

CHAPTER-IV AUDIT OF TRANSACTIONS

4.1 Wasteful/infructuous expenditure and overpayment

IRRIGATION DEPARTMENT

4.1.1 Wasteful expenditure on unwarranted raising of Mansarovar dam

Unwarranted raising of dam on the basis of incorrect computation of yield of water and failure of the Department to obtain clearance for dereservation of forest land before awarding work to the contractor led to wasteful expenditure of Rs 81.10 lakh.

To solve the problem of shortage of water in Mansarovar dam¹ and to cover additional area available for irrigation, the Additional Secretary-cum-Chief Engineer, Irrigation Department, Rajasthan, Jaipur accorded administrative approval and financial sanction for Rs 1.61 crore for a minor irrigation scheme in November 2001. The Superintending Engineer, Irrigation Circle, Jaipur accorded (May 2002) technical sanction for Rs 1.47 crore for the same. The scheme included construction of feeder channel with diversion weir on Kaushalipura *nallah* passing through forest area and raising of Mansarovar dam by two feet upto RL² 236' (FTL³) i.e. for a gross storage capacity of 617.70⁴ mcft⁵, taking 652.52 mcft total yield of water. The Executive Engineer (EE), Irrigation Division, Sawaimadhopur allotted (July 2002) the work to M/s Krishna Enterprises, Jaipur at 19.51 *per cent* above Schedule 'G' (Rs 1.43 crore) aggregating to Rs 1.71 crore with 17 May 2003 as the stipulated date of completion. The work of raising of dam was completed (May 2003) at a cost of Rs 81.10 lakh, but the work of construction of feeder channel with diversion weir on Kaushalipura *nallah* was not started due to non-clearance for dereservation of forest land from the Government of India (September 2004) as the land in question was falling in Sawai Man Singh Sanctuary.

Test-check (September 2004) of the records of the EE, Irrigation Division, Sawaimadhopur revealed the following:

- The dam could get average 355.85 mcft water only during 1985-2002. Considering proposed diversion of 74.19 mcft water from Kaushalipura *nallah* the maximum availability of water was 430.04 mcft, for which earlier designed gross storage capacity of 540.70 mcft water was enough. Hence,

1. Khandar Tehsil of Sawaimadhopur District.
2. Reduced Level.
3. Full Tank Level.
4. Original capacity of 540.70 mcft + 77 mcft from *nallah* (which actually worked out to only 74.19 mcft).
5. Million Cubic Feet.

raising of dam for gross storage capacity of 617.70 mcft (RL 236') was unwarranted.

- The height of the dam proposed for raising was based on higher estimation (652.52 mcft) of yield of water from total catchment area of 41.26 square miles (Kaushalipura *nallah*: 6.26 square miles and dam portion: 35 square miles) by applying incorrect factor of 15.815 mcft per square mile instead of 14.385⁶ mcft (run off 593.52 mcft) resulting in excess run off of 59 mcft. The estimated run off would further be reduced as six anicuts had been constructed which were to intercept 25 *per cent* of the run off of the catchment area reducing this to 445 mcft only.

- Though the Department was well aware of passing the feeder channel and construction of weir through forest area, the case for obtaining clearance for dereservation of forest land from the Government of India through Forest Department was taken up in November 2002, four months after awarding (July 2002) of work to the contractor.

Thus, unwarranted raising of dam on the basis of incorrect computation of yield of water and failure of the Department to obtain clearance for dereservation of forest land before awarding work to the contractor led to wasteful expenditure of Rs 81.10 lakh.

On being pointed out in audit, the EE, Irrigation Division, Sawaimadhopur intimated (September 2004) that assuming 652.52 mcft as gross yield of water from its catchment area, the dam was raised for gross storage capacity of 617.70 mcft. Reply was not tenable as 652.52 mcft yield was calculated with an incorrect factor of 15.815 mcft (instead of 14.385 mcft) per square mile and without giving due cognizance to construction of six anicuts which intercepted 25 *per cent* runoff of the catchment area reducing run off of the water to reach the dam. The purpose of covering additional area under irrigation was also defeated due to non-construction of feeder channel with diversion weir on Kaushalipura *nallah*. Moreover, as per directions (13 November 2000) of the Supreme Court regarding construction of dam; in a Sanctuary or National Park, the possibility for obtaining permission from the Ministry of Environment and Forests, Government of India is remote.

Government accepted (August 2005) that in the Project Report average annual rainfall of 744.37 mm was incorrectly taken as against 794.48 mm and justified raising of dam on the grounds of expected run off 669.26 mcft even if the diversion channel is not constructed. Reply was not acceptable as the Project Report had clearly mentioned that to augment inflow into the dam, proposed diversion from Kaushalipura *nallah* would be necessary.

6. Per square mile quantity of run off of water for average rainfall of 27 inches as per WL Strange's table.

4.1.2 Infructuous expenditure on unnecessary raising of height of Mora Sagar dam

Raising of height of the dam on the basis of exaggerated yield resulted in infructuous expenditure of Rs 38.62 lakh.

With a view to store and utilise the surplus water of catchment area of Mora Sagar dam⁷, the Executive Engineer (EE), Irrigation Division, Sawaimadhopur planned (September 2001) a project to enhance the gross storage capacity of Mora Sagar dam from 485 to 550 mcft⁸ by increasing the height of the dam from Full Tank Level (FTL) of 117.50 feet to 118.50 feet. It was also envisaged to increase culturable command area by 2000 acre. The Superintending Engineer, Irrigation Circle, Jaipur accorded (March 2002) technical sanction for Rs 54.24 lakh. The work was allotted (April 2002) by the EE, Irrigation Division, Sawaimadhopur to contractor 'A' at 7.91 per cent below Schedule 'G' (Rs 44.29 lakh) aggregating to Rs 40.79 lakh with stipulated date of completion as 14 October 2002. An expenditure of Rs 38.62 lakh was incurred as of August 2004.

Test-check (September-October 2004) of the records of the EE, Irrigation Division, Sawaimadhopur revealed that:

- While calculating the total yield of water, the Department adopted 10.53 mcft as against 9.04 mcft per square mile based on which run off was worked out to 560.91 mcft which resulted in unnecessary raising of height of dam. However, it was observed that the average monsoon rainfall during 1976 to 2000 was 564 mm⁹ (22.20 inches) for which as per WL Strange's table¹⁰ the quantity of run off of water per square mile works out to 9.04 mcft and total run off for whole of the catchment area (53.268 square miles) comes to 481.54 mcft against which dam had already been constructed for storage capacity of 485 mcft.
- As per Project Report, the live storage capacity of dam was 482.80 mcft, which was proposed to be increased to 547.80 mcft. Considering live storage capacity of 482.80 mcft was indicative of actual capacity available after consideration of silting if any.
- There was no proposal for increasing the length of distributaries/ construction of water courses in the project as such providing irrigation to additional 2000 acre area as mentioned as the reason for increasing the capacity was neither planned nor executed.
- Thus, the existing gross storage capacity (485 mcft) of the dam was sufficient to accommodate total run off of 481.54 mcft and expenditure of

7. Bamanwas Tehsil of Sawaimadhopur District.

8. Million Cubic Feet.

9. Source: Project Report.

10. Standard table to find out estimated run off of yield per square mile from the catchment area.

Rs 38.62 lakh incurred on unnecessary raising of height of the dam proved infructuous.

On being pointed out in audit, the EE, Irrigation Division, Sawaimadhopur stated (September 2004) that the dam constructed in the year 1887 is silted with sand upto RL 107, due to which live storage capacity of the dam had reduced by 43 mcft. As such the height of the dam was raised by one foot to increase its gross storage capacity by 65 mcft. The reply was not tenable as mention of desilting was not made in the Project Report. Instead the reason of raising of height of the dam as mentioned in Project Report was to store more water to provide irrigation in additional culturable command area of 2000 acre. Further, as per the Project Report, the live capacity for storage available after reckoning silting was 482.80 mcft.

Thus, raising of height of the dam on the basis of excessive yield resulted into infructuous expenditure of Rs 38.62 lakh. This would increase further after making final payment.

On referring the matter, the State Government justified (April 2005) raising the height of the dam on the basis of different average rainfall data of 626.40 mm instead of 564 mm. Again the State Government furnished (August 2005) a different average rainfall data of 649.87 mm and stated that for 649.87 mm rainfall the anticipated run off works out to 675.44 mcft. The reply was not tenable as the rainfall data furnished in replies in April 2005 (626.40 mm) and August 2005 (649.87 mm) were in variance with the data taken in the Project Report, on the basis of which the height of dam was proposed to be raised.

DEPARTMENT OF PERSONNEL

4.1.3 Wasteful expenditure on pay and allowances of officers kept idle under Awaiting Posting Orders

Failure of the Department to follow the provisions of Rajasthan Service Rules resulted in wasteful expenditure of Rs 40.78 lakh on pay and allowances of officers kept under Awaiting Posting Orders for long periods without performing any work.

Explanation under Rule 7(8) (B) (iii) of the Rajasthan Service Rules read with Paragraph 8 of the Government decisions and Finance Department order dated 17 September 1984 under Rule 25 A *ibid* provided that employees should not be kept awaiting posting orders (APOs) and in unavoidable situation the period of APO shall be kept at the minimum. Further, cases where such period exceed 30 days are required to be informed to the Chief Secretary through Administrative Secretaries concerned and were to be regularised by the Finance Department keeping in view reasonability and justifiability of each case so as to avoid unnecessary/wasteful expenditure and hindrance to the Government work.

Audit scrutiny (February 2005) of Department of Personnel revealed that during the years 2000-04, in contravention to above rules, 84 officers¹¹ were kept under APO for period ranging between 31 and 201 days. This resulted in wasteful expenditure of Rs 40.78 lakh incurred on their pay and allowances as the officers kept idle during the period of APOs. No evidence in respect of sending of required information by the Administrative Secretaries concerned to the Chief Secretary and the Finance Department for the regularisation of these cases of APO exceeding 30 days was on record.

Thus, failure of the Department to follow the provisions of the Rajasthan Service Rules resulted in wasteful expenditure of Rs 40.78 lakh on pay and allowances of officers kept under APOs for long periods without performing any work.

Government in their reply stated (September 2005) that 24 officers (out of 84) were kept under APO due to administrative reasons but the details of actual regularisation of APO periods were furnished only in two cases. The reply was not tenable as the administrative reasons were not elaborated and details of regularisation in all the cases by the Finance Department was not furnished.

PUBLIC WORKS DEPARTMENT

4.1.4 Nugatory expenditure on pay and allowances of workshop staff

Inaction of the Department resulted in nugatory expenditure of Rs 3.11 crore on pay and allowances of workshop staff.

In Mechanical Wing of Public Works Department (PWD) six Regional Workshops, including one at Bikaner, were created (September 1977) to carry out major overhauling and repairs to machines of Civil Divisions falling under their respective zones, where expenditure of repairs of a machine is estimated more than Rs 5000. Regional Workshops were also required to lend machines to Civil Divisions and realise their hire charges.

Test-check (June 2004) of the records of Regional Workshop, Bikaner running under the administrative control of the Executive Engineer, PWD, Mechanical Division, Bikaner revealed that:

- No repairs of machines were carried out in the workshop during 2000-04, although an expenditure of Rs 1.20 crore was incurred on pay and allowances of the technical staff of the workshop ranging between 45 and 31 during the period.

11. Indian Administrative Services Officers: 14 and Rajasthan Administrative Services Officers: 70.

- Three machines/vehicles received (March 2002) for repairs were also got repaired (March 2002) from open market at a cost of Rs 0.70 lakh.
- Of 69 machines available in the workshop 39 worked during 2000-01. The number of working machines declined to 27, 7 and 8 during 2001-02, 2002-03 and 2003-04 respectively but the strength of technical staff was not reduced accordingly and remained 45, 33, 32 and 31 respectively.
- The power connection of workshop was also lying disconnected from February 2002.

All this shows that there was no demand for services of the workshop which was being run uneconomically and no efforts were made to transfer the technical staff of the workshop in other divisions for utilisation of their services gainfully. Thus, inaction of the Department resulted in nugatory expenditure of Rs 1.20 crore on pay and allowances of workshop staff.

Similarly, in Regional Workshop, Jaipur (Division-I) under the administrative control of the Executive Engineer, PWD, Mechanical Division-I, Jaipur, no repairs of machines were carried out in the workshop during 2000-05 though an expenditure of Rs 1.91 crore was incurred on pay and allowances of the workshop staff. All the machines were got repaired from open market at a cost of Rs 10.18 lakh. Thus, expenditure of Rs 1.91 crore incurred on pay and allowances also proved nugatory.

Government, while accepting the facts, stated (February 2005) that the machines were not utilised fully during last few years due to invitation of tenders for execution of works including tools and plants to be provided by the contractors and the workshop staff was utilised to approve survey reports of machines/vehicles and check the unserviceable and unusable vehicles of all the Departments/offices under Bikaner Zone. As such, expenditure incurred on their pay and allowances cannot be treated as unfruitful. Government further stated (June 2005) that in Bikaner workshop repair of machines was done in open market due to non-availability of advanced machines in workshop and for want of trained staff to repair such machines. The reply was not tenable as the original purpose of the workshop was to carry out in-house repairs of machines which was not done by the staff and the work of preparing survey reports of vehicles/checking unserviceable/unusable vehicles of other Departments/offices could have been done by the staff attached with respective Departments/offices. Further, in the light of fact that invitation of tenders were being issued with the stipulation that contractors have to bring their own tools and plants, the Department should have accordingly also rationalise the staff located at these workshops as original purpose of maintenance of tools and plants is no longer being carried out in these workshops. No reply on unfruitful expenditure on pay and allowances of workshop staff at Jaipur was furnished (October 2005) by the Government.

DISASTER MANAGEMENT AND RELIEF DEPARTMENT

4.1.5 Infructuous/unproductive expenditure on construction of incomplete airstrips

Failure of the Department to provide sufficient funds and suitable required land for construction of airstrips led to infructuous/unproductive expenditure of Rs 98.46 lakh. Besides, the objective of promoting tourism and develop speedier transportation was also not achieved.

The Relief Department in furtherance to its previous decision (October 1999) issued orders (April 2003) to 11 District Collectors¹² to identify a plain land measuring 5000x400 feet (20,00,000 square feet) for construction of an airstrip (4000x100 feet) in each of the districts with a view to promoting tourism and to develop speedier transportation in the State. For construction of airstrips a standard estimate amounting to Rs 28 lakh was prepared by the Chief Engineer, Public Works Department (PWD) and circulated (April 2003) to the District Collectors with the instruction to get the work sanctioned upto gravel level and executed under Famine Relief Works of *Samvat* 2059. Only the Government land was to be selected by the Collectors with the technical approval of the Chief Pilot Officer of the Civil Aviation Department so that acquisition of private/forest land was not made.

Test-check (November 2004) of the records of the District Collector, Karauli and the information collected from other districts concerned revealed that:

- The District Collector, Karauli after carrying out survey with Wing Commander, Aerodrome, Jaipur, allotted (1 April 2003) 74 *bighas* of land for construction of the airstrip. In April 2003, after issuing of the administrative sanction for Rs 26.31 lakh by the Collector, Karauli the construction work was taken up by the Executive Engineer (EE), PWD Division, Karauli. While submitting (April 2003) the revised estimate of Rs 41.27 lakh for the construction of the airstrip, the EE, PWD Division, Karauli apprised the Collector that against the required length of 5000 feet only 2600 feet land was available and the balance was forest land on which the works could not be carried out without its acquisition. Pending submission of the proposal to the Government for the acquisition of forest land, the work continued on the available land (2600 feet length) on the direction (May 2003) of the Collector. Civil Aviation Department on being further informed (June 2004) by the Chief Engineer, PWD that Rs 5.74 crore alone would be needed to fill up the pot holes and levelling of the above land, instructed (July 2004) the Collector to abandon the work and identify another suitable land for the airstrip to complete the work in 2004-05. The work was, thus, abandoned (July 2004) rendering expenditure of Rs 32.66 lakh infructuous.

12. Alwar, Baran, Bharatpur, Bundi, Chittorgarh, Churu, Dholpur, Hanumangarh, Jhalawar, Karauli and Pali.

- Against the other airstrips in remaining ten districts, in four districts¹³ the works of construction of airstrips were also lying incomplete after execution of some *kucha* work (site clearance and earth work, etc.) at a cost of Rs 24.02 lakh. In Bundi and Pali districts, the airstrips were completed (July 2003) upto gravel level at a cost of Rs 41.78 lakh but could not be utilised for want of its bituminisation for which proposals submitted (April 2004) to the Government were yet to be sanctioned. The airstrips constructed upto *kucha* or gravel level without bituminisation would lead to damages due to passage of time. The expenditure of Rs 65.80 lakh incurred on the six airstrips, was thus, rendered unproductive.

- While in three districts of Alwar, Churu and Hanumangarh, the works of airstrips were not started at all due to non-allotment of land by the District Collectors concerned. In District Jhalawar, the work was started in March 2003 and Rs 77.99 lakh were spent on completed gravel work and bituminisation was in progress. However, the work remained incomplete as of March 2005.

- Besides, infructuous/unproductive expenditure of Rs 98.46 lakh¹⁴, non-providing of sufficient funds and suitable land betrayed complete apathy of the Government to complete the airstrips in 11 districts in right earnest. Further, the decision of the Government to carry out construction of technical nature of works like airstrips through Famine Relief Department without involving the Civil Aviation Department appeared to be imprudent especially in view of the incomplete status of all the 11 airstrips over the past two years.

Government in their reply (November 2005) stated that while airstrip at Jhalawar was completed and test landed (April 2005) expenditure incurred on incomplete works provided employment to famine affected people, and therefore, was not infructuous. The fact, however, remains that purpose for which the funds were sanctioned was not served in view of non-completion of the projects. While construction of airstrips in 10 districts was hanging fire, the twin objectives of promoting tourism and speedier transport did not materialise despite huge amount of expenditure from the exchequer.

4.2 Excess/avoidable/unfruitful expenditure

13. Baran, Bharatpur, Chittorgarh and Dholpur.

14. *Kucha* work- Karauli (Rs 32.66 lakh) + Baran, Bharatpur, Chittorgarh and Dholpur (Rs 24.02 lakh), Gravel work- Bundi and Pali (Rs 41.78 lakh).

EDUCATION DEPARTMENT

4.2.1 Excess payment of grant-in-aid to Non-Government Educational Institution

Non-review of the sanctioned posts and posting of teachers in excess of prescribed norms resulted in excess payment of grant-in-aid of Rs 79.47 lakh.

In March 2000, the Education Department issued amended guidelines for the review and release of grant-in-aid to the aided Non-Government Educational Institutions of the State. Guidelines provided that the posts of teachers sanctioned to each aided Non-Government Educational Institution should be reviewed every year and rationalised by taking average number of students enrolled or number of students remained after drop out/appeared in the examination, whichever is less, during the last three years. If position of sanctioned posts remains the same, grant may be sanctioned as before, and in case there is reduction/addition in the sanctioned posts, provisional grants may be sanctioned to such institutions with the condition that grant will be finalised by the State Government in accordance with the posts sanctioned after review. It was to be watched that prescribed norms of student-teacher ratio were being followed strictly by the Institutions.

Test-check (January 2005) of the records of one of the grantee institutions¹⁵ (Institution) revealed that the Director, Secondary Education, Rajasthan, Bikaner released (June 2001) provisional grant-in-aid for 2000-01 on the basis of an affidavit given by the Institution that efforts would be made to increase the number of the students to maintain the student-teacher ratio as per sanctioned posts of the teachers. But the Institution did not maintain students ratio as per sanctioned strength of the teachers which resulted in excess teachers and the grant released provisionally during 2000-01 was not adjusted in 2001-02 taking into account the strength of the teachers admissible according to the norms. Payment of grant-in-aid on provisional basis also continued during 2001-04 at the rates prescribed considering as per the prescribed student-teacher ratio posts which though were not being maintained despite assurance. Non-maintenance of posts on the basis of students strength during 2000-01 and non-review of posts of teachers in subsequent years led to excess payment of grant of Rs 79.47 lakh to the Institution during 2000-04 for teachers posted in excess of norms as detailed below:

Year	Working strength of teachers on which provisional grant-in-aid was released	Admissible strength of teachers taking number of students into consideration	Excess posting of teachers	Grant paid in excess (Rupees in lakh)
2000-01	36	13	23	18.27
2001-02	41	17	24	20.79
2002-03	39	14	25	20.79
2003-04	35	13	22	19.62
Total				79.47

15. Nav Bharat Senior Secondary School, Udaipur.

Government stated (July 2005) that a review of the staff position had been carried out by the District Education Officer in September 2003 and accordingly the grant had been released considering 41 (26 of teaching and 15 of non-teaching staff) sanctioned posts. The reply did not answer the basic issue that the review exercise should have linked the student-teacher ratio for computation of the sanctioned strength. If prescribed student-teacher ratio is taken as the number of posts of teachers works out to 13, 17 and 14 during the years 2000-01, 2001-02 and 2002-03 respectively.

INDIRA GANDHI NAHAR DEPARTMENT

4.2.2 Avoidable extra expenditure due to inordinate delay in allotment of work

Departmental failure to acquire land before the allotment of work and further inordinate delay in allotting work to second contractor resulted in avoidable extra expenditure of Rs 85.59 lakh. Besides, beneficiaries were deprived of the irrigation facilities for more than five years.

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

The estimate of Rs 1.82 crore for 'Earth work and cement concrete lining of Pokaran Lift Canal km 13 to 14.250 km' was sanctioned (November 1998) by the Additional Chief Engineer, Indira Gandhi Nahar Project (IGNP), Bikaner. After having sanctioned (December 1998) the work by the Chief Engineer, IGNP, the Executive Engineer 28th Division, IGNP, Phalodi issued (December 1998) work order in favour of lowest tender of contractor 'A' at 28.65 *per cent* below Schedule 'G' (Rs 1.60 crore) for Rs 1.14 crore with stipulated date of completion as 16 September 1999.

During execution of work, the land owners created hindrances as pointed out by the contractor on several occasions and by the Assistant Engineer in September 1999. Consequently, the contractor left the work incomplete in September 2000 after executing upto 24.80 *per cent* work for which a payment of Rs 28.36 lakh was made (March 2001) to him. Belated (June 2002) action against the contractor under clauses 2 and 3 (c) of the agreement for levying compensation and getting the work completed at his risk and cost was taken and Rs 7.33 lakh were adjusted (September 2002) as penalty by forfeiting the Performance Guarantee and Security Deposits. However, the contractor represented (September-October 2002) against this action of the Department.

Tenders for the balance work were invited in July 2002 and in October 2002 work was allotted to the contractor 'B' at 49.91 *per cent* above Schedule 'G' (Rs 1.18 crore) for Rs 1.77 crore for completion upto October 2003. The work was completed (December 2003) by the contractor 'B' for which Rs 1.69 crore (excluding pending amount Rs 8.47 lakh) was paid. Revised estimates of Rs 2.23 crore based on actual cost had been approved (April

2005) by the Chief Engineer, IGNP, Bikaner. Had the work been got completed by the contractor 'A' at a cost of Rs 84.30 lakh an expenditure of Rs 85.59¹⁶ lakh could have been avoided.

Audit observed (September 2004) that:

- awarding (December 1998) of the work to the contractor 'A' without acquiring the required land led to creation of hindrances by the land owners and delay in completion of work, and though the project estimates (1993) of the IGNP provided for acquisition of required land, the Executive Engineer, IGNP, Phalodi sent the proposal only in October 2002,
- although the contractor 'A' failed to start the work till 27 February 1999, yet possibilities of awarding work to second lowest tenderer at 28.01 *per cent* below Schedule 'G' as provided in Schedule of Powers prevalent in the IGNP were not explored. After a lapse of three years in June 2002, other contractors were issued offers to work on four years old unworkable rates. Belated issuing of this offer indicate that the problem of land owners was not solved upto June 2002,
- the contractor 'A' had stopped the work in September 2000, the action against the contractor under clauses 2 and 3 (c) of the agreement was taken in June 2002 i.e. after expiry of 20 months and consequently, the work had to be allotted to the contractor 'B' after a delay of two years and at higher rates.

Thus, the Departmental failure to acquire the land before the allotment of work to the contractor 'A' and further inordinate delay in allotting work to second contractor resulted into avoidable extra expenditure of Rs 85.59 lakh. Besides, beneficiaries were deprived of the irrigation facilities for more than five years.

Government stated (March 2005) that the contractor 'A' stopped the work due to his unworkable tendered rates and other tenderers were also offered for the execution of leftover work at original sanctioned rates but nobody came forward to accept the offer. Reply was not tenable as the report (September 1999) of the Assistant Engineer of the Division clearly stated that hindrances were being created by land owners. The rates quoted by other tenderers did not indicate significant variation and as such the rates of contractor 'A' cannot be termed as unworkable. Further, belated offer given to other tenderers in July 2002 to work at four years old rates was imprudent and, therefore, failed to serve any purpose also.

		(Rupees in lakh)
16.		
	Amount paid to contractor 'B'	168.75
	Amount to be paid to contractor 'B'	8.47
	Total	177.22
	Had the work been got completed by the contractor 'A'	(-) 84.30
	Amount recovered from contractor 'A'	(-) 7.33
	Net extra expenditure	85.59

IRRIGATION DEPARTMENT

4.2.3 Unfruitful expenditure on procurement of extra pump sets and equipment

Failure of the Department in assessing correct discharge to be pumped out, led to unfruitful expenditure of Rs 19.27 lakh on procurement of extra pump sets. Besides, Rs 6 lakh incurred on other equipment also proved unfruitful.

In March 2000, the Government of India (GOI) sanctioned Rs 4.61 crore for the implementation of a pilot project of reclamation of wasteland of waterlogged area in Rawatsar (Hanumangarh District). The project provided development of 5633 hectare area of waterlogged wasteland through dewatering by constructing drains (105.500 RD of Indira Gandhi Main Canal). The GOI was to share Rs 3.05 crore and the State Government and beneficiaries Rs 1.56 crore in the ratio of 66:34. The implementation of the project was to be made through the Executive Engineer (EE), Irrigation Division, Rawatsar and completed by March 2003. The project proposal included (i) purchase/installation of pump sets for dewatering, (ii) construction of drains, (iii) reclamation of saline and alkaline land and (iv) establishment of hydraulic monitoring laboratory. Against Rs 3.33 crore¹⁷ provided, an expenditure of Rs 3.05 crore was incurred as of March 2004, leaving unutilised (November 2004) Rs 27.59 lakh with the Irrigation Division, Rawatsar.

Taking maximum rainfall of five inches in 48 hours once in 15 years, volume of 536 acre feet of water was calculated to be pumped out to prevent flooding and for the discharge of 135.35 cusecs¹⁸, requirement of nine diesel engine pump sets each with 15 cusecs per second discharge was proposed. After obtaining the approval (August 2000) from the Chief Engineer, Irrigation, Hanumangarh, the EE, Irrigation Division, Rawatsar procured (January 2001) nine diesel engine pump sets each of 150 BHP for Rs 34.44 lakh for installation at pump house at RD 96.300 of Indira Gandhi Main Canal. On erection, installation, loading and unloading, etc. of pump sets Rs 4.50 lakh were also spent.

Test-check (May 2004) of the records of the EE, Irrigation Division, Rawatsar revealed the following:

- Out of nine diesel pump sets procured for Rs 34.44 lakh, only four pump sets were installed. As per logbooks only two pump sets were used at a time during May 2001 to February 2004 and remaining two pump sets were used for three months and 41 hours respectively. As such, expenditure of Rs 19.27 lakh¹⁹ incurred on procurement of remaining five pump sets was

17. GOI: Rs 2.33 crore; State Government and beneficiaries: Rs 1 crore.

18. $536 \div (48 \times 1.98/24)$.

19. Including Rs 0.14 lakh incurred on loading and unloading.

rendered unfruitful as these were neither installed nor utilised since their procurement. The possibility of their use in future was also remote as 64 per cent (3600 hectare) waterlogged wasteland had already been developed by using four pump sets.

- The requirement of nine pump sets was worked out presuming maximum rainfall of five inches in 48 hours. On the contrary, rainfall data²⁰ shows that maximum rainfall had never reached to five inches in 48 hours in the last five years (1995-1999) and had ranged between 3.7 and 1.4 inches. Had the Department considered average actual rainfall data the expenditure of Rs 19.27 lakh on pump sets lying unutilised could have been avoided.
- For the testing of salinity a hydraulic monitoring laboratory was to be established and for this purpose equipment costing Rs 6 lakh were also made available by the Chief Engineer (Investigation, Design and Research), Irrigation, Jaipur in May 2001. These were lying unutilised for want of trained staff. Moreover, testing facilities were already in existence at Agriculture Research Centre, Hanumangarh.

Thus, failure of the Department in assessing correct discharge to be pumped out, led to unfruitful expenditure of Rs 19.27 lakh on procurement of extra pump sets. Besides, Rs 6 lakh incurred on equipment proved unfruitful.

Government stated (May 2005) that the nine diesel engine pump sets were procured assuming the worst climatic conditions (i.e. five inches rainfall in 48 hours) at the time of preparation of project report whereas the situation was different in the last few years. The reply was not tenable as the rainfall data for 1995-1999 shows that the contingency of rainfall of five inches in 48 hours had never occurred indicating that project report was prepared on incorrect assumptions.

4.2.4 Avoidable extra expenditure due to failure of the Department in timely measuring of executed works and delay in making payment to the contractors

Due to non-measuring of the work immediately after its execution and further avoidable delay of 13 months in making payments after Court decisions, led to avoidable payment of Rs 46.65 lakh as interest and Court expenses.

The work orders for earthwork excavation for re-sectioning of Lalgah Non-Perennial (LNP) canal were issued to various contractors between 26 March 1996 to 5 April 1996 at a cost of Rs 78.17 lakh for completion within 15 days from the 1st closure (1 April 1996) of canal.

The work was executed during April 1996 as claimed by the contractors. On the contrary, the Department issued (August 1996) notices to the contractors

20. Rainfall observed at Lakhuwali Head- as furnished by the Department.

for completion of the work upto 30 September 1996. Subsequently, as the water in LNP was released after closure period, the pits earlier dug by the contractors for earthwork were levelled by farmers and the executed works could not be measured. A retired Chief Engineer of the Irrigation Department appointed (July 1996) by the Government to investigate the matter, reported (March 1997) that earth works were executed by the contractors but compaction and ramming works were not found executed. Consequently, the Government decided (January 1999) to make payments of earthworks by adopting pits as well as stack measurement. As no pits were available for measurements by that time due to levelling of land by farmers and also running of canal, the work executed could not be measured. On filing the cases (August 1997 to October 1999) in the Court of District and Session Judge, Sriganaganagar for payment against the works by the contractor, the Court ordered (November 2002) to pay Rs 38.07 lakh for work executed²¹ as per work orders alongwith interest upto the date of filing of cases and further interest from the date of filing of cases to the date of actual payment alongwith Court expenses. The State Government accorded (February- March 2004) financial sanctions for above payments with a delay of 13 months and the Department paid (February- March 2004) Rs 58.21 lakh²² to the contractors through Court leaving a pending liability of interest Rs 12.71 lakh.

During test-check (November- December 2004) of the records of the Executive Engineer, Gang Canal, South Division, Sriganaganagar it was observed that:

- Contrary to provisions of Public Works Financial and Accounts Rules, the measurement of works were not taken and got recorded in the measurement books immediately after execution of works. In the absence of which, possibilities of excess payment on account of any item of work or part thereof remained unexecuted cannot be ruled out.
- As the measurement of works executed by contractors was not taken, on the basis of investigation report submitted in March 1997, the Government decided in January 1999 to make payment of earthwork by adopting pits as well as stack measurement. Government took one and half years in issuing instructions and by that time pits were not available due to levelling of field by farmers and running of canal.
- Though Court passed awards (November 2002) for payment to contractors Rs 38.07 lakh with interest upto the date of filing of cases, the Department issued financial sanctions only in February - March 2004 after a delay of 13 months which led to further payment of interest.

Thus, due to non-measuring of the work immediately after its execution and further avoidable delay of 13 months in making payments after Court decisions, the Department had to pay Rs 46.65 lakh (including pending liability of Rs 12.71 lakh) as avoidable payment of interest and Court expenses.

21. Work order amount Rs 24.27 lakh and Interest Rs 13.80 lakh.

22. Work order amount Rs 24.27 lakh; Interest and Court expenses Rs 33.94 lakh

Government intimated (July 2005) that levels of earth work were taken but entries not made in measurement book and payment had been made to contractors in view of Court decisions. The reply was not tenable because the Departmental failures in timely recording of measurement in measurement books, delay in deciding mode of measurement for payment of works not measured and further delay in sanctioning of payment to the contractors with interest upto the date of filing of cases as per Court's decisions led to avoidable extra expenditure of Rs 46.65 lakh.

MEDICAL AND HEALTH DEPARTMENT

4.2.5 Avoidable expenditure on account of power factor surcharge

Failure of the Department to take corrective measures for maintaining required average power factor resulted in avoidable expenditure of Rs 58.28 lakh.

Tariff for Supply of Electricity-2001 of Jaipur Vidyut Vitran Nigam Limited (JVVNL) provides that a consumer of bulk supply for mixed load (under Schedule ML/LT-7) shall maintain an average power factor of not less than 0.90 (90 *per cent*). A surcharge at one *per cent* of energy charges for every 0.01 (one *per cent*) fall in average power factor (0.90) is chargeable. To improve the monthly average power factor to 0.90 the consumer is required to get the shunt capacitor installed.

During test-check (November 2002 and July-November 2004) of the records of the Superintendent, Sawai Man Singh Hospital, Jaipur (Hospital) revealed that the Hospital having bulk supply connection for mixed load maintained the average power factor between 0.75 and 0.84 during August 2001 to September 2004, due to which the Hospital had to incur avoidable expenditure of Rs 58.28 lakh towards power factor surcharge.

Even after avoidable expenditure was pointed out in audit (November 2002) the charges (Rs 25 lakh) for installation of shunt capacitor were deposited with the Electrical Division, Public Works Department, Jaipur in February 2004 (i.e. after lapse of 14 months). However, the shunt capacitor could not be installed upto August 2004 due to time taken by the Public Works Department in inviting tenders and getting the work completed. Had timely action been taken even after pointing out by Audit in November 2002, extra expenditure of Rs 34.91 lakh from January 2003 to September 2004 could have been avoided.

Thus, failure of the Department to take corrective measures for maintaining required average power factor resulted in avoidable expenditure of Rs 58.28 lakh on power factor surcharge.

While accepting the facts, the State Government stated (May 2005) that though the Audit pointed out the matter in November 2002 but collection of technical know-how standards was necessary to install shunt capacitor. When

these were called for from the JVVNL, they in turn requested to collect the same at the Hospital level. Therefore, delay was due to time taken in collection of these standards. The reply was not tenable in view of the fact that proposal for installation of shunt capacitor at a cost of Rs 25 lakh, approved by Budget Finalisation Committee in January 2003, was prepared after getting necessary technical information and the Government unreasonably took one year to issue administrative and financial sanction.

PUBLIC WORKS DEPARTMENT

4.2.6 Unfruitful expenditure on incomplete road in submergence area of Bisalpur Dam

Failure of the Department in conducting proper survey, preparing defective estimates and commencing work without proper design led to frequent changes in the specifications of the bridge on *Khari* river resulting in unfruitful expenditure of Rs 28.07 lakh.

In September 2003, the Additional Secretary, Public Works Department (PWD), issued administrative approval of Rs 81 lakh for the construction and upgradation of missing link of road between Ramthala and Bajta villages in km 3.750 (11/0 to 14/750 km). Technical sanction was accorded (November 2003) by the Superintending Engineer (SE), PWD Circle-I, Ajmer. The work included construction of missing link of road between Ramthala and Bajta villages in addition to construction of RCC submersible bridges across *Khari* river (12 spans of 5 metre each) and Ramthala *Nallah* (4 spans of 5 metre each). The deck top level of bridge and foundation depth was to be 314.50 metre²³ and 2.70 metre respectively. The work was awarded (December 2003) to contractor 'A'²⁴ at 3.62 per cent below Schedule 'G' (Rs 73.59 lakh) for Rs 70.92 lakh with the stipulated date of completion as 13 June 2004. The contractor had been paid Rs 19.50 lakh upto Vth running bill till July 2004. The work was lying incomplete (June 2004) after spending Rs 28.07 lakh²⁵. Executive Engineer (EE), PWD Division, Beawar recommended (December 2004), the SE, PWD Circle-I, Ajmer for the withdrawal of work from the contractor under clause 3c of the agreement as completion of work was impossible under the sanction and the site of dam was submerged (August 2004).

During test-check (December 2004) of the records of the EE, PWD Division, Beawar it was observed that:

- During execution of work, the drawing and design of the bridge on *Khari* river was frequently modified and revised estimates for Rs 1.41 crore,²⁶

23. From above Mean Sea Level.

24. M/s Ratan Lal Ramesh Chandra, Kekri

25. Including Rs 8.57 lakh incurred on earth work under famine relief works.

26. Bridge of 15 spans of 5 metre with foundation depth 8.01 metre.

Rs 92.64 lakh²⁷ and Rs 1.20 crore²⁸ were submitted in March 2004, May 2004 and July 2004 respectively.

- Although the Department was well aware that Bisalpur dam has been notified (March 1998) as submergence area upto RL 315.5 metre, it unjustifiably proposed deck top level of bridge at RL 314.50 metre. The site of dam submerged in August 2004 and work was lying stand still (July 2005). This indicated defective planning.

Thus, failure of the Department in conducting proper survey, preparing realistic estimates and commencing work without proper design led to frequent changes in the specifications of the bridge on *Khari* river resulting in unfruitful expenditure of Rs 28.07 lakh.

Government stated (July 2005) that although the FTL of the Bisalpur dam is 315.5 metre, the deck top level was proposed at 314.5 metre keeping in view of economy and lowering of level of dam from 315.5 metre in one month due to percolation, evaporation and water supply. The reply further stated that the road constructed in km 2.17 is being utilised by public with intervening part (km 1.580) under submergence is crossed using boats. The reply was not tenable as in absence of construction of bridge the very objective has remained unachieved mainly on account of defects in survey and commencement of work without proper design.

4.2.7 Avoidable expenditure on unnecessary acquisition of land

Acquisition of land without any proposal and approval for construction of bypass resulted in avoidable expenditure of Rs 38.19 lakh.

Rule 286 (i) of Public Works Financial and Accounts Rules stipulate that it is necessary to obtain the concurrence of the competent authority of the Administrative Department which has sought the work and Departmental officers should obtain administrative approval of it in the first instance.

In August 1996, the Chief Engineer, Public Works Department (PWD), Jaipur sanctioned Rs 1.00 lakh for land acquisition for construction of bypass on Chandwaji-Chomu-Renwal road. Accordingly, the Executive Engineer (EE), PWD, Buildings and Roads (B&R), District Division (South), Jaipur requested (September 1996) the Land Acquisition Officer (LAO), PWD Circle-III, Jaipur for acquiring land with 45 metre width in four revenue villages²⁹. The Notifications for acquisition of 122 bigha and 8 biswa land were published in the gazette on 7 February 1997 and 27 February 1998 respectively. On

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27. Vented causeway with foundation depth of wall in upstream and downstream as 1.50 metre and 1.80 metre and apron of 2.25 metre and 3 metre instead of bridge.
 28. Modified vented causeway with foundation depth and size of apron in upstream and downstream as 3 metre and 6 metre.
 29. Renwal, Nathi ka Bas, Mundia Garh and Samdari.

19 June 2000 an award of Rs 50.46 lakh³⁰ for acquisition of land was passed by the LAO. Against the administrative and financial sanction of Rs 50.46 lakh issued by the Government in October 2004 for payment of land compensation, Rs 38.19 lakh were paid as of March 2005³¹.

Test-check (January-February 2005) of the records of the EE, PWD (B&R), District Division-I, Jaipur revealed that though the land had been acquired (June 2000) for construction of bypass, neither any proposal was mooted nor sanction issued for construction of bypass during the last eight years. Consequently, the EE, PWD (B&R), District Division-I, Jaipur while sending estimate of Rs 14 lakh requested (December 2004) the Superintending Engineer, PWD, Rural Circle-I, Jaipur to get the administrative and financial sanction issued so that action for demarcation of land, construction of boundary pillars and execution of earth and gravel work of road may be initiated. Thus, there was no justification for acquisition of land and compensation paid for land for bypass which was neither proposed nor sanctioned by the Government.

Thus, acquiring of land without any proposal and approval for construction of bypass resulted in avoidable expenditure of Rs 38.19 lakh as of March 2005.

Government, while accepting the facts, stated (July 2005) that sanction to estimate for construction of gravel road on land acquired for bypass was under consideration. However, the fact remains that the land was acquired without any proposal and approval for construction of bypass.

4.3 Idle investment/idle establishment/blockage of funds

IRRIGATION AND PUBLIC HEALTH ENGINEERING DEPARTMENTS

4.3.1 Idle investment on Regional Water Supply Schemes

Non-coordination of the two Departments and indecisiveness to arrange water led to idle investment of Rs 35.91 lakh on Regional Water Supply Schemes lying unimplemented for four to six years defeating the very purpose of providing safe and potable drinking water to villages.

With the object of providing potable, safe and sufficient drinking water to the villages of 19-20 GB³² and 17-18 GB of Sri Vijaynagar town (Sriganganagar District), the Government accorded administrative and financial sanctions for Rs 11.81 lakh and Rs 23.95 lakh in February 1997 and March 1999

30. Land Compensation: Rs 24.84 lakh; Surcharge for 30 months: Rs 7.45 lakh; 30 *per cent* compulsory acquisition amount: Rs 7.45 lakh and compensation of structures: Rs 10.72 lakh.

31. Balance of Rs 12.27 lakh was yet to be paid.

32. Name of Villages

respectively for two Regional Water Supply Schemes (RWSS). Raw water was to be made available by the Irrigation Department by reducing the rotational (*Bari*) time period of supply of water to the cultivators for irrigation from Gang Canal System. The Executive Engineer (EE), PHED Division, Suratgarh issued (19 May 1997 and 4 June 1999) work orders in respect of RWSS 19-20 GB and 17-18 GB for Rs 9.68 lakh and Rs 15.75 lakh and the works were completed in June 1998 and March 2001 at a cost of Rs 12.18 lakh and Rs 23.73 lakh³³ respectively. Meanwhile, the cultivators of 19-20 GB and 17-18 GB filed (October 2000 and January 2001) cases in Civil Court against the proposed reduction in their timing of supply of water for irrigation. Though the stay given (October 2000 and January 2001) by the Court was vacated in March 2003 (17-18 GB) and August 2004 (19-20 GB), the Department, however, could not obtain raw water from the Irrigation Department and the scheme remained untested/uncommissioned as of March 2005.

During test-check (December 2004) of the records of the EE, PHED, Division Suratgarh for the period July 2003 to November 2004, it was observed that the work of construction of RWSS for 19-20 GB was completed in June 1998 at a cost of Rs 12.18 lakh, the weekly *Bari* of two hours and eight minutes was made applicable only on 5 October 2000 i.e. after more than two years. In respect of RWSS 17-18 GB though the Court had vacated the stay in March 2003, the Irrigation Department could not made applicable the *Bari* system despite several requests from the PHED to provide water. Adequate efforts were also not made to convince the cultivators about nominal reduction of time for irrigation as the scheme was for their own benefits.

This aspect should have been resolved and cultivators should have been taken into confidence before preparing the scheme. The water supply scheme was for the benefit of villagers and both the Departments were required to coordinate for proper implementation. The Department failed in commissioning the 19-20 GB scheme during 30 June 1998 to 3 October 2000 when there was no stay. Further, even after Court's decision in Government's favour the 17-18 GB scheme was lying untested. Both the schemes were lying uncommissioned/untested owing to non-settlement of dispute amongst cultivators and Irrigation/Public Health Engineering Department on the prevailing *Bari* system thus defeating the very purpose of providing safe and potable drinking water to villages.

Government stated (August 2005) that the *Bari* system could not be implemented due to filing suits by the cultivators in the Court. The reply was not tenable as the 19-20 GB RWSS was completed on 30 June 1998 and cultivators approached the Court on 3 October 2000 but the Department failed to test the scheme and provide water during these two years. Further, even after Court's decision in May 2003 in the Government's favour the 17-18 GB scheme was lying untested.

33. The difference between actual expenditure of Rs 12.18 lakh and Rs 23.73 lakh and amount of work orders to contractors for Rs 9.68 lakh and Rs 15.75 lakh represents *pro rata* charges and cost of material supplied by the Department.

IRRIGATION DEPARTMENT

4.3.2 Unproductive expenditure on rehabilitation works of canal and minors of Chhitoli dam

Wrong selection of rehabilitation works of canal and minors of Chhitoli dam resulted in unproductive expenditure of Rs 1.28 crore as of March 2005, which would further increase on completion of its on going works.

State Government accorded administrative sanction of Rs 562 crore in October 2002 for the Rajasthan Water Sector Restructuring Project (Project). The main objective of the Project was to improve productivity of irrigated agriculture land and efficient use of water in 91 surface irrigation schemes, covering 6.19 lakh hectares. The Project included rehabilitation of main canal and minors of Chhitoli Dam (constructed in 1950) (having live storage capacity of 22.33 M.cum³⁴) in Virat Nagar Tehsil³⁵ to utilise maximum inflow of 14.35 M.cum water in the reservoir (against 4.76 M.cum being utilised) so as to provide additional irrigation in 1356.95 hectares. The works included re-sectioning of the existing canal from 6.6 km, restructuring of main canal and construction of three new minors and remodelling of cross drainage works. For this, technical sanction of Rs 1.79 crore was issued by the Additional Chief Engineer, Irrigation Zone, Jaipur in April 2003. Rehabilitation work started in August 2003 was in progress and an expenditure of Rs 1.28 crore had been incurred upto March 2005.

During test-check (September 2004) of the records of the Executive Engineer (EE), Irrigation Division, Jaipur it was observed that the rehabilitation of main canal and minors of Chhitoli dam was proposed merely on the basis of storage capacity of the dam without considering the actual inflow of water received in the dam in previous years. The record shows that from 1983 to 2004 the water in the dam had never reached upto its FTL³⁶ (22'-6") and the gauge of the dam ranged between 13'-11" to nil (except 17'-8" in 1996). Further, minimum 3.029 M. cum (water gauge level of 6 feet) water in the dam was necessary for flow in canal upto tail. It was observed that during the last five years (1999-2004) despite heavy rainfall (average rainfall ranging between 197 mm to 978 mm) the level of water in the dam never went beyond 5'-3". As a result, no irrigation activities could be carried out during these years. In spite of that the Department had unnecessarily selected canal and minors of the dam for restructuring to generate additional irrigation potential. Thus, in the absence of sufficient inflow of water in the dam for irrigation during the years 1983-2004 the possibility of utilisation of newly constructed works under the Project would be remote.

Wrong selection of rehabilitation works of canal and construction of minors of Chhitoli dam thus, resulted in unproductive expenditure of Rs 1.28 crore as of

34. Million Cubic Metre.

35. In Jaipur District.

36. Full Tank Level.

March 2005, which would further increase on completion of its on going works.

Government stated (May 2005) that inflow in dam is not directly proportionate to quantity of rainfall but accepted that inflow in Chhitoli dam was always lower than expected. The fact remains that the requisite water for feeding the canals upto tail end was never available during the last five years and, therefore, the work of rehabilitation of canals was commenced without ensuring requisite availability of water in the dam.

PUBLIC WORKS AND PARLIAMENTARY AFFAIRS DEPARTMENTS

4.3.3 Blockage of funds owing to works lying incomplete

Failure of the Department to provide adequate funds led to non-completion of work of staff quarters for more than three and half years resulting in blockage of funds of Rs 66.55 lakh.

For the construction of Rajasthan Vidhan Sabha building at Jaipur, Department of Parliamentary Affairs, Government of Rajasthan accorded (May 1996) administrative and financial sanction for Rs 77.02 crore. The sanction was revised (January 2001) to Rs 95 crore. The Project, *inter alia*, included a provision of Rs 1.37 crore for the construction of 31 staff quarters³⁷.

Test-check (February 2005) of the records of the Executive Engineer (EE), City Division-I, Public Works Department (PWD), Jaipur revealed that after incurring an expenditure of Rs 66.55 lakh, the work of construction of staff quarters (taken up in 2000-2001) was lying incomplete since closing of the Project in September 2001. The construction work in respect of 11 quarters upto plinth level and of 20 quarters upto framework only was done during August 2000 to June 2001. The quarters were lying incomplete as of July 2005. No provision was made for completion of quarters during 2001-05,³⁸ except in 2002-03 in which funds of Rs 1.13 crore although provided, were not released due to famine works. No reasons were advanced by the Department for non-providing of funds in other years, although the EE, City Division-I, PWD, Jaipur requested the authorities concerned for the same time

37. Type-I: 2, type-II: 3, type-III: 6, type-IV: 10 and type V: 10.
38. A meagre amount of Rs 10 lakh provided for 2005-06.

and again, during April 2002 to June 2004.



A view of incomplete staff quarters

Thus, failure of the Department to provide adequate funds led to non-completion of work of staff quarters for more than three and half years resulting in blockage of funds of Rs 66.55 lakh. Besides, the inordinate delay has resulted in avoidable expenditure of Rs 11.79 lakh³⁹ towards payment of House Rent Allowance to the staff during the period of three and half years. The construction cost of the quarters will also increase by the passage of time.

Government in Public Works Department while accepting the facts, stated (July 2005) that the quarters would be completed on availability of funds. No reply was received from Parliamentary Affairs Department (November 2005).

4.4 Regulatory issues and other points

FINANCE DEPARTMENT

4.4.1 Excess/irregular payment of pension

Failure of the Treasury Officers to exercise prescribed checks led to excess/irregular payments of pension/family pension aggregating Rs 62.66 lakh.

Government of Rajasthan (Government) makes payment of pension to the State pensioners through Public Sector Banks (Banks)⁴⁰. Government had instructed (June 1977) that the Treasury Officers (TOs) would be responsible

39. Calculated at the minimum of the scale of employees/officers

40. State Bank of India, State Bank of Bikaner and Jaipur, Bank of Baroda, Central Bank of India, Punjab National Bank, UCO Bank and Union Bank of India.

for checking the correctness of pension payments, made by the Banks, with reference to the records maintained by them, before incorporating the transactions in their accounts. Mention had also been made in previous Audit Reports⁴¹ (Civil) about the excess payments made to the State pensioners by the Banks. The Public Accounts Committee, 2001-02 in their Reports had also recommended that recoveries of excess payment be made, responsibilities against defaulting officers be fixed, Administrative Inspection of Treasuries be strengthened and arrangements be made to avoid recurrence of such irregularities in future.

In compliance thereof, the Government intimated (July 2003) that necessary instructions had been issued to TOs for verification of pension payments by visiting the Banks.

Test-check (April 2004 to March 2005) of the records relating to pension payments made by the Banks, however, revealed excess/irregular payments of superannuation/family pensions of Rs 62.66 lakh to 223 pensioners as detailed below:

S. No.	Particulars	Number of cases	Excess/irregular payment (Rupees in lakh)
1.	Non-reduction of family pension after expiry of the prescribed period	150	28.57
2.	Pension and dearness relief paid at higher rate than admissible	41	12.90
3.	Amount of pension not reduced after commutation	19	7.29
4.	Payment of dearness relief to the pensioners during the period of their re-employment	5	1.69
5.	Payment of pension without Pension Payment Order	6	9.24
6.	Pension payment of other States wrongly debited	2	2.97
	Total	223	62.66

It was also observed that Rs 9.97 lakh on account of pension were credited to the savings bank account of 28 pensioners from April 1980 to December 2004 without obtaining required life certificate from them. As such, possibilities of crediting pension in case of deceased pensioners cannot be ruled out.

All this shows that the irregularities had, thus, not only persisted but continued and enhanced due to failure in exercising prescribed checks by the TOs. Evidently, the recommendations of the Public Accounts Committee regarding

41. Para 3.9 of Audit Report for 1984-85, Para 3.1 of Audit Report for 1990-91, Para 3.4 of Audit Report for 1993-94, Para 3.2 of Audit Report for 1997-98, Para 3.7 of Audit Report for 1999-2000, Para 4.4.1 of Audit Report for 2002-03 and Para 4.2.5 of Audit Report for 2003-04.

avoiding recurrence of such irregularities in future were also not followed scrupulously.

Government in their reply accepted (September 2005) facts and figures of the para and recovered Rs 20.09 lakh in 89 cases at the instance of audit.

MEDICAL AND HEALTH DEPARTMENT

4.4.2 Irregular release of grant to a Non-Government Organisation

Lack of monitoring and release of further grant without ensuring proper utilisation of previous sanctioned grant by the Department resulted in irregular release of grant of Rs 1.25 crore. Besides, inadmissible expenditure of Rs 70.15 lakh was also not objected.

Medical and Health Department (Department) provided grants-in-aid (GIA) of Rs 1.25 crore⁴² during 1999-2004 to a Non-Government Organisation⁴³ (NGO) for maintenance of the Government reserve beds for providing treatment to Tuberculosis (TB) patients. The NGO was required to meet all cost of treatment i.e. medicines, diet, etc. without charging any fees from the nominated patients. For admissions, the patients were to be nominated by the Government on the recommendation of the Chief Medical and Health Officer (CM&HO), Sikar, who was assisted by a Committee for the purpose. For ensuring proper utilisation of GIA in addition to condition of recommendation and nomination of patients other checks were: internal audit of the accounts and records of the NGO by the Directorate, prescribing of a form at the Directorate level for obtaining statement of accounts of the NGO duly audited by the Chartered Accountant to the Government/inspection of the NGO by the authorities of the Medical and Health Department as well as of the State for satisfying themselves that the beds were maintained according to prescribed standard and/countersigning of GIA bill by the CM&HO, Sikar.

Scrutiny (December 2004-February 2005) of the records of the Director, Medical and Health Services, Rajasthan, Jaipur revealed that although the Committee was constituted in September 1998, yet no patients were recommended by the CM&HO to the Government and nominated by the Government to the NGO for the treatment of TB during 1999-2004. Even then, the Department provided grant year after year without ensuring its proper utilisation. In absence of any nomination, the NGO utilised the grant for the patients admitted by it on its own and obtained the utilisation certificate for all the years (except for 2003-04) duly countersigned by the CM&HO. District TB Officer while admitting the fact (July 2005) also opined that the NGO was not entitled for receiving GIA for the patients admitted by it without their nomination by the Government. Further, the accounts of the NGO duly

42. 1999-2000: Rs 18 lakh for 100 beds and Rs 27 lakh for 150 beds; 2000-01: Rs 30 lakh for 100 beds; 2001-02: Rs 20 lakh for 67 beds; 2002-03: Rs 15 lakh for 50 beds and 2003-04: Rs 15 lakh for 50 beds.

43. Shree Kalyan Arogya Sadan, Sanwali (District Sikar).

certified by the Chartered Accountants and countersigned by the CM&HO were accepted by the Directorate without prescribing any format for accounts and carrying out inspection about satisfactory maintenance of required number of beds according to prescribed standard. Internal audit was done only during 2004-05. Utilisation certificates received duly countersigned by the CM&HO were being simply forwarded by the Directorate to the State Government and Accountant General without ensuring that the power vested in the CM&HO regarding recommendations of the patients was being exercised.

Further, against GIA expenditure of Rs 70.15 lakh of inadmissible items,⁴⁴ not qualifying for the cost of treatment was also included in the accounts for the years 1999-2004 of the NGO. Their admissibility was never objected.

Thus, lack of monitoring and release of further grant without ensuring proper utilisation of previous sanctioned grant by the Department resulted in irregular release of grant of Rs 1.25 crore. Besides, inadmissible expenditure of Rs 70.15 lakh was also not objected.

The matter was referred to the Government in April 2005; reply had not been received (July 2005).

SOCIAL WELFARE DEPARTMENT

4.4.3 Non-recovery of unspent balance from Avas Vikas Sansthan

Non-obtaining of required bank guarantee from Avas Vikas Sansthan, led to non-recovery of unutilised Government funds of Rs 72.85 lakh since April 1999. Besides, the Government suffered loss of interest of Rs 26.23 lakh.

In December 1997 and January 1998, the Social Welfare Department (Department) sanctioned Rs 23.99 lakh and Rs 93.63 lakh respectively under Integrated Package Programme for repairs and maintenance, additions and alterations of 57 Government buildings in which boys or girls hostels and other institutions were being run departmentally. As per terms and conditions of the administrative and financial sanctions funds were to be made available to the Avas Vikas Sansthan (AVS)⁴⁵ through whom works were to be executed during 1997-98, but before release of funds required bank guarantee was to be obtained from the AVS to safeguard the interest of the Government.

During test-check (November-December 2003) of the records of the Director, Social Welfare Department, Rajasthan, Jaipur it was observed that the funds of Rs 117.62 lakh were made available to the AVS in February 1998 without

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44. Pay and allowances of NGO staff, contribution to staff Provident Fund (PF), establishment expenditure, electricity and water charges, repairs to building of NGO, equipments, furniture, PF administrative charges, staff link insurance deposit, Gratuity.
45. A registered society of Rajasthan Housing Board, liquidated in March 1999.

obtaining required bank guarantee. Out of 57 works, while 20 were completed at an expenditure of Rs 38.96 lakh, five were left incomplete after incurring Rs 5.81 lakh and the remaining 32 were not taken up by the AVS which went into liquidation in March 1999. The left over works (except one) were being got completed (April 2005) through the agency of Avas Vikas Limited. The balance amount of Rs 72.85 lakh remained with the AVS which was yet to be recovered (August 2005). In November 2002, the Chairman, Liquidation Committee of the AVS intimated that the balance amount would be refunded on receipt of the AVS's dues of Rs 90.58 lakh from Nagar Nigam, Jaipur. Further developments were awaited (August 2005).

Meanwhile, the Government, while accepting the facts, stated (August 2005) that the Department made persistent efforts to recover the unspent balance from the AVS before and after its liquidation. It was further stated that no separate bank guarantee for Rs 117.62 lakh as advanced to the AVS by the Department was obtained and hence the unutilised funds remained unrecovered. The fact remains that the liability of the AVS are far in excess of available assets and, therefore, even after disposal of assets, keeping in view other creditors, the chances of effecting recovery are remote.

Thus, non-obtaining of required bank guarantee from the AVS, led to non-recovery of unutilised Government funds of Rs 72.85 lakh since April 1999. Besides, the Government suffered loss of interest⁴⁶ of Rs 26.23 lakh.

WATERSHED DEVELOPMENT AND SOIL CONSERVATION DEPARTMENT

4.4.4 Irregular diversion of funds from Centrally sponsored scheme

Funds of Rs 2.68 crore meant for salaries of Watershed Development Team members and transport TA for visit of subject matter specialists were irregularly diverted to meet the establishment expenditure of regular unit offices of the Department.

The revised guidelines for National Watershed Development Project for Rainfed Areas (NWDPR) issued (October 2000) by the Government of India (GOI) stipulate that 10 *per cent* of the total funds allocated for Watershed Development would be for administration cost. Of which, four *per cent* was to be released to the watershed committee towards honorarium for Watershed Secretary and volunteers, hire charges for watershed office and office contingency; five *per cent* to the Project Implementing Agency (PIA) towards salary of Watershed Development Team (WDT)⁴⁷ to be engaged on a purely

46. At six *per cent* per annum for the period April 1999 to March 2005.

47. Consisting of one Sociologist and other three members who should be at least graduate in Civil/Agriculture Engineering, Agriculture, Forestry, Animal Science or related basic sciences.

temporary or contractual basis to work on a full time basis for the project period at one of the watershed villages to enable them to work closely with the watershed community, etc. and one *per cent* was to be retained with District/State Nodal Agency for utilisation towards transport TA for visit of subject matter specialists to watershed and short-term consultants for supporting watershed programme. Subsequently, the GOI clarified (April and May 2005) that the line departments of the State Government are eligible to become PIAs subject to the condition that they provide four members WDT having the required qualification, for the project period with headquarters at the watershed site, on a full time basis.

Scrutiny (September 2004) of the records of the Director, Watershed Development and Soil Conservation Department revealed that during 2003-04 instead of engaging full time WDT members for each Watershed, the Department engaged its 24 unit offices (sanctioned posts: 192; men-in-position as of March 2004: 178⁴⁸) consisting officers of Women and Child Development, Agriculture and Animal Husbandry Departments who had otherwise their own duties and irregularly charged their establishment expenditure of Rs 2.68 crore against six *per cent* administrative cost which was to be provided to PIAs and District/State Nodal agency. Further, due to non-deployment of full time WDT members work in the area, non-land based activities for which Rs 2.37 crore were available affected badly and only two *per cent* of the financial targets could be achieved during 2003-04.

Thus, funds of Rs 2.68 crore meant for salaries of the WDT members and transport TA for visit of subject matter specialists were irregularly diverted to meet out the establishment expenditure of regular unit offices of the Department.

Government stated (July 2005) that utilisation of NWDPRAs funds for the reimbursement of expenditure on regular staff performing the functions of the PIAs under administrative cost was allowed and thus expenditure incurred on establishment of 24 unit offices was not irregular in view of the GOI clarification. The reply was not correct because admissibility was based on the fulfillment of the condition regarding providing of the four members WDT having required qualification with headquarters at the Watershed site on a full time basis which was not ensured in the instant case as staff with regular duties was also additionally assigned this work.

48. Assistant Agriculture Engineer: 24, Assistant Agriculture Officer: 26, Junior Engineer: 86, Lower Division Clerk: 21 and Peon: 21.

IRRIGATION DEPARTMENT

4.4.5 Non-recovery of rent from occupants of the Government quarters

Non-recovery of rent from defaulting occupants of Government quarters resulted in loss to the Government.

Rajasthan Civil Services (Project Allowances and Concessions in Project Areas) Rules, 1975 provide that the Government servants, who are engaged in project activities, posted and actually residing in the project area other than District Headquarters, be entitled for rent free accommodation facility.

During test-check (April 2004) of the records of the Executive Engineer (EE), Irrigation, Anoopgarh Shakha Division-I, Sri Bijaynagar, it was noticed that since November 1990 (and even prior to that in 14 cases which were of departments other than Irrigation) no rent was being recovered from 228 occupants residing in the Government quarters at canal colonies of Sri Bijaynagar and Anoopgarh. Rent of Rs 25.12 lakh⁴⁹ was outstanding in respect of Anoopgarh Colony (upto June 2002)⁵⁰ and Sri Bijaynagar Colony (upto March 2004)⁵⁰. Scrutiny further revealed that:

- The rent of the Government quarters outstanding since November 1990 was mainly recoverable from the employees of offices coming under the control of the Superintending Engineer, Irrigation Circle, Sri Bijaynagar, which were previously assigned with project activities under the control of Command Area Development Organisation and enjoying facility of rent free accommodation, subsequently placed under the control of the Irrigation Department and formed part of the Chief Engineer, Irrigation (North) Zone, Hanumangarh Junction with effect from November 1990. Since these employees were not associated with project activities any more and thus were not entitled for rent free accommodation facility from November 1990.
- Of Rs 25.12 lakh, Rs 4.46 lakh related to 40 occupants who had since superannuated (37: Rs 4.15 lakh) or died (3: Rs 0.31 lakh) and thus, recovery was doubtful.

Rule 160 of General Financial and Accounts Rules provides effecting recovery of rent from the salary bill of allottees by the concerned drawing and disbursing officers. It was noticed that the rule was not adhered to by the Divisional Officers and recovery of rent of quarters was allowed to accumulate. Besides, neither proper records were maintained nor timely action (except in March-April 2002 only) was taken against the defaulters.

Thus, failure of the EE, Irrigation, Anoopgarh Shakha Division-I, Sri Bijaynagar in recovering outstanding rent from defaulting occupants of the

49. Anoopgarh Colony: Rs 17.27 lakh and Sri Bijaynagar Colony: Rs 7.85 lakh .

50. Details of outstanding rent from July 2002 to September 2005 and April 2004 to September 2005 in respect of Anoopgarh and Sri Bijaynagar Colony were not made available by the Department.

Government quarters resulted in non-recovery of Rs 25.12 lakh and loss to the Government.

Government, while accepting the facts, stated (May 2005) that Rs 0.72 lakh had been recovered and efforts were being undertaken for the recovery of remaining outstanding dues. The fact remains that outstanding rent of Rs 24.40 lakh was still to be recovered. The amount would increase further after the assessment of rent for the period from July 2002 to date is undertaken.

General

4.4.6 Lack of responsiveness to audit findings and observations resulting in erosion of accountability

For early settlement of outstanding Inspection Reports (IRs) and paragraphs, the Government issued (August 1969) instructions to all Departmental officers for sending the first reply to IRs within a month and replies to further observations from audit within a fortnight. These instructions were reiterated from time to time and the latest issued in March 2002 further envisaged appointment of nodal officer and Departmental Committee in each of the Administrative Department for ensuring compliance to all the matters relating to audit.

As of 30 June 2005, there were 7227 IRs containing 26262 paragraphs issued during the period 1982-83 to 2004-05 (reports issued upto December 2004) pertaining to Civil and Works Departments were pending for settlement as under:

Year	Total	
	IRs	Paragraphs
Upto1998-99	1368	2846
1999-2000	602	1891
2000-01	652	2435
2001-02	733	2838
2002-03	1025	4132
2003-04	1467	5973
2004-05 (upto December .2004)	1380	6147
Total	7227	26262

A detailed analysis of IRs relating to Primary Education and Public Works Departments revealed that 1017 IRs (364 and 653) containing 4262 paragraphs (1228 and 3034) were outstanding as of December 2004. It was further noticed that first reply to 126 IRs containing 600 paragraphs had not been replied to by the Primary Education Department and were pending for one to seven years.

As a result, serious irregularities (detailed in *Appendix- XXVI*) commented in these IRs had not been settled as of June 2005.

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. Failure of Departmental officers to comply with the observations in IRs within the prescribed retention period of records, the possibility of their settlement in future appeared to be bleak due to non-availability of records.

Government should look into the matter and ensure that procedures exist for (a) action against the officials who failed to send replies to IRs/paras within the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayments in a time bound manner and (c) revamping the system to ensure prompt and proper response to the audit observations.