

Chapter 3
Compliance Audit

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Audit of transactions of the Public Works Department (PWD) and Water Resources Department (WRD) 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

Water Resources Department

3.1.1 Unauthorised expenditure

Executive Engineer, Water Resources Department, Division II, Bhilwara got the repair works done through contractors in violation of provisions/guidelines of Mahatma Gandhi National Rural Employment Guarantee Scheme resulting in unauthorised expenditure of ₹ 4.63 crore apart from non achievement of objective of enhancing livelihood security in rural areas.

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is under implementation in Rajasthan since February 2006 with the objective of enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The scheme provides that no work in any condition should be permitted through a contractor.

Test Check (September 2010) of records of EE, WRD Division II, Bhilwara and further information collected in January 2011 revealed that District Programme Co-ordinator and District Collector, Bhilwara accorded (April 2009 to July 2009) administrative and financial sanctions for 37 works pertaining to repair of canal, anicuts *etc.* for ₹ 8.96 crore on the basis of technical sanctions (April 2009 to July 2009) issued by Executive Engineer (EE), WRD, Division II, Bhilwara. The above works were awarded to various contractors during June 2009 to December 2009 for ₹ 5.99 crore. Material for the works was to be procured by the same contractor, brought to Divisional/work site store and issued for the works and labourers were to be engaged through respective *Panchayats* and payments made to them through Muster Rolls. Of 37 works, 25 works were completed and 12 are still ongoing and an expenditure of ₹ 4.63 crore (skilled labour part: ₹ 0.43 crore and material part: ₹ 4.20 crore) had been incurred. However, it was noticed that the works were got executed by the contractors and neither skilled labourers were engaged through *Panchayats* nor material received from contractors was

taken in site stores. Thus, EE, WRD, Division II, Bhilwara got the works executed by the contractors in violation of MGNREGS guidelines.

The State Government while accepting the facts stated (August 2011) that action against defaulters will be taken after investigation. State Government also stated (December 2012) that due to non availability of skilled/semi-skilled labour, through *Panchayats*, works were got executed through contractors and payments made to them. The reply was not tenable as MGNREGS guideline prohibits execution of work through contractors in any circumstances.

Thus, getting the repair works done through contractors in violation of guidelines of MGNREG Act led to the unauthorised expenditure of ₹ 4.63 crore apart from non achievement of objective of enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household.

3.2 Persistent and pervasive irregularities

Public Works Department

3.2.1 Award of road works without construction site availability

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 non forestry purposes without prior approval of the Government of India (GoI). PMGSY guidelines (November 2004) provide that State Government/District *Panchayat* would be responsible to ensure that lands were available for taking up the road works proposed and no funds for land acquisition would be provided under the PMGSY.

Mention was made in paragraph 3.1.10 of the Report of the Comptroller and Auditor General of India (civil) for the year ended March 2009, Government of Rajasthan regarding allotment of road works without ensuring availability of land free from dispute. Despite recommendation of the Public Accounts Committee (26 August 2011), department did not take action against officials found responsible for awarding the work without ensuring availability of dispute free land.

Proposing and awarding the work of roads passing through the forest/private land rendered the expenditure of ₹ 3.44 crore unfruitful.

- The State Government accorded (July 2007 to May 2009) administrative and financial sanction of ₹ 6.93 crore for construction of two new Approach Roads¹ (AR) and upgradation of roads from Bijapur to Korwa Fanta (15.00 km at cost ₹ 4.23 crore) under PMGSY and Baori to Kelawa (8.00 km at cost ₹ 0.81 crore) under Rural Infrastructure Development Fund XV (RIDF-XV). The road works awarded during the period from October

1. AR Bhadwal to Kailash Nagar (4.03 km): ₹ 0.63 crore and AR Sanchore Bakhasar road km 20 to Godaron ki Dhani (7.90 km): ₹ 1.26 crore.-Total 11.93 km at cost ₹ 1.89 crore.

2007 to July 2009 and scheduled to be completed during May 2008 to March 2010 were lying incomplete (7.28 km out of 34.93 km) as of January 2012. Scrutiny of records (April-May 2011 and January 2012) of the Additional Chief Engineer (ACE), PWD, Zone, Jodhpur, Superintending Engineer (SE), PWD Circles, Pali and Jalore revealed that the project/technical report of the respective roads sanctioned between July 2007 and June 2009 by SE/ACE, indicated the availability of land only for two new ARs. However, while the alignment of road from Baori to Kelawa involved private land, the road from Bijapur to Korwa Fanta was passing through forest in its stretch from km 8/300 to 11/200 and 15/800 to 17/600 (4.7 km). Nevertheless the State Technical Agency and ACE/SE had cleared and sanctioned the proposals in contravention of the PMGSY guidelines. During execution, while three road works² were stopped (between April 2008 and September 2009) by land owners, the road work from Bijapur to Korwa Fanta was stopped by the Forest Department (June 2009) for want of permission. As a result the road works targeted for completion by May 2008 to March 2010 were lying incomplete as of January 2012 after incurring of an expenditure of ₹ 3.44 crore (*Appendix 3.1*). Thus, the purpose of providing road connectivity to the targeted habitations was defeated.

The State Government stated (November 2012) as follows:

(i) Constructed portion of the Bhadwal to Kailash Nagar and Sanchore Bakhasar road km 20 to Godaron ki Dhani was being used by the public and the remaining portion would be constructed after acquisition of land.

(ii) At the time of transect walk villagers agreed to transfer the land but later refused and obstructed the work. Proposal for permission had been submitted (November 2009) to the forest department in respect of roads from Bijapur to Korwa Fanta. In respect of Baori to Kelawa, the road stretch from km 2/345 to 3/225 (880 metre) was passing through *Khasra* no. 244 and 245 and *Khatedar*s of the land objected to construction of the road work. Though the land belonged to State Government, revenue authorities irregularly transferred (January 1983) it in favour of private persons. The land had been re-transferred to the State Government in May 2012. The reply was not acceptable as the problem encountered in these four roads could have been avoided if the department had verified the title of the land on the basis of revenue records and ensured availability of land before commencement of these work.

Taking up road works through railway land led to road works remaining incomplete rendered the expenditure of ₹ 1.38 crore unfruitful.

• The Additional Secretary, PWD, Rajasthan, Jaipur, accorded (July 2007) administrative sanction for ₹ 1.49 crore for construction/upgradation of road (8.60 km long) from Bari to Bijoli under PMGSY to provide connectivity to the habitations³ involved. The road work was awarded (November 2007) to a contractor for ₹ 1.62 crore and the work order was issued (December 2007) by the Executive Engineer, PWD, Division, Bari. However, the road work scheduled to be completed by 20 May 2008 was lying

2. AR Bhadwal to Kailash Nagar, AR Sanchore Bakhasar road km 20 to Godaron ki Dhani and upgradation of Baori to Kelawa.

3. Bari, Dhanora, Surothi and Bijoli.

incomplete after incurring expenditure of ₹ 1.38 crore (85 per cent) upto August 2008. Though the technical report (project report) mentioned that sufficient land was available for the work.

Scrutiny of records (October 2011-December 2011), of the Chief Engineer (CE) PMGSY, PWD, Rajasthan, Jaipur revealed that the road work had been completed (March 2009) at a cost of ₹ 1.38 crore except in Km 0/0 to 0/600. The railways authority did not allow road construction in this reach. This shows that availability of land guaranteed in the Technical Report was not factually correct. Thus, the work could not be completed as conceived after incurring expenditure of ₹ 1.38 crore.

The state Government while accepting the fact stated (September 2012) that proposal for construction of road work had been sanctioned under PMGSY after getting approval from *Panchayat Samiti* Bari and *Zila Parishad*, Dholpur and completed portion of road is being used by the local public. The reply was silent as to why the land belonging to Railway had not been acquired in at the time of preparing the Project Report.

Proposing alignment of roads through forest land without approval of GoI led to non-completion of three roads (₹ 2.53 crore) besides, diversion of funds for other purposes.

- Additional Secretary, PWD, Rajasthan, Jaipur sanctioned ₹ 5.81 crore for construction of five approach roads (ARs) viz, MDR-3 to Rahir (20.80 km) at ₹ 3.60 crore, AR Panchana diversion to Tharkapura (3.95 km) at ₹ 0.68 crore, AR Bauwa to Nayawas (3.10 km) at ₹ 0.54 crore and SH-25 to Barred (1.30 km) at ₹ 0.39 crore and MDR-3 Sigarpur to Garh Mandora (3.50 km) at ₹ 0.60 crore in Karauli District in August 2005 and April 2006 to provide 'all weather road connectivity' under PMGSY for improving the social economic conditions, educational and medical facilities for the villages. The road works were awarded to four different contractors during November 2005 to August 2006 to be completed by August 2006 to May 2007.

Test-check (November-December 2011) of records of the Superintending Engineer (SE), PWD Circle, Karauli revealed that out of the five ARs, two ARs, MDR-3 Sigarpur to Garh Mandora (₹ 0.44 crore) and SH-25 to Barred (₹ 0.30 crore) were completed at a cost of ₹ 0.74 crore during August 2006 to July 2007. The remaining three ARs viz MDR-3 to Rahir⁴ (₹ 1.76 crore), Pachana diversion to Tharkapura (₹ 0.30 crore) and Bhauwa to Nayawas (₹ 0.47 crore) were lying incomplete after incurring an expenditure of ₹ 2.53 crore as of March 2012. Audit observed that the fact of alignment of ARs except for one road (MDR-3 Sigarpur to Garh Mandora) falling in the forest area came to the notice of the department only after commencement of the works. This indicated that the adequate survey for road alignment had not been done and proposals were made by SE/Additional Chief Engineer (ACE)/Chief Engineer, PMGSY/State Technical Agency/ State Level Screening Committee and approved without ensuring availability of dispute free land for construction of roads. Consequently, the construction of roads got delayed.

4. This road had already been commented as para 4.2.4 (₹ 1.57 crore as of December 2007) of Audit Report (Civil) 2007-08 is still lying incomplete as of November 2011.

On receipt (February 2007 to September 2008) of in principle approval for dereservation of 23.914 hectare forest land from Ministry of Environment and Forests, (MoEF), GoI for all the five roads, SE, Karauli made payment amounting to ₹ 3.18 crore to the forest department towards Net Present Value (NPV) out of the PMGSY funds in respect of all the five roads⁵ during March 2007 to March 2010 in violation of PMGSY guidelines *ibid*. However, only ₹ 2.42 crore had been refunded (March 2012) to PMGSY account.

While accepting the fact the State Government stated (November 2012) that fact of alignment of ARs falling in the forest area was already within the knowledge of the department before awarding the work and three road works viz. AR Rahir, Tharkapura and Nayawas were incomplete due to non-receipt of final approval from GoI. It was further stated that funds spent from PMGSY for making payment to Forest Department had been pending adjustment for want of Letter of Credit under State Plan for two ARs Tharkapura and Nayawas. The reply was not acceptable as only ARs Barred and Garh Mandora were completed and remaining three roads were lying incomplete for want of final approval of GoI and mutation of land in PWD's favour thereafter. As regards unauthorized payments made to the forest department from PMGSY funds, requisite sanction for road, Tharkapura and Nayawas was not accorded by the State Government. Also had the survey done properly at site, the dispute of land would have not arisen. Thus, proposing alignments of road through forest land without obtaining approval of GoI led to non completion of three roads (₹ 2.53 crore).

Works taken up on forest land without obtaining prior approval from the Forest Department led to a road remaining incomplete after expending ₹ 1.13 crore.

- The State Government accorded (April 2006) administrative sanction for a new road work from Asha Ka Bas to Nathusar (9 km long) under PMGSY for ₹ 2.43 crore. The ACE, PWD, Zone II, Jaipur accorded (May 2006) technical sanction for ₹ 2.41 crore. The work was awarded (June 2006) to a contractor at 1.25 *per cent* above schedule 'G' aggregating to ₹ 2.49 crore including maintenance for five years (₹ 0.15 crore). The work was to be completed by 10 April 2007. The contractor executed the road work and was paid ₹ 1.12 crore up to April 2008.

Test-check of records (July 2011) of Superintending Engineer (SE), PWD Circle, Alwar revealed that as per the Detailed Project Report (DPR) prepared by EE, PWD Division I Alwar, the road alignment followed revenue track and sufficient land was available for construction of the road. However, the alignment in 4.010 km⁶ was passing through forest area and the department has submitted the proposal for using the forest land for non forestry purpose to the forest department only in August 2006 after expending ₹ 1.13 crore, defeating the objective of providing all weather connectivity to the targeted villages. The forest department rejected (January 2009) the proposal. As the construction of the road had been taken up in July 2006 without obtaining approval of GoI, Conservator of Forest; Regional Director, Tiger Project, Sariska directed (October 2006 and October 2009) the

5. AR Rahir: ₹ 1.90 crore, AR Tharkapura: ₹ 0.64 crore, AR Nayawas: ₹ 0.12 crore. AR Garh Mandora: ₹ 0.27 crore and AR Barred: ₹ 0.25 crore).

6. Km 0/600 to 0/720, km 1/300 to 1/900, km 2/800 to 5/474, km 6/520 to 6/850, km 7/308 to km 7/484 and km 8/035 to 8/145.

department to stop the road work. However, the work was kept continued and the contractor was paid for ₹ 1.13 crore (August 2011). Only in November 2011, the ACE, PWD Zone II, Jaipur withdrew the remaining road work from scope of the contract.

The State Government stated (September 2012) that road proposal prepared on revenue track after approval of *Panchayat Samiti* and *Zila Parishad* and the constructed portion is being used by the villagers. The reply was not acceptable as the EE did not ensure availability of dispute free land for construction of road passing through forest.

Thus, taking up the road work through forest land without the requisite approval, led to the road remaining incomplete and the object of providing all weather connectivity to the targeted villagers could not be achieved even after spending ₹ 1.13 crore.

Improper survey resulted taking up the work of vented causeway on unsuitable strata and road through forest area which led to unfruitful expenditure of ₹ 2.19 crore.

- Additional Secretary, PWD accorded (August 2005) administrative sanction for ₹ 1.75 crore under PMGSY for construction of road from Doongri to Khidarpur Jadon (4.30 km) in District Sawaimadhopur to provide marketing, educational and medical facilities by connecting the two villages through all weather bituminous roads. The technical estimates of works prepared by Executive Engineer (EE), PWD Division, Sawaimadhopur included construction of vented causeway⁷(625 metre)⁸ on Banas river.

The work was awarded (September 2005) to a contractor for ₹ 1.37 crore for completion by 19 July 2006. As of July 2006, the contractor had been paid ₹ 0.86 crore for execution of Cement Concrete/Bitumen Treated (CC/BT) work in 3.075 km⁹ and Water Bound Macadam work in one km (3/300 to 4/300). The balance work valued at 0.51 crore was withdrawn (January 2010) from contractor.

Test-check (March-April 2011) of the records of Superintending Engineer (SE), PWD Sawaimadhopur revealed that contractor could not execute the work of vented causeway (625 metre) due to non-availability of suitable strata in foundation. Further, BT work in 3/300 to 4/300 was also not executed as transportation of bitumen and material across Banas river was not possible due to non-construction of vented causeway. Thus, EE, PWD Division, Sawaimadhopur had proposed the work without conducting proper survey of the site which led to withdrawal of work at incomplete stage and denied the villagers targeted benefit of all weather connectivity due to road lying incomplete, proving the expenditure of ₹ 0.86 crore unfruitful.

Based on the proposal of EE, PWD Division, Sawaimadhopur, Additional Secretary, PWD issued (February 2009) administrative and financial sanction

7. Vented Causeway is a cross drainage structure provided with a few opening comprising of pipes, short span slabs or small arches to make the crossing feasible during monsoon and flood.

8. Km 2/675 to 3/300.

9. CC: 0/0 to 1/0 km and 4/300 to 4/700 km, BT: 1/0 to 2/675 km.

for ₹ 7.61 crore for upgradation of road in 15.38 km¹⁰ from Kasaba Khandar to Bhoori Pahari in Sawaimadhopur District. This included the remaining work (work of vented causeway and BT in one km) of road from Doongri to Khidarpur Jadon. The Chief Engineer (CE), PWD awarded (July 2009) the work to a contractor for ₹ 6.54 crore with stipulation for completion by June 2010. During execution of the work, Deputy Chief Conservator of Forests and Deputy Director Core Area, Ranthambore Tiger Project, Sawaimadhopur directed (January 2010) EE, PWD, Sawaimadhopur to stop the work as the alignment of road in 7.700 km¹¹ was falling in Ranthambore Tiger Reserve Corridor. Accordingly, the contractor stopped the work and the CE approved (November 2010) closure of the contract. The contractor had been paid (September 2011) ₹ 1.33 crore for the work done by him in reach km 26/10 to 30/05.

The reply of the State Government (September 2012) that due to non availability of sufficient funds, cross drainage (CD) work in 300 metre in place of 625 metre proposed was not acceptable as in the technical sanction, CD work in 625 metre was proposed and funds sanctioned accordingly. In respect of Kasba khandar to Bhoori Pahari, it was stated that availability of sufficient land had been ensured at the time of survey conducted by the department but the work was finalised at an incomplete stage after the Forest Department stopped the work. The reply confirms that proper survey had not been conducted and clear title of land had not been ensured before awarding the road work. Action for obtaining the requisite permission from the Forest Department was initiated (25 January 2010) belatedly and clearance was still awaited. Further, the unspent amount of ₹ 0.89 crore in respect of road work from Doongri to Khidarpur had also not been surrendered (February 2009 to September 2012).

Thus, improper survey resulted in taking up the works of vented causeway on unsuitable strata and road through forest area which led to unfruitful expenditure of ₹ 2.19 crore. As the roads are lying incomplete, the targeted villages were deprived of all weather connectivity. Besides, ₹ 7.17 crore¹² were lying unutilised with Rajasthan Rural Road Development Agency since October 2011.

10. Chainage from 9/0 to 12/625, 15/600 to 23/300 and 26/0 to 30/050

11. Km 15/600 to 23/300 in between village Sanwata to Talawara

12. Doongri to Khidarpur Jadon: ₹ 1.75 crore (-) ₹ 0.86 crore = ₹ 0.89 crore and Kasaba Khandar to Bhoori Pahari: ₹ 7.61 crore (-) ₹ 1.33 crore = ₹ 6.28 crore.

3.3 Failure of oversight/governance

Public Works Department

3.3.1 Unfruitful expenditure on construction of quarters

Unjustified cost of the construction of work after award of tender resulted in construction of only 26 resident quarters against 48 planned. Non provision of basic amenities in these 26 quarters for two years rendered the investment of ₹ 2.15 crore unproductive.

Rules 298 and 351 of Public Works Financial and Accounts Rules (PWF&AR) provide that land should be acquired well in advance and no work should be commenced on land which has not been duly handed over by the responsible Civil Officer.

The State Government accorded (September 2005) administrative and financial (A&F) sanction for ₹ 2.84 crore for construction of 48 residential quarters¹³ at Karauli. The Additional Chief Engineer (ACE), Public Works Department (PWD), Zone Bharatpur accorded (January 2006) technical sanction for ₹ 2.84 crore¹⁴. The work order was issued (February 2006) in favour a contractor at 9.70 *per cent* above schedule 'G' (₹ 2.27 crore) aggregating ₹ 2.50 crore with stipulation for date of completion by 24 January 2007.

Test check (January 2012) of the records of Executive Engineer (EE), PWD, Division Karauli revealed that the work could not be started due to objection raised (March 2006) by the Deputy Conservator of Forest, Karauli as the land allotted (September 2005) by the District Collector (DC) Karauli belong to Forest Department. Due to this, the work was withdrawn (November 2007). Meanwhile, a new site for construction of GAD quarters was allotted (August 2007) by DC, Karauli. The work was retendered and awarded (February 2008) to another contractor at 32.30 *per cent* above schedule 'G' aggregating ₹ 3.01 crore (22.60 *per cent* higher than earlier) by CE PWD, Jaipur subject to the condition that the expenditure should be restricted to ₹ 2.27 crore. The work was to be completed by February 2009.

Though the work was completed (March 2010) at a cost of ₹ 2.15 crore¹⁵, only 26 quarters against 48 sanctioned had been completed due to increase in cost and limiting the expenditure to ₹ 2.27 crore. These 26 quarters were lying unoccupied (May 2012) due to non-provision of approach road, boundary

13. Type-I: 2; Type-II: 8; Type-III: 8; Type-IV: 18 and Type-V: 12. This included the provision for boundary wall, approach road, internal road and development work, *etc.*

14. 48 quarters: ₹ 2.11 crore; boundary wall: ₹ 0.08 crore; electric works: ₹ 0.17 crore; approach road: ₹ 0.09 crore; water supply: ₹ 0.02 crore; contingency: ₹ 0.02 crore; quality control: ₹ 0.02 crore and prorata charges: ₹ 0.33 crore.

15. Construction of quarters ₹ 1.83 crore; contingency and pro-rata charges *etc.*: ₹ 0.32 crore.

walls and the basic amenities like water supply *etc.* The EE, PWD Division, Karauli submitted (December 2011) proposals to the CE, PWD, Jaipur for obtaining revised A&F sanction of ₹ 7.89 crore including additional requirement of ₹ 5.05 crore for providing basic amenities and construction of the remaining 22 quarters. The A&F sanction was awaited as of May 2012. This action of the EE was also not conforming the provision of PWF&AR rule 286 (2)¹⁶ to obtain revised A&F for sanction of work. This indicates lack of financial oversight on the part of the Department.

The State Government accepted the facts (September 2012) and stated that work had been awarded at higher tender premium due to hike in cost of material and for providing water supply, an amount of ₹ 1.10 crore has been deposited with Public Health Engineering Department (PHED) in March 2012. The reply was to be viewed in the light of the fact that the unjustified curtailment of the cost of the work after award of contract rendered the number of quarters from 48 to 26 and non-provision of funds for providing basic amenities resulted in these 26 quarters also remaining unused for two years rendering the investment of ₹ 2.15 crore unproductive.

Thus, due to non-ensuring the clear title of the forest land before awarding the work, inordinate delay in arranging a suitable alternative site and revised A&F sanction, only 26 quarters were completed against 48 sanctioned originally. Due to non-providing the basic amenities, the quarters completed remained unoccupied and the expenditure of ₹ 2.15 crore incurred rendered unfruitful. Records produced also did not indicate provisioning of watch and ward and maintenance of the quarters as such possibility of work deterioration cannot be ruled out.

General

3.3.2 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 2012, there were 1,288 IRs containing 5,545 paragraphs issued during the period 1992-93 to 2011-12 (IRs issued up to

16. When expenditure on a work exceeds, or is likely to exceed, the amount administratively approved for it by more than 10 *per cent*, revised administrative approval must be obtained from the competent authority.

September 2011) to Public Works Department and Water Resources Department pending for settlement as shown below:

Year	Numbers Pending	
	IRs	Paragraphs
Upto 2005-06	441	1,326
2006-07	165	593
2007-08	149	519
2008-09	147	695
2009-10	173	927
2010-11	145	961
2011-12 (Upto September 2011)	68	524
Total	1,288	5,545

For early settlement of outstanding 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 Audit 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 outstanding IRs of Water Resources Department revealed that 1,843 paragraphs relating to 490 IRs remained outstanding at the end of March 2012. Out of these, 53 IRs containing 56 paragraphs had not been settled for more than 10 years.

Category-wise detail of irregularities commented in IRs is given below:

S. No.	Nature of Irregularities	No. of Paras	Amount (₹ in lakh)
1	Fraud/misappropriation/embezzlement/losses	38	1,459.04
2	Recoveries made at the instance of audit & over payment	153	4,181.91
3	Violation of contractual obligations & undue favour to contractors	377	23,058.15
4	Avoidable/excess expenditure	186	21,051.44
5	Wasteful/infructuous expenditure	133	11,759.20
6	Regulatory issues	367	58,829.77
7	Idle investment/establishment/blocking of funds	118	18,324.67
8	Delay in commissioning of equipments	23	2,184.10
9	Non-achievement of objectives	45	8,179.05
10	Miscellaneous	403	49,374.86
Total		1,843	1,98,402.19

Audit Committees comprising 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 four Departments for taking speedy action on pending audit matters. The Finance Department issued (November 2004) instructions for conducting four meetings per year but the instructions of the Finance Department were not adhered to and only three Audit Committee meetings were held by four Departments during 2011-12.

The State Government in its reply stated (January 2013) that directions have been issued to subordinate officers for taking necessary action for settlement of pending audit objections on top priority.

Audit is an aid to management for efficient, effective 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/over payments are made in a time bound manner.



JAIPUR,
The

(R. CHOUHAN)
Principal Accountant General
(Economic & Revenue Sector Audit), Rajasthan

Countersigned



NEW DELHI,
The

(VINOD RAI)
Comptroller and Auditor General of India