

## **CHAPTER-II**

### **AUDIT FINDINGS ON PANCHAYATI RAJ INSTITUTIONS**

This chapter contains two Performance Audit of 'Integrated Watershed Management Programme' and 'Border Area Development Programme' and four paragraphs relating to Panchayati Raj Institutions.

#### **PERFORMANCE AUDIT**

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

#### **2.1 Integrated Watershed Management Programme**

##### *Executive Summary*

*Government of India launched (April 2009) Integrated Watershed Management Programme as a centrally sponsored programme to restore the ecological balance on watershed basis. Cost of the watershed was to be shared between Government of India and State Government in the ratio of 90:10.*

*State Government prepared a State perspective and strategic plan during 2009. State identified 179 lakh hectare area for land treatment under Integrated Watershed Management Programme over a period of 18 years (2009-2027). However, 58.50 lakh hectare area was included for treatment in the perspective and strategic plan for the period 2009-10 to 2014-15, against which 57.24 lakh hectare was sanctioned by Government of India.*

*Each project was envisaged to be completed between four and seven years from the date of sanction by Government of India. The activities of projects were sequenced in (i) preparatory phase (stipulated completion period one-two years), (ii) works phase (stipulated completion period two-three years) and (iii) consolidation and withdrawal phase (stipulated completion period one-two years).*

*A multi-tier approach was to be adopted towards the implementation of the Watershed Development Projects in the sequence of ridge-to-valley to maximize conservation. The watershed development process was also to be synergised with employment generation programmes.*

*Performance Audit of Integrated Watershed Management Programme revealed that shortfall in land treatment of 47.28 lakh hectare (82.60 per cent) and slow progress in implementation of project under all three phases of Integrated Watershed Management Programme i.e. preparatory phase, work phase and consolidation and withdrawal phase.*

*In preparatory phases Detailed Project Reports for 37 projects (sanctioned during the period 2009-15) were not prepared and the projects were not started till March 2015, even after lapse of the preparatory phase period. Instances of deviation from Detailed Project Reports and shortage in formation of the Watershed Development Teams were noticed. There was a shortfall of 73 per cent in training mandays to be imparted at various levels to stake holders during 2009-10 to 2014-15.*

*Total 68.40 per cent expenditure was incurred on Entry Point Activities upto March 2015 against total sanctioned amount of ₹ 274.05 crore. In Batch-V (2013-14), no Entry Point Activities were undertaken even after a lapse of two years from the sanction of the project. It was revealed in physical verification that works taken up in Entry Point Activities did not serve the purpose of water conservation to the community.*

*Audit scrutiny further revealed that in works phase against the total allocation of ₹ 4,209.33 crore for watershed development works activities only 23.10 per cent expenditure was incurred at State level which indicates remote possibility of achieving the targets set by Government of India. Further, in test checked districts only 23.25 per cent funds were utilised leaving a balance of ₹ 260.06 crore unutilised as of March 2015.*

*No major livelihood activities had been carried out under the production and micro enterprise component against the total allocation. An expenditure of ₹ 65.10 crore (7.47 per cent) was incurred upto March 2015. No efforts for convergence with other schemes were made.*

*Utilisation of funds improved during 2014-15 though utilisation prior to 2013-14 was quite low. Instances of excess expenditure reported to Government of India, delay in releases of State share and cut in Central share due to non-submission of consolidation evaluation report were noticed. Unspent balances prior to Integrated Watershed Management Programme schemes were not deposited with Government of India/Government of Rajasthan.*

### ***Introduction***

The Integrated Watershed Management Programme (IWMP) was launched (April 2009) by Government of India (GoI) to restore the ecological balance by harnessing, conserving and developing natural resources such as soil, vegetative cover and water. This would help to prevent soil run-off, regeneration, rain water harvesting and recharging of ground water table. This enables multi-cropping and introduction of diverse agro-based activities, which help to provide sustainable livelihoods to the people residing in the watershed areas. Cost of the development of the watershed was to be shared between GoI and State Government in the ratio of 90:10. The project had a cost ceiling of ₹ 12,000 per hectare to ₹ 15,000 per hectare depending upon the topography of the area and with a stipulated completion period of four to seven years.

A common guideline was issued during 2008, which was subsequently revised in 2011, for implementation of IWMP. The broad objectives of IWMP are elaborated below:

- Restore ecological balance by harnessing, conserving and developing natural resources of water, soil and vegetative cover.
- Harvest every drop of rainwater for purposes of ground water recharging, irrigation, drinking water and development of rain fed areas.
- Ensure overall development of rural areas through livelihood activities for creating regular sources of income through development of fisheries, dairying etc.

The stipulated completion period for each watershed project was four-seven years depending on the size of the cluster (1,000-5,000 hectare).

Activities of the project were divided into three phases as follows:

**Preparatory Phase** (stipulated completion period one-two years): It included Entry Point Activities (EPA) for creating rapport with the rural community, preparation of detailed project report and institutional and capacity building.

**Watershed Works Phase** (stipulated completion period two-three years): It included activities like watershed development works such as treatment of land, contour cultivation, sand dune stabilisation, construction of *tankas*<sup>1</sup> and *khadin*<sup>2</sup> for ground water recharge, development of livelihood activities for the asset less persons and production system and micro enterprises such as live stock development and ancillary agriculture activities (poultry, beekeeping, oil extraction etc.).

**Consolidation** (stipulated completion period one-two years): It included activities for completion of various works and sustainable management of natural resources during post project period.

### **Organisational Set-up**

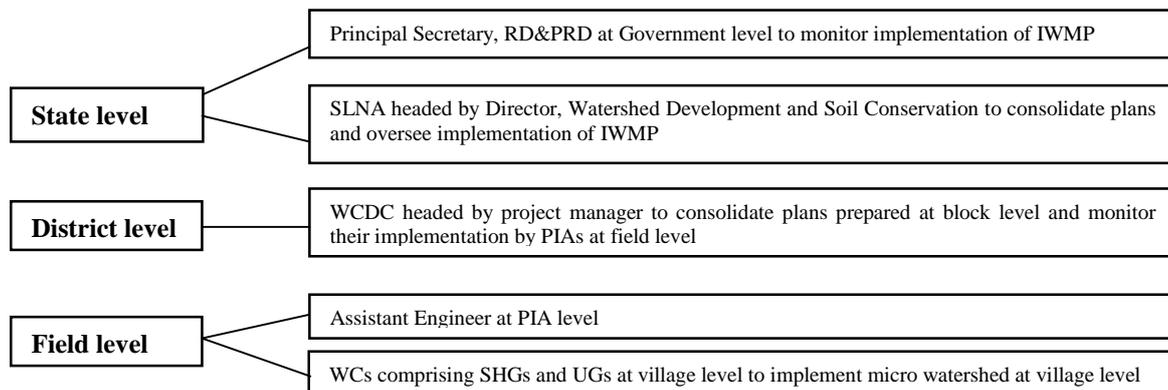
The project was being implemented by the Rural Development and Panchayati Raj Department (RD&PRD). State Level Nodal Agency<sup>3</sup> (SLNA) headed by Director, Watershed Development and Soil Conservation (WDSC) is responsible for planning, monitoring and implementation of IWMP. At the District level the programme is being implemented by the Watershed Cell cum Data Centre (WCDC) through the Project Implementing Agencies (PIA). The PIA appoints a dedicated Watershed Development Team (WDT) which includes at least four members (broadly with knowledge and experience in agriculture, soil science, water management etc.). The WDT assists in

1. *Tankas*: *Tankas* is a covered masonry runoff storage tank, which collects runoff water from artificial catchment constructed around it
2. *Khadin*: An earthen bund constructed across the slop on flatter land where rain water is received from the relatively impervious uplands with steeper slopes
3. Director of Watershed Development and Soil Conservation

planning and implementation of the programme at the Gram Panchayat (GP) level. Gram Sabha, at the village level, would constitute a Watershed Committee (WC) in association with Self Help Groups (SHGs)<sup>4</sup> and User Groups (UGs)<sup>5</sup>.

The responsibility centers for implementation of the programme at various levels are given in **Chart 1** below:

*Chart 1*



### **2.1.1 Audit objectives**

The Performance Audit of the IWMP was taken up with the objective of assessing the

- Adequacy and effectiveness of the planning process for promoting resource conservation and regeneration through development of watersheds;
- Whether watershed projects were implemented efficiently with multi tier approach as envisaged in programme guidelines within the stipulated time frame, adequacy and effectiveness of the monitoring mechanism; and
- Efficacy of financial management.

### **2.1.2 Audit criteria**

The sources of Audit criteria were:

- Government of India guidelines April 2008 and 2011 on watershed management;
- State perspective and strategic plan;
- Detailed Project Reports;

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4. Self Help Group is a small voluntary association of poor people, preferably from the same socio-economic background. They come together for the purpose of solving their common problem through self-help and mutual help

5. User group is a set of people who have similar interest, goals or concerns. The members have regular meetings where they can share their ideas

- General Financial and Accounting Rules and Public Works Financial and Accounting Rules; and
- Orders/guidelines/circulars issued by GoI and State Government from time to time.

### 2.1.3 Audit Scope and Methodology

The State is divided into seven zones. Two zones, Ajmer and Jodhpur were selected for test check on the basis of maximum expenditure incurred during 2010-15. In selected zones 50 *per cent* of the districts i.e. two districts out of four in Ajmer zone (Ajmer and Nagaur) and three districts out of six in Jodhpur zone (Barmer, Jaisalmer and Jodhpur) were selected. In each selected district, two PIAs were further selected through random sampling using IDEA software. In each PIA, scrutiny of all of projects (maximum 10 projects) was carried out. Physical verification of 10 *per cent* of works carried out under the work phase in the test checked projects was also carried out jointly with departmental staff. Exit conference was conducted on 26 February 2016 with Government and responses of the Government were considered while drafting the report.

## Audit Findings

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

- Planning
- Implementation
- Monitoring and Evaluation
- Financial Management
- Other Issues

### 2.1.4 Planning

The State Level Nodal Agency (SLNA) prepared a perspective and strategic plan (2009) for watershed development on the basis of plans prepared at the block and district level. Geographical area of State is 342 lakh hectares and out of this about 179 lakh hectare area was targeted for watershed development treatment over a period of 18 years (2009-2027). However, 58.50 lakh hectare (32.68 *per cent*) area was included for treatment in the perspective and strategic plan for the period 2009-10 to 2014-15, against which 57.24 lakh (31.99 *per cent*) hectare was sanctioned by GoI. Against the sanctioned area, only 9.96 lakh hectare area was treated during the period. Government of Rajasthan (GoR) stated (January 2016) that watershed areas of the State were also taken up under various schemes. The reply is not convincing as only 2.08 lakh hectare area was taken up under other schemes by various departments and only 17.40 *per cent* area was treated during the period 2009-2015 under IWMP. Thus, the possibility of achieving the targets is remote.

- The State Government was required to submit Annual Action Plans (AAPs) by the end of February every year indicating ongoing liabilities as well as new projects proposed to be taken up. It was seen that AAP for the initial period of IWMP i.e. 2009-10 to 2011-12 was not prepared. However, AAP was prepared from 2012-13 onwards.

State Government stated (January 2016) that for the period 2009-12, they were not required to submit AAP to GoI. The reply is not convincing because GoI common guidelines for watershed development projects provided for submission of AAP by the end of February every year.

- According to common guidelines of GoI, projects under IWMP were to follow ridge-to-valley sequenced approach. Higher reaches of forests and hilly regions in the upper catchment areas were to be covered first to arrest soil erosion and degradation of forest and also to benefit lower tiers in terms of runoff/water yield, soil erosion, sedimentation, fodder etc. The detailed guidelines for inclusion of forest area in IWMP were issued by GoI in July 2011.

Scrutiny of records of SLNA revealed that though 48 projects were sanctioned under ridge-to-valley approach during 2009-10, but not treated till March 2015. Further, Forest department opined (October 2014) that out of sanctioned 48 projects, 38 were in small patches and did not require treatment whereas remaining 10 projects were left untreated. State Government accepted (January 2016) the facts.

- According to guidelines, a technology manual with the standards and specifications for the multi-disciplinary and integrated approach required for implementation of the projects for the benefit of all the users, who will be using technology of watershed management in the State was to be prepared by SLNA.

Scrutiny of records of SLNA revealed that final draft technology manual was submitted (July 2013) to GoI but not yet finalised (September 2015). State Government accepted the facts (January 2016).

### **2.1.5 Implementation**

Details of projects sanctioned in four batches during 2009-15 and the status<sup>6</sup> of their implementation as of March 2015 is given in **Table 2.1** below:

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6. Position shown only for upto work phase and consolidation phase was not started

**Table 2.1**

(₹ in crore and area in lakh hectare)

Year (Batch)	Projects approved by GoI	Treatable area	Treated area/ (per cent)	Project cost	Expenditure up to March 2015	Percentage of expenditure
2009-10 (I)	162	8.85	3.65 (41.24)	1,240.13	527.15	42.50
2010-11 (II)	213	12.57	3.76 (29.91)	1,746.48	572.68	32.79
2011-12 (III)	229	13.01	2.22 (17.06)	1,820.00	370.67	20.36
2012-13 (IV)	145	7.88	0.33 (0.04)	1,051.58	35.97	3.42
2013-14 (V)	135	7.44	-	991.85	NA	-
2014-15 (VI)	141	7.49	-	986.63	Nil*	-
<b>Total</b>	<b>1,025</b>	<b>57.24</b>	<b>9.96</b>	<b>7,836.67</b>	<b>1,506.47</b>	<b>19.22</b>

\* Administrative and financial sanctions were not issued for batch-VI

(Source: Information collected/provided by SLNA)

From the table it is seen that:

- Only 9.96 lakh hectare land was treated against the sanctioned 57.24 lakh hectare during the period 2009-10 to 2014-15. Thus, there was a shortfall in treatment of 47.28 lakh hectare (82.60 per cent).
- Government of India issued (July 2015) instructions to complete the projects sanctioned in batch-I by March 2016. It was seen that only 3.65 lakh hectare (41.24 per cent) were treated against the sanctioned 8.85 lakh hectare with an expenditure of ₹ 527.15 crore (42.50 per cent) as of March 2015.

The Details of projects sanctioned and status of implementation in test checked districts as of March 2015 is given in **Table 2.2** below:

**Table 2.2**

(₹ in crore and area in lakh hectare)

Year (Batch)	Projects approved by GoI	Treatable land	Treated land/ (per cent)	Project cost	Expenditure up to March 2015	Percentage of expenditure
2009-10 (I)	60	3.35	1.50 (44.94)	497.76	209.63	42.11
2010-11 (II)	78	4.84	1.44 (29.63)	717.39	220.48	30.73
2011-12 (III)	83	4.66	0.88 (18.80)	755.25	144.31	19.10
2012-13 (IV)	31	1.69	0.09 (5.48)	248.45	19.39	7.80
2013-14 (V)	31	1.77	-	260.10	59.92	22.76
2014-15 (VI)	27	1.48	-	216.85	Nil*	-
<b>Total</b>	<b>310</b>	<b>17.79</b>	<b>3.91</b>	<b>2,695.80</b>	<b>653.73</b>	<b>24.25</b>

\* Administrative and financial sanctions were not issued for batch-VI

(Source: Information collected/provided by SLNA)

It is evident from the table above that percentage of financial achievement for the projects ranged between 7.80 per cent to 42.11 per cent during 2009-13, whereas, the physical target ranged between 5.48 per cent to 44.94 per cent.

State Government stated (January 2016) that non-availability of WDTs and vacant post of Junior Engineers and Technical officers were the main reasons for short fall in treatment of land.

The reply is not convincing as Government should have addressed these issues in advance for effective implementation.

### 2.1.5.1 Preparatory Phase

The preparatory phase includes preparation of DPRs in respect of all identified projects, monitoring and implementation taken at the village level, institutional and capacity building to develop WCs, SHGs and UGs at village level and taking up EPAs to establish rapport with village community.

### **2.1.5.2 Detailed Project Reports**

According to guidelines, one *per cent* of the project cost was allocated for DPR preparation. DPR includes the basic information on watershed viz., rainfall, soil, forests, land use pattern etc. and should be in tune with the perspective plan.

- Test check of records revealed that 1,025 projects were sanctioned during the period 2009-15. However, the DPRs for 37 projects of 2011-13 were not prepared and the projects were not started till March 2015, even after lapse of the preparatory phase period. State Government stated (January 2016) that DPRs were not prepared as GoI revised the funding pattern i.e. 50 *per cent* Central share and 50 *per cent* State share instead of 90 *per cent* Central share and 10 *per cent* State share for IWMP. The reply is not convincing as the DPRs were to be prepared in the preparatory phase of the projects of batch-II and III.

### **2.1.5.3 Deviation from Detailed Project Report**

Detailed Project Report is to be prepared with the entire database in a systematic manner so that the basic information on watershed like rainfall, topography, soil, forests, demographic features, land use patterns etc. included. DPR for watershed shall be in tune with the district perspective plan. Test check by Audit revealed the following:

- Two hundred twenty seven *tankas* were proposed to be constructed in three projects with a cost of ₹ 2.63 crore in two test checked PIAs (Baitu and Balotra) in Barmer district. However, 280 *tankas* were constructed costing ₹ 3.41 crore. Thus, an excess expenditure of ₹ 0.78 crore was incurred over the sanctioned cost approved in DPRs.

State Government accepted the facts and stated (February 2016) that the proposal for revision in DPR of two test checked PIAs would be sent to SLNA.

- During scrutiny of records of two test checked PIAs (Bilara and Luni) Jodhpur district, 432 *tankas* were constructed at a cost ₹ 4.15 crore against ₹ 3.13 crore included in DPR. Thus, excess expenditure of ₹ 1.02 crore was incurred on these works.

State Government stated (February 2016) that excess expenditure incurred was due to construction of *agore*<sup>7</sup> to cover larger area than stipulated in DPRs.

- During scrutiny of records of test checked PIA (Pisangan) Ajmer district, 51 *khadins*, 272.85 hectare bunds and five loose stone check-dams were constructed at a cost ₹ 2.76 crore against ₹ 0.93 crore included in DPR. Thus, excess expenditure of ₹ 1.83 crore was incurred on these works.

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7. *Agore* is a place platform constructed around the *tanka* to collect the rain water in to the *tanka*

State Government stated (February 2016) that the expenditure in WCDC, Ajmer was according to physical and financial provision of the DPR. Reply is not convincing as excess expenditure was incurred against the provision of funds in DPR.

This indicated that due diligence was not done while preparing the DPRs.

- Scrutiny of records of WCDC, Jaisalmer revealed that in IWMP-IV and V (PIA, Jaisalmer) *tankas*, *diggies*, *khadin*, *khet talai* and *dhoras* were to be constructed in arable land as approved in the DPR. It was, however, observed that 23 *tankas* (₹ 0.17 crore), three *diggies* – rain water harvesting system (₹ 0.05 crore), five *khadin* – a structure built up in the downstream of field to block rain water (₹ 0.14 crore), two *khet talai* (₹ 0.07 crore) and two *dhoras* – sand dunes (₹ 0.04 crore) were constructed on non-arable land, whereas, these were to be constructed on arable land of farmers.

Thus, the works costing ₹ 0.47 crore were executed on non-arable land by deviating from DPR. This in turn would reduce the impact of increase in water table on agricultural productivity. State Government did not furnish reply in this regard.

- Scrutiny of records of PIA (Baitu), Barmer district, revealed that provisions for crop demonstration and plants distributions were not approved in DPR. However, 2,469 crop demonstrations costing ₹ 46.04 lakh<sup>8</sup> were carried out on arable land and 4,300 plants worth ₹ 0.53 lakh<sup>9</sup> were distributed to beneficiary villagers during 2014-15. State Government accepted the facts and stated (February 2016) that activities were not shown in the DPRs prepared. However, crop demonstration activities were being shown in the forthcoming DPRs.

- Scrutiny of records of PIAs (Jaisalmer and Sam), Jaisalmer district revealed that provision for construction of *talai*, *dhora*, *nadi*, *khadin* and *tanka* were not approved in DPRs. However, 53 works costing ₹ 0.74 crore<sup>10</sup> of construction of *talai*, *dhora*, *nadi*, *khadin* and *tanka* were carried out on non-arable land. State Government did not furnish the reasons for deviation from the DPR.

#### 2.1.5.4 Implementation Team

Watershed Committees (WCs) were required to be constituted to implement the watershed projects with the technical support of the WDTs in the village. The WDT was an integral part of the PIA and was to be set up for guiding the

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8. IWMP-1 (243): ₹ 4.59 lakh, IWMP-2 (211): ₹ 3.70 lakh, IWMP-3 (191): ₹ 3.53 lakh, IWMP-24 (253): ₹ 4.57 lakh, IWMP-25 (280): ₹ 5.46 lakh, IWMP-26 (223): ₹ 4.12 lakh, IWMP-27 (321): ₹ 6.24 lakh, IWMP-43 (380): ₹ 7.22 lakh and IWMP-44 (367): ₹ 6.61 lakh
  9. IWMP-2 (330 plants): ₹ 0.07 lakh, IWMP-24 (100 plants): ₹ 0.02 lakh, IWMP-25 (470 plants): ₹ 0.09 lakh, IWMP-26 (300 plants): ₹ 0.06 lakh, IWMP-43 (250 plants): ₹ 0.05 lakh and IWMP-44 (2,850 plants): ₹ 0.24 lakh
  10. IWMP-3 (two works): ₹ 0.07 crore, IWMP-5 (28 works): ₹ 0.25 crore and IWMP-7 (23 works): ₹ 0.42 crore

WCs in the formulation of the watershed action plan, conducting the participator baseline survey, training and capacity building etc.

- Scrutiny of records of SLNA revealed that against the requirement of 3,536 members of WDTs in 884 projects sanctioned under batches-I to V, only 1,100 members of WDTs were engaged as of March 2015. Thus, there were shortage of approximately 70 per cent.

Further, scrutiny of records of test checked districts revealed that as on March 2015, a total of 2,836 WCs were constituted against required 2,896 WCs and under two test checked districts (Jaisalmer and Nagaur), treatment of 2,338 hectare was not started, as three WCs (Jaisalmer: two and Nagaur: one) for these projects were not constituted. Thus, non-constitution of WCs would affect the implementation of projects. State Government accepted the facts (January 2016).

- In 83 projects of nine tests checked PIAs (Ajmer: two, Barmer: two, Jaisalmer: two, Jodhpur: two and Nagaur: one), only 220 members (69 per cent) of WDTs were engaged against the requirement of 332 members of WDTs as of March 2015.

The State Government stated (January 2016) that non-availability of eligible persons, non-sanction of regular posts and less amount of honorarium to the members were the reasons for vacant post of WDT. The reply is not convincing as these issues should have been resolved before undertaking scheme activities. Thus, the intended purpose could not be achieved due to shortage of engagement of members of WDTs.

#### **2.1.5.5 Institutional and Capacity Building**

According to guidelines, five per cent of the cost of the project (₹ 5,858.19 crore up to batch-IV) was earmarked for Institutional and Capacity Building (ICB) activities under preparatory phase i.e. training to be provided to WCDC, PIA, WDC, SHG, UG and WC to enhance knowledge, skills and develop the correct orientation and perspectives. It was, however, observed that as per action plan for ICB activities under IWMP, 37,22,545 training mandays was to be imparted at various levels to stake holders during 2009-10 to 2014-15 whereas, only 10,11,817 training mandays were imparted as of March 2015 (*Appendix-II*). Thus, there was a shortfall of 27,10,728 (73 per cent) training mandays. Non-achievement of targets for training to the functionaries hampered their knowledge enhancement, skills and development for the correct orientation and perspectives. State Government stated (January 2016) that delay in preparation of DPRs, late start of projects and lack of trainees were the reasons for non-achieving the required training under IWMP.

Thus, Government failed to enhance knowledge, skills and develop the correct orientation and perspectives due to shortfall in trainings.

### 2.1.5.6 Entry Point Activities

Four *per cent* of the project cost was earmarked for Entry Point Activities (EPAs) with the stipulated period of completion within the first one-two years of the project period.

The EPAs included:

- Works based on urgent needs of the community including revival of common natural resources, drinking water, development of local energy potential, augmenting ground water potential;
- Repair, restoration and up gradation of existing common property assets and structures to obtain optimum and sustained benefits from previous public investment and traditional water harvesting structures;
- Productivity enhancement of existing farming system for community mobilisation and building rapport; and
- Construction of *tankas*, ground level reservoir (GLR), *khadin* etc.

Scrutiny of records revealed that 21,467 EPAs were targeted under batch-I to VI with an amount of ₹ 274.05 crore during the years 2009-10 to 2014-15. Of this 17,402 with an expenditure of ₹ 187.46 crore (68.40 *per cent*) were achieved upto March 2015. In Batch-V, no EPAs were undertaken against targeted 1,500 (2013-14) even after lapse of two years from the sanction of the project, though an amount of ₹ 39.72 crore was sanctioned.

State Government accepted the facts and stated (February 2016) that the work could not be started due to dispute/court case at local level.

- Scrutiny (December 2013) of records of ZP (RDC), Ajmer revealed that in five Panchayat Samities (PS) of Ajmer district, against the allocated amount ₹ 5.61 crore, an expenditure of ₹ 0.60 crore was incurred irregularly during June 2011 to January 2013 on 38 works of construction of *teenshed/baithak* at *shamshan ghats*, *chabutara/hatai*, *vishram sthali* etc. under EPA of IWMP in contravention of provisions of the project.

Further, three districts (Jaisalmer, Jodhpur and Nagaur) purchased 692 solar lights at a cost of ₹ 1.69 crore and installed these solar lights during 2011-12 under EPAs against the guidelines but these were out of order presently.

Thus, funds meant for development of rain fed areas worth ₹ 2.29 crore (₹ 0.60 crore and ₹ 1.69 crore) were diverted to ineligible works and solar lights were out of order which resulted in deprivation of the intended benefits of watershed development.

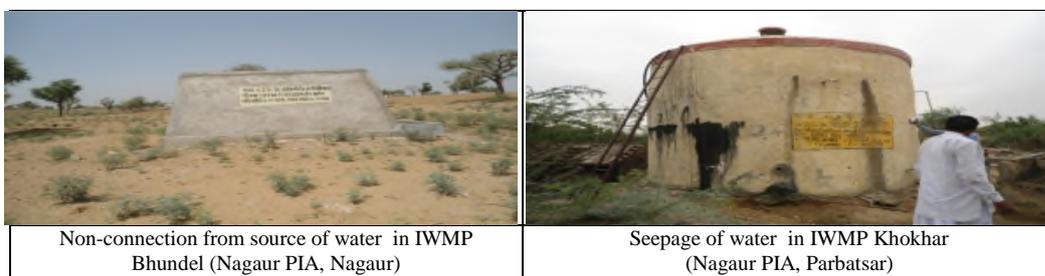
The PIA (Parbatsar), Nagaur district and WCDC, Jodhpur district stated (June-July 2015) that the solar lights were out of order due to non-maintenance of installed solar lights. Whereas, WCDC, Barmer and Ajmer did not furnish

status of solar lights installed in their project area. State Government did not furnish reasons for non-maintenance of installed solar lights.

### **2.1.5.7 Physical Verification**

Joint physical verification with departmental authorities had been conducted during the period June 2015 to August 2015. The physical verification revealed that:

- Ground Level Reservoir (GLRs) and Roof Top Water Harvesting Structure (RTWHS) on public buildings were constructed in Nagaur districts. Four GLRs were constructed during 2012-13 and 2014-15 at a cost of ₹ 5.87 lakh<sup>11</sup> in PIA, Nagaur and Parbatsar. It was found that two GLRs constructed in PIA, Nagaur were lying idle due to non-connectivity from source of water and the other two GLRs in PIA, Parbatsar were having seepage and thus, these were not usable. State Government stated (February 2016) that the work of connecting two GLR is under progress and would be connected shortly.



This indicated that works taken up in EPAs did not serve the purpose of water conservation to the community and an amount of ₹ 5.87 lakh remained unfruitful.

### **2.1.5.8 Work Phase**

Government of India stipulated that 50 per cent (enhanced to 56 per cent in 2011) of project cost was to be allocated for execution of watershed development works (WDW). Ten per cent of cost of works executed on private land was required to be contributed by the people towards the Watershed Development Fund (WDF: a distinct account which include the income from people contribution and created assets), which was mandatory for selection of villages for watershed projects. The works relating to (i) watershed work phase activities like watershed development works including ridge area treatment, drainage line treatment, development of water harvesting structures etc., (ii) livelihood activities and (iii) production system and micro enterprise were to be executed in this phase.

- Audit observed that as against the total allocation of ₹ 4,209.33 crore during 2009-15 for watershed development works activities, an expenditure ₹ 972.24 crore (23.10 per cent) was incurred (March 2015) at State level.

11. Bus Stand Bhundel: ₹ 1.09 lakh and Bhomiyon ki Dhani: ₹ 1.01 lakh under IWMP-17 in PIA Nagaur and Navoda Beri ki Dhani: ₹ 1.99 lakh and at Dayal Baba ki Dhani: ₹ 1.78 lakh under IWMP-10 in PIA, Parbatsar

Thus, the pace of work phase was quite slow and there is remote possibility of achieving the targets set by GoI.

State Government stated (February 2016) that efforts were being made to complete the work as fixed by GoI timelines.

- An amount ₹ 338.87 crore was targeted for achievement of work phase activities<sup>12</sup> (65 projects) in test checked districts. However, against the allocation of ₹ 338.87 crore only an amount of ₹ 78.81 crore (23.25 per cent) was utilised by these districts, leaving a balance of ₹ 260.06 crore as of March 2015.

Scrutiny of records of WCDC, Jaisalmer revealed that ₹ 1.20 crore was released for eight projects of batch-I and II (sanctioned during 2009-11) to seven WCs. These WCs did not take up activities of work phase after incurring an expenditure of ₹ 0.56 crore on EPAs as of March 2015 though sufficient funds of ₹ 0.64 crore were available with them.

The reasons for non-execution of work phase activities and utilisation of funds were not furnished.

#### 2.1.5.9 Physical Verification

Joint physical verification of work phase activities was conducted by Audit with departmental staff in PIA, Jawaja (WCDC, Ajmer), Parbatsar (WCDC, Nagaur) and Sam (WCDC Jaisalmer) during the period June 2015 to August 2015. The physical verification revealed that:

- Construction of *dhoras* and *khadin* in four projects was sanctioned for ₹ 0.23 crore in PIA, Sam (WCDC, Jaisalmer). Dry stone pitching work was included on the surface of structure to prevent soil erosion. The works were completed with an expenditure of ₹ 0.23 crore without stone pitching on the earthen walls of *dhoras/khadin*.

Scrutiny of records and joint physical verification of the work sites revealed that earth work to the tune of 43,312.68 cum were executed against the sanctioned quantity of 18,876 cum resulting in excess earth work to the tune of 24,436.68cum. Therefore, pitching works amounting to ₹ 5.14 lakh were not executed. Non-execution of pitching would result in damage on the embankment due to soil erosion. The reasons for non-execution of pitching work were not furnished to Audit.

- Two works of pasture development and plantation at Khera Pati Balaji, PIA, Parbatsar (WCDC, Nagaur) and Mataji ki Doongiri Madia, PIA, Jawaja (WCDC, Ajmer) were sanctioned (July 2012 and 2013-14) at a cost of ₹ 0.06 crore and ₹ 0.09 crore respectively. An Expenditure of ₹ 0.03 crore and

12. **In arable land:** *Tanka, Khadin, nadi, dhora, talai, med bandi*, earthen bound, contour vegetative hedge, *krishi vaniki* etc. and **Non-arable land:** *tanka, nadi talai, pond, khadin*, water harvesting structure, loose stone check dam, minor masonry structure, V-ditch, pasture development, afforestation, fencing/road side plantation etc.

₹ 0.04 crore (total: ₹ 0.07 crore) was incurred. During physical verification it was found that no plantation existed on the pasture lands. The PIAs stated (August 2015) that pasture land could not be sustained due to non-cooperation of villagers and exposure of cattle in pasture. Thus, the benefit of pasture land could not be achieved resulting in unfruitful expenditure of ₹ 0.07 crore.

#### **2.1.5.10 Convergence with Other Schemes/Programmes**

According to the operational guidelines (GoR), IWMP was to be implemented by converging with different schemes of various departments such as Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Scheme, Backward Region Grant Fund, Agriculture, Horticulture and Animal Husbandry.

Scrutiny of records of test checked PIAs<sup>13</sup> of Barmer, Jaisalmer, Jodhpur and Nagaur district revealed that no convergence was made with other schemes during 2009-10 to 2014-15. State Government stated (January 2016) that convergence with various schemes were not essential. The reply is not convincing because common guidelines of GoI as well as operational guidelines of GoR provided for convergence of IWMP with various schemes.

#### **2.1.5.11 Livelihood Activities**

This component includes development activities like dairy, small ruminants, petty business, skilled business etc. which are to facilitate the eligible beneficiaries identified by PIAs. Ten *per cent* (reduced to nine *per cent* in 2011) of the project cost was earmarked for livelihood activities.

As against the total allocation of ₹ 737.15 crore which includes ₹ 178.05 crore sanctioned during the year 2013-14 and 2014-15 for 1,025 projects, an expenditure of ₹ 45.14 crore has been incurred upto March 2015. The percentage of expenditure ranged between 1.14 *per cent* (2012-13) to 12.39 *per cent* (2009-10). This indicated that no major livelihood activities had been carried out. State Government did not furnish reply in this regard.

#### **2.1.5.12 Production System and Micro Enterprise**

The production system and micro enterprise component included community based activities like fertility and animal health camps, propaganda for cattle insurance, improvement of cattle variety, cropping pattern demonstration, establishment of orchards and units of vermi compost, bee-keeping etc. Under production system and micro enterprise 13 *per cent* (reduced to 10 *per cent* in 2011) of the project cost was earmarked for the activities involved.

- As against the total allocation of ₹ 870.85 crore during the year 2009-10 to 2014-15 for 1,025 projects, an expenditure of ₹ 65.10 crore (7.47 *per cent*) has been incurred upto March 2015. The percentage of expenditure ranged between 0.47 *per cent* (2012-13) to 15.28 *per cent* (2009-10). This indicated that among the recommended activities, only construction of *Than* – a place

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13. Baitu, Balotra, Bilara, Jaisalmer, Nagaur, Parbatsar and Sam

where cattle fodder is filled up for feeding and moong seed demonstration were executed. State Government did not furnish any reason for not taking up community based activities under the production system and micro enterprise component.

### 2.1.6 Monitoring and Evaluation

State Level Nodal Agency issued (September 2013) order for introduction of a three tier District Level Monitoring System for monitoring of project implementation and conducting of at least one meeting in every month at WCDC, PIA and WC levels.

During the year 2014-15, at district level, against the mandatory 396 meetings for 33 districts, 10 districts held 617 meetings, 13 districts held 92 meetings and 10 districts did not provide any records to audit.

Further, at PIA level, 11 districts held 1,225 excess meetings and in 12 districts, 663 less meetings than mandatory were held and 10 districts did not provide any records to audit.

At WC level, 14,256 meetings were held in 22 districts against the mandatory 30,402 meetings. Ten districts did not provide any records to audit.

There was an overall shortfall of total 16,873 meetings (53 per cent) against required 31,614 meetings during 2014-15 (*Appendix-III*). The status of meetings held at district level, PIA level and WC level in remaining 10 districts<sup>14</sup> was not provided to Audit. State Government accepted (February 2016) the facts.

- The role of SLNA was critical in ensuring Social Audit arrangements at appropriate levels. SLNA commenced Social Audit under IWMP from April 2013 by adopting MGNREG Scheme Social Audit guidelines. Social Audit was conducted in 971 WCs out of 2,836 WCs constituted (sanctioned during the years 2009-13) in 33 districts as of July 2015. The follow-up action on Social Audit Reports and Social Audit files were called for (May 2015) but not provided to Audit. Thus, the follow up action of Social Audit Reports could not be ascertained. State Government stated (February 2016) that instructions were being issued for conducting of social audit to all project managers.

### 2.1.7 Financial Management

Integrated Watershed Management Programme is a centrally sponsored programme and the cost of development of watershed was to be shared between GoI and State Government in the ratio of 90:10 (April 2009). The project had a cost ceiling of ₹ 12,000 per hectare to ₹ 15,000 per hectare depending upon the topography of the area.

14. Bharatpur, Bundi, Chittorgarh, Dholpur, Hanumangarh, Jalore, Karauli, Pratapgarh, Sawai Madhopur and Sriganganagar

The funds were to be released in three distinct phases such as preparatory phase, works phase and consolidation phase in the proportion of 22:73:05 according to the guidelines, which was further revised to 22:75:03 in the 2011.

Year-wise break-up of amount released by GoI, and State Government and expenditure incurred there against during 2010-15 is given in **Table 2.3** below:

**Table 2.3**

(₹ in crore)

Financial year	Opening Balance	Release		Total Available funds	Expenditure	Percentage of expenditure
		Central share	State share			
2010-11	77.69	257.48	28.29	363.46	36.24	9.97
2011-12	327.22	318.33	35.69	681.24	86.72	12.73
2012-13	594.52	424.53	47.17	1,066.22	217.86	20.43
2013-14	848.36	0.00	0.00	848.36	509.52	60.06
2014-15	338.84	378.08	42.01	758.93	709.04	93.43
<b>Total</b>		<b>1,378.42</b>	<b>153.16</b>	<b>3,718.21</b>	<b>1,559.38</b>	<b>41.93</b>

(Source: Information collected/provided by SLNA)

It is evident from the above table that:

- The utilisation of funds increased from 2010-11 to 2014-15. The percentage of expenditure ranged between 9.97 *per cent* and 93.43 *per cent* during 2011-15. It is seen that the funds utilisation prior to 2013-14 was quite low.
- In test checked districts against the allocation of ₹ 2,695.80 crore, only an expenditure of ₹ 653.73 crore (24.25 *per cent*) has been made and the percentage of expenditure ranged 7.80 *per cent* to 42.11 *per cent* during the period 2009-15 (Reference Table Number 2.2). This indicated that overall development of rural areas not been achieved.
- State share was released to WCDC with a delay ranged between two to nine months. While accepting the facts State Government stated that the delay in release of State share was due to delay in receipt of GoI share in the account of SLNA.
- Government of India deducted ₹ 69.83 crore (40 *per cent* of Central share of ₹ 174.56 crore) during 2014-15, due to non-submission of consolidation, evaluation and action taken report for batch-III (sanctioned during 2011-12). State Government stated (January 2016) that GoI set the target for 20 *per cent* achievement in batch-III during 2014-15 and submission of consolidation, evaluation and action taken report was not required for release of 20 *per cent* amount by GoI. The reply is not convincing because 20 *per cent* amount was released by GoI for the preparatory phase, which was to be completed upto 2013-14. However, the projects included in batch-III were under progress since 2014-15.

#### **2.1.7.1 Mis-reporting**

At State level, an excess expenditure of ₹ 178.42 crore was reported to GoI as Management Information System (MIS) exhibited expenditure ₹ 848.43 crore,

whereas, audited statement exhibited ₹ 670.01 crore. An excess amount of ₹ 96.42 crore was reported to SLNA in the test checked districts.

State Government accepted (February 2016) the facts and stated that expenditure reported in MIS was as per execution of works while actually paid amount of expenditure was depicted in audited accounts. The reply is not convincing as no regular reconciliation was carried out by the implementing agencies.

## **2.1.8 Other Issues**

### **2.1.8.1 Utilisation Certificates**

Operational guidelines 2013 State Government envisaged that maximum amount of ₹ five lakh at a time as revolving funds would be provided to WC and amount more than ₹ five lakh would not remain at any time with the WC. WC would submit utilisation certificates (UCs) after utilising 60 per cent of the amount within seven days to PIA.

- Scrutiny of records of WCDC, Jaisalmer revealed that an amount of ₹ 35.86 crore was released to 55 WCs (March 2015). Out of this UCs for ₹ 5.60 crore (March 2015) were not submitted by these WCs.
- Scrutiny of records of PIA, Balotra (Barmer district) revealed that funds amounting to ₹ five lakh were released (January 2014) as revolving fund to WC, Simrakhiya. WC did not utilise the funds as of June 2015 and the funds were lying unutilised with WC for more than one year.

State Government did not furnish the reasons for non-submission of UCs.

### **2.1.8.2 Foreclosure of Projects**

Guidelines stipulates that in extreme cases where projects may get stalled and no progress was made despite careful planning, implementation and monitoring, the project may be foreclosed to avoid waste of time, energy and resources.

Scrutiny of records of WCDC, Jodhpur and Nagaur revealed that two watershed projects of batch-I were not making progress after incurring an expenditure of ₹ 0.46 crore (Jodhpur: ₹ 0.25 crore and Nagaur: ₹ 0.21 crore) as the matter was pending in the court of law and dispute amongst the villagers. However, the projects were not foreclosed. State Government accepted the facts (January 2016).

### **2.1.8.3 Funds Lying with the Department**

Schemes of Rural Development such as Desert Development Programme (DDP), Drought Prone Area Programme (DPAP) and Integrated Wasteland Development Programme (IWDP) etc. were closed on 31 December 2012 by GoI. The unspent balance was to be returned to GoI and State Government in proportion of their share in the schemes.

Scrutiny of records of SLNA revealed that balance amount ₹ 178.24 crore, was lying with 26 district as of July 2015. The details are given in *Appendix-IV*.

State Government intimated (January 2016) that regular efforts have been made to return the unspent balances.

### **2.1.9 Conclusions and Recommendations**

Integrated Watershed Management Programme was launched with the objective of development of rain fed areas by conserving natural resources of water by harvest rainwater for purposes of ground water recharging, irrigation, drinking water and ensure overall development of rural areas.

As per perspective and strategic plan, 58.50 lakh hectare area was to be treated under batch-I to VI during 2009-10 to 2014-15, against which 57.63 lakh hectare area was sanctioned and only 9.96 lakh hectare (17 per cent during 2009-15) was treated as of March 2015. There was delay in completion of 749 projects sanctioned during 2009-13 and the percentage of expenditure incurred ranged between 3.42 per cent and 42.50 per cent.

There was a shortage in formation of WDT by about 70 per cent. In Batch-V, no EPAs were undertaken even after a lapse of two years from the sanction of the project. In work phase only 23.10 per cent expenditure was incurred.

***State Government may review the strategic plan and prepare a revised plan to achieve the target of treatment of 179 lakh hectare with the proper and timely implementation of the project. State Government may make efforts for formation of required WDT for proper implementation of IWMP.***

Cases of non-utilisation of funds, excess expenditure reported to GoI, delay release of State share, cut in central share due to non-submission of consolidation evaluation report, unspent balances prior to IWMP schemes were also noticed.

***The State Government should maintain a proper mechanism so that cases of non-utilisation of funds, delay in release of State share, cut in central share may not be repeated in future.***

Monitoring and impact evaluation are continuous processes for smooth implementation of programme and outcome indicators. SLNA issued (September 2013) order for introduction of a three tier District Level Monitoring System, for monitoring of project implementation and prescribed holding at least one meeting in every month at WCDC, PIA and WC levels. However, shortfalls in conduct of mandatory meeting were noticed.

***For effective monitoring the State Government should ensure that regular meetings are held every month at all levels and impact evaluation carried out for necessary intervention wherever necessary. Social Audit arrangements may be strengthened at appropriate level.***

## PERFORMANCE AUDIT

### Rural Development Department

#### 2.2 Border Area Development Programme

##### *Executive Summary*

*Border Area Development Programme (BADP) is a centrally sponsored scheme through the State Governments as part of a comprehensive approach to Border Management. The programme aims to meet the special development needs of the people living in remote and inaccessible areas situated near the international border. The funds under Border Area Development Programme are provided to the States as a 100 per cent non-lapsable special central assistance for filling up of the critical gaps relating to infrastructure, livelihood, education, health, agriculture, and allied sectors to meet the special developmental needs among the people living in remote and inaccessible areas situated near the international border.*

*The guidelines provide for conduct of base-line survey of border areas by the State Government to identify and formulate specific schemes. Performance Audit revealed that base-line survey was not conducted properly and further resulted in sanctioning of works which were not feasible and had to be cancelled.*

*During 2010-15, achievement regarding completion of works was around 50 per cent only. In selected districts, roads were constructed for villages which already had road connectivity. Instances of roads which did not connect any habitations and difference in length of road as per measurement books and actual length were found during physical verification.*

*Further, constructed buildings were not utilised for the intended purpose and tube-well were constructed without ensuring potability of water. Cases of works executed for the benefit of individual/dhani and works in villages beyond limit of 20 kilometers and prohibited works under scheme were also noticed.*

*Utilisation of funds during 2010-15 ranged between 40.75 per cent to 61.41 per cent only. There were instances of delay in release of Central funds by Government of Rajasthan to implementing agencies, funds were diverted and no convergence of Border Area Development Programme with State and Central schemes was made. Social Audit system was also not established.*

##### *Introduction*

The Department of Border Management, Ministry of Home Affairs has been implementing the Border Area Development Programme (BADP) a Centrally Sponsored Scheme through the State Governments as part of a comprehensive approach to Border Management. The programme aims to meet the special

development needs of the people living in remote and inaccessible areas situated near the international border and to saturate the border areas with the required essential infrastructure through convergence of Central/State/Local schemes and participatory approach.

The funds under BADP are provided to the States as a 100 *per cent* non-lapsable special central assistance for filling up of the critical gaps for execution of projects relating to infrastructure, livelihood, education, health, agriculture and allied sectors to meet the special developmental needs and inculcate a sense of security and well-being among the people living in remote and inaccessible areas situated near the international border.

The guidelines of the programme were revised in February 2009 and February 2014.

### **Organisational Structure**

Department of Rural Development and Panchayati Raj is the nodal department for planning and implementation of BADP in the State, which is headed by Principal Secretary. The various agencies responsible for planning and implementation of BADP at State, district and block levels are depicted in the **Table 2.4** below:

**Table 2.4**

Level	Agency	Headed by	Role/responsibility
State	State Level Screening Committee	Chief Secretary of State	<ul style="list-style-type: none"> <li>Finalisation of list of schemes/projects for implementation under BADP and approval of Annual Action Plan for submission to GoI</li> <li>Development of an institutional system for inspection of BADP</li> <li>Receipt of funds from GoI and disbursement to Zila Parishads</li> <li>Development of an inventory of assets created under BADP</li> </ul>
	Rural Development and Panchayati Raj Department (RD&PRD)	Principal Secretary, RD&PRD	
District	Zila Parishad (Rural Development Cell )	District Collector and Chief Executive Officer, Zila Parishad	<ul style="list-style-type: none"> <li>Conduct of base-line survey in border village</li> <li>Holding individual meeting with line departments</li> <li>Monitoring and evaluation</li> </ul>

Border Area Development Programme was implemented through the line departmental agencies<sup>15</sup>, which get the schemes executed through their field offices in the districts and blocks.

#### **2.2.1 Audit Objectives**

Performance Audit of BADP was conducted to ascertain the extent to which implementation of the programme was successful in meeting the special needs of the border areas duly examining whether:

- Annual Action Plan for developing the border blocks was prepared by the State Government keeping in view the requirement of the infrastructure for

15. Department of Education, Medical and Health, Agriculture, Animal Husbandry, Public Works, Public Health Engineering, Panchayat Raj and Rural Development and Jodhpur Vidhyut Vitran Nigam Limited

livelihood, education, health etc. in the border area;

- Scheme was implemented with due regard to economy, efficiency and effectiveness; and
- Implementation of scheme was properly monitored.

### **2.2.2 Audit Criteria**

- Revised guidelines for BADP issued during 2009 and 2014;
- Orders/guidelines/circulars issued by Ministry of Home Affairs, Department of Border Management and the State Government from time to time;
- General Financial and Accounts Rules;
- Public Works Financial and Accounts Rules; and
- Physical and Financial Progress Reports and Management Information System.

### **2.2.3 Audit Coverage and Methodology**

The scheme covered four districts Barmer, Bikaner, Jaisalmer and Sriganganagar in the State. Two districts Bikaner and Jaisalmer were selected by random sampling method using IDEA software, which covered 55 per cent of total expenditure during the period 2010-15. The Performance Audit was carried out in all the border blocks (Bikaner: Khajuwala, Kolayat and Jaisalmer: Jaisalmer, Sam) of test check districts during June 2015 to August 2015. Joint physical verification of works executed was conducted with the representatives of Zila Parishads (ZPs) in the border blocks. Exit conference was conducted on 26 February 2016 with Government and responses of the Government were considered while drafting the report.

## **Audit Findings**

### **2.2.4 Planning**

Border Area Development Programme scheme guidelines emphasised a bottom up approach for planning by carrying out base-line surveys in the villages to assess the critical gaps in existing basic physical and social infrastructure. The Annual Action Plan (AAP) consisting of the schemes as approved by State Level Screening Committee (SLSC) was to be forwarded to Government of India (GoI).

Construction of roads, tube-wells, rooms, buildings etc. works were undertaken in the scheme.

#### **2.2.4.1 Planning for Border Area Development Programme**

As per the guidelines of BADP a base-line survey was to be carried out in border villages to assess the gaps in existing physical and social infrastructure

and a village-wise plan prepared. The guidelines also envisaged convergence of various State and Central plan schemes with BADP. Only those villages which are located within 20 kilometers (km) distance from the international border were to be covered under BADP. If the first village in a block is located at a far away location from the international border, than first village/hamlet in the block was to be taken as '0' km distance village for drawing the priority list.

Scrutiny of records of test checked districts revealed that:

- Base-line survey was conducted in Jaisalmer (2009-10) and Bikaner (2011-12) district. Further, village-wise plans were prepared in the test checked districts. However, compilation of data to assess the critical gap in infrastructure was not found done in Jaisalmer. In Bikaner AAP upto 2010-11 was prepared without conducting base-line survey.
- In test checked districts (Bikaner and Jaisalmer), it was noticed that convergence of various Central/State scheme with BADP was not ensured while preparing AAPs.
- Chief Executive Officers (CEOs) and District Collectors of Bikaner and Jaisalmer found that 167 works sanctioned during 2006-07 to 2014-15 worth ₹ 36.53 crore<sup>16</sup> were non-feasible as the works were sanctioned without ascertaining availability of land, works already sanctioned in other schemes, non-clearance from forest department. These works were cancelled after a lapse of one to six years. Moreover, an expenditure of ₹ 0.19 crore was made on five works before their cancellation.
- Seventy six works (Bikaner: 63 works and Jaisalmer: 13 works) of construction of rooms, toilets, boundary walls, quarters etc. amounting to ₹ 7.77 crore were sanctioned in 41 villages, which were beyond 20 km distance from the international border/habitations.
- Executing agency could not start (July 2015) construction of seven bituminous roads sanctioned (October 2014) by ZP, Bikaner for ₹ 10.50 crore because the land (Katani Rasta) was not available. Subsequently, an amount of ₹ 5.25 crore transferred (December 2014) to the executing agency by ZP, Bikaner, remained unutilised.

This indicated that due diligence was not given while preparing AAPs.

### **2.2.5 Implementation**

The main aim of BADP is to fill the gap in social and physical infrastructure of border areas and improve capacity building by providing trainings and maintenance of assets. The scheme focused mainly on construction of roads, digging of tube-wells, establishment of training centres etc.

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16. ZPs, Bikaner (123 works): ₹ 27 crore and Jaisalmer (44 works): ₹ 9.53 crore

The position of works sanctioned and executed under BADP during 2010-15 is given in **Table 2.5** below:

**Table 2.5**

Year	Number of works			Completed during the year	Percentage of completed works
	Sanctioned during previous year and taken up during the year	Sanctioned during the year	Total		
2010-11	605	1,234	1,839	975	53.02
2011-12	856	1,334	2,190	1,034	47.21
2012-13	1,147	1,469	2,616	1,314	50.23
2013-14	1,246	1,286	2,532	894	35.31
2014-15	1,680	1,166	2,846	1,496	52.57
<b>Total</b>		<b>6,489</b>			

(Source: Monthly Physical Reports)

It is seen from the table above that the number of works that remained incomplete at the end of each year did not match with opening balance of next year, which indicated that the Monthly Physical Reports did not depict the true position of works completed during the year. The achievement during the period 2010-15 was around 50 per cent only.

#### **2.2.5.1 Construction of Roads**

Test check by Audit of the works implemented revealed the following:

##### **Road to Mandhala**

The work of construction of 52 kilometre (km) long bituminous road from Shahgarh to Mandhala (km 0/0 to 52/0) was sanctioned (₹ 8.62 crore) in nine spells during 2006-07 to 2013-14. The road was constructed up to 49.200 km with an expenditure of ₹ 8.18 crore, leaving the remaining 2.800 km incomplete towards Mandhala.

Scrutiny of the records and joint physical verification with the representatives of ZP, Jaisalmer of the road revealed that after a construction period of seven years, both the end point villages were not connected till March 2015. Thus, the desired connectivity was yet to be achieved.

##### **Border out Post (Pabani to Border Fencing Road)**

Sanction for construction of 1,215 M long bituminous road from Border Out Post (BOP), Pabani to border fencing was issued (November 2012) by ZP, Bikaner for ₹ 0.22 crore. The work was put to tender by the executing agency and lowest rate of 15.55 per cent above Schedule-G, amounting to ₹ 0.23 crore was approved. The contractor did not execute the work after executing the agreement and the executing agency imposed (September 2013) compensations<sup>17</sup> amounting ₹ 0.08 crore under the agreement clauses and the work was subsequently awarded (February 2014) to another contractor at 47.91 per cent above Schedule-G, amounting to ₹ 0.29 crore. ZP, Bikaner did

17. Ten per cent of delay in completion under clause 2 of the agreement (₹ 0.02 crore) and difference of cost for awarding the remaining work to other contractor under clause 3 (C) of the agreement (₹ 0.06 crore)

not recover ₹ 0.08 crore from the contractor. Further, the road could not be completed even after lapse of three years from issue of sanction.

**Road from 10 BD to Border out Post Himgiri**

Sanctions for construction of a Bituminous road from 10 BD to BOP Himgiri was issued (November 2014) by ZP, Bikaner for ₹ 1.25 crore and ₹ 0.63 crore was transferred to the executing agency<sup>18</sup>. The executing agency incurred an expenditure of ₹ 0.23 crore (March 2015) and the road was incomplete.

Scrutiny of records revealed that village 10 BD was connected from the road network and BOP Himgiri was already connected to Bikaner by a bituminous road constructed by General Reserve Engineering Force<sup>19</sup> (GREF), therefore there was no necessity for construction of bituminous road from 10 BD to BOP Himgiri. Thus, the road constructed for connectivity without proper planning served no fruitful results.

**2.2.5.2 Physical verification**

A joint physical verification of roads constructed revealed the following:

- Zila Parishad, Jaisalmer constructed two roads in which measurement books recorded more length than actually constructed. The details of the roads are given in **Table 2.6** below:

**Table 2.6**

(In meter)

Village to be connected	Length of road as per MBs	Actual length of road (Approx)	Difference of length
Myajlar to Veer Singh ki Dhani	2,610	2,000	610
Shahgarh to Mandhala	7,967	7,200	767

- Roads constructed under ZP, Jaisalmer revealed that three roads constructed under the scheme did not connect the habitations as detailed in **Table 2.7** below:

**Table 2.7**

Village to be connected	Length of road (in km)	Cost of construction (₹ in crore)	Status of the roads
	3	0.50	Village Pochina is situated on Myajlar to Karda Road and the link road did not connect any other habitation but encircling the village.
45 NUD to 3CNM	18	2.24	The road was sanctioned in two parts (0/0 to 12/0 km and 17/0 to 23/0 km). The start point of the road (0/0 km) is a culvert on a canal (NUD) no habitation exist in the vicinity and no metal road reaches the culvert. Further, 3 km road between 12/0 to 17/0 km was not constructed. Thus, construction of road 45 NUD to 3 CNM did not connect any habitation.
Tonotrai nagar to Sukaniyon Bhomiyan ki Dhani	4	0.64	The off take and end points of the road neither connected to any habitation nor any road.
<b>Total</b>		<b>3.38</b>	

18. Executive Engineer, Public Works Department, Division-I, Bikaner

19. General Reserve Engineer Force is the execution force under the Ministry of Defense as a part of Border Roads Organisation.

Thus, the purpose of improving the infrastructure was not achieved and expenditure to the tune of ₹ 3.38 crore did not serve the desired purpose.

### **2.2.5.3 Training Centre and Community Centre**

Sanction for construction of training centre and community centre along with compound wall at Khajuwala was issued (January 2011) for ₹ one crore by ZP, Bikaner. The work was completed with an expenditure of ₹ 0.80 crore and one work of construction of fibre shed for vehicles (₹ 0.11 crore) was also completed from the savings that occurred in the sanction.

Joint physical verification of the work revealed that the building for training centre and community centre was utilised for office of PS, Khajuwala.

Thus, building constructed for training centre and community centre was not utilised for the intended purpose.

### **2.2.5.4 Utilisation of Assets for Commercial Use**

Sanction for extension of community bhawan near Jat Dharmshala on Dantor road (near Tejaji Mandir) in village Khajuwala was issued (October 2012) by ZP, Bikaner for ₹ seven lakh. The work was completed (June 2013) with an expenditure of ₹ seven lakh.

Joint physical verification of the work revealed that the building of community bhawan was being utilised as Veer Tejaji Bhojanalaya (a restaurant). Thus, the building constructed for community bhawan under BADP was utilised for commercial activity.

### **2.2.5.5 Construction of Tube-wells**

Principal Secretary, Public Health Engineering Department (PHED) directed (February 2006) not to take up the work of tube wells/hand pumps in water quality affected habitations. Further, chemical analysis of water of the nearby tube well/hand pump would be done to ensure the potability before issue of sanction for tube wells/hand pumps.

Scrutiny of records of PHED, Division, Pokran revealed that 11 works of construction of tube wells and allied works (construction of clear water reservoirs, pipe lines and power generating sets etc.) were sanctioned (July 2010-August 2011) for ₹ 1.61 crore by ZP, Jaisalmer. The works were completed with an expenditure of ₹ 1.29 crore.

The record for chemical analysis to ensure potability of water was not available with the executing agency. Further, during joint physical verification of five works<sup>20</sup> it was found that tube wells were not connected to electric power and the water was saline. Allied works of clear water reservoirs, pipe lines etc. were also not constructed. Thus, the tube wells were constructed without ensuring the potability of water and thus remained unutilised.

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20. Akal ka Tala, Malasar, Raichandwala, Rohidwala and Tawariwala

### **2.2.5.6 Development of Tourist Place**

Sanction for development of BOP Maruti as a tourist place was issued (December 2010) by ZP, Bikaner for ₹ 0.23 crore. It included construction of cement platform, parking sheds, toilets. A watch tower was to be constructed to enable visiting tourists to see the international border.

Scrutiny of records revealed that all the structures except the watch tower were constructed (August 2011) with an expenditure of ₹ 0.13 crore. However, the watch tower was not constructed and the purpose of developing it as a tourist place was not achieved.

### **2.2.6 Works Executed for the benefit of Individuals/Dhanies**

Creation of tangible assets should be given priority under the BADP. Asset creation, which were of direct benefit in nature to specific village/individual were not permissible.

Scrutiny of records of ZP, Jaisalmer revealed that 179 works of covering and maintenance of water courses, which are to be maintained by farmers, were sanctioned during 2012-13 for ₹ 3.48 crore and completed with an expenditure of ₹ 3.27 crore. These works were irregular as they were executed for the benefit of individuals which were not allowed under BADP.

- Three sanctions were issued (September 2009: ₹ 0.70 crore; August 2010: ₹ 0.78 crore and February 2014: ₹ 0.69 crore) by ZP, Jaisalmer for construction of road from 0 RD of MKD to Gopiram Jaton ki Dhani. The road was completed (March 2013) with an expenditure of ₹ 1.99 crore.

Joint physical verification of the road revealed that the road connected to the habitation Gopiram Jaton ki Dhani, which had only one house. Thus, the road was constructed for the benefit of an individual.

- Sanctions of construction of three bituminous roads in Khajuwala block were issued (November-December 2014) by ZP, Bikaner for ₹ 3.50 crore as detailed in **Table 2.8** below:

**Table 2.8**

Name of work	Sanctioned Amount	Amount transferred to executing agencies	(₹ in crore)
			Adjusted amount
Approach road to 27-26 KND	1.00	0.50	0.29
Bituminous road From 33 KJD abadi to 36 KJD via 32 KJD	1.75	0.88	Nil
Bituminous road from Chak 19 KLD (CAD) canal bridge to Gokulgarh	0.75	0.37	0.13
<b>Total</b>	<b>3.50</b>	<b>1.75</b>	<b>0.42</b>

Any scheme of individual benefit (such as roads to *dera's* and *dhanies* etc.) were not permissible under the BADP. However, roads were sanctioned for

*dhanies*<sup>21</sup>, which were not villages. Thus, the roads were sanctioned against the scheme guidelines. These roads were still under construction (September 2015).

### 2.2.7 Prohibited Works

The guidelines prohibited works for the benefit of individual, construction of boundary walls, office and residential buildings.

It was, however, observed that prohibited works such as construction of office buildings and electrification of farms of individuals etc were included in the AAPs and executed in test checked blocks. The details are given in **Table 2.9** below:

**Table 2.9**

(₹ in crore)

District (Block)	Name of works	Sanctioned amount	Expenditure incurred
Bikaner (Khajuwala and Kolayat)	38 works of construction of rooms, extension of compound wall, toilets, water tank and water huts near Rajeev Gandhi Seva Kendra (Blocks Khajuwala: 20 works and Kolayat: 18 works)	3.00	2.89
	Five works of electrification work in individual farm houses	0.32	0.15
Jaisalmer (Jaisalmer and Sam)	Construction of police chowki, patwar ghars and Post office	0.08	0.08
	16 works of Construction of Tanka in individual field/houses	0.04	0.04
	<b>Total</b>	<b>3.44</b>	<b>3.16</b>

Further, the works of construction of pavilion in stadium, district control room and extension of ZP building, development work in Nagar Parishad, Jaisalmer city and construction of incomplete work of Ravindra Rang Manch in Bikaner city amounting to ₹ 3.34 crore<sup>22</sup> were executed from BADP funds at district headquarters, which were not permissible.

Zila Parishad, Bikaner and Jaisalmer stated (June and August 2015) that the works were approved by SLSC. The replies were not convincing because BADP was targeted for rural area located within 20 km distance from the international border/habitations whereas, works were executed in urban areas against the provision of the guidelines.

### 2.2.8 Capacity Building

Government of India directed (September 2012) for utilisation of five *per cent* of allocated funds under BADP for vocational studies and training for employment and skill development in the border areas. GoR decided

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21. It is a term used to define a group of families living in proximity to each other, within a village. It could have homogenous demographic pattern. There can be more than one habitation in a village but not vice versa
  22. ZP, Jaisalmer: (i) Extension of pavilion in Pooran Sing Stadium at Jaisalmer: ₹ 0.14 crore, (ii) Development and extension of ZP building, Jaisalmer: ₹ 0.07 crore and (iii) Development works in Nagar Parishad, Jaisalmer (12 works): ₹ 1.13 crore  
ZP Bikaner: Construction of incomplete work of Ravindra Rang Manch, Bikaner ₹ two crore

(September 2012) to appoint Rajasthan Skill and Livelihood Development Corporation, Jaipur<sup>23</sup> (RSLDC) for conducting trainings under the programme. RSLDC was to be paid ₹ 10,000 for each trainee. Artisan and weavers of border blocks under BADP were to be provided training.

Bikaner and Jaisalmer districts were allocated funds amounting to ₹ 3.44 crore<sup>24</sup> and ₹ 6.18 crore<sup>25</sup> respectively during 2012-15 for artisans and weavers and transferred (August 2013) ₹ 0.92 crore and ₹ 2.06 crore respectively to RSLDC to organise the training programmes without specifying the trainings to be provided.

Scrutiny of the records revealed that RSLDC incurred expenditure of ₹ 0.15 crore (Bikaner: ₹ 0.10 crore and Jaisalmer: ₹ 0.05 crore). Further, RSLDC provided training to only 132 candidates<sup>26</sup> in Bikaner and 39 candidates<sup>27</sup> in Jaisalmer districts during 2012-15 for courses on industrial security guard, tourism and travels, hospital assistant and mason trade etc.

Thus, the object of providing training to the artisan and weavers even after incurring an expenditure of ₹ 0.15 crore could not be achieved.

### **2.2.9 Management of Assets**

Border Area Development Programme was in operation in the State since 1993-94. Further, the guidelines provided that GoR can utilise funds up to 15 *per cent* amount of the allocation made to the State for maintenance of assets created three years earlier under BADP.

During scrutiny of records of test checked districts, it was revealed that test checked districts were allocated amount of ₹ 317.07 crore (Bikaner: ₹ 144.15 crore and Jaisalmer: ₹ 172.92 crore) under the programme during 2010-15. Out of allocated funds, 15 *per cent* funds amounting to ₹ 47.56 crore could be utilised for maintenance of assets in the districts. However, these districts did not maintain/create asset register and spent no amount on maintenance during 2010-15 on the assets created under BADP since 1993-94.

Chief Executive Officer, ZP, Bikaner and Jaisalmer stated (February 2016) that the provision of 15 *per cent* of allocation could not be made because the proposals for maintenance of assets created under BADP were not received from the executing departments.

This shows the indifferent approach of the department regarding maintenance of created assets.

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23. An organisation formed under the chairmanship of the Chief Minister to address the challenges of unemployment and ensuring gainful and sustainable employment

24. ₹ 3.44 crore was received during 2012-13 only

25. ₹ 2.06 crore in 2012-13, ₹ 2.06 crore in 2013-14 and ₹ 2.06 crore in 2014-15 allocated for Jaisalmer district

26. 2012-13: 34 candidates and 2013-14: 98 candidates

27. 2014-15: 39 candidates

### 2.2.10 Financial Management

Government of India allotted funds in two installments. First installment of 90 per cent of the allocation for the State was to be released after receipt of UCs for the 50 per cent amount released in the previous year. If there is any shortfall in furnishing the UCs for the amount released during the previous years, the same would be deducted at the time of release of the first installment. Second installment of the remaining 10 per cent of the allocation of the State was to be released after furnishing of UCs of at least 50 per cent of the amount released during the previous year and physical and financial progress reports.

Government of Rajasthan distributed the allocated funds in the proportion on 30:25:30:15 for Barmer, Bikaner, Jaisalmer and Sriganganagar districts respectively during 2010-15.

The position of funds management under BADP during 2010-15 is given in **Table 2.10** below:

**Table 2.10**

(₹ in crore)						
Year	Opening balance	Funds released	Total amount	Expenditure	Percentage of expenditure	Closing balance
2010-11	57.23	86.96	144.19	84.69	58.73	59.50
2011-12	77.15	114.09	191.24	104.41	54.60	86.83
2012-13	109.13	138.00	247.13	151.76	61.41	95.37
2013-14	124.64	138.00	262.64	107.03	40.75	155.61
2014-15	176.11	103.13	279.24	164.37	58.86	114.87

(Source: Annual progress reports)

It may be seen from the table above that utilisation of funds during 2010-15 ranged between 40.75 to 61.41 per cent. Further, GoI deducted ₹ 36.33 crore for the year 2014-15 as GoR had not submitted UCs for 50 per cent allocation of fund in the previous year. There was incoherency in the amount remained unutilised at the end of each year and opening balance of next year, which indicated that annual progress reports did not depict the true position of utilisation of funds.

#### 2.2.10.1 Release of Funds

- According to guidelines, funds should be released by the State Government to the implementing agencies immediately upon receipt from GoI and as per directions of GoI, Ministry of Finance, parking of funds at any level is strictly prohibited. Details of release of funds are given in **Table 2.11** below:

**Table 2.11**

(₹ in crore)			
Date of receipt of funds from GoI	Date of transferred to ZPs by GoR	Delay in Days	Amount
06.09.2012	25.10.2012	50 days	1.10
26.02.2013	19.03.2013	20 days	15.16
05.03.2014	23.06.2014	110 days	1.73

From the above table, it is seen that there was delay ranging from 20 days to 110 days in release of central funds by GoR to the implementing agencies.

- It was observed that during 2012-13 to 2014-15 ZP, Bikaner transferred funds to scheme account with delay ranging from 11 days to 36 days, which resulted in to loss of interest amounting to ₹ 0.10 crore. Details are given in the **Table 2.12** below:

**Table 2.12**

(₹ in lakh)

Date and amount of fund received in PD account		Transfer of fund in scheme bank account	Total delay in days	Interest (at the rate of four <i>per cent</i> ) per annum
Date	Amount			
28.03.2013	7.50	03.05.2013	36	0.03
30.03.2013	595.67	03.05.2013	34	2.22
18.02.2014	3074.43	01.03.2014	11	3.71
11.12.2014	2532.54	24.12.2014	13	3.61
<b>Total</b>				<b>9.57</b>
<b>Say ₹ in crore</b>				<b>0.10</b>

### 2.2.10.2 Reporting of Expenditure

Border Area Development Programme guidelines provides allotment of funds in two installments, 90 *per cent* funds are to be released as first installment after deduction of amount of previous years pending UCs and second installment would be released on receipt of 50 *per cent* UCs of preceding year and balance amount of previous year.

Government of Rajasthan intimated GoI that no amount remained unspent during 2010-11 and 2011-12 and there were unspent balances amounting to ₹ 4.91 crore and ₹ 45.91 crore during 2012-13 and 2013-14 respectively. However, unspent balances of funds as detailed in **Table 2.13** below were lying with district implementing agencies during 2010-11 to 2013-14:

**Table 2.13**

(₹ in crore)

Year	Unspent balances out of funds received from GoI	Unspent balance reported to GoI
2010-11	111.60	Nil
2011-12	152.16	Nil
2012-13	177.39	4.91
2013-14	204.17	45.91

(Source: Utilisation certificates)

It was observed that reconciliation of figures was not done with the implementing agencies and GoR intimated an incorrect picture of expenditure to GoI.

### 2.2.10.3 Diversion of Funds

Scrutiny of records revealed that

- An amount ₹ 2.24 crore (ZPs, Bikaner: ₹ one crore and Jaisalmer: ₹ 1.24 crore) was diverted to DRDA Administrative Scheme (Jaisalmer) and

Chief Minister Below Poverty Line Awas Scheme (Bikaner) during the period 2010-15.

- Zila Parishad, Bikaner issued (August 2012) sanction for providing trainings for dairy activities and purchase of testing kits for ₹ 0.50 crore and transferred ₹ 0.50 crore to Urmul Dairy, Bikaner.

Urmul Dairy purchased aluminum cans worth ₹ 0.16 crore, which were not sanctioned under the training programme.

### **2.2.11 Contingency Charges**

According to estimates of the works, the executive agency was authorised to charge three *per cent* contingency charges over the cost of works. Scrutiny of records of ZP, Bikaner revealed that nine works of construction of tube-wells, tanks and other allied works were sanctioned (October 2012-January 2014) for ₹ 1.26 crore.

The executing agency charged ₹ 1.16 crore to ZP for the works, whereas, the works worth ₹ 1.02 crore was measured as executed. Thus, contingency charges of ₹ 0.03 crore was chargeable at the rate of three *per cent* on the work executed, whereas ₹ 0.14 crore was charged resulting in over charge of ₹ 0.11 crore to ZP.

### **2.2.12 Monitoring**

Border Area Development Programme guidelines provided that the State Government would develop an institutional system for inspection of the BADP works in each border block by assigning a block wise high ranking Nodal Officer, who would make a regular visit in the blocks. A system of third party inspection for feedback on the quality of work was to be established and the Nodal Officer would submit a quarterly report to GoI indicating the number of inspections conducted and highlighting the important achievements/lacunas.

Further, the State Government was to submit a quarterly progress report along with consolidated UC. The guidelines further provided that the State Government would also develop an inventory of assets created under BADP and communicate the analytical results to GoI.

Scrutiny of the records revealed that:

- The nodal officers for inspection of works in the border blocks were not appointed and the quarterly reports highlighting the important achievements/lacunas were not sent to GoI during 2010-15.

- An evaluation study of selected works was conducted by Director of Evaluation Organisation<sup>28</sup> of works sanctioned in 2011-12 and submitted the report GoR during August 2015. The organisation suggested measures for effective implementation of the programme, which could not been utilised by GoR because they were not intimated in time. Thus, the object of conducting the third party inspection was not fulfilled.
- Though GoR intimated (October 2015) that Social Audit was conducted in Bikaner district and other districts have been directed to conduct Social Audit. It was, however, observed that reports of Social Audit conducted in Bikaner district were not sent to GoR.
- Inventory of assets created under BADP in border area was not maintained by GoR.

The State Government stated (October 2015) that inspection of blocks were regularly conducted by officers of the department and Social Audit was conducted in Bikaner district. The reply is not convincing as the quarterly reports highlighting the important achievements/lacunas were not sent to GoI during 2010-15.

### **2.2.13 Conclusions and recommendations**

Guidelines emphasised a bottom up approach for planning by carrying out base-line survey to assess the critical gaps in basic physical and social infrastructure. Village-wise annual plan was to be prepared at the district level based on critical gaps defined in base-line survey. Base-line survey was not conducted properly and further resulted in sanctioning of works which were not feasible and cancelled.

***State Government should emphasise a bottom up approach for planning by carrying out base-line surveys to assess the critical gaps in basic physical and social infrastructure to achieve the objectives of BADP.***

Roads were constructed for villages which already had road connectivity and did not connect any habitations and difference in length of road as per measurement books and actual length were found during physical verification. Constructed buildings were utilised for commercial purpose and tube-wells were constructed without ensuring potability of water. Instances were noticed where works were executed against the provision of guidelines.

***The State Government should evolve a mechanism to ensure proper execution of works and only the permissible works are executed under BADP.***

Institutional system for inspection of the BADP works in each border block by assigning a block-wise high ranking Nodal Officer was not set up and third

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28. The State Evaluation Organisation was set up in the State with the objective of undertaking evaluation of Panchayati Raj and Community Development Programme and further assigned the task of making evaluation of development schemes/ projects initiated under different five year plans

party inspection for feedback on the quality of work was not done by GoR. Social Audit of the works taken up under BADP was not done by GoR.

*State Government should make necessary arrangements for effective monitoring and Social Audit of implementation of the programme.*

### **2.3 Social Audit under Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Scheme**

#### ***Introduction***

Government of India (GoI) enacted (September 2005) National Rural Employment Guarantee Act for providing wage employment to rural population. In Rajasthan, the Act was made applicable from 2 February 2006 initially in six districts and extended to all the districts by April 2008.

Social Audit was formally brought into Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Scheme through MGNREG Audit of Scheme Rules<sup>29</sup>, 2011. Conduct of Social Audit by Gram Sabha, once in six month, is a mandatory activity as per Section 17 of the MGNREG Act.

These rules prescribe procedures and manner for conduct of Social Audit. Government of Rajasthan (GoR) formulated detailed Social Audit guidelines during 2012 for effective implementation of the scheme and delegation of responsibilities to various functionaries.

With a view to evaluate the extent of assurance provided through Social Audit as per MGNREG Audit of Scheme Rules 2011, a sample of 50 Gram Panchayats (GPs) of five districts was selected for Audit through random selection on the basis of information<sup>30</sup> available on the MGNREGA website. Audit of the selected sample was conducted during May-July 2015.

Director of Social Audit also conducted (May 2015) Social Audit in the campaign mode on the direction (December 2014) of GoI in 500 GPs (two GPs from each block) covering the works executed during 2014-15. Officers from Office of the Principal Accountant General (General and Social Sector Audit), Rajasthan also witnessed the process of Social Audit of 14 GPs of five districts<sup>31</sup> as observers.

The Audit findings are discussed below in subsequent paragraphs in two parts:

29. MGNREG Audit of Scheme Rules, 2011 were notified (30 June 2011) by the GoI in exercise of the powers conferred by subsection(1) of section 24 of the MGNREG Act, 2005

30. Social Audits were conducted in 8,649 GPs during 2014-15

31. Ajmer District: Baral-II, Daulatpura-II (Block- Masuda), Kayad, Dhal (Block-Srinagar), Barmer District: Badnava Jagir, Sajiyali Padamsingh (Block-Balotra), Dungarpur District: Chhapi, Sundarpur (Block-Bichhiwara), Bundi District: Manglikala, Pagara (Block-Hindoli) and Jaipur District: Devan, Khoraladkhani (Block-Shahpura), Jawanpura, Tulsipura (Block-Viratnagar)

## **Audit Findings**

### **2.3.1 Competence and Independence of Social Audit Unit**

Rule 4(1) of the MGNREG Audit of Scheme Rules, 2011 and Para 13.2.1 of the operational guidelines of the Scheme provides for creation of an independent Social Audit Unit (SAU) to facilitate conduct of Social Audit by Gram Sabhas. Further, the operational guidelines of MGNREG Scheme also provided that the Directorate, Social Audit was required to function independently of implementing department. It was responsible for capacity building of Gram Sabhas for conducting Social Audit, preparation of resource material, creation of awareness amongst the labourers about their rights and entitlements and hoisting the Social Audit Reports including action taken reports in public domain.

The Directorate for Social Audit was created (September 2009) in Rajasthan under State Rural Employment Guarantee Council<sup>32</sup> functioning under the administrative control of Rural Development and Panchayati Raj Department of the GoR.

It was observed that the expenditure on establishment, training and payments to resource persons was being made by Commissioner, Employment Guarantee Scheme (EGS), as SAU had no funds under their own charge.

The State Government stated (November 2015) that the Directorate, Social Audit is a fully independent for the activities and expenditure on establishment to organise the training and payments to resource persons was made by Commissioner, EGS as an administrative arrangement.

The reply is not convincing as the Directorate was under the administrative control of Secretary Rural Development for conduct of Social Audit including preparation of calendar for conducting Social Audits, deployment of manpower and follow up in the districts. It was also dependent on Commissioner, EGS for finances.

#### **2.3.1.1 Allocation of Funds and Expenditure on Social Audit**

Ministry of Rural Development decided (August 2012) to allocate one *per cent* within administrative charges under MGNREG Scheme for cost of establishing the SAU and conducting Social Audit. The details of grants received and expenditure incurred on the Scheme during the period 2012-13 to 2014-15 is elaborated in the **Table 2.14** below:

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32. A council created in the state for effective implementation of MGNREG Scheme and headed by Commissioner, Employment Guarantee Scheme

**Table 2.14**

(₹ in crore)

Years	Opening balance	Grants received		Miscellaneous Receipts <sup>33</sup>	Total	Adjusted expenditure	Funds allocable to SAU
		Central	State				
2012-13	1,128.85	2,585.34	265.30	44.94	4,024.44	3,465.40	34.65
2013-14	559.03	2,059.43	300.16	42.24	2,960.87	2,791.31	27.91
2014-15	169.56	2,976.10	314.35	0.85	3,460.85	3,257.69	32.58

However, no details of funds received and expenditure incurred on various activities of Social Audits in the State was available with SAU. Thus, total expenditure on Social Audit could not be ascertained/analysed in Audit.

The Commissioner, EGS intimated (July 2015) that expenditure incurred on Social Audit for the year 2013-14 was only ₹ 0.54 crore at the State level, which was negligible against the allocable amount of ₹ 27.91 crore. The expenditure on Social Audits in districts however, was not compiled by the Commissioner, EGS.

Thus, SAU was not an independent body as it was dependent on implementing agency (Commissioner, EGS) for receipts of funds and expenditure on its activities in the State.

### 2.3.2 Coverage and Impact of Social Audit in the State

There were 9,177 GPs functioning in the State as of March 2015. The year-wise coverage of Social Audits in the State as detailed in **Table 2.15** below:

**Table 2.15**

Year	Total number of GPs	Social Audit conducted	
		First six months	Second six months
2010-11	9,176	9,169	9,171
2011-12	9,177	9,152	-
2012-13		-	867
2013-14		7,976	-
2014-15		8,649	8,456

As against the provision<sup>34</sup> of conducting at least one Social Audit in each GP every six months, the SAU could not conduct stipulated Social Audits except in two years, i.e. 2010-11 and 2014-15.

### Impact of Social Audit

The position of recoveries pointed in the State by SAU during the period from 2011-12 to 2014-15 is given in **Table 2.16** below:

**Table 2.16**

(₹ in crore)

Year	Upto 2011-12	2012-14	2014-15
Total number of cases (in numbers)	204	195	27
Amount of recovery pointed out (₹ in crore)	0.60	0.07	0.06
Amount recovered (₹ in crore)	0.11	0.07	0.05
Percentage of recovery to the amount pointed out	19.00	99.00	88.00

33. Bank interest, earnest money, tender fees, securities etc

34. Rule 6 of MGNREG Audit of Scheme Rules, 2011 and para 35 of Chapter-2 of Guidelines on Social Audit, 2012

It is evident from the table that the amount of recovery pointed out by SAU declined to negligible amount. Further, out of total amount pointed out by SAU for recovery during 2011-12, merely 19 *per cent* amount could be recovered despite lapse of three years indicating slow pace of recoveries pointed out by SAU.

The State Government stated (November 2015) that efforts would be made to recover the amount.

### **2.3.2.1 Deployment of Resource Persons**

Para 13.2.2 of operational guidelines of the Scheme provided that SAU would identify appropriate number of Resource Persons at State and District levels apart from Block Resource Persons (BRP) and Village Resource Persons (VRP), to facilitate the Gram Sabha in conducting Social Audit. Further, Rule 4 (2) (a) of MGNREG Audit of Scheme Rules, 2011 and para 7.1 of Guidelines of Social Audit, 2012 prescribed constitution of a Social Audit Committee (SAC) of six members comprising one BRP and five VRP.

However, in five test checked GPs, no BRP was deputed, while in 16 test checked GPs adequate number of VRPs as prescribed were not deputed in SACs. In fact in one GP (Devan, Shahpura block) only one VRP was deputed.

Social Audit Unit stated (October 2015) that the post for one Social Development Consultant, six State Resource Persons (SRPs), and 91 District Resource Persons (DRPs) had been identified. It was, however, observed that the process of selection of persons for these posts was not completed (January 2016).

The State Government accepted the facts and stated (November 2015) that persons who did not participate in Social Audit would not be selected for subsequent year and all Districts Collectors and Districts Programme Coordinators have been instructed to comply with the provisions.

### **2.3.2.2 Technical Assistance to the Social Audit Teams**

Para 5.4(9) and 5.7(i) of guidelines of Social Audit 2012 prescribed that appointment of a person having technical knowledge for assistance in examination of civil construction works with SAC.

Scrutiny of records of 50 selected GPs revealed that in 28 GPs (56 *per cent*), persons having technical knowledge were not appointed to assist the SACs, rendering the SACs ill-equipped to carry out its day to day work.

The State Government accepted the facts and stated (November 2015) that all Districts Collectors and Districts Programme Coordinators have been instructed to ensure the deployment of a person having technical knowledge for assistance in examination of civil construction works, with SAC.

### 2.3.3 General Shortcomings and Bottlenecks in Social Audits

Guidelines provide that all the original records along with their photocopies should be provided to the Social Audit team. The Social Audit teams were also required to interact with all the labourers by making door-to-door visits and physical verification of work sites. Independent observers were also required to be nominated to observe the proceedings of the Gram Sabha. The general shortcomings and bottlenecks noted in conduct of Social Audit are discussed below:

#### 2.3.3.1 Verification

- **Door-to-Door Survey to Share Information with Villagers**

Para 8.4 (3) of guidelines of Social Audit 2012 and para 13.4.3.(vi) of operational guidelines of the Scheme provided that interaction with all the labourers and primary stakeholders should be done by making door-to-door visits by SACs to verify entries in job card and payments to the labourers and receive their grievances regarding employment under the Scheme.

It was noticed that out of total of 43,163 labourers who worked in 50 test checked GPs under the Scheme during 2013-14, interaction was done with only 162 labourers. It was also noticed that in 25 GPs the SACs did not interact with any of the labourers through door-to-door visit.

- **Physical Verification of the Work Site**

As per para 13.3.4 of operational guidelines of the Scheme and para 8.4(4) of guidelines of Social Audit, 2012, the Resource Persons deployed by SAU along with primary stakeholders were required to verify the work sites and assess the quantity of work done with reference to the records.

Scrutiny revealed that out of total 1,577 works<sup>35</sup> executed under the Scheme during 2013-14 in 50 test checked GPs, only 22 works were physically verified by the SACs (*Appendix-V*).

Physical verification of the works by Audit revealed instances of execution of work for individual benefits, non-payment to supplier/labourers, non/delayed payments to labourers, inappropriate site selection, incomplete work due to land dispute and encroachment of work sites in 27 works of other 14 GPs (*Appendix-VI*).

Had the SACs conducted physical verification of all the works they would have noticed irregularities in the works executed under the scheme and could have pointed out recovery for more amount from the executing agencies.

Thus, SACs interacted with only 0.40 *per cent* labourers in 25 GPs and did not interact with any of the labourers in other 25 GPs, to verify payments made to

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35. Construction of anicut, gravel road, cement concrete road, precast blocks road, tube-wells, hand-pumps, houses under Indira Awas Yojana, plantation work, nadi Kudai, pitching work and deepening of wells etc.

the labourers and receive their grievances. Similarly, only 1.40 *per cent* works were physically checked by SACs. This indicated that the important steps of verification of payments made and works executed were however, negligible.

### **2.3.3.2 Nomination of Observers**

As per para 13.3.6 of operational guidelines of the Scheme, an observer should be nominated by the District Programme Coordinator to observe the proceedings of the Gram Sabha.

Audit observed that in eight selected GPs though the observers were nominated but they did not attend the Gram Sabhas.

State Government stated (November 2015) that all districts collectors and Districts Programme Coordinators have been instructed to ensure that all the records should be provided to SAC at least 15 days before the scheduled date of Gram Sabha, interaction with all the labourers should be done, observers should attend the proceedings the GSs and verification of the work sites should be done to assess the quantity of work with reference to the records.

Providing all the records, interaction with the labourers and primary stakeholders and nomination of observers and verification of works are an integral part of Social Audit. The State Government instead of taking steps to ensure effective Social Audit, merely issued instructions to Districts Collectors and Districts Programme Coordinators for compliance of the provisions. The fact that less than two *per cent* of works were verified defeats the purpose of Social Audit.

### **2.3.4 Conduct of Gram Sabha**

Guidelines provide that a Gram Sabha would be convened in a neutral public space and chaired by an elderly person to discuss the findings of the physical verification done by Social Audit team and review the compliance on transparency and accountability, fulfillment of the rights and entitlements of labourers and proper utilisation of funds. Fulfillment of quorum of Gram Sabha with 10 *per cent* members (voters) was also required to be ascertained.

The shortcomings noticed in conduct of Gram Sabha are discussed below:

#### **2.3.4.1 Fulfillment of Quorum**

As per provisions contained in para 9.3 (3) of guidelines of Social Audit 2012, fulfillment of quorum of Gram Sabha with 10 *per cent* members (voters) was required to be ascertained. In case of non-fulfillment of quorum the Gram Sabha would be postponed and new date would be decided according to Rule 6 of Rajasthan Panchayati Raj Rules 1996.

Scrutiny revealed that in 31 selected GPs the Gram Sabhas were held without fulfillment of quorum. Members ranged from 0.70 to 9.09 *per cent* only were

present in these GPs (*Appendix-VII*). However, the Gram Sabha was not postponed to future date as required under the provision.

The State Government stated (November 2015) that all Districts Collectors and Districts Programme Coordinators have been instructed to ensure fulfillment of quorum of GS. The fact remains that majority of GS were conducted without fulfillment of quorum rendering the whole exercise a mere formality.

#### **2.3.4.2 Delay submission of records**

As per para 13.4.1 of operational guidelines of the Scheme and para 8.1(1) of guidelines of Social Audit, 2012 all the original records along with their photocopies were required to be provided by the Programme Officer to SAC at least 15 days before the scheduled date of Gram Sabha.

It was noticed that 13 GPs, records were provided with a delay of five to 11 days.

#### **2.3.4.3 Gram Sabha**

Para 13.3.5 of operational guidelines of the Scheme stipulates that the Gram Sabha should nominate an elderly person to chair the Gram Sabha.

It was noticed that in all selected 50 GPs Sarpanch/ Deputy Sarpanch chaired the Gram Sabha and no elderly person was nominated to chair the Gram Sabha as per the provisions.

State Government stated (November 2015) that according the Rajasthan Panchayati Raj Act, Sarpanch/Deputy Sarpanch was to chair the GS.

The reply is not convincing as MGNREGA operational guidelines categorically stated that Gram Sabha to be chaired by an elderly person.

#### **2.3.5 Reporting on Social Audit**

Guidelines provided that preparation of report in prescribed format, video recording of Gram Sabha and stored with District Programme Coordinator and uploading the report in the public domain on MGNREG Scheme website.

##### **2.3.5.1 Preparation of Social Audit Report**

Though a format for preparation of Social Audit Report has been prescribed vide para 9.5 of guidelines of Social Audit, 2012 but in five test checked GPs<sup>36</sup> Social Audit Reports were not prepared by SACs in the prescribed format (format-8).

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36. GPs: Dhal, Dilwara Kayad and Makarwali (Block-Srinagar) and Baral-II (Block-Masuda)

### **2.3.5.2 Video Recording of Gram Sabha**

Para 9.2 (4) of guidelines of Social Audit 2012 and Para 13.3.11 of operational guidelines of MGNREG Scheme provided that video recording of the Gram Sabha was required to be done and the video recording will also be stored with District Programme Coordinator.

Audit noticed that in 23 test checked GPs video recording was not done.

### **2.3.5.3 Uploading of Social Audit Report on Website**

Chapter 10(5) of guidelines of Social Audit 2012 and Para 13.4.3(vii) of operational guidelines of MNREG Scheme provided that SAU would upload the Social Audit Reports in the public domain on MGNREGA website.

Audit noticed in 50 test checked GPs that in no case Social Audit Report was uploaded in the public domain on MGNREGA website.

The State Government stated (November 2015) that all Districts Collectors and Districts Programme Coordinators have been instructed to ensure the compliance of directions issued for preparation of Social Audit Reports and video recording of the Gram Sabha.

The facts remain that the Social Audit Reports were not prepared in prescribed formats and not uploaded on the website and also the video recording of Gram Sabha was not done.

## **Findings of Observers**

**2.3.6** Director Social Audit conducted (May 2015) Social Audit in the campaign mode on the direction (December 2014) of Ministry of Rural Development, GoI in coordination with civil society organizations conducted the campaign, in 500 GPs (two GPs from each block) covering the works executed during 2014-15. The GPs were selected at the district level through lottery system by the concerned District Collector. The Rural Development Department made special arrangements to improve the quality of Social Audit by imparting trainings to trainers at the State level, who, in turn, trained the resource persons of selected SACs at the district levels.

Officers from Office of the Principal Accountant General (General and Social Sector Audit), Rajasthan also witnessed the process of Social Audit of 14 GPs of five districts<sup>37</sup> as observers. Observations from Social Audit process are discussed below:

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37. Ajmer District: Baral-II, Daulatpura-II (Block- Masuda), Kayad, Dhal (Block-Srinagar), Barmer District: Badnava Jagir, Sajiyali Padamsingh (Block-Balotra), Dungarpur District: Chhapi, Sundarpur (Block-Bichhiwara), Bundi District: Manglikala, Pagara (Block-Hindoli) and Jaipur District: Devan, Khoraladkhani (Block-Shahpura), Jawanpura, Tulsipura (Block-Viratnagar)

**2.3.6.1** The required numbers of resource persons were not deployed in SACs in three GPs (Chhapi of Bichhiwara block, Jawanpura and Tulsipura of Viratnagar block).

**2.3.6.2** Social Audit Committees (SACs) were responsible for verification of work sites, quality of work, labour facilities at work sites, payment of wages to labourers. However, instances of inappropriate site selection, non/delay in payment to labourers, incomplete work due to land dispute, execution of work for individual benefit, non-payment to supplier/labourers were noticed by us.

Further, the record related to MGNREG Scheme was not provided within stipulated 15 days prior to Gram Sabha in three GPs (Manglikala of Hindoli block and Chhapi and Sundarpur of Bichhiwara block).

**2.3.6.3** The wall paintings<sup>38</sup> were done in all 13 GPs except GP Baral-II (Block- Masuda), where the wall paintings did not display details of expenditure such as money paid to all job card holders, work-wise and item-wise expenditure on material and wages.

**2.3.6.4** Social Audit Committees were required to provide the information regarding the rights and entitlements to the labourers by door-to-door visits. However, in four GPs (Baral-II of Masuda block, Khoraladkhani of Shahpura block, Jawanpura and Tulsipura of Viratnagar block) SAC did not make door-to-door visits and did not share the information regarding the rights and entitlements to the labourers.

During observation of process of verification of work in 14 GPs, we observed that:

- In six GPs (Kayad and Dhal of Srinagar block, Badnava Jagir, and Sajiyali Padamsingh of Balotra block, Chhapi of Bichhiwara block, Pagara of Hindoli block) verification of work sites and payment of wages to labourers was not carried out by SACs.
- In eight GPs (Baral-II and Daulatpura-II of Masuda block, Kayad and Dhal of Srinagar block, Badnava Jagir and Sajiyali Padamsingh of Balotra block, Chhapi, Sundarpur of Bichhiwara block) availability of crèche, drinking water, tent and medicines at work site was not verified by the SAC.
- In five GPs (Daulatpura-II of Masuda block, Kayad and Dhal of Srinagar block, Sajiyali Padamsingh of Balotra block, Tulsipura of Viratnagar block) verification of works with reference to specifications was not carried out by SAC.

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38. Wall Paintings is one of the most effective and popular methods to raise awareness among the people, which may be given utmost importance as tool for the dissemination of knowledge related with MGNREGS. Templates for wall writings prescribed by GoR are used for display of information. The wall paintings shows the details of money paid to all job card holders and procurement of materials.

**2.3.6.5** During Jan Sunwai in GP, Khoraladkhani (Shahpura block) the issue of quality of work done at various work sites was discussed. On verification, the following issues were highlighted:

- A Johad was constructed under the famine relief works carried out earlier in GP, Khoraladkhani (Shahpura block). The Johad was further excavated under MGNREG Scheme with an expenditure of ₹ 11.60 lakh (sanctioned cost ₹ 55.66 lakh). A joint physical verification with Gram Sevak on 12 May 2015 revealed that the owner of the adjoining agriculture land had made encroachment on the land of Johads and leveled it. Land records to establish the title of the land were not available with GP.
- The work of deepening of a well on the land of a beneficiary<sup>39</sup> was completed in GP, Khoraladkhani (Shahpura block) with an expenditure of ₹ 1.33 lakh (sanctioned cost: ₹ 1.48 lakh). The well was not found deepened and the beneficiary diverted the funds to level the land during physical verification on 14 May 2015. Block Development Officer, Shahpura neither offered her comments on the matter in the Gram Sabha held on 14 May 2015 nor replied to Audit.

**2.3.6.6** In GP, Dhal (Srinagar block) the observer nominated by the District Programme Coordinator did not attend the Gram Sabha.

**2.3.6.7** District Programme Coordinator was required to ensure display of summary of musters roll and material purchases at public places on the day of Gram Sabha. However, summary of muster rolls and material purchases was not displayed at public places on the day of Gram Sabha in one GP (Baral-II of Masuda block).

**2.3.6.8** District Programme Coordinator was responsible for providing wide publicity of the Social Audit by conventional as well as modern publicity methods such as distribution of pamphlets, use of public address system and drum beatings etc. However, in six GPs (Baral-II and Daulatpura-II of Masuda block, Badnava Jagir and Sajiyali Padamsingh of Balotra block, Chhapi and Sundarpur of Bichhiwara block) wide publicity of Social Audit (conventional or modern method) was not done by District Programme Coordinator.

**2.3.6.9** Persons having technical knowledge were not attached with SAC in 12 GPs (Baral-II and Daulatpura-II of Masuda block, Kayad and Dhal of Srinagar Block, Badnava Jagir and Sajiyali Padamsingh of Balotra block, Manglikala and Pagara of Hindoli block, Devan and Khoraladkhani of Shahpura block, Jawanpura and Tulsipura of Viratnagar block).

**2.3.6.10** In four GPs (Baral-II and Daulatpura-II of Masuda block, Dhal of Srinagar block and Chhapi of Bichhiwara block) enough number of Gram Sabha members were not present to fulfill the quorum. Thus, contrary to the provision, Gram Sabha was held without fulfilling the quorum.

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39. Gokul S/o Bhura

**2.3.6.11** In 11 GPs (Baral-II and Daulatpura-II of Masuda block, Kayad and Dhal of Srinagar block, Badnava Jagir and Sajiyali Padamsingh of Balotra block, Manglikala of Hindoli block, Devan and Khoraladkhani of Shahpura block, Jawanpura and Tulsipura of Viratnagar block) Gram Sabha was not chaired by an elderly person and chaired by Sarpanch/Deputy Sarpanch.

**2.3.6.12** Social Audit Committee was required to prepare a comprehensive report comprising the irregularities noticed during the said Audit and read the report of outcomes of Social Audit in Gram Sabha. However, the report prepared by SAC was not read out in Gram Sabha of GP, Baral-II (Masuda block).

**2.3.6.13** In seven GPs (Baral-II and Daulatpura-II of Masuda block, Kayad of Srinagar block, Badnava Jagir and Sajiyali Padamsingh of Balotra block, Khoraladkhani of Shahpura block, Jawanpura of Viratnagar block) list of complaints of labourers was not included separately in the reports of SAC.

**2.3.6.14** Action Taken Report (ATR) on previous Social Audit Report was required to be read out at the beginning of the Gram Sabha. It was, however, observed that in four GPs (Kayad and Dhal of Srinagar block, Badnava Jagir and Sajiyali Padamsingh of Balotra block) the ATR on previous Social Audit Report was not read out. Further, in two GPs (Daulatpura-II of Masuda block and Sajiyali Padamsingh of Balotra block) all the conclusions of report prepared by SAC were not discussed in Gram Sabha.

On being pointed out, State Government accepted the facts and stated (November 2015) that all Districts Collectors and District Programme Coordinators have been instructed to ensure the conduct of Social Audit according to the provisions of the Audit of Scheme Rules.

### **2.3.7 Conclusion and Recommendations**

The Directorate, Social Audit was responsible to conduct Social Audit of implementation of MGNREG Scheme to ensure promoting accountable, transparent and participatory rural local governance. The Directorate was under the administrative control of department of Rural Development and was also dependent on Commissioner, EGS for funds. Thus, the Directorate, Social Audit was not functioning independently.

***The SAU of the State requires to be strengthened and their independence ensured through allocation of sufficient and regular funds and other human resources under its own control for better implementation of the Scheme.***

All the resource persons were not deputed and persons having technical knowledge were not appointed to assist the SACs. Records were not provided timely to SAC. It was seen that interaction with all the labourers and verification of all works was not done by SAC. Verification of entitlement of labourers and works executed is an integral part of Social Audit.

***State Government should make necessary arrangements to ensure deployment of adequate resource persons and ensure that records are***

*provided to SACs timely. SAU should also make arrangements to ensure SACs interact with all the labourers and verify all the works.*

The observers nominated to observe the proceedings the Gram Sabha did not attend the Gram Sabhas. Gram Sabhas were conducted without ensuring fulfillment of quorum. Further, video recording of Gram Sabhas was not done in all test checked GPs and SAU did not upload the Social Audit Reports in the public domain on MGNREGA website.

*State Government should ensure that observers attend the Gram Sabhas to observe the proceedings and ensure compliance of provisions regarding fulfillment of quorum for conduct of Gram Sabhas. It should also ensure transparency by making the reports public.*

## **Panchayati Raj Department**

### **2.4 Non-recovery of Pro-rata Charges**

**Non-recovery of pro-rata charges by Zila Parishads (Panchayat Cell) Ajmer and Banswara resulted in deprival of legitimate income to the tune of ₹ 0.95 crore.**

As per provisions<sup>40</sup> of the Gramin Karya Nirdeshika (GKN), 2010 of Rural Development and Panchayati Raj Department, Rajasthan, *pro-rata* charges at a rate of five *per cent* are chargeable on the works of other departments executed through the Panchayati Raj Institutions (PRIs) and shall be deposited in income account of ZP/PS concerned.

The Department of Agriculture issued three administrative and financial sanctions amounting to ₹ 294.80 crore during August 2012 to January 2013 for execution of works of 244 Kisan Sewa Kendras-cum-Knowledge Centres (KSK-VKC) at 244 Panchayat Samities and 3,000 KSK-VKC and Land-Record Information Centres (LRIC) at 3,000 GPs, falling under 33 districts of the State for implementation. These sanctions were issued on the proposal of the Panchayati Raj Department, which was based on a technical estimate of ₹ 10 lakh for each KSK-VKC and ₹ nine lakh each KSK-VKC and LRIC including *pro-rata* charges on prevailing basic scheduled rates (BSR) of PS, Chaksu (Jaipur). Accordingly, funds were deposited to the PS concerned.

Similarly, Planning Department of the State issued (September 2012) administrative sanction for construction of 248 Block Statistical Office (BSO) buildings in all PSs at an estimated cost of ₹ 24.87 crore (₹ 10 lakh each) under 'India Statistical Strengthening Project' in the State.

Scrutiny of records of ZP (PC) Ajmer (September 2014) and Banswara (February 2014) revealed that during the period 2012-15, these ZPs

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40. Note three to paragraph 3.2.2 of Gramin Karya Nirdeshika (GKN), 2010

executed/completed various works of ₹ 19.04 crore<sup>41</sup> but the *pro-rata* charges (at the rate five *per cent*) to the tune of ₹ 0.95 crore<sup>42</sup> were not recovered.

On being pointed out (August 2015) Government stated (November 2015) that ZP (PC), Ajmer had instructed (September 2014) Block Development Officers concerned to recover *pro-rata* charges, while in case of ZP (PC), Banswara the departments concerned were being repeatedly informed to pay *pro-rata* charges for the works executed.

The replies of both the ZPs were not convincing as the funds deposited with PS concerned were based on the proposal of Panchayati Raj Department which included *pro-rata* charges on the prevailing basic schedule rates. Therefore, at the time of completion of works, these charges should have been recovered or adjusted from the funds deposited with the PS concerned as per provision of GKN, 2010. Failure to do so resulted in deprival of legitimate income to the tune of ₹ 0.95 crore on account of *pro-rata* charges.

## 2.5 Wasteful Expenditure on Plantation under MGNREG Scheme

### Wasteful expenditure of ₹ 1.33 crore in Panchayat Samiti, Surajgarh on failed plantation work under MGNREGA Scheme

One of the main goals of Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Schemes is to provide livelihood security to the poor through creation of durable assets, improved water availability, soil conservation and drought-proofing and flood management in rural India.

District Programme Coordinator cum District Collector, Jhunjhunu issued (June 2011) financial sanction of ₹ 2.70 crore<sup>43</sup> for developing plantation in 121 villages of PS, Surajgarh under Harit Rajasthan Scheme (HRS) through MGNREG Scheme based on detailed technical estimates prepared by PS, Surajgarh. The scheme involved plantation of 400 plants in each village at a cost of ₹ 2.23 lakh<sup>44</sup>, which included the cost of plantation in first year and cost of maintenance for the second year. As per conditions of the financial sanction, plants of more than three feet height were to be planted. The period of completion of work was 24 months which included provisions for watering the plants eight-nine times in each year and all due measures for safety of plants were also made.

Scrutiny of records (January 2015) of PS, Surajgarh for the period 2011-14 and requisite information collected (July 2015) revealed that the PS incurred an expenditure of ₹ 1.33 crore on road side plantation of 27,247 plants in 121 villages falling under 37 GPs during 2011-12. Out of these only 10,202 plants could survive till April 2012. The number of plants that survived further declined to 2,630 in August 2012 and finally to zero by September 2014.

41. State Agriculture Department: ₹ 17.47 crore (₹ 1.57 crore + ₹ 15.90 crore) and Planning Departments: ₹ 1.57 crore

42. Department of Agriculture: ₹ 0.87 crore (five *per cent* of ₹ 156.97 lakh + ₹ 1,590.07 lakh) + Planning Department: ₹ 0.08 crore (five *per cent* of ₹ 156.49 lakh)

43. Labour component: ₹ 2.28 crore and Material component: ₹ 0.42 crore

44. Labour component: ₹ 1.88 lakh + material component: ₹ 0.35 lakh

Thus, expenditure incurred on plantation under MGNREG Scheme proved wasteful as no improvement in environment conditions was achieved.

In response to Audit observation (January 2015), PS, Surajgarh stated that the plants could not be saved due to hailing and frosting in the area. It was further, stated that funds of ₹ 1.33 crore was only for plantation and amount for maintenance of the plants was not received.

The reply is not convincing as it was not supported by any detailed weather report or any similar report of land revenue authorities of the area concerned. Moreover, PS, Surajgarh being executing agency failed to maintain the plants after incurring an expenditure of ₹ 1.33 crore and non-utilisation of ₹ 1.37 crore against the financial sanction of ₹ 2.70 crore, resulted in wasteful expenditure of ₹1.33 crore.

The matter was referred (October 2015) to the State Government, reply awaited (February 2016).

## **2.6 Lack of Transparency in Leasing Out of Assets on Rent**

**In Panchayat Samiti, Chirawa leasing the Panchayati Raj Institutions assets on rent deprived Panchayat Samiti of own income to the tune of ₹ 0.95 crore due to non-revision of rent**

Rule 164 of Rajasthan Panchayati Raj Rules (RPRRs), 1996<sup>45</sup> stipulates that shops and other commercial sites may be leased out for not more than three years and only through open auction by a committee of three members. The agreements for leasing out such premises on rent shall include the condition of 10 *per cent* increase of rental amount every year. In case the premises are not vacated after three years time limit, or it is sub-let to other persons in violation of terms of agreement or rent is not deposited regularly, Chief-Executive Officer shall get the premises vacated after giving Show Cause Notice for eviction of premises, if requested by the Panchayat or Panchayat Samiti concerned. Sub rule (5) of the rules *ibid* states that Panchayat and Panchayat Samiti may also negotiate the matter for extending the terms of the three years, but in such case yearly increase in rent shall be 20 *per cent* amount every year by mutual agreement.

Test check (February 2015) of records of PS, Chirawa (Jhunjhunu) for the period 2011-2014 revealed that in respect of 29 shops, which were leased out on rent in 2001 to various individual through auction and the rent of shops was levied as per terms and conditions decided by a committee set up much earlier in 1985 instead of following the of provisions of increase in rental amount every year. This non-revision of rent of these shops as per rules, resulted in deprival of legitimate income to the tune of ₹ 0.72 crore over a period of 14 years<sup>46</sup> (*Appendix-VIII*).

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45. The Act came into effect from 30 December 1996

46. From 1 January 2001 to 31 March 2015

It was further noticed that the tenants of 36 shops, which were let out during 1986 to 1991 defaulted in regular payment of rents for their shops but no action in any case was taken by the department against the defaulters for vacating the shops and to refund their balance amount of advance deposits as per the conditions of the agreements. Even an amount of ₹ 0.23 crore was pending for recovery as on 31 March 2015 (*Appendix-IX*).

In reply to Audit observation (February 2015), the Vikas Adhikari, PS, Chirawa stated that the agreements were made according to terms and conditions decided by Rent Committee.

The reply is not convincing due to the fact that with the introduction of RPRRs, 1996 lease agreements executed by department should have included the conditions as per the provisions of RPRRs, 1996. The department did not initiate any legitimate action against the defaulters to get the shops vacated in old cases where agreements were executed prior to existence of RPRRs, 1996. Moreover, in as many ten instances, the tenants were allowed (January 1999 to February 2002) to transfer their shops to other parties with mutual adjustment of advance deposits instead of getting the shops vacated, which was against the essence of rules.

Thus, due to non-revision of rent of tenants on PRI assets leased, PS was deprived of income to the tune of ₹ 0.95 crore<sup>47</sup>.

The matter was referred (September 2015) to the State Government for their comments but the reply was awaited (February 2016).

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47. ₹ 0.72 crore for 29 shops and ₹ 0.23 crore for 36 old shops