

CHAPTER-II
AUDIT FINDINGS ON
PANCHAYATI RAJ INSTITUTIONS

This chapter contains a Performance Audit of 'Member of Legislative Assembly Local Area Development Scheme', Compliance Audit of 'Dang Area Development Scheme' and five paragraphs relating to Panchayati Raj Institutions.

PERFORMANCE AUDIT

Rural Development and Panchayati Raj Department

2.1 Member of Legislative Assembly Local Area Development Scheme

Executive Summary

The Member of Legislative Assembly Local Area Development (MLALAD) Scheme was introduced by Government of Rajasthan (GoR) in 1999-2000. The objective of the Scheme was to carry out works of developmental nature for public use based on locally felt needs so as to promote balanced regional development. These objectives inter-alia included removal of imbalance in regional development and promotion of self dependence and confidence in local community. In 1999-2000, an amount of ₹ 25 lakh per Member of Legislative Assembly (MLA) per annum was allotted, which was subsequently raised to ₹ two crore in 2012-13.

A Performance Audit of MLALAD Scheme in selected districts revealed that the utilisation of funds was very low and ranged between 17.60 per cent and 23.73 per cent. Huge unspent funds of ₹ 1,093.11 crore were accumulated in the Personal Deposit Accounts of the Zila Parishads (ZPs) at the end of March 2016. There was no provision for planning of works to be taken up during a year in the MLALAD Scheme guidelines, in the absence of which a list of prospective works could not be identified and shortlisted in advance.

There were serious deficiencies in the execution of works and payments for fictitious works amounting to ₹ 28.38 lakh were made for works not done or works done below the prescribed specifications, which were verified and confirmed during Joint Inspections of Audit with Departmental Authorities.

Many inadmissible works were sanctioned/executed and executed works were not being utilised and some works were irregularly sanctioned without ensuring use of general public and constructed on private land for use of particular community/persons. This impacted adversely on the creation of durable community assets.

Monitoring committee was not constituted at the District and State levels and periodical inspections were also not carried out by the ZPs.

2.1.1 Introduction

The Member of Legislative Assembly Local Area Development (MLALAD) Scheme was introduced by Government of Rajasthan (GoR) in 1999-2000. The objective of the Scheme was to carry out works of developmental nature for public use based on locally felt needs so as to promote balanced regional development. These objectives inter-alia included creation of public utility assets for public use based on locally felt needs; removal of imbalance in regional development; and promotion of self dependence and confidence in local community.

The MLALAD Scheme is administered by the Rural Development Department (RDD), GoR. The Scheme is governed by guidelines issued in February 2000 and which were revised in February 2003, September 2005, July 2009 and March 2013. In 1999-2000, an amount of ₹ 25 lakh per Member of Legislative Assembly (MLA) per annum was allotted which was subsequently raised to ₹ two crore in 2012-13¹.

An MLA may select works of community interest for creation of durable assets such as drinking water, public health, sanitation, roads, internal roads and bridges, drainage, buildings for schools/colleges/hospitals. Further, procurement of educational items, computers and medical equipments could also be selected by the MLA for implementation of Scheme in his/her constituency as well as for district level offices.

2.1.2 Organisational Set-up

The organisational set-up is depicted in the following **Chart**:

Chart 2.1

State Level	<ul style="list-style-type: none"> • Rural Development Department. • Principal Secretary/Secretary. <ul style="list-style-type: none"> • Responsible for policy formulation, release of funds to District Authorities (DAs) as per MLAs entitlement and number of MLAs, supervision, monitoring and co-ordination with districts and other line Departments.
District Level	<ul style="list-style-type: none"> • Zila Parishad (Rural Development Cell). • District Collector and Chief Executive Officer (CEO), Zila Parishad (ZP) are the District Authorities (DAs). <ul style="list-style-type: none"> • District Collectors are responsible for issue of administrative, technical and financial sanctions and execution of works through Implementing Agencies (IAs). CEO, ZP is responsible for maintaining funds in Personal Deposit (PD) account and release to IAs, submission of Monthly Physical and Financial Progress Report and Utilisation Certificates (UCs) to RDD, maintenance of accounts and their auditing, uploading Monthly Information System data on web based module.
Block Level	<ul style="list-style-type: none"> • Implementing Agencies like PRIs, Urban Local Bodies (ULBs), Line Departments-Public Works Department (PWD), Public Health & Engineering Department (PHED) etc. and Non-Government Organisations (NGOs). • Head of the IAs. <ul style="list-style-type: none"> • IAs are responsible for execution of works, maintenance of accounts, submission of work completion report and UCs to DA.

1. ₹ 60 lakh from 2001-02, ₹ 80 lakh from 2007-08, ₹ one crore from 2010-11.

2.1.3 Audit Scope and Methodology

The Performance Audit (PA) was conducted during May 2016 to November 2016 for the period from 2011-12 to 2015-16. The PA covered RDD, Rural Development Cell (RDC) and out of the seven zones in the State, two zones viz, Bikaner and Udaipur which were randomly selected for test check. In the selected zones, 50 per cent of the districts i.e. two districts out of four in Bikaner zone (Bikaner and Hanumangarh) and three districts out of six in Udaipur zone (Banswara, Dungarpur and Rajsamand) were selected by random sampling. Two Panchayat Samitis (PSs) in each district (i.e. total 10 PSs²) were selected on the basis of nature of works and number of works executed in PSs.

An Entry Conference with Principal Secretary, RDD, GoR, Jaipur was held on 18 May 2016 wherein audit objectives, selection of units, Audit methodology and scope of PA were explained. Exit Conference was held on 22 December 2016 wherein the Audit observations along with recommendations were discussed. In their response (February 2017), the State Government accepted all the recommendations.

The Audit criteria were derived from the following:

- Guidelines of the MLALAD Scheme and amendments made from time to time.
- Various circulars and orders issued by the RDD.
- Public Works Financial and Accounts Rules (PWF&AR) issued by GoR.
- Gramin Karya Nirdeshika (GKN), 2010.
- Rajasthan Panchayati Raj Rules (RPRs), 1996 and circulars issued from time to time.

2.1.4 Audit Objectives

The objectives of the Performance Audit were to assess whether:

1. the funds released under the Scheme were being utilised effectively for achieving the objectives of MLALAD Scheme;
2. durable community assets were created and the process of selection and execution of works was transparent and consistent with the Scheme guidelines; and
3. there was effective internal control and monitoring mechanism.

2. Panchayat Samitis: Bikaner and Shri Dungargarh (ZP, Bikaner), Bhadra and Nohar (ZP, Hanumangarh), Aaspur and Bichhiwara (ZP, Dungarpur), Gadhi and Ghatol (ZP, Banswara) and Bheem and Rajsamand (ZP, Rajsamand).

2.1.5 Audit Findings

Audit objective 1: Whether the funds released under the Scheme were being utilised effectively for achieving the objectives of MLALAD Scheme.

Rural Development Department (RDD), GoR releases funds to all districts directly in the Personal Deposit (PD) Account of CEO, ZP (RDC) in two installments for implementation of the various activities under the Scheme according to number of MLAs. The first installment of 80 per cent funds is released on issue of financial sanction of the works and remaining 20 per cent funds on completion of the work and submission of Work Completion Certificate and UCs to ZP.

2.1.5.1 Short Utilisation of Available Funds

(i) The year-wise budget allocation, funds released and utilised during 2011-2016 is given in **Table 2.1** below:

Table 2.1

Year	Opening balance	Funds released during the year		Total funds available	Expenditure	Closing Balance	Percentage of expenditure against total funds available
		GoR	Miscellaneous receipts				
2011-12	404.75	201.16	0.96	606.87	118.65	488.22	19.55
2012-13	488.22	398.80	0.93	887.95	156.31	731.64	17.60
2013-14	731.64	400.00	1.64	1,133.28	268.97	864.31	23.73
2014-15	864.31	400.00	2.68	1,266.99	251.71	1,015.28	19.87
2015-16	1,015.28	400.00	0.14	1,415.42	322.31	1,093.11	22.77
Total		1,799.96	6.35	5,310.51	1,117.95		21.05

Source: Certified figures for 2011-15 provided by RDD, GoR, Jaipur and for 2015-16 (provisional figures) taken from Monthly Progress Report.

From the table above it can be seen that:

- Expenditure incurred against funds available with the DAs during the period 2011-16 indicated that the utilisation of funds was very low and ranged between 17.60 per cent and 23.73 per cent of the available funds. The overall utilisation of the total funds available during the five years period was also only 21.05 per cent.
- Huge unspent balances of ₹ 1,093.11 crore (60.73 per cent of amount allotted during 2011-16) remained unutilised at the end of March 2016 and in the PD accounts of the ZPs.
- The details of constituency wise allotment and expenditure during the period 2011-16 were not available with the RDD. In the absence of this, the expenditure performance across constituencies could not be assessed.
- There was no provision for planning of works to be taken up during a year in the MLALAD guidelines, in the absence of which a list of prospective works to be taken up could not be identified and short listed in advance.

In reply (June 2016) the RDD attributed, huge unspent balance to non-adjustment of UCs of completed works at ZPs level and stated that the figures of expenditure as per Monthly Progress Report (MPR) were higher. The reply was not convincing as expenditure figures for the period 2011-12 to 2014-15 were based on audited accounts and ranged only between 17.60 per cent and 23.73 per cent. Only for the year 2015-16, the expenditure figure of ₹ 322.31 crore was based on MPR which was also only 22.77 per cent of the available funds. The fact, however, remained that the reply did not comment on the low utilisation of funds under the Scheme.

(ii) In the five test checked districts, the budget allocation, funds released and utilised under the Scheme for 2011-2016 is given in **Table 2.2** below:

Table 2.2

(₹ in crore)

Years	Opening balance	Funds released during the year		Total funds available	Expenditure	Closing balance	Percentage of expenditure against total funds available
		GoR	Miscellaneous receipts				
2011-12	42.89	25.00	0.14	68.03	12.95	55.08	19.04
2012-13	55.08	50.00	0.01	105.09	23.00	82.09	21.89
2013-14	82.09	50.00	0.01	132.10	34.26	97.84	25.93
2014-15	97.84	50.00	0.04	147.88	35.23	112.65	23.82
2015-16	112.65	50.00	0.00	162.65	40.59	122.06	24.96
Total		225.00	0.20	615.75	146.03		23.72

Source: The audited figures for 2011-15 provided by RDD, GoR, Jaipur and for 2015-16 (provisional) taken from Monthly Progress Report.

From the table above it can be seen that:

- Expenditure incurred against funds available with the DAs of five test checked districts during the period 2011-16 indicated that the utilisation of funds was very low and ranged between 19.04 per cent and 25.93 per cent of the available funds. The overall utilisation of the total funds available during the five years period was also only 23.72 per cent.
- Unspent balances of ₹ 122.06 crore (Banswara: ₹ 26.05 crore; Bikaner: ₹ 30.67 crore; Dungarpur: ₹ 20.56 crore; Hanumangarh: ₹ 17.83 crore and Rajsamand: ₹ 26.95 crore) remained unutilised at the end of March 2016 and in the PD accounts of the ZPs.

State Government accepted (February 2017) the facts and stated that instructions have been issued to all the ZPs regarding completion of the works within prescribed time limit and adjustment of UCs in time.

2.1.5.2 Diversion of Funds

Para 2.17 of Scheme guidelines (March 2013) envisaged that in any circumstances, no funds of the Scheme would be utilised without approval of the MLA concerned. Para 2 of Chapter VI (Re-appropriation) of 'Accounting Procedure for the District Rural Development Agencies (DRDA)/Zila

Panchayats' also envisaged that funds were not allowed to be diverted from one scheme to another scheme.

While scrutinising the annual audited accounts of ZP, Bikaner and Hanumangarh, it was observed that the ZPs, Bikaner and Hanumangarh irregularly diverted from MLALAD Scheme to DRDA administration scheme, ₹ two crore (Bikaner: ₹ 81 lakh in 2013-14 and ₹ 59 lakh in 2014-15 and Hanumangarh: ₹ 60 lakh in 2015-16). Of which ₹ 59 lakh was recouped by ZP, Hanumangarh. The ZP, Bikaner and Hanumangarh stated (May-November 2016) that when the funds under DRDA administration scheme would be available, the same would be recouped. However, the fact remains that the funds were diverted to DRDA administration scheme for making payment of pay and allowances to officers/officials engaged for administrative work which was not permissible under the Scheme.

State Government stated (February 2017) that directions have been issued (January 2017) to all ZPs for early adjustment of funds.

2.1.5.3 Funds utilised for areas inhabited by Schedule Caste/Schedule Tribe Population

Para 2.2.1 of guidelines (July 2009/March 2013) envisaged that every MLA should make recommendation for utilisation of 20 *per cent* funds of annual allotment for the areas inhabited by Schedule Caste (SC)/Schedule Tribe (ST) population.

The overall position of all 33 districts for utilisation of 20 *per cent* funds of annual allotment for the areas inhabited by SC/ST population was not found available at RDD.

Scrutiny of records of five test checked districts revealed that two out of the five districts i.e. Banswara and Dungarpur had achieved the target of 20 *per cent* as majority of the population in these districts belonged to the SC/STs category³ and most of the works could be attributable to work being done in areas inhabited by SC/ST population. In the remaining three districts i.e. in Bikaner, Hanumangarh and Rajsamand, the utilisation of funds against target is given in **Table 2.3** below:

Table 2.3

Year	Total allocation of funds	20 <i>per cent</i> of allocated funds	Funds utilised for areas inhabited by SC/ST population	Percentage of	
				Total utilisation of funds	Short utilisation of funds
			(₹ in crore)		
			(in <i>per cent</i>)		
Bikaner					
2011-12	7.00	1.40	1.08	15.43	4.57
2012-13	14.00	2.80	2.49	17.79	2.21
2013-14	14.00	2.80	2.81	20.07	-
2014-15	14.00	2.80	0.45	3.21	16.79
2015-16	14.00	2.80	Nil	Nil	20.00
Total	63.00	12.60	6.83	10.84	9.16

3. Population of SCs/STs as per census 2011, Banswara: 74.46 *per cent* and Dungarpur: 80.84 *per cent*.

Hanumangarh					
2011-12	5.00	1.00	0.90	18.00	2.00
2012-13	10.00	2.00	2.12	21.20	-
2013-14	10.00	2.00	2.64	26.40	-
2014-15	10.00	2.00	1.03	10.30	9.70
2015-16	10.00	2.00	0.72	7.20	12.80
Total	45.00	9.00	7.41	16.47	3.53
Rajsamand					
2011-12	4.00	0.80	0.42	10.50	9.50
2012-13	8.00	1.60	0.71	8.88	11.12
2013-14	8.00	1.60	0.85	10.63	9.37
2014-15	8.00	1.60	0.20	2.50	17.50
2015-16	8.00	1.60	0.24	3.00	17.00
Total	36.00	7.20	2.42	6.72	13.28

From the table above it can be seen that the target of 20 *per cent* could not be achieved in Bikaner, Hanumangarh and Rajsamand during the period 2011-16, as average funds of only 10.84 *per cent* in Bikaner, 16.47 *per cent* in Hanumangarh and 6.72 *per cent* in Rajsamand were utilised. Thus, the performance of ZP, Rajsamand towards utilisation of funds in areas inhabited by SC/ST population was very poor.

State Government stated (February 2017) that directions have been issued (January 2017) to all ZPs to ensure compliance of provisions.

Thus, three out of the five test checked ZPs did not achieve target of 20 *per cent* utilisation of funds for areas inhabited by SC/ST population as compulsory under the guidelines.

2.1.5.4 Adjustment of advances given to Implementing Agencies

Rule 215(2) of RPRs, 1996 envisaged that an advance given for works or other purposes would be adjusted within three months, otherwise advances would be recovered with 18 *per cent* interest.

Scrutiny of records of RDD revealed that an amount of ₹ 575.59 crore (including ₹ 65.25 crore in test checked selected ZPs, Banswara: ₹ 16.38 crore, Bikaner: ₹ 17.52 crore, Dungarpur: ₹ 11.70 crore, Hanumangarh: ₹ 4.87 crore and Rajsamand: ₹ 14.78 crore) was outstanding with various IAs as of March 2015⁴.

State Government stated (February 2017) that directions have been issued (January 2017) to all ZPs for adjustment of outstanding advances in prescribed time.

The reply was not convincing as no age-wise details of advances sanctioned to IAs were being maintained by the ZPs/RDD, thus, DAs neither recovered unadjusted advances from IAs nor imposed any interest on advances given to IAs as envisaged in aforesaid rules.

4. The position as of March 2016 was not made available by RDD to Audit.

Recommendations

- 1. The State Government may introduce a formal process of planning with public participation for maximum utilisation of funds so that general public is not deprived of creation of durable assets in their area.*
- 2. The State Government may review the reasons for huge accumulation of funds and may take up more developmental schemes for the benefit of the population and utilisation of accumulated funds.*
- 3. The department should compile separate data for utilisation of funds for areas inhabited by SC/ST population so that inequities, if any, in the allotment of funds could be monitored at the State level and rectified.*

Execution of Works

Audit objective 2: Whether durable community assets were created and the process of selection and execution of works was transparent and consistent with the Scheme guidelines

The findings noticed during scrutiny of records of ZPs, Banswara, Bikaner, Dungarpur, Hanumangarh and Rajsamand have been elaborated in the succeeding paragraphs:

2.1.5.5 Fictitious Payment

Scrutiny of records of ZPs, Banswara, Bikaner and Rajsamand revealed that 14 works worth ₹ 65.45 lakh were sanctioned (September 2012 to March 2015) and completed (October 2012 to June 2015) with expenditure ₹ 62.45 lakh. Of this, an amount of ₹ 28.38 lakh (45.44 per cent) was fictitiously paid on components of work either not executed or not executed as per specifications as detailed below:

(a) Fictitious Payment on Execution of Cement Concrete Roads

As per guidelines of the Scheme, an MLA selects works for construction of Cement Concrete (CC) roads for implementation of Scheme in his/her constituency. These proposals are then sent to ZP (RDC) for execution of recommended works. Thereafter, the ZP issued administrative, technical and financial sanction within prescribed period and released funds to executing agencies.

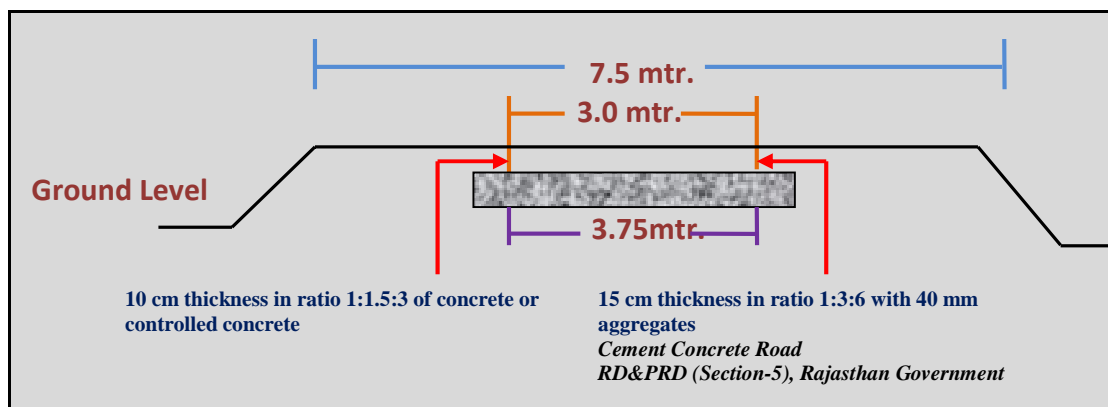
Gramin Karya Nirdeshika (GKN), 2010⁵ provided for CC Roads⁶ to be constructed in two layers i.e. first layer of CC in the ratio of 1:3:6 (Cement 1: Sand 3: Grit 6 (40 mm)) with 15 cm thickness and second layer of CC in the ratio of 1:1.5:3 (Cement 1: Sand 1.5: Grit 3 (20 mm)) with 10 cm thickness (as

5. Para 17(a) and 23 (Appendix-1) and Map number 17 (Appendix-3).

6. The CC Roads are executed in three stages i.e. (i) Earth work in 7.5 meter width of proposed CC road (ii) First layer of 15 cm thickness (in ratio of 1:3:6 with 40 mm aggregates in 3.75 meter width and (iii) Second layer of 10cm thickness (in ratio of 1:1.5:3 of concrete or controlled concrete) in 3.00 meter width.

shown in Map number 17 below) and with drains along the roads to prevent water logging and for strengthening of the roads.

Map Number 17




In ZPs, Banswara and Rajsamand following works of CC roads amounting to ₹ 47 lakh were sanctioned and completed (October 2012 to June 2015) with expenditure ₹ 45.29 lakh (as per MB). During joint physical verification of Audit with departmental authorities, it was observed that construction works were not done as per GKN provisions/detailed estimates and payment of ₹ 20.46 lakh was fictitiously made for execution of works as detailed below:


Case number: One	
Construction of CC Road from Gautam/Nathu house to Khoma Ji house in village Pargipada, GP, Roop Ji ka Kheda (PS, Ghatol)	
Date of sanction/completion	June 2014/August 2014
Sanctioned amount/expenditure	₹ 5.00 lakh / ₹ 5.01 lakh
Sanctioned/executed length as per MB	205.50 m / 260 m
Sanctioned/executed layers as per MB	(First layer) 10 cm/10 cm (Second layer) 8 cm/8 cm
As per joint physical verification	Length only 60 m in place of 260 m (only one layer of 7.5 cm was executed in place of two layers of 10 cm and 8 cm)
Verifying authority	Gram Sewak, Sarpanch, BDO and Executive Engineer of ZP.
Remarks	Payments were made according to measurements in the MB which were higher than the actual work done as seen during Joint Physical Inspection. This resulted in fictitious payment of ₹ 4.44 lakh⁷.
Case number: Two	
Construction of CC road from main road to Daya House via Bhan Ji Kachroo House in GP, Karanpur (PS, Gadi)	
Date of sanction/completion	December 2014/ December 2014
Sanctioned amount/expenditure	₹ 6.00 lakh / ₹ 5.66 lakh
Sanctioned/executed length as per MB	196 m /155.80 m
Sanction/executed layers as per MB	(First layer) 15 cm /14 cm (Second layer) 10 cm /10 cm
As per joint physical verification	Length only 104.30 m in place of 155.80 m (only one layer of 7.6 cm was executed in place of two layers of 14 cm and 10 cm)
Verifying authority	Gram Sewak and Sarpanch.
Remarks	Payments were made according to MB which were higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 4.37 lakh⁸.


- As per MB, work executed 171.78 cum (-) actual work executed 16.20 cum = work not executed 155.58 cum (95.44 cum x ₹ 2,414.10 per cum = ₹ 2,30,401 + 60.14 cum x ₹ 3,546.40 per cum = ₹ 2,13,280) Total amount: ₹ 4,43,681.
- As per MB, work executed 195.49 cum (-) actual work executed 33.45 cum = work not executed 162.04 cum (113.18 cum x ₹ 2,417.30 per cum = ₹ 2,73,590 + 48.86 cum x ₹ 3,349.70 per cum = ₹ 1,63,666) Total amount: ₹ 4,37,256.

Case number: Three	
Construction of CC Road from Bakor Patidar house to Hand Pump in GP, Bhagora (PS, Gadi)	
Date of sanction/completion	March 2013/ May 2013
Sanctioned amount/expenditure	₹ 5.00 lakh / ₹ 4.93 lakh
Sanctioned/executed length as per MB	234 m / 214 m
Sanction/executed layers as per MB	(First layer) 10 cm / 9.50 cm (Second layer) 10 cm / 10 cm
As per joint physical verification	Length only 209 m in place of 214 m (only one layer of 7.6 cm was executed in place of two layers of 9.50 cm and 10 cm)
Verifying authority	Gram Sewak, Sarpanch and Junior Engineer.
Remarks	Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 2.79 lakh⁹.
Case number: Four	
Construction of CC Road from main road Pratapgarh to Dinesh house in GP, Bhagora ka Kheda (PS, Ghatol)	
Date of sanction/completion	September 2012 / October 2012
Sanctioned amount/expenditure	₹ 6.00 lakh / ₹ 5.84 lakh
Sanctioned/executed length as per MB	348 m / 330 m
Sanction/executed layers as per MB	(First layer) 10 cm / 10 cm (Second layer) 7.50 cm / 7.50 cm
As per joint physical verification	Length 348 m in place of 330 m (only one layer of 10 cm was executed in place of two layers of 10 cm and 7.50 cm)
Verifying authority	Gram Sewak, Sarpanch, BDO, Junior Engineer and Assistant Project Officer.
Remarks	Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 2.13 lakh¹⁰
Case number: Five	
Construction of CC Road from Panchayat Bhawan to Shamshan Ghat in GP, Itaooa (PS, Ghadi)	
Date of sanction/ completion	July 2013/ March 2014
Sanctioned amount/ expenditure	₹ 7.50 lakh / ₹ 7.40 lakh
Sanctioned/executed length as per MB	371 m / 338.40 m
Sanction/executed layers as per MB	(First layer) 10 cm / 10 cm (Second layer) 10 cm / 8.50 cm
As per joint physical verification	Length 334.80 m in place of 338.40 m (only one layer of 14 cm was executed in place of two layers of 10 cm and 8.50 cm)
Verifying authority	Gram Sewak, Sarpanch and Assistant Engineer.
Remarks	Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 1.62 lakh¹¹.
Case number: Six	
Construction of CC Road from Main road Dhamka Bari to Narain and Sukhpal house in GP, Dudka (PS, Ghatol)	
Date of sanction/completion	June 2014/ September 2014
Sanctioned amount/ expenditure	₹ 4.00 lakh / ₹ 3.86 lakh
Sanctioned/executed length as per MB	245 m / 237 m
Sanction/executed layers as per MB	(First layer) 10 cm / 10 cm (Second layer) 10 cm / 7.50 cm
As per joint physical verification	Only one layer of 10 cm was executed in place of two layers of 10 cm and 7.50 cm.
Verifying authority	Gram Sewak, Sarpanch and Assistant Engineer.
Remarks	Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 1.12 lakh¹².


9. As per MB, work executed 176.98 cum (-) actual work executed 65.12 cum = work not executed 111.86 cum (86.22 cum x ₹ 2,260.00 per cum = ₹ 1,94,857 + 25.64 cum x ₹ 3,280 per cum = ₹ 8,40,99) Total amount: ₹ 2,78,956.
10. As per MB work executed 216.43 cum (-) actual work executed 121.80 cum = work not executed 94.63 cum x ₹ 2,249.40 per cum = ₹ 2,12,860.
11. As per MB, work executed 260.54 cum (-) actual work executed 192.17 cum = work not executed 68.37 cum x ₹ 2,364 per cum = ₹ 1,61,626.
12. As per MB, work executed 132.32 cum (-) actual work executed 85.80 cum = work not executed 46.52 cum x ₹ 2,414.00 per cum = ₹ 1,12,299.

Case number: Seven		
Construction of CC Road from Shiv Mandir to Ayurved Hospital in village Bodla in GP, Borwat (PS, Talwara)		
Date of sanction/completion	August 2014/ September 2014	
Sanctioned amount/expenditure	₹ 5.00 lakh / ₹ 4.96 lakh	
Sanctioned/executed length as per MB	245 m / 214 m	
Sanction/executed layers as per MB	(First layer) 10 cm / 9 cm (Second layer) 10 cm / 8 cm	
As per joint physical verification	Only one layer of 12.50 cm was executed in place of two layers of 9 cm and 8 cm.	
Verifying authority	Gram Sewak and Junior Engineer.	
Remarks	Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 0.96 lakh¹³.	

Case number: Eight		
Construction of CC Road at Katha Ka Talab (Aawalsar Ghati) GP, Togi (PS, Bhim)		
Date of sanction/completion	June 2013/ September 2013	
Sanctioned amount/expenditure	₹ 2.50 lakh / ₹ 2.14 lakh	
Sanctioned/executed length as per MB	410 feet along with drains / 435 feet along with drains	
Sanction/executed layers as per MB	15 cm / 12.1 cm	
As per joint physical verification	Length 430 feet without drains in place of 435 feet (layer of 6.25 cm was executed in place of 12.1 cm)	
Verifying authority	Gram Sewak, Assistant Engineer and Junior Engineer.	
Remarks	Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 1.09 lakh¹⁴.	

Case number: Nine		
Construction of CC Road from NH-8 Dev Ji Mandir to Dholi Magri via Ravji ka Vadia in GP, Kukar Kheda (PS, Bhim)		
Date of sanction/completion date	November 2014/ November 2014	
Sanctioned amount/expenditure	₹ 3.00 lakh / ₹ 2.60 lakh	
Sanctioned /executed length as per MB	550 feet along with drains / 678 feet along with drains	
Sanction/executed layers as per MB	15 cm/12.5 cm	
As per joint physical verification	Length 625 feet without drains in place of 678 feet (layer of 6.50 cm was executed in place of 12.5 cm)	
Verifying authority	Gram Sewak and Assistant Engineer.	
Remarks	Payments were made according to MB which was higher than the actual work done as per Joint Physical Inspection. It is interesting that the entire road work was completed in 11 days, while the minimum time required for curing of CC road was 15 days according to Para 23(2) of GKN. This resulted in fictitious payment of ₹ 1.34 lakh¹⁵.	

13. As per MB, work executed 171.13 cum (-) actual work executed 130.22 cum = work not executed 40.91 cum x ₹ 2,340 per cum = ₹ 95,729.
14. As per MB, work executed 2536.79 cft (-) actual work executed 1,253.96 cft = work not executed 1,282.83 cft x ₹ 85.31 per cft = ₹ 1,09,438 = ₹ 1.09 lakh.
15. As per MB, work executed 2,807.18 cft (-) actual work executed 1309.68 cft = work notexecuted 1,497.50 cft x ₹ 89.68 per cft = ₹ 1,34,295.

Case number 10		
Construction of CC Road along with drains from Chawanda Mata Mandir to Soniana road in GP, Bhawa (PS, Rajsamand)		
Date of sanction/completion	March 2015/ June 2015	
Sanctioned amount/expenditure	₹ 3.00 lakh / ₹ 2.89 lakh	
Sanctioned/executed length as per MB	396 feet / 350 feet	
Sanction width and layers/executed width and layers as per MB	16.43 feet width along with drains /13 feet width along with drains (First layer) 10 cm/10 cm (Second layer) 10 cm /10 cm	
As per joint physical verification	Length 350 feet without drains instead of 396 feet with drains and width 13 feet in place of 16.43 feet (both layer of 10 cm were executed).	
Verifying authority	Gram Sewak, BDO and Assistant Engineer.	
Remarks	Payments were made according to MB which were higher than the actual work done as per Joint Physical Inspection. This resulted in fictitious payment of ₹ 0.60 lakh¹⁶.	

It was also observed that in addition and in contravention of provisions of GKN, 2010, there was no provision for drains along the CC roads in seven of the 10 works in the detailed estimates. In three cases, drains were not constructed even though they were provided for in the detailed estimates. This resulted in the road being damaged at various places.

Thus, due to improper inspection by administrative and technical officers/officials, an amount of ₹ 20.46 lakh was fictitiously paid. Besides, there was damage to the road due to non-adherence to the provisions of GKN.

(b) Fictitious Payments on Construction of Gravel Road, Boundary Wall and Installation of Hand Pump

In ZPs, Banswara and Bikaner following three works worth ₹ 8.45 lakh were sanctioned and completed (July 2013, March and October 2014) with expenditure of ₹ 7.17 lakh. It was observed that an amount of ₹ 3.45 lakh was fictitiously paid for execution of works like construction of gravel road, boundary wall and installation of hand pump as detailed below:

(i) In ZP, Banswara, a work “construction of gravel road (from Dahod main road to Dhanpur, GP-Borwat, PS-Talwara)” was sanctioned (August 2014) and completed with an expenditure ₹ five lakh (October 2014).

As per MB, the road length was 1,908 metre, however, the drainage work was executed in 2,510 metre. The gravel was also purchased for the length of 2,510 metre (i.e. 602 metre excess). Thus, against the adjustment of ₹ five lakh, an amount ₹ 3.72 lakh was only adjustable leading to fictitious payment of ₹ 1.28 lakh.

(ii) In ZP, Banswara, a work amounting to ₹ 0.45 lakh was sanctioned (June 2013) for installation of Hand Pump at GP-Bori, PS-Gadi. The work was commenced and completed in July 2013 with an expenditure of ₹ 0.41 lakh.

16. As per MB, work executed 3,794.98 cft (-) actual work executed 3,003.00 cft = work not executed 791.98 cft x ₹ 76.24 per cft = ₹ 60,380.

During Joint Physical Inspection (May 2016) with Junior Technical Assistant (JTA), Panchayat Extension Officer and Ex-Sarpanch of the village, it was seen neither the Hand Pump was available nor was there any signs of drilling at the site. This pointed to the payment of ₹ 0.41 lakh for installation of Hand Pump being fictitious. The work completion certificate was issued by JE/BDO (PS, Gadi) without mentioning the date.

Thus, due to improper issue of completion certificate by JE/BDO (PS, Gadi), an amount of ₹ 0.41 lakh was fictitiously paid besides non-installation of Hand Pump.

(iii) A work for construction of boundary wall around the sports ground, Jain Public Sanstha at Ganashar road was sanctioned (September 2013) by ZP, Bikaner for ₹ three lakh.

As per the UC submitted by the PWD, an amount ₹ 1.76 lakh was shown as adjusted towards the work in March 2014. However, during Joint Physical Verification (May 2016) with AE, PWD, Bikaner it was revealed that no boundary wall was constructed. This pointed to the fact that the payment of ₹ 1.76 lakh for construction of boundary wall was fictitious.



Construction of boundary wall around the sports ground, Jain Public Sanstha at Ganashar road, Bikaner

(c) A work amounting to ₹ 10 lakh for construction of Ghata cutting¹⁷ road from Bada Doongra to Kalriya Bhairav Mandir at Bhapor on a hill was sanctioned (August 2014) in GP, Bhapor, (PS, Banswara). The work was executed by GP, Bhapor and completed (7 December 2014) with an expenditure of ₹ 9.99 lakh¹⁸. It was noticed that as per MB, the work was executed by JCB machine in hard soil, hard soil mix kankar/morrum, soft rock, ordinary rock and hard rock to the tune of 8,392.91 cum. All the aforesaid work was executed with an expenditure of ₹ 5.52 lakh, however, the GP charged ₹ 9.99 lakh including ₹ 8.04 lakh on material and ₹ 1.95 lakh on labour charges on the work.



Ghata cutting road from Bada Doongra to Kalriya Bhairav Mandir at Bhapor

In support of engagement of the labourers, six muster rolls¹⁹ for the period from 10 December 2014 to 30 December 2014 worth ₹ 1.13 lakh, were

17. Ghatta cutting is referred in the context of cutting through and creating a path/road between two hillocks.

18. Material cost: ₹ 8.04 lakh and labour charge: ₹ 1.95 lakh.

19. Bearing numbers 9788, 9789, 9790, 9859, 9860 and 9861.

enclosed subsequent to completion of work. Considering the fact that the work was completed on 7 December 2014, engagement of labourers after the date of completion of work points to manipulation of records. Further, the muster rolls did not bear the name and thumb impressions of any of the labourers.

The GP, subsequent to issue of Audit observation, changed the actual date of completion of work in the work completion certificate from 7 December 2014 to 16 June 2015 and further modified the period of engagement of labourers in four muster rolls from the period 8 to 15 October 2014 and 10 to 23 December 2014 to the period 8 to 15 June 2015. Further, in these muster rolls, name of labourers and their thumb impression were added, thereby casting doubts on the authenticity and extent of the work carried out by the labourers.

During Joint Physical Inspection (June 2016) with JTA of PS and Sarpanch of the village, it was observed that Ghata cutting road was constructed by using material excavated from the hill.

In reply the GP, Bhapor stated (August 2016) that name of labourers was inadvertently not mentioned in muster rolls and Ghata cutting road was completed on 16 June 2015 with an expenditure of ₹ 9.99 lakh.

The reply was not in consonance with the facts as the actual date of completion was 7 December 2014 and manipulation/alterations were made in the muster rolls to support the revised claim that the work was completed only in June 2015.

Further, the work was executed through JCB machine and excavated material could be used in gravel road construction. Thus, an amount ₹ 4.47 lakh charged infructuously on the unwarranted items.

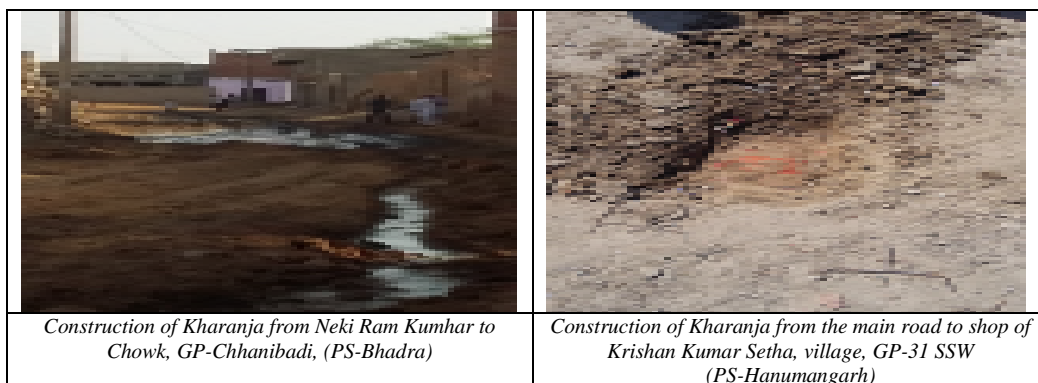
State Government stated (February 2017) that point wise compliance has been called for and action would be taken on the basis of the compliance.

2.1.5.6 Kharanja Roads Constructed not as per Specifications

Para 17(a), 18(a) and (b) (Appendix-1) of GKN-2010 provided that base and sub-base layer should be laid before construction of Kharanja²⁰ road and drains along the roads should also be constructed to prevent water logging and to strengthen the roads.

In PSs, Bhadra, Hanumangarh and Nohar of ZP, Hanumangarh and PS, Shri Dungargarh of ZP, Bikaner, 50 works for construction of Kharanja roads were sanctioned (May 2011 to September 2013) and executed with an expenditure of ₹ 1.15 crore. These works did not include provisions for laying sub-base/base layer and drains along the roads in technical estimates. It was observed from records and during joint physical inspection of 34 works conducted (August 2016) with AE found that the roads were in damaged condition (*Appendix-II*).

20. Kharanja road constructed by bricks, stones and soil etc.

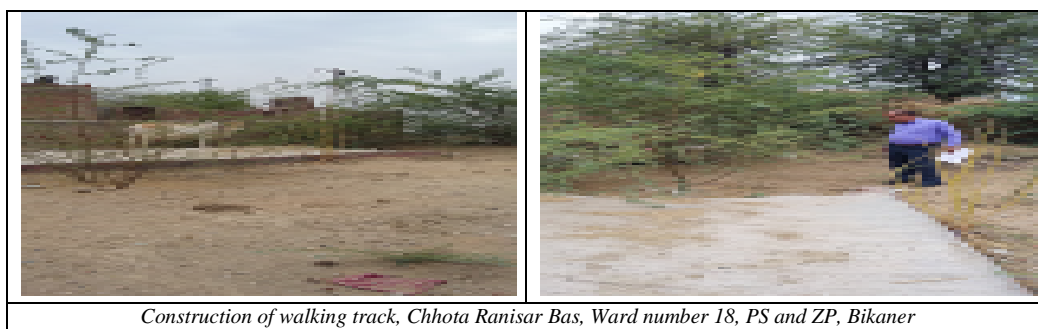


State Government stated (February 2017) that point wise compliance has been called for and action would be taken on the basis of the compliance. Thus, by not making provision in estimates for laying of sub-base/base layer along with drains as per norms of GKN-2010, Kharanja road were damaged badly.

2.1.5.7 Incomplete Execution of Works

In ZP, Bikaner, a work for construction of walking track (length 330 metre and width 1.80 metre) at Chhota Ranisar Bas, Vyaso Ki Talai amounting ₹ 0.10 crore was sanctioned (August 2013). PWD, Bikaner executed the work only in 252 metre length with expenditure of ₹ 9.55 lakh.

During Joint Physical Verification (May 2016) by Audit with AE, PWD, it revealed that the site was encroached and work was lying incomplete. As such, the walking track could not be used for the intended purposes resulting in the expenditure being unfruitful.



State Government stated (February 2017) that compliance has been called for and action would be taken on the basis of the compliance.

2.1.5.8 Execution of Non-permitted Works

Appendix-I of Clause 2.3 of the guidelines (July 2009 and March 2013) lists out the kind of works permitted to be recommended by the MLAs under this Scheme.

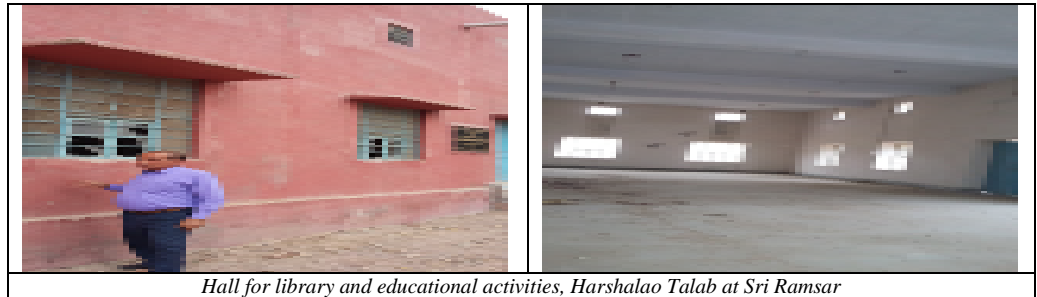
Scrutiny of records of ZP, Bikaner revealed that financial sanction of ₹ eight lakh was issued (June 2013) for purchase of one Ambulance. It was observed that in contravention to the provision of Paragraph 2.22(d) of the Guidelines, the Ambulance was registered (8 August 2013) in the name of Samiti-Nagriik

Vikas Parishad (NVP), Shri Dungargarh instead of the Government. Further, during Joint Physical Inspection (May 2016) with JE and Technical officer, it was also observed that the NVP provided services of ambulance on payment basis²¹ to the public.

State Government stated (February 2017) that compliance has been called for and action would be taken accordingly. Further, it was stated that ZPs have been instructed not to sanction non-permissible works in future.

2.1.5.9 Intended Purpose of Execution of Works Defeated

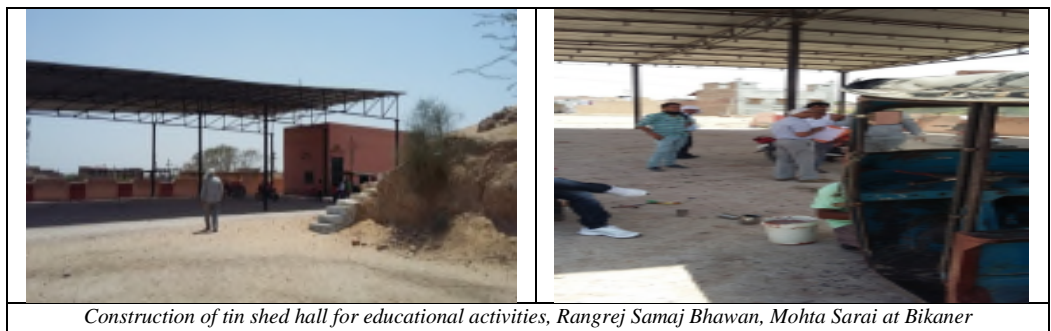
(a) Scrutiny of records of ZP, Bikaner revealed that a work for construction of hall for library and educational activities, Harshalao Talab at Sri Ramsar amounting ₹ 0.10 crore was sanctioned in December 2011. PWD, Bikaner executed and completed (October 2013) the work with an expenditure of ₹ 9.44 lakh. During Joint Physical Verification conducted (May 2016) with AE, PWD, Bikaner, it was revealed that library hall was not being utilised for the intended purpose and was lying unutilised even after lapse of a period of 40 months (upto January 2017) resulting in the expenditure being unfruitful.



Hall for library and educational activities, Harshalao Talab at Sri Ramsar

(b) In ZP, Bikaner, an amount of ₹ eight lakh was sanctioned (June 2013) for construction of tin shed hall at Rangrej Samaj Bhawan, Mohta Sarai, for educational activities at Bikaner. The work was executed by PWD, Bikaner and completed (August 2014) with an expenditure of ₹ 6.62 lakh.

During Joint Physical Verification (May 2016) with AE, PWD, Bikaner, it was revealed that the tin shed hall was being utilised for repairing of vehicles instead of educational purposes resulting in the expenditure being unfruitful.



Construction of tin shed hall for educational activities, Rangrej Samaj Bhawan, Mohta Sarai at Bikaner

State Government stated (February 2017) that necessary action would be taken at the department level.

21. Rates for journey to Jaipur at the rate of ₹ nine per kilometre.

2.1.5.10 Works Sanctioned in Contravention of Guidelines

Clause 2.22 (c) of guidelines (July 2009/ March 2013) provided that assets created, such as crematorium, hostel and community centre should be available for use of general public. Further, clause 15.1(1) of guidelines and RDD orders (June 2011) provided that community centers should be constructed on Government land only.

In ZPs, Banswara, Bikaner, Dungarpur, Hanumangarh and Rajsamand, 15 works worth ₹ 0.91 crore for construction of community centers, halls, boundary wall, crematorium, path and roads etc., were sanctioned and completed with expenditure of ₹ 0.83 crore during the period 2011-15.

During joint physical inspection of the works (May-June 2016), it was observed that these works were sanctioned and constructed on private land for use of particular community/persons contrary to the provisions of scheme guidelines. The details of works are given in **Table 2.4** below and summary of the works is given in **Appendix-III**.

Table 2.4

(₹ in crore)

Districts	Number of works	Sanctioned amount	Expenditure
Banswara	6	0.29	0.29
Bikaner	6	0.49	0.42
Dungarpur	1	0.05	0.05
Hanumangarh	1	0.05	0.04
Rajsamand	1	0.03	0.03
Total	15	0.91	0.83

State Government stated (February 2017) that compliance has been called for and disciplinary action would be taken on the basis of the compliance. The fact remains that the Sarpanch, Gram Sevak, AE/JE/JTA and sanctioning authority were responsible for sanctioning work without ensuring the use for general public and constructing on private land which was in violation of provisions of Scheme guidelines.

2.1.5.11 Delay in Issue of Sanctions

Para 3.3 of guidelines (July 2009/March 2013) prescribed 45 days for issue of financial sanction (including 30 days for administrative and technical sanction) of works from the date of works recommended by concerned MLA.

Test check of ZPs, Banswara, Bikaner, Hanumangarh and Rajsamand revealed that financial sanctions for 1,151 works were not issued within prescribed time limit during 2011-16 and the delay ranged between 16 to 557 days which is given in **Table 2.5** below:

Table 2.5

Districts	Total Number of Works sanctioned	Delay in issue of sanction		Delay in issue of financial sanctions in days*
		Number of works	In Percentage	
Banswara	1,523	274	17.99	17 to 399
Bikaner	1,886	366	19.41	23 to 557
Hanumangarh	1,154	109	9.45	17 to 451
Rajsamand	1,597	402	25.17	16 to 386
Total	6,160	1,151	18.68	

* While calculating the delay, a cushion of 15 days has been given.

State Government stated (February 2017) that all ZPs have been instructed to ensure timely issue of financial sanctions.

Thus, delay in issue of financial sanctions in 1,151 (18.68 per cent) works indicated delay in execution of works at all level and the ZPs failed in providing facilities to local public.

2.1.5.12 Delay in Completion of Works

Para 22.10.1 of GKN, 2010 envisaged the prescribed period for completion of works recommended by MLAs concerned which is given in **Table 2.6** below:

Table 2.6

Sanctioned amount of work	Prescribed time limit (in months) for works		
	for Building	for Kharanja/ CC Road	for Anicuts/ Ponds
Up to ₹ 2 lakh	4	3	4
₹ 2 lakh to ₹ 5 lakh	6	4	6
₹ 5 lakh and above	9	6	9

Scrutiny in test checked ZPs revealed that 1,512 works amounting to ₹ 26.95 crore sanctioned were not completed within prescribed time limit during 2011-16. The delay in these 1,512 works ranged from nine to 1,857 days as given in **Table 2.7** below:

Table 2.7

Districts	Total number of works sanctioned	Delay in completion of works		Amount (₹ in crore)	Delay in days
		Number of works	In Percentage		
Banswara	1,523	78	5.12	1.79	42 to 1,185
Bikaner	1,886	457	24.23	9.44	9 to 1,857
Dungarpur	1,832	814	44.43	10.87	24 to 1,718
Hanumangarh	1,154	47	4.07	1.59	9 to 1,133
Rajsamand	1,597	116	7.26	3.26	43 to 1,512
Total	7,992	1,512	18.92	26.95	

State Government stated (February 2017) that compliance has been called for and disciplinary action would be taken accordingly.

Recommendations

4. In order to avoid fictitious payments, the State Government should ensure, that technical inspection of works should be carried out periodically and payments should not be released, if the quality of works is not as per specifications.
5. All cases involving fictitious payments need to be investigated and responsibility should be fixed on the erring officials including those who incorrectly certified the works.
6. In order to ensure that cement concrete and Kharanja roads do not get easily damaged, the State Government should make sure that construction of these roads are executed with the requisite thickness of layers along with drains.
7. The State Government should ensure that only permitted works under the MLALAD Scheme are sanctioned.

Audit objective 3: Whether there was effective Internal Control and Monitoring Mechanism

2.1.5.13 Constitution of Scheme Monitoring Committee

Para 25.3 of GKN, 2010 provided that review of progress of the works to be made by vigilance and monitoring committees constituted at different levels. Para 6.1 of the guidelines (March 2013) also provided that inspection of under construction work would also be made as per provision of GKN, 2010 and each ZP (RDC) should submit Monthly Progress Report (MPR) for effective monitoring of the Scheme to RDD within eight days after the end of the month.

(i) At State Level

Scrutiny revealed that a State level monitoring committee for monitoring all schemes of RDD including the MLALAD Scheme was constituted in March 2007 and dissolved in December 2008. Thereafter, no committee has been formed for monitoring of the works.

The RDD accepted the facts and stated (June 2016) that proposal for constitution of State level monitoring committee was under consideration but no committee was formed for monitoring as of November 2016.

(ii) At District Level

District level monitoring committee had not been constituted in test checked ZPs²² except ZP, Hanumangarh. ZPs attributed (November 2016) that monitoring committee was not constituted due to lack of administrative and technical staff.

22. Zila Parishads: Banswara, Bikaner, Dungarpur and Rajsamand.

Various deficiencies in the works which were noticed during Audit and reported in Para 2.1.5 *supra* remained undetected due to non-review of works executed under the Scheme in the absence of monitoring committees at the District and State level.

State Government stated (February 2017) that at district level review/monitoring of the Scheme was being done by the District Collector and at State level monitoring was being done through Integrated Works Monitoring System (IWMS) software. The reply was not convincing as no committee was formed at State and District level except ZP, Hanumangarh.

Thus, non-constitution of monitoring committee and non-discussion/review of works resulted in the risk of the deficiencies remaining undetected.

2.1.5.14 Periodic Inspections not Carried out

Para 6.1 of Scheme guidelines provided that inspection of ongoing works would be made as per provision of GKN, 2010. Para 16.2.1 and 16.2.2 of GKN, 2010 provided that periodical inspection for ensuring quality of ongoing work at every stages should be carried out by the administrative/technical officials as per details given in **Table 2.8** below:

Table 2.8

(in per cent)

Total cost of work	Junior Engineer and Junior Technical Assistant of PS	Assistant Programme Officer, Assistant Engineer, Sr. Technical Assistant of ZPs and Assistant Engineer of PS	Executive Engineer of ZP	Block Development Officer	District Collector/ Chief Executive Officer
Up to ₹ 2 lakh	100	25	-	25	5
₹ 2 lakh to ₹10 lakh	100	100	25	25	5
₹ 10 lakh and above	100	100	100	25	5

Scrutiny of records of test checked districts revealed that though in many of the test checked cases, final inspection of works required for issue of completion certificate were done at the time of making payment and regular periodical inspections to ensure quality had not been carried out.

Zila Parishads accepted the facts and stated (November 2016) that periodical inspections were not carried out due to lack of administrative and technical staff. The fact, however, remained that the works were executed without periodic inspections as required and this adversely affected the quality of works.

2.1.5.15 Evaluation of Scheme

An evaluation of the MLALAD Scheme was conducted by Directorate of Evaluation Organisation (DEO), Jaipur in 2009 and this brought out various recommendations for better implementation of the Scheme like timely issue of sanctions, execution of works within financial year, effective technical inspection and quality assurance of works and release of sanction/

commencement of any works after ensuring clear title of land. These recommendations were communicated to all ZPs in January 2010 for taking up corrective action.

Scrutiny of records of RDD and selected test checked ZPs revealed that recommendations of the DEO had not been implemented by RDD and the ZPs. This contributed in various deficiencies in planning and execution of the works like fictitious payments, execution of non-permitted works, execution of work not as per technical estimates/GKN provisions, executed works not utilised for intended purpose, etc.,

State Government stated (February 2017) that inspection of works was being done by the third party and district inspection reports were uploaded in IWMS software. The reply was not convincing as evaluation was done only in the year 2009 and recommendations of the evaluation have not been implemented till January 2017. Further, no information could be made available from the IWMS data and hence its effectiveness as a monitoring tool was yet to be proven. Thus, the fact remained that there was no effective monitoring mechanism in place and this continued to be a serious threat in the implementation of the works.

Recommendations

8. For monitoring the implementation of the MLALAD Scheme, monitoring mechanism should be formed/strengthened at District and State level to monitor and review of progress of the Scheme as required in GKN, 2010.

2.1.6 Conclusion

The MLALAD Scheme was introduced for MLAs to cater to local requirements involving creation of durable assets in their constituencies, remove imbalance in regional development, carry out works of developmental nature based on local needs and public use and promote self dependence and confidence in local community. During 2011-16, only 17.60 per cent to 23.73 per cent of the available funds under the Scheme were utilised leaving huge unspent balances of ₹ 1,093.11 crore. There were numerous deficiencies in the execution of works like fictitious payments for works not done, violation of GKN provisions resulting in damage of roads, works sanctioned in violation of the MLALAD Scheme guidelines etc., which impacted adversely on the creation of durable community assets. The monitoring mechanism was also not adequate as the State Government did not form District/State level monitoring committees for effective monitoring of MLALAD Scheme. Thus, the objective of development of works based on locally felt needs and creation of durable assets in all constituencies could not be achieved.

COMPLIANCE AUDIT

Rural Development Department

2.2 Dang Area Development Scheme

2.2.1 Introduction

Dang Area Development Scheme (DADS) in Rajasthan was introduced (December 2005) for development of the Dang Area which are characterised by ravines, gorges and infested with dacoits. Dang Area also prone to land degradation. The objectives of the DADS were socio-economic and basic infrastructural development which included provision of facilities like drinking water, road connectivity, buildings for educational institutions, dispensaries, veterinary hospitals, libraries, public toilets, harvesting structures and other projects for livelihood activities. The funds were to be utilised on five basic infrastructure facilities included in SHREE Yojana (Sanitation, Health, Rural Connectivity, Education & Medical and Energy) on priority basis.

Dang Area Development Scheme is being implemented in eight districts²³ of two zones i.e. Bharatpur and Kota. The Scheme includes 371 Gram Panchayats (GPs) of 22 Panchayat Samitis (PSs) of these districts.

The Rural Development and Panchayati Raj Department (RD&PRD) was responsible for overall supervision, monitoring and co-ordination of various activities of the Panchayati Raj Institutions (PRIs). At the District level, Zila Parishad (Rural Development Cell) was the nodal agency for implementation of the Scheme. The Scheme was 100 *per cent* funded by the State.

The field study for implementation of DADS for the period from 2011-12 to 2015-16 was conducted during May to August 2016. Out of eight districts, three districts i.e. Baran, Bharatpur and Karauli were selected on the basis of expenditure. Further, six blocks²⁴ (50 *per cent*) in selected districts and 51 GPs²⁵ (25 *per cent*) were selected for Audit.

23. Bharatpur, Dholpur, Sawai Madhopur and Karauli (Bharatpur zone); Baran, Bundi Jhalawar and Kota (Kota zone).

24. Anta, Chhabra and Kishanganj (Baran), Roopwas (Bharatpur), Hindaun and Karauli (Karauli).

25. Bhango, Jagar, Khareta, Kotari, Mothiyapura, Palanpur (PS, Hindaun); Atewa, Gunesra, Khedia, Kodar, Kota Mamchari, Lohara, Masalpur, Raghuvanshi, Rampur Dhabai, Tulsipura (PS, Karauli); Dhana, Dumariya, Maloni, Mahalpur Chura, Pahadpur, Siron (PS, Roopwas); Balra, Bamori Kalan, Bhojyakheri, Ishwarapura, Jarela, Mahalpur, Patonda, Thikria, Udaipuria (PS, Anta); Asnawar, Badipura, Chhatarganj, Jalwara, Karwari Kalan, Ramgarh, Rampur Todia, Sakrawada, Simlod, Sunwas, (PS, Kishanganj) and Barai, Chanchoda, Godiamahar, Hanyaheri, Jharkheri, Kadaiyanohar, Kotrapar, Mundla, Nipania, Pali (PS, Chhabra).

Audit Findings

2.2.2 Planning

Guidelines for implementation of DADS were issued in December 2005 and were revised in March 2015. Para 9.2 of revised guidelines envisaged that a Comprehensive Village Development (CVD) plan should be prepared at GP level by identification of the infrastructural gaps in Dang Area and consolidated at PS level. The PS would submit an approved CVD plan²⁶ to Zila Parishad (ZP) which in turn would prepare consolidated CVD plan after approval of the District Level Area Development Committee (DLADC) and further submit it to the State Government for approval.

As per para 6.2 of the revised guidelines, a prospective plan for comprehensive village development was required to be prepared for next four years i.e. 2015-16 to 2018-19. As per para 7.2 of revised guidelines, CVD plan listing out the requisite works to be taken in order to develop the basic infrastructure facilities in future was also required to be made. Thereafter, a Detailed Project Report/Consolidated Project Report (DPR/CPR) for development of Dang Area in forthcoming years was required to be submitted.

During scrutiny of records of Rural Development Department (RDD) and test checked ZPs, PSs and GPs it was observed that even after lapse of more than one year, prospective plan, CVD plans and DPRs/CPRs were not prepared. The State Government stated (April 2016) that prospective plan, CVD plan were not prepared as the Finance Department did not sanction administrative expenditure for identifying the infrastructure gaps.

In contravention of the guidelines, 64 works amounting to ₹ 2.29 crore were sanctioned during 2015-16 in ZP, Baran without preparation of prospective plans, CVD plans, drainage plans and DPRs/CPRs. During 2015-16, no works were sanctioned in ZPs, Bharatpur and Karauli.

2.2.3 Financial Management

2.2.3.1 Utilisation of Funds

As per DADS guidelines, 50 per cent of the funds were to be allocated annually to every district on the basis of number of families living Below Poverty Line (BPL). The remaining 50 per cent was to be allocated on the basis of number of GPs in the district by reducing the literacy rate of the area out of the literacy rate of the State²⁷. Release of first installment of 50 per cent was to be made within the first month of the financial year and the release of second installment was to be made after submission of Utilisation Certificate (UC) for 90 per cent funds released during previous year and 60 per cent of the current year.

26. Approved by GP and General body of PS having members as MLA and members of ZP.

27. $(\text{State literacy rate} - \text{District literacy rate}) \times \text{Number of GPs in District} \times 100 / \text{Total allocation of fund}$.

(i) The year-wise allotment of funds and expenditure in the eight districts implementing the DADS during the period 2011-2016 is given in **Table 2.9** below:

Table 2.9

(₹ in crore)

Year	Opening Balance	Allotment	Other receipts	Total funds available	Total Expenditure	Closing Balance	Expenditure (in percentage)
2011-12	9.04	9.81	-	18.85	2.47	16.38	13.10
2012-13	16.38	37.00	-	53.38	8.78	44.60	16.45
2013-14	44.60	49.50	0.04	94.14	31.31	62.83	33.26
2014-15	62.83	49.83	0.50	113.16	34.86	78.30	30.81
2015-16*	78.30	44.42	-	122.72	44.16	78.56	35.98
Total		190.56	0.54		121.58		

**Provisional figures for the financial year 2015-16 since the accounts have not been finalised.*
Source: Information provided by RDD.

The table above depicts that during the period (2011-16), the total funds available ranged from ₹ 18.85 crore to ₹ 122.72 crore out of which expenditure incurred ranged from ₹ 2.47 crore (13.10 per cent) to ₹ 44.16 crore (35.98 per cent). Thus, an average of about 64 per cent funds was utilised.

(ii) During 2015-16 a sum of ₹ 16.60 crore²⁸ was released to eight districts without obtaining UCs. The State Government stated (May 2016) that obtaining UCs from the districts could take time and it was essential to release second installment for completion of ongoing works. The fact, however, remained that the second installment was not to be released before obtaining UCs relating to the expenditure incurred after release of first installment.

Test check of the selected districts of Baran, Bharatpur and Karauli also revealed that utilisation of funds during the period 2011-15 was about 41 per cent²⁹. This indicated the slow pace of expenditure under the Scheme.

(iii) As per para 5 of the guidelines 2015, 20 per cent funds were reserved for development of basic infrastructure (Railway Under Bridge, Railway Over Bridge, Community Warehouses, Community Small Scale Units etc.) in Dang Areas. In place of using the funds for development of Dang Areas and in contravention of these guidelines, an amount of ₹ 5.78 crore was allotted to Jhalawar (₹ 2.50 crore) and Kota (₹ 3.28 crore) districts for execution of works under the *Mukhyamantri Jal Swavlamban Abhiyan* (MJSA) which was a separate State funded scheme. RDD confirmed (May 2016) diversion of funds to MJSA.

(iv) As per para 13 of guidelines the ZPs were required to submit Audit Reports of Chartered Accountants (CA) to RDD within three months after closing of the financial year. Test check of records of selected ZPs, Baran,

28. Baran: ₹ 3.76 crore, Bharatpur: ₹ 0.39 crore, Bundi: ₹ 0.71 crore, Dholpur: ₹ 2.16 crore, Jhalawar: ₹ 2.50 crore, Karauli: ₹ 1.55 crore, Kota: ₹ 3.28 crore and Sawai Madhopur: ₹ 2.25 crore.

29. In selected districts: total available funds ₹ 80 crore and total expenditure ₹ 33 crore.

Bharatpur and Karauli revealed that ZPs did not submit Audit Reports of CA within stipulated time and there was delay ranging from 101 to 217 days.

2.2.4 Execution

2.2.4.1 Physical Performance

During 2011-16, 1,859 works worth ₹ 94.02 crore were sanctioned under DADS in test checked districts. Of these, 1,611 works (86.65 per cent) amounting ₹ 82.41 crore were completed, 229 works (12.32 per cent) amounting to ₹ 10.76 crore were incomplete and 19 works amounting to ₹ 0.85 crore were cancelled. In this regard the following points were observed:

(i) Para 6.3.6 of Gramin Karya Nirdeshika (GKN), 2010 provided that technical officer would inspect the work sites and ensure feasibility and utility of the construction work before preparation of detailed estimates and sanction of work. It was observed that 17 works amounting to ₹ 80 lakh³⁰ were sanctioned during the period 2012-13 to 2014-15 and subsequently cancelled due to non-availability of land, work already sanctioned in other schemes, dispute at work sites etc.

(ii) Construction of Cement Concrete (CC) road (from Bisamber house to Hand Pump, Tarbeejpur) sanctioned by ZP, Bharatpur during 2011-12 for GP, Singhaniya (PS, Bayana) for ₹ two lakh was not completed due to land dispute by villagers and GP left work incomplete after incurring expenditure ₹ 0.88 lakh.

Thus, works sanctioned by ZPs, Baran and Bharatpur without inspection of work sites and ensuring availability of land, led to cancellation of sanctioned works, non-completion of works indicates failure of the technical officer of the ZPs, Baran and Bharatpur to inspect the work sites and prepare feasibility report.

(iii) Para 17 of GKN, 2010 provided that drains should be constructed along the roads to prevent water logging and to strengthen the road.

Test check of records in ZPs, Baran and Karauli revealed that 74 works of interlocking blocks/CC roads were approved along with drains in Annual Action Plan during 2014-15 at estimated cost of ₹ 3.56 crore³¹. These works were approved by RDD with directions (December 2014) to execute the works with drains. It was observed that these 74 works were executed with expenditure of ₹ 3.40 crore³² without constructing the drains along the roads. Though payment for the roads was made based in MB, which excluded the drains, the fact remained that the instructions of RDD were not adhered to. This increased the risk of damage of roads due to water logging.

30. Baran (15 works): ₹ 68 lakh and Bharatpur (two works): ₹ 12 lakh.

31. Zila Parishads, Baran (49 works): ₹ 2.28 crore and Karauli (25 works): ₹ 1.28 crore.

32. Zila Parishads, Baran (49 works): ₹ 2.12 crore and Karauli (25 works): ₹ 1.28 crore.



The replies of ZPs were awaited (January 2017).

2.2.4.2 Third Party Physical Verification

(i) District Collector (Karauli) directed (August 2014) to conduct a third party physical verification of works of CC roads constructed in ZP, Karauli by a team of engineers from various departments. The third party physical verification reports (October 2014) mentioned that nine works of CC roads amounting to ₹82 lakh³³ were sub-standard and damaged at various places. ZP, Karauli accepted the facts and stated (May 2016) that directions had been issued to respective Block Development Officer (BDO), PSs, Sapotra and Karauli for maintaining quality of works. The fact remained that no action was taken on the executing agencies concerned under ZP, Karauli (May 2016) inspite of a third party evaluation report pointing to poor standard of work.

(ii) The ZP, Karauli accorded (March 2015) financial sanction for construction of CC road (Hindaun-Khareta road Ghati Portion) for ₹ 24.50 lakh. The road was completed (June 2015) by Public Works Department, Division Hindaun City with an expenditure of ₹ 24.46 lakh. A third party inspection of the road was conducted (February 2016) at the behest of ZP, Karauli and it was reported that the thickness of CC road was 15 cm as against 20 cm recorded in the measurement book (MB). Though, the ZP, Karauli had decided (April 2016) to recover ₹ 10.41 lakh from the executing agency for construction of below standard CC road, no action for recovery has been initiated by ZP, Karauli (May 2016).

2.2.4.3 Physical Inspection at ZP Level

During inspection of works, Assistant Engineer (AE), ZP, Baran (March 2013) reported that three works of CC roads amounting of ₹ 10.50 lakh³⁴ were executed without laying first layer (base layer) of Cement Concrete and were sub-standard and damaged at various places. In spite of this no action was taken by ZP, Baran and full payment was made to the executing agency i.e. GP, Kanotiya. However, the fact remains that no action was taken on the executing agency concerned under ZP, Baran as the final payment/adjustment was made in favor of the executing agency after the report of the AE was received. The reply of the ZP, Baran was awaited (January 2017).

33. Total costing ₹ 82 lakh - GPs Manchi: ₹ 10 lakh and Kanchanpur: ₹ 10 lakh (PS, Karauli) and GPs, Bugdar: ₹ eight lakh, Langra: ₹ nine lakh, Rahir: ₹ 10 lakh, Rodhai: ₹ 10 lakh, Kalaguda: ₹ 10 lakh, Karanpur: ₹ 15 lakh and Guvreda: NA (PS, Sapotra).

34. Panchayat Samiti, Atru (GP, Kanotiya): ₹ 10.50 lakh.

2.2.4.4 Work with Lower Specifications

Map Number 17 and Schedule of Rates (SoR) of GKN, 2010 provided the design for CC road wherein first layer of CC 1:3:6/1:4:8 (40 mm aggregates) in 15 cm thickness and second layer of CC 1:1.5:3/1:2:4 (20 mm aggregates) in 10 cm thickness were required.

It was observed that in ZPs, Baran and Karauli, four works of construction of CC roads costing ₹ 15.50 lakh³⁵ were sanctioned in 2012-14 with a provision in the estimate of laying CC in prescribed two layers. These CC roads were completed with an expenditure of ₹ 15.50 lakh and without laying the first layer, only second layer of CC was spread in excess length (556.50 metre) with reference to estimates. Thus, in the absence of the first layer, the second layer of CC would not be able to bear the traffic load. ZPs, Baran and Karauli did not furnish replies and also did not initiate action against the executing agencies i.e. GPs, Bamori Kalan Chaudagaon, Kasipura and Richhanda.

2.2.4.5 Physical Verification of Works

In test check of records of ZPs, Baran and Karauli and Joint Physical Verifications of works conducted (May and August 2016) by Audit with Departmental officials, it was observed that:

(i) Construction of anicut cum causeway amounting ₹ 10 lakh at GP, Ishwarpura (ZP, Baran) was sanctioned (March 2012) and completed (April 2013) with expenditure of ₹ 10 lakh. Only causeway structure was constructed without connecting two banks of the river i.e. approaches. Presently the causeway was also damaged. Thus, the entire expenditure was unfruitful as a causeway without approaches would not serve the purpose of assuring connectivity during monsoon season.



Anicut cum causeway on way of Pagara, Gudrawani (GP, Ishwarpura)

(ii) Fictitious payments

Scrutiny of records of GPs of ZP, Baran revealed that 13 works for construction of interlocking blocks/CC roads amounting to ₹ 79 lakh were sanctioned during the years 2011-15 and completed with expenditure of ₹ 66 lakh (2012-15). Of this, an amount of ₹ 27.80 lakh (42.12 per cent) was fictitiously paid as discussed below:

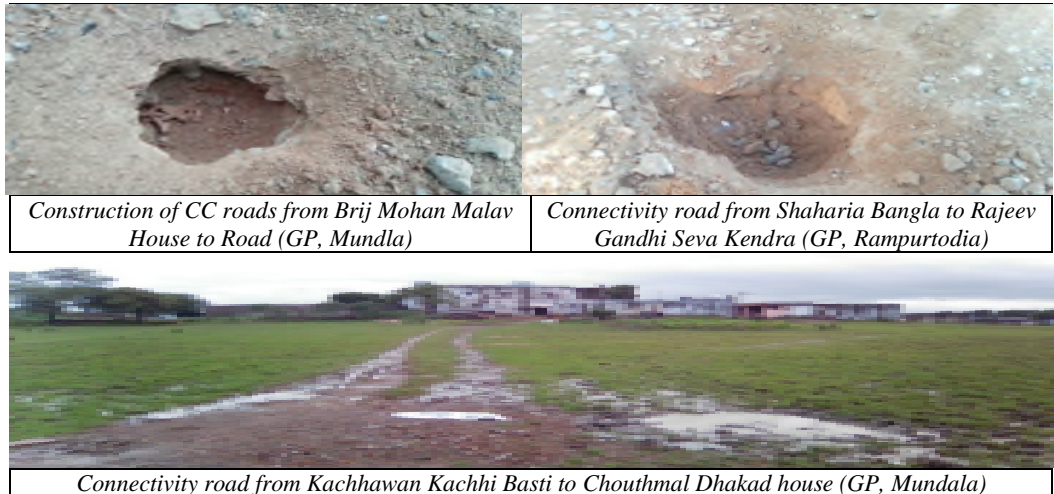
(a) During Joint Physical Verification (August 2016), it was observed that two works for construction of CC roads amounting to ₹ nine lakh in GPs,

35. Gram Panchayats, Chaudagaon (PS, Sapotra): ₹ four lakh, Kasipura (PS, Karauli): ₹ seven lakh, Richhanda (PS, Atru): ₹ three lakh and Bamorikalan (PS, Anta): ₹ 1.50 lakh.

Sunwas and Sakarwada (PS, Kishanganj) were sanctioned (June 2013 and December 2014). The GPs concerned, however, charged towards labour charges and material consumption amounting ₹ 5.80 lakh without actually executing these works. Thus, fictitious payment of ₹ 5.80 lakh was made by the executing agencies. PS, Kishanganj and ZP, Baran also failed to monitor the works effectively.

(b) Remaining 11 works for construction of interlocking/CC road amounting to ₹ 70 lakh were sanctioned (between February 2012 to December 2014) and completed with expenditure of ₹ 60 lakh in PSs, Anta, Chhabra and Kishanganj. These works were completed either without laying first layer of CC or by construction of CC road of lesser length. This resulted in payment of ₹ 22 lakh for items of work which were not carried out.

On this being pointed out, ZP, Baran stated (August 2016) that reply would be furnished after inspection by technical officers. However, the fact remained that the Executive Engineer (EE)/Assistance Engineer (AE)/Junior Engineer (JE), being the technical officers, were members of the joint inspection team and had also authenticated the findings of the Joint Inspection.



(iii) Works Executed not as per Specifications

Scrutiny of records of ZP, Baran revealed that six works for construction of CC roads amounting ₹ 25.50 lakh were sanctioned and completed with an expenditure of ₹ 23.63 lakh during 2011-15. During joint physical verification (August 2016), it was noticed that:

(a) Construction of CC road (towards School Pali) was sanctioned in PS, Anta and completed (September 2013) with expenditure of ₹ four lakh. It was observed that first layer of CC was not laid which resulted in the road being completely damaged. The work completion certificate was issued (September 2013) by PS, Anta after evaluation/verification of work by the AE, JE and BDO of PS, Anta. By incorrectly issuing work completion certificate, the AE/JE/BDO failed to perform their duties.



CC Road from Birbal Meena House to School Pali (GP, Bamori Kalan)

(b) Construction of connecting road (towards Mandir on the way of river, village Nayagaun Chandarpura) amounting ₹ five lakh was sanctioned (February 2012) in GP, Sunwas (PS, Kishanganj) and stated to be completed by ZP, Baran with expenditure of ₹ 4.09 lakh. During physical verification of the work, it was observed that the thickness of the first layer and the second layer of road were 6.25 cm and 3.75 cm respectively instead of 15 cm and 10 cm thickness as per the approved estimate. This resulted in the road being damaged. Completion certificate for the work was also not made available to Audit.



Connectivity road from road to Kalulal Gurjar house and towards Mandir on the way of river, Naya Gaon Chandarpura (GP, Suwans)

(c) Construction of connecting road along with drain (from School to village Gobercha) amounting to ₹ four lakh was sanctioned (October 2012) in GP, Sakrawada (PS, Kishanganj) and completed (December 2012) with expenditure of ₹ 3.47 lakh. Completion certificate for the work was issued (December 2012) by concerned GP. During physical verification, it was observed that first CC layer of road was not laid and second CC layer was damaged due to non-execution of first layer.



Connectivity road along with drains from school to Mangilal Jat house Gobercha (GP, Sakrawada)

(d) Construction of CC road (in village Thungani) at a cost of ₹ 4.50 lakh was sanctioned in GP Sakrawada (PS, Kishanganj) and completed (July 2012) with expenditure of ₹ 4.08 lakh. During physical verification, it was observed that first layer of road was not laid and second layer was damaged due to non-execution of first layer. The work completion certificate was issued by AE/JE of PS, Kishanganj in April 2013. By incorrectly issuing work completion certificate, the AE/JE failed to perform their duties.



CC road from Mangilal Suman house to Tejsingh house Thungani (GP, Sakrawada)

(e) Construction of CC road (from Panchayat Bhawan towards Mandir) at a cost of ₹ four lakh was sanctioned (June 2013) in GP, Karwari Kalan (PS, Kishanganj) and completed (January 2014) with expenditure of ₹ four lakh. During physical verification, it was observed that the thickness of second layer of CC was 2.5 cm instead of 7.5 cm. Thus, due to sub-standard construction, the road was damaged at various places. The work completion certificate was issued by BDO/AE/JE of PS, Kishanganj in January 2014. By incorrectly issuing work completion certificate, the BDO/AE/JE failed to perform their duties.



CC road from Panchyat Bhawan towards Mandir and upto Satya Narain Gurjar house (GP, Karwari Kalan)

(f) Construction of connectivity road (from main road towards Shamshan, village Dehri) at a cost of ₹ four lakh was sanctioned (October 2012) in GP, Chanchora (PS, Chhabra) and completed (December 2012) with expenditure of ₹ 3.99 lakh. During physical verification, it was observed that the thickness of the first layer of road was 7.5 cm instead of 15 cm, which was the thickness as per the approved estimate. Payment was made (December 2012) based on MB entries of 12.5 to 15 cm made by the Technical Officer, PS, Chhabra. Thus, due to sub-standard construction, the road was damaged at various places. The work completion certificate (undated) was issued by BDO/AE/JE of PS Chhabra. By incorrectly issuing work completion certificate, the BDO/AE/JE failed to perform their duties.



Connectivity road from main road towards Shamshan, Dehri (GP, Chanchora)

The ZP, Baran stated (August 2016) that reply would be furnished after inspection by technical officers.

Thus, lack of monitoring and periodical inspections for ensuring quality of ongoing works by the administrative and technical officers of Local Bodies as required under para 8 and 13 of guidelines 2005/2013 and para 16.1 to 16.2 and 25.3 of GKN, 2010, resulted in the roads being damaged before their stipulated lifespan.

(iv) Damaged Roads

Scrutiny of records of GPs, Khareta and Jagar (PS, Hindaun) of ZP, Karauli and GP, Sunwas (PS Kishanganj) ZP, Baran revealed that three works for construction of CC roads amounting ₹ 16.50 lakh were sanctioned and completed with an expenditure of ₹ 13.30 lakh during 2012-15. During Joint Physical Verification (May and August 2016), the following irregularities were observed:

(a) Construction of connecting CC road along with drains (from village Nayagaon Chandarpura towards river) at a cost of ₹ 7.50 lakh was sanctioned (October 2012) in GP, Sunwas (PS, Kishanganj) and completed with expenditure of ₹ 4.32 lakh. During physical verification, it was observed that the road was damaged completely. ZP, Baran instructed (July 2014) the BDO, PS for inspection of work as required under para 16.2.2 of GKN, 2010, but no inspection was carried out and no action was initiated by the ZP against the BDO.



Connectivity road alongwith drains from village towards river, Nayagaon, Chandrapura (GP, Sunwas)

(b) The work for construction of CC road (from Dodipura to Mircholi Pura, Jatav Basti) in GP, Khareta (PS, Hindaun) for ₹ five lakh was sanctioned (September 2013) and completed with expenditure of ₹ 4.99 lakh during 2014-15. During physical verification, it was observed that road was completely damaged. The GP stated (May 2016) that the road was damaged due to flow of water.



CC road from Dodipura to Mircholi Pura, Jatav Basti damaged at various places

(c) The work for construction of CC road in GP, Jagar (PS, Hindaun) for ₹ four lakh was sanctioned (December 2012) and completed (December 2012) with expenditure of ₹ 3.99 lakh during 2012-13. During physical verification, it was observed that road was completely damaged at various places due to water logging.



CC road from Ramniwas house to Surendra house damaged at various places

2.2.4.6 Recovery from the Executive Agencies

Para 2.12 of GKN, 2010 provided that the admissible expenditure on a work would be minimum of sanctioned amount, actual expenditure and amount evaluated by the technical officer.

Test check of records of completion certificates of 12 GPs of PSs Kishanganj, Chhabra and Anta revealed that in 18 works, expenditure of ₹ 7.36 lakh³⁶ charged in excess of evaluated amount was not recovered from respective GPs.

Panchayat Samiti, Kishanganj issued (May 2016) directions to GPs concerned to deposit excess amount ₹ 0.64 lakh over the evaluated amount in two works only. The replies of PS, Chhabra and Anta were awaited (January 2017).

2.2.4.7 Maintenance of Assets

As per para 24.3 of GKN, 2010, a register of assets (Development Register) is required to be maintained at ZPs, PSs and GPs to record all assets created under various schemes in each GP. Para 7.5 of the guidelines (2015) also provided that 15 per cent of available funds could be utilised for maintenance, restoration, upkeep and strengthening of the assets created under various schemes.

Test check of records of selected three ZPs and six PSs revealed the following:

(i) Register of assets created under various schemes was not maintained in all ZPs and PSs during 2011-16. All three test checked ZPs and six PSs stated (May-June 2016) that the registers were to be maintained only at the GP level. The replies were not tenable as the registers of assets were required to be maintained at all levels including at the ZP and PS level also.

36. PSs, Kishanganj: ₹ 1.91 lakh (eight works), Chhabra: ₹ 4.26 lakh (seven works) and Anta: ₹ 1.19 lakh (three works).

(ii) During 2015-16, funds of ₹ 2.44 crore were available for maintenance, strengthening, restoration and upkeep of the assets, however, no expenditure was incurred.

2.2.4.8 Local Conventional Trades

The guidelines envisaged that local conventional trades should be developed to provide resources for livelihood, ensure public participation, employment generation, improvement in living standard, creation of community assets and infrastructural assets.

Test check of selected districts revealed that 94.20 *per cent* works were sanctioned for construction of rural internal roads³⁷, and no works were sanctioned for development of local conventional trades to provide resources for livelihood and public participation. Thus, due to lack of planning, objectives of the Scheme could not be achieved.

2.2.5 Monitoring, Evaluation and Social Audit

2.2.5.1 District Level Area Development Committee

Para 10.2 of the guidelines (March 2015) provided that a District Level Area Development Committee (DLADC) under the chairmanship of District Collector was to be constituted for supervision, implementation and approval of proposals for annual plan. Though the committees were constituted in ZP, Karauli and Bharatpur but ZP, Baran did not constitute the committee as required under the Scheme.

2.2.5.2 Evaluation of the Scheme

Periodical evaluation was required to evaluate the outcome of the Scheme. It was observed that evaluation was not carried out during 2011-2016 by the RDD. The State Government accepted the facts (May 2016).

Thus, the impact of the Scheme for socio-economic upliftment of the villagers could not be ascertained.

2.2.5.3 Inspection of Works

Para 16.2 and 16.3 of GKN, 2010 provided that periodical inspection for ensuring quality of work at every stages should be carried out by the JE, JTA and AE of PSs, Assistant Project Officer, AE, Senior Technical Assistant, EE and Administrative Officer of ZPs. Further, an inspection register in a prescribed proforma was required to be maintained at ZPs, PSs and GPs.

During test check of records of selected all ZPs, PSs and GPs, it was observed that records relating to periodical inspections for the periods 2011-16 were not made available to Audit. However, the authorities of the ZPs, PSs and GPs stated (June 2016) that periodical inspections were carried out. The reply was not convincing as inspection reports and registers were not maintained. Thus,

37. Cement Concrete and Interlocking Block Roads.

in absence of inspections of the works during execution, various deficiencies found during Audit as discussed in the paragraphs above.

2.2.5.4 Quality Control Tests

To ensure that infrastructural works are executed with high quality and withstand for a substantial period, it was necessary to prescribe quality control tests and check the quality against the GKN norms.

It was observed that many works were executed without following the GKN norms and further in the absence of quality control tests they were damaged before reaching the required lifespan. On being point out, the State Government replied (April 2016) that establishment of quality control wing was under consideration.

2.2.5.5 Social Audit of the Scheme

Section 7(i) of Rajasthan Panchayati Raj Act, 1994 provided that the Ward Sabha of GP would conduct Social Audit of all works implemented in the area.

Test check of records of selected ZPs, Baran, Bharatpur and Karauli revealed that Social Audit of Dang Area Development Scheme was not carried out during 2011-16. The State Government did not furnish reasons for non-conducting Social Audit of the Scheme (June 2016).

2.2.6 Conclusion and Recommendation

The main objectives of DADS to achieve development in socio-economic and basic infrastructural areas could not be achieved owing to lack of planning as the Scheme did not cover areas like drinking water availability, buildings for educational institutions, dispensaries, veterinary hospitals, libraries, public toilets, harvesting structures and other projects for livelihood activities. Of the test checked districts, 94.20 *per cent* works were sanctioned only for construction of rural internal roads. Thus, the planning process was weak and this resulted in only about 64 *per cent* of funds allocated to the Scheme being utilised.

In the absence of periodical inspections of the works during execution and quality control tests, the quality of executed works was either poor or the works were damaged before reaching the required lifespan as there were numerous violations like work completed not as per specifications, fictitious payments, damaged roads etc.,. Further, lack of adequate monitoring, evaluation and Social Audit led to the deficiencies not being identified. Besides, no action was taken by the State Government against the fictitious/excess payments and poor quality of works.

Recommendations

1. State Government should ensure that development works in Dang Area villages should be sanctioned after detailed planning process which

includes preparation of Prospective plan, CVD Plans, Drainage plans and DPRs/CPRs.

2. State Government should ensure that quality of the works are improved by setting up a mechanism to ensure quality control.
3. A monitoring mechanism including Social Audit should be strengthened to ensure better delivery of services.

Panchayati Raj Department

2.3 Unfruitful Expenditure on Rural BPL Houses

Non-utilisation of financial assistance of ₹ 7.78 crore released for construction of dwelling units under Chief Minister Rural BPL Awaas Yojana.

Chief Minister Rural BPL Awaas Yojana was launched (2011-12) on the lines of Indira Awaas Yojana (IAY) to provide financial support for construction of new dwelling units. Scheme period was three years from 2011-12 to 2013-14. A fixed amount of financial assistance³⁸ (₹ 0.50 lakh or ₹ 0.45 lakh) per dwelling unit was available under this Scheme, which was to be disbursed to the beneficiary in three installments³⁹ according to progress of construction of the unit. The beneficiary was required to complete the construction work of house within two years period after receiving the first installment of assistance. However, in special circumstances the house was to be completed within three years.

As per para 7.3 (iv) of the guidelines *ibid*, The Gram Sevak and Block Development Officer (BDO) of concerned Panchayat Samiti were required to be in contact with the beneficiary for starting the construction work. If the beneficiary did not start the work within two months, the BDO should issue notice for recovery of first installment with interest.

Scrutiny of records of eight PRIs⁴⁰ revealed that ZPs and PS released ₹ 7.78 crore for 3,182 houses⁴¹ during the period 2011-12 and 2012-13 but these houses could not be constructed even after lapse of three to four years of receipt of the first installment. Thus, financial assistance of ₹ 7.78 crore disbursed to these beneficiaries could not be utilised for the intended purpose.

38. ₹ 0.50 lakh - for beneficiaries belongs to Scheduled Casts, eligible families of Tribal Sub Plan (TSP) areas of the State and ₹ 0.45 lakh -for other beneficiaries.

39. First installment of 50 per cent - immediately after financial sanction, 40 per cent of assistance - within three months from release of first installment and when construction reached on lintel level and remaining 10 per cent - on completion of work of roof, windows and doors.

40. Zila Parishad (RDC) Banswara, Baran, Jhalawar, Kota, PS, Keshoraipatan, Khamnor, Lasadiya and Sahada.

41. Zila Parishad (RDC) Banswara: 2,323, Baran: 445, Jhalawar: 58, Kota: 95, PSs, Keshoraipatan: 108, Khamnor: 85, Lasadiya: 38 and Sahada: 30.

Zila Parishad (RDC), Banswara and Jhalawar, while accepting the facts stated (December 2015 and March 2016) that migration/death of beneficiaries and utilisation of assistance for purposes other than the construction of houses were the main reasons for non-construction of houses. ZP, Jhalawar also stated (March 2016) that PSs concerned had been directed (19 August 2014) to lodge First Information Report (FIR) against the defaulters. PS, Sahada also assured that FIRs would be lodged after serving notices for mis-utilisation of assistance. However, the replies from other PRIs were awaited (January 2017).

The replies were not tenable as for construction and timely completion of quality dwelling units, close monitoring of beneficiaries by departmental officers was required to be done. The utilisation of grants for other purposes is indicative of serious lapses in departmental system. In such circumstances possibility of mis-utilisation of released funds could not be ruled out.

Thus, objective of providing a safe and durable shelter to the BPL families who were either houseless or having inadequate housing facilities, could not be achieved despite incurring an expenditure of ₹ 7.78 crore by way of financial assistance (*Appendix-IV*).

The matter was brought to the notice (between March and June 2016) of the State Government for their comments; reply was awaited (January 2017).

2.4 Unfruitful Expenditure on non-commissioned Tube Wells

In Panchayat Samiti, Nokha, 51 tube wells constructed at a cost of ₹ 2.10 crore could not be put to use due to non-installation of submersible pump and no provision for electric connection, defeating the objective of supply of drinking water in rural areas.

Thirteenth Finance Commission (TFC) for the period 2010-15 provided grants to Panchayati Raj Institutions (PRIs) with the main objectives of strengthening the drinking water supply management and to enhance availability of drinking water in the rural areas. Further, with a view to financial empowerment of PRIs and to enable PRIs to prepare work plans as per their local needs, the GoR initiated “Untied Funds for PRIs” scheme from the year 2011-12 under which works relating to water supply and sanitation were to be given priority. Accordingly, GoR issued (November 2010) guidelines in this regard.

Test check (May-June 2015) of records of Panchayat Samiti (PS), Nokha revealed that for construction of 51 tube wells⁴² for supply of drinking water in 24 Gram Panchayats (GPs) of PS, Nokha, ₹ 2.48 crore was sanctioned (September 2012 to October 2014) under TFC and Untied Funds schemes against which an expenditure of ₹ 2.10 crore was incurred during July 2013 to December 2014. These administrative, technical and financial sanctions were based on estimated cost of works to be executed involving items ‘construction of bore well upto sand free water’, lowering of casing pipes of 200 mm dia and ‘fixing of 6 mm thick tube well cover’ only. It was observed that works like insertion of GI pipes in borehole, installation of submersible pumps and

42. Under TFC: 50 tube wells and under Untied Funds: one tube wells.

electric wiring/cables electricity connection which were necessary to make a tube well workable, had neither been planned nor executed.

Non-execution of auxiliary works like installation of submersible pumps and electric connection resulted in not only non-commissioning of these 51 tube wells despite incurring an expenditure of ₹ 2.10 crore but also defeated the objective of the Schemes to augment drinking water availability in the rural areas. These facts were also confirmed during joint physical inspection conducted (May 2015) by Audit with Technical Assistant, GP, Swaroopsagar (PS, Nokha).

The State Government accepted the facts and stated (December 2016) that efforts were being made for commissioning of these tube wells.

Thus, due to improper planning and monitoring by PS, Nokha, 51 tube wells constructed at a cost of ₹ 2.10 crore in rural areas could not be put to use.

2.5 Unfruitful Expenditure on Incomplete Work

Imprudent decision of engaging contractor for work of construction of meeting hall in Panchayat Samiti, Degana led to the work being incomplete, thereby rendering expenditure of ₹ 26.09 lakh unfruitful.

With a view to enable Panchayati Raj Institutions (PRIs) to prepare work plans as per their local needs and financial empowerment of PRIs, Government of Rajasthan initiated Untied Funds for PRIs from the financial year 2011-12. Guidelines (September 2011) of Untied Funds-PRI stipulated that Gram Panchayat would be implementing agency of works. The works were also to be got executed from others institutions such as Public Works Department, Public Health and Engineering Department, Water Resources Department etc., depending on the nature of works. The works were to be taken up after following the procedure contained in the Rajasthan Panchayati Raj (RPR) Rules, 1996 and be executed as per the technical norms of Gramin Karya Nirdeshika (GKN), 2010 issued by Government of Rajasthan.

Sub para (1) of Rule 181 of Rajasthan Panchayati Raj Rules, 1996 categorically stipulated that execution of any work should not be done through contractor so that full benefit of wages could be extended to the poor without any middle man.

Scrutiny (December 2015) of records of Panchayat Samiti (PS), Degana (Nagaur) for the period from 2012-13 to 2014-15, revealed that an administrative sanction for construction of a new meeting hall in the premises of PS, Degana office at a cost of ₹ 30 lakh under Untied Funds-PRI was issued (October 2012) assigning the PS as execution agency. However, PS, Degana awarded the work (July 2013) through competitive tenders to a contractor⁴³ in violation of the provisions of scheme and RPRs, 1996. The contractor executed the work (September 2013 to January 2014) and was paid ₹ 26.09 lakh through running bills. A physical inspection (August 2016) by Audit along with the authorities of implementing agency revealed that various

43. M/s Prabhu Construction, Kitalsar.

items of work i.e. flooring of hall, toilet, finishing of roof, and stairs, fitting of doors, and windows, and electricity fittings etc., were lying incomplete. As such the structure was not ready for use for intended purpose.

On being pointed out, the Government stated (January 2017) that work could not be completed in time. Notice had been issued and legal action was being taken against the contractor. It was further stated that the work would be completed after issuing sanction for extra funds. The reply was not tenable as decision of implementing agency to get the work executed by a contractor was not only imprudent but also against the codal provisions. Thus, imprudent decision of implementing agency led to incomplete construction of meeting hall, thereby rendering expenditure of ₹ 26.09 lakh unfruitful.

2.6 Irregular Expenditure on Inadmissible Works

Irregular expenditure of ₹ 1.66 crore on execution of inadmissible works in Panchayati Raj Institutions, out of grants under State Finance Commission.

Fourth State Finance Commission recommended principles and methodology regarding the devolution of funds to Panchayati Raj Institutions (PRIs) covering the period 2010-15. Accordingly Grants were to be released to PRIs which would be utilised for meeting their local needs for maintaining of various core civic services⁴⁴.

Para 2 of guidelines (GoR, 12 September, 2011) regarding utilisation of grants envisaged that grants should not be utilised for pay and allowances and no expenditure should be incurred on works other than maintenance of core civic services. The guidelines categorically prohibited utilisation of funds for construction of boundary wall (except boundary wall of school), community hall, *chabutras*, *swagatdwars* and *hathai*⁴⁵.

Scrutiny of records of 17 PRIs⁴⁶ for the period 2010-11 to 2014-15 revealed that 120 works involving construction of *vishranti grih*, *chabutra*, boundary wall of community hall, crematorium and community hall were sanctioned between March 2011 and March 2015 in contravention of the guidelines of the commission and an expenditure of ₹ 1.66 crore was incurred on these inadmissible works (*Appendix-V*). On being pointed out, PS, Baneda and other five PRIs stated (July 2015) that list of works were provided to PS under the SFC after the approval in the meeting of Gram Sabha and sanctions were issued after approval in general meeting of the PS. The approved works were of public utility in nature and were being used. The reply was not acceptable as these works were categorically prohibited in the guidelines.

The matter was brought to the notice (March 2016) of the State Government for their comments; reply was awaited (January 2017).

44. Supply of drinking water, sanitation, light arrangements of roads and streets, primary education facilities, primary health facilities, crematorium and graveyard.

45. Construction around the tree.

46. Panchayat Samitis: Anandpuri, Baneda, Barmer, Begu, Bhopalsagar, Dholpur, Keshoraipatan, Kumher, Marwar Junction, Nagar, Sanganer, Sultanpur, Taleda and Veir; Zila Parishads: Bikaner, Jaisalmer and Sawai Madhopur.

2.7 Irregular Diversion of Grants on Inadmissible Works

Irregular expenditure of ₹ 79.16 lakh on execution of inadmissible works, out of grant under Central/State Finance Commissions' recommendations in Zila Parishads, Barmer and Kota.

The grants under recommendations of the Thirteenth Finance Commission (TFC) (award period 2010-15) were provided to the Panchayati Raj Institutions (PRIs). The objective of the grants was to make the PRIs sustainable by strengthening the supply of drinking water in the rural areas; providing rural sanitation through construction of toilets; solid waste management; creation of data base and maintaining the accounts and maintenance of assets relating to water supply and rural sanitation.

Out of TFC grants, the State Government issued (November 2010) the list of works to be undertaken by the PRIs which *inter-alia* included construction of wells, public water tanks, ponds, *panghat*, hand pumps, laying of pipelines for supply of water at public places, arrangements for toilets/mobile toilets at public places, construction of drainage system and disposal of waste etc. The guidelines on utilisation of grants of State Finance Commission-IV (GoR, September, 2011) also envisaged that no expenditure should be incurred on works other than maintenance of fundamental public services.

Scrutiny of records (January 2016) of Zila Parishad (Panchayati Raj Cell), Kota for the period 2014-15 revealed that administrative and financial sanction of ₹ 60 lakh was issued (June 2013) for construction and extension of Zila Parishad office building, out of grants received under recommendation of Central and State Finance Commissions⁴⁷. The work was executed by Public Works Department and completed in (March 2014) after incurring an expenditure of ₹ 71.82 lakh⁴⁸. This was an inadmissible work as per guidelines of Central/State Finance Commissions.

Similarly, Zila Parishad (Panchayati Raj Cell), Barmer during 2013-14 incurred an expenditure of ₹ 7.34 lakh out of grants of TFC on inadmissible activities like distribution of food packets, decoration, printing of invitation cards and audio/video arrangements to celebrate the completion of four years of State Government.

Thus, in both Zila Parishads irregular expenditure of ₹ 79.16 lakh was incurred on inadmissible works in contravention of the guidelines for utilisation of grants under Central/State Finance Commission recommendations.

The matter was brought to the notice (April 2016) of the State Government; reply was awaited (January 2017).

47. Under TFC: ₹ 48 lakh and under SFC-IV: ₹ 12 lakh.

48. Details regarding bifurcation of excess expenditure of ₹ 11.82 lakh over sanctioned cost between Central or State Finance Commission were not intimated to Audit.