

## **Chapter 3 Compliance Audit**

Audit of transactions of the Government Departments, their field formations as well as audit of the autonomous bodies brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs under broad objective heads.

### **3.1 Non-compliance with rules and regulations**

#### **Higher Education Department**

##### **3.1.1 Avoidable payment of electricity duty**

**Failure of University of Rajasthan to ensure correctness of electricity bills resulted in avoidable payment of Electricity Duty amounting to ₹ 1.09 crore.**

Para 3(2)(d) of the Rajasthan Electricity (Duty) Act, 1962 (Act), provides that electricity duty (ED) shall not be levied on the energy consumed by recognised educational institutions subject to the condition that the exemption under this sub-clause shall not be applicable to energy consumed in buildings or part of buildings, being used for commercial or residential purposes.

Test check (November 2010 to March 2011) of the records relating to payment vouchers of the electricity bills of the office of the Registrar, University of Rajasthan, Jaipur (UoR) and information collected (June and August 2011) revealed that Jaipur *Vidhyut Vitran Nigam Limited* (JVVNL) (erstwhile Rajasthan State Electricity Board, Jaipur) has been charging ED on the electricity bills of such buildings of UoR that are being used for academic purposes at the rate prescribed by the State Government from time to time, even though UoR being an educational institution was exempt from ED under sub-clause 3 (2)(d) of the Act. The UoR had paid ₹ 1.09 crore on account of ED to the JVVNL during the period April 2001 to August 2011 (*Appendix 3.1*). It was also seen that no ED was being charged by JVVNL from other constituent colleges of UoR i.e. Commerce College and Poddar Management Institute.

The State Government endorsed (July 2011) the reply of UoR intimating that Registrar, UoR has requested (June 2011) the Chief Managing Director, JVVNL for not charging the ED from June 2011 onwards and refund the ED already paid and stated that University has been directed to make payments of electricity bills after proper scrutiny in future.

The fact remains that lapse on the part of UoR in proper scrutiny of the correctness of electricity bills resulted in avoidable payment of ED amounting to ₹ 1.09 crore.

## Public Health Engineering Department

### 3.1.2 Loss to Government

**Non-availing of benefit of Excise Duty exemption for pipes supplied for rising pipeline entitled for ED exemption under Government of India notification no. 6/2007 of 1 March 2007 and failure of Chief Engineer, PHED in inserting a specific clause regarding refund of Excise Duty in rate contract led to loss of ₹ 1.09 crore to the Government.**

Government of India vide notification no 6/2007-Central Excise, New Delhi dated 1 March 2007, exempted the pipes needed for delivery of water from its source to the plant (including the clear treated water reservoir) and from there to the first storage point, besides pipes of outer diameter exceeding 20 cm being integral part of the Water Supply Projects, from payment of Excise Duty (ED). As per item No.23 'Schedule of payments' of conditions of contract and pre-qualification schedule, the contractor was required to study the above exemption available on specified component of material used in water supply project while submitting his price bid. A certificate from concerned District Collector in prescribed form was to be issued to contractor for claiming such exemption.

- The Finance Committee of Rajasthan Water Supply and Sewerage Management Board (RWSSMB) of Public Health Engineering Department (PHED) approved (April 2008) bid price of ₹ 58.38 crore in favour of Contractor 'A', Hyderabad for Kalikhar Water Supply Scheme, Tehsil Manoharthana, District Jhalawar to provide water to 70 villages on single responsibility turnkey basis. Accordingly, Additional Chief Engineer, PHED, Region, Kota issued (April 2008) the work order to the contractor 'A', who has been paid ₹ 51.80 crore as of June 2011.

Test check (January 2011) of records of the Executive Engineer (EE), PHED, Project Division-II, Jhalawar revealed that the bid document did not clearly specify for furnishing of rates for various components as 'inclusive of ED and exclusive of ED' separately. The contractor 'A' offered same rates for work inclusive of supply of Ductile Iron (DI) pipes of 100 mm<sup>1</sup>, 150 mm<sup>2</sup> and 200 mm<sup>3</sup> for Distribution System not eligible for ED exemption and raw water/clear water rising pipeline eligible for ED exemption. Further, the rates exclusive of ED were not given for the work including supply of DI pipes of 300 mm<sup>4</sup> dia for raw water rising main. Sanctioning of same rates for work of distribution pipeline (not eligible for ED exemption) and rising pipeline (eligible for ED exemption) clearly indicated that the Department overlooked passing of the benefits on account of ED exemption by the contractor to the Department. Resultantly, the benefit of ED exemption amounting to ₹ 0.70

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1. at ₹ 1667 per metre
  2. at ₹ 2246 per metre
  3. at ₹ 3170 per metre
  4. at ₹ 5122 per metre

crore<sup>5</sup> on supply of 83,442.50 metre DI pipes<sup>6</sup> used in rising mains (pipeline) by the contractor could not be passed on to the Department resulting in loss to Government.

- Similarly, test check (December 2010) of the records of Executive Engineer, PHED City Division (P&D), Ajmer (EE) revealed that EE procured 69,773 metre DI pipes of dia 100 mm from M/s Jindal Saw Limited, New Delhi (Contractor 'B') under Rate Contract (RC) 3208 dated 3 October 2008 (8,457.50 metre at ₹ 986.10 per metre including 10.30 *per cent* ED) and under RC-3287 dated 30 April 2009 (61,315.50 metre at ₹ 714.82 per metre including 8.24 *per cent* ED). Contractor 'B' intimated (October 2005) that he was availing the refund of ED from Excise Department as per ED exemption available under Incentive Scheme 2001 for Economic Development of Kutch District as per the Notification No. 39/2001/CE dated 31 July 2001 issued by Government of India. Audit observed that despite knowing this fact, Department did not insert/include any specific clause regarding refund of ED as contained in DGS&D rate contract while execution of Rate Contract by CE (HQ), Jaipur with the firm. As a result benefit of ED exemption was not availed by the Department and the Department suffered loss of ₹ 0.39 crore<sup>7</sup> on supply of 69,773 metre pipes.

Mention was made in paragraph 4.1.2 of Report of the Comptroller and Auditor General of India for the year ending 31 March 2007 (Civil) Government of Rajasthan regarding loss of ₹ 1.29 crore due to failure of Chief Engineer, PHED in inserting a specific clause regarding refund of ED in the rate contract. The Public Accounts Committee (PAC) 2010-11 in its Report No. 64 recommended (March 2011) that strict disciplinary action may be taken against defaulting officers fixing their responsibility for failure of the Chief Engineer, PHED in inserting a specific clause in the rate contract. Action taken on the recommendation of PAC was not intimated to PAC as of October 2011. Besides, inspite of pointing out by Audit in May 2007, the irregularity is still persisting in the Department.

EE, PHED, Project Division-II, Jhalawar stated (January 2011) that the tender documents did not provide refunding of ED. The reply did not mention as to how the Department had ensured that the benefit of ED exemption has been passed on by the contractor 'A' when he has furnished same rates for components (including supply of pipes) for rising pipeline and distribution pipelines.

The State Government stated (November 2011) that the rates were invited

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5. The rate of excise duty applicable was 14.42 *per cent*, 10.30 *per cent* and 8.24 *per cent* with effect from 1 March 2008, 7 December 2008 and 24 February 2009 respectively. However, the loss has been calculated at 8.24 *per cent* (minimum rate) of ₹ 8.48 crore, being the cost of 83,442.50 metre pipes supplied by the contractor (though pipe supply reduced (June 2011) to 76,028 metre as per laying but ED exemption already enjoyed on pipes with drawn retained with contractor unauthorisedly).
  6. 419.50 metre 300 mm for raw water rising main and 83,023 metre (25,072.50 metre 100 mm, 42,203 metre 150 mm and 15,747.50 metre- 200 mm) for Clear water rising mains
  7. 8,457.50 metre pipe at ED exemption ₹ 87.18 per metre supplied in January 2009 and 61,315.50 metre at ED exemption ₹ 51.40 per metre supplied in August 2009.
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through open tender on firm and fixed and F.O.R. destination basis<sup>8</sup>. The ED was charged by contractor as per relevant notification/rules and no refund over and above already incorporated in the rates had been obtained. The reply did not mention reasons for non-insertion of specific clause in contract agreement regarding passing on ED exemption despite pointing out in Audit Report in May 2007 and irregularity was still persisting resulting in loss of ₹ 1.09 crore.

Thus, non-availing of benefit of ED exemption for pipes supplied for rising pipeline entitled for ED exemption under Government of India notification no. 6/2007 of 1 March 2007 and failure of Chief Engineer, PHED in inserting a specific clause regarding refund of ED in rate contract led to loss of ₹ 1.09 crore to the Government.

## Public Works Department

### 3.1.3 Awarding of work without acquisition of Forest land and diversion of 'Pradhan Mantri Gram Sadak Yojana' funds

**Proposing alignments of roads through Forest land without obtaining approval of Government of India led to delayed completion of six roads (₹ 4.29 crore), non-completion of two roads (₹ 0.70 crore) and non-starting of one road. Besides, contrary to guidelines of 'Pradhan Mantri Gram Sadak Yojana,' funds amounting to ₹ 1.71 crore were diverted to meet the expenditure for de-reservation of forest land though refunded in July 2011.**

Rule 351 of Public Works Financial and Accounts Rules lays down that no work should be commenced on land which has not been duly made over by a responsible Civil Officer. The Forest (Conservation) Act, 1980 prohibits the use of forest land for other purposes without prior approval of Government of India (GoI). *Pradhan Mantri Gram Sadak Yojana* (PMGSY) guidelines (November 2004) provide that State Government/District *Panchayat* would be responsible to ensure that lands are available for taking up the proposed road works and funds for land acquisition would not be provided under the *Yojana*.

The Additional Secretary, Public Works Department (PWD), Rajasthan, Jaipur sanctioned construction of nine Approach Roads (ARs)<sup>9</sup> (43.68 km) in Pratapgarh District during April 2006 to February 2008 to provide all weather road connectivity for improving the socio economic conditions, educational and medical facilities of the villagers under PMGSY for ₹ 8.18 crore. The works awarded to contractors during July 2006 to April 2008 at the tendered

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8. The rates are inclusive of Central Sales Tax, Entry Tax, packing, forwarding, loading, transportation, insurance, unloading, stacking etc. for delivery of material at consignee's divisional stores.
  9. 1. Approach roads from Dholapani Kalacot to Harmara Ki Rail (6.10 km); 2. Magri to Gamet (5 km); 3. Kerwas to Nai Ka Pathar (1.80 km); 4. Nakor to Jambukhera (2.90 km); 5. Bev to Reechhari (3 km); 6. Gotameshwar to Talaya (6.20 km); 7. Raipur Kangarh road to Veerpura (9.68 km); 8. Luharkhali to Bhanso Ki Nal (3 km); 9. Pandawa to Mehandi Khera (6 km).

cost of ₹ 7.62 crore were to be completed during May 2007 to November 2008.

Test check (March 2011) of records of Superintending Engineer, PWD Circle (SE), Pratapgarh revealed that:

- Of nine ARs scheduled to be completed between May 2007 and November 2008, six ARs were completed between November 2008 and March 2010 at a cost of ₹ 4.29 crore after the expiry of stipulated period of completion. Two ARs<sup>10</sup> were lying incomplete after incurring an expenditure of ₹ 0.70 crore and one work<sup>11</sup> was not yet started (March 2011). Audit observed that the fact that alignment of the ARs was falling in the forest area came to the notice of the Department only after start of work. The project reports/estimates prepared by the respective Executive Engineers (EEs) had mentioned availability of revenue track<sup>12</sup>. This indicated that adequate survey had not been conducted and proposals were got approved by SE/Additional Chief Engineer, PWD, Zone Udaipur/Chief Engineer PMGSY/State Technical Agency/State Level Screening Committee without ensuring dispute free land. Consequently the construction of the roads got delayed.
- SE obtained (September 2007 to March 2009) 'in principle approval' for de-reservation of 21.123 hectare of Forest land from Ministry of Environment and Forest, GoI for all nine roads. Additional Secretary, PWD, Rajasthan, Jaipur accorded administrative sanction of ₹ 2.39 crore between December 2008 and July 2009 for payment towards acquisition of forest land for construction of above nine ARs. It was also seen that the SE requested (March 2009, October 2009 and February 2011) the Chief Engineer, PWD Rajasthan, Jaipur to sanction regular budget under State Plan for amount payable/paid to Forest Department for de-reservation of forest land. However, no budget was provided as of March 2011. Audit observed that in the absence of regular budget from State Plan for payment towards de-reservation of forest land, SE diverted the PMGSY funds for meeting expenditure towards cost of compensatory afforestation. He irregularly deposited (March 2009 and March 2010) ₹ 1.71 crore from PMGSY funds with Deputy Conservator of Forests (DCF), Pratapgarh against the demand raised (November 2008 and January 2009: ₹ 1.42 crore; April 2009: ₹ 0.29 crore) by the DCF. After pointing out by Audit, SE, PWD, Chittorgarh refunded (July 2011) ₹ 1.71 crore to Rajasthan Rural Road Development Authority (PMGSY).

The SE, PWD Circle, Pratapgarh accepted (March 2011) that cost of compensatory afforestation has been paid to Forest Department for want of Letter of Credit (LoC)<sup>13</sup> under regular budget.

The State Government confirmed (September 2011) that work of two roads is still in progress and that work on one road was yet to be taken up. Further,

10. Approach road from Raipur Kangarh road to Veerpura: ₹ 51.72 lakh (only earth work in 2.40 km); Approach road from Luharkhali to Bhanso Ki Nal: ₹ 18.50 lakh (only Water Bound Macadam) in 2.50 km.

11. Approach road from Pandawa to Mehandi Khera (6 km).

12. Track mentioned in revenue records.

13. Letter of credit is issued to Drawing and Disbursing Officers authorising them to make payment upto prescribed limit.

PMGSY funds of ₹ 1.71 crore have been refunded (July 2011) to Rajasthan Rural Road Development Authority (PMGSY). However, the fact remains that the certificate appended with Utilisation Certificate that assistance released by GoI was not diverted/utilised for the purpose which was not admissible in PMGSY guideline, was not correct.

Thus, proposing alignments of roads through Forest land without obtaining approval of GoI led to delayed completion of six roads (₹ 4.29 crore) non-completion of two roads (₹ 0.70 crore) and non-starting of one road.

### 3.1.4 Irregular charging of expenditure

**The Executive Engineers of nine Public Works Divisions irregularly charged *prorata* towards establishment, tools and plants on the deposit works executed by Rajasthan State Road Development Construction Corporation Limited which led to increase in Capital expenditure by ₹ 9.94 crore and unauthorised increase of revenue receipts to that extent.**

Rule 5 (a) and (d) of Appendix V of Public Works Financial and Accounts Rules (PWF&ARs) (Part-II) provides for recovery of cost of establishment and tools and plants at *percentage* rates (*prorata*) by the Division operating the Capital Major Heads of expenditure and for work done for other departments of the same Government when the cost is chargeable/recoverable to/from those departments.

Additional Secretary, Public Works Department (PWD), Rajasthan, Jaipur, issued administrative and financial sanction of ₹ 103 crore for construction of ten<sup>14</sup> Road Over Bridges (ROB) including approaches *viz.* six in February 2006, one in August 2006, two in March 2007 and one in June 2007. The works of ROBs were entrusted (March 2006 to July 2007) to Rajasthan State Road Development Construction Corporation, Limited (RSRDCC).

Test check (March 2011 to August 2011) of the records and information collected from Executive Engineers (EEs), of nine PW Divisions<sup>15</sup> revealed that EEs of respective PW Divisions deposited ₹ 76.37 crore during May 2006 to April 2011 with RSRDCC for execution of ten works of ROBs. On this, ₹ 9.94 crore was charged as *pro-rata*. As such, ₹ 86.31 crore was debited by the concerned EEs to the respective capital Major Head-5054 - Capital outlay on Roads and Bridges towards payment made to RSRDCC and *pro-rata*. Simultaneously, EEs credited ₹ 9.94 crore to Revenue Head 0059 works (**Appendix 3.2**). Since, the EEs, PW Divisions were not executing the Capital

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14. (1) Dholpur-Rajakhera State Highway (SH) No. 2 (km-3), (2) Kishangarh to Roopangarh SH-7 (km-70), (3) Abu-Ambaji MDR-49 (km-3), (4) Manoharpur-Lalsot National Highway (NH)-11A (km-1), (5) Dholpur-Sawaimadhopur-Gangapurcity-Mathura SH-01 (km-230), (6) Bharatpur-Mathura SH-24 (February 2006) (7) Bharatpur- Deeg-Alwar SH-14 (km-3) (District Bharatpur), (8) Nagaur-Basni road MDR-37-A (District Nagaur) (March 2007), (9) Ajmer-Beawar old NH-08 road (km-13) (August 2006) and (10) Barmer-Chawa-Phalsoon-Nachana road (SH-40) (June 2007).

15. (1): EE, PW Division, Ajmer; (2): EE, PW City Division, Ajmer (3): EE, PW Division-I Bharatpur; (4): EE, PW Division-I, Barmer (5): EE, PW Division, Dausa; (6): EE, PW Division Gangapurcity, (7): EE, PW Division, Nagaur; (8): EE, PW Division, Rajakhera, and (9): EE, PW Division, Abu Road (Sirohi).

works of ROBs, their action to recover *pro-rata* charges violated the prescribed accounting and financial rules, and was thus, irregular. This increased the capital expenditure of the works by ₹ 9.94 crore and at the same time increased the Revenue receipts of the PWD to that extent. This unhealthy practice of charging *pro-rata* on works not executed by the Department, not only led to increase in the capital expenditure of the works but capital funds were unauthorisedly credited as Revenue receipt also.

The State Government stated (November 2011) that matter for permitting charging *pro-rata* on works being executed by other Departments/agencies was referred to Finance Department. However, Finance Department has rejected the proposal being contrary to rules/accounting procedure. The State Government has not intimated whether any instructions have been issued to avoid irregular charging of *pro-rata* in such cases in future.

## Water Resources Department

### 3.1.5 Expenditure on excess earth work and its compaction

**Non-adherence to norms of Indian Standard code for economy in construction of bank top of minors and distributaries of canals (having discharge upto 3 cumecs) resulted in avoidable expenditure of ₹ 2.05 crore on extra earth work and its compaction.**

Para 8.4 of Indian Standard<sup>16</sup> (IS) code: 10430:2000 prescribing bank top width, considering necessity of service road, recommends minimum top width of four metre (inspection bank) and 1.5 metre (non-inspection bank) for main canal/branch canals, distributary canals carrying water discharge upto three cumecs. Note 2 under para 8.4 *ibid* prescribes that for distributary canals (carrying water less than three cumecs) and minor canals, it is generally not economical to construct a service road on top of bank of the canal as this usually requires more material than the excavation provides. Thus, in such cases, top width of bank on both sides should be kept 1.5 metre at the minimum.

The Executive Engineer (EE), Narmada Canal Project (NCP) Division V, Sanchore issued (April 2007 to December 2009) work orders for nine works<sup>17</sup> of Precast Cement Concrete (PCC) Block lining of minors and distributaries of Narmada Main Canal to the contractors for ₹ 28.53 crore. Against this, ₹ 29.45 crore had been paid to contractors for eight works (₹ 16.90 crore)

16. IS code prescribe the standard of parameters of particular nature of works.

17. Panoriya lift distributary from km 34.820 to 53.500 of Narmada Main Canal (NMC), Doongri 'A' & 'B', Chalkna, Champaberi, Khamrai Minor of Panoriya lift distributary, Bhimguda 'E' Raipur 'A', Raipur 'B', Tail Minor of Bhimguda distributary and Tail 'A', 'B', 'C' & 'D' sub minors, tail minor of Bhimguda distributary of NMC

completed and one work<sup>18</sup> (₹ 12.55 crore) was under progress as of May 2011 (**Appendix 3.3**).

Test check (November 2010) of the records of the EE, NCP Division-V, Sanchore revealed that in the technical estimates of eight works pertaining to minor-canal (actual discharge between 0.049 to 1.145 cumecs) and one work of distributary canal (discharge 1.5 to 3 cumecs), a provision of four metre bank top width on left bank and 1.50 metre bank top width on right bank was taken. As the discharge capacity of these minors/distributaries was less than three cumecs the bank top width on both banks was to be kept at 1.50 metre in view of the specification of IS code 10430:2000. Technical estimates and drawing/design were prepared by EE and approved by Superintending Engineer, NCP, Circle Sanchore and Chief Engineer, NCP, Sanchore. However, audit observed that at no level it was ensured that the estimates/drawing and design are prepared based on the IS code specification. Department had incurred an extra expenditure of ₹ 2.05 crore<sup>19</sup> (**Appendix 3.3**-calculated proportionately to bank width) on execution of earth work and compaction (90 per cent proctor density) done in extra 2.5 metre width as shown in diagram below:

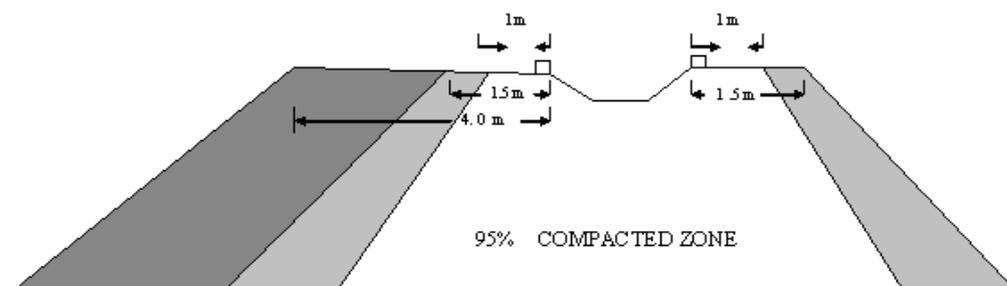


DIAGRAM SHOWING A TYPICAL X-SECTION (MINOR) FILLING SECTION

In reply, EE, NCP Division V, Sanchore stated (November 2010) that the works have been executed as per provision in sanctioned estimates. The reply did not mention reasons for proposing bank width of four metre in estimates of minors/distributaries with carrying capacity below 1.5 cumecs by him and approved by SE/CE contrary to the provision of IS code 10430:2000.

The State Government stated (August 2011) that the provision of service road was made in estimate as per note 2 of para 8.4 of IS code and accordingly these have been constructed. The reply is not factually correct because note 2 *ibid* prescribes that for distributaries/canals carrying water less than three cumecs, it is not economical to construct a service road. Besides, audit has only objected to the construction of a service road of four metre width instead of 1.5 metre width as per its water carrying capacity in view of para 8.4 *ibid* to which, the Government has not specifically replied.

18. Earth work, Pucca structure and PCC lining of Panoriya lift distributary (km 34.820 to 53.500 km).

19. Objected quantity of earth work compaction: 5,90,530.42 cum total expenditure @ rates ₹ 29.90 to ₹ 38 per cum + Tender premium (3.31 per cent above to 28.29 per cent above = ₹ 2.05 crore).

Thus, non-adherence to norms of IS code for economy in construction of bank top of minors and distributaries of canals (having discharge up to 3 cumecs) resulted in avoidable expenditure of ₹ 2.05 crore on extra earth work and its compaction.

## Disaster Management and Relief Department

### 3.1.6 Irregular and unauthorised expenditure

**Non-following of approved norms of assistance and wrong certification of calamity led to irregular and unauthorised expenditure of ₹ 4.38 crore on charging of cost of 14 ambulances (₹ 2.52 crore) and on repair and restoration of roads damaged due to heavy rains (₹ 1.86 crore) respectively to Calamity Relief Fund.**

The Calamity Relief Fund (CRF) was formed for financing of disaster management and relief activities with sharing ratio between Government of India and the State Government as 75:25. Government of India modified (June 2007) eligibility criteria for assistance from the CRF for the period 2005-10. The State Government was instructed to ensure that the expenditure from CRF may be incurred as per approved items/norms only. Item 20 of the list and norms of assistance from the CRF (norms) approved (June 2007) by Government of India provided for operational cost for ambulance service which will include hiring of ambulance vehicle and actual POL (Petrol, Oil and Lubricant).

Test-check (November-December 2009) of records in the office of the Relief Commissioner-Cum-Secretary, Disaster Management and Relief Department (DMRD) Jaipur and District Collectors (Relief), Dausa revealed that:

- DMRD transferred (March 2009) ₹ 2.52 crore to Emergency Management and Research Institute (EMRI) through National Rural Health Mission (NRHM) towards payment of the cost of 14 Advance Life Support and Basic Life Support ambulances purchased by EMRI by debiting CRF.

Audit observed that since only operational cost (of POL only) for ambulance service was admissible as per norms of CRF assistance, charging the cost of 14 ambulances (₹ 2.52 crore) to CRF was irregular. It was also noticed that Medical and Health Department of the State Government entrusted (May 2008) the work of providing Comprehensive Emergency Response Services (CERS) to EMRI, Secundrabad for providing free emergency services in the State with the provision in Memorandum of Understanding (MoU) that the State Government would provide adequate funds from State Budget, NRHM and other relevant health schemes. The State Government also envisaged (May 2008) in MoU, operationalisation of 150 ambulances to be provided to EMRI in a phased manner upto March 2009.

The State Government stated (September 2010) that purchase of 14 ambulances was in accordance with decision taken (April 2008) by the State

Level Executive Committee (SLEC) and are beneficial for performing relief and rescue operations during unforeseen calamity. The reply is not tenable as SLEC was not empowered to take decision regarding purchase of ambulances as it was not covered under norms of CRF assistance (item 20 of list). Thus, expenditure of ₹ 2.52 crore incurred by the Department on purchase of ambulance vehicles was not justified.

- The District Collector (Relief), Dausa sanctioned (September 2008) 33 works of repair and restoration of roads damaged due to heavy rains at Dausa town at an estimated cost of ₹ 2.06 crore based on the site inspections and certification (August 2008) of the committee<sup>20</sup> constituted as per directions (June 2008) of the Principal Secretary, DMRD certifying the roads damaged due to heavy rains. The amount was released (October 2008) by DMRD to the executive agency- Municipal Board, Dausa after certification of the committee. These works were completed after incurring expenditure of ₹ 1.86 crore. Audit observed that Municipal Board, Dausa mentioned date of occurring of incidence as 25 July 2008 in all the works of repair and restoration of roads. However, there was no rain on this date and the rainfall in Dausa ranged between zero and 40mm only in a day with total rainfall of 136mm in the month of July 2008 as per data provided by Meteorological Department. This rainfall cannot be termed as heavy rainfall in terms of para 1.8.3 of Flood Manual which stipulates that rainfall more than 125mm in a day is treated as heavy rainfall. Besides, formation of the committee for certification was also not conforming to the formation as directed by the DMRD as Assistant Engineer, *Nagar Parishad* was taken as one of the members instead of Assistant Engineer, Irrigation (Water Resources) Department as given in DMRD directions. Thus, due to wrong certification of the calamity relief works by the committee constituted by DMRD for sanctioning the renovation works under Calamity Relief Fund (CRF) resulted in unauthorised expenditure of ₹ 1.86 crore.

The State Government stated (November 2011) that as per compliance submitted (November 2011) by Nagar Palika, Dausa and District Collector, Dausa recommendations, the date of incidence in respect of these 33 works in Dausa was actually 8 July 2008 and this was mentioned as 25 July 2008 by omission and works were executed to provide immediate relief. The reply was not tenable as even on 8 July 2008 there was only 3mm rainfall, as per data of Meteorological department and therefore execution of these works resulted in irregular expenditure of ₹ 1.86 crore by DMRD against CRF norms.

Thus, non-following of approved norms of assistance and wrong certification of calamity led to irregular and unauthorised expenditure of ₹ 4.38 crore on charging of cost of 14 ambulances (₹ 2.52 crore) and on repair and restoration of roads (₹ 1.86 crore) to Calamity Relief Fund.

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20. Sub Divisional Officer (Chairman), Assistant Engineers, PWD and *Nagar Parishad*, Executive Officer of *Nagar Parishad* as members.

## 3.2 Audit against propriety and cases of expenditure without adequate justification

### Ayurved Department

#### 3.2.1 Non-utilisation of Central Assistance for a long period

**Undue delay in processing the procurement through consultancy services led to the desired equipments not being procured and supplied to hospitals depriving patients of treatment facilities and resulted in blocking of Central assistance amounting to ₹ 2.21 crore for more than three years as of August 2011.**

Government of India (GoI), Ministry of Health and Family Welfare, Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) sanctioned (December 2005) grant of ₹ 9.10 crore<sup>21</sup> against the proposals submitted by State Government to establish AYUSH hospitals at 26 district hospitals under Centrally sponsored scheme<sup>22</sup> which included ₹ 2.31 crore meant for equipment. After allotment (December 2007) of budget (₹ 2.31 crore) the Central Stores Purchase Committee (CSPC) of the Ayurved Department invited tenders (December 2007) for procurement of equipment (81 items as detailed in *Appendix 3.4*), for 26 AYUSH hospitals. However, tenders were not approved (except six items) mainly because samples supplied were either not of required specification or their testing was not feasible. CSPC simultaneously decided (February 2008) to place procurement orders through the Hospital Services Consultancy Corporation (HSCC) Limited (a Government of India undertaking) if it agreed to do so.

Thereupon, the Director, Ayurved while sending the list of equipments requested (February 2008) HSCC to furnish rates, terms and conditions and proforma invoice for the equipments as per list. HSCC furnished (25 March 2008) a pre- receipted bill amounting to ₹ 2.21 crore to the Director, Ayurved alongwith terms and conditions.

The CSPC decided (26 March 2008) to advance ₹ 2.21 crore (including ₹ 0.21 crore on account of hiring consultancy services) to HSCC for purchase of equipment. The Director, Ayurved immediately drew ₹ 2.21 crore (28 March 2008) to avoid lapse of Budget grant. The amount was remitted to HSCC only in July 2008 and the agreement executed with HSCC on 14 November 2008. After a year of drawal of amount, HSCC invited (March 2009) tenders for purchase, opened bids in November 2009 and submitted bid evaluation report to the Director Ayurved in the same month for directions with the

21. Renovation, repair of existing building: ₹ 2.60 crore; equipment: ₹ 3.90 crore; medicines, diet, etc.: ₹ 1.82 crore; training of medical and para-medical staff: ₹ 0.26 crore and lump sum contingency fund: ₹ 0.52 crore.

22. Centrally Sponsored Scheme for promoting developmental health care facilities of Indian System of Medicines and Homoeopathy.

recommendations for retendering. Thereafter, as per decision (January 2010) of CSPC, the Director, Ayurved requested (January 2010) the Manager, HSCC to refund the money advanced, to the Department. Audit observed that the amount has been lying with HSCC without utilisation (August 2011).

The General Financial and Accounts Rules (GF&ARs) provide hiring of consultancy services after prior administrative sanction provided there is a specific Budget provision for hiring of consultancy services and no consultancy shall be assigned for regular function of the Department. A perusal of the list of equipments (*Appendix 3.4*) sent to HSCC revealed that same equipments had been purchased (costing: ₹ 1.62 crore) by the Director, Ayurved in previous tendering (2006-07).

HSCC had also pointed out (March 2009) that large number of equipment was of small value and may be procured through open tendering instead of e-procurement mode to encourage more participation and competition. Since, the equipments to be purchased were not of specialised nature and the department had purchased them earlier, the decision to engage consultancy was not justified.

The State Government stated (September 2011) that decision for procurement through HSCC was taken due to non-procurement of 70 *per cent* items after inviting tenders repeatedly. However, action is being taken to obtain refund from HSCC. Reply is not tenable in view of the provisions of GF&ARs and that tender for this purchase was processed only once and not repeatedly before engaging HSCC. Besides, large number of equipments were of small value and that HSCC was engaged for processing tender for procurement on behalf of the Department and not because of any technicality of the equipment.

Thus, undue delay in processing the procurement through consultancy services led to the desired equipments not being procured and supplied to hospitals depriving patients of the treatment facilities and Central assistance amounting to ₹ 2.21 crore remaining unutilised for more than three years as of August 2011.

## College Education Department

### 3.2.2 Hostel buildings lying unutilised/incomplete

**Benefits of the special scheme could not be provided to the intended beneficiaries due to failure of the College Development Committees of affiliating universities in conducting timely physical verification of constructed hostel buildings and ineffective monitoring of the work deprived women of hostel facilities despite incurring an expenditure of ₹ 8.95 crore.**

The University Grant Commission (UGC) decided to continue the "special scheme for construction of women's hostels" during X plan period and invited

proposals from Government Colleges. On the proposals submitted by Principals, Government Girls Colleges, UGC sanctioned financial assistance of ₹ 16.24 crore during the year 2005-08<sup>23</sup> for construction of 24 women's hostel buildings in Government Colleges<sup>24</sup> in Rajasthan. The assistance was to be released in three instalments. The third instalment of 10 *per cent* was to be released only after ensuring utilisation of 90 *per cent* funds released and the progress physically verified by the Director, College Development Committee (CDC) of the respective University. The UGC was to send a monitoring committee for spot checking/monitoring of the proposed/approved hostel buildings. The initial stipulated date of completion (March 2007) of construction work of the hostel buildings was subsequently extended (October 2007) by UGC to 31 March 2009. The Principals of all the colleges (except Pali) transferred ₹ 12.43 crore received from UGC to Public Works Department (PWD) as of May 2011. The Principal, Government College, Pali conveyed (October 2010) to the Commissioner, College Education his unwillingness for construction of hostel building due to absence of demand.

Scrutiny (September 2009, July and September 2010) of the records of Principals, Government Colleges, Dausa, Pratapgarh and Suratgarh; Commissioner, College Education, Rajasthan, Jaipur (October 2010) and further information collected (May-June 2011) from Divisions of the PWD revealed that:

- Only six hostel buildings<sup>25</sup> (expenditure: ₹3.87 crore) were being utilised by the respective colleges.
- Five hostel buildings<sup>26</sup> completed and handed over during March 2009 to March 2011 after incurring an expenditure of ₹ 2.84 crore were lying unutilised for six months to two years. Only Principals of the Dausa and Dausa (PG) Colleges attributed (September 2011) non-utilisation to no demand by the students.
- Seven hostel buildings<sup>27</sup> completed after incurring an expenditure of ₹ 3.96 crore between November 2008 (Suratgarh) and November 2010 (Dungarpur) were lying unutilised (August 2011) for want of required physical verification by the Director, CDC of the respective Universities<sup>28</sup> and non-providing of water and electricity connections. It was also seen that while Principals of three Colleges<sup>29</sup> requested Commissioner, College Education to get their college inspected by CDC of the Universities, Commissioner, College

23. March 2006: ₹ 3.35 crore; March 2007: ₹ 11.34 crore and March 2008: ₹ 1.55 crore.

24. Government Girls College, Ajmer, Alwar, Beawar, Baran, Bharatpur, Bikaner, Chittorgarh, Dausa, Dausa (PG), Dungarpur, Kishangarh, Kota, Merta City, Nagaur, Pali, Pratapgarh, Rajgarh (Alwar), Sawaimadhapur, Sikar, Sirohi, Sriganganagar, Suratgarh, Tonk and Udaipur.

25. Ajmer, Alwar, Kishangarh, Kota, Nagaur and Udaipur.

26. Bikaner, Dausa, Dausa (PG), Sawaimadhapur, and Sikar.

27. Baran, Dungarpur, Rajgarh (PG), Sirohi, Sriganganagar, Suratgarh and Tonk.

28. University of Rajasthan, Jaipur: Alwar, Baran, Bharatpur Dausa, Dausa (PG), Rajgarh, and Sikar; MDS University, Ajmer: Ajmer, Beawar, Bhilwara, Bikaner, Kishangarh, Karauli, Kota, Nagaur, Sawaimadhapur, Sriganganagar, Suratgarh and Tonk; MLS University, Udaipur: Dungarpur, Pratapgarh, Sirohi and Udaipur.

29. Sriganganagar, Suratgarh and Tonk.

Education instructed Universities for arranging physical verification of the hostels of two colleges<sup>30</sup> only. There were no documents to show whether Principals of other four colleges also requested for inspection.

- Four hostel buildings<sup>31</sup> were lying incomplete as of August 2011 after incurring an expenditure of ₹ 2.12 crore due to non-removal of deficiencies in the buildings (Beawar, Chittorgarh and Pratapgarh) by PWD and non receipt of further funds of ₹ nine lakh for one hostel (Merta City) despite repeated requests (August, October 2010, April, June and July 2011) to UGC, but no action by the office of the Commissioner, College Education appears to have been taken.
- Construction work of hostel building at Bharatpur was withdrawn (December 2009) after incurring an expenditure ₹ 2.70 lakh due to objection raised by the Archaeology and Survey Department, Government of India regarding the site of proposed hostel falling in their restricted area. No alternative site has been allotted as of August 2011. The balance amount of ₹ 47.30 lakh lying unutilised with PWD (as of August 2011) was also not refunded to the college/UGC.

The State Government confirmed (August 2011) that 11 hostels could not be started for want of required physical verification by the CDC (seven) and due to non-removal of deficiencies by PWD (four). Further, women's hostel buildings at Bikaner, Dausa, Dausa (PG) and Sawaimadhopur would be started in the session 2011-12.

Thus, the benefits of the special scheme could not be provided to the intended beneficiaries due to failure of the CDCs of affiliating universities in conducting timely physical verification of constructed hostel buildings and lack of effective monitoring of the work by the Department. Further, the unrealistic assessment of requirements of hostels by some Principals led to infructuous expenditure on the one hand and has also deprived potential women students of hostel facilities on the other despite spending ₹ 8.95 crore<sup>32</sup>.

## Medical and Health Department

### 3.2.3 Community Health Centres lying unutilised

**Due to inadequate planning the new Community Health Centres could not be made (September 2011) fully operational in the new buildings taken over in March 2009/December 2009.**

The State Government (Medical and Health Department) issued (November 2007) revised administrative and financial sanction for ₹ 1.15 crore each, for

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30. Sriganganagar and Suratgarh

31. Beawar Chittorgarh, Merta City and Pratapgarh,

32. ₹ 2.84 crore (five hostels) + ₹ 3.96 crore (seven hostels) + ₹ 2.12 crore (four hostels) + ₹ 0.03 crore (one hostel).

construction of new buildings for Community Health Centres (CHCs) at Kapasan (District Chittorgarh) and Malpura (District Tonk) under Rajasthan Health Systems Development Project (RHSDP).

The District Collectors, Chittorgarh and Tonk issued (July 2005 and November 2007) orders for allotment of five acre land each for construction of the new buildings of CHCs at Kapasan and Malpura. Superintending Engineers-II and I, RHSDP, Jaipur issued (March-April 2008) work orders in favour of the contractors 'A' and 'B' with stipulated dates of completion of the construction as March 2009 (Kapasana) and May 2009 (Malpura) respectively. The new CHC buildings were completed in June 2009 (Kapasana) and March 2009 (Malpura) at a cost of ₹ 1.23 crore and ₹ 1.26 crore respectively. The buildings were taken over by the respective Medical officers (MOs) on 21 December 2009 (Kapasana) and 25 March 2009 (Malpura) respectively.

Test check of records (October 2010) of CHC, Malpura (Tonk) and information collected (June 2011) from CHC, Kapasan (Chittorgarh) revealed that inspite of Chief Medical and Health Officer's (CMHO), Chittorgarh directions (June 2010, August 2010 and November 2010), MO, Kapasan did not shift the CHC in the new building citing resistance of public and the fact that the building was situated two km away from the town, on a highway in a remote area (as reported by MO, CHC to CMHO). Thus, though the building had been constructed in June 2009, and taken over in December 2009, the CHC Kapasan was not shifted in the new building despite lapse of two years from its construction.

The Joint Director, Medical and Health Services, Jaipur ordered (November 2009) for shifting of CHC, Malpura in new building but the orders were withdrawn in June 2010 without recording any reasons. It was seen that in March 2011, the CMHO, Tonk transferred the staff to new CHC. However, only two units (Medical and Surgery) out of total 10 have been shifted in new CHC building at Malpura as intimated (June 2011) by MO, CHC, Malpura.

The State Government stated (September 2011) that CHC, Malpura building is being utilised from March 2011. The fact remains that only two units out of 10 have been started in new building as of August 2011. In respect of CHC, Kapasan the Government stated that this CHC has been shifted in new building in August 2011. However, the fact remains that shifting of CHC Kapasan without starting the operation theatre, not filling up the post of Junior Specialists (Surgery and Gynaecology) and Lab Technicians and providing 27 beds (against requirement of 50) could not provide envisaged medical care to the public.

Thus, due to inadequate planning, the new CHCs were yet to be fully operationalised (September 2011) to enable the benefits to flow to the local population.

## Public Health Engineering Department

### 3.2.4 Unfruitful expenditure on construction of anicut and laying additional pipeline

**Defective planning in assessing water demand inclusive of agriculture and all other losses by the Department rendered the expenditure of ₹ 7.48 crore on construction of anicut (₹ 1.87 crore) and laying of additional pipeline etc. (₹ 5.61 crore) largely unfruitful.**

Empowered Board Committee of 'Rajasthan Water Supply and Sewerage Management Board (RWSSMB)' of Public Health Engineering Department (PHED) accorded (October 2005) Administrative and Financial (A&F) sanction of ₹ 14.59 crore for Jawar-Chandipur water supply project (Project), Manoharthana, District Jhalawar to meet the drinking water demand (0.485 mcum) of Jawar, Chandipur and 14 adjacent villages facing acute problem of drinking water between December to June<sup>33</sup>. The project, *inter alia*, included construction of an Anicut (storage capacity: 1.485 mcum) across the river Parwan (near village Jawar) at an estimated cost of ₹ 1.40 crore as source of stored water upto year 2038. The Project was completed by firm 'A' of Kolkata in December 2008 at a cost of ₹ 13.05 crore including ₹ 1.87 crore spent by the Executive Engineer (EE), Water Resource Division, (WRD) Aklera, (District Jhalawar) on construction of Anicut.

Test check (July 2009) of the records of EE, PHED, Project Division-II, Jhalawar and further information collected (January 2011) revealed that during inspection of village Jawar, Additional Chief Engineer, PHED, Region Kota, noticed (07 April 2007) that the Anicut had almost dried and directed (10 April 2007) the Superintending Engineer (SE), PHED Circle, Jhalawar to submit proposals for laying a raw water pipe line (17 km) from Kalikhar dam situated in the up stream of the same river to supply water during March to June each year. EE, PHED, Project Division-II, Jhalawar submitted (13 April 2007) a proposal for ₹ 4.04 crore, for supplying two million litre per day water to Jawar, Chandipur and 14 adjacent villages during February/March to June each year by laying additional pipeline from intake well at Kalikhar Dam being constructed in the upstream of the same river to Water Treatment Plant (WTP) at Jawar, due to drying of the anicut/river because of illegal lifting/theft of water by farmers to irrigate their land, which could not be stopped by local administration.

Finance Committee of RWSSMB approved (October 2007) the proposal for ₹ 4.02 crore, (revised by Policy Planning Committee to ₹ 5.39 crore in October 2008) and sanctioned (March 2008) the work of laying and jointing of

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33. Water between July to November was being provided from Parwan river.

pipeline and installation of pumping machinery for ₹ 5.11 crore in favour of firm 'B'<sup>34</sup>, of Jaipur.

Audit observed that the project report of Jawar-Chandipur project provided "the designed demand of the project for 30 years is 1758 KLD for year 2038. The flow remains in the river upto month of October, so from November to June total demand for eight months is 0.485 mcum including 15 *per cent* losses. The storage capacity created by constructing anicut on Parwan River near Jawar will be about 1.485 mcum which will be available after flow ceases in river at end of October. After deducting losses and agriculture demand, this stored water will meet demand of the project upto the month of June". Therefore, as the agriculture demand had already been considered, the reason for early drying of anicut was actually not the theft/illegal lifting of water by farmers as reported by EE, PHED, Division-II, Jhalawar while justifying the proposals for laying additional pipeline but it was the actual total water demand, thus the assessment made by Department was incorrect. Resultantly, Department had to incur ₹ 5.61 crore on laying of additional pipeline from WTP at Jawar to Kalikhar Dam for supplying water only for four months during February/March to June each year.

The EE, PHED, Project Division, Jhalawar stated (January 2011) that the anicut was dried in February 2007 due to illegal lifting of water by cultivators to irrigate their land which could not be controlled despite efforts. The State Government endorsed (November 2011) reply of EE. The reply was not tenable in view of the fact that agriculture demand, now termed as illegal lifting of water, was already accounted for in the total capacity of anicut (1.485 mcum) constructed for total water demand for the year 2038.

Thus, defective planning in assessing water demand inclusive of agriculture and all other losses by the Department rendered the expenditure of ₹ 7.48 crore on construction of anicut (₹ 1.87 crore) and laying of additional pipeline etc. (₹ 5.61 crore) largely unfruitful.

### **3.2.5 Re-organisation of Urban Water Supply Scheme, Nimbahera lying incomplete**

**Failure of the Department in first ensuring reservation of water in Gambhiri Dam from Water Resources Department and to take up the issue of the feasibility of laying pipelines under railway tracks with the Railway authorities led to drinking water supply scheme remaining incomplete even after four years (March 2011) and incurring expenditure of ₹ 9.76 crore.**

The Additional Chief Engineer (ACE), Public Health Engineering Department (PHED), Udaipur Region prepared proposals for 'Re-organisation of Urban Water Supply Scheme, Nimbahera (Scheme)', District Chittorgarh for ₹ 16.98

34. Work stipulated to be completed by 22 July 2008, was actually completed in January 2011 at a cost of ₹ 5 crore. ₹ 0.61 crore were further spent on construction of Intake Well through another agency.

crore in two packages (Phase-I: ₹ 10.52 crore and Phase-II: ₹ 6.46 crore) to provide 70 litre per capita per day (lpcd) water as against existing supply of 30 lpcd considering the designed population of 1,00,000 persons for the year 2038. The Empowered Board Committee (EBC) of Rajasthan Water Supply and Sewerage Management Board (RWSSMB) of PHED, Jaipur accorded (December 2005) administrative and financial sanction of ₹ 10.44 crore<sup>35</sup> for Phase-I (nine packages) with the rider that works of the scheme should be taken up only after getting 80 million cubic feet (mcft) water reserved in Gambhiri Dam from Water Resources Department (WRD). The scheme was scheduled for completion in December 2007. An expenditure of ₹ 9.76 crore<sup>36</sup> has been incurred between November 2006 and October 2010 on various components of the Phase-I (excluding rising mains in 4,950 metre). However, WRD refused (August 2009) to reserve water from the Gambhiri Dam for PHED as the water stored in the Dam was to be used for irrigation purpose only.

Test check (December 2010) of records of the Executive Engineer (EE), PHED Division-I, Chittorgarh revealed the following:

- The execution of the works of the scheme was taken up in December 2006, without getting the water reserved prior to taking up of work as per instructions of RWSSMB. It was only in July 2009 (after scheduled date of completion of scheme in December 2007) that EE, PHED, District Division, Chittorgarh requested the EE, WRD Division-I, Chittorgarh to make reservation of 100 mcft water (permanently) in Gambhiri Dam for drinking purpose of Nimbahera City. EE, WRD Division-I, Chittorgarh refused (August 2009) to reserve any water on grounds that the Gambhiri Dam was constructed only for Irrigation purposes. This was indicative of lack of coordination between two Departments before finalisation of the scheme.
- From the information obtained by Audit (June 2011) from EE, WRD, Chittorgarh, it was observed that though WRD had not been able to reserve full quantity of requisitioned water in Gambhiri Dam for another scheme<sup>37</sup> during 2000-05 due to objections raised by cultivators, even then, without obtaining concurrence of the WRD for reservation of additional 100 mcft

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35. Phase I-Packages (i) Providing laying and jointing of 11,450 metre rising mains i.e. pipeline from source to reservoirs: ₹ 3.17 crore; (ii) construction of Pump house, store room and CWR at Bus Stand: ₹ 0.22 crore; (iii) construction RCC Over Head Service Reservoir (OHSR) and distribution lines in Zone- 4; ₹ 2.19 crore; (iv) RCC OHSR and distribution lines in Zone-5; ₹ 1.15 crore; (v) RCC OHSR and distribution line in Zone-6: ₹ 1.08 crore; (vi) RCC OHSR and distribution line in Zone-7: ₹ 1.03 crore; (vii) Distribution line in Zone-2: ₹ 1.28 crore; (viii) Maintenance of existing structure 5 no.: ₹ 0.02 crore; (ix) Electric connection, Land acquisition, Tools and Plants, Pumping Set: ₹ 0.30 crore.

36. Package 01 Rising mains: ₹ 2.48 crore (except in 4,950 metre), Package 02 CWR, Pump House etc: ₹ 0.22 crore, Package 03 to 07 OHSR and distribution lines: ₹ 6.08 crore and Package 08 to 09 Maintenance and Miscellaneous: ₹ 0.98 crore.

37. For Urban Water Supply Scheme for Chittorgarh town against demand of 550 mcft water only 400 to 129 mcft water reserved by WRD.

water for the Scheme, the PHED again proposed Gambhiri Dam as the source for the Scheme.

- The scheme was sanctioned in 2005 and execution of works started in December 2006. However, issue of laying of pipeline under Railway track was taken up only in December 2007 i.e. after two years of sanction of the scheme. The Divisional Engineer (Northern Railway), Ratlam refused (December 2009) to accord approval to EE, PHED on the ground that it was not possible to permit laying of pipeline under more than four tracks and suggested that an alternate site be proposed. Consequently, the work of laying, jointing and commissioning of rising pipelines (450 -150 mm DI) from Karthana village to various OHSRs across the five Railway tracks was lying incomplete. This indicated that PHED had not discussed the feasibility of laying pipeline under railway tracks with the Railway authorities while planning for the scheme.
- The Chief Engineer (Headquarter) directed (October 2010) ACE/Superintending Engineer to call for explanation of officers responsible for non-observance of directions of higher authority and to propose disciplinary action against them, if any, for not taking timely action for getting the water reserved in Gambhiri Dam even after four years from sanction and for obtaining requisite permission from Railway for alignment of pipelines passing through their jurisdiction.

The State Government (November 2011) stated that proposals for reservation of 80 mcft water in Gambhiri dam and work of rising pipeline from Karthana Junction to Nimbahera town under railway tracks were not required as both these works were to be utilised in phase II of the Scheme. The reply is not tenable because the administrative and financial sanction issued for Ist phase itself specifically provided for reservation of water in Gambhiri dam before execution of the project. Moreover, the Chief Engineer also called for (October 2010) explanations of officers responsible for non-reservation of water in Gambhiri dam and non-obtaining of requisite permission from railway authority in time. The distribution pipeline laid for meeting the water demand of the year 2038 would thus remain under utilised without reservation of water in Gambhiri dam as the old existing system of low capacity being used cannot accommodate the water supply of 70 lpcd as developed in reorganised scheme. Moreover, water stored in Gambhiri dam is only for irrigation purpose as stated by WRD.

Thus, failure of the Department in first ensuring reservation of water in Gambhiri Dam from Water Resources Department and to take up the issue of the feasibility of laying pipelines under railway tracks with the Railway authorities led to drinking water supply scheme remaining incomplete even after four years (March 2011) and incurring expenditure of ₹ 9.76 crore.

### 3.2.6 Unfruitful expenditure on Urban Water Supply Scheme

**Inadequate survey and defective planning by the Department resulted in selection of source of water in forest area which was subsequently changed to the existing source, already found unsuitable and unreliable. Consequently, 100 lpcd drinking water could not be provided to the population of Lakheri town for the last more than four years despite spending ₹ 6.86 crore.**

Empowered Board Committee of 'Rajasthan Water Supply and Sewerage Management Board' (RWSSMB) of Public Health Engineering Department (PHED) accorded (March 2005) Administrative and Financial (A&F) sanction of ₹ 9.22 crore for Augmentation of Urban Water Supply Scheme (Scheme) Lakheri, District Bundi in seven packages<sup>38</sup>. The Scheme aimed to provide 100 litre per capita per day (lpcd) water to the population of 33300 (estimated for 2021) Lakheri town. The Scheme was stipulated to be completed by December 2006. Work of three packages (1, 2 and 6) could not be started as the proposed source of water 'Deh'<sup>39</sup> in Chambal river was falling in forest (Ghariyal sanctuary).

During test check (December 2010) of the records of Executive Engineer (EE), PHED, Division, Bundi, Audit noticed that as per the Technical Report, prepared by EE, PHED, Bundi, the water in the anicut (existing source) on Mej river was proving to be unreliable due to monsoon failure in recent years and only 23 lpcd service level was being maintained from December each year against the required 100 lpcd. During execution of work, the Department noticed (July 2006) that the proposed source 'Deh' in Chambal river was falling in the Ghariyal sanctuary. However, the technical report of the Scheme did not disclose this fact which indicated that proper survey was not conducted. Four packages (3 to 5 and 7) of the Scheme taken up during April 2006 to November 2007 have been completed between May 2007 and February 2008 and ₹ 3.15 crore<sup>40</sup> have been incurred as of March 2011.

Considering that the requisite prior permission of Supreme Court and Forest Department for executing work in forest sanctuary is a time consuming exercise, EE, Water Resources Department (WRD) Division, Bundi proposed after examination (July 2006) of the site with EE, PHED, Bundi to raise the height (two metres) of the existing anicut on 'Mej' river. An estimate of ₹ 1.24 crore was proposed by EE, WRD and Policy Planning Committee (PPC)

38. (i) Construction of Intake well with pumping set (₹ 0.48 crore); (ii) Providing of rising pipeline from intake well to filter plant at Lakheri town (₹ 4.27 crore), (iii) Construction of Reinforced cement concrete Ground level reservoir/services reservoir (RCC GLR/SR), (₹ 0.38 crore), (iv) Providing of transmission pipeline from filter plant to clear water reservoir (CWR) (₹ 1.74 crore), (v) Providing of distribution pipeline (₹ 0.37 crore), (vi) Provision for Power line (₹ 0.50 crore) and (vii) Provision for civil works/boundary wall etc. (₹ 0.18 crore) and centage charges (₹ 1.30 crore).

39. An area of natural depression in river where water accumulates.

40. Transmission pipeline from filter plant to CWR (₹ 2.12 crore), RCCGLR/SR (₹ 0.25 crore), Distribution pipeline (₹ 0.60 crore), and civil works, boundary wall etc. (₹ 0.18 crore).

issued (February 2007) A&F sanction. It was further revised (December 2010) to ₹ 3.71 crore due to change in drawing and design including additional items and tender premium<sup>41</sup>. The initial proposals for ₹ 1.24 crore was submitted without considering the remedial measures for strengthening the existing anicut. Between December 2007 to March 2011 ₹ 3.71 crore were deposited with the EE, WRD Division, Bundi for raising the height of existing anicut on Mej river. Further, it was seen that A&F for revised Scheme in view of change of source was not obtained from RWSSMB. After raising the height of anicut upto 0.50 metre, the contractor stopped (June 2009) the work due to submergence of work site under water and non-payment of his dues. The work has been restarted and is in progress as intimated (June 2011) by EE, WRD Division, Bundi.

As per the Feasibility Report submitted (July 2006) by EE, WRD Division, Bundi pertaining to "raising of existing anicut on Mej river" (as source of water), the existing storage capacity of anicut was 3962 lakh litre (14 mcft) which was sufficient to provide water at 70 lpcd to a population of 28,000 for 200 days. However, it was seen from the record<sup>42</sup> that in the monsoon, from July 2010, water could be provided at 46 lpcd service level once in 24 hours despite the fact that anicut was stated to be overflowing upto February 2011 and thereafter from March 2011, the supply was reduced to once in 48 hours on the ground of availability of water of only nine mcft. Thus, sudden reduction in water in anicut from full capacity (23 mcft) to nine mcft in a short span of a month inspite of raising the height of the anicut indicates that the anicut was not a reliable source.

Further, the infrastructure of packages (3 to 5 and 7) created to cater to provision of 100 lpcd water at a cost of ₹ 3.15 crore will also remain underutilised.

The State Government stated (November 2011) that action would be taken against the officer responsible for identifying the source of water in forest area without proper survey and not executing the scheme as per A&F sanction.

Thus, inadequate survey and defective planning by the Department resulted in selection of source of water in forest area which was subsequently changed to the existing source, already found unsuitable and unreliable. Consequently, 100 lpcd drinking water could not be provided to the population of Lakheri town for the last more than four years despite spending ₹ 6.86 crore.

41. Tender premium: ₹ 0.69 crore; Additional item: ₹ 0.49 crore (Preliminary expenditure ₹ 0.02 crore, Misc. ₹ 0.03 crore, Service road ₹ 0.20 crore, Quality control ₹ 0.02 crore, Escalation ₹ 0.06 crore and *Prorata* ₹ 0.16 crore) and Drawing-Design; ₹ 1.08 crore (excavation ₹ 0.09 crore, Drilling holes ₹ 0.05 crore, Cement Concrete (CC) M-15 ₹ 0.22 crore, CC M-20 (Down Stream apron) ₹ 0.84 crore, Sluice gate ₹ 0.02 crore, Masonry ₹ 0.10 crore and savings in CC works and Misc. ₹ 0.24 crore) as per drawing and design of ID&R Unit, Jaipur.

42. EE, PHED, Division Bundi letter no. EE/10-11/2917-18 dated 19 August 2010.

## Water Resources Department

### 3.2.7 Sanctioning of similar nature of works on different rates

**Non-observance of principles of financial propriety by the Department at the time of sanctioning similar nature of works within the same month resulted in loss of ₹ 0.97 crore to State Government.**

Rule 10 of General Financial and Accounts Rules (GF&ARs) stipulates that every Government servant incurring or authorising expenditure from public funds should be guided by high standards of financial propriety and should also enforce financial order and strict economy at every step.

Chief Engineer (CE), Narmada Canal Project (NCP), Sanchore sanctioned (May 2008) five technical estimates<sup>43</sup> for the work of supplying, laying, jointing, testing and commissioning of distribution net work (mains and sub-mains) of high density polyethylene (HDPE) pipes for semi permanent sprinkler system of command area of minors/distributaries of Narmada Canal.

Test check (October 2010) of the records of Executive Engineer (EE), NCP, Division I, Sanchore revealed that CE, NCP, Sanchore, sanctioned the execution of works on turnkey basis on 09 July 2008 (work 'A') and 17 July 2008 (works 'B', 'C', 'D', 'E') in favour of contractors 'X' and 'Y' at rates ranging between three *per cent* below (work 'A') and five *per cent* (works 'B', 'C', 'D', 'E') above rates of ₹ 8880 per hectare<sup>44</sup>. The contractors have been paid ₹ 14.30 crore<sup>45</sup> as of March 2011 and all the five works scheduled to be completed between November 2008 and January 2009 were in progress (March 2011).

Further scrutiny revealed that financial bids of works were opened on 2 July (work 'A') and 8 July 2008 (works 'B', 'C', 'D', 'E'). While proposing (8 July 2008) three *per cent* below schedule 'G' rates of contractor 'X' for work 'A' to CE for approval, the Superintending Engineer (SE), Circle-I, NCP, Sanchore justified the same on the grounds that the prevailing rate of the area was 9.99 *per cent* above schedule 'G' during last three months. However, at the time (9 July 2008) of proposing five *per cent* above schedule 'G' rates of contractor 'Y' for works 'B', 'C', 'D' and 'E' to CE for approval, the SE justified the same for similar works on the basis of increase in rate of transportation due to increase in prices of petroleum products, ignoring the fact that the similar nature of work had already been recommended a day before in favour of contractor 'X'

43. Balera Distributary (work 'A'): ₹ 2.21 crore, Janvi and Jetha Minors and Balera Distributary (work 'B'): ₹. 3.56 crore, Bambi, Bawarla and Lalji Minors of Balera Distributary (work 'C'): ₹ 3.18 crore, Vank and Bhuvana Minors of Vank Distributary (work 'D'): ₹ 4.25 crore, Isrol, Isrol 'A', 'B', 'C' Minors and Isrol Distributary (work 'E'): ₹. 4.46 crore.

44. Schedule 'G' rates based on Basic Schedule Rates, 2006. These were inclusive of excavation, refilling, disposal of extra material including all leads and lift of material.

45. Work 'A': ₹ 1.62 crore, work 'B': ₹ 2.99 crore, work 'C': ₹ 2.54 crore, work 'D': ₹ 3.63 crore and work 'E': ₹ 3.52 crore

at rates below three *per cent* of Schedule 'G'. As the works were of similar nature and to be executed in the same topographical area of Sanchore, recommendation and sanction by the same SE and CE respectively at different rates resulted in avoidable expenditure of ₹ 0.97 crore (**Appendix 3.5**) due to sanction of work to contractor 'Y' within the same month at eight *per cent* higher rates.

The State Government stated (June 2011) that contractor 'X' has submitted non-workable rates to get entry in project works and all other bidders submitted rates between five to 36.20 *per cent* above Schedule 'G' rates. The contention of the Government regarding non-workable rates is not tenable as the contractor completed the work satisfactorily as per the certificates recorded by EEs on running bill of the contractor. Moreover, similar nature of works in the NCP have been sanctioned (December 2007, May and December 2010) by Divisions I, IV and III Sanchore prior to six months and even after two years at below Schedule 'G' rate of ₹ 8678, ₹ 8,111 and ₹ 8,740 per hectare respectively.

Thus, non-observance of principles of financial propriety by the Department at the time of sanctioning similar nature of works within the same month resulted in loss of ₹ 0.97 crore<sup>46</sup> to State Government.

### **3.2.8 Costly specification of Cement Concrete lining adopted in lining of distributary**

**Adopting specification of costly paver Cement Concrete lining in two reaches of Panoriya lift distributary without any justification resulted in avoidable expenditure of ₹ 2.17 crore.**

The State Government issued (September 2006) revised Administrative and Financial (A&F) sanction for ₹ 1541.36 crore for Narmada Canal Project (NCP) which, *inter alia*, had a provision of ₹ 315.22 crore for Distributaries and Minors including Panoriya Lift Distributary. Chief Engineer, NCP, Water Resources Department (WRD), Sanchore, District Jalore (CE) sanctioned (2006-07) technical estimates for ₹ 12.66 crore and ₹ 10.04 crore (₹ 10.04 crore revised in March 2011 to ₹ 13.03 crore) for "Earth work excavation and paver Cement Concrete (CC) lining" from km 2.63 to km 17.100 (Reach 'A') and from km 17.100 to km 34.820 (Reach 'B') of Panoriya Lift Distributary of NCP. CE also sanctioned (2006-07) technical estimates of earth work excavation and Pre-cast Cement Concrete (PCC) block lining of Panoriya Lift Distributary of NCP in km 34.820 to 53.500 (Reach 'C') for ₹ 9.76 crore.

The Deputy Secretary and Technical Assistant to CE, WRD, Rajasthan, Jaipur conveyed (January 2008) approval of the tender for works for Reach 'A', Reach 'B' and Reach 'C' in favour of contractor 'X', Bikaner. The Executive Engineer (EE), NCP, Division V, WRD, Sanchore issued (January 2008) the work orders to contractor 'X'. The work stipulated to be completed

46. 8 *per cent* of ₹ 12.07 crore paid to contractor 'Y' as per schedule 'G'.

by January 2010 was still in progress (July 2011). Time extension upto 31 December 2011 proposed (15 June 2011) by EE, NCP Division V, Sanchore on the grounds of hindrances created by farmers for land compensation and for execution of extra item of aqua duct was under consideration of CE, WRD Jaipur.

Test check (November 2010) of the records of EE, NCP, Division V, WRD, Sanchore revealed that EE proposed the estimates for the earth work excavation and lining of the three reaches of Panoriya Lift Distributary of NCP with paver CC lining in two reaches (Reaches 'A' and 'B') and with PCC block lining in one reach (Reach 'C'). The estimates were got approved from Superintending Engineer/Additional Chief Engineer/Chief Engineer and work got executed accordingly. There was no justification on record for the need of paver CC lining in two reaches. Audit observed that proposing and approving of paver CC lining involving higher cost (in two reaches) without adequate justification, led to avoidable expenditure of ₹ 2.17 crore (*Appendix 3.6*) on lining of distributary by paver CC in place of PCC blocks.

The State Government replied (October 2011) that work of PCC block lining could not be executed in two reaches for want of labour and water for processing PCC blocks. The reply confirms that there were no technical grounds for adopting costly type of lining in the two reaches of same distributary specially when lining of other distributaries and minors of NCP has been executed with PCC block lining.

Thus, adopting specification of costly paver CC lining in two reaches of Panoriya lift distributary without any justification resulted in avoidable expenditure of ₹ 2.17 crore.

### **3.3 Persistent and pervasive irregularities**

#### **Finance Department**

##### **3.3.1 Persistent excess payment of pension**

**Failure of the treasury officers to exercise prescribed checks led to excess/irregular payment of pension/family pension amounting to ₹ 58.16 lakh.**

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

Cases of excess payments to pensioners have been mentioned in the earlier Audit Reports (Civil)<sup>47</sup>. The Public Accounts Committee recommended (2001-02) that recoveries of excess payment be effected, responsibility fixed against defaulting officers and the administrative inspection of treasuries be strengthened to avoid recurrence of such irregularities in the future. The Department issued (16 August 2002) necessary instructions to the TOs for verification of pension payments by conducting visits to the banks. While examining paragraph 4.2.5 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2004 (Civil)-Government of Rajasthan, the Public Accounts Committee (2006-07) again took a serious view. Accordingly, the Joint Director (Budget and Accounts), Directorate of Treasury and Accounts instructed (April 2007) the concerned TOs to implement provisions regarding lump sum recovery, effect full recovery and ensure avoidance of recurrence of excess payment of pension.

Further, mention was made in paragraph 3.5.10.2 of Report of the Comptroller and Auditor General of India for the year ended 31 March 2007 (Civil)-Government of Rajasthan that the Treasury Computerisation System Software has a facility to generate pension check register, to enable TOs monitoring of cases of excess payment. However, though checks for internal control existed, these were not being adhered to.

Test check (April 2010 to March 2011) of records relating to pension payments made by 100 banks/253 treasuries and sub-treasuries, however, revealed that excess/irregular payments of superannuation/family pensions were made to 202 pensioners<sup>48</sup>, amounting to ₹ 58.16 lakh during November 1996 to February 2011 as detailed below:

(₹ in lakh)

Sl.No.	Particulars	Excess payment made		Recoveries effected at the instance of audit	
		Number of cases	Amount	Number of cases	Amount
1.	Family pension not reduced after expiry of the prescribed period (Rule 62 of Rajasthan Civil Services (Pension) Rules 1996).	55	22.98	40	15.98
2.	Family pension not stopped after attaining the age of 25 years/ marriage/ employment of dependents (Rule 67).	1	0.35	1	0.35
3.	Pension not reduced after its commutation (Rule 28).	73	7.84	41	5.64
4.	Pension credited in Bank Accounts without receipt of Life Certificates (Rule 134).	8	3.05	8	3.05

47. Paragraph 3.7 of 1999-2000, paragraph 4.4.1 of 2002-03, paragraph 4.2.5 of 2003-04, paragraph 4.4.1 of 2004-05, paragraph 4.1.3 of 2005-06, paragraph 4.5.7 of 2006-07, paragraph 4.4.3 of 2007-08, paragraph 3.3.2 of 2008-09 and paragraph 3.4.1 of 2009-10.

48. **Banks-** Ajmer: 25, Alwar: 05, Baran: 07, Bhilwara: 06, Dholpur: 09, Jaisalmer: 02, Jaipur: 04, Jhalawar: 01, Jodhpur: 14, Karauli: 04, Kota: 28, Nagaur: 01, Tonk: 07, Sawaimadhopur: 11, Sikar: 03, Sriganganagar: 05, Sirohi: 02 and Udaipur: 07.

**Treasuries-** Ajmer: 02, Banswara: 05, Bhilwara: 10, Bharatpur: 02, Bikaner: 01, Churu: 01, Chittorgarh: 06, Dholpur: 04, Hanumangarh: 01, Jaipur: 02, Jaisalmer: 01, Jhalawar: 11, Jhunjhunu: 01, Jodhpur: 01, Pali: 04, Sawaimadhopur: 01, Sikar: 02, Tonk: 03 and Udaipur: 03.

Sl.No.	Particulars	Excess payment made		Recoveries effected at the instance of audit	
		Number of cases	Amount	Number of cases	Amount
5.	Pension paid after death of pensioners.	1	0.35	1	0.35
6	Dearness relief paid to pensioners during the period of their re-employment (Rule 164).	3	2.64	1	1.28
7.	Dearness Pay wrongly paid.	8	2.43	8	2.43
8.	Pension and Dearness Relief paid at higher rate than admissible.	26	11.82	17	10.71
9.	Non-recovery of dues from gratuity payments (Rule 92).	22	5.36	-	-
10.	Miscellaneous	5	1.34	5	1.34
	<b>Total</b>	<b>202</b>	<b>58.16</b>	<b>122</b>	<b>41.13</b>

The irregularities, therefore, continue to persist due to failure of the TOs in conducting concurrent checks of payments made by banks by maintaining pension check registers.

The Officer on Special Duty, Finance Department accepted (August 2011) the facts and State Government recovered ₹ 41.13 lakh at the instance of Audit and informed that for checking of pension payments on line by TOs, an integrated financial Management system is proposed to be introduced. The fact remains that the pension check registers are required to be generated by the TOs but this is not being enforced for proper monitoring and to check cases of excess payment.

## Higher Education Department

### 3.3.2 Sale Proceeds of examination forms lying unrecovered

**Inaction of the University of Rajasthan to lay down a proper system and time schedule to ensure accountal of examination forms issued to colleges for timely collection of revenue and taking back of unused forms indicated lack of monitoring and administrative control that led to ₹ 2.20 crore lying un-recovered from 490 Government/Private Colleges for one to nine years on account of sale proceeds of forms in University of Rajasthan.**

Mention was made in paragraph 4.1.1 of the Report of the Comptroller and Auditor General of India (Civil) for the year ended March 2007-Government of Rajasthan regarding short realisation and suspected misappropriation of sale proceeds of examination forms in University of Bikaner. During examination (August 2010) of the above para related to Higher Education Department, Public Accounts Committee (PAC), 2010-11 recommended (January 2011) that the information regarding printed forms issued to colleges, used by colleges, unused forms, amount recoverable during 2004-06 and the amount recovered be furnished to the PAC and Principal Accountant General and also

recommended that a system be developed for printing and distribution of examination forms.

Test check (October 2010 to May 2011) of the records of the University of Rajasthan (UoR) and further information collected (June and July 2011) revealed that the register of issue of examination forms prior to 2002-03 was not available with UoR. Scrutiny of the registers of issue of examination forms for the period 2002-03 to 2009-10 disclosed that an amount of ₹ 2.63 crore<sup>49</sup> towards sale proceeds of examination forms issued during 2002-10 was outstanding from 490 Government/Private Colleges. It was seen that there was no proper system to assess the requirement of examination forms to be printed, pursuance with the colleges to deposit the revenue in time by prescribing a time schedule and to submit accounts of examination forms. There was also no consolidated report prepared by the UoR to confirm quantity of forms printed/sale/balance/return by the colleges. Further, the UoR did not pursue with the colleges for realisation of outstanding dues indicating lack of monitoring and administrative control over sale of examination forms.

As per Rule 29 of Chapter-IV of UoR Account Code, all transactions involving the taking and giving of cash, stores, others properties, rights, privileges and concessions which have monetary values should be brought to account at once under proper head. However, the sale proceeds of examination forms have been lying un-recovered for one to nine years.

The Controller of Examination stated (June 2011) that reconciliation of number of forms got printed every year with the number of forms issued to colleges, was not possible because of paucity of staff and it was very difficult to complete the information of earlier years. However, efforts were being made to complete the accounts.

The State Government accepted that a proper system for accounting of examination forms and reconciliation of accounts has not been developed and informed (July 2011) that recovery of ₹ 0.43 crore has been made and instructions issued to UoR to take effective action for recovery of balance amount. The fact remains that inspite of pointing out of similar irregularity in respect of University of Bikaner; the Department of Higher Education did not enforce corrective timely action.

Thus, inaction of the University of Rajasthan to lay down a proper system and time schedule to ensure accountal of examination forms issued to colleges for timely collection of revenue and taking back of unused forms led to ₹ 2.20 crore lying un-recovered from 490 Government/Private Colleges for one to nine years on account of sale proceeds of forms in University of Rajasthan.

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49. As per information furnished to Audit by Assistant Registrar, Examination UoR.

## Medical Education Department

### 3.3.3 Under utilisation of new hospital building

**Indecisiveness of the State Government resulted in utilisation of only 33 per cent of approved units and 36 per cent of bed capacity despite taking 16 years in planning. The new hospital building at Kota constructed at a cost of ₹ 23.99 crore could also not be put to use even after three years of taking possession.**

The Medical Council of India norms provide construction of a 1000 bedded hospital in a Medical College, premises to provide better teaching facilities. Since the existing hospital building at Kota was situated at a distance of 15 km from the Medical College, Kota, the Principal and Controller, Medical College, Kota submitted (October 1994) proposals to the State Government for construction of a new hospital in the college premises in three phases (1997 to 2004) at an estimated cost of ₹ 18.18 crore. The work of construction of ground floor (first phase) was allotted (June 1999) to the contractor 'A', Jaipur for ₹ 4.40 crore with stipulated date of completion as 23 June 2001.

Mention was made in paragraph 4.4.3 of Report of the Comptroller and Auditor General of India for the year ended 31 March 2003 (Civil)-Government of Rajasthan regarding unfruitful expenditure of ₹ 2.55 crore on construction of ground floor (first phase) of new hospital building at Kota due to failure of the Government to provide adequate funds.

Scrutiny (December 2010) of the records of the Medical College, Kota further revealed that the ground and first floor of hospital building had been completed at a cost of ₹ 23.99 crore<sup>50</sup> and was taken over in September 2008 (ground and first floor) and in December 2010 (second floor). Of 21 units proposed, only 7 units<sup>51</sup> have been shifted in the new building as of July 2011. As against the available capacity of 470 beds, only 170 beds sanctioned by Government were being utilised as of 31 July 2011 due to non-issuance of Government sanction for remaining beds and shifting of 14 units (67 per cent) (March 2011). Audit observed that Principal and Controller, Medical College, Kota submitted (June 2008, June 2009 and August 2009) various proposals for operation of a full fledged hospital, intimating that on account of lack of decision, they are unable to utilise the whole building and the machinery and equipment purchased. However, despite requests (October 2009) to give direction at the earliest no decision was taken by the Government to get all the units shifted in the new building even after a lapse of more than two and half years.

Principal and Controller Medical College, Kota stated (May 2011) that non-shifting of units in new building has not affected the medical facilities as these

50. ₹ 17.79 crore spent by PWD and ₹ 6.20 crore advanced to Rajasthan Urban Infrastructure Development Project, details of expenditure were not available with the Department.

51. Gynecology, Medicine, Mental, Pediatric, Skin, Surgical and TB and chest.

were being provided in existing hospitals. The contention is not tenable because the new hospital building in medical college campus was to provide better teaching facilities for students of medical college and despite taking 16 years in planning/construction of hospital building and after taking possession in September 2008, only 33 *per cent* of approved units and 36 *per cent* of bed capacity could be utilised.

The State Government stated (August 2011) that 470 bedded hospital was constructed keeping in view the future requirements. At present 170 beds are in operation and establishment of units one each of Orthopedics, Surgery, Medicine, Gynae and Pediatric have also been sanctioned (June 2011). Based on these units there will be estimated increase in bed capacity by 150. However, reasons for delay in taking decision/giving directions on the proposals of the Principal and Controller, Medical College, Kota for operation of complete hospital were not intimated. Besides, in absence of decision, machinery and equipment purchased for certain units were also lying unutilised.

Thus, indecisiveness of the State Government resulted in utilisation of only 33 *per cent* of approved units and 36 *per cent* of bed capacity of the new hospital building Kota, constructed at a cost of ₹ 23.99 crore.

## Public Works Department

### 3.3.4 Award of works without acquisition of forest and private land

**Proposing and awarding the work of roads passing through private/forest land without acquisition of private land and obtaining prior approval of Forest Department rendered the expenditure of ₹ 6.56 crore unfruitful as the roads were lying incomplete though scheduled to be completed between September 2006 and March 2010.**

Rule 351 of Public Works Financial and Accounts Rules provides that no work should be commenced on land which has not been duly made over by responsible civil officer. The Forest (Conservation) Act, 1980 also prohibits the use of forest land for other purposes without prior approval of Government of India (GoI). *Pradhan Mantri Gram Sadak Yojana* (PMGSY) guideline also provide for ensuring dispute free land before proposing road works.

Mention was made in earlier Audit Reports<sup>52</sup> of the Comptroller and Auditor General of India (C&AG) (Civil) - Government of Rajasthan (GoR) regarding unfruitful expenditure incurred during December 1998 to April 2009 on roads lying incomplete due to award of works without acquiring private land/obtaining clearance from Forest Department. After examining the paragraph 4.2.11 of the Report of the C&AG for the year ending 31 March 2004 (Civil) - GoR, the Public Accounts Committee (PAC), 2006-07 in its

52. Paragraph 4.2.11 of Audit Report 2003-04; Paragraphs 4.1.7, 4.1.8 and 4.1.9 of Audit Report 2005-06; Paragraphs 4.3.6 and 4.3.8 of Audit Report 2006-07; Paragraph 4.2.4 of Audit Report 2007-08; and Paragraph 3.1.10 of Audit Report 2008-09.

173<sup>rd</sup> Report recommended that the Department should ensure construction of road works only after acquisition of the required land. In March 2007, the State Government also reiterated the instructions to observe various provisions of financial rules during execution of works including ensuring availability of dispute free land before starting construction works. Further, after examining paragraphs 4.1.9 and 4.2.4 of the Report of C&AG for the year 2005-06 and 2007-08 respectively, the PAC, 2010-11 took a serious view towards proposing alignment of roads passing through forest/private land and again recommended that concrete steps be taken to ensure that such lapses are not repeated in future.

The State Government accorded (July 2007 to February 2009) administrative and financial sanction of ₹ 12.06 crore for construction of six approach roads<sup>53</sup> (AR) (51.03 km) under PMGSY and one road<sup>54</sup> (8.50 km) under Rural Infrastructure Development Fund (RIDF) to provide all weather road connectivity to promote access to economic and social services thereby generating increased agriculture income and productive employment opportunities. The State Government also sanctioned (October 2005) strengthening and renewal of road from Bharunda Khandar to Jagner road (Model District Road) MDR 3 (10.50 km) for ₹ 3.89 crore under Central Road Fund. The road works awarded between March 2006 and April 2009 and scheduled to be completed between September 2006 to March 2010 were still lying incomplete as (29.380 km) of August 2011.

Scrutiny of records (May and March 2011) of Superintending Engineer (SE), Public Works Department (PWD), Circle Jaisalmer, Baran, Jodhpur and Executive Engineer (EE), PWD Division, Nainwa, Gangapur city and Sawaimadhopur, revealed that in the project/technical estimates of the respective roads prepared (between November 2005 to February 2009) by the EEs, there was mention of availability of land in case of six roads<sup>53</sup> and in two roads<sup>55</sup>, Department mentioned that the road alignments were passing through Forest land. The SE, Additional Chief Engineer, Chief Engineer, State Technical Agency / State Level Screening Committee approved the proposals and work was awarded to contractors. Consequently, during execution, the public opposed and stopped (between June 2008 and November 2008) the construction of the three roads<sup>56</sup> due to road alignment passing through their land and further, Forest Department stopped (between March 2008 and August 2009) construction of five roads<sup>57</sup> for want of de-reservation of forest land

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53. (i) Badoda gaon to Jaskaranpura (7.80 km): ₹ 0.97 crore, (ii) Gaddi Nai Gaddi road to Pratapgarh (9.00 km): ₹ 1.20 crore, (iii) Mamoni to Mohanpura (13.00 km): ₹ 1.49 crore, (iv) Malba to Modathali (4.20 km): ₹ 0.58 crore, (v) Bansi to Nainwa (7.00 km): ₹ 2.31 crore, (vi) Talwas to Khedi (10.03 km): ₹ 4.01 crore.

54. Narayanpura Tatwara Railway Station to Kheda Ramgarh Via Nagadi Guwadi (8.50 km): ₹ 1.50 crore.

55. (i) Narayanpura Tatwara Railway Station to Kheda Ramgarh via Nagadi Guwadi (ii) Behraunda Khandar to Jagner road MDR 3.

56. (i) Badoda gaon to Jaskaranpura, Jaisalmer (ii) Gaddi Nai Gaddi road to Pratapgarh and (iii) Malba to Modathali.

57. (i) Mamoni to Mohanpura (ii) Bansi to Nainwa (iii) Talwas to Khedi.(iv) Narayapura Tatwara Railway station to Kheda Ramgarh via Nagadi Guwadi(v) Behraunda Khandar to Jagner road MDR

from Government of India (GoI), which indicated that no proper survey had been carried out before proposing the road works.

As a consequence, the road works scheduled to be completed during September 2006 to March 2010 were lying incomplete as of August 2011, inspite of an expenditure of ₹ 6.56 crore (*Appendix 3.7*), besides the purpose of providing connectivity to villages/strengthening of road was defeated.

The Chief Engineer cum Additional Secretary PWD Rajasthan while accepting the facts stated (August 2011) that constructed portion of road Badoda gaon to Jaskaranpura and Narayanpura Tatwara Railway station to Ramgarh via Nagadi Guwadi was being utilised by the villagers. The SEs, PWD Circle, Baran and Jodhpur also accepted (July 2011) the audit observations. The EE, PWD, Division Sawaimadhapur stated (December 2010) that up-gradation of Behraunda Khandar to Jegner road was sanctioned considering non-involvement of any forest land in road alignment. The reply was not factually correct as technical estimates mentioned about some stretches of this road falling in the forest area.

Further, the replies given by the ACEs/SEs/EEs did not mention reasons for not ensuring dispute free land before taking up construction of roads between March 2006 and April 2009. Besides, partly constructed roads cannot provide the envisaged connectivity to villages.

Thus, proposing and awarding the work of roads passing through private/forest land without acquisition of private land and obtaining prior approval of Forest Department rendered the expenditure of ₹ 6.56 crore unfruitful as the roads were lying incomplete though scheduled to be completed between September 2006 and March 2010.

### **3.4 Failure of oversight/governance**

#### **Ayurved and Indian Medicine Department**

##### **3.4.1 Unproductive expenditure on establishment of Ayurvedic Drug Testing Laboratory (ADTL)**

**The Ayurvedic Drug Testing Laboratory could not be put to operation rendering the entire expenditure of ₹ 77.57 lakh unproductive and ₹ 22.43 lakh lying idle with the Department/Public Works Department for more than nine years. Besides, possibility of deterioration of equipments in the absence of maintenance and operation can not be ruled out.**

To strengthen the existing State Drug Testing Laboratory for quality control and assurance to meet the requirement of Drugs and Cosmetics Act, 1940 and rules thereunder, to improve access to drug testing facilities and expand the services and support systems, Government of India, Ministry of Health and Family Welfare, Department of AYUSH, New Delhi under Centrally Sponsored Scheme (CSS) sanctioned (March 2001) Grant-in-aid amounting to

₹ one crore<sup>58</sup> for strengthening Ayurvedic Drug Testing Laboratory (ADTL) at Ajmer and simultaneously released (March 2001) ₹ 80 lakh to Director, Ayurveda, Government of Rajasthan (GoR), Ajmer as first installment, ₹ 20 lakh were released in September 2004. Out of this ₹ 25 lakh meant for construction of building were transferred (2001-02) to Public Works Department (PWD). ₹ 77.57 lakh<sup>59</sup> were spent and ₹ 22.43 lakh were lying unutilised with the Ayurved Department (₹ 8.81 lakh) and PWD (₹ 13.62 lakh)<sup>60</sup> as of May 2011. The PWD handed over the building in May 2005 and machinery/equipments were purchased between March 2002 and March 2008<sup>61</sup>. Technical staff hired in December 2006 remained up to March 2007. Thus, ADTL remained functional for four months only and tested 10 samples of raw ingredients. Thereafter, no drug testing could be conducted in the ADTL for want of lab technicians/analyst as of August 2011 and the ADTL was not functioning.

Test check (April-May 2010) of records of the Director, Ayurved Department, Ajmer and other information obtained revealed that under the scheme financial assistance of ₹ 10 lakh was admissible for engaging technical experts on contract basis, for five years. This was released in September 2004 and ₹ 1.19 lakh only was incurred on services of technical staff upto March 2007. However, services of technical staff appointed in December 2006 were not continued after March 2007 despite availability of funds of ₹ 8.81 lakh and no fresh staff were also appointed. The amount of ₹ 8.81 lakh was, therefore, not utilised (August 2011). Besides, equipment worth ₹ 52.20 lakh purchased for ADTL was not operated since their purchase (except very limited use for four months up to March 2007). Audit observed that though the ADTL was not working since April 2007, Director, Ayurved remitted (March 2008) ₹ 12.80 lakh (meant for purchase of equipment) for furnishing of ADTL. It was also seen that in the proposal for Central assistance for strengthening of ADTL submitted (November 2000) to GoI, Ministry of Health and Family Welfare around 100 samples were reported to be checked where as only one sample was drawn<sup>62</sup> during 1998-2003.

The State Government stated (March 2011) that technical personnel could not be made available despite full efforts at the Directorate level and that necessary proposals for filling up these posts have been submitted (January 2011) to the Budget Finalisation Committee. Government further intimated (September 2011) that three Ayurved Doctors have been posted (May-August 2011) at ADTL Ajmer. The fact is that the two Ayurved Doctors have been

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58. Machinery/equipments: ₹ 65 lakh; building: ₹ 25 lakh; and contractual payment: ₹ 10 lakh.

59. Building: ₹ 24.18 lakh; machinery/equipment/other item: ₹ 52.20 lakh; and contractual payment: ₹ 1.19 lakh

60. Building fund: ₹ 0.82 lakh; remitted (March 2008) to PWD out of funds for equipment for furnishing of laboratory: ₹12.80 lakh.

61. March 2002: ₹ 47.12 lakh; March 2005: ₹ 2.14 lakh; March 2006: ₹ 1.02 lakh; March 2007: ₹ 1.36 lakh and March 2008: ₹ 0.56 lakh.

62. As commented in para 3.2.5 of Report of CAG of India for the year ending 31 March 2003 (Civil) Government of Rajasthan on Inadequacy of Sampling and Inspection under "implementation of Drugs and Cosmetics Act.

deployed to undertake works of ADTL in addition to their normal duties as Ayurved Medical Officers at Ayurved Dispensaries.

Thus, the ADTL could not be put to operation rendering the entire expenditure of ₹ 77.57 lakh unproductive. Besides, possibility of deterioration of equipment in the absence of maintenance and operation can not be ruled out.

## Labour and Employment Department

### 3.4.2 Central subsidy for construction of tenements for Beedi workers remained unutilised

**Indecisiveness of the Department in selection of a construction agency led to non-utilisation of central subsidy of ₹ 1.40 crore, denying the targeted Beedi workers of housing facilities inspite of admissibility of subsidy of ₹ 2.80 crore as Central assistance.**

Government of India (GoI), Ministry of Labour and Employment, New Delhi accorded (February 2009) administrative approval to construct 700 houses<sup>63</sup> for the Beedi workers in Beawar (District Ajmer), Rajasthan under the Economically Weaker Section (EWS) component of the Revised Integrated Housing Scheme (April 2007). GoI released (February 2009) to the Principal Secretary (Labour), Government of Rajasthan (GoR) ₹ 1.40 crore being 50 per cent of total admissible subsidy of ₹ 2.80 crore @ ₹ 40,000 per tenement for construction of houses. The construction was to be carried out through the nodal agency 'Gujarat Mahila Housing Sewa Trust (GMHST)', Ahmedabad, as decided in the joint meeting (September 2008) of the State Government and the Central Government.

The administrative approval was subject to the condition that the subsidy being released to the Labour and Employment Department (Department) of the State Government would be further released to the nodal agency after ensuring receipt of ₹ 5,000 as contribution from each beneficiary Beedi worker. The second instalment of subsidy of ₹ 1.40 crore was to be released by GoI only after utilisation of first instalment and construction reaching upto roof level. The houses were to be constructed within the stipulated period of 18 months from the date of sanction i.e. by August 2010. The amount of subsidy was to be forfeited and recovered from the executing agency alongwith interest in case of non-implementation of the scheme and refunded to GoI. Welfare Commissioner (WC), Ministry of Labour and Employment, GoI, Ajmer, was responsible to monitor the scheme and ensure proper utilisation of the subsidy.

Test check (October 2010) of the records of office of the WC, Ajmer Region, Ajmer revealed that in the meeting held (September 2008) under the chairmanship of Pr. Secretary, Labour and Employment, Rajasthan, GMHST

63. Finalised by Labour Welfare Officer, Beawar on the basis of survey conducted by GMHST.

was approved as the agency to construct houses for beedi workers on the basis of its works experience. In response GMHST submitted (February 2009) for approval the lay out plan of site and building alongwith detailed estimates for construction of 700 houses on the land made available by the State Government. However, no action was taken by the Department on the proposals. Instead, contrary to the condition of GoI sanction (February 2009) and going back on its own approval (September 2008), without assigning any reason, to allot work to GMHST, the Labour Commissioner, Rajasthan, conveyed (May 2009) to WC, Ajmer the decision of the State Government to appoint Avas Vikas Limited (State executing agency) to undertake the above work. GoI requested (May 2009) the State Government to review the matter regarding execution of works through specified nodal agency. Accordingly, after approval of the State Government, the Labour Commissioner conveyed (June 2009) to GoI and GMHST its decision to retain GMHST as construction agency for the scheme. However, despite WC, Ajmer's requests (May 2009 and September 2009) to execute the necessary agreement as per terms of the sanction, the Department neither executed any agreement nor transferred any sum to the GMHST. Consequently, the GMHST requested (October 2009) to withdraw from the project on grounds that eight months of the total time frame of 18 months has elapsed and implementation of the project on costs estimated in February 2009 was not possible. WC, Ajmer continued to request the Labour Commissioner, GoR (between September 2009 and October 2010) for submitting the required agreement with the GMHST for execution of the work. But no action was taken (October 2010) by the Labour Commissioner. The stipulated period of 18 months also expired on August 2010.

The Labour Commissioner, GoR stated (February 2011) that work could not be started due to non selection of the construction agency after refusal by GMHST and further informed (July 2011) that a decision had been taken at the level of Labour Minister, Government of Rajasthan to refund the subsidy to GoI.

The State Government stated (September 2011) that the decision to refund the subsidy was taken earlier because of increase in the estimated cost of the houses. But now since the Finance Department has consented to provide matching grant on the subsidy amount, action has been re-initiated to explore the possibility of construction of the houses by Beedi Workers themselves on the land proposed to be allotted to Beedi Workers by the State Government. However, the State Government in its reply did not intimate any reason for not responding to the WC, Ajmer and non-execution of agreement with the agency (GMHST). This led to non-utilisation of the Central subsidy for more than two years depriving the Beedi Workers of the intended benefits inspite of availability of the subsidy.

Thus, indecisiveness of the Department in selection of a construction agency led to non-utilisation of central subsidy of ₹ 1.40 crore, denying the targeted Beedi workers of housing facilities inspite of admissibility of subsidy of ₹ 2.80 crore as Central assistance.

## Public Health Engineering Department

### 3.4.3 Non-recovery of extra cost from the defaulter contractor

#### Inaction of the Department to recover extra cost of ₹ 2.45 crore from the Contractor 'A' towards work executed at his risk and cost led to undue favour to Contractor 'A'.

Clause 2 of the agreement executed between a Department and a Contractor as per rule 322 of Public Works Financial and Accounts Rules provides that if a contractor does not commence work within the period specified in the work order, he shall stand liable for forfeiture of the amount of earnest money. Clause 3 of the agreement *ibid* provides that action could also be taken to get the work executed from another contractor at the risk and cost of the defaulting contractor. Clause 50 *ibid* empowers the Department to recover such dues from any money due to the contractor under the existing contract or any other contract and effect recoveries under Public Demands Recovery Act, from his properties.

Test check (January 2011) of records of Executive Engineer (EE), Public Health Engineering Department (PHED), District Division, Jaisalmer, revealed that the Chief Engineer (CE), PHED, Jodhpur, awarded (September 2007) the work of supplying, laying, jointing, testing and commissioning of 500 mm dia Ductile Iron (DI) K-9/K-7 pipeline (new) and removal of old existing pipeline between Pohra and Gajroopsagar Head Works etc. with defect liability period for one year (package no. II of the Urban water supply scheme, Gajroopsagar, Jaisalmer) to Contractor 'A' for ₹ 3.18 crore. The Superintending Engineer (SE), PHED Circle, Jaisalmer, conveyed (October 2007) to the contractor 'A' about acceptance of his tender mentioning the stipulated dates of start and completion of work as 28 October 2007 and 27 April 2008 respectively and asked the contractor to sign the agreement by 25 October 2007. The contractor 'A' executed (November 2007) the agreement for carrying out the work, but did not start the work.

Audit observed that the SE/EE issued notices to him after three months on 29 January 2008, 4 February 2008 and 13 February 2008 for starting the work and maintaining progress of the work failing which action would be taken under clauses 2 and 3 of the agreement. Subsequently, on the proposals submitted (June 2008) by the Additional Chief Engineer (ACE), PHED Zone, Jodhpur, the Finance Committee<sup>64</sup> (FC) of Rajasthan Water Supply and Sewerage Management Board (RWSSMB) approved (June 2008) withdrawing the work and taking of action against Contractor 'A' under clauses 2 and 3 of the agreement and rules for enlistment of contractor.

Simultaneously, FC also approved (June 2008) negotiated offer of contractor 'B' of Jodhpur for ₹ 5.71 crore against fresh NIT of February 2008. Firm 'B'

64. The FC of the RWSSMB has been constituted under the chairmanship of Principal Secretary of the Department. It is competent to sanction all purchases and approve all projects costing upto ₹ 5 crore.

completed (January 2009) the work at a cost of ₹ 5.63 crore (paid as of May 2009). The decision of FC to withdraw the work from defaulter Contractor 'A' and get the same executed from other contractor at his risk and cost was not conveyed to the contractor 'A'. The EE also did not approach CE/ACE for forfeiture of the earnest money of defaulter contractor 'A'. The EM of ₹ 1.35 lakh received from contractor 'A' was lying (July 2007) under head 8443-Civil Deposits and was not forfeited and credited to revenue of the State as of September 2011. Further, ₹ 2.45 crore<sup>65</sup> recoverable from the Contractor 'A' could also not be recovered from him as there was no pending liability/sum due to be paid to him lying with the Division. The EE wrote to CE/ACE/SE, after 10 months, during December 2009 to October 2010 to arrange the recovery of due amount from Contractor 'A' from his pending payments in other Divisions. ACE directed SE/EE, during October 2009 to May 2011, to ensure compliance of the decision of FC (June 2008) but the issue only remained under correspondence.

As a result, despite lapse of two years, the Department failed to recover the amount from the Contractor 'A' and did not forfeit EM or blacklist him. Besides, EE, initiated no action for recovery under Public Demands Recovery (PDR) Act, as stipulated under clause 50 of the agreement.

The State Government stated (November 2011) that Collector, Jodhpur has been requested (October 2011) to recover the extra cost from the defaulter contractor under PDR Act.

Thus, inaction on the part of the Department to recover extra cost of ₹ 2.45 crore from the contractor 'A' towards work executed at his risk and cost indicated laxity on the part of the Administration and led to undue favour to contractor 'A'.

## Public Works Department

### 3.4.4 Acceptance of substandard road works

**Incorrect entries of receipt/utilisation of Bitumen in Consumption Statement led to acceptance of substandard road works of ₹ 0.65 crore and loss to Government.**

Chief Engineer (Road -I), Public Works Department (PWD), Rajasthan, Jaipur conveyed (December 2007) approval of the Departmental Committee for acceptance of lowest tender offer of Contractor 'A' for ₹ 2.13 crore for construction of Missing links of six roads<sup>66</sup> under Missing link (Phase-II) in District Sikar. Executive Engineer, PWD Division, Fatehpur (District Sikar) (EE) issued (December 2007) work order in favour of Contractor 'A' with

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65. ₹ 5.63 crore - ₹ 3.18 crore = ₹ 2.45 crore

66. From Hetamsar to Rasoolpur (A), from Godiya Chhota to Hetamsar (B), from Bhunchari to Almas upto Churimiyan Boarder (C), from Roru Bodi to Rajas (D), from Nawalgarh to Birodi Chhoti (E) and from Sardarpura to Birania (F).

stipulated date of completion of work as 30 October 2008. Contractor completed the road works at a cost of ₹ 2.14 crore (November 2009) including price escalation of ₹ 0.23 crore.

Test check (April 2010) of records of EE, PWD Division, Fatehpur (District Sikar) revealed that the Schedule 'G' of the works, *inter alia*, included components of Granular sub base, Water Bound Macadam (WBM), Primer and Tack coats with Bitumen emulsion and Premix carpet with 80/100 grade Bitumen, Cement Concrete and Road furniture. Audit observed that as per the quantities given in the running bill, the contractor executed work of Tack coat and Primer coat in 60,053.26 sq. metre<sup>67</sup>. Work of premix carpet and seal coat was also executed on this work. As per the specifications of Schedule 'G' 49.932 Metric Ton (MT) bitumen (Tack Coat: 13.900 MT, Primer coat: 36.032 MT) was required to be used in Tack/Primer coats.

However, as per the bitumen consumption statement prepared by Assistant Engineer, Laxmangarh, the contractor procured 56.340 MT<sup>68</sup> Bitumen and after consuming 49.932 MT on Tack/Primer coats there was a balance of 6.408 MT with the contractor. Audit observed that 18 MT Bitumen purchased vide invoices no. 055644 dated 16 July 2008 and 054934 dated 7 April 2008 was included twice in the consumption statement. The contractor had actually purchased 38.340 MT Bitumen only and completed the work of Tack and Primer coats by consuming 31.932 MT<sup>69</sup> Bitumen actually i.e. 36 *per cent* less than that required. This indicated that bitumen consumption of 49.439 MT justified by the Assistant Engineer was based on wrong data and the EE accepted the substandard work of Tack/Primer coat. Consequently, the works of Bituminous/premix carpeting with seal coat laid over the substandard work also would be substandard. However, the required certificate<sup>70</sup> to be recorded by the EE certifying that the work executed by the contractor was as per specifications was not found recorded on the body of running bill. This showed that the contractor's claim including substandard work was admitted without proper scrutiny which was indicative of failure of due diligence and monitoring which resulted in loss of ₹ 0.65 crore (including proportionate price escalation of ₹ 0.07 crore) to Government (**Appendix 3.8**).

The Chief Engineer cum Additional Secretary, PWD Rajasthan, Jaipur stated (June 2011 and September 2011) that Assistant Engineer erroneously made double entry of receipts in the consumption statement and actually 54 MT emulsion was procured and 49.932 MT was used. The reply is not tenable because even if it is accepted that the double entry was by mistake, there should not be difference in the total quantity of BT procured and the balance with the contractor as is being shown in the revised consumption statement. Further, in the original consumption statement, Consignee Receipt Certificate (CRC) no.062005 dated 08 October 2008 was for 2.340 MT which has been

67. Road A:8013.75 sqm., Road B:4946.25 sqm., Road C: 5201.98 sqm., Road D:14643.75 sqm., Road E:7747.53 sqm. and Road F: 19500.00 sqm.

68. Invoice No. 054934 dated 7 April 2008: 10 MT, 055644 dated 16 July 2008: 8 MT (both taken twice), 061947 dated 4 October 2008: 9 MT, 062005 dated 8 October 2008: 2.340 MT and 062192 dated 23 October 2008: 9 MT.

69. Excluding 6.048 MT balance available with contractor as per consumption statement.

70. As given in from 27 B (Standard Form of Bills) under PWF&ARs (part III).

changed to nine MT in the revised consumption statement. This is also not correct as the 2.340 MT quantity was verified as utilised by the concerned AEN in the original consumption statement. Besides, no reason has been given for passing contractor's claim without recording certificate prescribed under Public Works Financial and Accounts Rules (PWF&ARs).

Thus, incorrect entries of receipt/utilisation of Bitumen in consumption statement led to acceptance of substandard road works of ₹ 0.65 crore and loss to Government.

## Tribal Area Development Department

### 3.4.5 Special Central Assistance remained unutilised

**In the absence of adequate instructions, the Project Officers/ Deputy Project Officers failed in implementation of the Scheduled Tribe Women Self Help Group scheme resulting in Special Central Assistance of ₹ 1.53 crore remaining locked in Personal Deposit accounts of field officers depriving the Scheduled Tribe women of Below Poverty Line families of the intended benefits.**

The State Government released Special Central Assistance (SCA) of ₹ 2.08 crore in January 2008 (₹ 1.08 crore) and in October 2008 (₹ one crore) for implementation of Schedule Tribe Women Self Help Group (STWSHG) Scheme (Centrally Sponsored Scheme) in five tribal districts<sup>71</sup>. Under the scheme, Self Help Groups (SHGs) of ST women of Below Poverty Line (BPL) families were to be formed to make them economically independent by sanctioning SCA for providing resources viz. equipment, training, raw material and trade for starting stipulated commercial activities<sup>72</sup>. The Project Officers (POs)/Deputy Project Officers (DPOs) of Tribal Area Development (TAD) Department were responsible for implementation of the scheme by inviting applications for SHGs from interested women, ensuring utilisation of SCA within one year from the date of issue of sanction and refunding unutilised amount, if any, to the State Government. The SCA amounting to ₹ 2.08 crore was transferred (February and October 2008) by Treasury Officers (TOs) in the Personal Deposit (PD) accounts of POs/DPOs of the districts.

Scrutiny (April 2010) of the records of PO, TAD, Banswara, DPOs, Pratapgarh and Sirohi and information collected (January 2011) from the Commissioner, TAD, Udaipur revealed that of ₹ 1.08 crore<sup>73</sup> transferred (February 2008) by the TOs to the PD account of three POs and two DPOs for

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71. Banswara, Dungarpur, Pratapgarh, Abu Road (Sirohi) and Udaipur.

72. Hosiery Garment (Sewing and Readymades) training; Dairy and animal husbandry; Pickle, murabba and sharbat; Spices; *Kashidakari* (embroidery); Kirana and General store; Photocopier/STD-PCO and Bamboo and canes.

73. POs, Banswara (₹ 37.71 lakh); Dungarpur (₹ 25.08 lakh); Udaipur (₹ 35.24 lakh); DPOs, Abu Road (Sirohi) (₹ 2.66 lakh) and Pratapgarh (₹ 6.82 lakh).

implementation of the Scheme, only ₹ 0.51 crore<sup>74</sup> could be utilised on providing equipment, training, raw material and trades for undertaking commercial activities to 275 SHGs (against the target of 425) during 2007-08. However, without ensuring utilisation of previous balance of ₹ 0.57 crore by forming SHGs, State Government released further SCA of ₹ one crore<sup>75</sup> to POs/DPOs in October 2008. Of this ₹ 4.16 lakh<sup>76</sup> was spent by DPOs, Abu Road (Sirohi), Pratapgarh and Udaipur during 2008-09 for providing raw material and trades to SHGs. No SHGs were formed during 2008-09 though the same targets were to be achieved.

Audit observed that the scheme guidelines did not provide procedure for formation and selection of SHGs as reported (October 2008) by PO, Banswara to Additional Commissioner, TAD, Udaipur. However, no action was taken by the Department. It was also observed that SCA of ₹ 1.53 crore<sup>77</sup> could not be utilised due to non-formation of SHGs by POs/DPOs and running of similar schemes for the benefit of SCs/STs by other Departments as reported by Additional Commissioner, TAD, Udaipur. Despite soliciting (February 2008 to October 2009) progress of the scheme by the Commissioner, TAD, no information was furnished by the POs/DPOs which indicated of weak control and governance. Further, it was also noticed that though the scheme was closed in March 2009, the unspent balance of ₹ 1.53 crore was not refunded to State Government as per condition No. 3 of the sanction issued by the State Government and was lying in the PD account of POs/DPOs (July 2011).

The State Government stated (May and July 2011) that despite efforts funds could not be utilised due to non-receipt of proposals and there was lack of interest of the tribal area inhabitants towards the scheme. The fact, however, remains that the Department did not issue adequate instructions in the absence of which the POs/DPOs failed to form SHGs and disbursement of SCA of ₹ 1.53 crore remained unutilised for two to three years. Consequently, the ST women of BPL families could not draw the benefits envisaged in the scheme.

### 3.4.6 Special Central Assistance remained unutilised

**Lack of proper grassroots planning, monitoring and co-ordination with line Department led to non-utilisation of Special Central Assistance of ₹ 2.52 crore sanctioned during 2006-08 for 10 Watershed Development Projects which was lying idle in the Personal Deposit accounts of Project Officers/ Deputy Project Officers (July 2011).**

Government of India (GoI) issued (April 2003) 'Guidelines for Hariyali' for implementation of Watershed Development Projects (WDPs) which provide

74. POs, Udaipur (₹ 35.24 lakh); Dungarpur (₹ 8.54 lakh) and DPO, Pratapgarh (₹ 6.82 lakh).

75. POs, Banswara (₹ 32.78 lakh); Dungarpur (₹ 23.32 lakh); Udaipur (₹ 28.99 lakh); DPOs, Abu Road (Sirohi) (₹ 2.47 lakh) and Pratapgarh (₹ 12.44 lakh).

76. DPOs, Abu Road (Sirohi) (₹ 0.55 lakh); Pratapgarh (₹ 0.16 lakh) and Udaipur (₹ 3.45 lakh).

77. POs, Banswara (₹ 0.70 crore); Dungarpur (₹ 0.40 crore); Udaipur (₹ 0.26 crore); DPOs Abu Road (Sirohi) (₹ 0.05 crore) and Pratapgarh (₹ 0.12 crore).

preparation of a detailed action plan by the *Gram Panchayats* for the scheme to be submitted to the Department. Joint Director, Watershed Development and Soil Conservation, Udaipur instructed (March 2008) all Chief Executive Officers of *Zila Parishads* to prepare the proposal of WDPs after selecting the areas as per the Watershed Atlas issued by Rajasthan State Remote Sensing and furnish a certificate that the area has not been treated earlier under any scheme. Under the scheme first instalment of Special Central Assistance (SCA) was to be released unconditionally and further instalments were to be released after ensuring utilisation of more than 50 per cent of the sum of earlier instalments. The Project Officers(POs)/Deputy Project Officers (DPOs) of Tribal Area Development (TAD) Department were responsible for implementation of WDPs and ensuring utilisation of SCA within one year from the date of issue of sanction and refunding unutilised amount, if any, to the State Government. Deputy Secretary, TAD conveyed administrative and financial approval of 23 WDPs<sup>78</sup> during the year 2006-07 (seven) and 2007-08 (16) and transferred SCA of ₹ 5.81 crore in the Personal Deposit (PD) accounts of POs/DPOs between January 2007 and December 2009.

Scrutiny (January 2011) of the records of the Commissioner, TAD (Department), Udaipur and further information collected (March and June 2011) revealed that three WDPs<sup>79</sup> of Banswara district had to be cancelled (December 2009) as the areas of the projects had already been treated under other schemes<sup>80</sup>, three WDPs<sup>81</sup> of Dungarpur (two) and Banswara (one) districts have already been completed under Lift Irrigation Scheme. Four WDPs<sup>82</sup> of Pratapgarh district have not been started (July 2011) due to shortage of technical staff and these seven WDPs were under cancellation with State Government since October 2010. Audit observed that the approval was conveyed for executing the WDPs during 2006-07 and 2007-08 without obtaining detailed action plan from the Gram Panchayats under the guidance of watershed development team and ensuring feasibility of the proposals submitted by the line Department<sup>83</sup> to Commissioner, TAD. Besides, further instalments amounting to ₹ 2.07 crore were also released to POs/DPOs without ensuring utilisation of earlier funds. Thus, defective planning and improper monitoring led to non-utilisation of SCA of ₹ 2.52 crore as of July 2011, which is lying unutilised in PD accounts of POs/DPOs for three to four years.

The State Government stated (July 2011) that the unutilised SCA would be utilised on on-going projects and construction of four anicuts. The reply confirms that SCA was released without ensuring feasibility of the project proposals submitted by the implementing agencies/line Department.

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78. Banswara: 4; Dungarpur: 7; Pratapgarh: 6 and Udaipur: 6.

79. Bhandara-II-B, Bhandara-II-F, Bawdi Ninama sanctioned in 2007-08; SCA released: ₹ 67.50 lakh

80. Assurance Employment Scheme 1998-2003 (Bhandara-II-B and Bhandara-II-F) and National Watershed Project Scheme 1991-1996 (Bawdi Ninama)

81. Ubali, Vanderved and Ghori Tejpur-I sanctioned in 2006-07; SCA released: ₹ 94.50 lakh.

82. Phulda-I, Phulda-II, Bhanej-I and Bhanej-II sanctioned in 2007-08; SCA released: ₹ 90 lakh

83. Watershed development and Soil Conservation Department.

Thus, lack of proper grassroots planning, monitoring and co-ordination with line Department led to non-utilisation of SCA of ₹ 2.52 crore sanctioned during 2006-08 for 10 WDPs and was lying idle in the PD accounts of POs/ DPOs (July 2011).

## General

### 3.4.7 Lack of response to audit observations

**Audit is an aid to management for efficiency, effectiveness and good governance. The failure of the Government in taking proper corrective action on audit findings indicated weak governance.**

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

As on 31 March 2011, there were 7,526 IRs containing 25,758 paragraphs issued to 75 Civil and 8 Works Departments during the period 1982-83 to 2010-11 (up to September 2010) which were pending for settlement. Year-wise pendency is as under:

Year	Numbers pending	
	IRs	Paragraphs
Upto 2004-05	1487	3463
2005-06	653	2368
2006-07	941	2943
2007-08	1024	3454
2008-09	1226	4167
2009-10	1441	6030
2010-11 (upto September 2010)	754	3333
<b>Total</b>	<b>7,526</b>	<b>25,758</b>

- For early settlement of outstanding Inspection Reports (IRs) and paragraphs, the State Government issued (August 1969) instructions to all departmental officers for sending the first reply to IRs within a month, and replies to further audit observations within a fortnight. These instructions have been reiterated from time to time. The instructions issued in March 2002 envisaged appointment of nodal officers and Departmental Committee in each of the Administrative Departments to ensure compliance to all the matters relating to audit. Latest instructions have been issued in January 2010.

- An analysis of 1603 IRs issued to various units under Ayurved Department (99), Medical Department (728) and Public Health Engineering Department (776) revealed that 5,186 paragraphs were outstanding as on 31 March 2011. Category-wise detail of irregularities commented in IRs is given

in **Appendix 3.9**. It was further noticed that first reply of one IR of Ayurved Department was pending for 17 months.

- Audit Committees comprising of the respective Principal Secretary/Secretary of the Department and representatives of the Finance Department and the Office of the Principal Accountant General were formed in 28 Departments out of 83 Departments for taking speedy action on pending audit matters. The Finance Department issued (November 2004) instructions for conducting four meetings per year, but no Department adhered to the instructions of the Finance Department and only 37 Audit Committee meetings were held by 20 Departments during 2010-11.

Audit is an aid to management for efficiency, effectiveness and good governance. The failure of the Government in taking proper corrective action on audit findings indicated weak governance. The Government should look into the matter and ensure that procedures are put in place to ensure submission of prompt and proper response to the audit observations, action is taken against the defaulting officials and recoveries of losses/outstanding advances/ overpayments are made in a time bound manner.