	116	1,739
2011-12	215	3,572
2012-13	190	3,108
2013-14	187	2,102
Total*	2,308	25,620

* Includes outstanding IRs and paragraphs of Watershed and Soil Conservation Department

This indicated lack of prompt response on the part of officials of PRIs which resulted in recurrence of the deficiencies and lapses pointed out earlier.

1.9 Non-transfer of interest to respective scheme account

Accounting Procedure for District Rural Development Agencies³ (DRDA) issued (2001) by the Ministry of Rural Development (MoRD) stipulates that MoRD will transfer funds/grants relating to all the CSS in a common bank account opened by DRDA. The DRDA should transfer the amount so received immediately to the respective scheme accounts so maintained. Further, interest earned on these funds should be added in concerned scheme funds and the annual financial statements should also depict funds/grants and interest earned on unutilised funds kept in Banks.

Scrutiny (October 2013 to February 2014) of records of ZP (RDC), Banswara, Dausa, Jaisalmer and Jalore revealed that MoRD transferred funds of CSS initially in the common bank accounts of the ZP concerned but these ZPs did not transfer funds immediately to the respective scheme accounts. These ZPs also did not transfer interest amounting to ₹ 114.10 lakh⁴ earned in common

3. Now known as Zila Parishad (Rural Development Cell)

4. ZP (RDC), Banswara: interest earned ₹ 6.04 lakh (during January to December 2012); Dausa: ₹ 32.93 lakh (January 2006 to June 2013); Jaisalmer: ₹ 43.77 lakh (January 2006 to June 2013) and Jalore: ₹ 31.36 lakh (January 2007 to June 2013)

bank accounts during January 2006 to June 2013 to the respective scheme accounts and retained irregularly in the common bank accounts. Moreover, ZP (RDC) Banswara utilised the interest amount for pay and allowances of staff.

The Department intimated (January 2015) that three ZPs (RDC), Banswara, Jaisalmer and Jalore deposited (November 2014) the amount ₹ 81.17 lakh to the respective schemes/accounts. However, ZP (RDC) Dausa did not furnish any reply.

Thus, contrary to provisions of Accounting Procedure for DRDA, interest of ₹ 32.93 lakh earned on CSS funds in common bank accounts remained to be transferred to the respective scheme accounts in ZP (RDC), Dausa.

1.10 Conclusion and recommendations

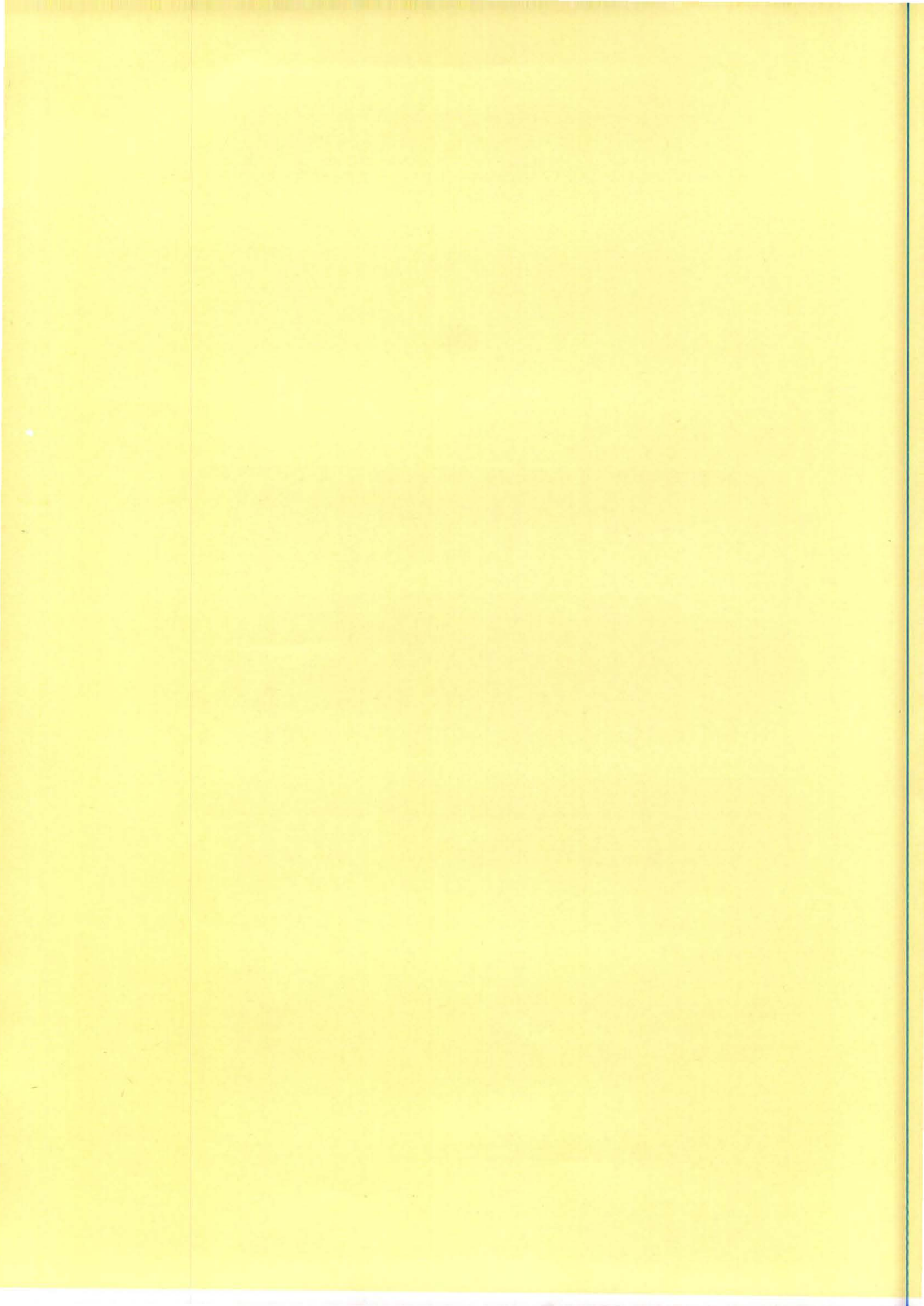
- PRIs are totally dependent on Government funds as their own revenue receipts were negligible as compared to their overall expenditure.

There is scope for PRIs to levy taxes and collect fees/user charges and the revenue raising provisions should be effectively used to augment their own income.

- Annual Accounts of GPs/PSs/ZPs were maintained in a conventional format. The accounts were not maintained in the prescribed formats and submitted to RDD/PRD within the stipulated time. Consequently, certification of accounts could not be ensured at GP, PS and ZP level by Director, LFAD.

The controlling officers may keep a close watch on the maintenance of accounts in proper format and ensure that they strictly adhere to the time schedule for submitting the annual accounts. Further, Director, LFAD should carry out certification of annual accounts of PRIs at the earliest to ensure the correctness of accounts and that they represent the true financial position of the PRIs.

CHAPTER-II
AUDIT OF
PANCHAYATI RAJ INSTITUTIONS



CHAPTER II

AUDIT OF PANCHAYATI RAJ INSTITUTIONS

This chapter contains one Performance Audit of 'Total Sanitation Campaign/Nirmal Bharat Abhiyan', Compliance Audit of 'Management of Panchayat Land', 'Release/utilisation of grants by PRIs as recommended by the Fourth State Finance Commission' and three draft paragraphs relating to Panchayati Raj Institutions.

PERFORMANCE AUDIT

Panchayati Raj Department

2.1 Total Sanitation Campaign/Nirmal Bharat Abhiyan

Executive Summary

Central Rural Sanitation Programme (CRSP) started in 1986 was renamed Total Sanitation Campaign (TSC) in 1999-2000 and it was further renamed (April 2012) as Nirmal Bharat Abhiyan (NBA) with the objective of improving quality of life of the rural people by providing proper sanitation facilities and to provide privacy and dignity to women. The approach also underwent a change to incentive-based demand-driven with emphasis on increasing awareness and accelerating the sanitation coverage in the rural areas for achieving total sanitation by 2022. The implementation of scheme was transferred (November 2010) from Public Health Engineering Department to Panchayati Raj Department. In October 2014 the campaign was re-launched as Swachh Bharat Abhiyan.

Performance audit of TSC/NBA revealed that annual implementation plans were neither prepared at Gram Panchayat level nor at Block level, Information, Education and Communication (IEC) plans were also not prepared and IEC material was not included in Indira Awas Yojana publicity material. Village Water and Sanitation Committee were not formed and Block Coordinators were not appointed.

Shortfall in achievement of physical targets in all components i.e. Individual Household Latrines for above poverty line (56 per cent) and below poverty line (66 per cent), school toilets (35 per cent), anganwadi centres (71 per cent), community sanitary complexes (91 per cent), solid and liquid waste management (99 per cent), rural sanitary marts (83 per cent) and production centres (58 per cent) was noticed. Total 18.52 lakh households remained uncovered under the scheme till March 2012. Funds of IEC activities remained unutilised to 66 per cent. Physical verification of 1,309 IHHLs revealed that about 46 per cent of constructed toilets could not be used.

Utilisation of funds to the tune of 25.06 per cent and unutilised fund accumulated to ₹206.63 crore during 2009-13.

Introduction

Government of India (GoI) launched the Central Rural Sanitation Programme (CRSP) during 1986 with the objective of improving quality of life of the rural people by provision of proper sanitation facilities and to provide privacy and dignity to women. CRSP was modified and renamed as Total Sanitation Campaign (TSC) during 1999-2000 by changing the approach from 'high subsidy supply driven' to 'incentive-based demand driven' approach. Incentives were to be granted to Below Poverty Line (BPL) households for construction of Individual Household Latrines (IHHLs). Financial assistance was also extended for construction of toilet units in schools, *anganwadi* centres, Community Sanitary Complexes (CSC). The revised approach emphasized generation of demand by increasing awareness among the rural people for generation of sanitary facilities. TSC envisaged access to toilets to all in the rural areas by 2012.

The TSC was renamed as '*Nirmal Bharat Abhiyan*' (NBA) from April 2012 to accelerate the sanitation coverage in rural areas to achieve the vision of *Nirmal Bharat* by 2022 with all Gram Panchayats (GPs) attaining *Nirmal* status by covering entire community. Above Poverty Line (APL) households were also included for the first time for giving financial incentives for construction and use of IHHL. In October 2014 the campaign was re-launched as '*Swachh Bharat Abhiyan*'.

The objectives of TSC/*Nirmal Bharat Abhiyan* were:

- Motivate communities and Panchayati Raj Institutions (PRIs) to promote sustainable sanitation facilities through awareness and education;
- To cover the remaining schools which were not covered under *Sarva Shiksha Abhiyan* (SSA) and *anganwadi* centers in the rural areas for proactive promotion of hygiene and sanitary habits among students;
- Encourage cost effective and appropriate technologies for ecologically safe and sustainable sanitation; and
- Develop community managed environmental sanitation systems focusing on solid and liquid waste management for overall cleanliness in the rural areas.

Components of the scheme

- ***Information, Education and Communication (IEC)***: The strategy was to use folk media, mass media and also outdoor media like wall painting, hoardings to spread the message of hygienic practices, etc. Services of local Non Government Organisations (NGOs) could be utilised for inter-personal communication to focus on health and hygiene practices and environmental sanitation aspects.
- ***Capacity Building***: This component was for the formation of Village Water and Sanitation Committee (VWSC), appointment of Block Coordinator

and providing training to VWSC and PRI members, block and district functionaries and grass-roots' functionaries like Accredited Social Health Activists (ASHA) and other health, education and related functionaries, *anganwadi* workers, etc.

◦ *Individual Household Latrine (IHHL)*: The programme aimed to cover all rural families. Incentives as provided under the scheme could be extended to all BPL households and APL households¹ (April 2012). The construction of household toilets was to be undertaken by the household itself and on completion and use of toilet, the cash incentive could be given to the household in recognition of its achievement.

◦ *Rural Sanitary Mart and Production Centres (RSM&PC)*: The main aim of having a RSM was to provide material, services and guidance needed for constructing different types of toilets and other sanitary facilities. The production centres were the means to produce cost effective affordable sanitary material at the local level.

◦ *Revolving Fund*: The revolving fund could be given to cooperative societies or Self Help Groups (SHGs) whose credit worthiness was established for providing cheap finance to their members. Loan from this fund should be recovered in 12-18 months.

◦ *Community Sanitary Complex (CSC)*: Such complexes should be constructed only when there was lack of space in the village for construction of household toilets and the community owns up the responsibility of their operation and maintenance. Such complexes could also be made at public places, markets, etc. where large scale congregation of people takes place.

◦ *Institutional Toilets*: Children are more receptive to new ideas and school/*anganwadis* are appropriate institutions for changing the behaviour, mind-set and habits of children from the practice of open defecation to the use of sanitary lavatory, through motivation and education.

◦ *Solid and Liquid Waste Management (SLWM)*: This included activities like soakage channels/pits, compost pits, vermin composting, common and individual biogas plants, low cost drainage, reuse of waste water and system for collection, segregation and disposal of household garbage, etc. These could be taken up with dovetailing funds from other rural development programmes. The cooperation of NGOs and other civil society organisations was also to be sought.

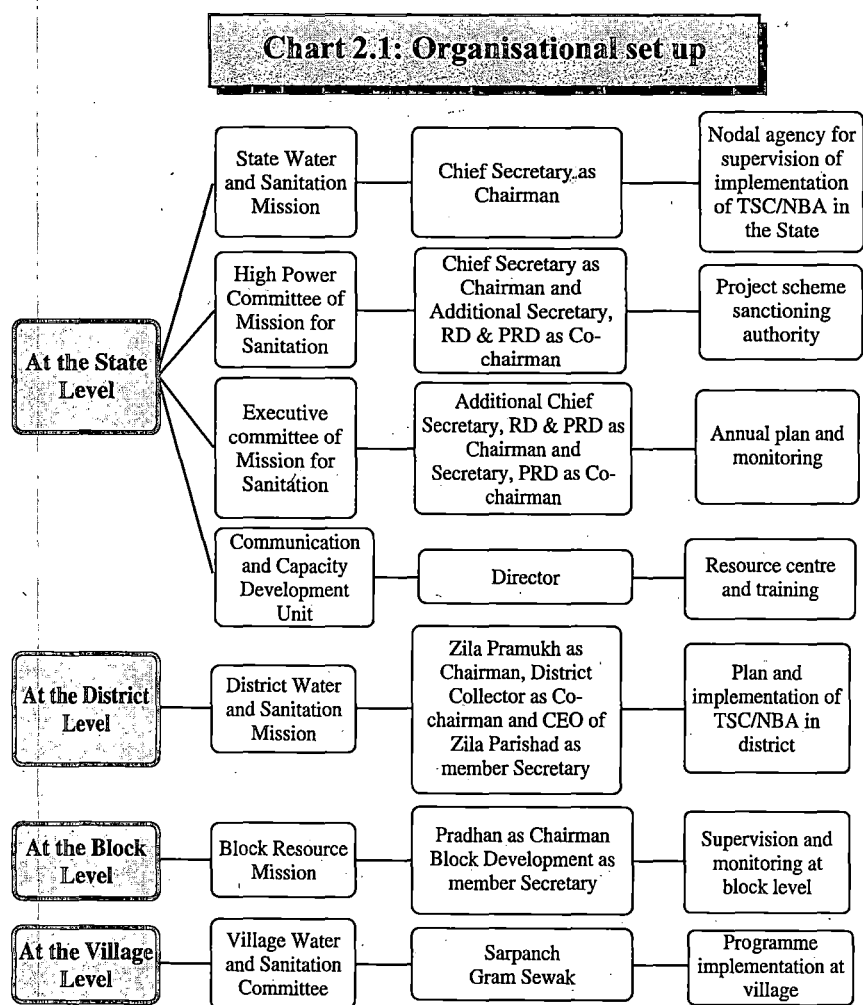
Organisational set up

The scheme was being implemented in all the districts of the State by Panchayati Raj Department (PRD). State Water and Sanitation Mission (SWSM) was the nodal agency at the State level. SWSM was headed by Chief Secretary for supervision of implementation of TSC/NBA in the State. The

1. SC/STs, small and marginal farmers, landless labours with homestead, physically handicapped and women headed households

District Water and Sanitation Mission (DWSM) formed in each district was to plan and implement the scheme and is headed by Chairman, Zila Parishad (ZP). Block Resource Centre at block level and VWSC at village level were to be set-up for scheme implementation at block and village levels respectively. At the State level, a Communication and Capacity Development Unit (CCDU) was also to be set up for taking up State level HRD and IEC activities as well as monitoring of TSC/NBA.

The organisational set-up is also detailed in the following **Chart 2.1:**



Reporting process/structure moves up from bottom to top level.

2.1.1 Audit objectives

The performance audit was conducted with the objective to verify, whether:

- the planning was adequate and effective keeping in view the primary objective of total sanitation;
- funds were released and utilised in consonance with the scheme guidelines;

- various components of the scheme were efficiently and effectively implemented in a time bound manner in accordance with the scheme guidelines; and
- the mechanism for monitoring and evaluation of the outcomes of the scheme was adequate and effective.

2.1.2 Audit criteria

The sources of audit criteria were the following:

- Total Sanitation Campaign Guidelines 2007, 2010 and 2011 and NBA guidelines 2012; notifications and circulars issued by Ministry of Drinking Water and Sanitation;
- Information, Education and Communication Guidelines 2010 issued by the Ministry of Rural Development;
- Orders relating to implementation of the TSC/NBA issued by State Government;
- Guidelines for engagement of skilled and unskilled workers from Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS); and
- Guidelines for the *Nirmal Gram Puraskar* (NGP).

2.1.3 Audit methodology

A performance Audit of TSC/NBA was conducted for the period 2009-14. Eight districts² out of 32 districts in the State were selected through the statistical sampling method of Probability Proportional to Size with Replacement (PPSWR)³ Method where size is represented by the total approved project cost in all districts. Sixteen blocks⁴ were selected in these eight selected districts through Systematic Random Sampling without Replacement (SRSWOR). Further, 25 per cent (147) of Gram Panchayats (GPs) were selected in each selected Block by SRSWOR method. Physical verification of 1,309 households/beneficiaries was also done along with the staff of GPs.

Audit findings

The audit findings are organised into the following sub-sections:

2. Banswara, Bhilwara, Churu, Jalore, Sikar, Karauli, Sriganganagar and Udaipur
3. It is shown that PPSWR is achieved by grouping the units with reference to size
4. Block, Bagidora and Ghatol (district, Banswara); Banera and Mandalgarh (district, Bhilwara); Churu and Sardar Shahar (district, Churu); Jaswantpura and Raniwara (district, Jalore); Anoopgarh and Padampur (district, Sriganganagr); Hindaun and Nadauti (district, Karauli); Neem ka Thana and Dataramgarh (district, Sikar) and Bhindar and Mavli (district, Udaipur)

- **Planning**
- **Implementation**
- **Physical verification**
- **Financial management**
- **Other issues**

2.1.4 Planning

The planning for implementation of the scheme was to be done by adopting a bottom-up approach. GPs were to prepare plans after conducting of preliminary survey to assess the status of sanitation and hygienic practices. GP plans were to be consolidated into Block Implementation Plans (BIP). Further, District Water Sanitation Mission (DWSM) were to prepare the District Implementation Plan (DIP) by consolidating BIPs of the district. The project proposal emanating from a district was to be scrutinized by SWSM and an Annual Implementation Plan (AIP) for each district was to be made. The AIPs for each district were to be consolidated and transmitted to the GoI as a State Plan for entire State of Rajasthan.

Government of India launched (October 2003) an award-based incentive scheme for fully sanitised and open defecation free GP, block, district and State called '*Nirmal Gram Puraskar*'. The '*Puraskar*' would be given to a GP in which all habitants have access to sanitation and drinking water.

2.1.4.1 Preparation of Annual Implementation Plan

Total Sanitation Campaign/NBA guidelines provided for preparation of an AIP to facilitate implementation of the project.

It was observed that in six test checked districts⁵, plans were prepared neither at GP level nor at block level (BIPs). In these districts, DIPs were prepared directly by DWSM and were approved by SWSM. Thus, in six out of eight test checked districts the AIP was prepared without any input from the GP level and block levels, thereby ignoring the ground level requirements. State Government stated (March, 2015) that instructions for preparing AIP at GP/block levels are being issued.

- Total Sanitation Campaign/NBA focused on achievement of total sanitation up to 2012 (extended up to 2022). It was observed that no IHHL work had been executed during the period 2009-14 in 246 GPs out of 581 GPs covering 2,80,359 households⁶ (test checked seven districts). This deprived all residents of these villages of hygienic sanitation practices due to lack of planning at grass root level (**Appendix-III**). State Government accepted the facts and stated (March, 2015) that instructions had been issued to the district concerned for construction of the targeted IHHLs.

5. Bhilwara, Churu, Karauli, Udaipur, Sikar and Sriganganagar

6. As per base line survey, 2012 IHHL- BPL: 60,096 households and IHHL-APL: 2,20,263 households

2.1.4.2 Preparation of Information, Education and Communication plan

Total Sanitation Campaign/NBA guidelines provided that a detailed IEC plan be prepared which would define strategies to reach all sections of the community. This plan should focus on spreading awareness on issues relating to health and hygienic and environmental sanitation through inter personal communication. The IEC plan should be prepared along with AIP by each DWSM.

The rural sanitation programme required a paradigm shift in personal sanitation habits of the population. To bring about this change, it was essential that importance be accorded to IEC activities.

Scrutiny revealed that IEC plans were not prepared in four test checked districts (Churu, Sikar, Sriganganagar and Udaipur) during 2009-14. State Government stated (March 2015) that IEC plan was prepared separately from 2013-14. However, the reply was not validated by relevant documents. This also indicated that IEC plan was not prepared up to 2013-14.

Poor awareness among the rural population regarding health and hygiene practice and environmental sanitation issues could be attributed to non-preparation of detailed IEC Plans.

2.1.4.3 Inclusion of Information, Education and Communication material in Indira Awas Yojana publicity material

Government of India directed (May 2011) the States for inclusion of IEC material on TSC in IAY publicity material. It was noticed that IEC material on TSC was not included in IAY publicity material in all districts.

On being pointed out (June 2014), the Director, CCDU stated (July 2014) that IAY was not implemented by his office and thereby disowned the responsibility of carrying out GoI directions. However, being a State Coordinator CCDU was responsible for this issue.

2.1.5 Implementation

2.1.5.1 Capacity building

The scheme focused on a paradigm shift in motivation of village communities towards sanitary health. TSC thus, emphasised setting up of the institutional arrangements in the form of Village Water and Sanitation Committees (VWSC) (a sub-committee of GP), for motivation, mobilisation and implementation of the scheme.

Scrutiny revealed that out of 147 test checked GPs in eight districts, VWSCs were constituted only in 38 GPs in three districts⁷ and in 109 GPs VWSCs were not constituted/functioning. State Government accepted the facts and stated (March 2015) that detailed instructions are being issued for formation of VWSC at GP level.

7. Banswara: 20 GPs, Churu: three GPs and Jalore: 15 GPs

• **Appointment of Block Coordinators**

Ministry of Drinking Water and Sanitation directed (August 2010) for setting up of Block Resource Centres (BRC) at block level to provide continuous support in terms of awareness generation, motivation, mobilisation, training and handholding to village communities, GPs and VWSCs. The BRC was to serve as an extended delivery arm of the DWSM and act as a link between it and the GPs/VWSCs/village communities to help the GPs in achieving ‘Nirmal gram’⁸ status.

It was observed in test checked blocks that Block Coordinators were not appointed in Neem ka Thana, Dantaramgarh (district, Sikar) during 2011-12 to 2013-14 and Anoopgarh and Padampur (district, Sriganganagar) during 2012-14. State Government accepted the facts (March 2015).

2.1.5.2 Targets and achievements

Total Sanitation Campaign/NBA provided for construction of IHHL for all the rural families to eliminate open defecation. It also included provision of constructing toilets in schools, *anganwadi* centres, community sanitary complexes and solid waste management (with dovetailing funds from other rural development programme). The targets and achievement of construction of toilets during 2009-14 are given in **Table 2.1** below:

Table 2.1: Target and achievements of construction of toilets during 2009-14

Activity	(In number)										Shortfall in per cent (2009-2014)
	2009-10		2010-11		2011-12		2012-13		2013-14		
	T	A	T	A	T	A	T	A	T	A	
IHHL- APL	11,37,269	5,12,018	14,20,611	5,61,063	9,22,470	5,28,989	5,07,182	1,71,100	3,76,714	1,63,292	56
IHHL- BPL	4,93,568	1,53,642	6,41,191	1,89,885	5,09,862	2,01,396	2,11,925	81,700	2,75,410	1,02,905	66
School Toilets	22,988	6,773	16,281	6,323	9,454	5,297	4,098	15,511	9,951	6,730	35
AWD Toilets	13,395	2,031	11,364	1,734	9,829	2,015	4,990	3,421	11,395	5,718	71
CSC	403	42	1,110	48	803	79	695	70	772	99	91

Source: Information provided by CCDU

T: Target A: Achievement

From the above table, the following emerges:

- It is seen that from 2010-11 onwards there has been a progressive decline in the targets fixed. In fact, the targets fixed for IHHL-APL in 2013-14 was at 26 per cent of the targets fixed in 2010-11. This indicates the due importance was not given to the scheme.
- There was poor achievement of physical targets during the period 2009-14 i.e. in construction of toilets in all the components of TSC/NBA in the State.
- The shortfall ranged from 35 per cent (school toilets) to 91 per cent (CSC).

State Water and Sanitation Mission accepted (July 2014) the facts that targets were not achieved.

8. Village which become fully sanitised and open defecation free

2.1.5.3 Construction of toilets

The shortfall and achievement in construction of toilets in eight test checked districts are given in *Appendix-IV*. Analysis of *Appendix-IV* reveals the following:

- The overall shortfall in construction of toilets under IHHL-BPL category was on an average 62.64 per cent. However, there was substantial variation in achievement in different districts with the highest shortfall being in Jalore (87 per cent) and Banswara (82 per cent) districts and the lowest shortfall in Karauli district at 29.03 per cent.
- The overall shortfall in construction of toilets under IHHL-APL category was on an average 42.80 per cent. Here, also there were large variations in achievement of different districts with the highest shortfall being in Banswara (76 per cent) and Jalore (53 per cent) districts and the lowest shortfall in Karauli and Sikar districts of 10.03 and 19.41 per cent respectively.
- An important component of the scheme was the construction of toilets in schools and *anganwadi* centres. It was seen that shortfall in construction of school toilets was on an average 50.21 per cent. The highest shortfalls were in Karauli (72 per cent) and Banswara (64 per cent) districts.
- The overall shortfall in construction of toilets at *anganwadi* centres was on an average 70.71 per cent. The highest shortfalls were in Sikar (96 per cent) and Bhilwara (89 per cent) districts.
- In a unique case, there was 184 per cent excess achievement shown against the targets in construction of toilets in *anganwadi* centres at Sriganganagar districts.
- Construction of CSC lagged behind the targets by an average of 67.50 per cent. The highest shortfalls were in Bhilwara (92 per cent) and Sikar (81 per cent) district respectively.

2.1.5.4 Solid and Liquid Waste Management

Solid and Liquid Waste Management is an important part of community hygiene. Construction of soakage channels/pits is an essential component of toilets cleanliness. However, the achievements of construction of SLWM in the all the years in the State was very low, as can be seen from the Table 2.2 below:

Table 2.2: Details of targets and achievements of construction of SLWM

Activity	Year										Shortfall in per cent (2009-2014)
	2009-10		2010-11		2011-12		2012-13		2013-14		
	T	A	T	A	T	A	T	A	T	A	
SLWM	Nil	72	7,809	91	1,906	9	828	2	3,087	Nil	99

Source: Information provided by CCDU
T: Target A: Achievement

In the test checked districts too, the SLWM activities failed to take off.

The Department stated (July 2014) that as the scheme is community demand-driven and the community cannot be pressurised to achieve the targets of total sanitation. However, lack of SLWM activities could have an adverse impact on community hygiene and maintenance of cleanliness in toilets.

2.1.5.5 Coverage of sanitation

Total Sanitation Campaign guidelines emphasised access to toilets to all by 2012. However, the scheme was extended up to 2022. From April 2012 onwards ₹ 4,600 was payable to BPL and categorised APL families as an incentive for construction of toilets. However, as per status report of the State, 9,16,392 APL households and 9,35,780 BPL households remained uncovered under the scheme till March 2012.

Thus, total 18,52,172 households would require to be covered after April 2012 onwards. This will result in enhanced payment of incentive of ₹ 552.55 crore⁹ to the BPL and APL households left uncovered. CCDU accepted the facts (July 2014) and stated (March 2015) that the scheme was demand driven and beneficiaries could not be compelled to construct toilets. It was, however, noticed that not enough efforts were made to change the attitude of people towards sanitation and promotion of hygiene as could be seen from inadequate efforts under IEC, discussed in paragraph 2.1.5.6.

2.1.5.6 Information, Education and Communication activities

Information, Education and Communication activities are important in spreading awareness and educating the people regarding the importance of personal sanitation habits. In fact, in a project where achievement of targets of construction of toilets depends on generating of demand at the grassroots level, these activities assumed even greater importance.

Expenditure on IEC activities was to be incurred at the rate of 15 per cent of cost of the project. Against project expenditure of ₹ 105.52 crore during 2009-14 in eight test checked districts, expenditure of ₹ 15.83 crore was to be incurred on IEC activities (at the rate of 15 per cent of project outlay). DWSMs could, however, utilise only ₹ 5.41 crore (34.18 per cent) (Appendix-V). Failure to implement IEC activities could be one of the factors behind the failure in implementation of the scheme at the ground level. State Government accepted the facts (March 2015).

9.

IHHLs	Total households targeted to be covered	Total households covered till March 2012	Households remaining to be covered as on April 2012	Rate of incentive payable per unit till March 2012	Rate of incentive payable per unit from April 2012	Increase in rate	Extra financial burden (₹ in crore)
APL	49,81,716	32,13,686	9,16,392*	Nil	4,600	4,600	421.54
BPL	19,60,903	10,25,123	9,35,780	3,200	4,600	1,400	131.01
Total	69,42,621	42,38,812	18,52,172				552.55

Source: Information provided by CCDU
* Categorized APL

Test check of selected PSs revealed that funds for IEC amounting to ₹ 0.48 crore released (2010-12) to 10 PSs of Udaipur and ₹ 0.48 lakh released (2011-12) to PS, Sardar Shahar (district, Churu) were not utilised by them. Due to non-utilisation of IEC funds and in absence of awareness of hygienic practices, Churu and Udaipur districts could achieve targets to the extent of 65.88 per cent and 45.43 per cent respectively. Thus, IEC activities to increase awareness among the rural people and generation of demand for sanitary facilities were not carried out as desired in the scheme guidelines. State Government accepted the facts (March, 2015).

2.1.5.7 Declaration of Nirmal Gram Panchayat

Government of India introduced (October 2003), a reward for GPs which achieved full sanitation coverage, called *Nirmal Gram Puraskar* (NGP). GoI issued (December 2012) the guidelines for awarding NGP which provided GPs to utilise the award money for improving and maintaining sanitation facilities in their respective areas.

Progress of GPs was to be examined and recommended by DWSM and the names of selected GPs forwarded to “*Nirmal Gram Puraskar*” selection committee for the *puraskar*. Sample verification of at least 25 per cent of the shortlisted GPs was to be carried out by Ministry of Drinking Water and Sanitation through an independent agency.

Scrutiny of records revealed that 29 GPs in three districts (Sriganganagar: 23, Sikar: three and Bhilwara: three) were declared *nirmal* during 2006-2011 and NGP was awarded to them. On validation by Audit from the Baseline Survey (BLS) conducted in 2012 (available on the website of GoI), it was noticed that out of 27,920 households, a total of 9,697 households (34.73 per cent) in these 29 GPs¹⁰ did not have toilets and there was 100 per cent shortfall in SLWM activities, thus raising questions on the very system of identifying and selecting ‘*Nirmal Gram*’ for the award.

The State Government stated (March 2015) that these GPs were awarded NGP as per BPL households survey of 2002. The very fact that the base-line survey later detected a large number of households without sanitary toilets in these GPs, which had earlier been declared as ‘*Nirmal*’, confirmed that these were not really ideal defecation free villages.

2.1.5.8 Individual Household Latrines

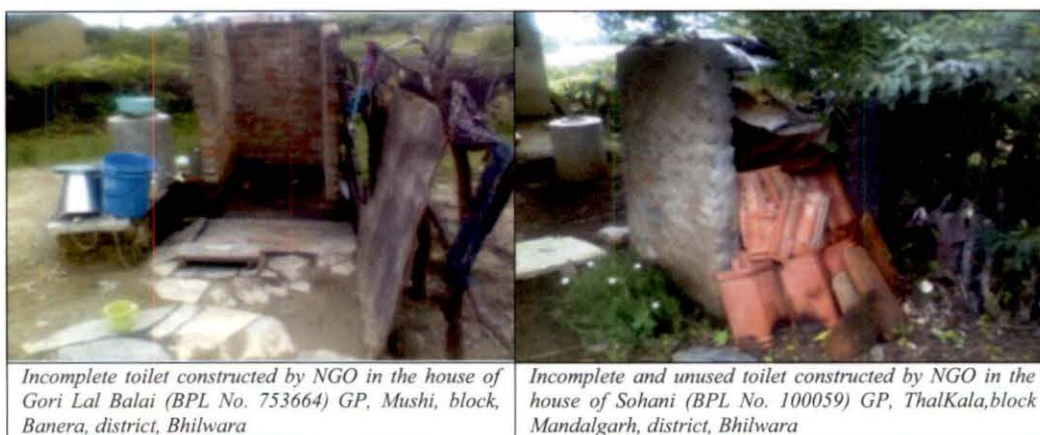
Total Sanitation Campaign/NBA guidelines provided involvement of NGOs in IEC activities and capacity building leading to demand generation, construction and use of sanitation facilities. Further, the guidelines provided that the beneficiary household was to construct IHHL himself and on completion and use of the toilets the incentive was to be given to the household in recognition of his achievement.

10. 29 GPs of districts Bhilwara, Sikar and Sriganganagar

2.1.5.9 Irregular construction of IHHL through NGOs

Scrutiny of records revealed that during 2009-11 in four test checked districts, DWSM/PS executed agreements¹¹ with NGOs for providing assistance in construction of IHHL to the beneficiaries. Payment of ₹ 14.43 crore was made to the 62 NGOs for construction of 59,585 IHHLs¹² during 2009-14, which was irregular as incentive was to be paid directly to the beneficiaries.

Moreover, during physical verification of IHHLs in 58 GPs of eight blocks, it was found that 426 IHHLs¹³ at a cost of ₹ 10.75 lakh were not constructed (by NGOs) according to the specified drawing and design and it were not usable, rendering the expenditure wasteful. Thus, ₹ 10.75 lakh is recoverable from the NGOs for construction of unusable IHHLs.



While accepting the facts the State Government stated that NGOs were paid for construction of toilets. Further, it was also stated that incomplete toilets found during physical verification have been completed and utilised by beneficiaries. The facts remains that toilets were to be constructed by beneficiaries instead of NGOs, and constructed toilets must be as per approved drawing and design which can be put to use.

2.1.6 Physical verification of toilets

2.1.6.1 Verification of IHHLs

During physical verification in Audit of 1,309 IHHLs constructed by beneficiaries in GPs of 16 blocks in eight districts, it was found that 230 toilets were not in use by beneficiaries, 89 toilets did not exist and 289 toilets were lying incomplete, though incentives were paid to beneficiaries/NGOs. Details are given in **Table 2.3** below:

11. Except block, Bagidora (district, Banswara), Mavli and Bhindar (district, Udaipur)
12. District Bhilwara (11 blocks, 18 NGOs) 36,664 IHHL: ₹ 8.07 crore, Banswara (two blocks, three NGOs) 1,595 IHHL: ₹ 0.35 crore, Karauli (five blocks, 27 NGOs) 12,779 IHHL: ₹ 3.01 crore and Udaipur (two blocks, 14 NGOs) 8,547 IHHL: ₹ 3 crore
13. District Bhilwara (two blocks, 17 GPs) 155 IHHL: ₹ 3.41 lakh, Banswara (two blocks, 13 GPs) 110 IHHL: ₹ 2.22 lakh, Karauli (two blocks, 12 GPs) 48 IHHL: ₹ 1.06 lakh and Udaipur (two blocks, 16 GPs) 113 IHHL: ₹ 4.06 lakh

Table 2.3: Status of IHHL constructed by beneficiaries

(In numbers)

Name of District	Name of Block	Number of toilets			
		Physically verified	Not in use	Non-existent	Incomplete
Banswara	Bagidora	77	51	-	11
	Ghatol	94	91	-	-
Bhilwara	Baneda	70	-	15	47
	Mandalgarh	98	-	3	90
Churu	Churu	80	-	-	-
	Sardar Shahar	100	20	2	7
Jalore	Jaswantpura	68	22	-	-
	Raniwara	24	-	-	-
Karauli	Hindaun City	100	-	10	44
	Nandoti	70	-	-	4
Sikar	Dantaramgarh	93	3	1	-
	Neem ka Thana	59	3	-	-
Sriganganagar	Anoopgarh	92	2	2	-
	Padampur	89	-	4	-
Udaipur	Bhindar	100	14	29	46
	Mavli	95	24	23	40
Total		1,309	230	89	289

The above table depicts that 18 per cent toilets were not in use, seven per cent did not exist and 22 per cent were incomplete. Thus, physical verification revealed that about 46 per cent of constructed toilets could not be used. The State Government accepted (March 2015) the facts.



- It was noticed that incentive amount of ₹ 0.81 lakh was paid to 38 beneficiaries¹⁴ (included in above cases) for construction of toilets by 16 GPs in seven blocks. The toilets were not found in existence during physical verification.
- During joint physical verifications of IHHLs, it was seen that out of 1,309 IHHLs, 731 IHHLs¹⁵ (56 per cent) were not connected with piped water supply.

14. District Bhilwara : block, Baneda (GPs Kasoriya: three, Lambiya Khurd: nine and Mausi: three) and block, Mandalgarh (GPs Barundani: one, Mukundpuria: one and Singoli: one); district Karauli: block, Hindaun City (GPs Alipura: two, Ghosala: five, Kharata: two and Lachora: one); district Sikar: block, Dantaramgarh (GP Danta: one); district Sriganganagar: block, Anoopgarh (GP 59 GB: two) and Padampur (GPs 16 BB: one and Farsewala: three) and district Udaipur: block Bhindar (GP Karanpur: two and Kunthwas: one)

15. Banswara: 170 IHHLs, Bhilwara: 125 IHHLs, Churu: 34 IHHLs, Jalore: 31 IHHLs, Karauli: 135 IHHLs, Sikar: 54 IHHLs; Sriganganagar: 18 IHHLs and Udaipur: 164 IHHLs

State Government accepted the facts and stated (March 2015) that the scheme guidelines did not contain provision for water supply in toilets and water was provided by water tank. The facts remains that proper hygiene could not ensured without water supply in toilets.

- Gram Panchayat, Bansalia (block, Mavli) paid (2009-10) ₹ 1.07 lakh to 62 beneficiaries before the construction of IHHLs, which was against the guidelines. State Government stated (March 2015) that toilets were being utilised and amount had been adjusted. The fact remains that advance payment of incentive was made to beneficiaries, contrary to the guidelines.
- District Water Sanitation Mission, Bhilwara sanctioned an advance of ₹ 0.35 crore (August 2011) for construction of 2,157 IHHLs in 22 GPs of seven blocks, but after a lapse of 34 months (as of June 2014) toilets were not constructed and an amount of ₹ 0.35 crore was lying unutilised. State Government stated (March 2015) that most of IHHLs had been completed and instructions had been issued to adjust the amount after receipt of UCs.
- District Water Sanitation Mission, Karauli sanctioned an advance for construction of IHHL amounting ₹ 28.04 lakh to 15 NGOs during the period June to December 2009. Neither the IHHLs were constructed nor the Department recovered the advance paid to NGOs. State Government accepted the facts and stated (March 2015) that toilets were damaged due to improper maintenance by beneficiaries and beneficiaries had been motivated and toilets were reconstructed. The reply was not validated by appropriate document. The fact remains that ₹ 28.04 lakh was paid to 15 NGOs for construction of IHHLs, which was not recovered from them.

2.1.6.2 School toilets

Out of 4,448 school toilets, 1,605 toilets were not in use in Sikar, Churu and Sriganganagar districts, as they were not connected with the water supply. The details are given in Table 2.4 below:

Table 2.4: Details of utilisation of school toilets

Name of District	Total number of schools	Number of school with toilets constructed	Number of toilets with water supply	Number of toilets without water supply
Churu	1,318	1,269	83	1,186
Sikar	2,922	635	475	160
Sriganganagar	2,446	2,544	2,285	259
Total	6,686	4,448	2,843	1,605

Source: Information provided by DWSMs

State Government accepted the facts and stated (March 2015) that the scheme guidelines did not contain provisions for water supply in school toilets. The facts remain that proper hygiene could not be ensured without water supply in school toilets.

2.1.6.3 Training programme on hygiene

- Total Sanitation Campaign/NBA guidelines provided that training in hygiene education must be provided to at least one teacher from each school, who in turn, would train the children through interesting activities and community projects that emphasise hygiene.

Scrutiny of records revealed that out of 20,977 schools of eight test checked districts, training to only 2,166 teachers was provided. Thus, there was a shortfall of 90 *per cent* in training of teachers. State Government accepted (March 2015) the facts.

- Department of Rural Development, GoI directed (May 2011) to organise joint training programme for functionaries under TSC/NBA and IAY at State, district, block and GP levels.

It was, however, noticed that joint training programme was organised at State level and districts level at Jalore and Banswara only, out of eight test checked districts. No training was conducted at block and GP levels. State Government accepted the facts and stated (March 2015) that instruction had been issued for organizing joint training programme.

2.1.7 Financial management

Total Sanitation Campaign/NBA guidelines provided that fund sharing between GoI and GoR for IEC and construction of institutional toilet activities. Apart from funding by GoI and GoR, beneficiary share was also required to contribute to the activities of construction of IHHL, CSC and SLWM. The share of GoI, GoR and beneficiary share for IHHL, CSC and SLWM varied from time to time over the years of implementation of the scheme.

The GoI share was to be released to the SWSM in four instalments in the ratio of 30:30:30:10 up to July 2011 and thereafter in two equal instalments. The first instalment was to be released immediately after approval of the project proposal by GoI. Further, GoI share of second installment was to be released after utilisation of at least 60 *per cent* of the total available funds (GoI and GoR shares including interest). GoR shall release the Central grants received alongwith matching share to the DWSM within a fortnight of receipts of Central grants. DWSM was to further release the grants to the executive agencies within a fortnight.

2.1.7.1 Short utilisation of available funds

The year-wise receipt and expenditure incurred from the TSC/NBA grants in the state during 2009-14 is given in **Table 2.5** below:

Table 2.5: Details of year-wise receipt and expenditure

(₹ in crore)

Year	Opening balance	Funds released during the year				Total funds	Expenditure	Expenditure as a percentage of total funds available	Unspent balance
		GoI	GoR	Miscellaneous receipts	Interest				
2009-10	71.78	43.61	14.19	0.63	1.30	131.51	34.74	26.42	96.77
2010-11	96.77	27.90	12.65	1.42	1.56	140.30	43.43	30.96	96.87
2011-12	96.87	62.34	11.50	1.72	2.55	174.08	38.96	22.26	136.02
2012-13	136.02	88.66	22.31	10.12	3.12	260.23	53.60	20.60	206.63
2013-14	206.63	68.85*	20.00	NA	NA	295.48	NA	NA	NA

Source: Information provided by CCDU NA: Not Available (Annual account not prepared)
* Grant of ₹ 68.85 crore for the year 2012-13, taken into accounts of 2013-14

The above table, depicts that the expenditure incurred on the scheme ranged from 20.60 to 30.96 per cent of total available funds during 2009-13. The unspent balance in each of the year was more than the expenditure incurred. Further, the unutilised funds accumulated to ₹ 206.63 crore by the end of 2012-13.

In the test checked DWSMs, the average utilisation of funds ranged between 11.62 per cent (Sriganganagar) and 57.77 per cent (Bhilwara). The summarised position of utilisation of funds available with DWSMs in the eight test checked districts during 2009-13 is given in Table 2.6 below:

Table 2.6: Position of utilisation of funds

(₹ in lakh)

District	Opening balance	Release during 2009-14	Total available funds	Utilisation during 2009-14	Percentage of utilisation
Banswara	300.19	2,225.97	2,526.16	714.81	28.30
Bhilwara	122.70	2,813.47	2,936.17	2,481.04	83.48
Churu	82.58	1,189.09	1,271.66	1,018.12	80.06
Jalore	53.23	1,410.61	1,463.84	705.25	48.18
Karauli	344.76	1,746.02	2,090.78	1,447.60	69.24
Sikar	521.24	500.86	1,022.10	444.43	43.48
Sriganganagar	615.78	647.89	1,263.67	500.52	39.61
Udaipur	654.96	4,618.90	5,273.86	3,270.22	62.01

Source: Information provided by DWSMs

From the above table it is seen that utilisation of funds was poor with only four districts utilising 50 per cent or more funds. Further, in two test checked districts funds utilised were 40 per cent or less.

The Department stated (August 2014) that funds remained unutilised due to lack of demand. This indicates a lack of awareness of clean hygienic practices and emphasises the importance of IEC activities. It was, however, noticed that only 34.18 per cent of funds available for IEC were used in eight test checked districts, as discussed in paragraph 2.1.5.6.

2.1.7.2 Release of Government of India share

Government of India did not release its share amounting to ₹ 144.70 crore¹⁶ during 2013-14 to the GoR owing to the opening balance being more than 10 per cent of funds released during previous year against the targeted achievement due to lack of demand.

Thus, slow implementation of the scheme resulted in non-release of GoI share during 2013-14. State Government accepted the facts and stated (March 2015) that GoI share for the year 2012-13 was received at the end of 2012-13 so amount was not utilised in 2012-13. The fact remains that GoI did not release its share during 2013-14 to the GoR owing to the opening balance being more than 10 per cent of funds released during previous year.

2.1.7.3 Release of matching share by Government of Rajasthan

Total Sanitation Campaign/NBA guidelines provided that GoR should release the GoI share along with the matching GoR share to DWSMs within fortnight of receipt of GoI share. Further, the grants received under the scheme (including GoI and GoR shares) should be kept in a separate savings bank account of DWSM.

- In five cases, the GoR matching share amounting to ₹ 60.85 crore was released with delay of 68 to 345 days. This is shown in Table 2.7 below:

Table 2.7: Details of delay in released share

Year	GoI share		GoR share		Delay (in days)
	Date of release	Amount	Date of release	Amount	
2011-12	28.06.2011	34.44	19.09.2011	13.37	68
2011-12	28.03.2012	19.81	06.07.2012	8.63	85
2012-13	26.09.2012	48.77	14.03.2013	18.85	154
2012-13	26.11.2012	20.08			
2012-13	26.03.2013	68.85	21.03.2014	20.00	345
Total		191.95		60.85	

Source: Information provided by CCDU

While accepting the facts, the State Government stated (March, 2015) that the delay was attributable to procedure of release of funds.

- It was observed that GoI released ₹ 1.04 crore¹⁷ and ₹ 1.78 crore¹⁸ for Churu and Sikar districts respectively. Test check revealed that matching GoR share against the GoI share was not released by GoR. CCDU intimated (June 2014) that the GoR share of ₹ 0.05 crore for Churu and ₹ 0.09 crore for Sikar were released in March 2011. However, scrutiny in Audit of DWSMs' accounts revealed that GoR shares stated as released were not received in the accounts of DWSMs of Churu and Sikar. State Government accepted the facts

16. As the funds released during 2012-13 were ₹ 137.71 crore and the opening balance for 2013-14 was ₹ 151.38 crore, which was in excess of 10 per cent of funds released during 2012-13. Thus, GoI did not release its share amounting ₹ 144.70 crore during 2013-14

17. ₹ 0.52 crore on 16 July 2010 and ₹ 0.52 crore on 25 March 2011

18. ₹ 0.89 crore on 16 July 2010 and ₹ 0.89 crore on 25 March 2011

and stated (March 2015) that the funds were lying with Public Health Engineering Department (PHED) and DWSMs had been instructed to receive the funds from PHED.

- Matching share of GoR was received in Personal Deposit (PD) accounts of Zila Parishads (ZP) in all test checked districts and later the amount was transferred to separate saving bank accounts of TSC. However, in six test checked districts, matching GoR share received in PD accounts was transferred to the savings bank accounts with delay ranging between 10 to 365 days. Details are given in **Table 2.8** below:

Table 2.8: Details of delay in transferring of amounts to saving account

(₹ in lakh)

Name of District	Amount	Delay (in days)	Interest on amount remained in PD account (at the rate of 3.5 per cent)
Bhilwara	4.44	365	0.16
Churu	106.54	46 to 114	0.56
Jalore	144.69	187 to 365	3.93
Sikar	35.68	103 to 276	0.70
Sriganganagar	217.66	10 to 269	0.30
Udaipur	450.00	11 to 51	1.56
Total	959.01		7.21

Source: Information provided by DWSMs

Thus, funds transferred with delay resulted into loss of interest amounting to ₹ 7.21 lakh, which could not be earned by the DWSMs. State Government accepted the facts and stated (March 2015) that the delay was attributable to procedure of transfer of funds from PD account to scheme bank account. The fact remains that funds were transferred with delay of 10 to 365 days.

2.1.7.4 Excess administrative expenditure

Total Sanitation Campaign/NBA guidelines provided that the administrative expenditure¹⁹ should be proportionately limited to four *per cent*²⁰ of the project outlay from 2012-13 onwards.

Scrutiny of records revealed that against the admissible administrative charges of ₹ 8 crore on the project expenditure of ₹ 170.73 crore during 2009-13, SWSM incurred an expenditure of ₹ 16.88 crore on administrative expenditure. This was 111 *per cent* above against the admissible charges. Details are given in **Table 2.9** below:

19. Training and salary of temporary staff, support services, fuel charges, vehicle hire charges, stationary, monitoring and evaluation, professional and specialist/consultant charges

20. Five *per cent* up to 2011-12

Table 2.9: Details of excess administrative expenses

(₹ in crore)					
Year	Project expenditure	Percentage of administrative expenditure admissible	Admissible amount as per project expenditure	Actual expenditure incurred	Excess expenditure
2009-10	34.74	5	1.74	3.43	1.69
2010-11	43.43	5	2.17	6.55	4.38
2011-12	38.96	5	1.95	3.35	1.40
2012-13	53.60	4	2.14	3.55	1.41
Total	170.73		8.00	16.88	8.88

Source: Information provided by CCDU

State Government accepted the facts (March 2015).

2.1.7.5 Recovery of interest

Total Sanitation Campaign/NBA Guidelines provided that the interest earned on TSC/NBA funds should be credited to the scheme fund.

◦ It was observed in three test checked districts that funds were transferred to district Coordinator (DC), SSA for construction of toilets in rural schools. However, annual utilisation certificates (UCs) submitted by DC, SSA did not include interest earned (₹ 16.82 lakh)²¹ on the funds. The interest earned on TSC amount should be refunded to DWSM. State Government accepted the facts (March 2015).

2.1.7.6 Unspent amount with Public Health Engineering Department

Public Health Engineering Department was implementing the scheme up to November 2010. Thereafter, the responsibility of implementation of TSC was transferred to PRD.

Scrutiny of records revealed that an amount of ₹ 0.35 crore received by CCDU (water) of PHED for implementation of scheme was not transferred to CCDU (Sanitation) of PRD on transfer of responsibility of implementation of the programme. The funds were lying unutilised since 2009-10 with CCDU (water) of PHED. State Government accepted the facts (March 2015).

2.1.7.7 Submission of utilisation certificates

Total Sanitation Campaign/NBA guidelines provided submission of the UCs along with the consolidated audited statements of accounts at the State level, based on audited statement received from the districts to GoI for funds released in the previous financial year.

21. Interest amount ₹ 16.82 lakh (DWSM, Bhilwara: ₹ 6.83 lakh, Sikar: ₹ 9.08 lakh and Sriganganagar: ₹ 0.91 lakh)

Scrutiny revealed that UCs of ₹ 207.47 crore²² were pending for submission by SWSM as of 31 March 2013. State Government accepted the facts (March 2015).

2.1.7.8 Amount released for solid and liquid waste management

Activities such as construction of compost pits, low cost drainage, soakage channels/pits, reuse of waste water, system for collection, segregation and disposal of household garbage etc. were to be carried out in SLWM. Following discrepancies were noticed in SLWM activities in test checked districts:

District Water Sanitation Committees, Churu, transferred (August 2012) ₹ 12.87 lakh for construction of drains under SLWM in six GPs²³. The GPs neither constructed the drains nor refunded the amount. The State Government stated (March 2015) that GPs did not execute the works due to excess cost of constructions of drainage work and amount deposited back in scheme account. The reply was not validated by the relevant documents.

2.1.7.9 Monitoring and evaluation

Monitoring through regular field inspections by officers from the State and district levels was essential for effective implementation of the scheme. The State Government was required to conduct periodical evaluation studies on the implementation of the TSC.

The GoR conducted (August 2014) an evaluation study in seven districts²⁴. The study revealed that 70 per cent households were without toilets; further, though 83 per cent schools have separate toilets for girls, only 39 per cent have a water point inside the toilets and 54 per cent *anganwadi* centres do not have dedicated toilet facilities. The report also highlighted the large gaps in community awareness about sanitation programme.

Water supply for toilets is an essential part of providing proper total sanitation. Scrutiny of guidelines revealed that the guidelines issued by the GoI did not cover the issue of piped water supply to toilets either in the TSC or NBA. Non-provision of water supply in toilets could be one of the reasons for lack of demand for toilets in IHHLs.

2.1.7.10 SWSM and DWSM meetings

Nirmal Bharat Abhiyan guidelines provide that SWSM should conduct at least one meeting in every six months and DWSM should also conduct four meetings in a year on quarterly basis. It was however, observed that during the period 2012-14, no meeting was conducted by SWSM. The meetings held by DWSM in test checked districts were 52 per cent against the prescribed

22. UCs pending as on March 2013: ₹ 207.47 crore (UCs pending as on April 2012: ₹ 136.85 crore + funds received during 2012-12: ₹ 124.22 crore – UCs submitted during 2012-13: ₹ 53.60 crore)

23. Bhagela, Dhandhal Lekhu, Kalanatal, Paharsar, Rampura and Suratpura

24. Alwar, Bhilwara, Churu, Jhalawar, Jodhpur, Sawai Madhopur and Udaipur

norms. Thus, regular meetings were not conducted by SWSM and DWSM. State Government accepted the facts (March 2015).

2.1.8 Other issues

2.1.8.1 Rural sanitary mart and production centre

Rural Sanitary Mart (RSM) is an outlet dealing with the materials, hardware and designs required for the construction of sanitary latrines, soakage and compost pits, vermi-composting, washing platforms, certified domestic water filters and other sanitation and hygiene accessories. Production Centres (PC) were to be set up to produce cost effective affordable sanitary materials at the local level. They could be independent or part of the RSMs.

The RSM/PC could be opened and operated by Self Help Groups (SHGs)/ women organisations/panchayats/NGOs, etc. Support of private entrepreneurs could also be taken for ensuring an effective supply chain.

It was observed that there was huge shortfall ranging between 93 and 100 per cent in the programme of providing materials, services and guidance for construction of different types of toilets through establishment of Rural Sanitary Mart and Production Centres (RSM&PC).

Test check by audit of DWSM, Churu revealed that order for establishment of RSMs in all six blocks²⁵ of district were issued (October 2005 and November 2005) and ₹ 50,000 transferred to each PS. Further, DWSM also transferred (July 2010) an additional ₹ 50,000 each to six²⁶ cooperative societies for setting up revolving fund for establishment of RSM. This amount remained unutilised with the cooperative societies and RSMs/PCs were not established. Though the amounts for establishment of RSMs were subsequently recovered from PS and five²⁷ cooperative societies (after of 12 to 68 months), the amount given for setting up Revolving fund was not recovered from one cooperative society²⁸. State Government accepted the facts (March 2015).

2.1.8.2 Swachchhata diwas not celebrated

Total Sanitation Campaign/NBA guidelines provide that each GP was to earmark a day of the month to celebrate *Swachchhata diwas* to identify achievement, expenditure, future plan, slip back cases under IHHL and working strategy.

Scrutiny of records revealed that out of 147 test checked GPs, only once a *Swachchhata diwas* was celebrated in six GPs²⁹ of Raniwara block during 2011-12. *Swachchhata diwas* were not celebrated in other test checked GPs

25. Churu, Rajgarh, Ratangarh, Sujangarh, Sardarsahar and Taranagar

26. Gram Sewa Sahakari Samitis at Loha, Rajpuria (Sidhmukh), Nakarasar, Salasar and Butchawas and Apni Bachat Yojana Sahkari Samiti, Punsisar

27. Gram Sewa Sahakari Samitis at Loha, Rajpuria (Sidhmukh), Nakarasar, Salasar and Butchawas

28. Apni Bachat Yojana Sahkari Samiti, Punsisar

29. Ajodar, Bandhar, Dahipur, Jalera Khurd, Kagmala and Raniwara Kalan

during 2009-14. The State Government stated (March 2015) that *Swachchhata diwas* were celebrated with *Panchayat diwas*. The reply was not validated by any records/documents at the ground level and the Audit could not find any documents/evidence of *Swachchhata diwas* being celebrated.

2.1.8.3 Gram Swachchhata Sabha not convened

Total Sanitation Campaign/NBA guidelines provide for organising of *Gram Swachchhata Sabha* (GSS) every six months to undertake mandatory review of progress made under various monthly plans and to ensure that the proceedings of *Swachchhata diwas* were held in the GP as a means of continuous and comprehensive public vigilance.

Scrutiny revealed that GSS were convened only in four GPs³⁰ of Raniwara block of Jalore district in test-checked GPs. The State Government stated (March 2015) that *Gram Swachchhata Sabha* were celebrated with *Gram Sabha*. In the GPs sample checked in Audit, there was no evidence of any *Swachchhata Sabha* being in existence, and as such, the Government reply was not validated by any relevant documents at the ground level.

2.1.8.4 Dovetailing of funds with Indra Awas Yojana

Ministry of Rural Development, GoI issued (May 2011) instructions for construction of toilets in the dwelling units constructed under Indra Awas Yojana (IAY) as a part of TSC.

• During test check it was seen that in 16 test-checked blocks in eight districts, 26,692 houses were constructed under IAY/other rural housing schemes³¹ during 2009-14. However, toilets were constructed only in 6,168 (23 per cent) houses under TSC. Details are given in Table 2.10 below:

Table 2.10: Details of construction of toilets in the houses constructed in IAY

(In numbers)

Sl. No.	Name of District	Name of Block	Number of		Short fall in percentage
			House constructed in IAY/ CMBPLAY	Toilet constructed in IAY/ CMBPLAY	
1.	Banswara	Bagidora,	726	1	100
		Ghatol	469	16	97
2.	Bhilwara	Baneda	1,513	0	100
		Mandavgarh	3,176	0	100
3.	Churu	Churu	637	13	98
		Sardar Shahar	1,124	299	73
4.	Jalore	Jaswantpura	387	0	100
		Raniwara,	1,107	0	100
5.	Karauli	Hindaun City	119	25	79
		Nadauti	113	23	80

30. Bandhar, Jalera Khurd, Dahipur (2011-12) and Raniwara Kalan (2011-14)

31. Such as Chief Minister Below Poverty Line Awas Yojana

Sl. No.	Name of District	Name of Block	Number of		Short fall in percentage
			House constructed in IAY/ CMBPLAY	Toilet constructed in IAY/ CMBPLAY	
6.	Sikar	Dantaramgarh	794	77	90
		Neem ka Thana	555	65	88
7.	Sriganganagar	Anoopgarh	3,409	1,048	69
		Padampur	1,163	595	49
8.	Udaipur	Bhindar	10,736	3,878	64
		Mavli	664	128	81
Total			26,692	6,168	77

Source: Information provided by Block Development Officers

State Government accepted the facts and stated (March, 2015) that toilets had been constructed during 2014-15 in these households.

• Scrutiny of records revealed that ZP, Jalore directly transferred ₹ 13.51 lakh to 614 IAY beneficiaries (₹ 2,200 for each) of two blocks (Raniwara: 233 beneficiaries and Bhinmal: 381 beneficiaries)³² for construction of toilets. However, toilets were not constructed as of March 2014. State Government accepted the facts.

2.1.8.5 Revolving fund

Guidelines of TSC/NBA provide that setting up of a revolving fund of a sum ₹ 0.50 crore for SHGs and Dairy Cooperative Societies, who have successfully arranged low/zero interest finance for their members for construction of toilets.

• It was observed in test checked districts that revolving fund was created only in Jalore and Karauli (2009-14) and Bhilwara district (2013-14). In other districts revolving fund was not created during 2009-14. State Government accepted the facts (March 2015).

2.1.9 Conclusion and recommendations

Total Sanitation campaign/*Nirmal Bharat Abhiyan* was launched with the objective of improving the quality of life in rural areas by provision of proper sanitation facilities. The target of providing toilets to all by 2012 was not achieved and the scheme was extended up to 2022. There were some major concerns/gaps in the implementation of the programme, as noticed during the Performance Audit. The planning process envisaged a bottom-up approach, which was not followed as the assessment of village level requirements were not carried out at the GP level.

Emphasis was not given to capacity building as formation of VWSC and appointment of Block Coordinator was not done. It was also seen that the targets of every year showed a progressive decline and the achievement

32. Amount transferred to IAY, block Bhinmal in March 2011 (72 beneficiaries), June 2011 (303 beneficiaries) and August 2011 (six beneficiaries) and block Raniwara in March 2011 (79 beneficiaries), June 2011 (150 beneficiaries) and August 2011 (four beneficiaries)

against the declined targets was poor and ranged from one to 65 per cent in different components of the scheme. Overall, 18.52 lakh households (APL and BPL as on March 2012) remained uncovered under the scheme.

State Government may ensure proper assessment of village level requirements with bottom-up approach for planning. An adequate institutional framework for carrying out the activities envisaged for implementation of the scheme needs to be set up.

To bring about a paradigm shift in personal hygiene and sanitary habits it was essential that importance be accorded to IEC activities. IEC funds for spreading awareness and educating the people about proper sanitation facilities were not utilised to the extent of 66 per cent.

State Government may also ensure dissemination of IEC activities to mobilize the community with focus on health and hygiene practices through more person-to-person contacts.

In almost all the components of the scheme the progress was quite slow. The non-achievement of targets of construction of Individual Household Toilets was more than 50 per cent. There was also wide variation in construction of toilets in selected districts. Further, non-achievement of targets was more than 80 per cent in Jalore and Banswara districts under IHHL-BPL category. Under SLWM activities, shortfall was to the extent of 99 to 100 per cent, which could have an adverse impact on rendering cleanliness and the demand for toilets.

In order to accelerate the sanitation coverage in rural areas and eliminate open defecation, the construction of toilets (IHHL for all the uncovered rural families, toilets in schools, anganwadi centres, community sanitary complexes) may be expedited. State Government may also ensure proper implementation of SLWM activities to achieve the targets of community hygiene.

State Government's evaluation study of seven districts also revealed that 70 per cent households were without toilets and there were deficiencies in institutional toilets and large gaps in community awareness about sanitation programme.

State Government's survey covered only seven districts. However, all the districts need to be covered as the achievement was quite low in seven selected districts surveyed. This would help in better planning.

Physical verification of toilets by Audit revealed that more than 50 per cent toilets were not connected with piped water supply. Lack of water in toilets could be one of the reasons for poor demand for toilets. Scrutiny of guidelines revealed that it did not cover the issue of piped water supply in the TSC/NBA. The implementation of the scheme also suffered as the *Swachchhata diwas* and *Gram Swachchhata Sabha* were not convened.

State Government may ensure convergence with other schemes for supply of piped water to all the toilets in the rural areas to make them usable, which would help in generating demand for toilets and provide a positive impetus towards changing the behavior, mind set and sanitary habits of people. State Government may also conduct evaluation studies in all the districts.

COMPLIANCE AUDIT

Panchayati Raj Department

2.2 Management of Panchayat Land

Introduction

Generally rural land is classified as Panchayati land and Revenue land³³. The Management of Panchayat Land in Rajasthan is governed by the Panchayati Raj Institutions (PRIs) through provisions contained in Rajasthan Panchayati Raj Act (RPRA), 1994 and Rajasthan Panchayati Raj Rules (RPRRs), 1996. RPRA, 1994 empowers PRIs to acquire, hold and dispose of properties. According to the provisions contained in RPRRs, all common lands and public streets together with pavements, stones and other material thereof within the Panchayat Circle as well as Government land lying within the *abadi* land³⁴ vest in and belong to a Panchayat.

All other Government lands within the Panchayat Circle are also managed by the Panchayat, subject to such conditions and restrictions as may be imposed by the State Government from time to time. All these properties under the direction, management and control of the Panchayat are held by Panchayat as a trustee. *Abadi* lands are disposed, managed, controlled and regulated under RPRRs, 1996, whereas grazing grounds, water reservoirs and agricultural farms and orchards are managed, controlled and regulated under the said rules.

Audit was conducted with a view to examining whether the system of management of Panchayat land was effective. Accordingly, a test check (May 2014 to August 2014) of records of 14 ZPs (seven ZPs - where highest number of *pattas* were issued and seven ZPs - where lowest number of *pattas* were issued), of 14 PSs one from each ZP and 56 GPs from the selected 14 PSs for the period 2009-2014 was carried out. Audit also examined whether Panchayat land was utilised as per RPRA, 1994 and RPRRs, 1996. The findings are detailed in succeeding paragraphs.

33. Revenue Land-Agriculture Land as well as land acquired, surveyed and possessed by the Government or local authorities. In fact, this definition includes every part of land and land within the *abadi* area vesting in a local authority or land reserved and set apart for special purpose and includes benefits to arise out of such land and things attached to the earth or permanently fasten to anything attached to the earth

34. As per Rule 140 of RPRRs "*Abadi* land" means *nazul* and land lying within the inhabited areas of a Panchayat Circle which vests or has been vested in or has been placed at the disposal of a Panchayat by or under an order of the State Government

Audit findings

The audit findings are organised into the following sub-sections:

- *Abadi land*
- *Charagah land (Pasture land)*
- *Water reservoir*
- *Other issues*

2.2.1 Abadi land

Abadi land means *nazul* and land lying within the inhabited areas of a Panchayat circle which vests or has been vested in or has been placed at the disposal of a Panchayat by or under an order of the State Government.

2.2.1.1 RPRRs, 1996 stipulate that a Panchayat should prepare a development plan consisting of various schemes for development of housing, commercial areas for *abadi* land.

It was noticed that development plan was not prepared in all test checked GPs. It was also observed that a consolidated database regarding quantum of Panchayat land (revenue or *abadi* land) available in a GP was neither maintained at State level nor in any of the test checked GPs.

State Government accepted the facts (January 2015).

2.2.1.2 Allotment of Panchayat land and grant of pattas

According to Rule 158 of the RPRRs, 1996, the Panchayat may allot *abadi* land up to 300 square yards (sqy) in village *abadis* at concessional rate (at the rate of ₹ 2, ₹ 5 and ₹ 10 per square meter) to certain specified sections of the society³⁵ who do not own any house/house site.

It was, however, noticed that allotment of land in 120 cases of two PSs was made to persons who already owned their houses/land in respective PSs. Allotment of land to such ineligible persons resulted in non-realisation of revenue of ₹ 55.29 lakh shown in Table 2.11 below:

35. Members of scheduled castes, scavengers, scheduled tribes, backward classes, village artisans, landless persons dependent on wage labour, integrated rural development programme selected families, handicapped, nomadic tribes, *gadia lohar* who do not own house site/house and also to flood victims whose houses has been washed away or the house sites have been rendered unfit for future habitation due to floods

Table 2.11: Details of allotment of land to ineligible persons

Name of PS	Number of beneficiaries	Period of allotment	Amount (₹ in lakh)		
			Recoverable (at DLC rate)	Recovered	Difference
Mandalgarh	44	November 2010 to February 2013	32.13	Nil	32.13
Bhadra	76*	April 2012 to November 2012	33.72	10.56	23.16
Total	120		65.85	10.56	55.29

* 75 beneficiaries and one Mini Bank

The State Government stated (January 2015) that in respect of 44 cases of PS Mandalgarh, recovery notices had been issued by the respective GPs. In PS, Bhadra all *pattas* have been cancelled and *abadi* land involved in these cases will be reallocated to eligible persons in due course of time.

2.2.1.3 Issue of *pattas*

According to Rule 157 (1) and (2) of the RPRRs, 1996, regularisation of old houses may be done by issuing *pattas* to persons in possession of old houses in *abadi* land by charging nominal amount for houses constructed during the last fifty years from the commencement of these rules. Similarly, regularisation of old houses may be done for families who do not have any house or house site anywhere and are in possession of *abadi* land by way of construction of hutment/*kutch*a house up to year 2003 and who shall be entitled for regularisation of possession maximum up to 300 yards free of cost. The *patta* of such land shall be issued in the name of women head of family.

According to notification issued in February 2013, *patta* may be issued by Panchayat after depositing charges for up to 300 square yards or constructed area, including 25 per cent of constructed area, subject to maximum area of 300 square yards and for area exceeding the specified area on such excess, 25 per cent of the market rates recommended by the District Level Committee (DLC).

It was noticed that in 100 cases of selected GPs/PSs, *pattas* were issued without recovery (₹ 34.43 lakh³⁶) of cost of excess land while regularising old houses. Thus, GPs were deprived of generating their own income amounting to ₹ 34.43 lakh. The State Government stated (January 2015) that regularisation of old houses have been done according to rules, notices for recovery have been issued and committee has been constituted for inquiry and cancelation of *pattas*.

36. PS, Bhadra (2010-11: two cases) ₹ 0.12 lakh, (2012-13: one case) ₹ 0.04 lakh, (2013-14: six cases) ₹ 1.47 lakh; Sriganaganagar (2012-13: one case) ₹ 0.01 lakh, (2013-14: 28 cases) ₹ 1.84 lakh; Rajsamand (2013-14: 19 cases) ₹ 7.56 lakh; Mandalgarh (2010-11: four cases) ₹ 1.20 lakh, (2012-13: 32 cases) ₹ 21.77 lakh and Sam (2013-14: seven cases) ₹ 0.42 lakh

2.2.1.4 Test check of records of PS, Mandalgarh revealed that in eight GPs, 39 *pattas*³⁷ were issued during the period 2010-13 in the name of male head of family instead of women head. The State Government stated (January 2015) that directions have been issued for changing of *pattas* in the name of women head.

2.2.1.5 In GP, Emri (PS, Rajsamand) 26 *pattas* were issued for regularisation during 2010-11 of old houses without showing regularised area and map site of constructed old house. The State Government stated (January 2015) that a committee has been constituted for inquiry and cancellation of *pattas*.

2.2.1.6 Sale/allotment of land below market price

Land measuring 28,314 square feet (1.04 *bigha*) was converted from *Hadda Rodi*³⁸ to *abadi* land for the purpose of construction of an animal husbandry hospital during the year 2001-02 in GP, Jogiwala (11 JGW) (PS, Bhadra). Instead of constructing the hospital, a proposal was passed by GP (August 2004) for making six plots on the said land. Out of these six plots, three plots were kept for construction of official buildings (Animal Husbandry Hospital, *Rajiv Gandhi Seva Kendra* and *Panchayat Bhawan*). The remaining three plots (9,000 square feet) were auctioned and allotted to three persons, at a nominal amount of ₹ 15,400 (all three plots) without considering the DLC rate of ₹ 63 per square feet at GP level. Thus, allotment of land without consideration of DLC/market rate resulted in loss of ₹ 5.52 lakh (₹ 5.67 lakh - ₹ 0.15 lakh). The State Government stated (January 2015) that all *pattas* have been cancelled and will be sold as per rules.

2.2.1.7 Encroachment on abadi area

Test check of records of PSs, Srinagar and Pratapgarh revealed following cases of encroachment on *abadi* area. Details are given in **Table 2.12** below:

Table 2.12: Encroachment on abadi area

(₹ in lakh)				
Name of PS	Area of land	DLC rate (per sq feet)	Encroachment date	Amount (As per DLC rate)
Srinagar	20 <i>bigha</i>	102	December 2013	555.00
Pratapgarh	6.23 <i>bigha</i>	68	Not available	74.05
	1.50 <i>bigha</i>	55	Not available	18.56

The State Government accepted the facts (January 2015).

2.2.2 Charagah land (Pasture land)

Land used for the grazing of the cattle of a village or villages.

37. GPs, Bijoliyan Khurd: five, Girdharpura: one, Lodiyan: one, Manganj: one, Motaro ka Khera: one, Salawatiya: 22, Thal Khurd: seven and Vitthalpura: one

38. *Hadda Rodi*: Carcass burial site

2.2.2.1 Survey of Panchayat lands and removal of encroachment

As per Rule 165 of RPRs, 1996 a Panchayat shall form a committee consisting of three *Panchas* assisted by Secretary to conduct survey of trespassers in *abadi* land, tank bed and grazing grounds in the months of January and July every year to detect cases of trespass on common lands. All such trespasses alongwith details of areas and nature of trespass shall be entered in a register by the Secretary. Panchayat shall ensure that all the amounts of penalties imposed by *Tehsildar* on trespassers of pasture lands are deposited fully in Panchayat fund. Audit observed the following irregularities in this regard:

- **Encroachment of Charagah land**

Test check of records of selected PSs revealed that total 7,094.62 *bigha charagah* land was under encroachment in six PSs³⁹. However, no action was taken for eviction of unauthorised occupants. The State Government stated (January 2015) that as per record no *charagah* land was available in PS, Keshoraipatan and directions for removal of encroachment have been issued in all other cases. The reply in respect of PS, Keshoraipatan is, however, contradictory in the sense that encroachment was noticed during inspection (2011-12 and 2012-13) done by CEO, ZP, Bundi.

- **Charagah penalties**

Penalties imposed by *Tehsildar* on trespassers of pasture land are to be deposited fully in Panchayat fund. In PS, Hindaun, Laxmangarh and Rajsamand amount ₹ 18.50 lakh received from *Tehsildars*, but not transferred to GPs concerned (July 2014).

State Government stated (January 2015) that action for transferring the penalty to GPs concerned is being taken.

2.2.2.2 Grazing charges

As per Rule 170(1) and (3) of RPRs, 1996, the Panchayats are required to take all steps for development of suitable types of grasses, shrubs and plants in grazing grounds and prevent encroachments. For this purpose, Panchayat shall give control of grazing grounds of each village to a five members committee. Funds of various development schemes may be utilised for labour intensive works for development of grazing grounds.

It was, however, noticed that such committees were not formed in the GPs. Further no funds of any development schemes were utilised for development of grazing grounds.

The State Government stated (January 2015) that detailed directions were being issued to ZPs/PSs for taking necessary action for development of grazing grounds in GPs and prevention of encroachment.

39. PS, Hindoli: 900 *bigha*, Keshoraipatan: 4,017 *bigha*, Ladpura: 168.23 *bigha*, Laxmangarh: 10.15 *bigha*, Pratapgarh: 1,980.90 *bigha* and Sriganganagar: 18.34 *bigha*

- According to Rule 171 of RPRRs, 1996, a Panchayat may charge such fees for grazing of cattle as it may determine by a resolution.

Test check of records of GPs of 12 PSs⁴⁰ revealed that neither grazing charges were determined by GPs concerned nor recovered during 2009-10 to 2013-14.

2.2.3 Water reservoir

2.2.3.1 The Panchayats were empowered to raise income from 112 water tanks/reservoirs in three ZPs (Bundi, Karauli and Sawai Madhopur) which had been handed over to them by Government of Rajasthan in June 2003. As the irrigation charges were not decided by the ZPs, no recovery has been made by the GPs from these water tanks/reservoirs.

The State Government stated (January 2015) that action is being taken for recovery and directions have been issued to the concerned ZPs.

2.2.3.2 Recovery of lease amount

According to Rule 172 (2) of RPRRs, 1996, the panchayats may lease out tank water for fisheries development, by private contract or public auction.

During test check of records of PS, Ladpura, it was observed that seven tanks water were leased for fishery development during 2008-09 for five years. It was seen that only partial recovery was made and lease amount of ₹ 4.44 lakh⁴¹ was outstanding against the contractors up to June 2014.

Government stated (January 2015) that contractor was unable to execute fishery development works and his security amount was forfeited by the department. Since the security amount is not equal to the amount outstanding, the difference amount should be recovered from the defaulting contractor.

2.2.4 Other issues

2.2.4.1 As per Rule 158(3) of RPRRs, 1996, *abadi* land allotted free of charge shall be non-transferable. A seal in block letters “NOT FOR SALE” shall be affixed on the face of all such *pattas*. In case any allottee transfers or sells such house site/house to any other persons, allotment shall automatically stand cancelled and ownership shall vest in the panchayat along with construction or material lying thereon and transferee will be ejected as trespasser from such *abadi* land.

It was noticed in two GPs that 49 *pattas*⁴² were issued to the persons of weaker section of society free of cost, but seal in block letters “NOT FOR

40. Hindaun, Sawai Madhopur, Ladpura, Keshoraipatan, Laxmangarh, Mandore, Rajsamand, Pratapgarh, Mandalgarh, Srinagar, Sanganer and Sam

41. Bakshapura Talab: ₹ 0.39 lakh, Chhapania Talab: ₹ 0.53 lakh, Dahra Talab: ₹ 2.33 lakh, Ganesh Talab: ₹ 0.27 lakh, Haripura Talab: ₹ 0.10 lakh, Kadiheda Talab: ₹ 0.51 lakh and Rawatha Talab: ₹ 0.31 lakh

42. PS, Keshoraipatan - GP, Radi: nine *pattas* (December 2010 to August 2013) and GP, Mohanpura: 40 *pattas* (December 2010)

SALE” was not affixed on the face of all these *pattas* in contravention of rules. In its absence, the possibility of transfer or sale of such house sites/houses by allottees cannot be ruled out.

The State Government stated (January 2015) that notices have been issued to allottees for providing of original *pattas* for affixing the said seal on *pattas*.

2.2.4.2 As per Rule 167(2) of RPRRs, 1996, *patta* shall be signed by *Sarpanch* and Secretary jointly. One hundred and fifty one *pattas*⁴³ were issued with the signature of *Sarpanch* only in three GPs during the periods 2009-14. Which was not in order, the State Government accepted the facts (January 2015).

In three GPs, 359 applications were received (2005-14) for issue of *pattas*⁴⁴, whereas GPs issued only 62 *pattas* during this period. Scrutiny by Audit revealed that no action had been taken on the remaining 297 applications and they were still pending (July 2014). The State Government stated (January 2015) that the *pattas* could not be issued due to non completion of documents, trespass on pasture/JDA land, dispute of land etc. Audit recommends that these issues need to be resolved early for the remaining *pattas* to be issued.

2.2.4.3 Income from buildings

According to Rule 164 of RPRRs, 1996, PRIs may let out their buildings to government offices, bank, post office etc. on rent not less than the rates assessed by the competent officer of Public Works Department. Shops and other commercial sites be leased out for not more than three years and only through open auction by committee consisting of three members. The agreements for leasing out such premises on rent shall include the condition of 10 *per cent* increase of rental amount every year. A GP and PS may also negotiate the matter for extending the terms of the three years, but in such case, yearly increase in rent shall be 20 *per cent* every year by mutual agreement.

Test check of records revealed that neither the rent was revised since allotment nor the rent was re-assessed, and outstanding rent was not recovered. Audit calculated⁴⁵ the rent due on the basis of information provided for Audit. The details of outstanding rent (up to March 2014) are given in Table 2.13 below:

-
43. GP - Emri: (2013-14): 39 *pattas*; Hindumalkot (7B): 100 *pattas* (2009-10: 48 *pattas*, 2010-11: 34 *pattas* and 2011-12: 18 *pattas*) and 11 LNP: 12 *pattas* (2009-10)
 44. PS, Sanganer – GP, Neota: 243 *pattas* (2005-06 to 2013-14), GP, Awaniya: 87 *pattas* (2012-13) and PS, Mandore - GP, Nandara Kalan: 29 *pattas* (2011-12)
 45. First year at the rate of 0 *per cent*, second and third years at the rate of 10 *per cent* and fourth year onwards at the rate of 20 *per cent*

Table 2.13: Details of outstanding rent

(₹ in lakh)

Name of ZP/PS	Particulars	Rent amount			Allotment date	Audit observation
		Recoverable	Recovered	Outstanding		
ZP, Jodhpur	One ATM	14.91	8.76	6.15	March 2007	Rent not revised since allotment.
PS, Mandore	10 Shops	31.60	7.68	23.92	January 2000	Rent not revised since allotment.
PS, Laxmangarh	Eight Shops	2.24	0.19	2.05	November-December 2000	Outstanding rent not recovered.
PS, Mandalgarh	Two Shops	6.67	0.54	6.13	June 2007	Rent not revised since allotment.
ZP, Kota	One Highway Facility Centre	17.10	3.95	13.15	September 2008	Outstanding rent not recovered from the firm.
PS, Sam	13 Shops	6.58	0.56	6.02	April 1989 and June 2012	Outstanding rent not recovered from allottees.
ZP, Sawai Madhopur	One Building	4.68	1.27	3.41	November 1993	Rent not reassessed from PWD
Total	36 cases	83.78	22.95	60.83		

Non-adherence of rules by PSs and ZPs resulted in outstanding rent amounting to ₹ 60.83 lakh. The State Government stated (January 2015) that except ZP, Kota, action for increasing/re-assessment/recovery of rent is being taken whereas the matter of ZP, Kota is pending in the court.

2.2.4.4 Non-maintenance of records

During test check of records of selected GPs, PSs and ZPs it was found that:

- Copies of 98 *pattas*⁴⁶ in two GPs were missing in *patta* books, and *patta bahi* (31 GPs⁴⁷) and control register (11 PSs)⁴⁸ were not maintained. While accepting the facts, the State Government stated (January 2015) that in some cases, required record is being maintained and in remaining cases, directions have been issued to maintain these records.
- Register of immovable properties was not maintained in prescribed format in all selected ZPs/PSs/GPs (except ZP Bundi, Bhilwara and Sriganganagar and PS, Mandore, Mandalgarh and Keshoraipatan). The State Government accepted the facts (January 2015).
- Register of sale of *abadi* land was not maintained in selected GPs (except Moliya, Banar, Nandra Kalan, Popawas, Jhanjhola and Srinagar). The State Government stated (January 2015) that directions have been issued to GPs for ensuring of maintenance of register of sale of *abadi* land.

46. PS, Laxmangarh, GP, Lilee: 95 *pattas* and PS, Mandore, GP, Salwakalan: three *pattas*

47. GP, Hasanpur, Lilee (PS, Laxmangarh); Makheeda, Mohanpura, Pholai, Radi (PS, Keshoraipatan); Ninan (6JDW), Jhansal (2JSL), Jogiwala (11JGW), Raslana (PS, Bhadra); Atoon Kalan, Ramri, Seloo (PS, Sawai Madhopur); Shri Ram Ki Nangal (PS, Sanganer), Salwakalan, Popawas (PS, Mandore); Sanet, Lahchora, Todoopura, Chinayata (PS, Hindaun); Emri, Mundol, Rajyawas (PS, Rajsamand); Baiya, Devikot, Tejrawa (PS, Sam); Dhal, Narili, Sanod, Sendria (PS, Srinagar) and Hindulmalkot (7B) (PS, Sriganganagar)

48. PS - Bhadra, Hindaun, Ladpura, Laxmangarh, Mandore, Pratapgarh, Rajsamand, Sam, Sanganer, Sawai Madhopur and Srinagar

2.2.5 Conclusion and recommendations

Audit of management of Panchayat land in selected ZPs, PSs and GPs revealed that database and records/registers required for Panchayat land were not maintained by PRIs.

The State Government may ensure effective action plan for maintenance of land records.

The PRIs did not adhere to the prescribed rules and rates at the time of sale/auction/regularisation of Panchayat land. *Pattas* for vacant lands were irregularly issued at nominal rates applicable to old constructed houses. There were also instances of sale of land below market price, irregular allotment of land in excess of the prescribed area and free of cost/at concessional rates to beneficiaries, allotment of land to ineligible persons, short/non-recovery of rent of shops.

The State Government needs to ensure rigorous implementation of RPRA, 1994 and related rules by PRIs for improvement in generation of own revenue of GPs.

A number of cases of non-removal of encroachment on Panchayat land and non-fixation of water and grazing charges were also noticed.

The State Government may ensure the fixation of water and grazing charges to enhance the GP's own revenue. The removal of encroachment should also be monitored.

2.3 Release/Utilisation of grants by PRIs as recommended by the Fourth State Finance Commission

Introduction

The Government of Rajasthan (GoR) constituted (April 2011) the Fourth State Finance Commission (Commission) with a mandate to recommend principles and methodology regarding the devolution of funds to Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) covering the period 2010-15. The recommendations of the Commission were:

- Untied grants to the extent of three *per cent* of own net tax revenue (excluding entertainment tax) of the State were to be devolved to the local bodies (75.10 *per cent* and 24.90 *per cent* to the PRIs and ULBs respectively) during the period 2010-12. Further, this percentage share of own tax revenue was increased to five *per cent* (excluding land revenue and 25 *per cent* of entry tax) from the year 2012-13.
- Untied grants were converted into functional grants from 2012-13 only for Gram Panchayats (GPs).

- Grants were to be utilised by the PRIs for meeting their local needs for maintaining of various core civic services⁴⁹.
- The grants recommended and devolved were in addition to the funds allocated under regular budget plan.

2.3.1 Audit methodology and coverage

Records of Panchayati Raj Department (PRD) at State (Headquarters) level, nine Zila Parishads (ZPs), 15 Panchayat Samitis (PSs) and 60 GPs (*Appendix-VI*) out of total 33 ZPs, 249 PSs and 9,177 GPs for the period 2010-2014 were test checked during June 2014 to September 2014.

2.3.2 Funding pattern

On the basis of recommendations of Commission, funds were earmarked to each district on the basis of population and other socio-economic parameters⁵⁰. The PRD further distributes the share of each district to the three tiers of PRIs viz ZPs, PSs and GPs in the ratio of 3, 12 and 85 *per cent* respectively by transferring funds directly to the Public Deposit (PD) Accounts of ZPs, PSs and to the bank accounts of GPs.

Audit findings

The findings are grouped as:

- *Planning*
- *Fund management*
- *Execution of works*
- *Monitoring and evaluation*

2.3.3 Planning

In terms of Article 243ZD, District Planning Committee was to consolidate the plan prepared by Panchayats and Municipalities in the district to prepare a Draft Development Plan for the district. The State Finance Commission had recommended that the process of framing the district plan was required to be completed before presentation of State Annual Plan to the Planning Commission.

Audit scrutiny revealed that Annual Action Plan were not prepared in the selected ZPs which would have fed into the process of development of District

-
49. Supply of drinking water, sanitation, light management of roads and streets, primary health education facilities, primary health facilities, crematorium and graveyard etc.
50. Population (40 *per cent*), geographical area (15 *per cent*), poverty represented by number of family (five *per cent*), child sex ratio (five *per cent*), Scheduled Caste/Scheduled Tribe population (five *per cent* each), decline in decadal population growth (five *per cent*), infant mortality rate (five *per cent*), girls education (five *per cent*) and own revenue mobilisation by PRIs (10 *per cent*)

Plan except ZPs, Dausa and Nagaur. The inputs from the district level were therefore not available in respect of the seven ZPs test checked, for preparation of State Annual Plan.

2.3.4 Fund management

2.3.4.1 The Commission recommended to devolve funds to the PRIs on the basis of three *per cent* (for the years 2010-12)/five *per cent* (from the year 2012-13) of own net tax revenue to enable the local bodies to maintain their core civic services. Accordingly funds to the tune of ₹ 2,819.47 crore were transferred to the PRIs during 2010-14. The position of grants recommended/transferred and expenditure there against is given in Table 2.14 below:

Table 2.14: Details of grants recommended/transferred and expenditure

Year	Net own tax revenue	Grants recommended by SFC IV	Amount transferred by PRD to PRIs	Opening balance	Total available balance with PRIs	Expenditure incurred	
						Amount and percentage of expenditure to the available fund	Unutilised grants
2010-11	18,500.66	420.15	411.60*	-	-	Nil (Nil)	-
2011-12	20,295.14	460.90	469.45	-	881.05	201.59 (22.88)	679.46
2012-13	26,110.93	980.47	980.47	679.46	1,659.93	396.94 (23.91)	1,262.99
2013-14	33,085.58	957.95	957.95	1,262.99	2,220.94	1,236.89 (55.69)	984.05
Total			2,819.47			1,835.42 (65.10)	

* The GoR issued sanction in March 2011 and funds deposited (30 March 2011) in the PD Account of PRD and further transferred to the PRIs in 2011-12

From the above table, the following is seen:

- Funds transferred during 2012-14 were substantially higher than during 2010-12. It was seen that ₹ 1,835.42 crore were utilised and ₹ 984.05 crore (35 *per cent*) remained unutilised. Further, PRIs improved the utilisation of expenditure during the period 2013-14.

2.3.4.2 The scrutiny of records of selected nine ZPs, 15 PSs and 56 GPs revealed that during the period 2010-14 funds ranging between 31 and 67 *per cent* were remained unutilised at the different levels of PRIs as given in Table 2.15 below:

Table 2.15: Details of unutilised funds

Particulars	Funds released	Funds utilised	Funds remaining unutilised
			Amount (Percentage)
ZPs (9)	25.18	8.22	16.96 (67)
PSs (15)	20.35	11.13	9.22 (45)
GPs (56)	12.28	8.45	3.83 (31)

Reasons for non-utilisation of funds, though called for, were not intimated.

2.3.4.3 Reliability of accounts

Figures of expenditure reported in utilisation certificates (UCs)/completion certificates (CCs) cannot exceed in any circumstances the actual expenditure

incurred as reported in the accounts. A difference in the expenditure in accounts and that reported via UCs/CCs creates doubt on the reliability of accounts.

Test check of records of selected ZPs/PSs revealed that there was substantial difference amounting to ₹ 8.76 crore in respect of actual expenditure incurred on execution of works as shown in the accounts and as reported as per UCs/CCs issued. In six ZPs and nine PSs, expenditure (₹ 18.22 crore) reported in the accounts was higher in comparison to actual expenditure (₹ 8.19 crore) as per UCs/CCs. In three ZPs and four PSs, the reported expenditure as per accounts (₹ 1.83 crore) was less than the actual expenditure (₹ 3.10 crore) as per UCs/CCs. This indicates that the figures of the accounts for the period 2011 to 2014 are not reliable and sanctity of accounts is doubtful.

2.3.4.4 Utilisation certificates

As per para 17.3 of GKN 2010, UCs should be furnished by the executive agency within 10 days of incurring expenditure to the technical officer concerned. The technical officer after evaluating the works executed would issue the UCs which would be consolidated at ZP level. The Chief Executive Officer (CEO), ZP would submit the consolidated reports up to 15th of the following month alongwith UCs to the PRD.

Test check of records of selected ZPs, PSs and all the GPs of selected ZPs revealed that 35 to 37 *per cent* UCs were pending in respect of funds utilised by the PRIs during 2011-14 as given in **Table 2.16** below:

Table 2.16: Position of pending UCs

Particulars	Expenditure incurred	UCs	
		Issued	Pending
			Amount (Percentage)
ZPs (9)	10.25	6.57	3.68 (36)
PSs (15)	11.13	7.27	3.86 (35)
GPs (2,754)	254.57	161.19	93.38 (37)

The above position indicates that funds were being released without ensuring the utilisation of the amount transferred to the executing agencies. Reasons for non-submission of UCs were not intimated to Audit.

2.3.4.5 Purchase of solar lights without following financial rules

Lighting arrangements on roads and streets in the GPs was one of the recommendations of the Commission, however, no detailed guidelines were issued by the PRD for installation of solar lights. The PRD also reiterated (June 2014) that due to lack of proper arrangements of operation and maintenance of solar lights and non-issuance of detailed guidelines the work of installation of solar lights in GPs might not be taken up.

Though no specific provisions have been made in the *Gramin Karya Nirdeshika* (GKN) for purchase and procurement of store items yet Rule 30 of General Financial & Accounting Rules of Rajasthan Government provides that

ordinarily all purchases shall be made through tender except items on rate contract of Government of India with Director General of Supply & Disposal (DGSD). Scrutiny of records of ZP, Jhalawar and PS, Sarada (ZP, Udaipur) revealed that 113 solar lights were procured by GPs, Devri and Karalgaun (PS, Bakni), Katanwara and Sagtada (PS, Sarada) at a total cost of ₹ 27.30 lakh without inviting open tenders. Nor the purchases were made through DGSD inspite of rate contract in existence at the time of purchases. This resulted in excess expenditure of ₹ 2.67 lakh⁵¹ in comparison to DGSD rates.

The responsibility fixed for excess expenditure and remedial actions taken in the matter, though called for, were not intimated (March 2015).

2.3.4.6 Blocking of funds

Test check of records of PS, Sarada (Udaipur) revealed that an amount of ₹ 27.56 lakh released (September 2011) by the PRD for execution of works, but works were not executed till September 2014, which resulted in blocking of funds.

2.3.5 Execution of works

2.3.5.1 In pursuance of recommendations of Commission, the State Government (PRD) issued instructions (September 2011) for execution of works as per norms prescribed in GKN 2010. Paragraph 22.10 of GKN provides that works sanctioned should be completed within prescribed time schedule (three to nine months depending on nature and expenditure involved). Paragraph 22.12 also provides to fix responsibility and imposition of penalty on officers concerned for delayed execution of works beyond the prescribed norms.

Scrutiny of progress report of works sanctioned in the State under SFC IV revealed that out of 1,33,278 works sanctioned during 2011-14, 22 per cent works remained incomplete as of August 2014. Though the position of completion of works sanctioned during the year 2013-14 was quite appreciable, yet 31 per cent works sanctioned during 2011-13 could not be completed. In selected test checked units, works ranging between 30 and 46 per cent remained incomplete as per position given in Table 2.17 below:

Table 2.17: Details of works during 2011-14

Period	Works						Percentage of incomplete works
	Sanctioned		Completed		Incomplete		
	Number	Amount	Number	Amount	Number	Amount	
(A) Position in State as a whole							
2011-13	67,515	NA	44,690	NA	22,825	NA	31
2013-14	65,763	NA	59,679	NA	6,084	NA	9
Total	1,33,278	NA	1,04,369	NA	28,909	NA	22

51. 48 solar lights at the rate of ₹ 22,660 per light (₹ 10.88 lakh) by GP, Devri and Karalgaun, 20 solar lights at the rate of ₹ 26,775 per light by GP, Katanwada (₹ 5.35 lakh), 28 solar lights at the rate of ₹ 24,500 per light (₹ 6.86 lakh) and 17 solar lights at the rate of ₹ 24,780 per light (₹ 4.21 lakh) were procured by GP Sagtada; whereas DGSD rate was ₹ 21,800 per light including fitting charges

Period	Works						Percentage of incomplete works
	Sanctioned		Completed		Incomplete		
	Number	Amount	Number	Amount	Number	Amount	
(B) Position of selected units (2011-14)							
ZPs (Nine)	556	8.64	299	NA	257	2.10	46
PSs (Five)	448	5.38	313	NA	135	1.32	30
GPs (Seven)	137	1.49	90	NA	47	0.40	34

Cost of works sanctioned and expenditure incurred on incomplete works and action initiated by the PRD to get these works completed was not on records.

2.3.5.2 *Inadmissible works*

The Commission recommended that funds should not be utilised for purchase of vehicles, construction of boundary wall, community halls, *chabutras*, *swagatdwar*s and *hathai*⁵² or other similar structures. The funds were also not to be utilised for payment of pay and allowances, arrears of salaries, pensions, GPF etc. to staff.

Scrutiny revealed that an expenditure of ₹ 5.67 lakh⁵³ was irregularly incurred for payment of honorarium to *Sarpanches/Ward Panch* of 10 GPs during 2011-14. Reasons for incurring of irregular expenditure were neither on records nor intimated to Audit.

2.3.5.3 *Recovery from the executing agencies*

As per provision of paragraph 2(12) of GKN 2010, expenditure incurred on a particular work would be evaluated by the technical officer and out of sanctioned amount, actual expenditure and evaluated amount, the least of three would be charged on that particular work. In case the executing agency was not satisfied with the evaluated amount, an appeal could be preferred with CEO, ZP and the decision of the CEO would be acceptable.

Test check of Completion Certificates of ZPs/PSs/GPs revealed that on 21 works got executed by PRIs, ₹ 2.07 lakh⁵⁴ were booked in excess of evaluated amount which was not recovered from the responsible authorities of the executing agencies.

2.3.6 *Monitoring and evaluation*

Monitoring process and system is an important facet of effective implementation of programme and for achieving the objectives of the

52. Construction around the tree

53. GP, Bhagwanpur (PS, Mandal): ₹ 0.91 lakh, Chhapri Khurd (PS, Didwana): ₹ 0.58 lakh, Chanwandia (PS, Mandal): ₹ 0.55 lakh, Dahimatha (PS, Mandal): ₹ 0.40 lakh, Dhannasar (PS, Rawatsar): (one work: ₹ 0.10 lakh), Gadia (PS, Pidawa): ₹ 0.53 lakh, Jetwara (PS, Jhadol): (one work: ₹ 0.06 lakh) Nimikalan (PS, Didwana): ₹ 1.22 lakh, Pichiyak (PS, Bilada): ₹ 0.26 lakh and Silwana Khurd (PS, Tibbi): ₹ 1.06 lakh

54. ZP, Dausa (one work: ₹ 0.08 lakh); PSs, Bilada (eight works: ₹ 0.70 lakh), Dausa (six works: ₹ 0.54 lakh) and Tibbi (one work: ₹ 0.04 lakh); GPs, Brahmani ka Kherwada (PS, Jhadol): (one work: 0.04 lakh), Jaleli Faujdar (PS, Mandore): (one work: 0.02 lakh), Ramasani (PS, Bilada): (one work: 0.05 lakh) and Rampura (PS, Sirohi): (two works: ₹ 0.60 lakh)

programme. Obtaining the UCs for the funds released, meetings of the field functionaries and on spot inspections from time to time are important aspects of monitoring. The Commission also recommended making social audit a regular tool of monitoring and evaluation.

Scrutiny revealed that the concept of social audit was not introduced at grass roots level. No proper records in respect of site inspections was maintained in the test checked units, indicating the lack of monitoring in ensuring the proper utilisation of funds.

2.3.7 Conclusion

There has been a substantial increase in the scale of functions of PRIs. Accordingly the devolution of funds to PRIs has also been increased. Though the expenditure incurred by the PRIs has increased, it has not kept pace with funds devolved and 35 per cent funds remained unutilised. The position of non-utilisation of funds at GP level was 31 per cent, whereas the ZPs could merely utilise the funds up to 33 per cent. It would be necessary to improve their capacity to handle the diverse and important functions devolved to PRIs. Instances of execution of inadmissible works were also noticed. Large numbers of works were also lying incomplete.

Panchayati Raj Department

2.4 Non-utilisation of funds

Under Mid Day Meal scheme, non-construction of kitchen in schools by ZP (RDC), Jalore resulted in funds lying unutilised ₹ 4.59 crore for four to seven years, depriving school children of safe and hygienically cooked meals

Government of India (GoI) issued guidelines (2006) for Mid Day Meal (MDM) Scheme for improving the nutritional status of children and providing them nutritional support at the primary stage of schooling.

In order to provide safe and hygienically cooked meals to school children, GoI envisaged providing financial assistance of ₹ 0.60 lakh per school to State Government for construction of a separate kitchen cum store (Kitchen). If allocation was found inadequate, infrastructural requirements should be continued to be met through convergence with other development programmes. Further, the Commissioner, MDM, Rajasthan directed (August 2008) to all Chief Executive Officers (CEO), Zila Parishad that kitchens will be constructed in rural and urban area by concerned Gram Panchayat and municipality respectively.

Test check (February 2013) of records of Zila Parishad (Rural Development Cell) (ZP RDC), Jalore for the period 2011-12 and information collected (May 2014) revealed that during 2006-07 to 2009-10, State Government transferred

₹ 11.29 crore in Personal Deposit account of ZPs (RDC), Jalore for construction of 1,881 kitchens. Against the target of 1,881 kitchens, ZP issued sanctions for construction of 1,549 kitchens. The position of construction of kitchens and utilisation of funds as of July 2014 against funds released by the State Government was as under **Table 2.18**:

Table 2.18: Position of utilisation of funds

	Works completed	Works incomplete	Works yet to be started	Works cancelled	Total
Numbers	1,098	35	313	103	1,549
Expenditure incurred (₹ in crore)	6.59	0.11	0.00	0.00	6.70

Thus, out of targeted 1,881 kitchens, funds sanctioned for 435 kitchens⁵⁵ amounting to ₹ 2.61 crore were lying idle. In addition, funds to the tune of ₹ 1.98 crore remained unutilised due to non-completion of 348 kitchens (313 kitchens not started and 35 kitchens were lying incomplete) for a period ranging between four to seven years.

ZP (RDC), Jalore (August 2014) attributed reasons for kitchens lying incomplete/not-started owing to increase in 'Basic Scheduled of Rates' of Gram Panchayats and weak financial position of municipalities. The reply was not convincing as the department had received instructions from State Government to meet excess expenditure from untied funds⁵⁶ and all the revised sanctions were issued (July 2010) after covering additional cost⁵⁷. Despite availability of funds, the works involved in these sanctions could not be completed even after a lapse of more than four years. The reasons for slow progress of works were not provided by the department. However, it was assured (August 2014) by ZP RDC, Jalore that they would complete all the incomplete kitchens in next three months.

Thus, despite the availability of sufficient funds, the ZP failed to timely complete construction of kitchens which resulted not only in non-utilisation of funds amounting to ₹ 4.59 crore⁵⁸ for the period from four to seven years but also deprived school-children from the intended benefits of the scheme.

The matter was referred (May 2014) to the State Government; their reply was awaited (February 2015).

55. 332 kitchens (1,881 targeted kitchens 1,549 sanctioned kitchens) not required and 103 kitchens sanctions were cancelled

56. The concept of untied funds with the objective to carry out the works of emergent nature which are normally not covered under the schemes decentralized at the district level. These funds are mainly allocated for filling up the missing gaps and for completing the in-complete public utility assets

57. State Finance Commission-III (Rural) and Municipal Head (Urban)

58. ₹ 4.59 crore (allotted funds ₹ 11.29 crore - expenditure incurred ₹ 6.70 crore)

Rural Development Department

2.5 Irregular expenditure

Irregular expenditure of ₹ 96.39 lakh on non-permissible works under Border Area Development Programme due to non-adherence to instructions of Government of India by ZPs (RDC) Barmer and Jaisalmer

Ministry of Home Affairs (MoHA), Government of India (GoI) issued revised guidelines (March 2008) for Border Area Development Programme (BADP) with the objective of balanced development of sensitive border areas through adequate provisions of infrastructure facilities and promotion of a sense of security amongst the local population. As per the guidelines, the schemes were to be designed to take care of the special problems faced by people living in the border blocks, particularly in the rural areas. A State Level Screening Committee (SLSC) under the chairmanship of Chief Secretary was declared as nodal agency for execution of the programme through District Rural Development Agencies⁵⁹ of border areas. However, works of construction of buildings for offices of local bodies, etc. and residence for officers were not permitted.

Test check (October and November 2013) of records for the year 2012-13 revealed that Zila Parishads (Rural Development Cell) (ZP RDC), Barmer and Jaisalmer adjusted an amount of ₹ 96.39 lakh under BADP on construction of Circuit House at Barmer (₹ 65.37 lakh) and visitors' room, video photography, finger-print, foot-print room, computer room and district control room at Jaisalmer (₹ 31.02 lakh). These works were sanctioned⁶⁰ by concerned ZP (RDC) in April 2008 for the year 2008-09. These proposals approved by SLSC and included in action plan 2008-09 were forwarded (15 March 2008) by the State Government to GoI. The said items of works had been excluded by GoI in their revised guidelines issued in March 2008. MoHA approved the 2008-09 action plan after excluding these works and released (July 2008) instalment of BADP.

The State Government stated (September 2014) that the action plan including these works was approved (February 2008) before issue of revised guidelines (March 2008). The reply was not correct as the revised guidelines were applicable from April 2008 onwards and the sanctions of these works were issued in July and August 2008 i.e. after implementation of revised guidelines. Moreover, the GoI had also excluded these works from the 2008-09 action plan.

The State Government, however, failed to exclude these non-permissible works from the annual plan and this resulted in irregular adjustment of

59. Now known as Zila Parishad (Rural Development Cell)

60. Construction of Circuit House at Barmer: administrative approval issued in April 2008 for ₹ 73.24 lakh and financial approval issued in July 2008; Construction of visitors room, video photography, finger-print, foot-print room, computer room and district control room, Jaisalmer: administrative approval issued in April 2008 for ₹ 31 lakh and financial approval issued in August 2008

expenditure incurred on non-permissible works. Thus, non-adherence to the instructions of GoI resulted in irregular expenditure and adjustment of ₹ 96.39 lakh⁶¹ on works which were not permitted under BADP, depriving the people living in remote and inaccessible border areas, particularly in rural areas of the intended benefits of the programme.

2.6 Loss of interest

Inconsistent instructions of Project Director, RDD, BADP funds kept in non-interest bearing PD Account resulted in loss of interest amounting to ₹ 3.54 crore

Guidelines of Border Area Development Programme (BADP), issued (2009) by Department of Border Management, Ministry of Home Affairs (MoHA), Government of India (GoI) stipulate the respective Local/State Financial Rules in vogue will continue to be applicable for the implementation of BADP. Further, Rural Development Department⁶² (RDD), Government of Rajasthan in view of Finance Department's instructions (February 1995) laid down (October 1997) that funds received from GoI and State Government for all Central Sponsored Scheme (CSS) should be kept only in bank account by the District Rural Development Agencies⁶³.

Test check of records (October 2013) of Zila Parishad (Rural Development Cell) ZP(RDC), Jaisalmer revealed that BADP funds up to the year 2011-12 were being kept in a saving bank account. Project Director, RDD, however, instructed (January 2011) the District Collectors, who implemented the BADP, that the funds received for the programme should be kept in non-interest-bearing Personal Deposit (PD) account as part of Public Account in the Treasuries. In compliance of these instructions ZP RDC, Jaisalmer kept BADP funds in the years 2012-13 and 2013-14 in non-interest bearing PD account as detailed given in Table 2.19 below:

Table 2.19: Position of funds

(₹ in crore)

Year	Opening balance of the year	Receipt during the year	Expenditure during the year	Closing balances of the year
2012-13	43.85	41.81	36.91	48.75
2013-14	48.75	41.10	27.03	62.82

Owing to funds being kept in non-interest bearing PD account, ZP RDC Jaisalmer was deprived of the earning of interest amounting ₹ 3.54 crore⁶⁴ (₹ 1.70 crore in 2012-13 and ₹ 1.84 crore in 2013-14) (Annexure I and II), which could have been utilised in the ongoing programme.

61. ZPs (RDC), Barmer: ₹ 65.37 lakh and Jaisalmer: ₹ 31.02 lakh

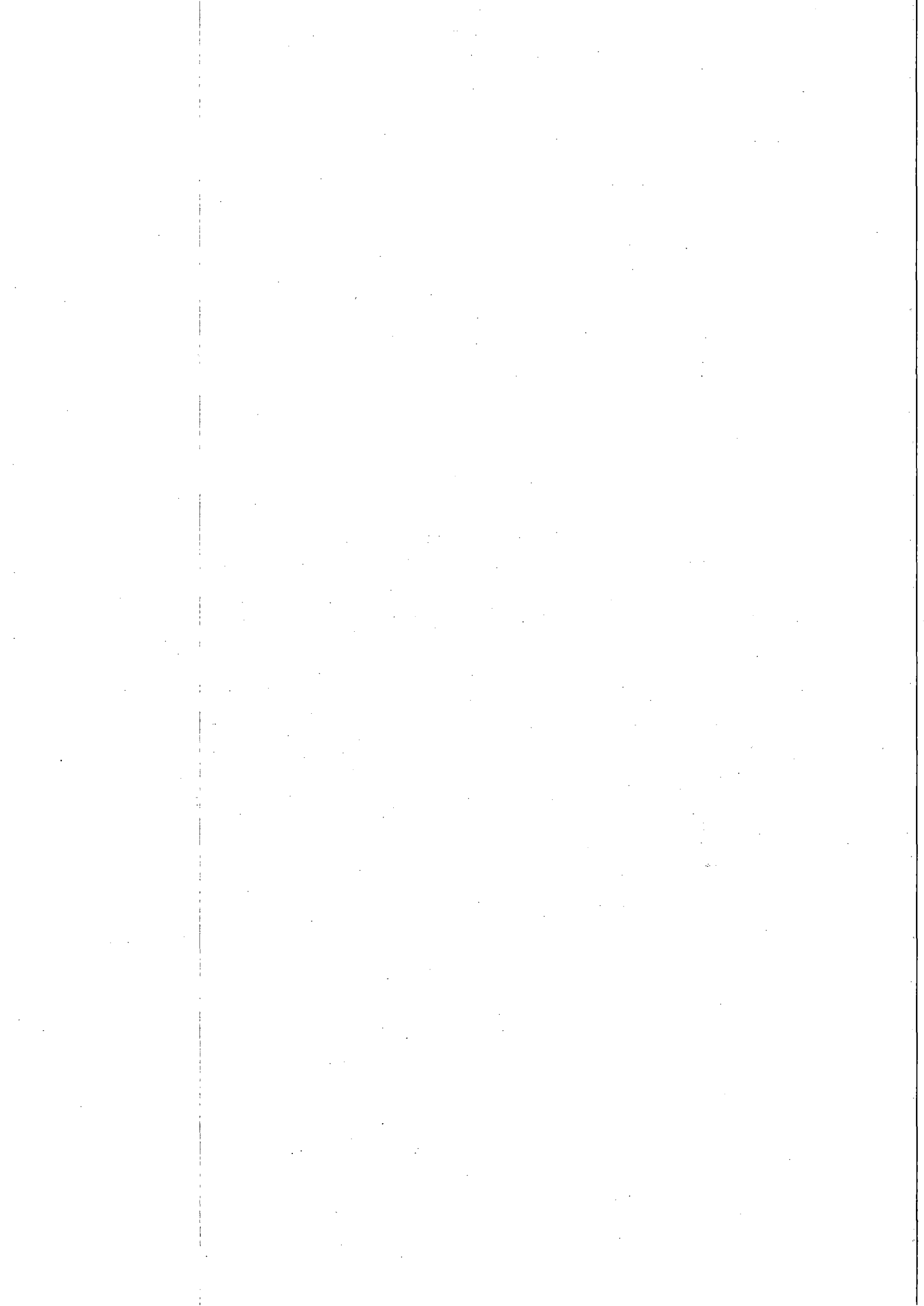
62. Formerly known as Department of Specific Schemes and Integrated Rural Development, Government of Rajasthan

63. Now Zila Parishad (Rural Development Cell)

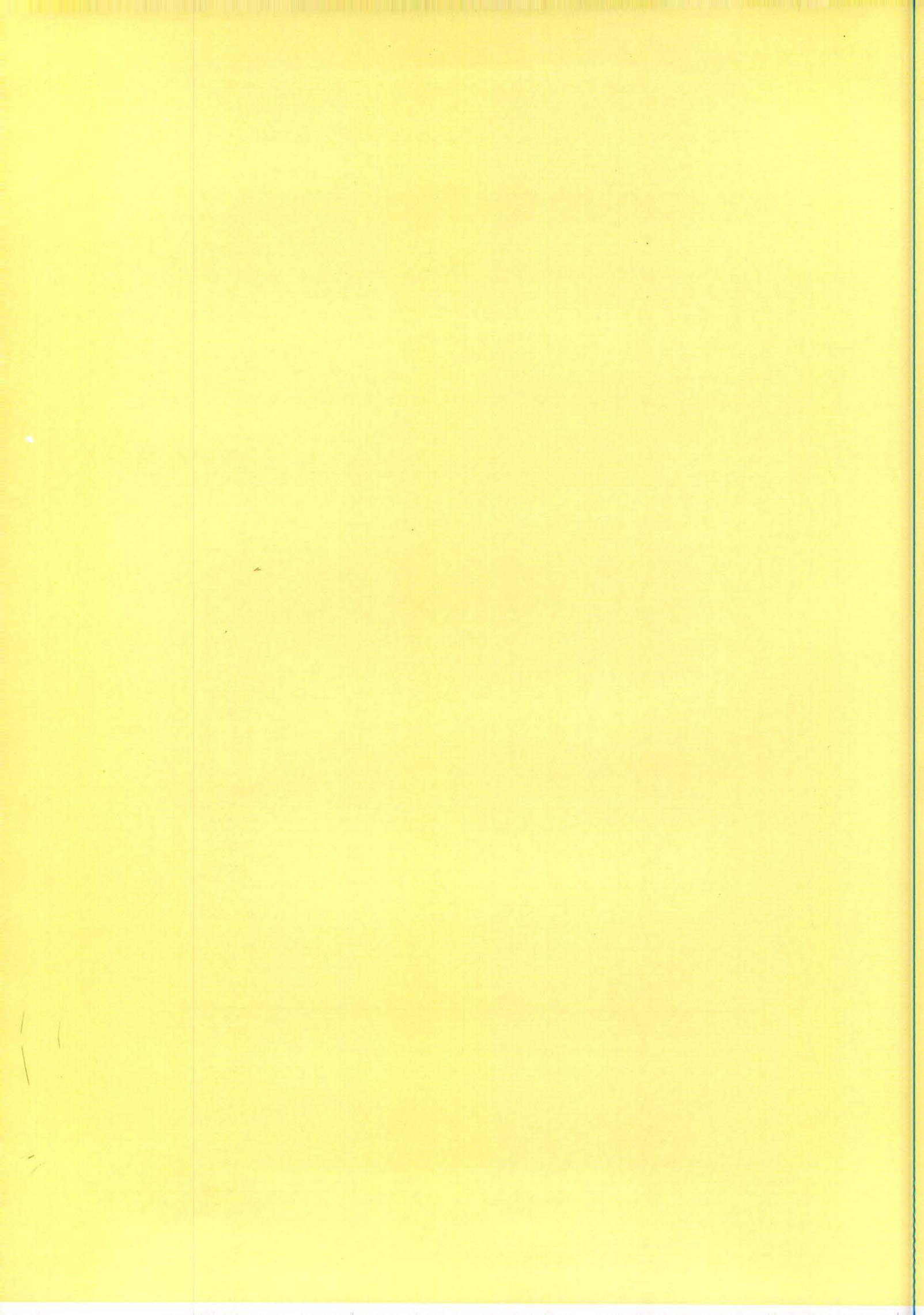
64. Interest has been calculated on lower side at the saving bank interest rate of four per cent per annum on the minimum balances available between 10th day and last day of the month

The matter was referred (January 2014) to the State Government. RDD stated (March 2014) that the money was kept in non-interest bearing PD account as per instructions given by the Department of Border Management, MoHA, GoI in the review meeting of BADP. This reply was not convincing as the State Government's instructions (October 1997) were applicable on all the CSS uniformly which envisages that funds of CSS should be kept in bank account. Further, RDD failed to provide a copy of directions of GoI or minutes of review meeting of BADP in support of their reply even after repeatedly requested by Audit to the Secretary, RDD in May, June and September 2014.

Thus, inconsistent instructions issued by Project Director, RDD, resulted in loss of interest amounting to ₹ 3.54 crore during 2012-13 and 2013-14.



CHAPTER-III
AN OVERVIEW OF
ACCOUNTS AND FINANCES
OF URBAN LOCAL BODIES



CHAPTER III

AN OVERVIEW OF ACCOUNTS AND FINANCES OF URBAN LOCAL BODIES

3.1 Introduction

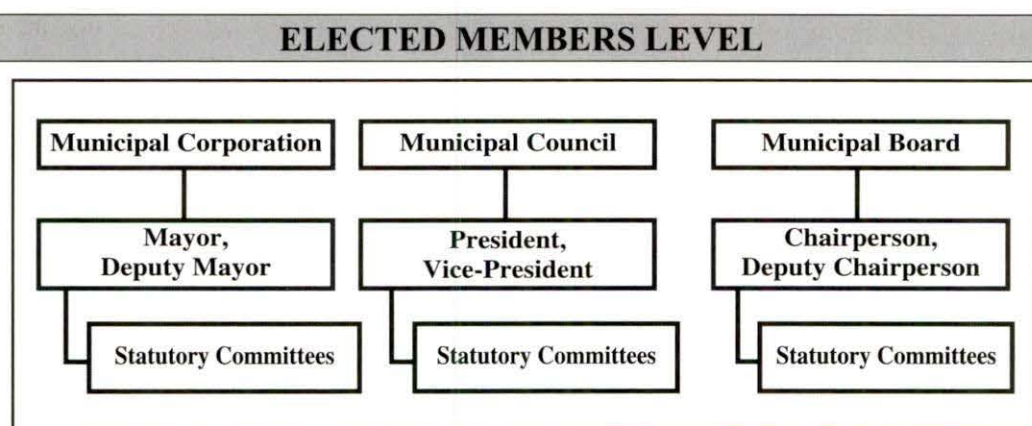
In pursuance of the 74th Amendment, Articles 243 P to 243 ZG were inserted in the Constitution of India whereby the State legislature could endow certain powers and duties to the Municipalities in order to enable them to function as institutions of self-government and to carry out the responsibilities conferred upon them including those listed in the Twelfth Schedule of the Constitution. The Rajasthan Municipalities Act (RMA), 2009 was accordingly enacted by repealing all the prevailing municipal laws and enactments to enable the Urban Local Bodies (ULBs) to function as third tier of the Government.

As per census 2011, the total population of Rajasthan State was 6.85 crore. The urban population of the State was 1.70 crore, which constituted 24.87 per cent of the total population of the State. In Rajasthan, there were 184 ULBs i.e. six Municipal Corporations¹ (M Corps), 35 Municipal Councils² (MCs) and 143 Municipal Boards³ (MBs) as of March 2014. The last elections to the ULBs in Rajasthan were held in five phases during November 2009 to February 2011.

3.2 Organisational set up

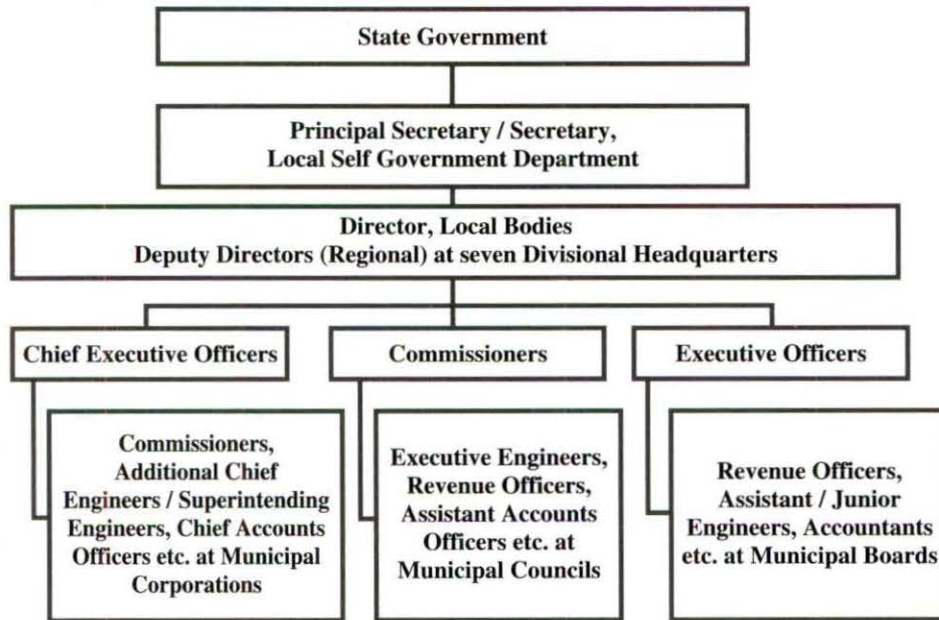
Local Self Government Department (LSGD) is the administrative department dealing with affairs of the ULBs. An organisational chart combining the State Government administrative machinery with ULBs is given in **Chart 3.1** below:

Chart 3.1: Organisational chart of ULBs



1. M Corps: Ajmer, Bikaner, Jaipur, Jodhpur, Kota and Udaipur
2. MCs: Alwar, Balotra, Banswara, Baran, Barmer, Beawar, Bharatpur, Bhilwara, Bhiwadi, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Dungarpur, Gangapurcity, Hanumangarh, Hindoncity, Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Karauli, Kishangarh, Makrana, Nagaur, Pali, Pratapgarh, Rajsamand, Sawai Madhopur, Sikar, Sirohi, Sriganganagar, Sujangarh and Tonk
3. MBs: Class-II (with population 50,000-99,999) - 13, Class-III (with population 25,000-49,999) - 58 and Class-IV (with population less than 25,000) - 72

EXECUTIVE LEVEL



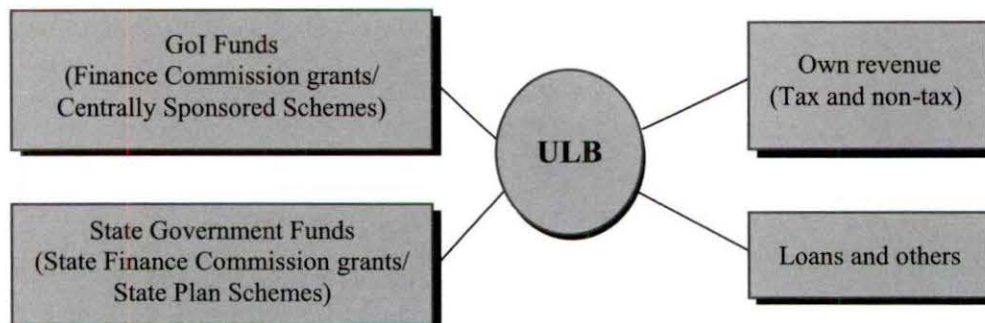
Financial management

3.3 Receipts and expenditure

The 74th Constitutional Amendment incorporated provisions for devolution of certain powers and functions to Urban Local Bodies (ULBs). Article 243W of the Constitution aimed at devolving the responsibility for local economic development and social justice. The Twelfth Schedule of the Constitution lists the specific functions⁴ under economic and social development that are best devolved to ULBs.

3.3.1 Receipts

The resource base of ULBs consists of own revenues, assigned revenues, grants received from GoI and the State Government and loans as depicted in the diagram below:



4. Regulation of land use and construction of buildings, Slum improvement and upgradation, Urban poverty alleviation, Vital statistics including registration of births and deaths, Public amenities including street lighting, parking lots, etc (Details in *Appendix-VIII*)

The Department had made available data of receipts and expenditure only for 134 out of the 184 ULBs during the year 2013-14 (*Appendix-VII*). In order to make the figures of receipts and expenditure for the year 2012-13 comparable with the year 2013-14, figures for the year 2012-13 have been worked out on the basis of 134 ULBs.

The position of receipts under various heads of the ULBs during 2009-10 to 2013-14 is given in **Table 3.1** below:

Table 3.1: Receipts of ULBs

Sources of receipts	₹ in crore)					
	2009-10	2010-11	2011-12	2012-13		2013-14
	184 ULBs			134 ULBs ⁵		
(A) Own revenue						
(a) Tax revenue						
House tax	39.90	17.59	Nil	Nil	Nil	Nil
Urban development tax ⁶ /property tax	21.61	38.94	39.57	46.88	34.14	41.20
Octroi/Margash fee	54.49	25.51	Nil	Nil	Nil	Nil
Tax on vehicles	0.46	0.20	Nil	Nil	Nil	Nil
Passenger tax	2.23	3.52	Nil	Nil	Nil	Nil
Terminal tax	0.10	0.08	Nil	Nil	Nil	Nil
Other taxes ⁷	4.42	21.26	81.10	205.41	149.59	146.08
Outsourcing	41.13	44.33	Nil	Nil	Nil	Nil
Total of Tax revenue (a)	164.34	151.43	120.67	252.29	183.73	187.28
	(7.55)	(7.38)	(5.29)	(7.04)	(7.04)	(5.30)
(b) Non-tax revenue						
Revenue from bye-laws ⁸	83.72	99.39	157.25	416.83	303.56	416.42
Revenue from assets	46.43	26.75	26.69	36.08	26.28	27.99
Revenue from Acts	35.06	49.05	Nil	Nil	Nil	Nil
Revenue from penalties	8.66	11.73	Nil	Nil	Nil	Nil
Revenue from water works	1.84	0.32	Nil	Nil	Nil	Nil
Interest on investments	8.61	22.13	24.80	26.30	19.15	37.87
Misc. non-tax revenue ⁹	81.85	56.29	297.95	477.90	348.04	581.68
Sale of land ¹⁰	210.52	305.34	110.38	199.30	145.14	124.54
Total of Non-tax revenue (b)	476.69	571.00	617.07	1,156.41	842.17	1,188.50
	(21.89)	(27.83)	(27.06)	(32.27)	(32.27)	(33.64)
Total of Own revenue (A)	641.03	722.43	737.74	1,408.70	1,025.90	1,375.78
	(29.44)	(35.21)	(32.35)	(39.31)	(39.31)	(38.94)

5. During the period 2013-14, out of 184 ULBs, the receipts under various heads of 134 ULBs (M Corp: Six, MCs: 29 and MBs: 99) has been furnished by Department. The receipt of average of 134 ULBs (Out of 184 ULBs) for the year 2012-13 has been taken
6. Urban Development tax was introduced with effect from 29 August 2007 on abolition of House Tax from 24 February 2007
7. Income from Land revenue, tax on advertisement, Pilgrim tax, other Income etc.
8. Income from birth and death certificate, sign advertisement board fees, tender form fees, marriage registration fees, building permission fees, license fees of hotel bye-laws, etc.
9. Income from sewerage tax, fair fees, application fees, income from contract of Bakra Mandi, income from cattle house, income from lease, etc.
10. Receipt from Sale of land to public, Government and other commercial organisation

Sources of receipts	2009-10	2010-11	2011-12	2012-13		2013-14
	184 ULBs			134 ULBs		
(B) Assigned revenue/ Entertainment tax	7.12 (0.33)	7.21 (0.35)	7.38 (0.32)	0.01 (0.00)	0.01 (0.00)	-
(C) Grants and loans						
General and special grant	51.91	40.87	642.78	1,162.55	846.64	1,175.69
Grant in lieu of Octroi	747.70	754.09	877.81	965.60	703.21	981.85
Special assistance and loans	484.79	351.67	14.81	47.07	34.28	Nil
Total of Grants and loans (C)	1,284.40 (58.99)	1,146.63 (55.90)	1,535.40 (67.33)	2,175.22 (60.69)	1,584.13 (60.69)	2,157.54 (61.06)
(D) Miscellaneous non-recurring income ¹¹	244.62 (11.24)	175.11 (8.54)	Nil	Nil	Nil	Nil
Grand Total (A to D)	2,177.17	2,051.38	2,280.52	3,583.93	2,610.04	3,533.32

Source: As per data provided (December 2014) by Directorate, Local Bodies Department (DLBD), Rajasthan
Note: Figures in brackets denote percentage to the total receipts

The above table indicates the following for 134 ULBs:

- The total receipts of ULBs increased by ₹ 923.28 crore during 2013-14 (an increase of 35.37 per cent) over the previous year.
- Tax revenue comprised only 5.30 per cent of the total revenue during 2013-14. Total revenue on an average increased by only 1.93 per cent during 2013-14 over the previous year. The major increase in tax revenue was under urban development tax which increased by 20.68 per cent (₹ 7.06 crore).
- Non-tax revenue comprised 33.64 per cent of the total revenue during 2013-14. It increased by 41.12 per cent during 2013-14 over the previous year. The increase in non-tax revenue was under various heads like revenue from bye laws¹² ₹ 112.86 crore (37.18 per cent), miscellaneous non-tax revenue ₹ 233.64 crore (67.13 per cent), revenue from assets ₹ 1.71 crore (6.51 per cent) and interest on investments ₹ 18.72 crore (97.75 per cent).
- ULBs received higher amount in “general and special grants” amounting to ₹ 329.05 crore i.e. an increase of 38.87 per cent over the previous year. The increase of ‘grant in lieu of octroi’ amounted to ₹ 278.64 crore, increased 39.62 per cent over the previous year.
- During 2013-14 tax and non-tax revenue comprised 38.94 per cent of total receipts. In 2012-13, tax and non-tax revenue comprised 39.31 per cent of total receipts. This indicates a marginal increase in dependency of ULBs on grants and loans.

3.3.2 Expenditure

The position of expenditure under various heads of the ULBs during 2009-10 to 2013-14 is given in **Table 3.2** below:

11. Including deposits and recoveries of loans and advances
12. The municipal bodies have power to make Bye-laws under Section 340 of the Municipalities Act, 2009

Table 3.2: Expenditure of ULBs

Items of Expenditure	(₹ in crore)					
	2009-10	2010-11	2011-12	2012-13	2013-14	
	184 ULBs			134 ULBs ¹³		
(A) Recurring expenditure						
General administration	324.43 (14.42)	519.03 (28.47)	966.84 (33.45)	1,090.10 (31.19)	793.88 (31.19)	1,055.20 (28.69)
Public health and sanitation	623.40 (27.71)	359.19 (19.70)	637.66 (22.06)	772.28 (22.10)	562.42 (22.10)	188.84 (5.14)
Maintenance of civic amenities	230.60 (10.25)	220.89 (12.11)	737.67 (25.52)	898.26 (25.70)	654.17 (25.70)	795.03 (21.62)
Total of Recurring expenditure (A)	1,178.43 (52.38)	1,099.11 (60.28)	2,342.17 (81.03)	2,760.64 (78.99)	2,010.47 (78.99)	2,039.07 (55.45)
(B) Non-recurring expenditure						
Expenditure on developmental works	805.94 (35.82)	408.33 (22.39)	394.56 (13.66)	518.72 (14.84)	377.76 (14.84)	1,391.66 (37.84)
Purchase of new assets	11.69 (0.52)	24.03 (1.32)	NA -	NA -	NA -	Nil -
Repayment of loans	40.76 (1.81)	85.08 (4.67)	NA -	NA -	NA -	20.70 (0.56)
Miscellaneous non-recurring expenditure ¹⁴	213.12 (9.47)	206.78 (11.34)	153.62 (5.31)	215.66 (6.17)	157.06 (6.17)	225.96 (6.14)
Total of Non-recurring expenditure (B)	1,071.51 (47.62)	724.22 (39.72)	548.18 (18.97)	734.38 (21.01)	534.82 (21.01)	1,638.32 (44.55)
Grand Total (A+B)	2,249.94	1,823.33	2,890.35	3,495.02	2,545.29	3,677.39

Source: As per data provided (December 2014) by DLBD, Rajasthan

Note: Figures in brackets denote percentage to the total expenditure

The above table indicates the following:

- Recurring expenditure in 2013-14 increased by 1.42 per cent over the previous year for 134 ULBs. The main increase in recurring expenditure over the previous year was under general administration ₹ 261.32 crore (an increase of 32.92 per cent), maintenance of civic amenities ₹ 140.86 crore (an increase of 21.53 per cent). There was, however, a substantial decline in expenditure incurred on public health and sanitation ₹ 373.58 crore (a decline of 66.42 per cent).
- Non-recurring expenditure increased in 2013-14 by 206.33 per cent over the previous year. This increase was mainly due to an increase in expenditure on developmental work by ₹ 1,013.90 crore (an increase of 268.40 per cent), repayment of loans ₹ 20.70 crore (an increase of 100 per cent) and miscellaneous non-recurring expenditure ₹ 68.90 crore (an increase of 43.87 per cent).

Break-up of receipts and expenditure of category wise ULBs is given in Table 3.3 below:

13. During the period 2013-14, out of 184 ULBs, the expenditure under various heads of 134 ULBs (M Corp: Six, MCs: 29 and MBs: 99) has been furnished by Department. The receipt of average of 134 ULBs (Out of 184 ULBs) for the year 2012-13 has been taken
14. It includes refund or deposits, investments made and disbursement of loans and advances

Table 3.3: Break-up of receipts and expenditure of ULBs

Category of ULBs	2012-13		Surplus (+)/ Shortfall (-)	2013-14		Surplus (+)/ Shortfall (-)
	Receipts	Exp.		Receipts	Exp.	
(A) Municipal Corporations						
(i) Ajmer	93.68	74.62	(+) 19.06	96.83	90.72	(+) 6.11
(ii) Bikaner	76.33	63.97	(+) 12.36	67.89	72.25	(-) 4.36
(iii) Jaipur	532.88	515.77	(+) 17.11	662.49	715.15	(-) 52.66
(iv) Jodhpur	171.22	155.56	(+) 15.66	165.28	290.01	(-) 124.73
(v) Kota	163.63	129.11	(+) 34.52	174.44	146.48	(+) 27.96
(vi) Udaipur ¹⁵	-	-	-	124.24	132.68	(-) 8.44
	1,037.74	939.03	(+) 71.89	1,291.17	1,447.29	(-) 156.12
	(755.75)*	(683.86)*				
(B) Municipal Councils	1,272.98	874.07	(+) 290.51	1,214.62	1,219.51	(-) 4.89
	(927.06)*	(636.55)*				
(C) Municipal Boards	1,273.21	1,681.92	(-) 297.65	1,027.53	1,010.59	(+) 16.94
	(927.23)*	(1,224.88)*				
Grand Total (A+B+C)	3,583.93	3,495.02	(+) 64.75	3,533.32	3,677.39	(-) 144.07
	(2,610.04)*	(2,545.29)*				

Note: Figures of receipts and expenditure for the year 2012-13 of 184 ULBs and 2013-14 of 134 ULBs
* Average receipts and expenditure of 134 ULBs

The above table indicates the following:

- During 2013-14, there were four M Corps¹⁶ in which the expenditure incurred was more than the receipts; whereas in 2012-13, all the M Corps had a surplus. This was despite the fact that their receipts had increased by 24.42 per cent over the previous year.
- During 2013-14, there was an overall shortfall of ₹ 4.05 crore¹⁷ over 29 MCs, whereas there was an overall surplus in 2012-13 of ₹ 240.71 crore¹⁸ (for 29 MCs). The decline in surplus of ULBs occurred mainly because of an increase in expenditure of 268.40 per cent on account of increase in development expenditure across 134 ULBs.
- During the year 2013-14, MBs as a whole improved their financial position as they converted their shortfall (₹ 297.65 crore) into a small surplus (₹ 16.94 crore).

3.4 Devolution of functions

Article 243W inserted through the 74th Constitutional Amendment envisaged devolution of powers and responsibilities to municipalities in respect of 18 subjects mentioned in XII Schedule of the Constitution. As per information given by Directorate, Local Bodies Department (June 2014), functions relating to 16 subjects (*Appendix-VIII*) were already being performed by ULBs. As regards the remaining two functions, 'Water Supply' is being carried out by

15. MC, Udaipur was converted in to M Corp, Udaipur in March 2013

16. M Corps, Bikaner, Jaipur, Jodhpur and Udaipur

17. Shortfall in 2013-14: ₹ 4.89 crore / 35 ULBs x 29 ULBs = ₹ 4.05 crore

18. Surplus in 2012-13: ₹ 290.51 crore / 35 ULBs x 29 ULBs = ₹ 240.71 crore

seven¹⁹ out of 184 ULBs whereas 'Urban Planning' function is yet to be devolved to ULBs as per notification dated 6 February 2013.

3.5 Finance Commission grants

3.5.1 Thirteenth Finance Commission grants

The position of Thirteenth Finance Commission grants released by GoI to State Government and further released by State Government to ULBs and their utilisation by ULBs for the years 2010-11 to 2013-14 is given in Table 3.4 below:

Table 3.4: Utilisation of Grants recommended by Thirteenth Finance Commission

(₹ in crore)

Year	Grants to be released by GoI	Actual grants released by GoI	Grants released to ULBs by State Government	UCs received (June 2014) from ULBs		UCs pending	
				Amount	Percentage	Amount	Percentage
2010-11	111.36	111.36	111.36	60.49	54.32	50.87	45.68
2011-12	173.30	209.49	187.56	98.64	52.59	88.92	47.41
2012-13	254.49	252.06	273.99	95.62	34.90	178.37	65.10
2013-14	361.81	361.81	361.81 ²⁰	77.72	21.48	284.09	78.52
Total	900.96	934.72	934.72	332.47	35.57	602.25	64.43

Source: As per data provided (June 2014) by DLBD, Rajasthan

As on June 2014, UCs amounting to ₹ 602.25 crore were pending. In respect of pending UCs, State Government stated (February 2015) that position of UCs is being compiled. This indicated slow utilisation of funds by ULBs and lack of monitoring at Directorate level.

3.5.2 Fourth State Finance Commission grants

The Fourth State Finance Commission (SFC) constituted on 11 April 2011 is concurrent with the Thirteenth Finance Commission. For the years 2010-11 to 2013-14, the Fourth SFC had recommended devolution of five per cent of State's net own tax revenue (excluding land revenue and 25 per cent of entry tax) to local bodies in the ratio of 75.10:24.90 to PRIs and ULBs on provisional basis and budgeted figures were to be adopted for quantifying the divisible pool.

The position of grants required to be released by the State Government under the Fourth SFC during 2010-11 to 2013-14 and their utilisation is given in Table 3.5 below:

19. Bundi, Chomu, Jaisalmer, Karauli, Nagaur, Nathdwara and Nokha

20. General Basic Grant: ₹ 182.65 crore, General Performance Grant: ₹ 178.97 crore, Special Areas Basic Grant: ₹ 0.18 crore and Special Areas Performance Grant: Nil

Table 3.5: Grants of Fourth SFC to ULBs

(₹ in crore)

Year	Grants to be released by the State Government	Grants released by the Finance Department to Director, Local Bodies	Grants released to ULBs by Director, Local Bodies	Short (-)/ Excess(+) release of grants	UCs received (June 2014) from ULBs	
					Amount	Percentage
2010-11	134.87	132.12	45.00	(-) 87.12	29.91	66.47
2011-12	147.95	150.70	237.53	(+) 86.83	106.77	44.95
2012-13	325.37	325.37	325.66	(+) 0.29	153.24	47.10
2013-14	325.08	325.08	325.08	Nil	39.10	12.03
Total	933.27	933.27	933.27	Nil	329.02	35.25

Source: As per data provided (June 2014) by DLBD, Jaipur

As on June 2014, only 35.25 per cent UCs were received.

3.6 Database on finances and accounting arrangements

3.6.1 National Municipal Accounts Manual (NMAM) for ULBs in India developed by the Ministry of Urban Development, GoI was introduced in February 2005. On the lines of NMAM, Rajasthan Municipal Accounting Manual has been prepared. Accordingly, the LSGD directed (December 2009) all ULBs to maintain the accounts on Accrual Based (Double Entry) Accounting System from 1 April 2010 (except M Corp, Udaipur and MC, Bhiwadi) none of the ULBs was preparing their accounts on accrual basis.

3.6.2 The Ministry of Urban Development, GoI has issued (April 2010) database formats to be adopted by ULBs as prescribed by the Thirteenth Finance Commission. The Chief Account Officer, Directorate, Local Bodies Department intimated (June 2014) that prescribed database formats have been forwarded to all the 184 ULBs of the State and relevant information as to its adoption was being collected.

3.6.3 As per Rule 25 (xi) of Rajasthan Local Fund Audit Rules, 1955, a certificate of correctness of annual accounts shall be included in Director's Report. The details of certification of annual accounts of ULBs were called for (January 2015). State Government stated (February 2015) that information is being collected.

3.7 Arrears of audit of Director, Local Fund Audit Department

Director, Local Fund Audit Department (LFAD) is the Statutory Auditor for audit of accounts of ULBs. The Director, LFAD intimated (July 2014) that out of 184 ULBs, audit of 161 ULBs (M Corps: six, MCs: 27 and MBs: 128) were pending for the period 2013-14 due to shortage of staff.

3.8 Audit arrangement

The CAG conducts audit of bodies substantially financed by grants or loans from the Consolidated Fund of India or any State under Section 14 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. Further, Section 99-A of RMA, 2009, as amended in 2011 provides for audit of accounts of municipalities by the CAG.

3.9 Lack of response to Audit observations

For early settlement of audit observations, Departmental Administrative Officers were required to take prompt steps to remove defects and irregularities brought to their notice during the course of audit and/or pointed out through Inspection Reports (IRs).

It was observed that:

3.9.1 At the end of March 2014, 5,90,180 paragraphs of 47,655 IRs issued by Director, LFAD were pending for settlement. Audit observations include 225 embezzlement cases up to March 2014 involving monetary value of ₹ 1.67 crore, were pending for settlement.

3.9.2 Similarly, 563 IRs containing 4,948 paragraphs issued by Office of the Principal Accountant General (General & Social Sector Audit), Rajasthan involving money value of ₹ 6,168.05 crore, were also pending for settlement as on 31 March 2014. Out of this, even first compliance reports of 965 paragraphs of 86 IRs were not furnished (31 March 2014). The year-wise position of outstanding paragraphs is given in Table 3.6 below:

Table 3.6: Outstanding paragraphs of ULBs

Year	Pending			Non-receipt of first compliance	
	IRs	Paragraphs	Money value (₹ in lakh)	IRs	Paragraphs
2002-03	02	20	16,175.19	-	
2003-04	14	27	1,681.08	-	
2004-05	32	237	34,916.54	-	
2005-06	50	302	19,526.91	-	
2006-07	60	248	25,908.67	-	
2007-08	39	202	5,953.93	-	
2008-09	42	210	9,828.24	-	
2009-10	60	618	50,101.63	02	25
2010-11	41	441	64,283.21	02	19
2011-12	72	698	58,679.58	-	-
2012-13	81	1,068	2,08,790.89	43	472
2013-14	70	877	1,20,960.07	39	449
Total	563	4,948	6,16,805.94	86	965

This indicated lack of prompt response on the part of the municipal/departmental authorities which resulted in recurrence of the deficiencies and lapses pointed out earlier. There was no Audit Committee meeting conducted during 2013-14.

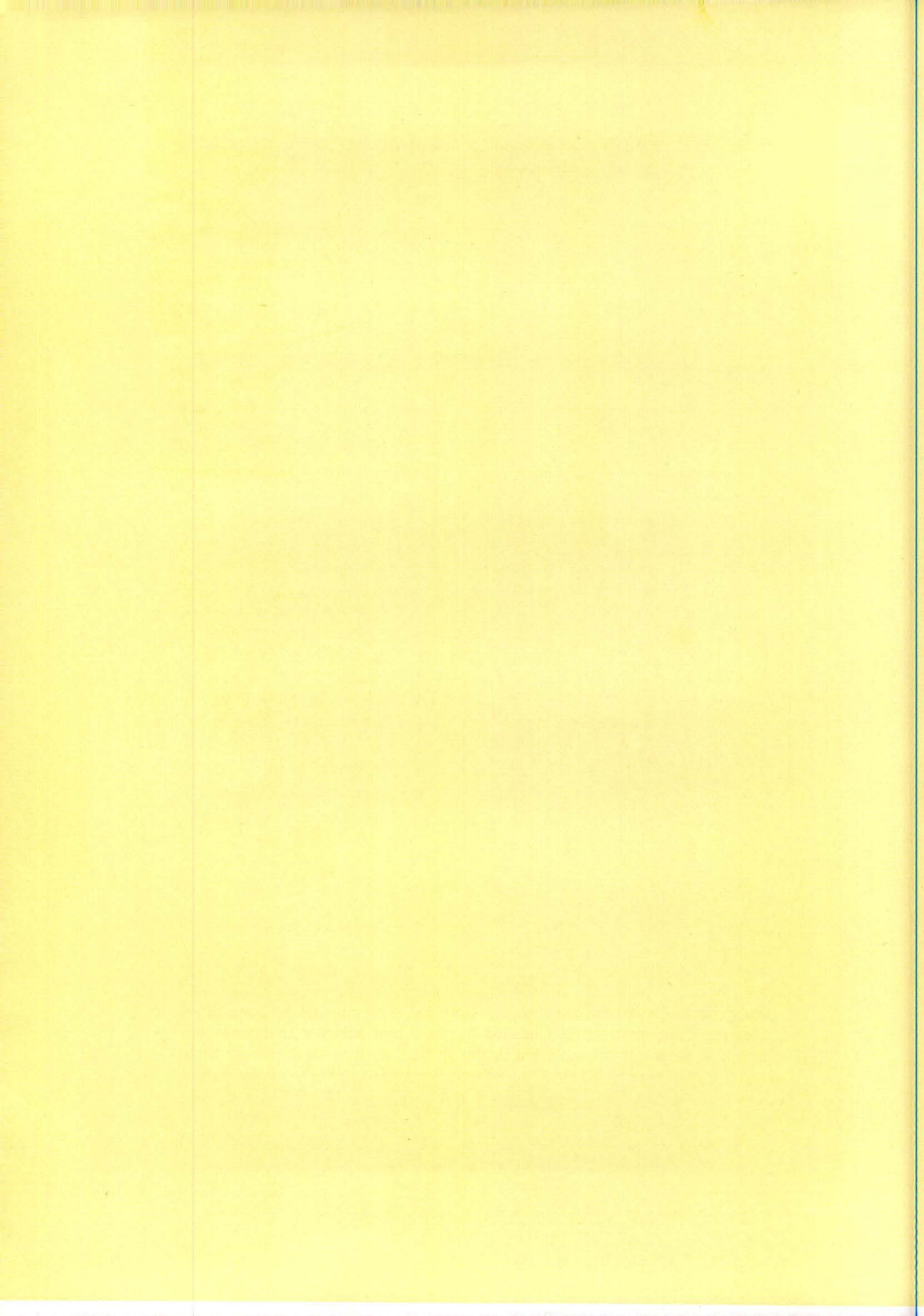
3.10 Impact of Audit

During 2013-14, recovery of ₹ 78.02 lakh in four cases was made at the instance of CAG's audit.

3.11 Conclusion

- Own resources generated by ULBs were not adequate and they were largely dependent on grants and loans from Central/State Government.
- Absence of timely finalisation of accounts in the prescribed formats and prompt audit resulted in denial of information to stakeholders.
- The huge pendency of audit observations and delay in their settlement are fraught with the risk of continuance of irregularities/deficiencies observed during audit.

CHAPTER-IV
AUDIT OF
URBAN LOCAL BODIES



CHAPTER IV

AUDIT OF URBAN LOCAL BODIES

This chapter contains Compliance Audit of 'Implementation of Jawaharlal Nehru National Urban Renewal Mission in Ajmer-Pushkar Mission City', 'Swarna Jayanti Shahari Rozgar Yojana' and four draft paragraphs related to Urban Local Bodies.

COMPLIANCE AUDIT

Local Self Government Department

4.1 Implementation of Jawaharlal Nehru National Urban Renewal Mission in Ajmer-Pushkar Mission City

Introduction

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched on 3rd December 2005 by the Government of India (GoI), with the objective of providing focused attention to improve the quality of life and infrastructure in cities covered under the Mission. The mission aimed at ensuring adequate investment of funds to fulfill the deficiencies in urban infrastructural services and to encourage cities to initiate steps for bringing phased improvement in their civic service levels i.e., planned development of identified cities so that urbanisation takes place in a dispersed manner, urban renewal programmes were to be undertaken i.e. re-development of the old city areas to reduce congestion. Further, the mission would focus on provision of basic services to the urban poor including security of tenure at affordable prices, improved housing, water supply and sanitation and providing housing near the work place of the urban poor.

The Mission period was for seven years up to March 2012, which was extended up to March 2015.

Organisational set up

At the Central Level, a National Steering Group (NSG) chaired by the Minister of Urban Development (MoUD) was constituted for overall guidance and supervision of JNNURM functions and to frame policies for implementation, monitor and review progress and suggest corrective measures where necessary. At the State Level, JNNURM is coordinated by State Level Steering Committee (SLSC) headed by the Chief Minister to review and prioritise proposals for inclusion in the JNNURM. It is supported by State Level Nodal Agency (SLNA). It performs functions relating to invitation and appraisal of proposals, to manage and monitor the JNNURM alongwith management of grants received from Central and State Government, etc. Rajasthan Urban Infrastructure Finance and Development Corporation (RUIFDCo) was designated as SLNA.

Components under JNNURM

JNNURM contains four components: Integrated Housing and Slum Development Programme (IHSDP), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), Urban Infrastructure and Governance (UIG) and Basic Services to Urban Poor (BSUP).

Under JNNURM in Rajasthan, Jaipur and Ajmer-Pushkar cities were selected as mission cities as per norms/criteria mentioned under the scheme guidelines

Ajmer-Pushkar mission city was selected for test check in audit, as the city has tremendous religious and tourist importance. For this purpose, records of SLNA and implementing agencies¹ were scrutinised during May to July 2014 for the period December 2005 to March 2014.

Under Mission city Ajmer-Pushkar, out of four components of JNNURM, only two components i.e. UIG and BSUP were executed:

- ***Urban Infrastructure and Governance (UIG)***

The UIG component was to set up urban infrastructure projects relating to water supply (including sanitation), sewerage, solid waste management, road network, urban transport and redevelopment of inner (old) city areas, etc.

- ***Basic Services to Urban Poor (BSUP)***

The BSUP component focused on the integrated development of slums through projects for providing shelter, basic services and other related civic amenities to the urban poor. This is being administered by Ministry of Housing and Urban Poverty Alleviation (MoHUPA),

Audit findings

Audit findings are grouped as under:

- ***Financial management***
- ***UIG components***
- ***BSUP components***
- ***Implementation of reforms***

1. Ajmer Development Authority (ADA)/Urban Improvement Trust (UIT), Ajmer; Municipal Corporation, Ajmer; Municipal Board (MB), Pushkar; Public Works Department (PWD), Ajmer; Central Public Works Department (CPWD), Ajmer; Public Health Engineering Department (PHED), Ajmer; Rajasthan Awas Vikas Infrastructure Limited (RAVIL), Ajmer; Ajmer Vidyut Vitaran Nigam Limited (AVVNL), Ajmer and Ajmer City Transport Services Limited (ACTSL), Ajmer

4.1.1 Financial management

As per guidelines of JNNURM, for the UIG and BSUP components, the share of GoI was 80 per cent as Additional Central Assistance (ACA). Remaining 20 per cent was to be contributed by GoR/ULBs/Parastatal agencies/beneficiaries in UIG and BSUP components.

The ACA under the mission was to be released by the GoI to the State Government. The State Government alongwith its share released the ACA to the SLNA. The SLNA disbursed these funds to ULBs or Parastatal Agencies.

State Government and ULB, Ajmer executed (29 October 2006) Memorandum of Agreement (MoA) with Ministry of Urban Development (MoUD), GoI to receive the ACA. MoA was to be submitted along with Detailed Project Reports (DPRs). The Central assistance was predicated upon the State Government and ULBs/Parastatals subject to their agreeing to implement the reforms.

The project cost, share, release and utilisation of funds for UIG and BSUP components under Ajmer-Pushkar mission city during the period 2005-14 are given in Table 4.1 below:

Table 4.1: Position of Project cost, share cost, funds released and utilised during 2005-14 for UIG and BSUP

(₹ in crore)

Project	Project cost	Funds sanctioned				Funds released				Funds utilised (Percentage)
		GoI (80 per cent)	GoR (10 per cent)	ULB/ IA (10 per cent)	Total	GoI	GoR	ULB/ IA	Total	
(A) UIG										
Ajmer-Pushkar Bisalpur water transmission	188.73	150.98	18.87	18.88	188.73	150.98	18.88	23.28	193.14	193.14 (100)
Ajmer-Pushkar drinking water supply transfer and distribution	166.42	133.14	16.64	16.64	166.42	86.53	10.82	39.07	136.42	98.22 (72)
Sewerage project for Ajmer-Pushkar	112.08	89.66	11.21	11.21	112.08	58.29	7.28	39.21	104.78	81.02 (77)
Urban Renewal of Dargah Area	38.42	30.74	3.84	3.84	38.42	19.98	2.50	4.82	27.30	26.19 (96)
City transportation	8.65	6.92	0.87	0.86	8.65	6.23	0.78	0.87	7.88	7.51 (95)
Total (A)	514.30	411.44	51.43	51.43	514.30	322.01	40.26	107.25	469.52	406.08 (87)
(B) BSUP										
Urban Housing	107.71	84.57*	11.57	11.57	107.71	42.28	5.28	2.64	50.20	40.15 (80)
G. Total	622.01	496.01	63.00	63.00	622.01	364.29	45.54	109.89	519.72	446.23 (86)

* Original sanction amount by GoI

Source: Information provided by SLNA and ADA, Ajmer

From the above table, the following is seen:

4.1.1.1 Under UIG component, GoI withheld 10 per cent of ACA amounting to ₹ 25.35 crore for three projects² from the second instalment onwards due to partial accomplishment of reforms such as e-Governance, municipal

2. (i) Ajmer-Pushkar drinking water supply transfer and distribution, (ii) Sewerage project for Ajmer-Pushkar and (iii) Urban Renewal of Dargah Area

accounting, property tax, levy of user charges, etc. and non-implementation of optional reforms regarding introduction of property title certification system as per MoA.

4.1.1.2 Under BSUP, due to slow progress and non-submission of utilisation certificates (UCs), GoI released two instalments of ₹ 42.28 crore only, instead of ₹ 84.57 crore. There was short release of ₹ 42.29 crore.

4.1.1.3 Under BSUP component, an amount of ₹ 8.72 crore was received (June 2007) from GoI, which was to be transferred to SLNA by the GoR, but kept in PD account of the State Government. The said amount was released (January 2010) by the GoR to SLNA after a delay of 30 months. The delayed release of funds affected the progress of ongoing works.

4.1.2 *UIG components*

Under UIG component, six projects were sanctioned out of which one project i.e. Storm Water Drainage Project was subsequently dropped. Hence, five projects costing ₹ 514.30 crore were implemented. After incurring an expenditure of ₹ 406.08 crore, only two projects³ were completed and the remaining three projects⁴ were in progress.

4.1.2.1 Detailed Project Report for Storm Water Drainage Project, Ajmer-Pushkar costing ₹ 61.08 crore was approved (February 2009) by Central Sanctioning and Monitoring Committee (CSMC). First instalment amounting ₹ 12.22 crore was released (May 2009) by the GoI. State Government stated that Storm Water Drainage Project could not be started as funding arrangements (State share) were yet to be resolved and there were some suggested reductions in the scope of work. Subsequently, the entire project was dropped (21 May 2010). However, RUIFDCo released ₹ 34 lakh (August 2011) to the consultant for preparation of DPR, which remained unfruitful.

4.1.2.2 *Ajmer-Pushkar drinking water supply transfer and distribution*

The "Ajmer-Pushkar Drinking Water Supply Transfer and Distribution" project was approved (December 2007) for ₹ 166.42 crore based on approved DPR. The project was divided into five packages (June 2008). Out of these only one package⁵ was completed (November 2011) and remaining four packages were under progress as of 31 March 2014. The project was not completed even after lapse of almost four years from stipulated completion date i.e. December 2009.

◦ The Technical Committee (Rajasthan Water Supply and Sewerage Management Board) while approving the project divided it into five packages. These were to be implemented depending on availability of funds. Subsequently four packages were clubbed and GoR decided to implement them on Public Private Partnership (PPP) mode (October 2009).

Accordingly, work order for providing consultancy services and preparation of

3. City transportation (June 2010) and Ajmer-Pushkar Bisalpur water transmission (January 2012)
4. (i) Ajmer-Pushkar drinking water supply transfer and distribution, (ii) Sewerage project for Ajmer-Pushkar and (iii) Urban Renewal of Dargah Area (URDA)
5. Commissioning of Transfer mains from SR 7 to Pushkar

fresh feasibility report for Water Supply and Sewerage project of Ajmer and Pushkar to be taken up under PPP model was awarded (May 2010) to a consultant* for ₹ 1.63 crore to complete the consultancy report in 14 months (by July 2011). In the meanwhile, after a lapse of 32 months, PHED, Rajasthan decided (June 2012) to drop the PPP model and to execute directly the four packages as per originally approved DPR. However, even after dropping the PPP model in June 2012, the Government failed to cancel the contract with the consultant for preparing the PPP model; rather, it continued to pay the consultant till March 2014. Even after the payment of ₹ 91 lakh up to March 2014, final consultancy report had not been received till June 2014.

Work orders were issued (November 2012 to October 2013) for reduced pipeline length of 137 km (from 447.30 km to 310.30 km) due to price rise and to keep the project within its original sanctioned amount. The works were under progress as of March 2014. Thus, delay in finalising the mode of execution of the work led to increase in cost. This subsequently resulted in reduction in scope of work by 137 km. The reduction in the length of the pipeline led to non-achievement of project objectives.

Further, the fact that the approved DPR (December 2007) of the entire project already existed, the decision to prepare a fresh feasibility report (May 2010) to execute the project on PPP model and thereafter going back to the originally approved DPR, led to unfruitful expenditure of ₹ 0.91 crore incurred on preparation of feasibility report.

4.1.2.3 Sewerage project for Ajmer and Pushkar

The Sewerage Project for Ajmer and Pushkar was approved (August 2008) for ₹ 112.08 crore. Time period for completion of the project was not mentioned in DPR, however, the works were under progress as on 31 March 2014, even after lapse of almost six years from approval of the project.

- As per approved DPR of Sewerage Project for Ajmer and Pushkar, the work of providing laying, jointing, testing and commissioning of lateral branch and main sewer line, was awarded (Date of commencement 25 November 2010 and stipulated date of completion 24 May 2012) for ₹ 61.45 crore by Ajmer Development Authority (ADA), Ajmer (executing agency). Test check by Audit of road restoration work revealed that contractor executed 72 per cent excess items (up to March 2014) which resulted in extra payment to the tune of ₹ 8.13 crore without prior sanction of GoR. As per Delegation of powers to the officers of ADA for approval of excess items permission of Secretary, Urban Development and Housing, GoR was required. However, the Commissioner, ADA approved the excess items. On being pointed out by Audit, reasons for the same were not furnished by ADA, Ajmer (June 2014).

4.1.2.4 Urban renewal of Dargah area

The project Urban Renewal of Dargah Area (URDA) was approved (February 2008) for ₹ 38.42 crore with stipulated completion by January 2011. The project was under progress as on 31 March 2014.

* M/S SPAN Consultant Private Limited, Noida

Detailed Project Report approved for URDA included works amounting to ₹ 9.17 crore which were either already executed⁶ or were not feasible⁷ due to various reasons like non-availability of land or site, etc. for which ₹ five lakh (0.50 per cent of ₹ 9.17 crore proportionate to unexecuted works amount) as released to the consultant by RUIFDCo for preparation of DPR. Thus, the DPR prepared was defective.

Thus, URDA project was delayed due to defective DPR (as the DPR was prepared on the basis of preliminary study only, whereas the detailed estimates, working drawings and designs were not available) and no concrete action was taken up by the department to execute the work in time.

The work under URDA Project "Installation and laying underground cable at Dargah area Ajmer" with estimated cost of ₹ 4.25 crore⁸ was entrusted (April 2008) to Ajmer Vidyut Vitaran Nigam Limited (AVVNL) and ₹ 1.82 crore was deposited (August and September 2008) with AVVNL by Municipal Corporation, Ajmer. The work was not completed⁹ even after lapse of more than five years (March 2014). Thus, expenditure of ₹ 1.07 crore incurred on incomplete work and un-utilised funds of ₹ 75 lakh remained blocked with AVVNL since September 2008.

4.1.2.5 A right side Foot Over Bridge (FOB) at Railway Station, Ajmer was to be extended beyond the station road to lead the pedestrians to the parking-cum-tourist complexes directly from the station. For this, the Municipal Corporation, Ajmer approved construction of FOB which was to be connected to the existing Railway Over Bridge (ROB) at the station. This would take pedestrians to the parking cum tourist complexes.

The work was entrusted to the Public Works Department (PWD) in September 2009 and was completed in August 2010 by incurring an expenditure of ₹ 75 lakh against the project cost of ₹ 52 lakh. During physical inspection (September 2014) by Audit, it was observed that FOB was constructed outside the railway station boundary wall without connecting it to the existing ROB at the station. This was contrary to the approved DPR. Thus, the very purpose of construction of the FOB was defeated.

4.1.2.6 City transportation project

- The Ajmer City Transport Services Limited, Ajmer (ACTSL) purchased 35 buses in January and February 2010. As per decision taken in the meeting (24 July 2009) the operations of buses was taken over by the Rajasthan State Road Transport Corporation (RSRTC). Formal MoA was entered between

6. Already Executed works - main roads: ₹ 0.26 crore, internal roads: ₹ 1.20 crore, (Total: ₹ 1.46 crore)

7. Non-feasible works - *nallah* bazar drain: ₹ 2.31 crore, covering of drains: ₹ 3.80 crore and public toilets: ₹ 1.60 crore. (Total: ₹ 7.71 crore)

8. ₹ 1.82 crore was contributed by AVVNL and ₹ 2.43 crore was to be charged under the mission

9. The delay was attributed mainly: very hard rocks, multi-layer cement concrete, frequent protest of the residents and shop keepers, non-coordination with service departments, heavy rush of public and pilgrims

RSRTC and ACTSL in January 2012. As per MoA, the ownership of buses vests with ACTSL.

During scrutiny of Profit and Loss Account submitted by the RSRTC to the ACTSL, during the period from March 2010 to July 2011, it was observed that the RSRTC charged ₹ 87 lakh from ACTSL on account of depreciation, insurance and interest. As the ownership of buses vests with ACTSL, the amount of ₹ 87 lakh was not payable to RSRTC, but, ACTSL wrongly made this payment to RSRTC which has not been received back by ACTSL from RSRTC so far (September 2014). The Department accepted the facts and stated (September 2014) that the matter has been taken up with RSRTC for adjustment of the said amount; otherwise the said amount will be deducted from reimbursement amount of operational charges for the year 2013-14.

• As per GoI/MoUD instructions (January 2010), buses purchased for mission cities for urban transport can get waiver/reimbursement of State/ULB taxes.

It was noticed that ACTSL purchased 35 buses (January-February 2010) costing ₹ 7.51 crore including Value Added Tax (VAT) and entry tax of ₹ 98 lakh. The ACTSL made no efforts to get waiver of State/ULB Taxes or reimbursement of the same from the State Government.

4.1.3 BSUP components

Urban Housing Project (under BSUP) costing ₹ 107.71 crore was sanctioned (March 2007). The State Government envisaged (March 2007) completion of the project during a period of two years. Funds of ₹ 50.20 crore were released for the project, out of which ₹ 40.15 crore were utilised. The work was under progress as of March 2014 even after lapse of five years from stipulated completion by March 2009.

4.1.3.1 Urban housing project

Detailed Project Report for BSUP component prepared by a consultant, was approved (March 2007) by CSMC. As per DPR, the total numbers of houses sanctioned were 5,337 (Ajmer: 2,267 relocation and 2,728 in-situ/upgradation houses and Pushkar: 342 in-situ/upgradation houses). Details of relocation and in-situ/upgradation of houses are given in Table 4.2 below:

Table 4.2: Details of relocation and in-situ/upgradation houses

Sanctioned Houses	Number of houses						
	Order Issued	Commenced	Completed	Not Completed (WIP)	Allotted to beneficiaries	Not allotted	
Relocation							
Ajmer	2,267	1,212	888	664	224	402	262
In-situ/Up-gradation							
ADA, Ajmer	2,728	95	80	80	-	80	-
M Corp, Ajmer		-	-	-	-	-	-
Pushkar	342	-	-	-	-	-	-
Total	5,337	1,307	968	744	224	482	262

Against the sanctioned 5,337 houses, only 744 houses (14 *per cent*) were completed and only 482 houses (nine *per cent*) were allotted to the beneficiaries. It was also observed that DPR of BSUP component prepared by consultant was based on preliminary estimates and no working drawing and structural design, etc. necessary for execution of works were available in the DPR.

4.1.3.2 Relocation houses

Out of 5,337 sanctioned houses, 2,267 relocation houses were proposed to be constructed at four sites¹⁰, out of which, work of 1,212 houses were taken up and only 664 houses were completed; 224 houses were under progress and work on the remaining 324 houses was not started till March 2014. The reasons for slow progress of the work were mainly attributed to the non-availability of space, forest land, etc. in the proposed four sites. Thereafter, these sites were changed (June 2008 to July 2012) and new sites¹¹ were identified. These new sites were also scattered and undeveloped.

Further, out of the constructed 664 houses, only 402 houses were allotted to the beneficiaries and the remaining 262 houses were lying un-allotted as beneficiaries were not identified till July 2014.

4.1.3.3 In-situ/upgradation houses

Construction of 2,728 in-situ/upgradation houses was to be executed in various slum areas in Ajmer. However, work orders were issued (January 2008 to October 2009) for construction of 95 houses, out of which only 80 houses were constructed/upgraded (April 2010). Remaining 2,648 houses were not constructed due to non-availability of land, some beneficiaries getting benefit in other schemes and a few houses were not qualified under in-situ category.

Due to slow progress of works, State Government decided (January 2010) that the beneficiaries should construct their own houses, for which it was decided that financial assistance in four instalments should be given to the beneficiaries who are having *pattas* of their plot/house. Out of 328 beneficiaries, only 94 beneficiaries were found eligible for disbursement of financial assistance. Therefore, four instalments to 23 beneficiaries, three to 59, two to 68 and one instalment to 94 beneficiaries were distributed.

- Work of in-situ/upgradation of 342 houses at Pushkar was not taken up at all, but an amount of ₹ 35 lakh was spent on laying and jointing of pipeline in these sites which were declared as unauthorised colonies by the Hon'ble High Court.
- Under Ajmer-Pushkar Water Supply scheme, Additional Chief Engineer, PHED, Ajmer sanctioned (March 2009) two Over Head Service Reservoirs (OHSRs) and procurement of pipes for their raising mains. The work was

10. Chandrawardai Nagar, Dolabata, Arjunlal Sethi Nagar and M.P. Nagar

11. Paharganj A and B, Kiranipura, Lohagal and Somalpur

completed (April 2011) by incurring expenditure of ₹ 1.27 crore and ₹ 1.33 crore respectively, for which no provision was taken in approved DPR.

• Public Health Engineering Department, City Division-I, Ajmer charged an amount of ₹ 0.98 crore for procurement of K-7, 100 mm ductile iron pipes on BSUP, but they were utilised in the other schemes. The reasons for the same, though called for, are awaited.

4.1.3.4 Assets lying idle

Review of records revealed that assets/infrastructure created were not put to use in the following cases:

• At relocation site Kiranipura, Paharganj and Lohagal four, six and eight shops respectively were constructed (December 2009) by incurring an expenditure of ₹ 14 lakh. These shops were neither auctioned nor allotted so far (July 2014). The reasons were not intimated to audit. However, it was stated that auction/allotment is under process.

• Public Health Engineering Department, City Division-II, Ajmer incurred an expenditure of ₹ 63 lakh on providing, laying, jointing and commissioning of Over Head Service Reservoir (OHSR) with civil and mechanical works for water supply to relocation site Kiranipura having 64 Dwelling Units. The OHSR work was completed (November 2013), but the created assets could not be utilised as the ADA, Ajmer did not apply for bulk water connection and no water supply pipelines were laid in the colony. This deprived the targeted population with the basic need of water.

4.1.3.5 Blocking of funds

Rajasthan Awas Vikas Infrastructure Limited (RAVIL) signed (September 2008) MoU with Municipal Corporation (M Corp), Ajmer for construction of 304 Dwelling Units (DUs) costing ₹ 4.86 crore at Kiranipura. M Corp, Ajmer released funds of ₹ 1.56 crore up to March 2010. RAVIL constructed 64 DUs, four shops and executed development works and submitted (June 2012) UCs of ₹ 1.34 crore. The remaining amount of ₹ 22 lakh was blocked for more than two years.

4.1.4 Implementation of reforms

The main thrust of the Mission was to derive a strategy of urban renewal to ensure improvement in urban governance, so that ULBs and parastatal agencies become financially sound with enhanced credit rating and ability to access market capital for undertaking new programmes and expansion of services. As per report of CRISIL (March 2014), mandatory reforms at ULB (Ajmer-Pushkar) level regarding e-Governance, municipal accounting, property tax, user charges and provision of basic services to urban poor and optional reforms of administrative and structural reforms were partially accomplished. No progress was made in implementation of optional reforms regarding introduction of property title certification system in the ULBs.

This was also commented in earlier Audit Reports (Local Bodies) 2010-12 (Paragraph 4.1.15) and 2012-13 (Paragraph 4.1.12). The status of implementation of agenda of reforms is given in ***Appendix-IX***.

4.1.5 Conclusion and recommendation

JNNURM was launched to provide attention to improve the quality of life and infrastructure in cities covered under the mission. Jaipur and Ajmer-Pushkar cities were selected in Rajasthan as mission cities as per norms of the scheme.

Audit observed that due to slow progress and non-submission of utilisation certificate. GoI did not release ₹ 42.29 crore. Under the UIG component Storm Water Drainage Project costing ₹ 61.08 crore was dropped as the funding arrangement of State share was not decided. A contractor was paid ₹ 8.13 crore without obtaining sanction of GoR for excess items in the work of sewerage project for Ajmer-Pushkar. Contrary to the approved DPR, a FOB was constructed outside the railway station boundary wall without connecting it to the existing ROB.

Against the sanctioned 5,337 houses under BSUP component only 744 (14 per cent) houses were completed and only 482 houses were allotted to the beneficiaries. Remaining 262 houses were not allotted as the beneficiaries were not identified.

The main thrust of the mission was to derive a strategy of urban renewal to ensure improvement in urban governance so that ULBs become financially sound. However, no progress was made in implementation of optional reforms towards improvement of urban governance.

The State Government should take steps to integrate development of slums in a holistic manner through providing shelter, basic services and related civic amenities to the urban poor.

4.2 Swarna Jayanti Shahari Rozgar Yojana

Introduction

Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched in 1997 by Government of India (GoI) to improve the socio-economic status of the urban BPL¹² families by providing gainful employment to the urban unemployed and underemployed. The scheme subsumed the existing schemes¹³ of urban poverty¹⁴ alleviation. This was to be achieved through the setting up of self-

12. Monthly income below ₹ 456.92 per month per person, area of constructed house not more than 400 square feet, irrigated land is not more than one hectare, non-irrigated land is not more than two hectare, does not have telephone, mobile, two wheelers or four wheelers. (As per Planning Commission press note 2011-12 *per capita* monthly income for a family to be categorised as BPL was ₹ 1,002)
13. Nehru Rozgar Yojana, Urban Basic Services for the Poor and Prime Minister's Integrated Urban Poverty Eradication Programme
14. Urban poverty means – Population BPL residing within the jurisdiction of urban local bodies

employment ventures or provision of wage employment. The guidelines were revised in April 2009 by GoI. The scheme ended in March 2014.

The Ministry of Housing and Urban Poverty Alleviation (MoHUPA) was the Nodal Ministry at central level, whereas, the Local Self Government Department (LSGD) was responsible for planning, implementation and monitoring of the scheme in the State. The scheme was implemented by the Urban Local Bodies (ULBs) of the State and coordinated by Director, Local Bodies (DLB).

Audit assessed the implementation of the scheme by reviewing the functioning of 48 ULBs (in eight districts¹⁵) out of 184 ULBs (in 33 districts) for the period 2009-14. The findings are discussed in succeeding paragraphs:

Audit findings

The findings are grouped as:

- *Planning*
- *Financial management*
- *Execution of the various components*
- *Monitoring and evaluation*

4.2.1 Planning

4.2.1.1 The scheme guidelines provided development of a compendium of activities/projects for each town/ULB, keeping in view their marketability, economic viability, cost etc. for setting up of small enterprises relating to manufacturing, services and petty businesses, local skills and local crafts, having a lot of potential. Scrutiny, however, revealed that the compendium was not developed.

While accepting the above facts DLB stated (February 2015) that inspite of this they selected the poorest of the poor for providing assistance for setting up of their enterprises, as provided in the guidelines. However, the scheme to be successful it was essential that viable activities/projects for each town be mapped.

4.2.1.2 The MoHUPA allocated targets to the States on the basis of all India targets. The State had to prioritise the distribution of the funds for the various components as per the requirement subject to meeting the prescribed component wise physical targets. Scrutiny revealed that GoR allocated the funds annually without segregation for each component of the scheme. DLB did not merely reallocate the targets received from GoI for the State to the ULBs, it however increased them and allotted it to the ULBs. This issue is discussed in detail in paragraph 4.2.4. It however, did not prepare annual action plan for implementation of the scheme. This shows lack of proper planning in implementing the scheme on the part of State Government.

15. Barmer, Bharatpur, Hanumangarh, Jaipur, Kota, Pali, Sawai Madhopur and Udaipur

4.2.2 Financial management

Funding under SJSRY was to be shared between the Centre and State in the ratio 75:25. GoI released the funds for SJSRY on lump sum basis to the State. The position of year-wise release of funds by GoI/GoR and expenditure incurred by ULBs during 2009-14 is given in **Table 4.3** below:

Table 4.3: Position of funds released and expenditure incurred

(₹ in crore)

Year	Opening balance	Funds released by			Total funds available	Expenditure incurred	Closing balance	Percentage of expenditure to total funds available
		GoI	GoR	Sub total				
1	2	3	4	5 (3+4)	6 (2+5)	7	8 (6-7)	9
2009-10	40.63	15.00	5.00	20.00	60.63	13.23	47.40	21.82
2010-11	47.40	29.33	4.89	34.22	81.62	12.06	69.56	14.78
2011-12	69.56	41.88	18.84	60.72	130.28	23.94	106.34	18.38
2012-13	106.34	19.77	6.59	26.36	132.70	78.69	54.01	59.30
2013-14	54.01	18.20	6.06	24.26	78.27	35.85	42.42	45.80
Total		124.18	41.38	165.56		163.77		

Source: Figures have been derived from records/information provided by Director, Local Bodies

Government of Rajasthan allocated the funds annually without segregation for each component of the scheme. The table indicates that only 15 to 59 per cent of the available funds were utilised during the years 2009-14 and an amount of ₹ 42.42 crore remained unutilised at the end of the scheme (March 2014), indicating slow progress of the scheme. It is also evident from the table that except for the 2012-13, the closing balance in each year was higher than the expenditure incurred during the year.

The State Government stated (February 2015) that the amount of ₹ 24.26 crore released during 2013-14 by them and the GoI was meant for utilisation in the National Urban Livelihood Mission¹⁶ (NULM), which was not part of SJSRY. The reply has to be viewed in light of the fact that the funds were distributed by GoR to ULBs for utilisation on the components of SJSRY.

As per DLB directions, targets were required to be achieved up to December (2009-12) and up to February of each year (2012-14). Out of ₹ 165.56 crore released for the scheme during 2009-14, ₹ 156.30 crore¹⁷ was released by GoR to ULBs during the last quarter of respective financial year. The DLB could not monitor the progress in terms of the targets, though sufficient funds were lying unspent at the end of each year.

4.2.3 Execution of various components

The SJSRY embraces following major components:

16. SJSRY was restructured as NULM. NULM was launched in September 2013 and SJSRY was operational up to March 2014. Capital subsidy as per SJSRY guidelines was in operation till March 2014
17. 2009-10: ₹ 17.49 crore (March 2010), 2010-11: ₹ 18.22 crore (February 2011), 2011-12: ₹ 74.07 crore (₹ 18.39 crore funds for the period of 2010-11, released in September 2011 and ₹ 55.68 crore for the period 2011-12 released in February and March 2012), 2012-13: ₹ 25.11 crore (March 2013) and 2013-14: ₹ 21.41 crore (March 2014)

- Under Urban Self Employment Programme (USEP) component assistance was to be provided to individual BPL for setting up gainful self-employment ventures;
- Urban Women Self-help Programme (UWSP) component focused on special incentives in terms of financial assistance to women;
- Skill Training for Employment Promotion amongst Urban Poor (STEP-UP) was meant for providing training for skill formation/up-gradation;
- Urban Wage Employment Programme (UWEP) component was meant for providing wage employment in construction of public assets; and
- Urban Community Development Network (UCDN) component was meant for empowering the community for alleviation of urban poverty through self-managed community organizations.

Director, Local Bodies reallocated the targets received from GoI for the State to ULBs. The achievements vis-à-vis targets of major activities allotted to ULBs under various components of SJSRY during 2009-14 are given in Table 4.4 below:

Table 4.4: Progress of major activities under various components of the SJSRY

Year	Components of SJSRY																	
	USEP			STEP-UP			UWSP			UWEP			UCDN					
	(Number of beneficiaries)			(Number of beneficiaries)			(Number of Self Help Group)			(Lakh man days)			Medical camps			Public awareness camps		
T	A	P	T	A	P	T	A	P	T	A	P	T	A	P	T	A	P	
2009-10	15,000 (1,470)	9,404	63	11,000 (11,761)	5,315	48	751 (1,470)	11	1	2.00	1.76	88	1,166	753	65	1,166	727	62
2010-11	9,000 (1,470)	7,305	81	11,000 (11,761)	3,355	31	751 (1,470)	48	6	2.00	1.61	81	1,166	996	85	1,166	956	82
2011-12	7,000 (3,681)	5,727	82	60,000 (14,671)	9,131	15	5,000 (2,450)	21	0	2.00	1.78	89	1,166	813	70	1,166	795	68
2012-13	10,000 (4,952)	5,607	56	55,000 (40,000)	26,485	48	4,000 (3,627)	22	1	2.00	2.38	119	1,166	540	46	1,166	569	49
2013-14	8,001 (3,900)	4,843	61	26,008 (26,000)	30,598	118	3,047 (3,050)	67	2	-	0.92		-	-	-	-	-	-
Total	49,001 (15,473)	32,886	67	1,63,008 (1,04,193)	74,884	46	13,549 (12,067)	169	1	8.00	8.45	106	4,664	3,102	67	4,664	3,047	65

Note - T: Target, A: Achievement and P: Percentage

Figure shown in bracket represent the target received from GoI

Source: Information provided by DLB

From the above table, it is seen that under USEP component the targets received from GoI were increased by DLB and reallocated them to ULBs. However, under the component UWSP the targets set by GoI were reduced during 2009-11. Under the UWSP component achievement during 2009-14 was one per cent only. The Department neglected the important component of SJSRY scheme as discussed in detail in para 4.2.3.4. For the other components, the achievement of the scheme ranged between 46 to 106 per cent.

The State Government stated (February 2015) that the achievements in respective components were made according to targets allocated by the GoI. It was, however, seen that enhanced targets were given to respective ULBs.

Further, under the women self-employment programme, the achievement was too low as very few self- help groups were formed.

The deficiencies noticed in execution of various components of the scheme are discussed below:

4.2.3.1 Urban Self Employment Programme Component

Under the USEP component five *per cent* of the project cost¹⁸ was to be borne by the beneficiaries and to be deposited as margin money and 95 *per cent* of the project cost was to be made available by the bank (25 *per cent* subsidy amount and 70 *per cent* of project cost as loan). GoI allocated targets of covering 15,473 beneficiaries during 2009-14. The targets were enhanced by DLB to 49,001 (317 *per cent*) beneficiaries and reallocated them to ULBs. However, the achievement remained only 67 *per cent* against the targets allotted by the DLB.

Test check of records revealed that:

- Guidelines stipulated a house-to-house survey for identification of genuine beneficiaries who are poorest of the poor amongst the persons living below the poverty line. In addition to the economic criteria of urban poverty line, non-economic parameters (*viz.* living conditions, educational levels, type of employment, status of children in a household, etc.) were also to be applied to identify the beneficiaries.

Test check of records, revealed that an amount of ₹ 12.06 crore was released as subsidy but house-to-house survey for identification of the genuine beneficiaries was not carried out and applications for loan were forwarded to the banks without scrutiny by ULBs.

The State Government stated (February 2015) that BPL families were identified in survey conducted during 2003 and hence fresh survey was not required for identification of beneficiaries. The fact remains that poorest of the poor were to be identified under this component, which was not done by the department. In absence of house-to-house survey, it could not be ascertained in audit whether genuine beneficiaries only were included in the list.

- Number of applications received for subsidy, under USEP component was not available with the ULBs. However, test check revealed that ULBs forwarded 41,223 applications of beneficiaries to banks, against the targets (test check ULBs) of 17,377 beneficiaries¹⁹ to whom loan was to be

18. The maximum allowable project cost was ₹ 2 lakh

19.

Year	Targets	Applications	
		Sent to banks	Loan sanctioned
2009-10	5,107	10,624	3,906
2010-11	3,227	8,497	2,855
2011-12	2,454	6,766	2,268
2012-13	3,443	7,408	2,771
2013-14	3,146	7,928	2,134
Total	17,377	41,223	13,934

Source: Information provided by ULBs

sanctioned, out of which only 13,934 applications were accepted by the banks for sanctioning the loan and subsidy amount. This indicated that applications were not examined properly at ULBs level before forwarding them to the banks.

While accepting the facts, State Government stated (February 2015) that the banks did not sanction loan to all the applicants due to possibility of default in repayment of loan.

During test check of records of selected units the following was noticed:

- In four ULBs²⁰ 239 cases were test checked and it was found that in 104 cases loan was not sanctioned within the mandatory period of one month from the receipt of applications by the bank. The delay ranged from one to 18 months.
- Further, in two ULBs out of 128 cases, in 104 cases (M corps, Bharatpur: 62 cases and Jaipur: 42 cases) the department released subsidy to the banks for disbursement to the beneficiaries after a delay of one to eight months.
- Subsidy amounting to ₹ 4.33 lakh for 56 beneficiaries was released by four ULBs²¹ to banks for disbursement to the beneficiaries but the banks did not disburse the subsidy.

The State Government stated (February 2015) that usually banks sanction loan during last two quarters of the year whereas delay in release of subsidy by the ULBs was attributable to lack of funds with the ULBs.

- In order to provide hand-holding support for the urban poor entrepreneurs, Micro Business Centre (MBCs) were to be established at cluster level. It was, however, observed that MBCs were not established in any ULB.

The State Government stated (February 2015) that proposals for setting up of MBCs were not received from the ULBs/ District Collectors.

4.2.3.2 Skill Training for Employment Promotion amongst Urban Poor

Skill Training for Employment Promotion amongst Urban Poor intended to provide training to the urban poor in identified services, business and manufacturing activities as well as in local skill and local craft assessed by market demand so that they can set up self-employment units. Priority was to be given to unemployed and lesser educated class. Training institutes which applied for imparting training in different trades, were required to be recommended by ULB on the basis of appropriate infrastructure, qualified and experienced trainers etc.

20. M Corp, Bharatpur: 63 out of 76 cases (one to 18 months), Jaipur: 10 out of 52 cases (one to six months), MB Bagru: 14 out of 42 cases (two to eight months) and Jobner: 17 out of 69 cases (three to eight months)

21. MB, Bagru: nine cases (₹ 0.98 lakh), Kishangarh-Renwal: eight cases (₹ 0.40 lakh), Sambhar Lake: 34 cases (₹ 2.51 lakh) and Viratnagar: five cases (₹ 0.44 lakh)

Government of India allocated targets of covering 1,04,193 beneficiaries during the period 2009-14. The targets were enhanced by DLB to 1,63,008 and reallocated them to ULBs. ULBs could achieve only 46 *per cent* against the targets allotted by the DLB.

- Trainings in various trades²² were conducted without assessing the market demand of the particular trade and scope of that trade in particular towns. The State Government stated (February 2015) that a survey was conducted (January 2013) by National Skill Development Corporation (NSDC) was sufficient and the separate survey was not required. The reply has to be viewed in the context that survey of NSDC was published in June 2013 while the scheme was operational up to 2013-14.

- Thirty days and 15 days compulsory “on the job training” were to be provided to the trainees as a part of six and three months training programmes respectively. But, “on the job training” was not imparted to the trainees in 42 ULBs. Thus training programmes conducted under STEP-UP deprived the trainees of vital experience required.

The State Government stated (February 2015) that the most of the trainings were given in local trades and computer skills and on job trainings were imparted by the training institutes themselves. The fact remains that in test checked ULBs ‘on-the-job trainings’ were not imparted by the training institutes.

- Eight training institutes of Jaipur district were awarded (February 2013) the work of providing training to 3,450 BPL candidates in various trades. During the period from March 2013 to June 2013, an amount of ₹ 77.25 lakh was released (April 2013) to these institutes. During a joint inspection with DLB Officers²³ (June 2013) it was found that the institutes did not adhere to the norms set in the guidelines such as sufficient infrastructure facilities and attendance of candidates etc. The training schedules were cancelled (December 2013) after joint inspection. While accepting the facts the State Government stated (February 2015) that ₹ 47.75 lakh was recovered and the remaining amount ₹ 29.50 lakh was to be recovered from the training institutes. The fact remains that 3,450 trainees were deprived of the training under the scheme.

- As per guidelines, the training institutes had to conduct follow-up meeting within four to six months period after completion of the training to decide the outcome of the successful conclusion of the training. Training institutes were to assess the progress of the beneficiaries after training and ULBs were required to forward minutes of the meetings to District Project Officer (DPO). Last instalment of 25 *per cent* was to be released to the institutes only after satisfactory progress of the beneficiaries.

22. Stitching, beauty parlour, fashion designing, toys making, house wiring, handicrafts, mobile repairing, computer training, motor binding etc.

23. District Project Officer, DUDA, Project Director and Deputy Director (Plan), DLB, Jaipur

It was observed that last instalment of ₹ 12.20 lakh²⁴ was irregularly released to 17 training institutes by nine ULBs without conducting follow-up meetings.

The State Government stated (February 2015) that payments were made to the institutes after conducting follow-up meetings. No minutes of follow up meetings were however, available with the ULBs to substantiate the claim of the Government.

◦ Scheme guidelines did not provide payment of honorarium to centre in-charge/coordinator of training institutes. Scrutiny, however, revealed that four ULBs irregularly paid ₹ 4.67 lakh²⁵ as honorarium to centre in-charge/coordinator of training institutes.

The State Government stated (February 2015) that the institutions in small towns were operated by single person who was trainer as well as head/proprietor of the institute and payments were made to such proprietors. The reply does not sound valid as apart from the instructor, no payment was to be made as honorarium to any other person.

◦ Below Poverty Line beneficiaries between the age group of 18-40 years were eligible for the training under the STEP-UP. Scrutiny revealed that nine ULBs²⁶ selected 130 candidates of under/over age contrary to the guidelines. This resulted in training to ineligible candidates. The State Government stated (February 2015) that the candidates of prescribed age group were selected for training. The reply is not tenable as documents enclosed with the applications depicted that their age was not within the prescribed age group.

◦ As per circular issued (January 2010) by DLB, candidate who had been imparted training earlier was not eligible for training under the STEP-UP. It was observed that 27 candidates²⁷ in five ULBs who were already trained, were imparted training which resulted in irregular expenditure. The State Government replied (February 2015) that information from the ULBs concerned is being collected and suitable action will be taken in this regard.

◦ It was observed in MB, Kumher that two trainees were selected and given training simultaneously in two trades during the year 2011-12. On being pointed out (August 2014) MB accepted the facts and stated that Kumher is a small town having lesser number of beneficiaries so the training institutions wrongly included the names of said trainees. The fact remains that the beneficiaries were selected by the MB itself and not by the institute. In reply

24. MBs - Bhindar (Training Institute: one, ₹ 0.85 lakh), Deeg (Training institute: one, ₹ 0.41 lakh), Fatehnagar (Training institutes: three, ₹ 1.23 lakh), Pali (Training institute: one, ₹ 2.36 lakh), Sadri (Training institute: one, ₹ 1.14 lakh), Sumerpur (Training institutes: two, ₹ 1.14 lakh), Takhatgarh (Training institute: one, ₹ 1.14 lakh), Veir (Training institutes: four, ₹ 1.28 lakh) and Virat Nagar (Training institutes: three, ₹ 2.65 lakh)

25. MCs - Rani: ₹ 0.42 lakh and Sawai Madhopur: ₹ 2.73 lakh; MBs, Jobner: ₹ 1.13 lakh and Shahpura: ₹ 0.39 lakh

26. M Corp - Bharatpur: four; MC, Hanumangarh: 15 and MBs - Bhadra: 19, Kaman: two, Kumher: 20, Nohar: 24, Pilibanga: 13, Rawatsar: 27 and Veir: six

27. MBs, Bhadra: two, Kotputli: five, Kumher: two, Salumber: 14 and Takhatgarh: four

the State Government stated (February 2015) that suitable action will be taken against the official responsible.

4.2.3.3 Urban Wage Employment Programme

The component seeks to provide wage employment to BPL beneficiaries living within the jurisdiction of ULBs by utilising their labour for construction of socially and economically useful public assets²⁸. The material and labour ratio was to be maintained at 60:40. Work was to be done by using muster rolls.

Targets for coverage of beneficiaries were not allocated by GoI during 2009-14. However, DLB allotted targets of eight lakh man-days to ULBs under the component. The ULBs generated 8.45 lakh (106 per cent) man-days during the period 2009-14.

- In 19 ULBs, the material : labour ratio in construction works ranged from 93:07 to 72:28. It showed that expenditure incurred on material was much more than prescribed in the guidelines.

While accepting the facts, the State Government stated (February 2015) that the deviation from norms was attributable to increase in the prices of material and maintenance of the quality of works. The fact remains that prescribed ratio was not maintained.

- Under the programme, unskilled and semi-skilled BPL labourers were to be deployed. However, in 16 ULBs, labour charges of ₹ 3.98 crore²⁹ were paid to persons whose BPL card numbers were not mentioned in muster rolls which indicated that BPL labourers were not employed. Thus, an irregular expenditure of ₹ 3.98 crore was incurred without employing the members of BPL families. While accepting the facts the State Government stated (February 2015) that due to non-availability of appropriate persons from BPL families, labourers from other families were engaged.

4.2.3.4 Urban Women Self-help Programme

Under the component special incentives were to be given to urban poor women who decided to set up self-employment venture in a group as opposed to individual efforts. The Urban Women Self-help Programme (UWSP) group was entitled to a subsidy³⁰.

28. Community Centres, Storm Water Drains, Roads, Night Shelters, Kitchen Sheds in Primary Schools under Mid-day Meal Scheme and other community requirements like Parks, Solid Waste Management facilities as decided by the community structures themselves

29. MCs, Balotra: ₹ 0.03 crore, Barmer: ₹ 0.14 crore, Pali: ₹ 0.57 crore and MBs, Bali: ₹ 0.44 crore, Bayana: ₹ 0.29 crore, Bhusawar: ₹ 0.04 crore, Jobner: ₹ 0.16 crore, Kaithoon: ₹ 0.13 crore, Phulera: ₹ 0.18 crore, Pilibanga: ₹ 0.07 crore, Ramganj Mandi: ₹ 0.09 crore, Sadri: ₹ 0.34 crore, Shahpura: ₹ 0.19 crore, Sojat City: ₹ 0.27 crore, Sumerpur: ₹ 0.62 crore and Takhatgarh: ₹ 0.42 crore

30. A subsidy of ₹ 3 lakh or 35 per cent of the cost of the project or ₹ 60,000 per member of the group. Remaining amount was to be mobilised as bank loan and margin money

- The GoR decided to set up 13,549 Self Help Groups (SHGs) in the State during the period 2009-14. However, only 169 SHGs (one *per cent*) were set up. Thus, the State Government did not succeed in mobilising the poor women to initiate self-employment ventures in a group.

The State Government stated (February 2015) that shortfall in setting up of SHGs was attributable to lack of interest and disinclination of BPL urban women to work in groups. It is worth mentioning here that Information, Education and Communication (IEC) activities for creating awareness among the targeted population were not conducted.

4.2.3.5 *Urban Community Development Network*

The schemes rely on empowering the community for alleviation of urban poverty through self-managed community organisations like Neighbourhood Groups (NHGs)³¹, Neighbourhood Committees (NHCs)³² and Community Development Societies (CDSs) were to be set up in the targeted areas under the component.

Test check of records of 48 ULBs revealed that CDS, NHG and NHC were not formed in 35 ULBs. The State Government stated (February 2015) that CDS, NHG and NHC were formed in the ULBs. The reply was not valid as relevant documents collected from test checked ULBs did not indicate formation of CDS, NHG and NHC.

4.2.3.6 *Information, Education and Communication*

Information, Education and Communication (IEC) activities are important activities in publicity of the scheme and creating awareness among the targeted population. Scheme guidelines provided utilisation of three *per cent* of the total fund allocation (Central and State share) under the scheme. Scrutiny revealed that against the available funds of ₹ 6.19 crore³³ (three *per cent* of total available funds of ₹ 206.19 crore) during the period 2009-14, no provision for IEC activities was made by GoR.

The State Government stated (February 2015) that IEC activities were not carried out separately but sufficient publicity of the scheme was done through programmes like 'Prashasan Shahron Ke Sang' and public awareness camps under the scheme. The fact remains that provision for funds for IEC activities was not made and lack of response in mobilising the poor women to form self-help groups could be attributed to not conducting IEC activities to spread awareness.

31. NHGs responsible for planning, implementation and monitoring of activities at the neighborhood level

32. NHC responsible for identify local problems and priorities

33. Guideline stipulates that up to three *per cent* of the total allocation (Central and State share) under the scheme was to be retained at the State level for IEC activities

4.2.4 Monitoring and evaluation

District Urban Development Agency (DUDA) was to monitor the implementation at District level and State Level Committee (SLC)/ State Urban Development Agency (SUDA) was to monitor at State level. Though DUDA was set up in districts, officials were not posted. SLC/SUDA was required to meet at least once in every three months. However, no meeting of SLC/SUDA was organised after October 2008. While accepting the facts, the State Government stated (February 2015) that meetings were not organised as members were not nominated till November 2013.

The guidelines provided evaluation study of the scheme and funds for conducting such activity were provided with IEC activities. Scrutiny, however, revealed that funds for IEC activities were not utilised, thereby evaluation study was not conducted. In absence of evaluation of the scheme the actual impact of the scheme could not be ascertained.

Scrutiny further revealed that Municipal Corporations, Ajmer, Bikaner, Jodhpur, Kota and Udaipur imparted trainings to 2,931 trainees (2009-10: 1,560 trainees and 2010-11: 1,371 trainees), under STEP-UP by incurring an expenditure of ₹ 1.22 crore³⁴; out of which only 54 trainees (only two *per cent*) were given placement. While accepting the facts the State Government stated (February 2015) that remaining candidates established their own ventures in large number. The reply was not validated by documents indicating setting up of ventures and their sustainability.

4.2.5 Conclusion

Swarna Jayanti Shahari Rozgar Yojana was launched by GoI to improve the socio-economic status of the urban BPL families by providing gainful employment to the urban unemployed and under employed. Audit scrutiny revealed that as compendium of activities/projects for each town/ULB for setting up small enterprises was not developed.

The targets of the scheme as a whole were not achieved and available funds were not fully utilised. Loans were disbursed under USEP component without conducting house to house survey for identification of beneficiaries. Further, loan applications were sent to banks without scrutiny of the applications.

Under STEP-UP, trainings in various trades were imparted without conducting market survey. Under UWSP component less number of SHGs was formed. Evaluation study for assessment of actual impact of the scheme was not conducted. No meeting of SLC/SUDA was held to monitor the progress of the scheme at the State level. Thus, SJSRY was not implemented properly in Rajasthan and the primary objective of addressing the urban poverty

34. Ajmer - 2009-10: ₹ 0.03 crore (175 candidates) and 2010-11: ₹ 0.08 crore (87 candidates); Bikaner - 2009-10: ₹ 0.08 crore (400 candidates) and 2010-11: ₹ 0.36 crore (400 candidates); Jodhpur - 2010-11: ₹ 0.05 crore (270 candidates); Kota - 2009-10: ₹ 0.16 crore (855 candidates) and 2010-11: ₹ 0.36 crore (519 candidates); Udaipur: 2009-10: ₹ 0.01 crore (130 candidates) and 2010-11: ₹ 0.09 crore (95 candidates)

alleviation through gainful employment to urban unemployed/under employed was not served.

Local Self Government Department

4.3 Irregular retention of Urban Assessment (Ground Rent)

Irregular retention of entire urban assessment (ground rent) by Municipal Councils, Bundi and Makrana in disregard to rules resulted in non-crediting of Government revenue of ₹ 5.81 crore to the Consolidated Fund of the State

Rule 7 (4) of the Rajasthan Municipalities (Disposal of Urban Land) Rules, 1974 provides that urban assessment (ground rent) shall be deposited with the Board by the 31 March each year to be credited to the Consolidated Fund of the Government, provided that 10 per cent of the collected amount may be retained by the Board by way of service charges for collection of urban assessment or ground rent provided the recovery made was at least 50 per cent of total amount due in a year.

Test check of the records of the Municipal Councils (MCs), Bundi (April 2013) and Makrana (May 2013) for the years 2011-13 revealed that these MCs collected ground rent of ₹ 6.45 crore³⁵ during the years 2005-13. Of this, an amount of ₹ 5.81 crore³⁶ was to be credited to the Consolidated Fund of the State after retaining ₹ 0.65 crore (10 per cent of ₹ 6.45 crore) of service charges. However, these MCs retained the entire ground rent in their accounts without crediting any amount to the Consolidated Fund of the State. The irregular retention of ground rent of ₹ 5.81 crore by these MCs in disregard of the Rule 7(4) *ibid* not only resulted in creation of unnecessary liabilities on MCs but also the amount remained out of the purview of the Consolidated Fund of the State.

On being pointed out (April and May 2013), the Commissioners, MCs, Bundi and Makrana, accepted the facts and stated (April, May, November 2013 and March 2014) that due to their poor financial position, the ground rent was not deposited in the Consolidated Fund of the State and action for doing so was being taken/under process.

Thus, irregular retention of ground rent by the MCs disregarding the Rule 7(4) *ibid* resulted in non-crediting of Government revenue of ₹ 5.81 crore to the Consolidated Fund of the State and also reflected understatement of State receipts to that extent.

35. MC, Bundi: ₹ 2.71 crore (2009-10: ₹ 0.23 crore, 2010-11: ₹ 0.30 crore, 2011-12: ₹ 0.23 crore and 2012-13: ₹ 1.95 crore) and MC, Makrana: ₹ 3.74 crore (up to 2005-06: ₹ 0.18 crore, 2006-07: ₹ 0.11 crore, 2007-08: ₹ 0.10 crore, 2008-09: ₹ 0.03 crore, 2009-10: ₹ 0.14 crore, 2010-11: ₹ 0.26 crore, 2011-12: ₹ 0.04 crore and 2012-13: ₹ 2.88 crore)

36. MC, Bundi: ₹ 2.44 crore (₹ 2.71 crore – ₹ 0.27 crore) and MC, Makrana: ₹ 3.37 crore (₹ 3.74 crore – ₹ 0.37 crore)

The matter was referred (September 2013) to the State Government; reply was awaited (February 2015).

4.4 Short realisation of revenue on sale of strip land

Municipal Council, Sriganaganagar sold/allotted strips of land at District Level Committee rates instead of double the reserve price which led to short realisation of revenue of ₹ 57.64 lakh and lease rent of ₹ 4.91 lakh

Rule 23 (1) of the Rajasthan Municipalities (Disposal of Urban Land) Rules, 1974 envisages that small strips of land not exceeding 100 square yards (sqyds) which are not fit to be disposed of as plots, shall be sold to the owners of adjoining plots at the rate of double the reserve price. Such strips of land shall be disposed of on an outright sale if the adjoining property is free hold, and leased out if the adjoining property owner has only leasehold rights. Further, the area of strip of land was enhanced (November 2012) from 100 sqyds to 150 sqyds by the State Government subject to one time special relaxation in the cases where the applications have been submitted by the applicants before 31 March 2013 with the condition that area in excess of 100 sqyds would be sold/allotted at double the reserve price or prevalent District Level Committee (DLC) rate, whichever is higher. Again as per Rule 7(1) *ibid*, urban assessment (ground rent) is recoverable annually on the basis of prevalent reserve price at the rate of 2.50 *per cent* in case of residential plots and at the rate of five *per cent* in case of land given on lease for commercial and other purposes. Local Self Government Department issued (November 1999) an order that if 10 times lease rent is paid in lump sum by the lease holder, he could be exempted from further payment of lease rent.

Scrutiny (July 2013) of records of the Municipal Council (MC), Sriganaganagar revealed that during the period December 2012 to March 2013 in contravention of the Rule 23 (1) *ibid* and State Government's notification issued in November 2012 as stated above, nine strips of land were allotted at DLC rates by MC to the owners of adjoining plot holders instead of double the reserve price which was higher than DLC rates resulting in short realisation of revenue ₹ 57.65 lakh. The lease rent was also collected ₹ 2.36 lakh on the amount calculated at DLC rates where the recoverable amount of lease rent calculated on double the reserve price become ₹ 7.27 lakh, leading to short realisation of lease rent ₹ 4.91 lakh.

Thus, allotment of strips of land at DLC rates instead of double the reserve price, led to short realisation of revenue of ₹ 57.64 lakh (₹ 82.62 lakh - ₹ 24.98 lakh) and lease rent ₹ 4.91 lakh (₹ 7.27 lakh - ₹ 2.36 lakh).

On being pointed out (July 2013), the Commissioner, MC, Sriganaganagar while accepting the facts, stated (June 2014) that action for recovery was being taken by issuing notices to the lessees concerned.

The matter was referred (July 2013) to the State Government for comments; reply has not been received (February 2015).

4.5 Short realisation of revenue on change of land use

Municipal Corporation, Jodhpur realised conversion fee at lower rate for change of land use from non-commercial to commercial purposes which led to short realisation of revenue of ₹ 0.88 crore

As per sub-rule 13(i) of Rajasthan Urban Area (Change of Land Use) Rules, 2010, land use shall be converted from the approved non-commercial to commercial purposes on payment of conversion fee at the rate of 40 per cent of reserve price of the residential area concerned or at the rate of 20 per cent of the market price fixed under Rajasthan Stamp Rules, 2004 whichever is higher.

Test check (July-August 2013 and July-August 2014) of records of the Municipal Corporation, Jodhpur for the years 2011-14 revealed that the Corporation had issued orders for change of use of land from residential to commercial purposes in 16 cases during April 2012 to March 2014 appended in the Table 4.5 below:

Table 4.5: Details of short recovery of conversion fee

Particular of plot	Area of land (in sq ft)	Conversion fee to be recovered at 20 per cent of market price		Conversion fee recovered at 40 per cent of reserve price		Short recovery of conversion fee (₹ in lakh)
		20 per cent of market price (in ₹)	Amount (₹ in lakh)	40 per cent of reserve price (in ₹)	Amount (₹ in lakh)	
1	2	3	4	5	6	7
(A) Eight cases noticed during April 2012 to March 2013						
27, Bhagat Ki Kothi Extension	8,955.00	441.60	39.55	384.00	34.39	5.16
3, Masoriya Section	7,312.50	664.80	48.61	575.60	42.09	6.52
315-D, Sardarpura	900.00	883.40	7.95	768.00	6.91	1.04
110A-110B, Purani Bhagat ki Kothi	3,750.00	348.00	13.05	316.80	11.88	1.17
E-1(2) Central School Scheme, Ratanada	2,400.00	384.00	9.22	297.60	7.14	2.08
236 and 238, Samanvay Nagar	6,750.00	488.40	32.97	387.20	26.14	6.83
109, Shankar Nagar	2,999.97	213.40	6.40	176.00	5.28	1.12
110, Shankar Nagar	2,999.97	213.40	6.40	176.00	5.28	1.12
Total (A)			164.15		139.11	25.04
(B) Eight cases noticed during August 2013 to March 2014						
300, 8 th D Road, Sardarpura	3,420.00	935.00	31.98	704.00	24.08	7.90
Ist B Road, Sardarpura	2,640.00	1,031.80	27.24	704.00	18.59	8.65
Ist B Road, Sardarpura	2,232.00	1,031.80	23.03	704.00	15.71	7.32
690, 9 th C Road, Sardarpur	3,420.00	1,125.60	38.50	768.00	26.27	12.23
378/B/2, 4 th C Road, Sardarpura	1,560.00	1,031.80	16.10	704.00	10.98	5.12
379, 4 th C Road, Sardarpura	4,900.00	1,031.80	50.56	704.00	34.50	16.06
31/2B, 3 rd Main B Road, Sardarpura	1,250.50	938.00	11.73	640.00	8.80*	2.93
31/2A, 3 rd Main B Road, Sardarpura	1,220.00	938.00	11.44	640.00	8.59*	2.85
Total (B)			210.58		147.52	63.06
Total (A+B)			374.73		286.63	88.10

* Actual recovered amount

Although 20 per cent of market price (₹ 3.75 crore) was higher than 40 per cent of reserve price of the residential area concerned (₹ 2.87 crore) fixed under Rajasthan Stamp Rules, 2004, yet Municipal Corporation, Jodhpur recovered the conversion fee at the lower rate based on the reserve price of the

residential area. This resulted in short realisation of conversion fee of ₹ 0.88 crore.

The Commissioner, Municipal Corporation, Jodhpur stated (August 2014) that difference amount would be recovered by issuing notices to the land holders.

The matter was referred (February and October 2014) to Government; reply has not been received (February 2015).

4.6 Irregular expenditure on execution of inadmissible work

Irregular expenditure of ₹ 2.58 crore was incurred by the MC, Makrana on construction of office building without inviting tenders and obtaining administrative and financial sanction and by diversion of funds of ₹ 1.58 crore available for Sewerage Network

The State Government sanctioned (March 2011) an amount of ₹ 75.63 crore for the work “Sewerage Network³⁷ at Makrana” under “7 Cities Sewerage Project” with the condition that the funds were not to be utilised for any other purpose under any circumstances. The Directorate of Local Bodies (DLB), Jaipur invited (June 2012) centralised tenders and the work for Sewerage Network at Makrana was allotted to a firm for ₹ 68.02 crore with the stipulated dates of commencement and completion as 5 February 2013 and 4 February 2014 respectively.

Test check (June 2014) of the records of the Municipal Council (MC), Makrana revealed that the State Government approved (April 2013) “Construction of new office building of MC, Makrana” after dismantling the existing office building and permitted to execute the work as ‘extra items’³⁸ with ongoing work of Sewerage Network at Makrana. The State Government transferred (July 2013) an amount of ₹ one crore to the MC, Makrana for construction of office building under recommendations of 13th Finance Commission. The Additional Chief Engineer, DLB, Jaipur issued (September 2013) technical sanction of ₹ 4.64 crore for construction of office building subject to condition that work order was to be issued after obtaining administrative and financial sanction from the competent authority and observing due process of e-tendering in accordance with guidelines of Finance Department and separate accounts of expenditure were to be maintained.

It was further, observed that the MC, Makrana issued (September 2013) revised work order of ₹ 74.16 crore³⁹ to the same contractor without administrative and financial sanction and without following e-tender process. The State Government also irregularly approved (April 2013) the proposal for execution for construction work of new office building with Sewerage

37. Schedule ‘G’ for sewerage network was prepared on basis of Schedule of Rate (SoR) RUIDP, 2011 plus tender premium 32.40 per cent

38. The extra items should be part and parcel of the work under execution and therefore the execution of items of different nature or execution of items or work of similar nature of another reach/site shall not be treated as extra item

39. Work of Sewerage Network: ₹ 68.02 crore and work of office building: ₹ 6.14 crore

Network as 'extra items' which was in contravention of Rules 3, 6 and 14 of the Rajasthan Municipal (Purchase of Material and Contracts) Rules, 1974. The payment of ₹ 2.58 crore had been made to the firm on accounts of works for construction of new office building through running bills without detailed measurement of the work in question. Out of payment amount of ₹ 2.58 crore⁴⁰, an amount of ₹ 1.58 crore was irregularly diverted from Sewerage Network to construction work of new office building.

The Commissioner, MC, Makrana while accepting the facts stated (July 2014) that the construction work of new office building was carried out as an 'extra items' with ongoing work of Sewerage Network at Makrana with the approval of the State Government. The reply was not tenable as construction work of office building was of different nature for which separate tenders should have been invited and separate administrative and financial sanction should have been obtained under aforesaid Rules. Also, funds available for Sewerage Network should have not been diverted for construction of office building work.

The matter was brought (October 2014) to the notice of the State Government; reply has not been received (February 2015).

JAIPUR,
The

28 MAY 2015



(DIVYA MALHOTRA)
Principal Accountant General
(General and Social Sector Audit), Rajasthan

Countersigned

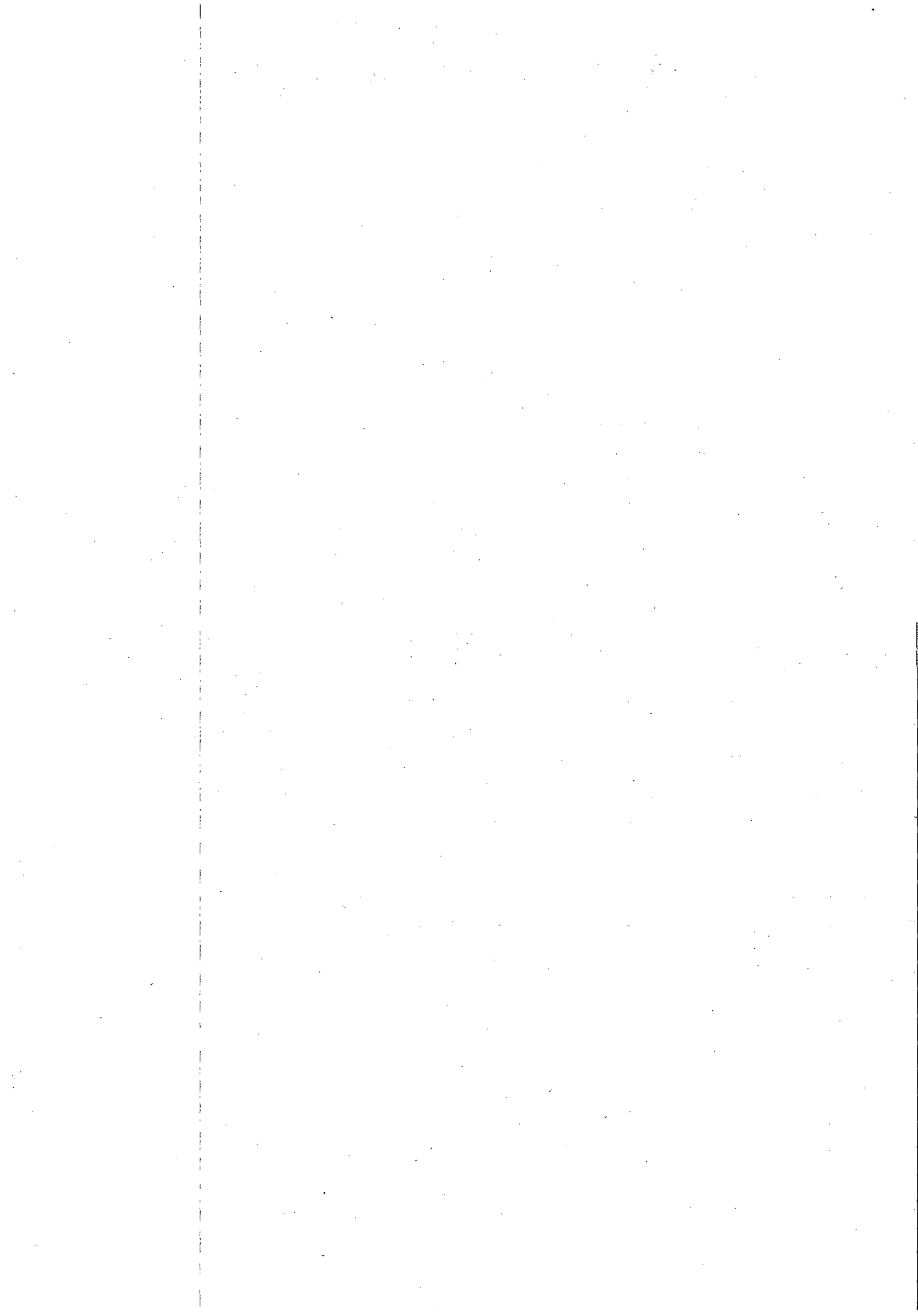


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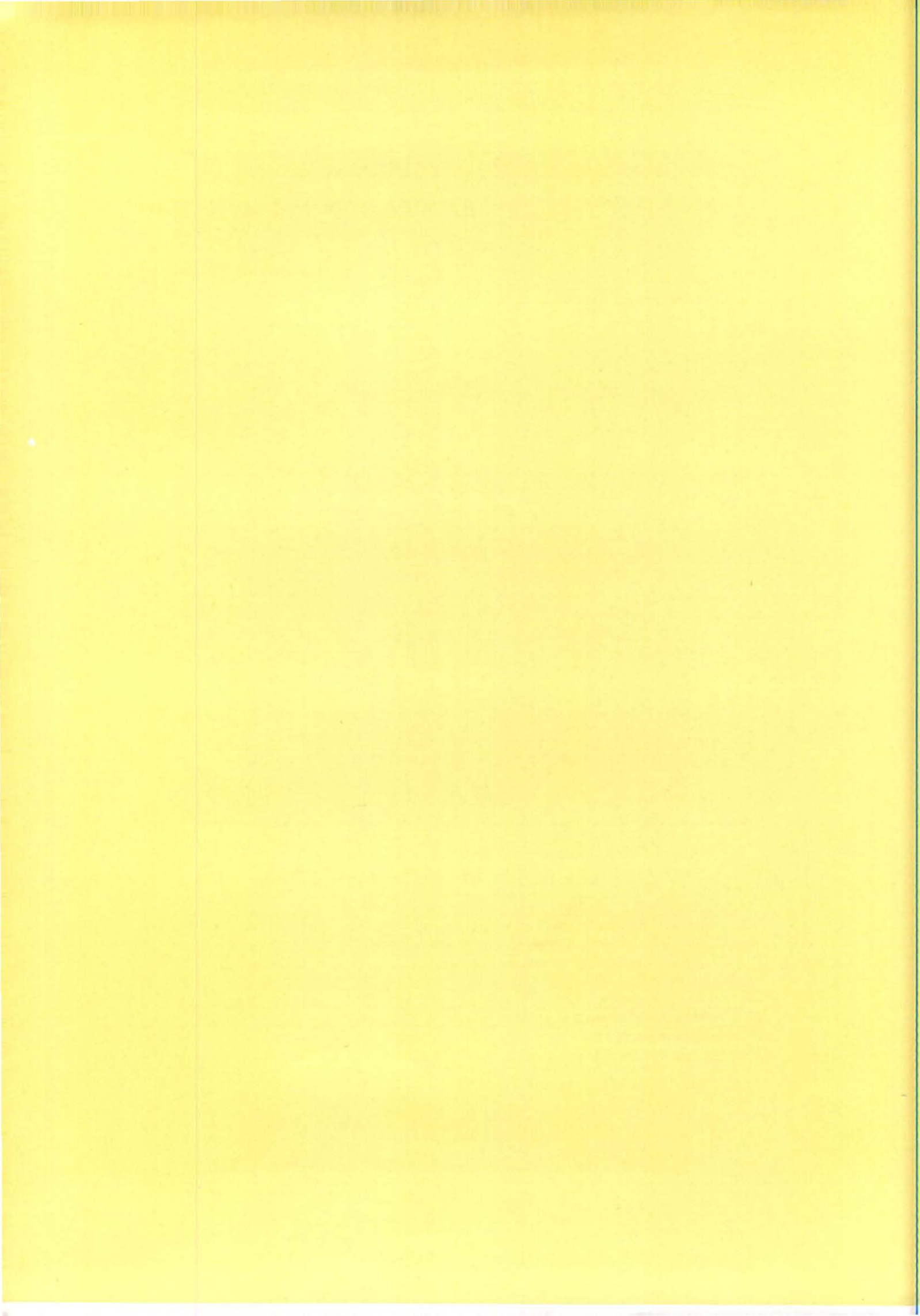
28 MAY 2015

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

40. ₹ one crore from grants allotted (July-August 2013) by the State Government for building work under recommendations of Thirteenth Finance Commission and ₹ 1.58 crore from funds available for Sewerage Network



APPENDICES



Appendix-I

(Refer paragraph 1.6; page 6)

Details of devolution of 29 subjects listed in the Constitution to PRIs

Sl. No.	Subjects	Status of devolution to PRIs		
		Funds	Functions	Functionaries
1	Agriculture including agricultural extension	Yes	Yes	Yes
2	Land improvement, implementation of land reforms, land consolidation and soil conservation	Yes	Yes	Yes
3	Minor irrigation, water management and watershed development	Yes	Yes	Yes
4	Animal husbandry, dairy and poultry	No	No	No
5	Fisheries	Yes	Yes	Yes
6	Social forestry and farm forestry	Yes	Yes	Yes
7	Minor forest Produce	Yes	Yes	Yes
8	Small scale industries including food-processing industries	No	Yes	No
9	Khadi, village and cottage industries	No	Yes	No
10	Rural housing	Yes	Yes	Yes
11	Drinking water	*	*	*
12	Fuel and fodder	*	*	*
13	Roads, culverts, bridges, ferries, waterways and other means of communication	*	*	*
14	Rural electrification including distribution of electricity	No	Yes	No
15	Non-conventional energy sources	No	Yes	No
16	Poverty alleviation programmes	Yes	Yes	Yes
17	Education including primary and secondary schools	Yes	Yes	Yes
18	Technical training and vocational education	No	Yes	No
19	Adult and non-formal education	No	Yes	No
20	Libraries	No	Yes	No
21	Cultural activities	No	Yes	No
22	Markets and fairs	Yes	Yes	Yes
23	Health and sanitation including hospitals, primary health centres and dispensaries	Yes	Yes	Yes
24	Family welfare	Yes	Yes	Yes
25	Women and child development	Yes	Yes	Yes
26	Social welfare including welfare of the handicapped and mentally retarded	Yes	Yes	Yes
27	Welfare of the weaker sections and in particular of the SCs and STs	Yes	Yes	Yes
28	Public distribution system	*	*	*
29	Maintenance of community assets	*	*	*

Source: Information supplied by PRD
 * Devolved but withdrawn temporarily

Appendix-II

(Refer paragraph 1.8.3; page 8)

Statement showing status of delayed submission/non-submission of annual accounts by PRIs

Sl. No.	Name of district	Status of submission of annual accounts by ZPs (RDC) to RDD		Status of submission of annual accounts by ZPs (PC) to PRD	
		Actual date of submission of annual accounts	Delay in submission beyond 30.09.2013 (in days)	Actual date of submission of annual accounts	Delay in submission beyond 15 May 2013 (in days)
1	Ajmer	02.12.2014	428	15.05.2013	-
2	Alwar	26.05.2014	238	24.07.2013	70
3	Banswara	19.02.2014	142	13.05.2013	-
4	Baran	23.05.2014	235	15.05.2013	-
5	Barmer	13.11.2014	409	02.07.2013	48
6	Bharatpur	22.04.2014	204	25.09.2013	133
7	Bhilwara	19.03.2014	170	17.05.2013	2
8	Bikaner	11.06.2014	254	25.07.2013	71
9	Bundi	06.11.2013	37	24.04.2013	-
10	Chittorgarh	05.03.2014	156	02.05.2013	-
11	Churu	06.08.2014	310	15.05.2013	-
12	Dausa	31.03.2014	182	30.07.2013	76
13	Dholpur	18.02.2014	141	30.04.2013	-
14	Dungarpur	17.07.2014	290	25.06.2013	41
15	Hanumangarh	14.03.2014	165	13.09.2013	121
16	Jaipur	18.02.2014	141	14.05.2013	-
17	Jaisalmer	07.05.2014	219	15.05.2013	-
18	Jalore	11.08.2014	315	15.05.2013	-
19	Jhalawar	19.02.2014	142	Not received	-
20	Jhunjhunu	28.03.2014	179	03.05.2013	-
21	Jodhpur	Not received	-	06.05.2013	-
22	Karauli	03.04.2014	185	30.05.2013	15
23	Kota	09.05.2014	221	15.05.2013	-
24	Nagaur	18.12.2014	444	13.05.2013	-
25	Pali**	Not received	-	04.08.2014	446
26	Pratapgarh	16.12.2013	77	24.07.2013	70
27	Rajsamand	15.05.2014	227	29.05.2013	14
28	Sawai Madhopur	11.03.2014	162	Not received	-
29	Sikar	02.06.2014	245	13.06.2013	29
30	Sirohi	25.03.2014	176	09.09.2013	117
31	Sriganganagar	19.03.2014	170	24.05.2013	9
32	Tonk	27.03.2014	178	02.05.2013	-
33	Udaipur	11.02.2014	134	04.06.2013	20

*Annual accounts of ZP (RDC), Pali was not received since 1994-95

Appendix-III

(Refer paragraph 2.1.4.1; page 16)

Details of IHHLs not constructed

(Figures in numbers)

Name of District	Name of Block	Number of		Number of IHHL		
		GP	Not constructed IHHLs	BPL	APL	Total
Banswara	Bagidora	41	16	7,594	8,101	15,695
	Ghatol	53	33	18,297	19,891	38,188
Bhilwara	Banera	26	12	1,264	19,353	20,617
	Mandalgarh	53	43	4,101	46,200	50,301
Churu	Churu	35	1	195	330	525
	Sardar Sahar	48	2	249	557	806
Jalore	Bhinmal	35	35	10,466	24,039	34,505
	Raniwara	30	17	4,046	10,786	14,832
	Jaswantpura	29	2	271	1,422	1,693
Karauli	Nadauti	29	2	366	2,665	3,031
	Hindaun	51	25	7,190	37,856	45,046
Sikar	Dataramgarh	45	24	1,063	16,430	17,493
	Neem ka Thana	59	19	1,417	21,679	23,096
Udaipur	Mavli	47	15	3,577	10,954	14,531
	Total	581	246	60,096	2,20,263	2,80,359

Appendix-IV

(Refer paragraph 2.1.5.3; page 19)

Position of physical target under various components of TSC and achievement thereagainst

A. Construction of IHHLs

District	Targets		Achievements		Shortfall (percentage)	
	BPL	APL	BPL	APL	BPL	APL
Banswara	1,77,445	1,14,196	31,670	26,917	82.15	76.43
Bhilwara	97,334	1,40,511	48,469	77,603	50.2	44.77
Churu	45,823	96,202	24,879	68,687	45.71	28.61
Jalore	78,825	83,846	9,864	39,027	87.49	53.45
Karauli	57,500	47,960	40,807	43,149	29.03	10.03
Sikar	10,975	1,29,680	5,697	1,04,507	48.09	19.41
Sriganganagar	43,247	80,553	19,871	52,113	54.05	35.31
Udaipur	2,23,850	2,04,670	93,320	1,01,366	58.31	50.48

B. Construction of toilets in *anganwadi*, school and community sanitary complexes

District	Targets			Achievements			Shortfall (percentage)		
	School	Anganwadi	CSC	School	Anganwadi	CSC	School	Anganwadi	CSC
Banswara	4,878	1,306	40	1,732	508	3	64.49	61.10	92.5
Bhilwara	3,713	3,601	50	2,630	399	4	29.17	88.92	92.00
Churu	304	190	42	304	151	18	0	20.53	57.14
Jalore	1,003	887	50	473	218	12	52.84	75.42	76.00
Karauli	7,703	1,438	79	2,136	426	44	72.27	70.38	44.3
Sikar	1,011	546	58	911	22	11	9.89	95.97	81.03
Sriganganagar	1,093	157	22	1,133	446	9	(-3.66)	(-)184.08	59.09
Udaipur	1,656	1,456	16	1,315	636	15	20.59	56.32	6.25

C. Construction of SLWM and setting up of RSM and PC

District	Targets		Achievements		Shortfall (percentage)	
	RSM & PC	SLWM	RSM & PC	SLWM	RSM & PC	SLWM
Banswara	8	30	-	Nil	-	100
Bhilwara	11	-	11	-	-	-
Churu	10	190	Nil	2	100	98.94
Jalore	14	64	Nil	Nil	100	100
Karauli	14	46	1	Nil	92.85	100
Sikar	10	20	Nil	Nil	100	100
Sriganganagar	-	-	-	-	-	-
Udaipur	10	Nil	Nil	Nil	100	-

Appendix-V

(Refer paragraph 2.1.5.6; page 20)

Details of expenditure incurred on IEC activities

District	Year	Project expenditure	Funds available for IEC (15 Per cent of project expenditure)	Actual expenditure	(₹ in lakh)
					Excess(+)/ Less (-) expenditure
Banswara	2009-10	168.85	25.33	5.14	(-)20.19
	2010-11	110.73	16.61	Nil	(-)16.61
	2011-12	199.9	29.99	2.43	(-)27.56
	2012-13	76.57	11.49	2.08	(-)9.41
	2013-14	158.76	23.81	4.54	(-)19.27
Bhilwara	2009-10	711.59	106.74	26.21	(-)80.53
	2010-11	352.84	52.92	20.47	(-)32.45
	2011-12	234.04	35.11	18.28	(-)16.83
	2012-13	320.38	48.06	4.70	(-)43.36
	2013-14	832.19	124.82	6.53	(-)118.29
Churu	2009-10	132.04	19.81	4.13	(-)15.68
	2010-11	87.47	13.12	5.95	(-)7.17
	2011-12	77.3	11.60	7.13	(-)4.47
	2012-13	40.48	6.07	4.25	(-)1.82
	2013-14	680.83	102.12	27.00	(-)75.12
Jalore	2009-10	130.47	19.57	46.36	26.79
	2010-11	39.82	5.97	5.32	(-)0.65
	2011-12	119.22	17.88	0.09	(-)17.79
	2012-13	200.69	30.10	Nil	(-)30.10
	2013-14	215.05	32.26	0.82	(-)31.44
Karauli	2009-10	212.47	31.87	15.42	(-)16.45
	2010-11	324.7	48.71	17.19	(-)31.52
	2011-12	238.88	35.83	6.67	(-)29.16
	2012-13	402.37	60.36	66.41	6.05
	2013-14	269.18	40.37	65.63	25.26
Sikar	2009-10	163.89	24.58	8.30	(-)16.28
	2010-11	107.89	16.18	7.86	(-)8.32
	2011-12	43.07	6.46	1.55	(-)4.91
	2012-13	55.84	8.38	0.89	(-)7.49
	2013-14	73.74	11.06	6.01	(-)5.05
Sriganganagar	2009-10	53.58	8.04	20.52	12.48
	2010-11	34.27	5.14	26.06	20.92
	2011-12	11.41	1.71	8.20	6.49
	2012-13	301.36	45.20	5.23	(-)39.97
	2013-14	99.90	14.98	4.06	(-)10.92
Udaipur	2009-10	203.93	30.59	12.02	(-)18.57
	2010-11	353.54	53.03	19.08	(-)33.95
	2011-12	536.31	80.45	8.93	(-)71.52
	2012-13	972.48	145.87	39.95	(-)105.92
	2013-14	1,203.96	180.59	9.92	(-)170.67
Total		10,551.99	1,582.78	541.33	(-)1,041.45

Appendix-VI

(Refer paragraph 2.3.1; page 44)

Statement showing the details of test checked units

Sl. No.	Name of		
	ZP	PS	GP
1.	Bhilwara	Mandal	Bhabhda, Bhagwanpura, Chanwadiya and Dāhimattha
		Shahpura	Aamalikala, Amiyarasa, Bachha Khera and Balapura
2.	Dausa	Dausa	Dhigariya, Dugrawat, Thumadi and Rajwas
3.	Hanumangarh	Rawatsar	Dhannasar, Jhedasar, Kanwani and Kelniya
		Tibbi	Bashir, Salemgarh Masani, Silwala Khurd and Shereka
4.	Jhalawar	Khanpur	Aakodiya, Akawad Khurd, Bainsar and Gadarwada Dundi
		Sunel (Pidawa)	Danta, Dola, Gadiya and Hemada
5.	Jodhpur	Bilada	Buchkala, Patel Nagar, Pichiyak and Ramasani
		Mandore	Jaleli Daikada, Jaleli Faujdar, Joliyali and Karwad
6.	Karauli	Karauli	Bhawali, Danda, Dukaeali and Gairai
7.	Nagaur	Didwana	Chhapri Khurd, Mandukara, Nimbikala and Saniya
		Marwar Mundwa	Firod, Mundiya, Panchaudi and Peepaliya
8.	Sirohi	Sirohi	Rampura, Silandar, Sartara and Velangari
9.	Udaipur	Jhadol	Brahmani ka Kherwada, Jatawada, Kanthariya and Navaj
		Sarada	Katanwada, Parsad, Sagtada and Sallada
Total	9 ZPs	15 PSs	60 GPs

Appendix-VII

(Refer paragraph 3.3.1; page 57)

Details of ULBs

	Information received		Information not received	
	Number	Name of ULBs	Number	Name of ULBs
Municipal Corporation	6	Ajmer, Bikaner, Jaipur, Jodhpur, Kota and Udaipur	Nil	Nil
Municipal Council	29	Alwar, Balotara, Banswara, Baran, Beawar, Bharatpur, Bhilwara, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Dungarpur, Gangapurcity, Hanumangarh, Hindaun City, Jalore, Jhunjhunu, Karauli, Kishangarh, Makarana, Nagaur, Pali, Pratapgarh, Rajsamand, Sawai Madhopur, Sikar, Sriganganagar and Tonk	06	Barmer, Bhiwadi, Jaisalmer, Jhalawar, Sirohi and Sujangarh
Municipal Board	99	Aburoad, Anoopgarh, Badi Sadri, Bagar, Bagru, Bali, Bari, Bayana, Behror, Bhadra, Bhinmal, Bhusawar, Bidasar, Bilara, Bisau, Chaksu, Chirawa, Deedwana, Deeg, Deshnok, Devgarh, Devli, Fathepur, Gajsinghpur, Gulabpura, Indergarh, Jhalrapatan, Jobner, Kaithun, Kaman, Kanod, Kapasan, Kapren, Kekri, Keshoraipatan, Kesrisinghpur, Kherli, Khairthal, Khudala, Phalna, Kishangarh Rainwal, Kotputli, Kuchamancity, Kuchera, Kumher, Kushalgarh, Ladnu, Lakheri, Lalsot, Losal, Mandawa, Mangrol, Mukundgarh, Nadbai, Nagar, Nainwa, Nava, Nawalgarh, Neem ka Thana, Nimbaheda, Newai, Nohar, Nokha, Padampur, Parbatsar, Pidawa, Pilani, Pilibanga, Pindwada, Raisinghnagar, Rajakhera, Rajaldesar, Rajgarh (Churu), Ramganjmandi, Ramgarh Shekhawati, Ratangarh, Ratannagar, Rawatsar, Sadri, Sadulshahar, Sagwada, Sambherlake, Sangod, Sangriya, Sardarshahar, Sarwad, Shahpura (Bhilwara), Shivganj, Shrikarnapur, Sojatcity, Shrivijaynagar, Sumerpur, Suratgarh, Todabhim, Todaraisingh, Uniyara, Vair, Vidhyavihar Vijaynagar and Viratnagar	44	Aklera, Amet, Anta, Asind, Bandikui, Begu, Bhawanimandi, Bhindar, Chhabra, Chhapar, Chomu, Choti Sadri, Fatehnagar, Gangapur, Jahajpur, Jaitaran, Khandela, Khetri, Laxmangarh, Malpura, Mandalgarh, Merta City, Mount Abu, Mundawa, Nathdwara, Phalodi, Phulera, Pipadcity, Pokran, Pushkar, Rajgarh (Alwar), Ranikhurd, Rawatbhata, Ringas, Salumber, Sanchore, Shahpura (Jaipur), Shridungargarh, Srimadhapur, Surajgarh, Takhetgarh, Taranagar, Tijara and Udaipurwati
Total	134		50	

APPENDIX-VIII

(Refer paragraph 3.4; page 60)

Statement showing devolution of functions to Urban Local Bodies as listed in the Constitution

A. Functions fully devolved to Urban Local Bodies	
1.	Regulation of land-use and construction of buildings
2.	Slum improvement and upgradation
3.	Urban poverty alleviation
4.	Burials and burial grounds etc.
5.	Vital statistics including registration of births and deaths
6.	Public amenities including street lighting, parking lots etc.
7.	Regulation of slaughter houses
8.	Planning for economic and social development
9.	Roads and bridges
10.	Public health and solid waste management
11.	Fire services
12.	Urban forestry, protection of the environment and promotion of ecological aspect
13.	Provision of urban amenities and facilities such as parks, gardens, play grounds etc.
14.	Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded persons
15.	Promotion of cultural, educational and aesthetic aspects
16.	Prevention of cruelty to animals
B. Functions yet to be devolved to Urban Local Bodies	
1.	Urban planning including town planning
2.	Water supply for domestic, industrial and commercial purposes

Appendix-IX

(Refer paragraph 4.1.4; page 74)

Status of implementation of agenda of reforms

(A) Mandatory Reforms	As on 31 March 2014	
	Ajmer	Pushkar
(a) ULB Level Reforms		
(i) Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies.	Accomplished	Partially accomplished
(ii) Introduction of system of e-governance using IT applications like GIS and MIS for various services provided by ULBs.	Accomplished	Partially accomplished
(iii) Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85 per cent within the Mission period.	Partially accomplished	Partially Accomplished
(iv) Levy of reasonable user charges by ULBs/Parastatal with the objective that full cost of operation and maintenance is collected within the Mission period. However, cities/towns in North East and other special category States may recover at least 50 per cent of operation and maintenance charges initially. These cities/towns should graduate to full O&M cost recovery in a phased manner.	Partially accomplished	Partially accomplished
(v) Internal earmarking within local body budgets for basic services to the urban poor.	Accomplished	Accomplished
(vi) Provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the government for education, health and social security.	Partially accomplished	Partially accomplished
(B) Optional Reforms		
(i) Revision of bye-laws to streamline the approval process for construction of buildings, development of sites, etc.	Accomplished	Partially Accomplished
(ii) Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.	Accomplished	Accomplished
(iii) Introduction of Property Title Certification System in ULBs.	Not accomplished	Not accomplished
(iv) Earmarking at least 20-25 per cent of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross subsidisation.	Accomplished	Accomplished
(v) Introduction of computerized process of registration of land and property.	Accomplished	Partially accomplished
(vi) Revision of bye-laws to make rain water harvesting mandatory in all buildings to come up in future and for adoption of water conservation measures.	Accomplished	Accomplished
(vii) Bye-laws on reuse of recycled water.	Accomplished	Partially Accomplished
(viii) Administrative reforms, i.e., reduction in establishment by bringing out voluntary retirement schemes, non-filling up of posts falling vacant due to retirement etc., and achieving specified milestones in this regard.	Partially accomplished	Partially accomplished
(ix) Structural reforms.	Partially accomplished	Partially accomplished
(x) Encouraging Public-Private Partnership.	Accomplished	Accomplished

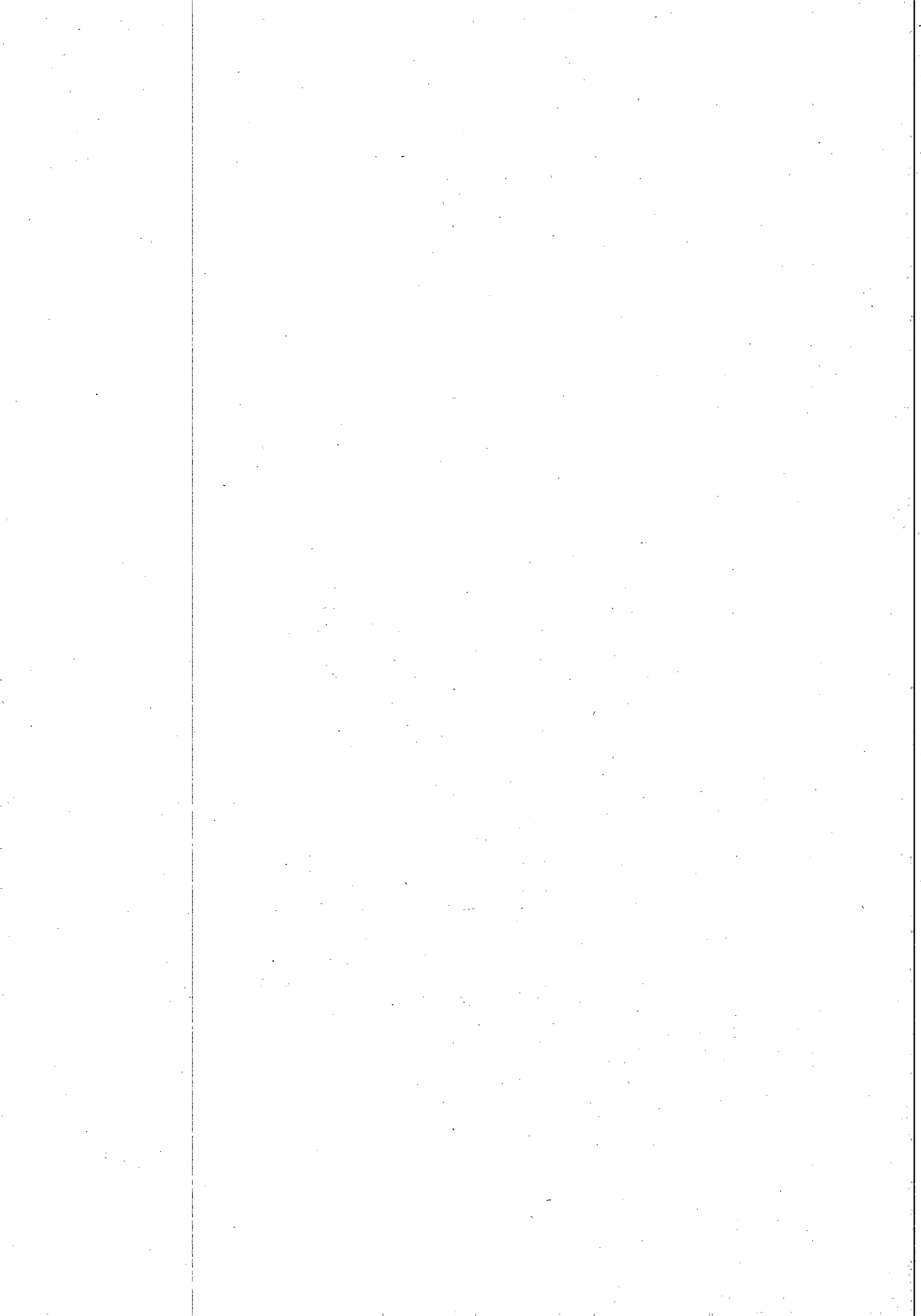
Source: Information obtain from CRISIL Infrastructural Advisory

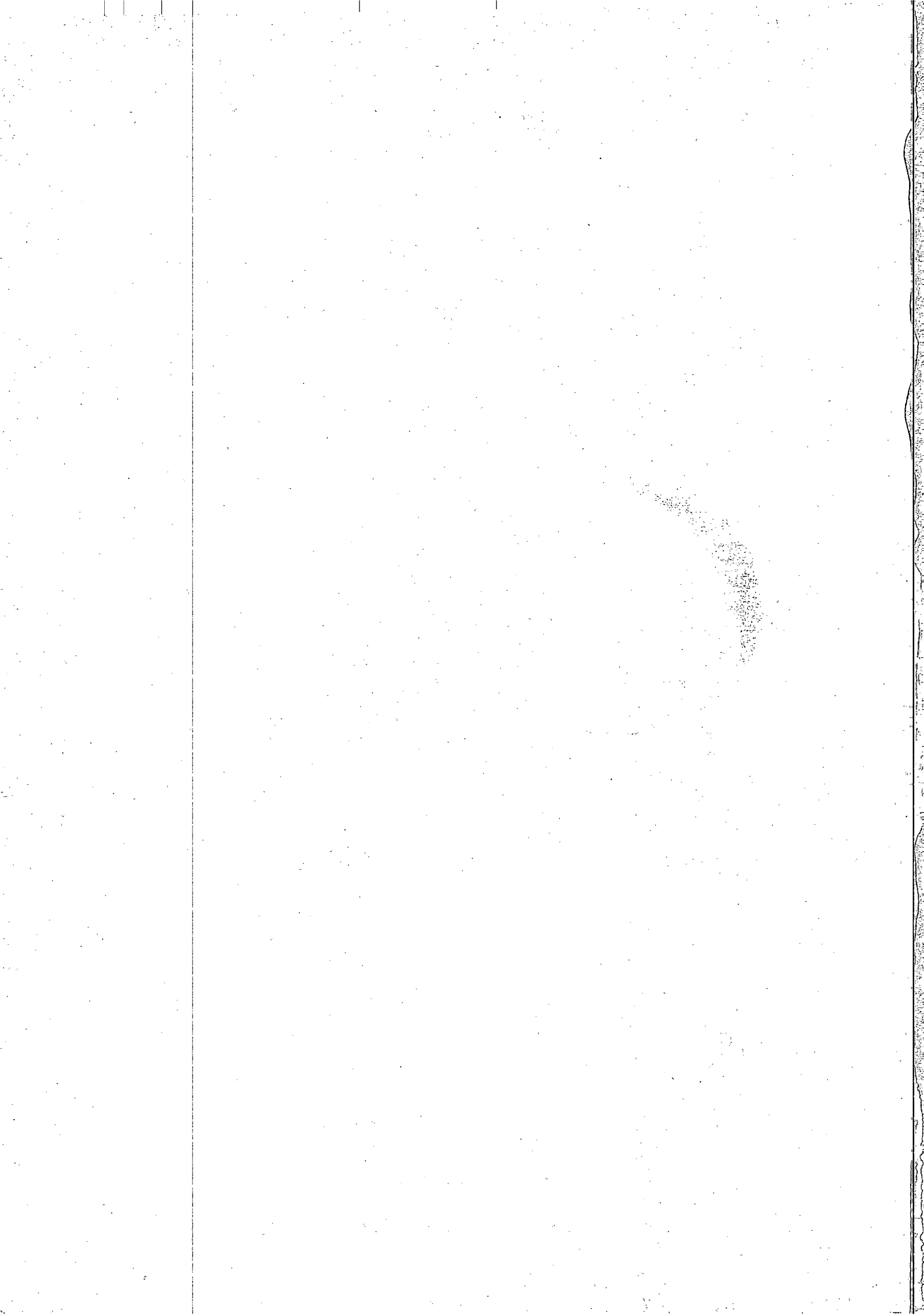
APPENDIX-X

Glossary of Abbreviations

ACA	Additional Central Assistance
ACTSL	Ajmer and Ajmer City Transport Services Limited
ADA	Ajmer Development Authority
AIP	Annual Implementation Plan
APL	Above Poverty Line
ASHA	Accredited Social Health Activists
AVVNL	Ajmer Vidyt Vitaran Nigam Limited
BADP	Border Area Development Programme
BIP	Block Implementation Plans
BPL	Below Poverty Line
BRC	Block Resource Centres
BSUP	Basic Services to Urban Poor
CAA	Constitutional Amendment Act
CAG	Comptroller & Auditor General of India
CCDU	Communication and Capacity Development Unit
CCs	Completion Certificate
CDSs	Community Development Societies
CEO	Chief Executive Officer
CPWD	Central Public Works Department
CRSP	Central Rural Sanitation Programme
CSC	Community Sanitary Complexes
CSMC	Central Sanctioning and Monitoring Committee
DGSD	Director General of Supply & Disposal
DIP	District Implementation Plan
DLB	Director, Local Bodies
DLC	District Level Committee
DPC	District Planning Committee
DPO	District Project Officer
DPRs	Detailed Project Reports
DRDA	District Rural Development Agencies
DUs	Dwelling Units
DWSC	District Water Sanitation Committees
DWSM	District Water and Sanitation Mission
FC	Finance Commission
FOB	Foot Over Bridge
GoI	Government of India
GoR	Government of Rajasthan
GPs	Gram Panchayats
GSS	Gram swachhata sabha
IAY	Indira Awas Yojana
IEC	Information, Education and Communication
IHHLs	Individual Household Latrines
IHSDP	Integrated Housing and Slum Development Programme
IRs	Inspection Reports
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
LFAD	Local Fund Audit Department
LSGD	Local Self Government Department
M Corps	Municipal Corporations
MBCs	Micro Business Centre
MBs	Municipal Boards
MCs	Municipal Councils
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MóA	Memorandum of Agreement
MóHA	Ministry of Home Affairs
MóHUPA	Ministry of Housing and Urban Poverty Alleviation
MóRD	Ministry of Rural Development
MóUD	Ministry of Urban Development

NBA	Nirmal Bharat Abhiyan
NGOs	Non Government Organisations
NGP	Nirmal Gram Puraskar
NHCs	Neighbourhood Committees
NHGs	Neighbourhood Groups
NMAM	National Municipal Accounts Manual
NSDC	by National Skill Development Corporation
NSG	National Steering Group
NSSC	National Scheme Sanctioning Committee
NULM	National Urban Livelihood Mission
OHSR	Over Head Service Reservoir
PC	Panchayat Cell
PD	Personal Deposit
PHED	Public Health Engineering Department
PPSWR	Probability Proportional to Size with Replacement
PRD	Panchayati Raj Department
PRIASoft	Panchayati Raj Institution Accounting Software
PRIs	Panchayati Raj Institutions
PSs	Panchayat Samitis
PWD	Public Works Department
RAVIL	Rajasthan Awas Vikas Infrastructure Limited
RD&PRD	Rural Development and Panchayati Raj Department
RDC	Rural Development Cell
RDD	Rural Development Department
RMA	Rajasthan Municipalities Act
ROB	Railway Over Bridge
RPRA	Rajasthan Panchayati Raj Act
RSM	Rural Sanitary Marts
RSM&PC	Rural Sanitary Mart and Production Centres
RUIFDCo	Rajasthan Urban Infrastructure Finance and Development Corporation
SFC	State Finance Commission
SHGs	Self Help Groups
SJSRY	Swarna Jayanti Shahari Rozgar Yojana
SLNA	State Level Nodal Agency
SLSC	State Level Steering Committee
SLWM	Solid and Liquid Waste Management
Sqkm	Square Kilometers
Sqyd	Square Yards
SRSWOR	Systematic Random Sampling without Replacement
SSA	Sarva Shiksha Abhiyan
STEP-UP	Skill Training for Employment Promotion amongst Urban Poor
SWSM	State Water and Sanitation Mission
TSC	Total Sanitation Campaign
UCDN	Urban Community Development Network
UCs	Utilisation Certificates
UIDSSMT	Urban Infrastructure Development Scheme for Small and Medium Towns
UIG	Urban Infrastructure and Governance
UIT	Urban Improvement Trust
ULBs	Urban Local Bodies
URDA	Urban Renewal of Dargah Area
USEP	Urban Self Employment Programme
UWEP	Urban Wage Employment Programme
UWSP	Urban Women Self-help Programme
VAT	Value Added Tax
VWSC	Village Water and Sanitation Committee
ZP	Zila Parishads





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