

**Report of  
the Comptroller and Auditor General of India**

**on**

**Social, General and Economic Sectors**

(Non-Public Sector Undertakings)

**for the year ended 31 March 2015**

**Government of Haryana**

**Report No. 3 of the year 2016**



## TABLE OF CONTENTS

	Reference to	
	Paragraphs	Page/ Remarks
Preface		vii
Overview		ix
<b>Chapter – 1</b>		
<b>Introduction</b>		
Budget profile	1.1	1
Application of resources of the State Government	1.2	1
Persistent savings	1.3	2
Grants-in-aid from Government of India	1.4	2
Planning and conduct of audit	1.5	3
Significant audit observations and response of Government to audit	1.6	3
Recoveries at the instance of audit	1.7	4
Lack of responsiveness of Government to Audit	1.8	4
Follow-up on Audit Reports	1.9	5
Status of placement of Separate Audit Reports of autonomous bodies in the State Assembly	1.10	5
Year-wise details of performance audits and paragraphs appeared in Audit Report	1.11	6
<b>Chapter 2</b>		
<b>Performance Audit</b>		
<b>Public Health Engineering Department</b> Rural and Urban Water Supply Schemes	2.1	7
<b>Elementary Education Department</b> National Programme of Mid Day Meals in Schools	2.2	30
<b>Higher Education, Medical Education and Research and Technical Education Departments</b> Framework for setting up of Private Colleges and Private Universities	2.3	49

	Reference to	
	Paragraphs	Page/ Remarks
<b>Chapter 3</b>		
<b>Compliance Audit</b>		
<b>Animal Husbandry and Dairying Department</b> Veterinary infrastructure and its utilisation	3.1	69
<b>Archaeology and Museums Department</b> Delay in construction of museum and office building and non-achievement of the objective of the department	3.2	74
<b>Education Department</b> Non-recovery of stipend amount from ineligible students	3.3	76
<b>Environment Department (Haryana State Pollution Control Board)</b> Avoidable payment of Income Tax	3.4	78
<b>Food and Supplies Department</b> Avoidable payment of interest due to delay in realization of bills from Food corporation of India	3.5	79
Compliance of terms and conditions of milling agreements for Custom Milled Rice	3.6	81
<b>Forest Department</b> Excess payment to the land owner and non-deduction of Income Tax	3.7	86
Unfruitful expenditure on Plant Tissue Culture Unit	3.8	87
<b>Health Department (Red Cross Societies)</b> Utilization of funds by Red Cross Societies	3.9	89
<b>Higher and Technical Education Departments (Guru Jambheshwar University, Hisar and Kurukshetra University, Kurukshetra)</b> Avoidable payment of Service Tax	3.10	93
<b>Home Department</b> Crime and Criminal Tracking Network and Systems	3.11	94
Non-implementation of Outdoor Surveillance System	3.12	100
Non-procurement of jammers for jails	3.13	102
<b>Horticulture Department</b> Unfruitful expenditure on incomplete Hi-Tech Vegetable Seedling Production Unit	3.14	104
<b>Industrial Training and Vocational Education Department</b> Blockade of funds due to injudicious site selection	3.15	106

	Reference to	
	Paragraphs	Page/ Remarks
<b>Irrigation Department</b> Unfruitful expenditure on incomplete canal	3.16	107
Follow up Audit on Performance Audit on 'Working of Irrigation Department'	3.17	109
<b>Irrigation and Public Works (Buildings and Roads) Departments</b> Avoidable expenditure on acquisition of land	3.18	113
<b>Medical Education and Research Department</b> Non-deposit of rent of shops in Government Account	3.19	115
<b>Public Health Engineering Department</b> Blockade of funds on unutilized pipes	3.20	115
Injudicious expenditure on tertiary treatment water scheme	3.21	117
<b>Public Works Department (Buildings and Roads)</b> Extra expenditure on construction of road	3.22	118
<b>Rural Development Department</b> Utilization of funds under Backward Region Grant Fund	3.23	120
Social Audit provided under 'Mahatma Gandhi National Rural Employment Guarantee'-Audit of Scheme Rules, 2011	3.24	125
<b>Sports and Youth Affairs Department</b> Utilisation of sports infrastructure	3.25	131
<b>Technical Education Department</b> Loss due to injudicious allotment of work	3.26	137
<b>Women and Child Development Department</b> Procurement in Women and Child Development Department	3.27	138

## APPENDICES

Appendix	Description	Reference to	
		Paragraph	Page
1.1	Detail of nature of irregularities pointed out through outstanding Inspection Reports	1.8	143
1.2	List of Outstanding Paragraphs to be discussed in PAC for the year 2010-11, 2011-12, 2012-13 and 2013-14 as on 31 December 2015	1.9	144
1.3	Details of Audit Report paragraphs for which action taken notes (ATNs ) were awaited for the years 2010-11, 2011-12, 2012-13 and 2013-14 as on 31 May 2015	1.9	146
1.4	List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Departments	1.9	148
1.5	Details of outstanding recommendations of Public Accounts Committee on which the Government is yet to take final decision as on 31 May 2015	1.9	149
1.6	Statement showing the details of rendering of account to CAG and submission of Audit Report to State Legislature by the autonomous bodies as on 31 August 2015	1.10	150
2.1	Details of villages having deficient water supply	2.1.6.3	153
2.2	Details of expenditure incurred in excess of sanctioned estimates	2.1.7.1	154
2.3	Details of cases in which schemes were taken up without prior clearances from concerned authorities and clear title of land	2.1.8.3	155
2.4	Details of cases of delay in execution of works due to inaction of the departmental officers	2.1.8.5	156
2.5	Details of diversion of funds provided for sustainability of water resources	2.1.8.8 (a)	158
2.6	Number of Government Schools and Government Aided Schools	2.2.6	159
2.7	Details of foodgrains allocated and lifted in the State	2.2.8.2	160
2.8	Foodgrains requirement and actual receipt in selected schools	2.2.8.2	161
2.9	Details of inspections carried out by the Department	2.2.10.1	162
2.10	Details of Private colleges in the State	2.3.1	163
2.11	Statement showing the test-checked private colleges	2.3.4	164

Appendix	Description	Reference to	
		Paragraph	Page
2.12	List of colleges affiliated without compliance of deficiencies	2.3.6.2	165
3.1	Detail of paddy given, CMR due, CMR delivered and balance rice not received from millers in FSD	3.6.1	166
3.2	Details of audit observations where there was insignificant/no progress	3.17.3.1	168
3.3	Details of audit observations where there was substantial implementation/progress	3.17.3.2	169
3.4	Details of audit observations where full progress in all intended areas	3.17.3.3	170
3.5	Detail of avoidable payment made as compensation for land acquired	3.18	171
3.6	List of selected Gram Panchayats for test-check	3.24	172



## **PREFACE**

This Report for the year ended 31 March 2015 has been prepared for submission to the Governor of the State of Haryana under Article 151 of the Constitution of India.

The Report contains significant results of the performance audit and compliance audit of the departments/autonomous bodies of Government of Haryana under the Social, General and Economic Sectors (Non-Public Sector Undertakings).

The instances mentioned in this Report are those, which came to notice in the course of test audit during the year 2014-15 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2014-15 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



# Overview



## OVERVIEW

This Report contains three Performance Audits i.e. (i) Rural and Urban Water Supply Schemes; (ii) National Programme of Mid Day Meals in Schools; and (iii) Framework for setting up of Private Colleges and Private Universities and 27 paragraphs relating to excess, irregular, unfruitful expenditure, avoidable payment, loss to State, shortcomings in implementation of rules and programmes, etc; involving ₹ 528.64 crore. Some major findings are mentioned below:

The total expenditure of the State increased by 62 *per cent* from ₹ 33,063 crore to ₹ 53,677 crore during 2010-15, the revenue expenditure of the State Government increased by 74 *per cent* from ₹ 28,310 crore in 2010-11 to ₹ 49,118 crore in 2014-15 while capital expenditure decreased by eight *per cent* from ₹ 4,031 crore to ₹ 3,716 crore during the period 2010-15.

## PERFORMANCE AUDIT

A performance audit of "**Rural and Urban Water Supply Schemes**" was conducted. Some major findings are given below:

- A five year comprehensive water security plan was not prepared. Only annual plans were prepared on demand basis. Further, 455 habitations were water deficient and no plan was prepared to provide potable water in 73 towns.

*(Paragraphs 2.1.6.1, 2.1.6.3 and 2.1.6.4)*

- Out of 5003 rural water supply schemes, only 3145 schemes were completed (63 *per cent*) leaving 1858 schemes incomplete as of March 2015. Taking up of schemes without ensuring availability of raw water, obtaining prior clearances from concerned authorities, clear title of land, selection of unsuitable sites for water works, inaction of the departmental officers against contractors, execution of works without ensuring the availability of pipes resulted in non-completion of 25 schemes and unfruitful/wasteful expenditure of ₹ 30.46 crore.

*(Paragraphs 2.1.8.1 to 2.1.8.5 and 2.1.8.7)*

- The component of sustainability of water resources under National Rural Drinking Water Programme was not implemented properly as funds of ₹ 17.47 crore meant for this component were spent on water supply schemes. Further, no arrangement was made for maintenance of assets created for water sustainability.

*(Paragraph 2.1.8.8)*

- Out of 354 urban water supply schemes, only 213 schemes were completed (60 *per cent*) as of March 2015. Three schemes were lying incomplete for want of permission from railways, non-availability of land for Storage and

Sedimentation tanks and non-resolving of land dispute with land owners resulting in blocking of funds/unfruitful expenditure of ₹ 26.82 crore.

*(Paragraphs 2.1.8.10 to 2.1.8.13)*

- Against the target of testing 2,19,000 samples of water, only 1,08,593 (50 per cent) samples were collected and tested in selected districts, of which 13 per cent were found unfit. Further, as per data of Health Department, out of 15,481 samples checked for bacteriological examination, 5,818 samples (38 per cent) were found unfit for human consumption.

*(Paragraph 2.1.8.14)*

- Internal control system was not adequate as records of asset created were not maintained properly, internal audit system was not in place and various reports were not being utilised as managerial tools for taking remedial action.

*(Paragraphs 2.1.9.1 to 2.1.9.3)*

A performance audit of "**National Programme of Mid Day Meals in Schools**" was conducted. Some major findings are given below:

- Plans for implementation of scheme were prepared without conducting proper survey or obtaining data from school level.

*(Paragraph 2.2.6)*

- Unspent balances of ₹ 9.83 crore and interest earned amounting to ₹ 0.65 crore were lying in bank accounts of District Elementary Education Officers.

*(Paragraph 2.2.7.3)*

- Coverage of students under the scheme had decreased from 99 to 95 per cent during 2010-15. There was huge deficit in lifting of foodgrains by schools ranging between 21 and 44 per cent.

*(Paragraphs 2.2.8.1 and 2.2.8.2)*

- The work of supply of MDM was assigned (September 2006) to the ISKCON in Kurukshetra district. The ISKCON had lifted 5,761 quintals of foodgrains valuing ₹ 1.23 crore in excess and submitted UCs showing whole quantity as consumed. This was due to release of foodgrains without verification of number of meals by the Department.

*(Paragraph 2.2.8.4)*

- The Department had not evolved any system for testing of food samples to ensure quality of meals served to the children. Further, the system to ensure supply of foodgrains of fair average quality was not followed in Hisar, Kurukshetra and Sirsa districts.

*(Paragraphs 2.2.8.5 and 2.2.8.6)*

- As against the sanction for construction of 11,483 Kitchen-cum-store during 2006-10, only 8,825 were completed, 903 were in progress and construction of 1,755 was not started.

*(Paragraph 2.2.8.10)*

A performance audit of "**Framework for setting up of Private Colleges and Private Universities**" was conducted. Some major findings are given below:

- Private colleges were being recognised without obtaining the comments of State Government/affiliating universities, universities were granting affiliation to the colleges having inadequate infrastructure, faculty, etc. There was no provision for regular inspection by universities.

*(Paragraphs 2.3.6.1 to 2.3.6.3)*

- The Higher Education Department had not maintained proper records of Government receipts. Absence of provision for charging processing fee for setting up of private colleges for the period 2008-14 resulted in loss of revenue of ₹ 97 lakh to the Government.

*(Paragraph 2.3.7.1)*

- No objection certificates were issued by Medical Education and Research Department after obtaining bank guarantee of ₹ one crore instead of ₹ three crore. Similarly, no objection certificates were issued to three private colleges without obtaining bank guarantees of ₹ three crore by Higher Education Department.

*(Paragraph 2.3.7.2)*

- Because of failure of Higher Education Department in exercising proper control, a B.Ed college got recognition on the basis of fake documents and by concealing facts.

*(Paragraph 2.3.8.1 (a))*

- Annual returns to ensure that reservation and fee concession for students of Haryana was being provided by Private Universities, were not being sent regularly to Higher Education Department.

*(Paragraph 2.3.8.5)*

- The private colleges were running with inadequate infrastructure. Four private universities had appointed 51 faculty members without fulfilling eligibility criteria.

*(Paragraphs 2.3.8.6 and 2.3.8.7)*

## Compliance Audit

Animal Husbandry and Dairying Department failed to create infrastructure for providing veterinary services despite availability of funds. Modernization project was closed without achieving laid down objectives. 19 mobile diagnostic laboratory vans, after incurring expenditure of ₹ 1.79 crore remained unutilized due to not purchasing diagnostic equipment. Irregularities were noticed in running of Pet Clinic and there was under utilisation of veterinary infrastructure.

*(Paragraph 3.1)*

Haryana State Pollution Control Board did not get itself registered as Charitable Institution under Income Tax Act, 1961 and thereby failed to get the benefit of exemption resulting in avoidable payment of ₹ 60.35 crore as Income Tax and interest thereon.

*(Paragraph 3.4)*

Food and Supplies Department paid interest of ₹ 15.93 crore due to delay in realization of bills from FCI in eleven districts during 2010-15.

*(Paragraph 3.5)*

Non-conduct of physical verification of stock regularly, allotment of paddy in excess of millers' capacity, non-obtaining of proper guarantee, coupled with lack of appropriate action against defaulting millers by Food and Supplies Department facilitated the non-delivery of rice valuing ₹ 115.48 crore by millers. There were also cases of non-recovery of ₹ 24.46 crore from millers on account of short supply of rice, non-recovery of ₹ 2.40 crore on account of value cut and moisture cut from millers and non-adherence of guidelines in number of cases.

*(Paragraph 3.6)*

District Red Cross Societies (DRCS) had spent ₹ 18.38 crore on pay and allowances and only ₹ 6.63 crore on its main aims and objectives. An expenditure of ₹ two crore was incurred on the activities not covered under its objectives. There were cases of embezzlement, non-imparting of training to handicapped persons, non-levy of penalty on the supplier, non-approval of constitution and uniform service rules of DRCS.

*(Paragraph 3.9)*

Crime and Criminal Tracking Network and Systems project has not been completed even after a lapse of three years. The Home Department failed to provide hardware to investigating officers, training to police personnel, digitise/migrate the legacy data, application software and network services among police stations, higher offices and National Crime Record Bureau for sharing real time information. Department also failed to provide citizen centric services to improve police functioning in maintaining law and order.

*(Paragraph 3.11)*

Non-implementation of Outdoor Surveillance System, a crucial and vital project for maintenance of law and order and crime control by Home Department, resulted in blockade of funds amounting to ₹ 8.24 crore for more than four years, wasteful expenditure of ₹ 14.48 lakh and loss of interest of ₹ 2.04 crore.

*(Paragraph 3.12)*

Jammers could not be procured and funds of ₹ 5 crore remained unutilised for more than six years due to indecisiveness of Jail Department. Objective of improving security infrastructure in four jails remained unachieved besides department suffered loss of interest of ₹ 1.20 crore.

*(Paragraph 3.13)*

A Performance Audit Report on 'Working of Irrigation Department' was incorporated in Report of the Comptroller and Auditor General of India on Social, General and Economic Sectors (Non-Public Sector undertakings) for the year ended March 2012. A follow-up audit conducted to examine the corrective actions taken by the Department brought out that out of six recommendations in the Performance Audit, one recommendation was fully implemented; one recommendation was partially implemented and four recommendations were not implemented. Further, out of other 23 observations, the department had not taken significant steps in respect of eight observations; substantial progress was made in respect of nine observations and full progress was made in intended areas in respect of six observations.

*(Paragraph 3.17)*

Due to improper formulation of estimate and non-revision of the estimate as per codal provisions by Public Works Department (Buildings and Roads), extra expenditure of ₹ 5.57 crore was incurred on Nizampur-Narnaul-Dadri Road (SH-17) in Km 13.88 to 27.60. Besides the road between km 15.010 to 18.200 was not as per specifications and an avoidable expenditure of ₹ 39.57 lakh was incurred on maintenance.

*(Paragraph 3.22)*

There was inadequate financial control in Rural Development Department in respect of implementation of Backward Region Grant Fund scheme leading to short release of funds by GOI, delay in release of funds to the Implementing Agencies and deficiency in redressing of regional imbalances. Funds were not allocated for priority programmes under SC/ST development plans.

*(Paragraph 3.23)*

Social Audit Unit was not made fully functional by Rural Development Department as against 44 sanctioned posts, 32 were lying vacant. Resource persons were not identified, trained and deployed to Gram Panchayats to facilitate social audit. As against the requirement of conducting 12,280, only 6,771 social audits were conducted. Social Audit Calendar was not prepared by Social Audit

Unit. Social Audit Reports were not being uploaded on the official web site. The instances of non-conduct of social audit verification, non-recording of videography of social audit Gram Sabha proceedings, non-preparation of social audit reports, annual reports, etc. were also noticed.

***(Paragraph 3.24)***

There were cases of delays in construction and handing over of stadiums. Further, the stadiums were abandoned and were not being maintained properly. Basic facilities and sports items were not being provided in the stadiums besides shortage of coaches and other staff. Cases of parking of funds and irregular payment to a chief coach were noticed in Sports and Youth Affairs Department.

***(Paragraph 3.25)***

Cases of delay in procurement of Pre-School Education kits, excess purchase of furniture, extra expenditure on purchase of utensils, diversion of funds and irregular purchase were noticed in Women and Child Development Department.

***(Paragraph 3.27)***



# **Chapter 1**

## **Introduction**



## CHAPTER 1

### INTRODUCTION

#### 1.1 Budget profile

There are 56 departments and 29 autonomous bodies in the State. The position of budget estimates and actuals there against by the State Government during 2010-15 is given in **Table 1.1**.

**Table 1.1: Budget and actual expenditure of the State during 2010-15**

(₹ in crore)

Expenditure	2010-11		2011-12		2012-13		2013-14		2014-15	
	Budget Estimates	Actuals								
General Services	8,916	9,328	10,684	10,220	12,331	11,897	14,481	13,597	16,639	16,765
Social Services	11,349	10,904	13,969	12,642	15,935	14,516	18,563	15,414	21,498	19,120
Economic Services	8,142	7,997	9,923	9,054	11,348	11,557	13,000	12,740	14,372	13,088
Grants-in-aid and Contributions	76	81	103	99	170	102	179	136	194	145
<b>Total (1)</b>	<b>28,483</b>	<b>28,310</b>	<b>34,679</b>	<b>32,015</b>	<b>39,784</b>	<b>38,072</b>	<b>46,223</b>	<b>41,887</b>	<b>52,703</b>	<b>49,118</b>
Capital Outlay	3,516	4,031	4,641	5,372	4,661	5,762	5,766	3,935	5,747	3,716
Loans and Advances Disbursed	1,602	722	957	627	874	522	1,084	776	1,001	843
Repayment of Public Debt	5,954	3,971	6,666	4,037	9,221	5,951	13,105	7,968	13,850	8,227
Contingency Fund	-	190	-	168	-	-	-	-	Nil	-
Public Accounts disbursements	66,505	15,324	73,595	17,051	75,894	21,074	94,863	24,560	52,478	25,609
Closing Cash balance	-	377	-	2,162	-	2,697	-	6,007	-	6,508
<b>Total (2)</b>	<b>77,577</b>	<b>24,615</b>	<b>85,859</b>	<b>29,417</b>	<b>90,650</b>	<b>36,006</b>	<b>1,14,818</b>	<b>43,246</b>	<b>73,076</b>	<b>44,903</b>
<b>Grand Total (1+2)</b>	<b>106,060</b>	<b>52,925</b>	<b>120,538</b>	<b>61,432</b>	<b>130,434</b>	<b>74,078</b>	<b>1,61,041</b>	<b>85,132</b>	<b>1,25,779</b>	<b>94,021</b>

Source: Annual Financial Statements and Explanatory Memorandum of the Budget of the State Government.

#### 1.2 Application of resources of the State Government

As against the total budget outlay of ₹ 1,25,779 crore, actual was ₹ 94,021 crore during 2014-15. The total expenditure<sup>1</sup> of the State increased by 62 per cent from ₹ 33,063 crore to ₹ 53,677 crore during 2010-15 and the revenue expenditure of the State Government increased by 74 per cent from ₹ 28,310 crore to ₹ 49,118 crore during 2010-15. Non-Plan revenue expenditure increased by 65 per cent from ₹ 22,059 crore to ₹ 36,358 crore during the period 2010-15. The revenue expenditure constituted 84 to 92 per cent of the total expenditure during the years 2010-15 and capital expenditure 7 to 14 per cent.

During this period, total expenditure increased at an annual average rate of 12 per cent, whereas revenue receipts grew at an annual average growth rate of 14 per cent during 2010-15.

<sup>1</sup> This excludes repayment of public debt, contingency fund, public account disbursements and closing cash balance.

### 1.3 Persistent savings

During the last five years, seven grants and one appropriation showed persistent savings of more than ₹ 10 crore and which were also 10 *per cent* or more of the total grants (Table 1.2).

Table 1.2: Grants indicating persistent savings

Sr. No.	Number and name of the grant	Amount of savings				
		2010-11	2011-12	2012-13	2013-14	2014-15
<b>Revenue (Voted)</b>						
1.	09-Education	610.53 (10)*	882.37 (13)	1,591.65 (19)	1,818.31 (21)	1,369.49 (14)
2.	13-Health	249.65 (19)	222.05 (16)	253.27 (14)	279.74 (14)	576.18 (21)
3.	15-Local Government	654.40 (69)	587.83 (39)	379.76 (22)	589.57 (27)	584.00 (28)
4.	24-Irrigation	311.48 (27)	409.81 (30)	375.55 (27)	382.54 (25)	512.00 (31)
<b>Capital (Voted)</b>						
5.	8-Building & Roads	260.48 (19)	351.37 (22)	226.50 (12)	346.60 (14)	449.61 (20)
6.	38-Public Health & Water Supply	303.54 (30)	201.05 (20)	324.40 (28)	137.28 (11)	146.74 (13)
7.	45-Loans and Advances by State Government	880.53 (55)	532.72 (46)	366.19 (41)	313.67 (29)	158.54 (16)
<b>Capital (Charged)</b>						
8.	Public Debt	3,226.08 (41)	2,944.26 (37)	4,250.68 (40)	5,027.64 (38)	5,622.44 (41)

\* Figures in parenthesis show percentage of savings to total provision  
(Source: Appropriation Accounts of concerned years)

### 1.4 Grants-in-aid from Government of India

The Grants-in-aid received from the GOI during the years 2010-11 to 2014-15 have been given in Table 1.3.

Table 1.3: Grants-in-aid from GOI

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Non-Plan Grants	1,765.98	1,246.51	851.62	2,256.17	1,723.20
Grants for State Plan Schemes	749.74	674.54	727.75	856.66	2,815.36
Grants for Central Plan Schemes	87.79	50.79	44.32	62.99	24.57
Grants for Centrally Sponsored Schemes	447.11	783.09	715.56	951.36	439.75
<b>Total</b>	<b>3,050.62</b>	<b>2,754.93</b>	<b>2,339.25</b>	<b>4,127.18</b>	<b>5,002.88</b>

(Source: Finance Accounts of concerned years)

In addition to above, GOI had been transferring sizeable funds directly to the State implementing agencies for implementation of various schemes. GOI decided to route these funds through State Budget from 2014-15 onwards. However, during 2014-15 the GOI transferred ₹ 1,285.01 crore directly to various implementing agencies/Non-Governmental Organizations of the State.

## **1.5 Planning and conduct of audit**

The Audit process starts with the risk assessment of various departments, autonomous bodies, schemes/projects, etc., criticality/complexity of activities, level of delegated financial powers, internal controls and concerns of stakeholders and previous audit findings. Based on risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

After completion of audit, Inspection Report containing audit findings is issued to the head of the office with the request to furnish replies within four weeks. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India, which are submitted to the Governor of Haryana under Article 151 of the Constitution of India.

During 2014-15, compliance audit of 995 drawing and disbursing officers of the State and 19 autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Haryana. Besides, three performance audits<sup>2</sup> and Follow up Audit on Performance Audit on 'Working of Irrigation Department' were also conducted.

## **1.6 Significant audit observations and response of Government to audit**

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments, which have negative impact on the success of programmes and functioning of the departments. The focus was on auditing the specific programmes/schemes and to offer suitable recommendations to the executive for taking corrective action and improving service delivery to the citizens.

As per the provision of the Comptroller and Auditor General of India's Regulations on Audit and Accounts, 2007, the departments are required to send their responses to draft performance audit reports/draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks. It was brought to their personal attention that in view of likely inclusion of such paragraphs in the Reports of the Comptroller and Auditor General of India, to be placed before the Haryana Legislature, it would be desirable to include their comments in the matter. These draft reports and paragraphs proposed for inclusion in the Report were also forwarded to the Additional Chief Secretaries/ Principal Secretaries/Secretaries concerned for seeking their replies. This Audit Report contains three Performance Audits and 27 compliance audit paragraphs including follow-up Audit on Performance Audit on 'Working of Irrigation Department' which were forwarded to concerned

<sup>2</sup> (i) Rural and Urban Water Supply Schemes, (ii) National Programme of Mid Day Meals in Schools and (iii) Framework for setting up of Private Colleges and Private Universities

Administrative Secretaries. The replies have been received for all the performance audits and 13 compliance audit paragraphs and suitably incorporated in the Audit Report.

### 1.7 Recoveries at the instance of audit

The audit findings involving recoveries that came to notice in the course of test audit of accounts of Government Departments were referred to the various departmental Drawing and Disbursing Officers (DDOs) for confirmation and further necessary action under intimation to audit. An amount of ₹ 2.35 crore was recovered in 22 cases during 2014-15 by various departments after being pointed out by the Audit through Inspection Reports.

### 1.8 Lack of responsiveness of Government to Audit

After periodical inspection of the Government departments, the Principal Accountant General (Audit) issues the Inspection Reports (IRs) to the head of offices audited with copies to the next higher authorities. The executive authorities are expected to promptly rectify the defects and omissions pointed out and report compliance to the Principal Accountant General (Audit) within four weeks. Half-yearly reports of IRs pending for more than six months are also sent to the concerned Administrative Secretaries of the departments to facilitate monitoring and compliance of the audit observations in the pending IRs.

A review of IRs issued up to June 2015 relating to various offices of Food and Supply Department revealed that 244 paragraphs of 81 IRs with money value of ₹ 1,297.45 crore remained outstanding at the end of December 2015 as indicated in the **Table 1.4**.

**Table 1.4 : Year-wise breakup of outstanding Inspection Reports and Paragraphs**

Year	Number of Inspection Reports	Number of Paragraphs	Amount (₹ in crore)
2004-05 to 2010-11	21	31	16.28
2011-12	8	21	21.65
2012-13	20	59	201.99
2013-14	13	42	60.07
2014-15	14	40	232.27
2015-16 (Upto June 2015)	5	51	765.19
<b>Total</b>	<b>81</b>	<b>244</b>	<b>1,297.45</b>

(Source : Information derived from IR registers maintained in PAG (Audit) Office)

Category-wise details of irregularities pointed out through these IRs which had not been settled as of 31 December 2015 are indicated in **Appendix 1.1**.

The Administrative Secretary of the Department, who was informed of the position through half-yearly reports, has not ensured prompt and timely action on the audit observations.

## 1.9 Follow-up on Audit Reports

According to the instructions issued (October 1995) by the Government of Haryana, Finance Department and reiterated in March 1997 and July 2001, the administrative departments were to initiate *suo moto* positive and concrete action on all audit paragraphs and performance audits featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether the cases were taken up for examination by the Public Accounts Committee or not. The administrative departments were required to furnish Action Taken Notes (ATNs) indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the ARs to the Legislature.

A review of the position regarding receipt of Action Taken Notes (ATNs) on the paragraphs included in the ARs up to the period ended 31 March 2015 revealed that 76 paragraphs and performance audits of 31 administrative departments included in ARs for the period 2011-12, 2012-13 and 2013-14 were yet to be discussed in Public Accounts Committee (**Appendix 1.2**). Action taken notes (ATNs) on 55 paragraphs and performance audits in case of 25 administrative departments were not submitted as per details given in the **Appendix 1.3**. 13 administrative departments out of those which had submitted the ATNs, had not taken any action to recover the amount of ₹ 1,130.19 crore in respect of 28 paragraphs and performance audits as per details given in the **Appendix 1.4**.

Further, the response of the administrative departments towards the recommendations of the Public Accounts Committee was not encouraging as 455 recommendations relating to Audit Reports for the period from 1971-72 to 2009-10 were still awaiting final action by the concerned administrative departments as per details given in **Appendix 1.5**.

## 1.10 Status of placement of Separate Audit Reports of autonomous bodies in the State Assembly

Several autonomous bodies have been set up by the Government in the field of Urban Development, Housing, Labour Welfare, Agriculture, etc. The audit of accounts of 29 bodies in the State has been entrusted to the CAG. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and its placement in the Legislature as on 31 August 2015 is indicated in **Appendix 1.6**. The frequency distribution of autonomous bodies according to the delays in submission of accounts to audit and placement of SARs in the Legislature is summarised in **Table 1.5**.

**Table 1.5: Delays in submission of accounts and tabling of Separate Audit Reports**

Delays in submission of accounts (in years)	Number of autonomous bodies	Reasons for delay	Delays in submission of SARs in Legislature (in years)	Number of autonomous bodies	Reasons for delay
1 – 2	3	Accounts had not been prepared by autonomous bodies.	1 - 2	3	Reasons for delay not intimated by departments.
2 – 3	2		2 - 3	4	
3 – 4	1		3 - 4	-	
4 – 5	-		4 - 5	1	
5 and above	4		5 and above	8	
<b>Total</b>	<b>10</b>			<b>16</b>	

It was further observed that one<sup>3</sup> autonomous body had not submitted their annual accounts for the last 18 years (1996-97 and onwards).

**1.11 Year-wise details of performance audits and paragraphs appeared in Audit Report**

The year-wise details of performance audits and paragraphs that appeared in the Audit Report for the last two years alongwith their money is given in **Table 1.6**.

**Table 1.6: Details regarding reviews and paragraphs appeared in Audit Report during 2012-14**

Year	Performance Audit		Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Draft paragraphs
2012-13	5	1,166.63	21	786.57	2	10
2013-14	3	887.81	23	148.81	3	7

During 2014-15, three Performance Audits involving money of ₹ 242.86 crore and 27 paragraphs involving ₹ 285.78 crore have been included in this Report. The Government replies have been received for all the three Performance Audits and 13 paragraphs which were suitably incorporated in the Audit Report.

<sup>3</sup> District Legal Services Authority, Jhajjar

**Chapter-2**  
**Performance Audit**



## Chapter 2

### Performance Audit

#### Public Health Engineering Department

#### 2.1 Rural and Urban Water Supply Schemes

*Water is essential to sustain life and has a direct bearing on the health of human beings. Success of socio-economic development depends on safe and potable drinking water. The main aim of water supply schemes was to provide safe and potable drinking water. Performance audit of the rural and urban water supply schemes brought out the following significant deficiencies:*

**A five year comprehensive water security plan was not prepared. Only annual plans were prepared on demand basis. Further, 455 habitations were water deficient and no plan was prepared to provide potable water in 73 towns.**

*(Paragraphs 2.1.6.1, 2.1.6.3 and 2.1.6.4)*

**Out of 5003 rural water supply schemes, only 3145 schemes were completed (63 per cent) leaving 1858 schemes incomplete as of March 2015. Taking up of schemes without ensuring availability of raw water, obtaining prior clearances from concerned authorities, clear title of land, selection of unsuitable sites for water works, inaction of the departmental officers against contractors, execution of works without ensuring the availability of pipes resulted in non-completion of 25 schemes and unfruitful/wasteful expenditure of ₹ 30.46 crore.**

*(Paragraphs 2.1.8.1 to 2.1.8.5 and 2.1.8.7)*

**The component of sustainability of water resources under National Rural Drinking Water Programme was not implemented properly as funds of ₹ 17.47 crore meant for this component were spent on water supply schemes. Further, no arrangement was made for maintenance of assets created for water sustainability.**

*(Paragraph 2.1.8.8)*

**Out of 354 urban water supply schemes, only 213 schemes were completed (60 per cent) as of March 2015. Three schemes were lying incomplete for want of permission from railways, non-availability of land for Storage and Sedimentation tanks and non-resolving of land dispute with land owners resulting in blocking of funds/unfruitful expenditure of ₹ 26.82 crore.**

*(Paragraphs 2.1.8.10 to 2.1.8.13)*

**Against the target of testing 2,19,000 samples of water, only 1,08,593 (50 per cent) samples were collected and tested in selected districts, of which 13 per**

**cent were found unfit. Further, as per data of Health Department, out of 15,481 samples checked for bacteriological examination, 5,818 samples (38 per cent) were found unfit for human consumption.**

*(Paragraph 2.1.8.14)*

**Internal control system was not adequate as records of asset created were not maintained properly, internal audit system was not in place and various reports were not being utilised as managerial tools for taking remedial action.**

*(Paragraphs 2.1.9.1 to 2.1.9.3)*

### **2.1.1 Introduction**

Water is essential to sustain life and has a direct bearing on the health of human beings. Success of socio-economic development depends on the availability of safe and potable drinking water. The main aim of water supply schemes was to provide safe and potable drinking water. The Government fixed the norms of supply of water in rural area at the rate of 55 litres per capita per day (LPCD) in non-desert prone districts under National Rural Drinking Water Scheme and 70 LPCD for schemes under NABARD, National Capital Region (NCR) and Desert Development Programme (DDP). In urban areas, the norms were 110 LPCD for smaller towns having population less than 20000 and 135 LPCD for towns with population more than 20,000. As on 31 March 2010, there were 149 water deficient villages in the State. From April 2011, the focus of GOI shifted to coverage of habitations in terms of population instead of villages. Out of 7,385 habitations in the State, 1997 habitations were such where coverage and supply of water was less than the norms as of March 2011. All of these habitations including those which were earlier water sufficient but became water deficient at a later stage were proposed to be augmented during 2011-15. However, 455 habitations were still water deficient as of March 2015.

Water supply schemes in villages were being implemented under Centrally sponsored National Rural Drinking Water Programme, DDP and other State funded schemes. Urban Water supply schemes were being implemented through the funds of Thirteenth Finance Commission (TFC), Economic Stimulus Package (ESP) and other State schemes. Besides, loans were availed of from NABARD for rural water supply schemes and National Capital Region Planning Board (NCRPB) for urban water supply schemes in NCR towns. Water supply schemes under ESP at Ambala, Kaithal, Fatehabad had been completed and commissioned in time and were working smoothly (March 2015).

### **2.1.2. Organizational set-up**

Haryana State Water Supply and Sewerage Board (the Board), under the Chairmanship of the Chief Minister, accords approval for sewerage and water

supply schemes and provides funds for their implementation. The Principal Secretary to Government of Haryana (PS), Public Health Engineering Department (PHED) is the administrative head at Government level and is responsible for implementation of policies, programmes and schemes. The Engineer-in-Chief (EIC) is the controlling officer and assisted by four Chief Engineers and one Director, Water and Sanitation Support Organisation (WSSO)-cum-Chief Engineer at headquarters with 15 Circle Offices headed by Superintending Engineers (SEs) and 56 Divisional Offices headed by Executive Engineers (EEs). The EEs at divisional level are responsible for the execution of works.

### 2.1.3. Audit objectives

The main objectives of performance audit were to assess whether:

- the process of planning was adequate;
- the financial management was sound;
- the implementation of schemes was effective and economical; and
- the internal control system was working effectively.

### 2.1.4. Audit scope and methodology

Performance audit was conducted during January–May 2015 covering the period 2010-15 in the Office of the Board, EIC and 21<sup>1</sup> out of 56 divisions under eight out of 15 circles of seven<sup>2</sup> out of 21 districts in the State. Three more divisions i.e. Kaithal-1, Kaithal-2 and Fatehabad were selected on the suggestion of EIC during the entry conference. The selection of units was made by adopting the Probability to size Without Replacement method. Besides, findings in Panchkula and Rewari districts covered under pilot study have also been included. In selected divisions, 1,554 works were executed and expenditure of ₹ 1,574.49 crore was incurred during 2010-15, of which 293 works involving an expenditure of ₹ 1,300.62 crore were selected for detailed scrutiny.

A performance audit on the topic conducted earlier was incorporated in the Report of Comptroller and Auditor General of India for the year ended 31 March 2007 (Civil) Government of Haryana and was discussed by Public Accounts Committee (PAC) during 2012-13. The recommendations of the PAC were kept in view while conducting the audit.

<sup>1</sup> Public Health Engineering Divisions: 1. Ambala City, 2. Ambala Cantt., 3. Bhiwani I, 4 Bhiwani II, 5. Bhiwani III, 6. Charkhi Dadri, 7. Tosham, 8. Siwani, 9. Hissar I, 10. Hissar II, 11. Hissar III, 12. Hansi, 13. Jhajjar I, 14. Jhajjar II, 15. Jhajjar III, 16 Kurukshetra, 17. Mohindergarh, 18 Narnaul I, 19. Sirsa I, 20. Sirsa II and 21. Sirsa III.

<sup>2</sup> 1. Ambala, 2. Bhiwani, 3. Kurukshetra, 4. Jhajjar, 5. Hisar, 6. Mohindergarh and 7. Sirsa

An Entry Conference was held in January 2015 with the PS, PHED wherein the audit objectives, audit criteria and scope of audit were discussed. The Audit findings were discussed in the Exit conference held in September 2015 with the Principal Secretary, Public Health Engineering Department. The replies of the Department and deliberations of the Exit conference have been suitably incorporated in the report.

### **2.1.5. Audit criteria**

Audit criteria were derived from the following sources:

- Guidelines for implementation of various programmes/schemes.
- Detailed Project Reports and Feasibility Study Reports of projects.
- Haryana Public Works Department Code.
- Manual on Water Supply and Treatment of GOI.

## **Audit findings**

### **2.1.6 Planning**

#### ***2.1.6.1 Non-preparation of comprehensive long-term master plan***

Paragraph 14 of the guidelines of National Rural Drinking Water Programme (NRDWP) provides that to achieve the broad goal of providing safe drinking water, a five year comprehensive water security plan should be prepared. Each financial year, the sub-goals and priorities should be fixed based on the mutual consultation by the Centre and State Governments. Audit observed that the department has not prepared a comprehensive five year plan. Annual plans were prepared on the basis of demands from different quarters i.e. villagers, Gram Panchayats (GPs), etc. Non-preparation of comprehensive long term plan reflects inadequacy of planning of the Department, as a result of which, water could not be supplied in adequate quantity in many areas as discussed in paragraph 2.1.6.3.

The PS directed the EIC during the exit conference to constitute a Committee of Chief Engineers to prepare long term plan on the lines of a vision document for this purpose.

#### ***2.1.6.2 Non- preparation of manual***

Ministry of Urban Development, GOI had prepared a manual on water supply and treatment in 1999 but the Department had neither followed the manual of GOI for execution of various water supply schemes nor prepared its own manual. Had the department prepared a well documented manual for guidance on various activities of water supply schemes right from conception of the scheme to supply of potable

water to public, the implementation of the schemes could have been carried out in a more structured manner and the various inadequacies/inefficiencies associated with non-completion of schemes, non-availability of raw water, supply of contaminated water as discussed in succeeding paragraphs could have been avoided.

The EIC stated (October 2015) that the Department was following the manual issued by the Ministry of Urban Department. On being pointed out by Audit about non-adoption of the manual during the exit conference, the PS directed the EIC to submit a case for formal adoption of the manual.

### 2.1.6.3 Progress of coverage of habitations

The focus of the GOI was on coverage of habitations<sup>3</sup> for supply of potable water from April 2011. In 1,997 habitations out of 7,385 in the State, the coverage and supply of water was less than the norms. These 1,997 habitations including those habitations which were earlier water sufficient but later became water deficient, due to scarcity of water at source, were proposed to be augmented during 2011-15. The position of targets and achievements for coverage of water deficient habitations for the period 2010-15 is given in Table.

Year	Targets fixed	Coverage (includes dropped schemes)	Balance	Addition due to slip back and habitations not covered earlier	Total water deficient habitations
2010-11	1,007	752	255	688	943
2011-12	943	859	84	871	955
2012-13	955	895	60	801	861
2013-14	861	702	159	375	534
2014-15	534	578	(-) 44	499	455

Source: Data provided by EIC

Note: Targets were fixed by the Department after taking into account the habitations which slipped back into water deficient category.

It is evident from the above table that the targets of covering water deficient habitations were not achieved during 2011-14. Further, 455 habitations were still water deficient.

Further, audit scrutiny showed that in 15 test checked divisions, out of 1,827 villages, 1,084 villages (59 per cent) as detailed in *Appendix 2.1* were water deficient as supply of water was below 55/70 LPCD. As such, planning for augmentation of water supply schemes needs to be improved by proper survey and ascertaining the ground reality about the status of water supply in villages.

The EIC stated (October 2015) that water deficient villages were considered where percentage of coverage was less than 50 or having water allowance status less than 40 LPCD. The reply was not convincing as water deficient villages were those villages where water supply was below the prescribed norms with reference to schemes in different areas i.e 50/70 LPCD. The PS, however, directed the departmental officers during the exit conference to accelerate the timely completion of water supply schemes.

<sup>3</sup> Habitations means villages, dhanies, etc. where population exists.

Apart from above, planning for execution of works was not adequate as works were taken up for execution without ensuring availability of raw water, not having the permission from Forest Department, not ascertaining suitable site for water works and execution of works without purchase of DI pipes as discussed in succeeding paragraphs 2.1.8.2, 2.1.8.3, 2.1.8.4 and 2.1.8.7.

#### 2.1.6.4 Status of coverage of towns

Out of 154 towns (as per 2011 census) of the State, only 78 towns were covered with piped water supply as of March 2015. Water supply schemes of Panchkula were being maintained by HUDA and that of Faridabad and Gurgaon by respective Municipal Corporations. Remaining 73 towns were not covered with piped water supply connections and no long term plan has been prepared to cover these towns for water supply. Hence the possibility of achievement of providing safe drinking water to the population in these towns is still remote.

The EIC stated (April 2015) that according to census 2011, GOI has declared a habitation as a town which fulfills the criteria such as population more than 50,000, population density more than 400 persons per square Km. and involvement of 75 per cent of male population in non-agriculture activities but the department had been providing water supply facilities in those towns which were notified by the Urban Local Bodies Department. The fact remains that the department has not made any long-term plan to cover 73 towns as per the criteria laid down by the GOI. The PS also directed the EIC during the exit conference to take remedial measures.

#### 2.1.7. Financial outlay and expenditure

Year-wise position of expenditure incurred on Rural and Urban Water supply schemes for the period 2010-15 was as under:

##### Rural and Urban Water Supply Schemes

(₹ in crore)

Year	Budget provision		Expenditure		Savings (percentage)	
	Rural	Urban	Rural	Urban	Rural	Urban
2010-11	227.00	425.50	163.78	401.74	63.22 (28)	23.76 (6)
2011-12	288.68	281.90	198.97	249.55	89.71 (31)	32.35 (11)
2012-13	293.00	253.86	216.99	214.07	76.01 (26)	39.79 (16)
2013-14	356.00	375.91	292.07	271.31	63.93 (18)	104.60 (28)
2014-15	387.89	591.84	339.00	467.87	48.89 (13)	123.97 (21)
<b>Total</b>	<b>1,552.57</b>	<b>1,929.01</b>	<b>1,210.81</b>	<b>1,604.54</b>	<b>341.76 (22)</b>	<b>324.47 (17)</b>

Source: Figures supplied by the PHED

Thus, there were savings ranging between 13 and 31 per cent under rural water supply schemes and between 6 and 28 per cent under urban water supply schemes. The savings were mainly due to tardy implementation of rural and urban water supply schemes as discussed in paragraphs 2.1.8.1 and 2.1.8.10. The EIC further stated during the exit conference that savings were mainly due to time taken in land acquisition process. The reply is not fully convincing as savings

were also due to non-completion of schemes owing to taking up schemes without availability of raw water, without obtaining prior clearances from concerned authorities, clear title of land, delay in execution of works, non-availability of DI pipes, etc.

#### **2.1.7.1 Expenditure in excess of sanctioned estimates**

As per paragraph 10.16 of Public Works Department (PWD) Code, a revised estimate must be submitted when the sanctioned estimate is likely to be exceeded, either due to the rates being found insufficient or for any other reasons whatsoever.

It was noticed in 10 out of test checked divisions that against the approved estimates of ₹ 80.72 crore, an expenditure of ₹ 100.64 crore was incurred on 162 works during 2010-15 which was ₹ 19.92 crore in excess over the sanctioned estimates without sanction of the competent authority as detailed in **Appendix 2.2**. The range of excess expenditure yet to be sanctioned by the competent authority was between ₹ 30.23 lakh and ₹ 954.58 lakh in 10 selected divisions. In five divisions, excess expenditure was more than ₹ one crore. The revised estimates of these works had also not been prepared as of April 2015. The EIC stated (October 2015) that revised estimates would be prepared and got approved from the competent authority. The PS directed the departmental officers during the exit conference to investigate the matter.

#### **2.1.7.2 Non-obtaining of Performance Security**

As per clause 13.12 of the Haryana PWD Code, tender document may provide that the successful tenderer will furnish performance security (5 per cent of the contract price or such percentage as may be prescribed) which may be in the form of bank guarantee, to be kept as a surety that the contractor completes the work satisfactorily. Initially, the performance guarantee would be valid up to end of the defects liability period (plus 30 days or as prescribed in the contract data). In case the time of completion is extended, the validity of the guarantee shall be correspondingly extended.

Scrutiny of the records showed that the provision for performance security (at the rate of 5 per cent of the agreement amount) was not included in the tender documents in respect of 5,895 contracts for ₹ 690.40 crore involving performance security of ₹ 34.52 crore in 13 out of 26 test-checked divisions. Non-adherence/non-enforcement of provisions of the PWD code is against the financial interest of the Government in the event of the contractors not completing the work in a satisfactory manner.

It was noticed that in case of eight works worth ₹ 8.01 crore, the contractors left the works incomplete. However, due to lack of provision for performance security in the DNITs, the amount of ₹ 0.40 crore could not be collected or retained for security. Had the provision been included in the tender documents, the department would have been able to recover this amount.

The PS assured during the exit conference that responsibility of delinquent officers would be fixed and remedial measures would be taken.

### 2.1.7.3 Irregular splitting of works

As per instructions issued from time to time by the EIC, bifurcation/splitting of the estimate in order to keep the allotment of works within official's authority should be avoided except in emergent conditions.

In 18 out of test checked divisions, it was noticed that 190 estimates/works were bifurcated by the respective EEs into 1,028 agreements estimating to ₹ 30.74 crore in order to keep the allotment within their authority. Two of these cases where the works were repeatedly split up for 33 and 20 times are discussed below:

Under augmentation of water supply scheme Sirsa, works of laying of pipe lines were split up into 33 agreements and expenditure of ₹ 1.08 crore incurred between June 2011 and March 2015. Similarly, under augmentation of water supply scheme Ellenabad, works of laying of pipe lines were split up into 20 agreements with total expenditure of ₹ 0.70 crore incurred between January 2012 and March 2015. There was no recorded reason to justify this blatant flouting of instructions where it was apparent that the amount of each agreement was kept below ₹ five lakh i.e. so that it was within the powers of the EE.

Violation of EIC's instructions tantamounts to financial indiscipline, besides depriving the Department of benefits of competitive bidding inherent in the tendering process, due to non-participation of agencies executing the works of high value. The PS directed the EIC during the exit conference to initiate disciplinary action against the delinquent officers. EIC further intimated (October 2015) that more than 40 delinquent officers had been charge-sheeted.

### 2.1.7.4 Advances to Land Acquisition Collectors

As per Article 54 read with Article 57 of Account Code Volume III, the payments advanced to Land Acquisition Collectors (LACs) should be placed under 'Miscellaneous Public Works Advances (MPWA)'.

In 12 out of 26 test checked divisions, advances of ₹ 175.96 crore were given to LACs for acquisition of land for water supply schemes but the amounts were not being accounted under MPWA making it difficult to monitor the recovery of balance of funds. Further, other records such as registers and returns to monitor adjustment of such advance payments were also not prescribed. As a result of this, the unspent funds amounting to ₹ 0.76 crore remained with two LACs as per details given in the table below:

Name of the division	Name of work	Name of LAC	Amount deposited	Amount disbursed/ month of disbursement	Unspent amount since when
PHE, Fatehabad	2nd water works Fatehabad	DRO-cum-LAC, Fatehabad	19.17	18.69/ October 2011	0.48 October 2011
PHE, Siwani	2nd water works Siwani	DRO-cum-LAC, Bhiwani	1.91	1.63/ October 2012	0.28 October 2012

Source: Data compiled from departmental records.

Thus, due to non-adherence of accounting provision and inadequate monitoring mechanism, funds of ₹ 0.76 crore remained blocked with LACs. The PS directed the EIC during the exit conference to ensure placing of such advance payments in MPWA till payment of award was made by LAC and balance amount was received back.

#### **2.1.7.5 Avoidable expenditure due to non-maintenance of power factor**

Dakshin Haryana Bijli Vitran Nigam (DHBVN) and Uttar Haryana Bijli Vitran Nigam (UHBVN) (previously Haryana State Electricity Board) issued instructions (June 1996 and January 1997) that every High Tension (HT) consumer should maintain the Monthly Average Power Factor (MAPF) at 90 per cent. If the consumer fails to maintain the prescribed power factor, DHBVN/ UHBVN levies penalty equal to one per cent of energy charges for each per cent decrease in power factor between 90 per cent and 80 per cent, and thereafter at two per cent for each per cent decrease in power factor. To maintain the prescribed power factor, adequate capacitors are required to be installed.

In six<sup>4</sup> test checked divisions, it was noticed that Department had not maintained the prescribed power factor by installing the adequate capacitors during 2010-15. As a result, the department had to pay penalty of ₹ 11.60<sup>5</sup> crore during 2010-15. This extra expenditure could have been avoided by maintaining the prescribed power factor through timely installation of adequate capacitors. The PS directed the departmental officers during the exit conference to fix responsibility and to ensure that remedial action is taken.

### **2.1.8. Implementation of schemes**

#### **Rural water supply**

##### **2.1.8.1 Tardy progress in completion of rural water supply schemes**

The position of rural water supply schemes taken up for execution and completed under different programmes during the years from 2011-15 in the State is given in the following table:

Year	Opening balance (no. of schemes)	No. of new schemes taken up for execution during the year	Total No. of schemes under execution	No. of schemes completed	Balance
2010-11	1,462	1,108	2,570	445	2,125
2011-12	2,125	703	2,828	548	2,280
2012-13	2,280	1,012	3,292	558	2,734
2013-14	2,734	413	3,147	643	2,504
2014-15	2,504	305	2,809	951	1,858
<b>Total</b>		<b>3,541</b>		<b>3,145</b>	

**Source: Data furnished by the PHE Department**

<sup>4</sup> PHED, (1) Rewari-I, (2) Charkhi Dadri, (3) Mohindergarh, (4) Bhiwani-I, (5) Sirsa-I and (6) Narnaul-III

<sup>5</sup> PHED, (1) Rewari-I: ₹ 2.27 crore, (2) Charkhi Dadri: ₹ 0.19 crore, (3) Mohindergarh: ₹ 4.39 crore, (4) Bhiwani-I: ₹ 0.73 crore, (5) Sirsa-I: ₹ 1.75 crore and (6) Narnaul-III: ₹ 2.27 crore

Out of 5,003 schemes (including 1,462 ongoing schemes at the beginning of 2010-11) during 2010-15, only 3,145 schemes were completed (63 per cent) leaving 1,858 schemes incomplete as of March 2015.

Out of 293 works test-checked, 26 works in 14 divisions remained incomplete. The schemes remained incomplete mainly due to not ensuring availability of raw water, not having the permission from Forest Department, not ascertaining suitable site for water works, issues related to purchase of pipes and inaction of departmental officers in taking action against contractors as per terms and conditions of agreement as discussed in succeeding paragraphs (2.1.8.2 to 2.1.8.7). The PS directed the departmental officers during the exit conference to accelerate the timely completion of water supply schemes.

### 2.1.8.2 Taking up of schemes without ensuring availability of raw water

Paragraph 10.12.2 (b) of Haryana PWD Code provides that while preparing estimates of water supply works, the department should ascertain the sources of water, their potential and quality, seasonal variations, alternative sources of water which can be tapped or developed with relative merits and economics of each. In the case of canal based scheme, assured quantity of water likely to be available and full supply level of canal with respect to level of water works site, etc. should be ensured.

An observation highlighting taking up schemes without ensuring availability of raw water was incorporated in Audit Report of the Comptroller and Auditor General of India for the year ended March 2007 (Civil)-Government of Haryana under paragraph 3.2.7.7 and Public Accounts Committee recommended in its 68th report (2012-13) that a policy to avoid such recurrence in future be made and the Committee be informed of the same accordingly. However, further developments were awaited (January 2016). Despite this, Audit observed that the Department continued to execute works of water supply schemes without ensuring the availability of raw water/ taking clearance from the Irrigation Department for obtaining raw water as detailed below:

Name of scheme	Approval date and estimated cost	Date of allotment/ scheduled date of completion	Expenditure (₹ in crore)	Remarks
Work of providing canal based water supply scheme for Kadma under PHE Division Charkhi Dadri	June 2008/ ₹ 1.27 crore	10 August 2009/ 9 May 2010	1.39	The work was completed in November 2011. The scheme could not be made functional as water was not available at Madhogarh Feeder for the water works.
Augmentation of water supply scheme Nasirpur Bangar and Bhoypur under PHE Division-2 Sonapat	December 2012/ ₹ 1.20 crore	8 April 2013/ 7 April 2013	1.16	The work of construction of inlet channel of raw water from nearby canal/minor had not been completed. Further, the department had not obtained prior permission for outlet of inlet channel.
Independent RWS scheme, Kamalpur under PHE Division No. 2 Kaithal	July 2007/ ₹ 0.80 crore	April 2008/ March 2009	1.27	The work was allotted (April 2008) to an agency for ₹ 76.45 lakh with a completion period of 12 months. Raw water was to be taken from the tail end of Kamalpur minor. The SE inspected (April 2010) the site and noticed that raw water was not available in the Kamalpur minor and ordered to stop further execution of work and to prepare a DNIT immediately for the construction of Sump well, pumping machinery and rising main to carry raw water from the Badsikri minor. Accordingly, an estimate for this work was administratively approved (May 2010) at a cost of ₹ 52.95

Name of scheme	Approval date and estimated cost	Date of allotment/ scheduled date of completion	Expenditure (₹ in crore)	Remarks
				lakh. But, no expenditure was incurred against this approval due to resistance of land owners. However, the work of the first agency was finalized (March 2011) at a cost of ₹ 79.93 lakh. Audit observed that raw water was not available at the tail end of the Kamalpur minor and the scheme was floated without proper survey about the availability of raw water.
Canal based independent water supply for Ujjaina group of 3 No. villages scheme under PHE Division No. 2 Kaithal	July 2007/ ₹ 1.05 crore	09 April 2008/ 08 April 2009	1.06	The scheme was completed (August, 2010) at a cost of ₹ 1.06 crore but water was being arranged through shallow tube-wells as sufficient raw water was not available at source i.e. Kultaran minor. The SE and Chief Engineer at the time of site visit in August 2012 also pointed out the non-availability of sufficient raw water. Thus, the canal based scheme was formulated without assessing the availability of sufficient raw water.
	<b>Total</b>		<b>4.88</b>	

**Source: Data compiled from departmental records**

It is evident that the above mentioned schemes were taken up without ensuring availability of raw water at source, as a result of which the schemes remained incomplete/ abandoned leading to unfruitful expenditure of ₹ 4.88 crore.

The EIC stated (October 2015) that the department is continuously issuing instructions to the field officers for framing canal based water supply schemes only after ensuring raw water in the canal network and the department was taking up schemes after getting approval of raw water from Irrigation Department. But due to shortage of water at the tail end of canals, out-let connection points were required to be shifted. Thus, the system of ensuring raw water from canals for water supply schemes was not robust.

### ***2.1.8.3 Taking up of schemes without obtaining prior clearances from concerned authorities and clear title of land***

Para 15.1.4 of PWD code provides that the land/site on which construction is to take place should be in the possession of the Department concerned or must have received permission of the Department in charge of land. Further, paragraph 15.2.1 provides that execution of works may require certain clearances, relocation of the utilities and securing of permits. Audit observed that these codal provisions were not adhered to and works were taken up for execution without taking permission/clearances from concerned authorities as illustrated in five cases in ***Appendix 2.3***.

The analysis of the Appendix showed that the schemes were executed without obtaining necessary clearances from the concerned authorities i.e. the Forest Department and Irrigation Department, resulting in unfruitful expenditure of ₹ 7.50 crore. Besides, the objective of the schemes of providing potable water remained unachieved. The PS expressed during the exit conference that a lot of time is required in taking clearances from concerned authorities, but such long waiting by the department would make it more difficult for the schemes to materialize. He, however, directed the departmental officers to initiate timely

action for obtaining necessary permissions and clearances from the concerned authorities.

#### 2.1.8.4 Non-selection of suitable sites for water works structures

Paragraph 10.12.2 (f) of Haryana PWD Code provides that while preparing estimates of water supply works, the Department should conduct a survey of the project area in terms of topography, present and future land use and socio-economic structures, alignment of location of carrier channels, location of the treatment plants, etc. Scrutiny of records of test-checked divisions showed that topography of the project area was not surveyed/ tested properly while preparing estimates and before taking up the execution of works as the land where water treatment plants were to be established were found unsuitable for the purpose as depicted in the following table in respect of three cases:

Name of work	Approval date and sanctioned amount	Date of allotment/ Scheduled date of completion	Expenditure as of March 2015 (₹ in crore)	Remarks
Augmentation Water Supply Scheme Neemri, for improvement of water supply falling under PHE Division No. 1, Bhiwani	September 2012 at a cost of ₹ 1.89 crore	(1) September 2013/ 6 Months (2) May 2013/ 12 Months	1.25	Work of construction of inlet channel at head works, SS tank, RCC Suction well, etc., was stopped due to increase of sub-soil water. Work of dewatering was allotted to another agency but the problem was not resolved. This agency left the work and was paid ₹ 12.85 lakh (December 2012). Second work of supply, installation, testing and commissioning of continuous sand filter plant with activated carbon filter plant to remove all odour, smell from the filter water including O&M was completed (May 2014) at a cost ₹ 68.75 lakh. But, the water supply scheme could not be made functional due to non-execution of first work.
Canal based Water Supply Scheme Bhagpur under PHE Division No. I, Jhajjar.	September 2012 at a cost of ₹ 7.45 crore	20 May 2013/ 9 Months	1.07	The agency started the work and was paid ₹ 15.36 lakh in August 2013 for the work executed at site. Thereafter, the agency left the work due to rise in the sub-soil water level. Audit observed that though the survey was conducted in August 2012 to ascertain the sub-soil water level, wherein it was mentioned that the spring level was about three feet below the ground level, yet the work was allotted. The work was lying abandoned and no action was taken to resolve the issue of sub-soil water level resulting the entire expenditure of ₹ 1.07 crore (including the cost of DI Pipes) incurred on this work unfruitful. The EE stated (January 2015) that agency had stopped the work due to rising in sub-soil water level.
Canal based Water supply Mankawas under PHE Division Charkhi Dadri	13 July 2007 at a cost of ₹ 1.47 crore revised to ₹ 92.58 lakh	April 2007/ 09 months at a cost of ₹ 69.25 lakh	0.40	The agency started (5 May 2007) the work but did not complete the work within the stipulated period. The EE imposed (December 2010) a penalty of ₹ 7.71 lakh under Clause-II of the contract agreement but the work was not resumed. Thereafter, the department withdrew the work and re-allotted (20 July 2012) to another agency at the risk and cost of the first agency with a completion period of 12 months. But, this agency did not start the work and reported that the work could not be executed as the site of the water works was situated at a low lying area and a village pond was existing near the site. Thereafter, the proposal of canal based scheme was dropped (May 2013) due to unviable site conditions. Thus, inappropriate selection of site resulted in wasteful expenditure of ₹ 39.88 lakh..
		<b>Total</b>	<b>2.72</b>	

Source: Data compiled from departmental records

Thus, the execution of work without proper survey about the suitability of land was against codal provisions rendering the expenditure of ₹ 2.72 crore incurred on these three schemes unfruitful.

The PS directed the departmental officers during the exit conference to ensure selection of suitable sites for various water supply schemes in future.

#### **2.1.8.5 Delay in execution of works**

With a view to execute the work within the time schedule, conditions under the contract agreement stipulate that in case the progress of the work is slow, the EE may levy on the contractor compensation equal to one *per cent* for everyday that due quantity of work remains incomplete but total compensation shall not exceed ten *per cent* of the estimated cost (Clause-II). In case the work is not completed, the EE is empowered to rescind the contract and give it to another contractor to complete, in which case any expenses which may be incurred in excess of the sum which would have been paid to the original contractor if the whole work has been executed by him shall be borne by the original contractor (Clause-III).

Scrutiny of the records showed that works in respect of eight<sup>6</sup> schemes worth ₹ 10.99 crore (*Appendix 2.4*) remained incomplete/ abandoned for periods ranging from one year four months to seven year one month due to inaction on the part of Departmental officers in taking timely action under Clauses II and III of the contract agreements. Further, the works were not got completed from other agencies even after taking action under Clause-III of the contract agreement. Thus, the expenditure of ₹ 10.99 crore against the eight schemes was rendered unfruitful. Besides, the population remained deprived of potable water. The PS directed the departmental officers during the exit conference to fix accountability and to ensure remedial measures for completion of works.

#### **2.1.8.6 Incomplete schemes of Chahar Kalan, Chahar Khurd and Sirsi villages**

In order to provide 70 LPCD water, three schemes for construction of independent water works at Chahar Kalan, Chahar Khurd and Sirsi were administratively approved on 23 July 2012, 2 March 2013 and 18 April 2013 respectively. The works were taken up between December 2012 and September 2013 to be completed within 12 months. An expenditure of ₹ 4.39 crore was incurred (March 2015) on the implementation of these schemes. The raw water for these schemes was to be obtained from the Behal distributary at RD 44800-L. The work of construction of independent water works at Chahar Kalan, Khurd and Sirsi were executed by PHE Division Siwani and other works like construction and commissioning of pumping machinery, laying and jointing of DI pipes, rising mains, independent water works and other machinery and contingent work was to be executed by PHE Division-1, Bhiwani. The work was allotted (October 2014) by PHE Division-1, Bhiwani to a contractor at an estimated cost of ₹ 0.64 crore but the work was not executed by the contractor (April 2015). No

<sup>6</sup> (i) Canal based independent water supply scheme of village Dundheri, (ii) Providing Independent water works for village Jharli, (iii) Canal based water supply scheme Pota, (iv) Canal based water supply scheme Gulawala, (v) Water supply Mehrampur group of three villages, (vi) Canal based water supply scheme Naya Gaon and Hazariwas, (vii) Augmentation of water supply scheme Akoda and (viii) Water supply scheme Pathera Group of villages

action was, however, taken by the division against the contractor under clauses II and III of the contract agreement. As a result, the water supply schemes were lying incomplete (October 2015) and the population of these villages remained deprived of enhanced quantity of potable water.

In reply, the EE, PHE Division, Siwani stated (April 2015) that PHE Division -1, Bhiwani had not executed the allotted work and that the work had now been transferred to their division for further execution. Thereafter, the work was started by the contractor which was in progress (December 2015). The fact remains that the water supply schemes remained incomplete due to lack of action by the PHE Division, Bhiwani in getting the work executed.

During the exit conference, the PS directed the CE (Rural) to look into the matter and to take immediate remedial action for completion of works.

### 2.1.8.7 Incomplete schemes due to non-availability of DI Pipes

Paragraph 25.3.3 (a) of Haryana PWD Code *inter alia* provides that while planning, procurement and placing supply orders, necessity of purchase/requirements of a particular work or works should be worked out and a comprehensive indent be prepared. During audit, it was noticed that five water supply schemes were formulated and allotted (August 2013 to December 2013) for ₹ 4.66 crore by the PHE Division-1, Sirsa. Audit observed that all the components of these works were executed by the concerned agencies except laying of distribution pipe line and pipe line at Head Works due to non-availability of DI Pipe in the store as detailed below:

Name of work	Approval date and sanctioned amount	Date of allotment/ Scheduled date of completion	Extent of delay due to non-availability of DI Pipes upto October 2015 (in months)	Expenditure as of March 2015 (₹ in crore)
Construction of 2nd water works of village Odhan (Sirsa)	20 April 2012 under Desert Development Programme at a cost of ₹ 1.89 crore	2 August 2013/ 1 August 2014	14	1.52
Renovation and augmentation of water supply scheme of village Kharian (Sirsa)	27 September 2012 under DDP at a cost of ₹ 1.62 crore.	3 September 2013/ 2 September 2014	13	0.69
Independent Canal based water works Sawant Khera (Sirsa)	28 June 2013 under rural augmentation programme at a cost of ₹ 1.27 crore	11 December 2013/ 10 December 2014	10	1.08
Updating canal based water supply scheme and repair of water works Kaluana	18 April 2013 under DDP at a cost of ₹ 89.70 lakh, subsequently revised ₹ 1.32 crore	8 November 2013/ 7 August 2014	14	0.72
Canal based Augmentation water supply scheme Mangiana	28 June 2013 under rural augmentation programme at a cost of ₹ 1.33 crore.	(i) 27 September 2013/ 26 January 2014, (ii) 8 August 2014/ 7 February 2015	21 20	0.36
		<b>Total</b>		<b>4.37</b>

Source: Data compiled from departmental records

Thus, an expenditure of ₹ 4.37 crore was incurred on these incomplete schemes between 2013 and 2015. Audit observed that as per codal provision, the divisions should have sent a consolidated indent for purchase of pipes taking into account the works in progress/likely to be taken up, but the demand for DI pipes was not sent to

EIC for these works. Thus, works were delayed for 10 to 21 months and the objective of these schemes to provide sufficient potable water at tail end was not achieved.

The EIC stated during the exit conference that the matter for procurement of DI Pipes was under active consideration.

#### **2.1.8.8 Sustainability of water resources**

Groundwater used for freshwater drinking supplies can be easily overexploited by other competing users like irrigation, industry, etc. When this happens it can become contaminated with salt water, fluoride or other geogenic contaminants which makes it unsuitable for use. With a view to sustain ground water, a maximum 10 per cent of the NRDWP funds were to be earmarked on a 100 per cent Central share basis to encourage States to achieve drinking water security through sustainability of sources and systems. States were required to prepare district-wise drinking water security plan. A suggestive list of such infrastructure included ground, surface and roof water harvesting systems/structures included flood recharging method, gully plugs, recharge pit, contour trench/bund, check dam/nala bund, percolation pond/tank, injection well/spring, etc. Further, any recharging structure meant for overall management of water resources and which did not directly recharge the drinking water sources, were not eligible under this component. It was observed that the department had not made any plan for this component and was utilising the funds provided under this component for normal drinking water schemes. Further, the assets created for water sustainability were not being maintained to drive the benefits. The details are discussed below:

(a) Twenty one estimates for construction of water works, procurement of pipes, rising main for inlet channel, providing raw water arrangements, construction of pumping stations and additional SS tanks for 16 rural water supply schemes were sanctioned for ₹ 35.85 crore under 'Sustainability component'. These works had no direct bearing on the recharge of water sources as these structures were a part of water supply scheme. An expenditure of ₹ 17.47 crore was incurred as of March 2015 as per details given in the **Appendix 2.5**. An analysis of appendix showed that expenditure of ₹ 17.47 crore, incurred on 21 schemes, was not a legitimate charge of this component and tantamounts to diversion of funds.

Similarly, Forest Department {Divisional Forest Officer (Territorial), Morni at Pinjore} incurred an expenditure of ₹ 2.90 crore during 2011-13 on the restoration of its already constructed old dams for which the liability was of the Forest Department. The department should have made proper plan for utilisation of funds for sustainability of ground water instead of restoration of old structures.

The respective EEs stated (January-May 2015) that though the works were executed under NRDWP 'Sustainability component', yet these works were part of the water supply schemes. The fact remains that the component of the scheme was not implemented and the objective of the component of sustainability of water resources remained unachieved. The PS directed the departmental officers during the exit conference to adhere to the guidelines regarding sustainability of water resources in the long-term interest of the State.

(b) Under ‘sustainability component’ of NRWDP, a project- “Improvement of ground water through rain water harvesting and artificial recharge measures in Shivalik foot-hills” was sanctioned for ₹ 61.81 crore during 2010-11. Funds of ₹ 59.61 crore were released (2011-13) to Forest Department by the PHED for execution of this project. An amount of ₹ 59.60 crore was spent on construction of water harvesting dams, restoration of old dams, percolation tanks, check dams, crate wire structures, cement structures, etc. The works were completed in March 2014. Audit scrutiny showed that there was no provision under the scheme for their maintenance. As a result, the structures of water sustainability created under the project were neither maintained by the Department nor by the Forest Department. It was further observed that the structures were lying in damaged condition as shown in the following photographs:



The EIC stated (October 2015) that as the works were executed by the Forest Department, the maintenance should be done by the Forest Department.

#### **2.1.8.9 Purification systems installed under Jalmani Scheme**

GOI launched a 100 *per cent* Centrally sponsored Jalmani Scheme in September 2008 to remove possible contamination of drinking water in rural schools by introducing a Stand-alone water Purification Systems (SPS). All implementing agencies were required to co-ordinate closely to ensure that the basic objective of providing safe drinking water at the consumption point to the most vulnerable section of the rural society, viz the school children is achieved. The capital cost of each SPS should not exceed ₹ 40,000. Operation and maintenance for 5 years (one initial year plus four years with maintenance charges) was also to be built in the capital cost. These plants after installation and commissioning were to be handed over to Education Department being owner of the premises of schools for watch and ward. The programme was to be implemented in Project Mode and up to 50 *per cent* of the allocated funds were to be released as 1<sup>st</sup> installment’. Further, second installment was to be released by GOI after receipt of utilisation certificate of the first installment.

Test check of records of the office of the EIC showed that 1st installment of ₹ 1.75 crore was released in 2008-09 by the GOI to cover 873 schools. But, the 2<sup>nd</sup> installment of ₹ 1.75 crore was not released as UC for the amount released in

2008-09 had not been furnished by the Department though the Department had spent an amount of ₹ 2.63<sup>7</sup> crore upto 2014-15 on installation of 788 SPSs. Thus, the State Government was deprived of 2<sup>nd</sup> installment of ₹ 1.75 crore due to non-furnishing of UCs.

All these ROs were handed over to the Headmasters/Principals of the concerned schools. O&M of these SPSs was the responsibility of the manufacturers/suppliers for five years. As reported by EIC in June 2015, out of 788 SPSs, 614 were functional, 125 were non-functional for want of repairs and status of 49 was not known to the Department. It was further observed that neither the EEs nor the Headmasters/Principals were aware about the clause that the maintenance was to be done by the manufacturers/suppliers free of cost for five years. Thus, there was lack of co-ordination between the department and school authorities. As a result of this, the very purpose of providing the safe potable water in the schools was not fully achieved. The PS directed the departmental officers during the exit conference that the matter may be investigated and the purification systems be made functional.

### Urban water supply

Urban Water supply schemes were being implemented through the funds of Thirteenth Finance Commission (TFC), Economic Stimulus Package (ESP) and other State schemes. Besides, loans were availed of from NCRPB for urban water supply schemes in NCR towns.

#### 2.1.8.10 Tardy progress in completion of urban water supply schemes

The position of urban water supply schemes taken up for execution and completed under different programmes during the years from 2010-11 to 2014-15 in the State is given in the following table:

Sr. No.	Year	Opening balance	Schemes taken up for execution	Schemes under execution	Schemes completed	Balance
1.	2010-11	6	90	96	80	16
2.	2011-12	16	107	123	67	56
3.	2012-13	56	75	131	46	85
4.	2013-14	85	12	97	6	91
5.	2014-15	91	64	155	14	141
	<b>Total</b>		<b>348</b>		<b>213</b>	

Source: Data furnished by the Department

Out of 354 schemes (including six ongoing schemes at the beginning of 2010-11) during 2010-15, only 213 schemes were completed (60 per cent) leaving 141 schemes incomplete as of March 2015. The EIC stated (October 2015) that efforts would be made to complete the works at the earliest through monitoring in the monthly meetings of SEs.

<sup>7</sup> 2010-11: ₹ 0.24 crore, 2011-12: ₹ 1.24 crore, 2012-13: ₹ 1.08 crore, 2013-14: ₹ 0.04 crore and 2014-15: ₹ 0.03 crore

Audit scrutiny showed the following shortcomings:

**2.1.8.11 *Incomplete water supply schemes across railway line***

Under ESP Phase-II, in order to provide safe drinking water to the public residing across Railway line, Ambala City, two works for ₹ 78.12 lakh and ₹ 1.61 crore were allotted (18 April 2013 and 15 May 2013) to two different agencies with a time period of 8 and 6 months respectively.

Scrutiny of records of the PHE division, Ambala City showed that both works were completed (March 2015) at a cost of ₹ 78.12 lakh and ₹ 1.61 crore respectively. But these water supply schemes could not be commissioned due to non connectivity of these structures with the raw water supply channel as the permission of crossing pipe lines under Railway track on Ambala- Kalka section had not been granted. The department applied for permission for crossing the Railway line in August 2013. The department had deposited ₹ 50.04 lakh in September 2014 and ₹ 43.58 lakh in March 2015 with the Railways on this account. The process of tendering was underway by Railway Authorities for execution of work in their area (September 2015). Audit observed that the department had executed the work without prior permission of the Railways. As a result of this, expenditure of ₹ 2.39 crore remained unfruitful. The EIC intimated (October 2015) that the work was likely to be completed by March 2016.

**2.1.8.12 *Incomplete urban water supply scheme, Barwala***

In order to provide 155 LPCD water supply to the population of Barwala town, an augmentation water supply scheme under the additional financial assistance from GOI was sanctioned (11 May 2004) at an estimated cost of ₹ 7.82 crore. As per detailed estimate, one additional channel, one SS tank and filter bed, laying of pipeline at head works etc. were to be constructed. Further, land measuring 9 acres was to be made available by the Haryana State Agricultural Marketing Board (HSAMB) for construction of Storage and Sedimentation (SS) tank, etc. The works were allotted between November 2008 and October 2012 to 15 different agencies by PHE Division No. II, Hisar and an expenditure of ₹ 6.34 crore was incurred up to March 2015.

Audit scrutiny showed that all components of the estimate i.e. water treatment plant (WTP), filter-bed and work of laying of pipe line at Head Works were completed except SS tank as land measuring 9 acre was not made available by the HSAMB. It was further observed that a park was developed by the Government on the land meant for construction of SS tank. Thus, there was lack of coordination of the Department with HSAMB for taking possession of the land for construction of SS tank. The department should have taken possession of the land before starting the execution of works. As a result of this, the scheme was lying abandoned and the entire expenditure of ₹ 6.34 crore incurred on the scheme remained unfruitful.

The EE intimated (February 2015) that as and when the requisite land would be made available to PHED, the SS tank would be constructed to make the scheme functional. The requisite land was not provided as of October 2015.

### **2.1.8.13 Blocking of funds in Dharuhera water supply scheme**

A master water supply scheme for Dharuhera town was sanctioned (December 2011) under TFC at an estimated cost of ₹ 55.14 crore. The project was to be completed by 31 March 2014. The Land Acquisition Collector (LAC) announced (29 May 2013) the award for acquisition of land measuring 23 Acre 7 Kanal 19 Marla for ₹ 8.64 crore, funds for which were deposited with LAC in January 2013. The possession of the land could not be taken due to pendency of a case in the Hon'ble High Court regarding release of land to land owners having constructed houses on the land. The court case was decided in August 2013 in favour of land owners and it was ordered either to release their land from acquisition or allot alternate plots to them in the residential sector of Dharuhera. The issue of land dispute had not been resolved (May 2015).

Audit observed that the EE had allotted (14 August 2014) the work to an agency for ₹ 30.40 crore with a completion time period of 18 months but the work could not be started due to land dispute. An expenditure of ₹ 18.09<sup>8</sup> crore was incurred on purchase of DI pipes. It was further observed that pipes worth ₹ 14.34 crore were purchased in December 2011 much before the allotment of work in August 2014. Further, allotment of work without resolving the land dispute was not a prudent decision. Purchase of pipes without resolving the land dispute resulted in blockade of funds of ₹ 18.09 crore.

The PS during the exit conference asked the EIC to investigate the reasons for purchase of pipes and allotment of work without resolving land dispute.

## **Other points - rural and urban water supply schemes**

### **2.1.8.14 Water quality and testing**

According to guidelines of World Health Organization (WHO), every effort should be made to achieve drinking water quality as safe as practicable. Protection of water supplies from contamination was the first line of defence. Failure to provide adequate protection and effective treatment would expose the community to the risk of outbreak of intestinal and other infectious diseases.

In order to provide safe drinking water, the department had set up 42 water testing laboratories with the financial assistance of GOI. As per guidelines of the NRDWP, a target of 3,500 water samples for testing of water at sources was fixed, which was revised to 3,000 samples from 2014-15. As per instructions of GOI dated April 2010, it was desirable that each source should be tested at least once in

<sup>8</sup> December 2011: ₹ 14.34 crore, August 2014: ₹ 0.97 crore and December 2014: ₹ 2.78 crore

year for chemical contamination and 2-4 times for bacteriological contamination to ensure that the drinking water was potable. According to these norms, a minimum of 14,000 samples during 2010-14 and 3,000 during 2014-15 i.e. 17,000 samples during 2010-15 were required to be tested by each laboratory. As against the target of testing 2,19,000 samples, only 1,08,593 samples (50 per cent) were tested during 2010-15. The shortfall in testing of samples was 50 per cent. Further, out of samples tested, water in 13,944 samples (13 per cent) was found unfit for human consumption.

The Health Department conducts tests of water samples from time to time for bacteriological examination at a laboratory located at Karnal. The laboratory tested 15,481 samples from 2010 to 2014. Out of these, 9,663 samples were found fit for human consumption while 5,818 samples (38 per cent) were found unfit.

The Chief Medical Officers at district level also conduct test of water samples from time to time. In eight<sup>9</sup> districts test-checked, out of 57,900 samples checked, 6,251 samples (11 per cent) were found unfit for human consumption. In four<sup>10</sup> districts, 1,210 cases of Diarrhea, 176 cases of Jaundice and 53 cases of Enteric Fever were noticed due to consumption of contaminated water during 2010-15.

Audit did not find evidence of a systematic selection of samples which would ensure covering of all sources for chemical and bacteriological examination by rotation. Records also did not provide any evidence of an institutionalised and proper mechanism for follow up action on the failed water samples, thus indicating poor monitoring of one of the most important aspects of providing potable water.

The high percentage of unfit samples indicated supply of poor quality of water which resulted in high incidence of water borne diseases. Thus, there was an urgent need to bring about improvement in the quality of water supply for human consumption. Further, a more robust system of collecting water samples needed to be evolved so that samples from all sources are collected, tested and followed up to ensure supply of safe and potable drinking water throughout the State. The department attributed (January 2016) the shortfall in water samples to shortage of staff for collection of water samples and shortage of chemists in laboratories. The PS while addressing the issue during the exit conference directed the EIC to investigate the matter of short sampling and failure of tested samples as also to improve the procedures in this regard.

#### **2.1.8.15 Social Audit**

As per paragraph 19.3 of the NRDWP guidelines, there should be a social audit by the community based organizations after every six month on a fixed date to ensure that the works undertaken by the Department are as per specifications and funds utilized are appropriate to the works undertaken so as to provide a feedback according to the locally developed yardsticks for monitoring as well as key

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<sup>9</sup> (1) Ambala, (2) Hisar, (3) Kaithal, (4) Kurukshetra, (5) Panchkula, (6) Narnaul, (7) Jhajjar and (8) Sirsa

<sup>10</sup> (1) Ambala, (2) Kaithal, (3) Kurukshetra and (4) Sirsa

indicators for measuring consumer's satisfaction of provision of drinking water services are available to them on a sustainable basis. Records, however, showed that the mechanism of social audit had not been put in place by the Department to ensure transparency in execution as well as spending under the programme.

The EIC stated (June 2015) that the department had set up a water and sanitation support organization (WSSO) to carry out activities of information education communication, human resource development, water quality monitoring and surveillance, etc. and had also constituted village water and sanitation committees (VWSCs) in 6,072 villages for ensuring involvement of community in water supply system at grass root level. The reply was not convincing as nothing was found on record to indicate the functioning of the WSSOs and VWSCs as part of the social audit exercise and the primary objective of social audit for measuring consumers satisfaction of provisions of drinking water services on a sustainable basis remain unachieved. The PS, however, directed the EIC during the exit conference to initiate corrective measures.

### **2.1.9. Internal control system**

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. The internal control system in the department was inadequate as there were cases of excess expenditure over estimates, non-obtaining of performance security, irregular splitting of works, lack of control over advances made to land acquisition collectors, non-installation of capacitors to avoid penalty on electricity consumption, etc. The internal control system for implementation of schemes was weak as there were cases of commencement of schemes without ensuring availability of raw water and without acquisition of land, not taking prior permission from concerned authorities, wrong selection of sites, etc. Further, the internal control system to ensure supply of potable water and action taken on failed water samples was not put in place.

#### ***2.1.9.1 Non-maintenance of records of assets created***

Para 27.2 of the PWD Code provides that for effective management of assets, the department shall have complete and up to date records of assets created. Records relating to water supply schemes such as inventory of land and other structures with appropriate reference to land record available; register for inlet stations, chambers, SS tanks, etc. were not maintained.

Further, Department shall notify one office in every district to be custodial of all records pertaining to the district. The old records shall be re-arranged so that they are available district-wise. However, if a particular work pertains to two or more districts, the EIC may order the record to be kept in one particular district. Audit scrutiny showed that such records were not maintained in the test checked divisions. In the absence of this, the exact positions of assets created/acquired and their maintenance could not be assessed in audit.

### **2.1.9.2 Absence of internal audit**

With a view to improve the overall quality of work and reduce errors/irregularities, there should be an internal audit system in all Government departments. Audit observed that there was no internal audit system in place in the department. One post of Chief Accounts Officer was sanctioned for conducting internal audit but the officer was carrying out the duties relating to accounts and establishment. The PS directed the EIC during the exit conference to initiate corrective measures on these issues.

### **2.1.9.3 Monitoring of schemes**

The EIC, as head of the department was responsible for monitoring and evaluation of implementation of programmes, schemes and other activities of the department. Monthly progress of each scheme/programme was submitted to the EIC by the EEs through SEs but these reports were not utilized as a management tool and no remedial action was taken on these reports. The EIC stated (October 2015) that various reports were reviewed at head office and also in the meetings held periodically under the Chairmanship of the PS and EIC. Reply was not convincing as monitoring of the schemes was not effective as there were deficiencies in execution of works, water quality and testing, social audit, etc. as discussed in forgoing paragraphs.

## **2.1.10. Conclusion**

The main aim of water supply schemes was to provide safe and potable drinking water which remained largely unachieved due to various deficiencies in planning, financial management, implementation of projects and weak monitoring mechanism. A five year comprehensive water security plan was not prepared and only annual plans were prepared on demand basis. Further, as many as 455 habitations were still water deficient as of March 2015. There is no plan to provide water supply in 73 towns, which fulfilled the criteria of a town as defined by GOI. Only 63 *per cent* rural water supply schemes were completed leaving 37 *per cent* schemes incomplete. Taking up of schemes without ensuring availability of raw water, obtaining prior clearances from concerned authorities and clear title of land, selection of unsuitable site for water works, inaction of the departmental officers against contractors, execution of works without ensuring the availability of pipes resulted in non-completion of schemes and unfruitful/wasteful expenditure. The component of sustainability of water resources under National Rural Drinking Water Programme was not implemented properly as funds meant for this component were spent on normal water supply schemes. Further, no arrangement was made for maintenance of assets created for water sustainability. Three urban water supply schemes were lying incomplete for want of permission from railways, non-availability of land for SS tanks and non-resolving of land dispute with land owners. Only 50 *per cent* samples of targeted samples were collected for water testing in selected districts, of which 13 *per cent* samples were

found unfit. Of the water samples tested for bacteriological examination, 38 *per cent* samples were found unfit for human consumption. Internal control system was also not adequate.

#### **2.1.11. Recommendations**

The Government may consider:

- (i) preparation of a five year comprehensive plan for water security to cover water deficient habitations and towns with well defined sub-goals and priorities for each financial year;
- (ii) adherence of provisions of PWD code before taking up schemes to avoid leaving works incomplete after spending huge funds;
- (iii) making provision for maintenance of assets created under sustainability component to derive the benefits of the scheme on a continuous basis;
- (iv) evolving a system for testing of water samples to ensure that samples of all the water sources are collected, tested and followed up with requisite remedial action to ensure supply of safe and potable drinking water throughout the State; and
- (v) putting in place an effective system of internal audit, maintenance of records and monitoring.

## Elementary Education Department

### 2.2 National Programme of Mid Day Meals in Schools

*The National Programme of Mid Day Meals in Schools is being implemented with special focus on the enrolment, attendance and retention of children for classes I to VIII. Performance audit of the scheme brought out the following significant deficiencies:*

**Plans for implementation of scheme were prepared without conducting proper survey or obtaining data from school level.**

*(Paragraph 2.2.6)*

**Unspent balances of ₹ 9.83 crore and interest earned amounting to ₹ 0.65 crore were lying in bank accounts of District Elementary Education Officers.**

*(Paragraph 2.2.7.3)*

**Coverage of students under the scheme had decreased from 99 to 95 per cent during 2010-15. There was huge deficit in lifting of foodgrains by schools ranging between 21 and 44 per cent.**

*(Paragraphs 2.2.8.1 and 2.2.8.2)*

**The ISKCON had lifted 5,761 quintals of foodgrains valuing ₹ 1.23 crore in excess and submitted UCs showing whole quantity as consumed. This was due to release of foodgrains without verification of number of meals by the Department.**

*(Paragraph 2.2.8.4)*

**The Department had not evolved any system for testing of food samples to ensure quality of meals served to the children. Further, the system to ensure supply of foodgrains of fair average quality was not followed in Hisar, Kurukshetra and Sirsa districts.**

*(Paragraphs 2.2.8.5 and 2.2.8.6)*

**As against the sanction for construction of 11,483 Kitchen-cum-store during 2006-10, only 8,825 were completed, 903 were in progress and construction of 1,755 was not started.**

*(Paragraph 2.2.8.10)*

#### 2.2.1. Introduction

The National Programme of Nutritional Support to Primary Education was launched as a Centrally Sponsored Scheme on 15 August 1995 with special focus on the enrolment, attendance and retention of children. In September 2004, it was decided to provide cooked meals with minimum 300 calories and 8-12 grams of

protein content while simultaneously providing essential micronutrients and de-worming medicines.

The nutritional value of the cooked mid-day meal was increased from 300 to 450 calories and the protein content from 8-12 grams to 12 grams in 2006. The scheme was extended to upper primary stage in educationally backward blocks from 2007-08 and from 2008-09 across the country. The nutritional value for upper primary was fixed at 700 calories and 20 grams of protein per child per school per day. The scheme was renamed as National Programme of Mid Day Meals (MDM) in Schools in 2007-08.

### 2.2.2. Organisational set-up

The Principal Secretary to the Government of Haryana, School Education Department is the administrative head at the Government level. The Director, Elementary Education Department (EED) is the overall in-charge for administration, co-ordination, implementation and monitoring of the scheme and is assisted by an Additional Director (MDM), a General Manager (MDM) and a Manager (MDM) at the Directorate level. There are 21 District Elementary Education Officers (DEEOs) and 119 Block Education Officers (BEOs) who are responsible for implementation of the scheme at school level.

### 2.2.3. Audit objectives

Performance audit of the scheme was carried out to verify whether:

- the scheme was planned properly to cover all the eligible primary and upper primary level school children;
- the financial management was efficient and funds provided were utilised in an economic and efficient manner;
- the implementation of scheme was effective and its objective of enhancing enrolment, retention, attendance and improving the nutritional status of children was achieved; and
- the implementation of the scheme was being effectively monitored.

### 2.2.4. Audit scope and methodology

Six<sup>11</sup> out of 21 districts were selected for conducting audit using Probability Proportionate to Size Without Replacement (PPSWOR) method. Twenty four blocks out of 119 blocks in the State (four blocks under each selected district) were selected using Simple Random Sampling without Replacement (SRSWOR)

<sup>11</sup> (i) Bhiwani, (ii) Hisar, (iii) Karnal, (iv) Kurukshetra, (v) Rewari and (vi) Sirsa

method. For physical verification, 180 schools (out of 14,714<sup>12</sup> schools in the State), 30 schools from each district were also selected also using SRSWOR method. The methodology adopted was to test-check records with reference to the audit objectives. The field audit was conducted between September 2014 and May 2015 covering the period 2010-15. Records of Directorate of Elementary Education Department (EED), six DEEOs, 24 BEOs and 180 schools were test checked.

A performance audit of the scheme conducted earlier was incorporated in the Report of Comptroller and Auditor General of India for the year ended 31 March 2007 (Civil) Government of Haryana and was discussed by Public Accounts Committee (PAC) during 2012-13. The recommendations of the PAC were kept in view while conducting the audit.

An entry conference was held in February 2015 with the Principal Secretary to Government of Haryana (PS), School Education Department wherein audit objectives, audit criteria and scope of audit were discussed. Audit findings were discussed in the exit conference held in September 2015 with the Director-cum-Special Secretary to Government of Haryana, Elementary Education Department. The replies of the Department and deliberations of the exit conference have been suitably incorporated in the Report.

### **2.2.5. Audit criteria**

The audit criteria were drawn from the following sources:

- Scheme guidelines of 2006.
- Guidelines for decentralisation of payment of cost of food-grains to FCI at district level (February 2010).
- Various orders, notifications, circulars, instructions issued by the Ministry as well as State Government.

### **2.2.6. Planning**

MDM scheme assigns importance to the preparation of Annual Work Plan and Budget (AWPB) by the State based on information maintained at school level and aggregated at Block, District and State level. It envisages a bottom-up approach of planning as it reflects the reality at the grass root level and provides a comprehensive picture of the State.

It was, however, observed that plans were not being prepared properly after conducting proper survey or obtaining data from school level. It was further observed that basic data was not maintained at block and district levels as AWPBs

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<sup>12</sup> Government Schools: 14,380, Government Aided Schools: 272, Local Body Schools: 5 and National Child Labour Project Schools: 57

were not prepared by DEEOs in Sirsa for the period 2010-14 and Kurukshetra for the period 2010-13. Data regarding dropout children and attendance was neither maintained at district level nor at the block level in selected districts and blocks.

Further, the data regarding number of students and number of schools on which basis the AWPB had been prepared was questionable considering that data maintained by the EED did not match with that of Haryana School Siksha Pariyojna Parishad (HSSPP), the implementation agency for SSA (*Appendix 2.6*). Till such time that the two sets of data are reconciled to arrive at one authenticated set of data, it is uncertain whether allocation of resources (foodgrains and cooking cost) was being done correctly to provide benefits to the genuine beneficiaries.

There was a provision for construction of kitchen-cum-stores (KCS) in each school. It was observed that proper survey regarding necessity of construction of KCSs in schools was not conducted, as a result of which funds of ₹ 1.09 crore were released for 64 schools which already had KCSs as discussed in paragraph 2.2.8.13. Had proper survey been done the funds could have been allocated only to the schools where there was a necessity. There were 3,822 schools where funds were required for construction of KCSs but funds were not released as discussed in paragraph 2.2.8.11.

The Director stated (February/October 2015) that ideally the planning should have been based on the bottom up approach but since the district-wise AWPBs were not required by the Ministry of Human Resource Development (MHRD) prior to 2013-14, these were not prepared. As far as variance of data between the EED and the HSSPP is concerned, it was informed that the difference was because of different modes of obtaining the relevant data. The Department collects the data physically from the districts and blocks whereas the HSSPP relies on the data maintained in Unified District Information System for Education (UDISE) under Sarv Shikha Abhiyan. It was also stated that the Department had developed MIS portal for capturing data of all the key activities. The Director assured during the exit conference that the data would be reconciled and corrected.

## **2.2.7. Financial management**

### **2.2.7.1. Funding pattern**

The cost of the components such as foodgrains, transportation, management, monitoring and evaluation and kitchen devices were borne 100 *per cent* by Government of India (GOI) and in respect of components of cooking cost, honorarium to cooks-cum-helpers, construction of kitchen-cum-stores, the cost was shared by GOI and State Government in the ratio of 75:25.

### **2.2.7.2 Budget provision and expenditure**

The details of budget estimate and expenditure incurred on MDM during 2010-15 is given in Table 1.

**Table 1: Details of budget provisions and expenditure incurred during 2010-15**

(₹ in crore)

Year	Budget estimate	Revised estimate	Expenditure	Excess (+)/ savings (-) w.r.t budget estimate (Percentage)
2010-11	194.46	194.46	209.65	(+) 15.19 (8)
2011-12	222.88	272.14	267.32	(+) 44.44 (20)
2012-13	309.65	305.97	231.98	(-) 77.67 (25)
2013-14	352.80	352.80	199.04	(-) 153.76 (44)
2014-15	249.50	315.10	228.29	(-) 21.21 (9)

**Source: As per Budget and Detailed Appropriation Account**

As is evident from the above table, funds could not be utilised fully by the State and there were savings ranging between 9 and 44 *per cent* during 2012-15 which is indicative of the fact that budget was not prepared on realistic basis after conducting proper survey and feed-back from field offices.

The Director stated (October 2015) that the budget was prepared on the basis of previous years' enrolment. It was also stated that the budget would be prepared based on the appropriate data of enrolment and attendance of students for optimum utilization of budget in future.

### 2.2.7.3. Unspent balances with DEEOs not reported to GOI

The EED reports the unspent balances of all components of the scheme to GOI. Scrutiny of records showed that the department had been reporting the unspent balances to GOI without taking into account the balances lying with DEEOs. Consequently, huge funds accumulated with the DEEOs. As per orders of October 2012, nine DEEOs deposited ₹ 21.49<sup>13</sup> crore between September 2012 and December 2012 with the Directorate but the amount also remained unspent as of May 2015. Further, an amount of ₹ 9.83<sup>14</sup> crore was lying unspent with eight other DEEOs (May 2015).

Apart from the above, interest earned on saving bank accounts amounting to ₹ 5.29<sup>15</sup> crore was deposited by 13 DEEOs in treasury under the State Receipt head as per orders of Directorate while interest of ₹ 0.65 crore was lying in the bank accounts of four<sup>16</sup> DEEOs. The interest earned on the funds of the scheme was required to be reported to GOI as unspent balances for adjustment in future releases by GOI but in the instant cases the interest earned was not reported to GOI.

<sup>13</sup> (i) Ambala: ₹ 1.68 crore, (ii) Faridabad: ₹ 7.43 crore, (iii) Fatehabad: ₹ 0.10 crore, (iv) Gurgaon: ₹ 2.09 crore, (v) Hisar: ₹ 1.72 crore, (vi) Jhajjar: ₹ 1.87 crore, (vii) Kurukshetra: ₹ 1.63 crore, (viii) Mewat: ₹ 3.64 crore and (ix) Sonapat: ₹ 1.33 crore

<sup>14</sup> (i) Bhiwani: ₹ 0.53 crore, (ii) Hisar: ₹ 1.74 crore, (iii) Jind: ₹ 5.24 crore, (iv) Kaithal: ₹ 0.73 crore, (v) Karnal: ₹ 0.01 crore, (vi) Narnaul: ₹ 0.15 crore, (vii) Rewari: ₹ 0.36 crore and (viii) Sirsa: ₹ 1.07 crore

<sup>15</sup> (i) Bhiwani: ₹ 14.48 lakh, (ii) Fatehabad: ₹ 98.12 lakh, (iii) Gurgaon: ₹ 39.35 lakh, (iv) Hisar: ₹ 90.98 lakh, (v) Karnal: ₹ 53.29 lakh, (vi) Kurukshetra: ₹ 6.87 lakh, (vii) Narnaul: ₹ 35.21 lakh, (viii) Panchkula: ₹ 32.78 lakh, (ix) Rewari: ₹ 9.94 lakh, (x) Rohtak: ₹ 10.73 lakh, (xi) Sirsa: ₹ 37.56 lakh, (xii) Sonapat: ₹ 37.52 lakh and (xiii) Yamunanagar: ₹ 62.56 lakh

<sup>16</sup> (i) Ambala: ₹ 21.57 lakh, (ii) Kurukshetra: ₹ 16.09 lakh, (iii) Rewari: ₹ 25.59 lakh and (iv) Sirsa: ₹ 2.21 lakh

A similar observation was also made in Audit Report of the Comptroller and Auditor General of India for the year ended March 2007 (Civil)-Government of Haryana under paragraph 3.4.6.2 and Public Accounts Committee recommended in its 68th report (2012-13) that the Department should initiate action against the defaulting officers who had shown the entire funds as having been spent and responsibility be fixed under intimation to the Committee.

The department stated (February 2015) that the funds released to field offices were considered as utilised due to lack of trained accounts staff in the MDM branch, as a result of which funds accumulated and interest accrued in the districts on these unspent balances. It was further stated (October 2015) that the Department was planning to merge the accounting staff of Directorate, HSSPP and Secondary Education Department for their optimum utilisation to avoid such type of irregularities. The fact, however, remains that unspent funds with field offices were not reported to GOI for adjustment in future releases resulting in accumulation of huge funds in bank accounts.

#### **2.2.7.4. Non-maintenance of cash book and ledger**

The Punjab Financial Rules (Rule 2.2) as applicable to Haryana require a Drawing and Disbursing Officer (DDO) to satisfy himself that all the monetary transactions are entered in the Cash Book as soon as these occur and the same are attested by him. Further, as per sanctions issued by GOI, separate accounts were to be maintained in respect of each component of the scheme and the amount of Central assistance was not to be diverted or re-appropriated among the components of the scheme.

The Directorate had not maintained any cash book for the period April 2010 to June 2010 and 15 August 2012 to March 2015 for the funds of MDM. Further, component-wise expenditure statements were not maintained. Therefore, component-wise expenditure could not be verified. Cash book was written for the period 3 June 2010 to 14 August 2012 but was not signed by the DDO. Further, the closing balance as on 14 August 2012 as per bank pass book was ₹ 175.42 crore while as per cash book it was ₹ 105.90 crore. Since the difference in the cash book and bank pass book had not been reconciled (October 2015), chances of detection of misutilisation of funds, if any, were remote thereby rendering the system conducive to misappropriation of funds.

Transactions of Right To Education (RTE) and MDM scheme had been made through a single bank account (Axis Bank), out of which transactions pertaining to the MDM could not be identified in the absence of accounting records i.e. cash book and ledger.

The Department stated (October 2015) that the RTE branch of the Directorate shared the bank account with the approval of the Finance Department. It was further stated that a separate accounts could not be maintained due to non-availability of accounts qualified personnel in the MDM Branch and that the training would be imparted to the concerned officials. It was further assured by

the Director during exit conference that accounting records would be completed and reconciled with the bank account.

#### **2.2.7.5. Loss of interest**

The Department placed (March 2007) supply order on Haryana Khadi and Village Industries Board (Board) for 9,268 weighing machines for monitoring the growth of students at the rate of ₹ 775 per machine without calling tenders and considering that the Board was an approved source. The Department prepared (March 2007) a demand draft for ₹ 71.83 lakh in favour of the Board. Audit observed that the Board was not an approved source for purchase of weighing machines. The purchase could not be made and the matter as to whether the Board was an approved source remained under correspondence between the Board and the Department.

Scheme guidelines were revised (June 2010), according to which expenditure on weighing machines was prohibited because of availability of the similar provision under National Rural Health Mission (NRHM). Accordingly, the Department dropped (September 2010) the idea of purchasing the weighing machines. The draft was cancelled and the amount was deposited in MDM bank account only in September 2013 after a period of six and half years after placing the order. Thus, due to failure of the department to purchase the machines in time coupled with delay in cancellation of bank draft, ₹ 71.83 lakh remained outside Government account for six and half years. Apart from the loss of interest of ₹ 32.68 lakh<sup>17</sup>, the objective of the scheme could not be achieved.

The Department stated (February 2015) that the supply order was cancelled as the Board was not an approved source. For the lapse for delay in cancellation of draft, the responsible Superintendent was charge-sheeted, promotion withheld for six months and also warned to be careful in the future.

Thus, the fact remains that the Department did not ensure that the Board was an approved source before placing the purchase order and the funds of ₹ 71.83 lakh remained outside the Government account for six and half years. Further, scrutiny of administrative proceedings also showed that while a warning was given to the concerned Superintendent, her promotion was not withheld. The Director stated (October 2015) that the matter would be inquired afresh and appropriate action would be taken.

#### **2.2.7.6 Transportation cost**

As per Para 2.3(ii) (b) of the scheme guidelines, GOI was to reimburse the actual cost of transportation of foodgrains from the nearest FCI godown to the schools subject to a maximum of ₹ 75 per quintal.

Foodgrains from FCI godown to the schools were transported by the Haryana State Federation of Consumers' Co-operative Wholesale Stores Limited (CONFED) and

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<sup>17</sup> Calculated at the rate of 7 per cent per annum applicable in Government borrowings

the Haryana State Cooperative Supply and Marketing Federation (HAFED). Scrutiny of QPRs and UCs submitted to the GOI by the Directorate showed that 2,00,459.70 MT foodgrains was lifted from the godowns of FCI by CONFED/HAFED during 2010-15 and were paid ₹ 15.03 crore at a maximum rate of ₹ 75 per quintal instead of actual transportation cost based on distance covered.

The department stated (October 2015) that the rate would be rationalised in future. During the exit conference, the Director stated that various slabs of distances covered would be formulated i.e. 0-10 Km 11-20 Km, 21-30 Km and so on and rates would be decided according to these slabs.

## 2.2.8. Programme Implementation

### 2.2.8.1 Coverage of students under MDM

The position of enrolment of students vis-à-vis number of students covered under MDM is given in the Table 2.

**Table 2: Details of enrolment and number of students in schools**

Year	Government schools	Govt.-aided schools	AIE Centers	National Child Labour Project	Local-body schools	Total Enrolment	Number of children covered	Percentage of coverage
2010-11	*	*	00	6,405	00	22,30,970	22,14,790	99
2011-12	21,17,808	55,868	7,909	4,920	916	21,87,421	21,43,672	98
2012-13	20,81,760	46,911	3,337	8,191	840	21,41,039	20,88,995	98
2013-14	19,78,128	47,133	17	7,629	871	20,33,778	19,72,536	97
2014-15	20,08,285	48,976	00	5,407	752	20,63,420	19,60,264	95

Source: Data furnished by the Directorate.

\* Separate figure not available in record. However, the department has furnished the figures of total enrolment for 2010-11.

As is evident from the above, coverage of students under the scheme had decreased from 99 to 95 *per cent* during 2010-15. The DEEO, Sirsa had shown *per cent* coverage of schools in the district during 2010-15. However, Audit observed that Government Girls Primary School (GGPS), Chattargarhpatti (Sirsa) was not covered under the scheme for 16 months (August 2009 to January 2011). Thus, DEEO, Sirsa misreported the facts.

The Director stated (October 2015) that the projected population was decreasing and number of private schools was increasing. As regards non-coverage of GGPS, Chhattargarhpatti for 16 months, it was stated during exit conference that an inquiry would be conducted for non-coverage of this school.

### 2.2.8.2. Short lifting of food-grains vis-a-vis allocation

As per the scheme guidelines {Para 5.1(9)}, the State Nodal Department was to furnish to the Ministry, by January/February each year, request for allocation of foodgrains based on the enrolment data of eligible primary and upper primary schools and EGS/AIE centres of preceding year. The scheme provided for supply of 100 gms foodgrains per child per school day, free of cost, by GOI for primary students and 150 gm per child per school day for upper primary students. Based

on the request, the Ministry allocated foodgrains to the State.

Scrutiny of records showed that the Department lifted 2,00,459.71 MT of foodgrains as against the allocation of 2,83,396.76 MT (**Appendix 2.7**). There was huge deficit in lifting of foodgrains ranging between 21 and 44 *per cent* during 2010-15. In test-checked districts, the percentage of lifting of food-grains against allocation ranged between 67 and 80 *per cent*. Short lifting of food-grains indicates that a large number of students were either not taking meal or were not consuming meal in full quantity as per norms. Further, records of lifting and distribution of foodgrains in test-checked schools showed that out of the 180 selected schools, cooked meal was provided by an NGO in 24 schools of Kurukshetra district. Out of remaining 156 schools, foodgrains were not provided to 149<sup>18</sup> schools as per norms. Out of these 149 schools, deficit of foodgrains was more than 25 *per cent* in 88<sup>19</sup> schools. The details of foodgrain requirement and actually provided in the test checked schools is given in **Appendix 2.8**, which showed short provision ranging between 21 and 38 *per cent*. Due to foodgrain deficit, cooking of MDM was disrupted in 95 schools, out of 156<sup>20</sup> selected schools. The disruption was more than 200 days in 10 schools while it was to the extent of 392 days in one school (i.e. GGMS Bawal).

The department stated (October 2015) that allocation of foodgrains was done by GOI on the basis of previous year's enrolment. Decreasing enrolment in the last five years in addition to lesser attendance against enrolment has contributed to higher allocations. As regards disruption of MDM, it was stated that an inquiry would be conducted. Reply highlights only the problem of decreasing enrolment and lesser attendance. However, these factors should have been considered by the Department while placing orders for allocation.

### **2.2.8.3 MDM not provided to students of Government Aided Schools**

Para 2.2.2 of guidelines of 2006 envisages covering of Government aided schools also under the scheme. Scrutiny of records of test-checked districts showed that MDM was not provided to 29 to 32 Government aided schools out of 56 schools in four<sup>21</sup> districts during 2010-15 which resulted in deprivation of the benefits of the scheme to more than 5,000 students every year. However, the DEEOs of Hisar and Sirsa districts have shown cent *per cent* coverage of the eligible schools and students indicating incorrect reporting of coverage of students under MDM scheme.

The Director stated during the exit conference that concerned DEEOs had expressed that parents and students of these schools declined taking MDM facilities. The Director further replied (October 2015) that the concerned DEEOs, however, had been directed to provide MDM as per guidelines of GOI, otherwise action would be initiated against them.

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<sup>18</sup> Bhiwani:27, Hisar:30, Karnal:30, Kurukshetra:6, Rewari: 27, and Sirsa: 29

<sup>19</sup> Bhiwani: 16, Hisar: 22, Karnal: 20, Kurukshetra: 2, Rewari: 12 and Sirsa: 16

<sup>20</sup> Out of 180 selected schools, MDM was provided by ISKCON in 24 schools.

<sup>21</sup> (i) Bhiwani, (ii) Hisar, (iii) Karnal and (iv) Sirsa

### 2.2.8.4 Provision of cooked meals by ISKCON in Kurukshetra district

Paragraph 3.6 of scheme guidelines 2006 provides that responsibility of cooking/supply of cooked mid-day meal may be assigned to any voluntary organization. MDM was to be cooked locally in the school premises. As per revised (September 2010) guidelines, where there was a space constraint in urban areas, a centralized kitchen might be set up for a cluster of schools and the cooked hot meal may be transported under hygienic conditions through a reliable transport system to various schools.

The work of supply of MDM was assigned (September 2006) to the ISKCON Food Relief Foundation on pilot basis in the blocks of Faridabad and Ballabgarh. The scope was extended to Thaneshar block of Kurukshetra District and further extended (July 2010) to Pehowa and Ladwa blocks of Kurukshetra district. The agreement was entered with ISKCON from time to time, latest in April 2013 upto March 2016. Scrutiny of records of DEEO, Kurukshetra showed the following:

- **Excess lifting of foodgrains and shown as fully utilised**

Foodgrains are lifted by ISKCON from Food Corporation of India (FCI) on the basis of release orders issued by the Divisional Office of FCI on the basis of request of the District Elementary Education Officers (DEEOs). The DEEOs were expected to make request after taking into account the consumption of foodgrains with reference to number of meals provided to students by the ISKCON. Audit observed that the DEEO, Kurukshetra had never compared consumption of lifted food-grains with reference to the number of meals provided to students. ISKCON lifted 43,293 quintals of foodgrains during 2012-15 from FCI while only 37,532 quintals of foodgrains was required with reference to number of meals provided by it.

Due to requesting for release of foodgrains to Divisional Office of FCI without verification with reference to number of meals by the DEEO, Kurukshetra, the ISKCON had lifted 5,761 quintals of foodgrains valuing ₹ 1.23<sup>22</sup> crore in excess and submitted UCs showing whole quantity as consumed. Thus, inadequate control of the Department over the release of food-grains resulted in excess lifting of foodgrains.

The Director assured during the exit conference that the concerned DEEOs would be instructed to ascertain actual consumption of foodgrains before issuing release orders for foodgrains.

- **Other deficiencies in implementation of scheme**

(i) As per the agreement (May 2010), ISKCON was to supply cooked hot meal during recess time. It covered 567 schools including the schools located in rural areas with the help of 22 food-vans. A food-van covered more than 25 schools enroute and some vans travelled more than 50 kms before handing over the meal to the last school. Audit observed that out of 24 selected schools, MDM was delivered more than 3 hours prior to recess time in 8 schools while in

<sup>22</sup>

The value has been worked out on the basis of economic cost of FCI of different years.

11 schools it was delivered between 1.5 and 3 hours before recess. There was no provision for heating the meals in these schools. Thus, the meal was not served hot to the students. Further, providing cooked meal in rural areas through a centralized kitchen was against the guidelines of the scheme as meals were required to be cooked in rural areas in school premises as per revised guidelines 2010.

The Department stated (October 2015) that NGO would be directed to increase the number of food-vans and to make provision of fuel in schools so that hot meal can be served to students.

(ii) Audit obtained feedback from the teachers and students in selected schools. Out of the 24 selected schools, teacher feedback on quality of food was positive only in 6 (25 per cent) schools. Student feedback was taken in eight Upper Primary Schools, where it was positive only in two schools and negatively commented upon by 78 students in six schools. The Department stated (October 2015) that the feedback would be taken into consideration and corrective steps would be taken, wherever required.

(iii) Four schools in Pehowa (3) and Thanesar (1) blocks having present strength of 328 students had declined MDM since July 2011. The Department had not made any alternative arrangement for providing MDM to students of these schools. The Director assured during the exit conference that serving of MDM would be started shortly.

(iv) As per agreement, the samples of cooked meal were to be taken by the designated doctors/dieticians/officers of the State Government/head of the school for ascertaining the quality and nutritive value of the food. No sample had ever been taken to ascertain the quality and nutritive value of the served meal from the Central kitchen Kurukshetra. The Department stated (October 2015) that directions had again been issued to concerned DEEOs for testing food samples from accredited laboratories.

(v) The performance of NGOs engaged for providing of MDM was needed to be assessed regularly through a credible system of evaluation and renewal of the agreement should depend on their performance. Audit observed that no credible system of performance evaluation was in existence and agreements were renewed without assessing performance. The Department stated (October 2015) that agreement with NGOs would be renewed after conducting inspection and assessing their performance through detailed exercise.

#### ***2.2.8.5 Testing of food samples***

GOI issued guidelines in July 2013 to all the State Governments to consider engaging of Council of Scientific and Industrial Research institutes/National Accreditation Board for Laboratories recognised laboratories for carrying out sample checking of MDM to ensure quality meal to the children.

It was observed that State Government has not taken any steps to engage the laboratories for checking the quality of the meal provided to students. As such, this important aspect of quality of food was not considered for implementation by the Government. The Director stated (October 2015) that the instructions to all DEEOs had been issued in September 2013 and July 2015 for carrying out sample checking of cooked MDM to ensure quality meal to students. However, audit observed that compliance of instructions was not ensured by DEEOs.

#### **2.2.8.6. Supply of foodgrains without ensuring Fair Average Quality**

As per para 3.7 of the scheme guidelines, the FCI was to issue foodgrains of best available quality, which would in any case be atleast of Fair Average Quality (FAQ). The District Collector was to ensure that the foodgrains of at least FAQ were issued by FCI, through a joint inspection by a team consisting of the FCI representative and a nominee of the Collector. It was also decided (February 2010) that sample (in triplicate) of the lifted foodgrains would be taken jointly in the presence of the representative of the State Government (DEEO Office) and FCI and three sample slips (one for DEEOs office, second for FCI District office and third for the depot) would be jointly signed and samples sealed. These samples were to be retained for three months in token of quality of foodgrains received from the FCI and were to be used to ascertain the veracity of the complaint, if any, during this period.

It was observed that the prescribed procedure was followed in Karnal, Bhiwani and Rewari districts but was not followed in Hisar, Kurukshetra and Sirsa districts to ensure supply of FAQ by FCI.

The Director stated (October 2015) that the concerned DEEOs had again been directed to follow the prescribed procedure to ensure FAQ.

#### **2.2.8.7. Improper implementation of health interventions**

(i) An objective of the scheme was to provide nutrition to students in primary and upper primary classes. The students were to be provided six monthly dose for de-worming and Vitamin-A supplement, weekly Iron and Folic-Acid supplement, Zinc and other appropriate supplement depending on common deficiencies found in the local area.

Scrutiny of QPRs sent to GOI by the Directorate for the period 2010-15 showed that the Department had not provided the prescribed micro-nutrients and de-worming medicines to the students during 2010-14 except in the last quarter of 2011-12 during which out of 15,596 schools, 7,795 schools provided micro nutrients to students. Further, out of 14,714 schools, on an average 2,583 schools per quarter were covered for providing micro nutrients to students during 2014-15.

(ii) Para 5.1 (8) (i) of scheme guidelines provides for periodical health check-up in schools. It was, however, noticed that health check-up camps were not organised in the selected schools regularly for ascertaining nutritional level in children. The details are given in the Table 3.

**Table 3: Details of health check-up camps organized in schools**

Name of the district	Never organised	Organised every year	Intermittently organised
Bhiwani	7	3	20
Hisar	9	6	15
Karnal	3	9	18
Kurukshetra	1	13	16
Rewari	3	14	13
Sirsa	1	7	22
<b>Total</b>	<b>24</b>	<b>52</b>	<b>104</b>

**Source: Data provided by concerned schools.**

Further, analysis of the data showed that out of 31,549 students checked in health check-up camps, 1,486 students were found anaemic or suffering from other deficiencies due to lack of adequate nutrients and 382 students were found underweight. There was no provision in the guidelines to follow-up on anaemic and underweight students.

The Director stated during the Exit Conference that the activity was being implemented in convergence with the Health Department. He also informed that a new activity “Food Fortification” was being implemented in Ambala District on pilot basis.

#### **2.2.8.8. Delayed implementation of revised norms of food, cooking cost, etc**

GOI revised (w.e.f December 2009) food norms for upper primary children by increasing the quantity of pulses, vegetables and decreasing the quantity of oil and fat. The cooking cost (excluding the labour and administrative charges) for primary and for upper primary sections was also increased. Separate provision for payment of honorarium to cook-cum-helper at the rate of ₹ 1,000 per month was also made instead of ₹ 0.40 per meal out of amount meant for cooking cost. Accordingly, GOI released (December 2009) the Central share for ‘honorarium to cooks’ amounting to ₹ 3.41 crore.

Scrutiny of records showed that the Directorate communicated the revised norms to all the DEEOs only in March 2010. It was observed in selected schools that different schools implemented the revised norms between the period April 2010 and December 2011. Thus, despite availability of Central share, revised norms were not implemented due to slackness and lack of monitoring. Further, Central share of ₹ 3.41 crore for the year 2009-10 on account of honorarium to cooks was also not drawn. As a result of this, the students were deprived of additional benefits provided for in revised norms.

The Director stated during the exit conference that it was a loss to the State exchequer and attributed the delay to late communication of instructions of revised norms at various levels.

#### **2.2.8.9. Training to Self Help Groups**

As per decision taken in the meeting held (February 2010) between Education and Rural Development Departments, the Self Help Groups (SHG) formed under Swarnajayanti Gram Swarozgar Yojana were to be involved in the

implementation of the Scheme. The Directorate while communicating (March 2010) the revised norms of the scheme stated that the work of preparation and distribution of MDM would be taken over by the SHGs (women) from April 2010. Before handing over the responsibility, the SHGs were to be trained in the field of food-nutrition, hygiene and maintenance of records.

Scrutiny of records showed that an amount of ₹ 93<sup>23</sup> lakh was released between May 2010 and May 2013 to the districts for imparting training to SHGs. Out of this, only ₹ 35.06 lakh was spent upto May 2015. It was further observed that no planning was done for imparting training and even the targets for training were not fixed. The information regarding number of SHGs trained was not available. Further, the information, whether the work of preparation and distribution of MDM has been handed over to the SHGs, in how many schools in the State was not available with the Directorate. Thus, in the absence of proper planning, training could not be imparted to SHGs properly.

The Director intimated (October 2015) that out of the ₹ 93 lakh released for training, ₹ 64.63 lakh had been utilized and the Department had started organising district wise workshops for training to SHGs.

### Construction of kitchen-cum-stores

#### 2.2.8.10. Physical and financial status of kitchen-cum-stores

As per scheme guidelines {Para No. 2.3(v) of 2006} Kitchen-cum-Stores (KCS) were to be constructed in each school to facilitate cooking in schools so that fresh and hot cooked meal may be served to the children.

The construction work of KCSs was to be executed through Haryana School Shiksha Pariyojna Parishad (HSSPP) since the implementation of the revised MDM Scheme 2006. The position of year-wise sanction of KCSs, amount released to HSSPP and status of construction as of September 2015 was as given in Table 4.

**Table 4: Year-wise status of Kitchen-cum-Store**

(₹ in crore)

Year	No. of KCS sanctioned	Amount released to HSSPP	Date of release of amount to HSSPP	No. of KCS			Amount incurred	Balance amount
				Completed	In progress	Not started		
2006-07	1,849	11.10	22 March 2007	1,509	193	147	15.91	(-) 4.81
2006-07	1,336	8.02	31 March 2007	497	00	839	8.62	(-) 0.60
2007-08	873	5.24	14 March 2009	821	20	32	10.69	(-) 0.22
		5.23	22 March 2010					
2009-10	4,383	72.08	07 April 2010	3958	286	139	55.48	16.60
2009-10	3,042	51.59	27 August 2012	2040	404	598	41.99	9.60
<b>Total</b>	<b>11,483</b>	<b>153.26</b>		<b>8825</b>	<b>903</b>	<b>1755</b>	<b>132.69</b>	<b>20.57</b>

Source: Data supplied by the Directorate of Elementary Education Haryana.

As is evident from above, as against the total release of ₹ 153.26 crore, only ₹ 132.69 crore was spent and ₹ 20.57 crore was lying unspent and works

<sup>23</sup> May 2010: ₹ 9 lakh, March 2011: ₹ 42 lakh and May 2013: ₹ 42 lakh.

remained incomplete despite availability of sufficient funds. It was observed that there was lack of coordination between the Department and the executing agency (HSSPP) which resulted in delay in construction of KCSs. Further, expenditure of ₹ 5.63 crore was incurred in excess of norms to complete the works sanctioned in 2006-07 and 2007-08. No approval was obtained from the Department by HSSPP for incurring expenditure in excess of norms.

In the selected districts, out of 4,298 KCSs, only 2,836 were completed, 506 were in progress and construction in respect of 956 was not started.

The Department attributed (February 2015) the excess expenditure against norms to cost escalation due to delay in construction. Thus, excess expenditure could have been avoided by completing works within a reasonable time.

The Director assured during the exit conference that HSSPP would be persuaded to complete the construction work of the remaining kitchens expeditiously.

#### ***2.2.8.11. Central assistance not availed due to non-completion of KCSs***

The GOI emphasized (August 2012) the completion of KCSs sanctioned in the earlier years and requested to submit the proposal for construction of KCSs for remaining schools. Out of 15,305 primary and upper primary schools in the State, KCSs were sanctioned for 11,483 schools during 2006-10 and 3,822 schools were not having KCSs.

The State Government sent (September 2012) a proposal for release of Central assistance of ₹ 55.32 crore for construction of 3,822 KCSs. The GOI requested (November 2012) to the State Government to send the physical and financial progress of construction of KCSs sanctioned during 2006-10. Subsequently, due to poor progress, the GOI asked (February 2013) the State Government to refund the unutilised funds if the Department was not in a position to start/complete the KCSs. The State Government again sent the proposal to GOI in February, May and July 2013 but the same was not accepted (December 2015).

Thus, the Department had forgone Central assistance of ₹ 55.32 crore due to slow construction of KCSs. Besides, 3,822 schools remained deprived of the facility of KCSs. Audit observed that there was lack of monitoring over the executing agency i.e. HSSPP by the Directorate.

The Director agreed with the audit observation during the exit conference and assured that the matter would be examined.

#### ***2.2.8.12. Delay in drawal of Central share and advance drawal of State share***

An amount of ₹ 38.70 crore was sanctioned (March 2010) by the GOI for construction of 3042 KCSs. This amount could not be drawn due to late receipt of sanction from the GOI. However, GOI permitted (September 2010) the Department to utilise the amount in 2010-11. The amount again could not be drawn due to non-making of provision in the State budget. GOI was requested in

May 2011 to allow the State Government to utilize the amount during 2011-12. Thereafter, the amount was drawn on 31 March 2012 i.e. after a gap of two years of sanction of GOI.

The Department drew State share of ₹ 12.90 crore in March 2011 and kept the amount in the saving bank account. As the Central share was drawn in March 2012, the amount including Central share of ₹ 38.70 crore was transferred to HSSPP only in August 2012. The State share was drawn in advance of requirement. As a result of this, the amount remained in the saving bank account for one year and five months.

The department stated (February 2015) that Central assistance could not be drawn due to non-making of provision in the State budget. As regards drawal of State share in advance of requirement, it was stated that the funds were drawn to avoid lapse of budget grant. The fact remains that the Department failed to make provision in the State budget even for the year 2010-11 despite sanction of the funds by GOI in March 2010. Further, the drawal of funds to avoid lapse of budget was also irregular.

#### ***2.2.8.13. Release of funds without assessing requirement***

A total of 588 bank drafts each for ₹ 1.70 lakh were sent (March 2012) by the HSSPP to School Management Committees (SMCs) in Bhiwani district for construction of KCSs. Out of these, 64 bank drafts for ₹ 1.09 crore were not accepted by the concerned SMCs as KCSs were already in existence in these schools. The bank drafts were returned to HSSPP in September 2012 and were cancelled and amount deposited (November 2012) in bank account. Thus, an amount of ₹ 1.09 crore was sent to the SMCs without assessing the requirement of KCSs in these schools. As a result, the amount remained outside the Government account for eight months.

The Director while admitting the facts during the exit conference stated that there was lack of planning due to non-availability of appropriate data.

### **2.2.9. Impact on enrolment, retention and attendance**

One of the main objectives of the scheme was to enhance enrolment, retention and attendance in the Government, Government-aided and local body schools. The Department had fixed the targets for enrolment of all the eligible children in the State and also to bring down the dropout rate to nil. However, target for attendance of students in a school in an academic year was not fixed. The details of enrolment of students in primary and upper primary schools for the period 2010-15 are given in Table 2 referred in paragraph 2.2.8.1.

The enrolment of students in schools had declined from 22.31 lakh in 2010-11 to 20.34 lakh in 2013-14 while there was increase in enrollment (20.63 lakh) in 2014-15 with reference to 2013-14. Apart from this, basic data regarding drop out of students and attendance of students was neither maintained at Directorate level nor at district level. As such, impact of MDM on these important aspects could not be assessed in audit. Further, audit observed that the attendance in test-checked schools ranged between 62 and 96 *per cent*<sup>24</sup> during 2010-15.

The Department stated (February 2015) that the reasons behind decreasing enrolment in Government schools were firstly, the rate of population increase in the segment (Class I to V) was decreasing in Haryana and secondly, preference of parents for private schools over Government schools. It was further stated (October 2015) that under the provision of RTE there was no provision of taking examination and detaining the students resulting in less enrolment in Government schools. The reply was not convincing as child population (0-6 age) had increased at the rate of 1.35 *per cent* (33.36 lakh in 2001 and 33.81 lakh in 2011) during 2001-11 as per census data of the State. Thus, the objective of enhancement of enrolment of students remained unachieved to a large extent.

## **2.2.10. Monitoring and evaluation**

### **2.2.10.1. Non-conducting of inspections**

As per paragraph 6.2 of the scheme guidelines, the scheme was required to be regularly monitored to assess as to whether all children were regularly getting meal of satisfactory quality, impact on improving children's nutritional status, regularity in attendance, retention and completion of education.

State Government was required to fix monthly targets for inspection of MDM served in schools/EGS-AIS Centres so that all schools and EGS/AIE Centres are covered atleast once in a year.

As per paragraph 2.18 of the Annual Work Plan and Budget 2010-11, Project Approval Board (PAB) decided to monitor the programme regularly by State/Headquarters Officers, DEEOs and BEOs and also informed that they may be directed to inspect atleast 25 schools in a month.

Scrutiny of records showed that the inspections of schools/centres were not carried out by the Department as per targets fixed by PAB. The percentage of inspections carried out against the targets during 2010-11 was negligible (three *per cent*) while it ranged between 9 and 16 during 2011-15 (**Appendix 2.9**). No Inspection Reports were prepared by the officials deputed for field inspections. In the absence of this, the SMCs could not take remedial measures, if any.

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<sup>24</sup> Bhiwani: 66 to 96 *per cent*, Hisar: 71 to 96 *per cent*, Karnal: 74 to 93 *per cent*, Kurukshetra: 74 to 95 *per cent*, Rewari: 67 to 95 *per cent*, Sirsa: 62 to 96 *per cent*,

Scrutiny of records in selected districts also showed that inspection by DEEOs ranged between 19 and 52 *per cent* and in respect of BEOs, it ranged between 6 and 19 *per cent* (*Appendix 2.9*).

The Department stated (October 2015) that instructions had again been issued to the concerned officers to inspect the schools on regular basis.

#### **2.2.10.2. Steering-cum-Monitoring Committee meetings**

As per paragraph 3.2 of scheme guidelines 2006, the State Governments were required to set up 'Steering-cum-Monitoring Committees (SMC)' at the State, District and Block level. As per provisions, monthly meeting at the Block level in the first week, monthly meeting at District level for reviewing of Block level meetings in addition to normal monitoring functions and State level half yearly meeting for reviewing of District level meetings in addition to normal monitoring functions were to be held.

It was observed that against the requirement of holding 10 meetings at State level, only five meetings were held, at district level, only 14 meetings were held against the requirement of 360 meetings and at block level, only 28 meetings were held against the requirement of 1,440 meetings. Thus, the monitoring of the implementation of the scheme by SMCs was very weak.

The Department stated (October 2015) that instructions had again been issued to the concerned officers to constitute SMCs and hold meetings regularly.

#### **2.2.11. Conclusion**

There were deficiencies in planning as plans were prepared without conducting proper survey or obtaining data from schools. Unspent balances with DEEOs were not reported to GOI. Besides, huge funds remained outside the Government Account. Foodgrains were lifted short (21 to 44 *per cent*). Cases of supply of foodgrains without ensuring Fair Average Quality, non-administration of micro-nutrients and de-worming medicines, delayed implementation of revised norms of food, cooking cost were observed in audit. Apart from this, no system was evolved to measure the quality of cooked food supplied by an NGO in Kurukshetra district. The construction of kitchen-cum-stores was very slow as only 77 *per cent* of total sanctioned KCSs were completed, as a result of which central assistance of ₹ 55.32 crore could not be availed of. The enrolment of students in schools had declined from 22.31 lakh in 2010-11 to 20.34 lakh in 2013-14 while there was increase in enrollment (20.63 lakh) in 2014-15 with reference to 2013-14. Inspection of schools to ensure regular availability of meals of satisfactory quality, etc. was negligible. Meetings of steering-cum-monitoring committee were not held at regular intervals.

### **2.2.12. Recommendations**

The Government may consider:

- making plans after conducting proper survey and obtaining data from schools, preferably online and on real time basis;
- evolving proper system for making payment of transportation cost on actual basis instead of at maximum rate to foodgrains lifting agency;
- reviewing the system of meal provision by appreciating ground realities instead of applying the omnibus principle of one hat fits all;
- completion of construction of kitchen-cum-stores in a time bound manner; and
- strengthening the system of inspections by Government machinery to ensure uninterrupted supply of quality meals to students including the schools covered by NGOs.

## Higher Education, Medical Education and Research and Technical Education Departments

### 2.3 Framework for setting up of Private Colleges and Private Universities

*The Higher Education Department framed guidelines for the setting up of Private Colleges under self financing scheme in the State in July 2004. Similarly, Health {now Medical Education and Research (MER)} Department issued guidelines for opening of Nursing Schools and Colleges in July 2007. The State also enacted “The Haryana Private Universities Act-2006” for the setting up of Private Universities (PUs) in November 2006. Performance audit of framework for setting up of Private Colleges and Private Universities brought out the following significant deficiencies:*

**Private colleges were being recognised without obtaining the comments of State Government/affiliating universities, universities were granting affiliation to the colleges having inadequate infrastructure, faculty, etc. There was no provision for regular inspection by universities.**

*(Paragraphs 2.3.6.1 to 2.3.6.3)*

**The Higher Education Department had not maintained proper records of Government receipts. Absence of provision for charging processing fee for setting up of private colleges for the period 2008-14 resulted in loss of revenue of ₹ 97 lakh to the Government.**

*(Paragraph 2.3.7.1)*

**No objection certificates were issued by Medical Education and Research Department after obtaining bank guarantee of ₹ one crore instead of ₹ three crore. Similarly, no objection certificates were issued to three private colleges without obtaining bank guarantees of ₹ three crore by Higher Education Department.**

*(Paragraph 2.3.7.2)*

**Because of failure of Higher Education Department in exercising proper control, a B.Ed college got recognition on the basis of fake documents and by concealing facts.**

*(Paragraph 2.3.8.1 (a))*

**Annual returns to ensure that reservation and fee concession for students of Haryana was being provided by Private Universities, were not being sent regularly to Higher Education Department.**

*(Paragraph 2.3.8.5)*

**The private colleges were running with inadequate infrastructure. Four private universities had appointed 51 faculty members without fulfilling eligibility criteria.**

*(Paragraphs 2.3.8.6 and 2.3.8.7)*

### **2.3.1. Introduction**

Education is an essential and vital element for all round development of a person, society or a State. The State plays an active role in education and Government of Haryana recognized that the private sector can play an important role in augmenting education in the State. Accordingly, the Higher Education (HE) Department framed guidelines for the setting up of Private Colleges (PCs) in the State in July 2004. Similarly, Health {now Medical Education and Research (MER)} Department issued guidelines for opening of Nursing Schools and Colleges in July 2007. The State also enacted “The Haryana Private Universities Act-2006” for the setting up of Private Universities (PUs) in November 2006. A total of 1,213 PCs and 18 PUs were opened in the State as of March 2015 (*Appendix 2.10*). The PCs were affiliated with 10 State Government Universities.

A registered society, trust or company intending to establish a PC and having required land, financial capability and expertise in the field can apply to the concerned Government Department or Central Regulating body with Detailed Project Report (DPR) showing proof of land holding (own/lease hold/gift deed), its building/ infrastructure plan, development plan, other facilities/ amenities along with prescribed non-refundable processing fee. After preliminary scrutiny within the department/central agency, review by the expert committees and physical verification of infrastructure available/to be made available, a formal letter of intent/approval (LOI/LOA) is issued to the sponsoring body. After compliance of terms and conditions of LOI/LOA and creation of proper endowment fund/FDRs/ Bank Guarantee pledged with the Government departments, recognition/NOC to establish a PC is issued under the guidelines.

As per the provisions of University Grants Commission (UGC) Act, 1956 and UGC (Establishment of and Maintenance of Standards in Private Universities) Regulations 2003, a PU can be established by a sponsoring body. A sponsoring body applies to the Higher Education (HE) Department with Detailed Project Report (DPR). After completion of all the formalities and creation of prescribed Endowment Fund, PU is allowed to be established through a notification by the Government. Once the PU is established, it is required to apply to UGC for enlistment under the said Act.

### **2.3.2. Organisational set-up**

The HE Department deals with setting up of PCs and PUs. MER Department

deals with setting up of Private Nursing Schools and Colleges and also issues essentiality certificates (ECs)/prior consent for the setting up of Medical, Ayurveda, Dental, Homeopathy Colleges, etc. Technical Education Department (TE) exercises control over the private technical colleges as per the terms and conditions of All India Council of Technical Education (AICTE). National Council for Teachers' Education (NCTE) gives recognition for opening of B.Ed. Colleges. The PCs are required to get affiliated with the concerned universities. The concerned Additional Chief Secretaries/Principal Secretaries are the administrative head at Government level. The Vice Chancellors of the universities are the Principal Executives and Academic Officers and exercise control over the affairs of respective universities.

### 2.3.3. Audit objectives

The main audit objectives were to assess whether:

- provisions of Acts, rules, regulations, norms and standards and guidelines were adequate to achieve the objectives;
- receipts from PCs and PUs were being accounted for properly as per the extant orders;
- provision of Acts, rules, regulations, etc. were adhered to and land/buildings/infrastructure and qualification and availability of faculty and supporting staff was as per norms prescribed by various authorities; and effective mechanism for monitoring was in place.

### 2.3.4. Scope of audit and methodology

Records of the directorates of HE, MER and TE Departments relating to setting up of PCs/ PUs and account of receipts there from as per extant orders for the period 2010-15 were test-checked during December 2014 - June 2015. The cases prior to this period, which came to notice during performance audit and irregularities which continued from earlier period, have also been included in the Report. The records of 77 out of 1,213 private colleges (*Appendix 2.11*) relating to their affiliation, fee structure and other controls to ascertain proper functioning of the colleges were also test checked in five<sup>25</sup> affiliating Government universities. Records of five, out of 18 PUs were checked in the offices of HE Department and UGC.

An entry conference was held in January 2015 with the Additional Chief Secretary (ACS)/Principal Secretary (PS) to Government of Haryana, HE and TE

<sup>25</sup> (i) Chaudhary Devi Lal University (CDLU), Sirsa; (ii) Guru Jambheshwar University (GJU) of Science and Technology, Hisar; (iii) Kurukshetra University, Kurukshetra (KUK); (iv) Maharishi Dayanand University (MDU), Rohtak and (v) Pt. B.D. Sharma University of Health Sciences (Pt. B.D. Sharma UHS), Rohtak

Departments and representatives of MER Department wherein audit objectives, audit criteria and audit methodology were discussed. Audit findings were discussed in the exit conference held in December 2015 with the ACSs of HE and TE Departments alongwith representative of MER Department. The replies of the Departments and deliberations of the exit conference have been suitably incorporated in the Report.

### **2.3.5. Audit criteria**

Audit criteria were derived from following sources:

- Guidelines framed by Higher Education and Medical Education and Research Departments for setting up of Private Colleges;
- Acts, rules, regulations, norms and standards of regulating bodies viz. University Grants Commission, All India Council of Technical Education, National Council for Teachers Education, etc;
- The Haryana Private Universities Act 2006; and
- Ordinances, terms and conditions framed by affiliating universities.

## **Audit findings**

### **2.3.6. Sufficiency of provisions of Acts, rules, regulations, etc.**

#### ***2.3.6.1 Lack of control over opening of institutions***

The applicants seeking permission to open technical institutions and B.Ed colleges were required to submit online applications direct to the regional offices of AICTE<sup>26</sup> and NCTE<sup>27</sup> alongwith prescribed processing fee with a copy to State Government and respective affiliating university for submitting their viewpoints to AICTE or NCTE. The State Government/affiliating universities were required to forward their views within a period of 15 days to AICTE and 75 days to NCTE from the date of receipt of applications. In the absence of views from the State Government/affiliating universities, the council would proceed for completion of approval process. The regulations of NCTE also contained provisions for affiliation by the concerned university once the recognition is provided by NCTE. It was noticed that the viewpoints had not been submitted by the State Government/universities to the proposals received individually, as required, in any case. The approach of AICTE and NCTE coupled with improper scrutiny of applications/inspection reports and non-submission of comments by the State

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<sup>26</sup> Clause 3.1 of Chapter-1 of AICTE Approval Process Handbook

<sup>27</sup> Paragraph 5 of notification dated 31 August 2009 regarding amendment for NCTE (Recognition, Norms And Procedure) Regulations 2007

Government/universities to the applications resulted in opening of PCs with inadequate infrastructure and other mandatory requirements as discussed in paragraphs 2.3.8.1 to 2.3.8.2. Adequate infrastructure and other basic facilities in the institutions are vital to provide quality education. In the absence of this, quality of education was adversely affected.

The ACS, HE Department stated during the exit conference that the NCTE did not forward the proposals/applications to the Government for offering viewpoints and NOCs were being issued by NCTE in connivance with the concerned affiliating universities. It was further stated that the matter had been taken up thrice (2009, 2011 and 2014-15) at State Government level with the Hon'ble Minister, Ministry of Human Resource Development (MoHRD), Government of India (GOI) to issue necessary directions to NCTE not to further open B.Ed colleges. Further, the ACS, Technical Education added that the Government had taken up the matter with AICTE (2011) not to further open technical colleges in the districts where saturation had reached. The time window for furnishing viewpoints by the State Government was also found less, being only 15 days. The reply was not convincing as the matter should have been taken up with the AICTE/NCTE if the departments felt that sufficient time was not available or the applications were not being received in the department for offering viewpoint. The Department needed to be more proactive in exercising requisite controls from the outset.

### 2.3.6.2 Affiliation

After recognition/issue of NOC by the regulatory bodies/State Government, the PC is required to get itself affiliated<sup>28</sup> with the university. The universities had promulgated the ordinances containing the terms and conditions of affiliation and had devised an application/inspection proforma containing details of human resources and infrastructure available with requisite documents.

The CDLU, GJU and KUK had allotted 500 marks divided into two parts (Part-A: human resources and Part-B physical infrastructure and other facilities/amenities) each of 250 marks. It was necessary for a college to get at least 50 *per cent* marks in each part to qualify for affiliation, subject to compliance/removal of deficiencies.

The proforma devised by MDU contained 100 marks divided into three parts (a) teaching and non-teaching staff (50 marks); (b) infrastructure and amenities (25 marks) and (c) library and laboratory (25 marks). It was stipulated that colleges getting 70 *per cent* and above marks in each category would be graded 'A', 50 to 70 *per cent* - 'B' and below 50 *per cent* - 'C'. Colleges with 'B' grade

<sup>28</sup> KUK: Clause 2 of Chapter-I of Ordinance XVI of Calendar Volume-I, GJU followed the same ordinances of KUK, MDU: Schedule to Statute-37, Pt. B.D. Sharma University: Clause-2 of ordinance regarding conditions of affiliation of colleges and institutions to the privileges of the University and the withdrawal of such privileges and CDLU: Chapter-XVII of the Ordinance (Other than Examination ordinances) of Calendar 2011 Volume-I.

were affiliated with the condition that deficiencies pointed out would be removed before the next academic session.

Audit observed that granting of affiliation to 'B' category colleges led to creation of colleges with inadequate facilities in respect of teaching faculty, class rooms, laboratories and library which were vital for ensuring quality education in 12 colleges out of 77 test-checked (*Appendix 2.12*). Further, the deficiencies continued for years and have been not fully addressed. No mechanism was evolved to monitor the compliance of deficiencies once the affiliation was given by the universities. There was no record with the universities to prove that show cause notices were issued for removal of deficiencies. Thus, the inaction of the universities resulted in running of such institutes with inadequate facilities for a long time having adverse effect on the quality of education imparted.

The ACS, HE Department stated during the exit conference that the Department would call for a conclave of all the affiliating universities in the State to discuss the matter and a standard checklist would be devised incorporating all the essential requirements and would be circulated among the affiliating universities to standardize the specifications for affiliation of PCs.

### **2.3.6.3 Inspections**

On receipt of application from the applicant for affiliation, an inspection committee<sup>29</sup> consisting of two or more competent persons is being constituted by the Executive Council (EC)/Vice Chancellor (VC) of the concerned affiliating university. The inspection committee, on the basis of inspection, submits their report to the Registrar and thereafter the report is placed before the Executive Council. It was, however, observed that there was no expert member in the committee to assess the financial capability of the institutes. It was further observed that specific qualification of the members of the inspection committee such as building expert, financial expert and academic expert in particular field for which the institution is to be opened, has not been prescribed in the ordinances. Further, there was no provision in the ordinances for doing videography of inspections nor was it being done to keep their records authentic.

As per guidelines, it was also required to check whether the building conforms to the by-laws of the concerned competent Body/Municipal Body/HUDA and environment clearance and fire safety certificates from the competent authorities were obtained. Audit observed during scrutiny of records of test-checked PCs in affiliating universities that neither the system of obtaining certificate from the competent authority was evolved nor inspection committee ensured the compliance on these aspects as of March 2015 while conducting inspection except

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<sup>29</sup> KUK: Clause 3 of Chapter-I of Ordinance XVI of Calendar Volume-I, GJU followed the same ordinances of KUK, MDU Schedule to Statute 37 and Pt. B.D. Sharma University: Clause 5 and 6 of ordinance regarding conditions of affiliation of colleges and institutions to the privileges of the University and the withdrawal of such privileges and CDLU: Clause-2 of Chapter XIX of the Ordinance (Other than Examination ordinances) of Calendar 2011 Volume-I

in respect of Om Group of Institutions, Hisar, which had conditional environment clearance certificate (11 July 2012) from State Environment Impact Assessment Authority, Haryana.

Besides, no system was evolved by the universities for surprise checking of running of classes and the attendance of students and faculty, to ensure quality education by PCs. However, taking a lead in the direction, MDU Rohtak conducted (December 2014 and January/February 2015) surprise checking of 47 B.Ed. colleges and noticed glaring deficiencies such as non-availability of faculty, students, infrastructure and other support system in 24 of these colleges. It is recommended that surprise checking should be done to strengthen the system of monitoring the functioning of PCs.

The ACS, HE Department stated during the exit conference that these issues would be discussed in the conclave of affiliating universities and provisions would be made by affiliating universities for inclusion of experts to evaluate financial capability and adherence to building norms as per central building bye-laws in the inspection committees, videography at the time of inspection and surprise checking of PCs. It was also stated that efforts were being made to streamline the number of colleges affiliated with the State universities to reduce the pressure on affiliating universities and enable them to conduct more meaningful inspections.

#### **2.3.6.4 Lack of financial and administrative control**

The affiliating Universities were responsible for conducting inspection<sup>30</sup> prior to grant of affiliation and annual inspection<sup>31</sup> to continue the same for succeeding years for academic point of view, but there was no provision to conduct any administrative or financial audit. Further, as per Approval Process Handbook of AICTE, the applicant shall be open to mortgage the land only after receipt of letter of approval (LOA) from AICTE, only for raising the resources for the purpose of development of the institute situated on that land.

Scrutiny of records of KUK showed that SB institute of Engineering and Technology, Fatehpur Pundri (Kaithal) had taken a loan of ₹ 13.79 crore as indicated in the balance sheet of the 31 March 2013 from Punjab National Bank after getting the property (building and equipments) mortgaged. The college failed to repay the loan and the bank got the property attached (April 2015) through the Court of Law during the middle of the academic session, jeopardizing the future of 256 students enrolled in various courses. The university, however, made arrangements for shifting of 20 students only in other institutes. Three other students did not apply for examination while one left the studies. Nothing was on record about the fate of the remaining 232 students. Had there been sufficient provisions in the Act, Rules, Regulations, guidelines and ordinances of affiliating universities for proper control over the activities of the institutes, the situation could have been averted.

<sup>30</sup> KUK: Clause 3 of Chapter I of Ordinance XVI of Calendar Volume I

<sup>31</sup> KUK: Clause 14 of Chapter I of Ordinance XVI of Calendar Volume I

The ACS, TE Department viewed the matter seriously and stated during the exit conference that the matter would be looked into and appropriate action would be taken.

### **2.3.7. Receipts from PCs and PUs and their accountal**

#### **2.3.7.1 Non-maintenance of record for accountal of processing fee/absence of provision for charging processing fee**

(a) The guidelines of HE Department framed (July 2004) for setting up of PCs provided for processing fee at the rate of ₹ 25,000 for opening a new college and course fee at the rate of ₹ 10,000 for starting a new course. The price of booklet was also fixed at ₹ 100 per copy. In view of this, the HE Department was required to open a cash book/ledger for maintenance of records of receipts and payments. The Department issued NOCs for setting up of 206 (B.Ed.-116, Degree-76, Law-14) private colleges upto July 2015. The Department had not maintained records such as ledger, cash book, register for recording receipt of bank drafts and their encashment, etc. in respect of processing fee. However, some registers/rough papers were maintained and a perusal thereof showed that processing fee in respect of 301 applications for opening of new colleges and 215 applications for starting a new course were found recorded as received during 2004-10. Besides, 42 applications for opening new colleges and 14 for starting new courses out of pending list received during 2004-08 were also not found recorded. Total amount receivable on this account works out to ₹ 108.65 lakh. Scrutiny of the bank statement for this period showed that there was total receipt of only ₹ 88.10<sup>32</sup> lakh on account of processing fee upto October 2008. Thus, there is less receipt of ₹ 20.55 lakh in the bank.

The ACS, HE Department viewed the matter seriously during the exit conference and ordered to the Director, HE Department to fix the responsibility in the matter and to make all the arrangements for the accountal of all the receipts.

(b) The guidelines were revised in 2008-09 for degree colleges wherein no provision for processing fee and course fee was made and the reasons/logic for not charging processing fee were not placed on record. Thus, the system of framing guidelines was erratic. These guidelines remained in force upto 9 January 2014. Thereafter, the guidelines were again revised w.e.f. 10 January 2014 wherein rate of processing fee was fixed at ₹ two lakh for opening a new college. The Department did not notice the lapse of non-provision of processing fee for opening degree colleges framed in 2008-09 even when new guidelines were framed in August 2010 for opening of Law Colleges wherein processing fee of ₹ two lakh was fixed. The Department processed 53 proposals during 2008-15 and issued NOCs for opening of Degree colleges during 2009-16 (upto August

<sup>32</sup> ₹ 88,10,000 = {(272 x ₹ 25,000) + (201 x ₹ 10,000)}

2015). The Government had to forgo revenue of ₹ 97<sup>33</sup> lakh during the period from 2008-09 to 2013-14 (upto 8 January 2014) on account of processing fee. Besides, there was revenue loss due to non-fixation of course fee.

The HE Department stated during the exit conference that there was no remedy for recovery of processing fee as it cannot be made applicable retrospectively. The fact remains that the Government suffered the loss of revenue of ₹ 97 lakh due to erratic system in framing the guidelines.

(c) As per records made available, MER Department (Nursing Branch) issued 97 NOCs and processed 544 proposals for setting up of private nursing colleges/schools during 2007-11. The total processing fee receivable including amount realised on sale of brochure worked out to ₹ 1.86 crore. Though records of receipt of ₹ 0.58<sup>34</sup> crore was available with the department, the balance amount of ₹ 1.28 crore remained un-reconciled (December 2015). Out of withdrawn amount of ₹ 9.10 lakh, ₹ 6.22 lakh was spent on TA/DA, purchase of tea set, curtain, sofa cover, etc. No account for balance amount of ₹ 2.88 lakh was available with the Department.

The Director, MER Department stated during the exit conference that their directorate came into existence in 2009 and work relating to Nursing branch was shifted in January 2011. Prior to this, the accounts were maintained by DGHS. It was further stated that the matter would be taken up with DGHS for reconciliation.

(d) Bank drafts worth ₹ 10.70 lakh in 43 cases on account of processing fee, received between 31 December 2008 and 14 July 2014 from applicants were not presented to the bank for clearance and were lying with the Department (December 2015). In other 39 cases, bank drafts worth ₹ 1.95 lakh, received between 7 January 2009 and 18 August 2009 were returned (April 2010) to the sponsoring bodies/ management for revalidation. However, no record to establish that these bank drafts were received back was available with the MER Department (March 2015).

The Director, MER Department accepted the facts during the exit conference and stated that NOC had been issued in 10 cases and 33 cases was pending. As regards, bank drafts of ₹ 1.95 lakh returned to applicants for revalidation, it was stated that the position was being gathered from DGHS.

(e) The guidelines of MER did not contain any provisions for processing fee for the issue of Essentiality Certificate (EC) for opening of Medical, Ayurvedic, Dental, Homeopathic colleges, etc. The Government had issued 42<sup>35</sup> ECs upto

<sup>33</sup> 2009-10: 4 x ₹ 25,000 + 2011-16: 48 x ₹ 2,00,000 = ₹ 97 lakh. Fee received (2015) in one case.

<sup>34</sup> Withdrawn: ₹ 9.10 lakh; Draft rejected: ₹ one lakh and balance in pass books: ₹ 47.73 lakh

<sup>35</sup> Medical College: 7, Dental College: 13, Physiotherapy College: 12, Homeopathy College: 1 and Ayurvedic College: 9

March 2015. In the absence of any provision, the Department could not recover processing fee for issue of ECs. The Department may consider fixation of processing fee for issuing ECs in order to generate revenue.

The Director, MER Department stated during the exit conference that proposal for processing fee for the issue of essentiality certificates would be mooted.

Above instances indicate inadequate control of the Departments over the financial transactions, which is fraught with the risk of misappropriation of funds.

### **2.3.7.2 Irregularities noticed in respect of bank guarantees**

(i) As per paragraph 2 (3) of operational guidelines (2007) for opening Nursing Schools/Colleges on Self Financed Basis, the applicant was required to furnish bank guarantee or FDR in original to the MER Department as security renewed from time to time. The State Government further prescribed (August 2008) the amount of bank guarantee at the rate of ₹ 50 lakh for GNM/ANM and ₹ one crore for B.Sc Nursing (Basic and Post Basic)/M.Sc Nursing. In case the institute is not able to run/sustain itself, the BGs/FDRs submitted by the applicants would be forfeited to continue the study of the enrolled students/payment of salary of the staff and other costs of running the institutes.

It was noticed that No Objection Certificates (NOCs) were issued between December 2012 and June 2013 to Dashmesh Educational Charitable Trust for setting up of Dashmesh College of Nursing in Village Budhera, District Gurgaon with sanctioned intake of 290<sup>36</sup> students. As per the guidelines, total bank guarantee of ₹ three<sup>37</sup> crore was required. However, NOCs were issued after taking bank guarantee of ₹ one crore only in respect of Post Basic B.Sc/B.Sc in January 2012 and no BG was obtained in respect of additional courses. Thus, BG worth ₹ two crore was short obtained (December 2015). Further, the amount of BG was fixed (August 2011) for the basic unit of 40 students in respect of GNM/ANM and 50 students of B.Sc Nursing (Basic and Post Basic)/M.Sc in June 2012. It was observed that no provision was made to increase the amount of BG with the increase of number of seats for different courses. Thus, due to inadequate amount of the BGs, the department would not be able to provide financial security at the time of failure of the management to run the institutes.

The Director, MER Department stated during the exit conference that additional amounts of BGs/FDRs were not being obtained for increase in intake capacity of students and the amount was taken as per policy. The reply was not convincing as additional BGs were required for different courses. Further, as the object of BGs was to provide a financial security in the event of the failure of management to run the institute and responsibility falling on the Department, it was necessary to obtain BGs to protect the interest of students.

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<sup>36</sup> GNM: 100, ANM: 40, Post Basic B.Sc. /B. Sc: 100; M. Sc: 50

<sup>37</sup> GNM: ₹ 50 lakh, ANM: ₹ 50 lakh, Post Basic B.Sc./B.Sc: ₹ one crore and M.Sc.: ₹ one crore

(ii) MER Department obtained BGs/FDRs of the same amount for different courses/ intakes in respect of nursing schools/colleges and medical colleges. It was observed that there was no mechanism to assess the requirement of funds to meet the expenses to run the different type of institutes/courses/intakes in the event of the management fails to run the institute and the responsibility falls on the Government to run the institute. BGs of ₹ five crore was obtained from two MBBS institutions with 150 seats capacity, whereas BGs of ₹ 10 crore was obtained in respect of two other MBBS institutions with 150 and 100 seats capacity. Further, additional BG/FDR was not obtained from three institutions for increasing the intake capacity of the students from 50 to 60, 60 to 100 and 50 to 100. This reflects that no set norms were being applied in fixation of amount of BG/FDR and no norms were prescribed to obtain additional BGs/FDRs for increase in the intake capacity of students.

The Director, MER Department while accepting during the exit conference that fixation of amount of BG/FDR was not on actual requirement or assessment basis, stated that a proper policy would be framed in this regard.

(iii) As per clause 1 of the guidelines of HE Department issued in 2008, for opening a new degree college (Self financed) a bank guarantee amounting to ₹ one crore is required to be obtained from the sponsoring body of the college. Scrutiny of records made available by the department showed that three<sup>38</sup> colleges were given (November 2014) NOCs for starting the degree colleges without obtaining the bank guarantees. Thus, the NOCs were issued by the Department in violation of guidelines.

The Departmental officers stated during the exit conference that BGs have been received in respect of two<sup>39</sup> cases and efforts are being made to obtain BG in remaining one case also. The ACS viewed the matter seriously and asked the Director, HE to investigate all such cases and to fix responsibility for such a serious lapse. On further verification (January 2016) of two cases where BG was stated to have been received, it was observed that BG in respect of Karnal Degree College, Kunjpura (Karnal) was not in the custody of the Department. The Director, HE Department intimated (January 2016) that the BGs in respect of nine more cases were not obtained, while BGs in respect of two cases were not traceable in their records. Further, BGs in 27 cases amounting to ₹ 26.50 crore were not got renewed upto December 2015 though these were due for renewal between March 2010 and November 2015.

### 2.3.7.3 *Undue favour*

As per provisions of Section 4 (1) of the Haryana Private Universities Act-2006 and Rules thereunder, an application containing the proposal and the project report with proof of land to establish a university in private sector shall be made

<sup>38</sup> (i) CR DAV Girls College, Ellenabad (Sirsa), (ii) Gaurav Degree College, Azam Nagar (Narnaul) and (iii) Karnal Degree College, Kunjpura (Karnal)

<sup>39</sup> (i) CR DAV Girls College, Ellenabad (Sirsa), and (ii) Karnal Degree College, Kunjpura (Karnal)

by the sponsoring body to the Government, along with non-refundable fee of ₹ 10 lakh.

An application for setting up a PU (Self financed) at Palwal (Faridabad) was received (16 June 2009) from NIILM Education Trust, Faridabad alongwith processing fee of ₹ 10 lakh. The sponsoring body changed the location from Palwal to Kaithal during presentation of the case on 4 January 2010 before the academic experts committee constituted by the State Government under the Chairmanship of the Vice Chancellor of Kurukshetra University Kurukshetra. The committee did not find (8 January 2010) the proposal in order as the trust failed to furnish the details of land available in Kaithal as also to present the Five-Year Development Plan. It was further observed that no land was available with the sponsoring body in district Kaithal on the date of inspection (8 January 2010) as the land was purchased only on 19 January 2010. Thus, the case was liable to be rejected with forfeiture of processing fee. The sponsoring body submitted (23 January 2010) information about purchase of 21 acres 1 kanal and 8 marla land in Village Mauja (District Kaithal). Thereafter, a committee under the Chairmanship of Chief Secretary, Haryana considered the case on 12 July 2010 and recommended the issuance of letter of intent (LOI) for setting up the university subject to certain conditions and accordingly LOI was issued (September 2010). Thereafter, the matter remained under correspondence for compliance of conditions of LOI and finally approval was granted (August 2011). As the proposal was not in order, the sponsoring body should have been asked to submit a fresh proposal alongwith processing fee of ₹ 10 lakh instead of considering the earlier proposal. This had resulted in loss of ₹ 10 lakh to the State exchequer.

The ACS, HE Department stated (December 2015) that Section 4 (2) (e) of the Act stipulates that "the availability of land and details of buildings and infrastructure facilities, if already existing" which means that the proposal can be considered in both the situations viz. the sponsoring body has land, etc. or not. The reply does not stand to logic as it was the primary condition to provide proof of availability of land with the sponsoring body for establishing a Private University. The words "if already existing" referred here pertain to building and infrastructure not to land. Since the land was not available with the applicant at the time of inspection (8 January 2010), the application was liable to be rejected. By not rejecting the case, the department had extended undue favour to the applicant.

### **2.3.8. Implementation of rules, regulations, etc. and availability of infrastructure and faculty**

#### **2.3.8.1 Recognition on fake documents**

Paragraph 5 of notification dated 31 August 2009 regarding amendment for NCTE (Recognition, Norms And Procedure) Regulations 2007 provides that the sponsoring body is required to submit online proposal to Regional Office of

NCTE with complete details of land, building plan, infrastructure, classrooms, laboratories, library, etc. Thereafter, site inspection is conducted by the Regional Committee of NCTE for opening of a new B.Ed. college. The videography of inspection conducted is required to be done. The State Government and concerned universities are also required to submit their recommendations/comments to the NCTE within a stipulated period. Audit observed that the PCs got recognition in violation of rules and regulations as discussed below:

(a) Northern Regional Committee of NCTE granted (February 2014) recognition to open Nehru College of Education (a B.Ed. college) in village Alikan (Sirsa) with an intake of 100 seats. The provisional affiliation was granted (17 September 2014) after conducting inspection (16 September 2014) by Chaudhary Devi Lal University (CDLU). Perusal of the records of building plan, website of institute and site inspection (21 April 2015) alongwith representatives of university showed that the Society was already running an ITI and a primary school in the campus (building) on which the institution managed to get recognition/affiliation for a B.Ed. College by concealing the facts.

Thus, the inspection committee members of the regulatory body as well as of affiliating university had not conducted the inspection of the site properly. Had these committees conducted proper inspection, granting of the recognition/affiliation of B.Ed college based on incorrect information could have been avoided.

On being pointed out, the CDLU had constituted (May 2015) a committee to enquire into the matter.

(b) As per NCTE (Recognition, Norms and Procedure) Regulations 2009, built up area of 1,500 sq. mtrs. (16146 sq. feet) is mandatory for running a B.Ed. course and total built-up area of 25,000 sq.ft. with effect from 10 January 2014 for opening a new degree college as per HE guidelines.

The NCTE granted (December 2010) recognition to C.R.D.A.V. Girls College of Education (an B.Ed college), Ellenabad, Sirsa with intake of 100 seats. The Kurukshetra University also granted (December 2010) provisional affiliation from academic session 2010-11. The jurisdiction of affiliation of the college was transferred to CDLU with effect from the session 2011-12.

Subsequently, the society managed to get Provisional NOC for a Degree college from DGHE (November, 2014) by submitting the building plan of existing B.Ed. College in such a way that a portion of the building was shown for B.Ed. College and the remaining for Degree college. The Provisional NOC (LOI) for Degree college was valid for two years for development of the requisite infrastructure and other facilities. Scrutiny of the plan submitted by the society further showed that covered area for B.Ed. College was 10,882.50 sq.ft. against the requirement of 16,146 sq.ft. and 12,223 sq.ft. for Degree College against the requirement of 25,000 sq.ft. The CDLU, however, granted provisional affiliation (16 July 2015) in respect of Degree College also from the session 2015-16 in July 2015 whereas extension of provisional affiliation in respect of B.Ed. College for the session 2015-16 was under process as of September 2015.

Thus, extension/grant of affiliation to both the colleges by CDLU for inadequate building/infrastructure was in violation of the guidelines defeating the very purpose of quality education.

(c) As per instructions (20 August 2009) of the Health and Medical Education Department, for opening more than one Nursing Schools/Colleges within the same campus, 4 Acre of land was required. Similarly, as per appendix 2 of notification dated 31 August 2009 (NCTE regulations), 2,500 sq.metre (5 kanal) of land was required for opening a B.Ed college.

Joint site inspection by audit alongwith the representatives of CDLU of an Institute in Ellenabad (Sirsa) in April 2015 disclosed that a B.Ed. College along with Nursing School and College was running in the same building with total availability of land of 4 acre 0.60 kanal which was sufficient only for running of the Nursing School and College. Total land requirement for these institutions was 4 Acre 5 Kanal (Nursing school: 4 Acre and B.Ed college: 5 Kanal). Thus, these institutions were not fulfilling the norms of land requirement.

On being pointed out, the CDLU issued (May 2015) show cause notice to the institute for clarification and removal of deficiencies. Further, developments were awaited (December 2015).

The ACS, HE Department agreed during the exit conference to streamline the system of inspections by devising the proper checklists and rationalization and equitable distribution of colleges amongst the State affiliating universities.

### ***2.3.8.2 Deficiencies noticed during physical verification***

Physical verification of Manav Institute of Pharmacy, Manav Institute of Technology and Management and Manav institute of Education (B.Ed. College) located at village Jevra (Hisar) (recognized and affiliated between August 2007 and September 2008) by Audit alongwith representative of affiliating university on 1 May 2015 showed lack of furnished class rooms, laboratories, library and facilities of drinking water, sanitation in these institutions. On the day of visit, there were no classes and faculty in the institute for B.Ed students. The management stated (May 2015) that they had gone for teaching practice for which no proof such as programme of teaching practice was shown to audit. Audit noticed that in spite of the deficiencies, provisional affiliation to these institutions continued during 2010-15 except in case of institute of Pharmacy where UHS, discontinued the provisional affiliation for the session 2014-15. Thus, affiliation of the institutes with deficiencies continued for seven to eight years thereby compromising the quality of education. In spite of the deficiencies, the AICTE not only extended the recognition for post graduate courses of Pharmacy and Engineering and Technology but also increased the intake for undergraduate courses in March 2013 and April 2013 respectively.

UHS stated (May 2015) that the institute was granted extension in provisional affiliation for the sessions 2009-10, 2010-11, 2012-13 and 2013-14, on submission of assurance and undertakings by the institute to rectify the

deficiencies and the inspection committee did not point out deficiencies in 2011-12. The fact remains that the university allowed provisional affiliation for such a long period despite deficiencies.

The ACS, HE Department agreed during the exit conference to streamline the system of inspections by devising the proper checklists and rationalization and equitable distribution of colleges amongst the State affiliating universities.

### **2.3.8.3 NOC issued without obtaining permission for change of land use**

As per the guidelines of HE Department, for opening a PC, the applicant is required to fulfill the requirements and conditions specified in the Letter of Intent (LOI). The LOI further prescribes that permission for change of land use (CLU) should be obtained from the competent authority (Director, Town and Country Planning Department) if the piece of land is situated in the rural area and does not form part of any urban/controlled area.

During scrutiny of records of HE Department, it was noticed that NOC for opening of K D Degree college, Mohindergarh from the session 2014-15 was issued (November 2014) without obtaining the proper CLU. Instead of obtaining CLU, a letter containing some information regarding location of land and conditions to be fulfilled by the applicant such as adhering to provisions of the controlled area and urban area rules of different departments, permission of PWD (B&R) for obtaining access, etc. from District Town Planner, Narnaul was considered as CLU.

The ACS, HE Department stated during the exit conference that the matter would be investigated and appropriate action would be taken.

### **2.3.8.4 Web Portal**

As per instructions of CDLU (December 2012), it was mandatory for every college to display all the necessary information regarding details of teaching and non-teaching staff with their photographs and all infrastructures on its web site with link on University's/ Council's website, which must be updated by 10<sup>th</sup> of every month. Further, in case of PUs, Section 34 C (1) (k) of the Haryana Private Universities Act 2006 provides that the university shall publish information regarding fee, number of seats, conditions of eligibility of students, process of admission and selection of students, details of teaching faculty, infrastructure, broad outlines of the syllabus, etc. on its website before expiry of sixty days prior to the date of commencement of admissions. It was, however, noticed that out of 11 institutes physically verified (April 2015), Nehru College of Education, Alika (Sirsa) had not developed its website. Further, PCs and PUs were not updating their web sites regularly.

The ACS, HE Department stated during the exit conference that a separate branch viz. Private University Regulatory Branch would be established at the Directorate level to monitor compliance of statutory provisions by the PUs. It was also stated that directions would be issued to affiliating universities to ensure compliance of these provisions in PCs.

### **2.3.8.5 Implementation of reservation/fee concession policy**

The Haryana Private Universities Act-2006 and the rules framed thereunder provide for reservation and fee concessions for students of the State of Haryana as per Government policy in PUs.

It was noticed that the HE Department had prescribed annual returns to ensure that these provisions were complied with by the PUs but these returns were not being submitted by the PUs regularly. As against requirement of submission of 16 annual returns by five selected PUs, only five returns were submitted as of March 2015. Further, the returns were not filled in proper manner as detail of fee concession given to students was not filled in by NIILM University in their return 2011-12 and 2012-13. The PUs had also not uploaded this information on their websites. As such, compliance of these provisions could not be verified by Audit.

The ACS, HE Department stated during the exit conference that a separate branch viz. Private University Regulatory Branch would be established at the Directorate level to monitor compliance of statutory provisions by the PUs.

### **2.3.8.6 Infrastructure**

Perusal of records of HE, MER and TE Departments and affiliating universities as well as joint physical verification (April 2015) alongwith representative of affiliating universities in 11 PCs by audit showed the following deficiencies:

- Barrier free built environment for disabled and elderly persons including availability of specially designed toilets for ladies and gents separately did not exist in any of the PCs. Ramp was provided only in two<sup>40</sup> institutes;
- In Lord Shiva Group of Institutions, Sirsa, hostel accommodation did not have proper infrastructure, sanitation facilities, mess facilities and other amenities. In Om Group of Institutions, Hisar, ground floor of girl's hostel was being used as residence of staff and there was no boundary wall for the hostel;
- Proper sanitation did not exist in five<sup>41</sup> PCs; and
- Laboratories were not fully equipped in four<sup>42</sup> institutes while libraries were not fully equipped in five<sup>43</sup> institutes.

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<sup>40</sup> (i) Om Group of Institutions, Hisar and (ii) Manav Group of Institutions, Jevra (Hisar)

<sup>41</sup> (i) R.R College of Education, Ellenabad (Sirsa), (ii) Apex College of Education, Ellenabad (Sirsa), (iii) Om Group of Institutions, Hisar, (iv) Lord Shiva Group of Institutions, Sirsa and (v) Manav Group of Institutions, Jevra (Hisar)

<sup>42</sup> (i) Nehru College of Education, Alika (Hisar), (ii) Chaudhary Chhotu Ram Jat College of Education, Ellenabad (Sirsa), (iii) CR DAV Girls College of Education, Ellenabad (Sirsa) and (iv) Manav Group of Institutions, Jevra (Hisar)

<sup>43</sup> (i) Nehru College of Education, Alika (Hisar), (ii) Chaudhary Chhotu Ram Jat College of Education, Ellenabad (Sirsa), (iii) CR DAV Girls College of Education, Ellenabad (Sirsa), (iv) Manav Group of Institutions, Jevra (Hisar) and (v) CSL Institute of Advanced Studies, Sirsa

During the exit conference, the ACS, HE Department assured that the system of doing physical verification of PCs/PUs would be put in place to improve the quality of education.

### 2.3.8.7 Appointment of less qualified faculty

UGC Regulations (Paragraph 4.4.5) has prescribed the qualification of Professor, Associate Professor and Assistant Professor/Lecturer as under:

- Professor/Dean/Associate Professor: Ph.D. with first class at the Bachelor's or Master's Degree in appropriate branch and experience of 10 or more years (Professor/Dean)/eight or more year (Associate Professor) in teaching, research and industry out of which at least 5 years at the level of Assistant Professor or equivalent grade, or if the candidate is from industry or profession, it was essential to be a first class Master's Degree in the appropriate Branch and significant professional work which can be recognized as equivalent to a Ph.D Degree in appropriate branch.
- Assistant Professor/Lecturer: First class Master's Degree in appropriate branch.

Perusal of information relating to four<sup>44</sup> out of five selected PUs collected (July 2015) from UGC records and annual reports submitted to HE Department showed that four PUs had appointed 51 faculty members (Professors: 8, Associate Professors: 10 and Assistant Professors: 33) with qualifications upto Graduate level or even less and that too without required experience affecting the quality of education. Further, no Professor/Associate Professor was appointed in a PU located at Kaithal as against the faculty requirement and cadre ratio norms of AICTE of at least one Professor and two Associate Professors in each Department for technical courses. Updated information about the qualification of faculty was neither maintained by UGC nor HE Department (December 2015). Further, the reports of the concerned universities showing the information was not submitted to the HE Department, in the absence of which audit could not verify the present status of the qualification of the faculty posted in the PUs.

The ACS, HE Department stated during the exit conference that the data of PUs in this regard would be collected; examined and appropriate action would be taken against the defaulting PUs and in respect of PCs, directions would be issued to affiliating universities to look into the matter and take remedial action.

### 2.3.9. Internal control mechanism

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. The internal control system was inadequate as there was lack of control over opening of private institutions

<sup>44</sup> (i) Ansal University, Gurgaon (Report of 2012-13), (ii) NIILM University, Kaithal (Reports of 2011-12 and 2012-13), (iii) MVN University, Palwal (Report of 2012-13) and (iv) ITM University, Gurgaon (Report of 2009-10)

regarding recognition, affiliation, inspection, financial and administrative control, obtaining of bank guarantee, etc. as discussed in forgoing paragraphs. Apart from these, the following system failures in redressal of complaints, poor oversight over private colleges and private universities were observed:

### **2.3.9.1 Redressal of complaints**

Response to complaints and their proper disposal by the administrative departments/organizations helps not only in better control over the functioning upto the root level but also brings transparency, accountability and effectiveness. No records relating to complaints were made available by any of the departments/universities. However, details of 44 complaints were provided {UHS: 6, HE (University Branch): 6 and TE: 32}.

Perusal of information received showed that complaint redressal process in the departments was very poor as redressal of complaints was concluded to a logical end only in five cases (HE-1 and TE 4) upto March 2015. However, UHS had concluded all the complaints to a logical end.

The ACSs assured during the exit conference that adequate mechanism would be evolved to streamline the system of redressal of complaints.

### **2.3.9.2 Other issues**

(i) The Haryana Private Universities Act-2006 and the rules framed thereunder provide for an effective control over the PUs. The PUs are required to furnish to HE Department the following documents/returns.

(a) Annual reports containing steps taken by them towards fulfillment of objects along with annual accounts, balance sheets and audit reports.

(b) Disclose compulsorily the information relating to details of fee and charges payable by students, number of sanctioned seats in respect of each course/programme, process of admission of students, details of teaching faculty including their educational qualifications and experience, details of physical and academic infrastructure and other facilities accessible by students and all other relevant information on university's website and in the prospectus published, with a copy to the Government.

(c) Annual academic and administrative audit through HE or any other body or persons authorised by it.

It was, however, observed that the above provisions were not being complied with by PUs. As such, HE Department was not exercising proper control over these issues despite existing mechanism for the same.

The ACS, HE Department stated during the exit conference that the compliance would be monitored by the proposed Private University Regulatory Branch and for academic and administrative audit of PUs, it was stated that this activity would be outsourced after selecting proper agency.

(ii) There was no provision for conducting of audit and inspection of PCs by the Department in the guidelines. On being pointed out, ACS, MER Department stated (December 2015) that department is proposing to carry out inspections of all the institutes under the department.

### **2.3.10. Conclusion**

The rules and regulations for setting up of private colleges were not robust. The recognition were given without obtaining the comments of State Government/affiliating universities; universities were granting affiliation to the colleges having inadequate infrastructure, faculty, etc.; there was no provision for regular inspection by universities. There was no provision for charging processing fee for setting up of private colleges during 2008-14 which resulted in loss of revenue to the Government. The HE and MER Departments had not maintained proper records of Government receipts. No objection certificates were issued by MER Department without obtaining bank guarantee of the requisite amount. Similarly, no objection certificates were issued in some cases without obtaining bank guarantees by HE Department. The private colleges were running with inadequate infrastructure. Four out of five private universities test-checked had appointed less qualified faculty members. The internal control systems were weak.

### **2.3.11. Recommendations**

The Government/affiliating universities may consider:

- ensuring the submission of comments to the AICTE/NCTE within the prescribed period so that only the institutions with adequate infrastructure and faculty get recognition;
- re-look at the system of affiliation of the institutes by the universities to ensure adequate teaching faculty, class rooms, laboratory, etc.;
- making provision for regular inspection of PCs by universities/concerned departments;
- maintenance of proper records of receipts by HE and MER Departments;
- ensuring the receipt of bank guarantees of appropriate amount before issuing NOCs; and
- evolving proper system for complaints redressal, submission of returns and compulsory disclosures by PUs/PCs.



**Chapter-3**  
**Compliance Audit**



## CHAPTER 3

### COMPLIANCE AUDIT

#### Animal Husbandry and Dairying Department

##### 3.1 Veterinary infrastructure and its utilisation

**Animal Husbandry and Dairying Department failed to create infrastructure for providing veterinary services despite availability of funds. Modernization project was closed without achieving laid down objectives. 19 mobile diagnostic laboratory vans, after incurring expenditure of ₹ 1.79 crore remained unutilized due to not purchasing diagnostic equipment. Irregularities were noticed in running of Pet Clinic and there was under utilisation of veterinary infrastructure.**

There were 2,798 veterinary institutions in the State, 942 Government Veterinary Hospitals (GVH), 1,813 Government Veterinary Dispensaries (GVD), four Poly Clinics and 39 other institutions, as of March 2015.

During 2011-15, the department had undertaken the work of up-gradation and modernization of veterinary infrastructure including GVH, GVD, Polyclinics and Mobile vans by taking loans from National Bank for Agriculture and Rural Development (NABARD) under Rural Infrastructure Development Fund (RIDF) and; grants under Rashtriya Krishi Vikas Yojna (RKVY). An expenditure of ₹ 50.75 crore was incurred under four schemes<sup>1</sup> against the total project outlay of ₹ 93.86 crore during 2011-15.

The records relating to the period 2011-15 were test-checked in the offices of Director General (DG), Animal Husbandry and Dairying Department (AHD) at Panchkula and eight Deputy Directors (DDs)<sup>2</sup> at district level selected on the basis of expenditure by adopting Probability to Proportionate to size (PPS) without replacement method during January 2015 to April 2015 with the objective to assess efficiency in creation of veterinary infrastructure and its effective utilization.

Major shortcomings noticed during audit are discussed in succeeding paragraphs:

##### **(i) Closure of modernization project under RIDF XVI without achieving objectives**

As per project approved (September 2010) by State Government, 250 GVHs and 300 GVDs were to be modernized by providing furniture and medical equipment of ₹ 20.00 crore<sup>3</sup>, which was to be completed by March 2013.

<sup>1</sup> (i) RIDF-XVI (₹ 7.81 crore);, (ii) RIDF-XVI (2) (₹ 19.05 crore);,(iii) RIDF-XVII (₹12.69 crore and ₹ 9.41 crore); and (iv) RKVY (₹ 1.79 crore)

<sup>2</sup> (i) Bhiwani, (ii) Hisar, (iii) Jhajjar, (iv) Kaithal, (v) Narnaul, (vi) Rewari, (vii) Rohtak and (viii) Sonapat.

<sup>3</sup> Medical equipment: ₹ 5.60 lakh×250 +₹ 0.50lakh×300 = ₹ 15.50 crore; Furniture: ₹ 1.20 lakh×250 + ₹ 0.50 lakh ×300= ₹ 4.50 crore

Scrutiny of records in the office of DG, AHD, showed that the department purchased furniture of ₹ 4.09 crore and Medical equipment for ₹ 3.72 crore during March 2011 to March 2012. As per completion report issued in December 2014, the project had been completed in all respects and no balance work in respect of clinical and diagnostic equipment was pending. However, Audit scrutiny of records showed that necessary equipment and diagnostic tools viz. Refrigerators, Castrators and auto analysers etc. were not purchased. Thus, non procurement of necessary equipment affected the testing and analysis of samples and forfeited the basic purpose of modernization and improvement of GVHs/ GVDs.

The ACS stated (December 2015) that only 17 Auto analysers were purchased instead of required 250 Auto analysers due to higher cost and one instrument was sufficient for use in the entire district because of the high-throughput nature of these instruments. It was further stated that most of the equipment/instruments required for the strengthening of GVHs/GVDs were supplied to these institutions. The reply was not tenable as the scrutiny of the records (December 2015) of DDs, District Disease Diagnostic Lab Kaithal, Hisar and Rohtak showed that the all the three Auto Analysers, were lying unused in the laboratory due to non-supply of supporting instruments like necessary kits, laptop etc. as a result major clinical tests of blood<sup>4</sup> could not be done (December 2015). In Sonapat district, only 35 samples have been analysed during 2014-15 through Auto Analyser, thereafter, no tests were being conducted due to non-availability of testing kits. Test check of nine GVHs and GVDs of these districts showed that the necessary equipment/instruments/furniture items<sup>5</sup> were not supplied to them. Thus, non- procurement of equipment/instruments defeated the basic purpose of modernization and improvement of GVHs/ GVDs even though support from RIDF was available.

## (ii) Incomplete projects under RIDF XVI-2 and RIDF XVII

The State Government approved projects, for ₹ 35.61<sup>6</sup> crore and ₹ 33<sup>7</sup> crore for reconstruction of 79 GVHs, 103 GVDs and construction of two polyclinics in March 2011 and March 2012 respectively. Both the projects were to be completed by March 2014 and March 2015 respectively by taking loan of ₹ 54.25 crore from NABARD, Government of India (GOI) grant of ₹ 11.50 crore and ₹ 2.86 crore from state funds. The work for reconstruction/ construction was executed through Public Works Department (Building & Roads) (PWD (B&R)) and Haryana Police Housing Corporation (HPHC) and funds were allotted between March 2011 and July 2014. Targets and achievements of GVHs, GVDs and Polyclinics are given below in table:

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<sup>4</sup> Calcium, Phosphorus, Magnesium, Zinc and Mineral estimate etc.

<sup>5</sup> Laboratory equipment set, Distillation set, ESR operates, Haemocytometer, Haemoglobinometer, Operation table, Hot air oven, Kidney tray, Enameled trays, Castrators and BP blades and mouth gages etc.

<sup>6</sup> ₹ 35.61 crore= ₹ 10.89 crore (33 GVHs × ₹ 33 lakh each) + ₹ 24.72 crore (103 GVDs × ₹ 24 lakh each)

<sup>7</sup> ₹ 33.00 crore= ₹ 15.18 crore (46 GVHs × ₹ 33 lakh each) + ₹ 17.82 crore (Polyclinics at Jind and Rewari for ₹ 8.91 crore each)

Executing Agency	RIDF- XVI-2								RIDF- XVII							
	Funds allotted (₹ in crore)	Expenditure during 2011-15 (₹ in crore)	Target		Achievement		Balance		Funds allotted (₹ in crore)	Expenditure during 2011-15 (₹ in crore)	Target		Achievement		Balance	
			GVH	GVD	GVH	GVD	GVH	GVD			GVH	PC	GVH	PC	GVH	PC
PWD (B&R)	13.31	12.95	33	10	27	08	6	2	6.00	9.41	-	2	-	2	-	-
HPHC	5.76	8.09	-	25	-	24	-	1	12.69	11.30	44	-	33	-	11	-
<b>Total</b>	<b>19.07</b>	<b>21.04</b>	<b>33</b>	<b>35</b>	<b>27</b>	<b>32</b>	<b>6</b>	<b>3</b>	<b>18.69</b>	<b>20.71</b>	<b>44<sup>8</sup></b>	<b>2</b>	<b>33</b>	<b>2</b>	<b>11</b>	<b>-</b>

Source: - Information supplied by the AHD Department.

(a) Scrutiny of records relating to works under RIDF-XVI-2 showed that reconstruction work was discontinued in 68 GVDs due to non-receipt of ₹ 5.72 crore from GOI. Out of 43 works (33 GVH and 10 GVD) allotted to PWD (B&R), 35 works (27 GVH and 8 GVD) had been completed after incurring an expenditure of ₹ 12.95 crore out of available ₹ 13.31 crore. Construction work in one GVH (Sayana-Narnaul) was under process. Though the tendering process for balance seven works (five GVHs<sup>9</sup> and two GVDs<sup>10</sup>) had been initiated but sufficient funds for these balance works were not available with the executing agency. HPHC had also not taken up work in one GVD<sup>11</sup>. Hence, against the reconstruction of 33 GVHs and 103 GVDs (35 GVDs+68 GVDs) only 27 GVHs (81 per cent) and 32 GVDs (31 per cent) have been reconstructed as of December 2015. As a result the beneficiaries remained deprived of the desired benefits of the scheme.

The ACS stated (December 2015) that due to non-release of Central share amounting to ₹ 5.72 crore, execution of works were delayed/ dropped. However, veterinary health and breeding services to the beneficiaries were being provided through veterinary institutions housed in alternative sites nearby. The reply was not tenable as the GOI did not release the funds due to submission of incomplete utilization certificate (UC). Further, the veterinary services could not be carried out from the dilapidated infrastructure (December 2015).

(b) Scrutiny of records relating to works under RIDF-XVII showed that, out of the total 46 GVHs identified under the project, works of two GVHs<sup>12</sup> were not allotted to any executing agency so far (December 2015). Work of remaining 44 GVHs has been allotted to HPHC of which 33 GVHs had been completed as of December 2015. Out of balance 11 GVHs, works of four GVHs<sup>13</sup> was not taken up, tendering process was initiated in two GVHs<sup>14</sup>, while in five GVHs<sup>15</sup>, the work was under process as of December 2015.

<sup>8</sup> Out of the 46 GVHs, Works of two GVHs<sup>8</sup> were not allotted by the department.

<sup>9</sup> Rewari-GVHs Khijuri, Manethi, Tumna, Usmapur and Jholri

<sup>10</sup> GVDs Kosniwas and Hussainpur of District Rewari

<sup>11</sup> GVD Kumaspur (Sonapat).

<sup>12</sup> GVH Backnor (Ambala) and Dhamtan Sahib (Jind).

<sup>13</sup> GVHs Majra (Fatehabad), Shekhpura (Hisar), Jawahar Nagar (Mahendergarh) and Gokalgarh (Rewari)

<sup>14</sup> GVH Nayagaon (Jhajjar) and Sanghoi (Karnal).

<sup>15</sup> GVH Rudiawas, Nilakheri (Jhajjar), Jant Sayarwas, Kathuwas, Palhawas (Rewari).

The DG, AHD stated (July and September 2015) that due to late-submission of UC (February 2015) by the agency, the next installment could not be released. The ACS stated (December 2015) that out of seven GVHs, the work of four GVHs could not be taken up due to various reasons like land dispute and consent from NABARD for new sites etc. The reply was not tenable as the matter was taken up with the executing agency only during February 2015. Thus, paucity of funds had hampered the work, as complete funds were not released to agency resulted in time overrun reflecting inadequate monitoring by the department, as a result of which beneficiaries remained deprived of the desired benefits of the scheme.

**(iii) Unfruitful expenditure on machinery and equipment under RKVY**

(a) The State Level Sanctioning Committee (SLSC) on the scheme RKVY approved (May 2012) a proposal for purchasing 21 Mobile Veterinary Diagnostic Lab Vans (MVDLVs), one for each district for ₹ 5.25 crore (₹ 25 lakh each) which was revised to ₹ 4.20 crore (May 2012) and further revised to ₹ 2.10 crore (June 2013) with the objective of providing lab test facilities at the door step of the cattle owners. These MVDLVs were supposed to be well equipped with latest diagnostic equipment including Auto Analyzers, Ultrasound machines etc.

During scrutiny of records of DG, AHD it was noticed that an amount of ₹ 2.10 crore was released to department (June 2012). The department purchased 19 MVDLVs in March 2013 for ₹ 1.14 crore (₹ six lakh each) and fabrication of vans was carried out in November 2013 for ₹ 0.45 crore and medical equipment purchased for ₹ 0.20 crore. The vans had been issued (May 2014) to the 19 DDs but these vans were being used in a limited manner and that too only for the purpose of collection of samples of blood, urine, milk and stool etc.

The ACS stated (December 2015) that due to revised proposal by the SLSC (June 2013) from ₹ 5.25 crore to ₹ 2.10 crore the MVDLVs of lower size were purchased after incurring funds of ₹ 1.79 crore and no further demand for funds was sent to RKVY as all the necessary equipment were purchased. Further it was stated that all the MVDLVs have now been equipped with all equipment and was being run with the help of contractual staff. The reply is not tenable as the purchase of 19 MVDLVs of lower size was finalized by High Powered Purchase Committee during February 2013 before the revised proposal by the SLSC (June 2013). Besides, these vans were not fully operational as of December 2015 as the most of the critical equipment<sup>16</sup> were not fitted in the vans due to their lower size. Moreover, Auto Analysers were lying in the district level labs. DDs, District Disease Diagnostic Lab Kaithal, Hisar, Sonapat and Rohtak intimated (December 2015) that no regular drivers and technical staff, were posted for smooth functioning of these vans. Thus, due to non-installing of necessary diagnostic equipment in the vans, non-posting of regular drivers and technical staff, the expenditure of ₹ 1.79 crore was rendered unfruitful and the objective of providing better health care facility at the door step of cattle owners remained unachieved.

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<sup>16</sup> Auto Analyzer, Ultrasound machine, Laptop and Printer.

(b) To impart better health facilities to the livestock population three X-ray machines and two<sup>17</sup> Ultrasound machines were provided between October 2009 to February 2013 in Bhiwani, Sonapat and Rohtak polyclinics/district level diagnostic labs at a cost of ₹ 0.54 crore. During test check it was found that these machines were lying idle for want of Radiographer/Electric Connection. The warranty period of these machines had also expired. Thus, the expenditure of ₹ 0.54 crore on these idle machines was rendered unfruitful.

The ACS stated (December 2015) that these machines have been installed and X-ray machine in Rohtak was being used and newly created posts of Radiographer were under consideration. The reply was not tenable as during physical verification (December 2015) with departmental officers, it was noticed that, X-ray machine in Rohtak was lying idle.

**(iv) Irregularities in running of pet clinic**

The department constructed (August 2009) a multi specialty pet clinic at Panchkula with a cost of ₹ 7.92 crore and handed over the building to a Government pet society for running of pet clinic. At the time of proposal it was decided that once the infrastructure is created, the diagnosis/treatment will be provided by the existing staff available in the department. The pet clinic was to be run on self sustainable basis and specialized services like sniffer dog breeding centre, teaching of vets, pet holiday home etc. were to be provided by outsourcing especially through Pet Society.

Scrutiny of record showed that though the departmental staff was deputed in the pet clinic, it was running in loss necessitating the department to provide grants in aid of ₹ 32.50 lakh in 2011-12. It was further noticed that the society also received rent of approximately ₹ 17 lakh during the period 2011 to 2015 from chemist shop/dog parlor which was not as per the allotment terms. Besides, training of sniffer dogs was not being provided in the pet clinic due to lack of dog trainer and breeding facilities were also not available. Thus the objective of breeding and training of sniffer dogs by providing multi specialty pet facilities on self sustainable basis was not achieved.

The ACS stated (December 2015) that the society is carrying out its activities as per its objectives and bylaws. The reply was not tenable because the pet clinic was not running on self sustainable basis and specialized services like sniffer dog breeding and training centre were not being provided as envisaged in the objectives of the Society.

**(v) Under utilization of veterinary infrastructure**

Against the sanctioned post of 1,023 Veterinary Surgeon (VS) and 3,050 Veterinary Livestock Development Assistant (VLDA) the department had only 825 VS and 2,315 VLDA in the State. Thus there was a shortfall of 19 *per cent* and 24 *per cent*

<sup>17</sup> Sonapat and Bhiwani

respectively. In the test checked districts, Jhajjar (40 per cent), Kaithal (27 per cent) and Sonapat (25 per cent) were facing huge shortage of VSs. Similarly, there was shortage of VLDA in Rewari (41 per cent) and Jhajjar (27 per cent).

The ACS stated (December 2015) that there was shortfall of 23 per cent (VS) and 27 per cent (VLDA) and it was mainly due to retirement/promotion of the incumbent posted in these institutions and that matter for the filling up of posts is under process.

Thus, the Department failed to create infrastructure for providing veterinary services despite availability of funds. Modernization project was closed without achieving laid down objectives. 19 mobile diagnostic laboratory vans, after incurring expenditure of ₹ 1.79 crore remained unutilized due to not purchasing diagnostic equipment. Irregularities were noticed in running of Pet Clinic and veterinary infrastructure was under utilised.

### Archaeology and Museums Department

#### *3.2 Delay in construction of museum and office building and non-achievement of the objective of the department*

**Failure of the department in constructing a museum and office building despite availability of land and funds, defeated the basic objective of having a museum for preservation and public display of antiquities. Besides, department suffered a loss of interest of ₹ 85.65 lakh and paid avoidable rent of ₹ 56.26 lakh.**

The main objective of Archeology and Museums Department is to conduct archeological excavations, protect and conserve ancient and historical monuments, acquisition, chemical preservation and documentation of antiquities and art objects and setting up of museum for displaying ancient objects to create awareness of ancient heritage.

With a view to protect, preserve and display the archeological wealth, by constructing a State level museum alongwith offices, the Director, Archaeology and Museums, Haryana purchased (August 1996) a two acres plot at a cost of ₹ 24.23 lakh in Sector 5, Panchkula from Haryana Urban Development Authority. The State Government accorded administrative approval (March 2001) for ₹ 92.40 lakh for construction of State Archaeological Museum by Haryana Tourism Corporation (HTC). An amount of ₹ 92.40 lakh was deposited (March 2001) with HTC for construction works. Subsequently in April 2003, the Government reconsidered the decision to construct the museum at Panchkula considering its location at the extreme corner of the State and instead decided to set up the State Archaeological Museum at Kurukshetra being an historical place and is also an upcoming tourist attraction. However, the land provided by the Tourism Department at Kurukshetra was reportedly not found suitable for setting up the museum. Thereafter in a meeting held under the Chairmanship of Chief Secretary, Haryana (December 2007), it was again decided to utilise the already purchased plot in Sector 5, Panchkula for construction of the museum. Tenders

for architectural designs of building were invited by the Department in July 2008 and in the meeting held under the chairmanship of Chief Secretary, Haryana (July 2009) it was decided to go ahead with the design submitted by the firm with some modifications. The firm submitted budgetary estimates and modified drawings to the department in March 2010. However, no action was taken upto November 2011, when Principal Secretary, Archaeology and Museums Department submitted a proposal to Chief Secretary for fixing of date and time for approval of estimated cost with modified drawing etc. Chief Secretary opined that the matter may be decided by the Administrative Department. The issue however, remained undecided as of December 2015.

Scrutiny of records (January 2015) of Director, Archaeology and Museums Department showed that amount of ₹ 92.40 lakh given to the HTC in March 2001 was received back in June 2012 after a lapse of more than 11 years. The department in August 2012 asked the HTC for payment of interest on the amount deposited with them as per Government instructions (March 2011), but interest of ₹ 85.65 lakh had not been paid by the HTC so far (August 2015).

The department continued to function from various Government and private buildings from April 2001 to December 2015 and an expenditure of ₹ 56.26<sup>18</sup> lakh was incurred on account of rent of private buildings.

Rule 15.16 of Punjab Financial Rules (PFR) (Volume I) prescribed that physical verification of all stores should be made at least once in a year. The department had about 620 stone sculptures, 17,778 silver, bullions and copper coins and 571 gold, silver, copper ornaments and semi precious stones and these old antiquities and other historical articles have been kept in the store room of these buildings without conducting any regular/periodical physical verification as prescribed in Rule 15.16 of PFR (Volume I). Though, six shifting of the buildings have taken place between April 2001 to December 2015, yet regular annual physical verification of valuable antiquities and historical articles was not being done and many items were lying exposed in the storeroom, susceptible to theft, breakage and deterioration.

Further section 14 of Antiquities and Art Treasures Act, 1972 provides for registration of antiquities to preserve such objects within India for the better appreciation of the cultural heritage of India. Every person who owns controls or is in possession of any antiquity shall register such antiquity before the registration officer. Whenever any person (Section 17) transfers the ownership, control or possession of any antiquity, such person shall intimate the fact of such transfer to the registering officer. It was noticed that the department had issued 5,359 registration certificates for art and antiquities upto June 2015, but there was no system in the department to ensure that the registered antiquities existed with the owner as on date.

<sup>18</sup> SCO 9, Sector 5, Panchkula from 01 April 2001 to 10 June 2002 & 10 September 2005 to 31 March 2014= ₹ 42,29,774+ ₹ 5,73,333= ₹ 48,03,107  
SCO 3, Sector 3, Panchkula from 11 June 2002 to 30 June 2003= ₹ 8,23,333

Thus, failure of the department in constructing a museum and office building despite availability of land and funds, defeated the basic objective of having a museum for preservation and public display of antiquities. Besides, Department suffered a loss of interest of ₹ 85.65 lakh on funds of ₹ 92.40 lakh, which remained blocked for 11 years and also made an avoidable payment on rent of ₹ 56.26 lakh. Further, by not conducting periodic and regular physical verification of items in store as also of registered antique items, there was no assurance of complete and safe custody of these antiquities and historical articles making them vulnerable to loss.

Additional Chief Secretary (ACS), Archeology and Museum department stated (August 2015) that construction of museum and combined office building was delayed due to transfer of museum site (in 2003) to Kurukshetra and again to Panchkula in September 2007 and non approval of drawings and designs of the building which remained under process at various levels of Government and the amount sanctioned for construction of building could not be utilized. ACS further replied that proper physical verification of these articles was not conducted as the post of archeologist remained vacant. Physical verification will be conducted as and when the post is filled up. However the items were verified at the time of handing over and taking over charge at the time of retirement of the official concerned. The facts remains that the museum and office building was not constructed despite availability of land and funds besides, physical verification of antiquities and historical articles was also not conducted. Further, the reply regarding conducting of physical verification at the time of handing over and taking over the charge is not tenable as it cannot be treated as physical verification of antiquities and historical articles.

### Education Department

#### 3.3 Non-recovery of stipend amount from ineligible students

**Education Department had not recovered stipend amounting to ₹ 2.51 crore from ineligible students despite the orders of the Punjab and Haryana High Court.**

The State Government launched (March 2009) a scheme for welfare of school children belonging to Below Poverty Line (BPL) and Backward Classes families. Under the scheme, monthly stipend was to be paid to students of these categories from class 1 to 12 at different rates<sup>19</sup>. However, a huge problem was created by issuance of BPL cards to ineligible persons and the matter went into litigation.

<sup>19</sup>

Name of Class	Rate of stipend per month for Girls (₹)	Rate of stipend per month for Boys (₹)
Class 1 to 5	150	75
Class 6 to 8	200	100
Class 9 to 12	300	150
Class 11-12 (for science students only)	400	200

On issuance of directions by Punjab and Haryana High Court (CWP No. 1581 of 2010) , Joint Director, Rural Development Department (RDD) gave an affidavit before the High Court on 23 November 2011 in which it was assured that directions would be issued to all the Deputy Commissioners to cancel BPL cards of all those who had provided wrong information and to recover the amount involved in the concessions/ facilities availed by them; in cases of non-existent persons, recovery would be made from the concerned officials or persons using BPL card for personal benefits and criminal proceeding would also be launched in such cases. Punjab and Haryana High Court decided the case on 25 November 2011 and directed the State Government for compliance within a period of three months from the date of receipt of copy of the orders and compliance report was to be placed on the record of the case on or before 31 March 2012.

Directorate, Secondary Education (DSE) directed (October 2013) all the District Education Officers to supply the information regarding scholarships given to students belonging to the those BPL category households which were found ineligible during the survey of RDD. Subsequent reminders were issued thereon from time to time during October 2013-March 2014. Scrutiny of records (September 2014) of the DSE and five test checked districts<sup>20</sup> showed that an amount of ₹ 2.51 crore was paid to 7,745 ineligible BPL students as scholarships during 2009-13. However, the Department failed to recover the amount of ₹ 2.51 crore from ineligible students despite lapse of nearly four years.

Thus, lack of action by the department and failure to comply with the orders of the High Court, stipend amounting to ₹ 2.51 crore, in five test checked districts, has remained unrecovered from ineligible students, even after lapse of nearly four years. Though, there was routine procedural compliance in terms of issuing instructions to the DEO's to effect recoveries, the very fact that no recovery has been effected so far, indicates the lack of robust internal control mechanism of the department as a result of which recovery could not be made even after a period of more than four years and despite the direction of High Court.

Director Secondary Education, Haryana stated (September 2015) that all the DEOs had been directed from time to time to make the recovery of stipend from the ineligible students. As regards initiation of criminal proceedings against the officers/officials the department informed that disciplinary action would be taken against the officer/official of the field office who had shown negligence.

The matter was referred to Principal Secretary to Government of Haryana, Education department in July 2015 and further reminder was issued in September 2015. Reply was awaited (January 2016).

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<sup>20</sup> Jind, Kaithal, Panchkula, Bhiwani and Rewari.

**Environment Department  
(Haryana State Pollution Control Board)**

**3.4 Avoidable payment of Income Tax**

**Haryana State Pollution Control Board did not get itself registered as Charitable Institution under Income Tax Act, 1961 and thereby failed to get the benefit of exemption resulting in avoidable payment of ₹ 60.35 crore as Income Tax and interest thereon.**

Section 2(15) of the Income Tax (IT) Act, 1961 specifies 'the preservation of environment' as 'charitable purpose' and Section 10 (23C) (iv) read with Section 12A (the then extant provisions) of the Act provide that any income received by any fund or institution established for charitable purposes, having regard to the objects of the fund or institution and its importance throughout any state is exempted from I.T. provided that the institution has made an application to the I.T. Department for registering the institution as charitable institution.

The State Government constituted (September 1974) Haryana State Pollution Control Board (HSPCB) with the objective of prevention and control of water, air, noise pollution, protection of environment and management of handling of waste etc. But HSPCB did not apply to get itself registered as charitable institution though the State Pollution Control Boards<sup>21</sup> in others States were already registered as charitable institutions.

The HSPCB was not furnishing IT returns along with audit reports to the IT department as prescribed in Section 44 AB, *ibid*. While noticing the above failure of the Board, the Deputy Commissioner, IT, Panchkula issued notices (January 2013) for not furnishing audit reports and for not filing IT returns for the period 2006-07 to 2011-12 and issued demand notices for ₹ 53.02 crore including interest. The amount determined was payable within thirty days, failing which simple interest at the rate of one and half *per cent* for every month was chargeable under Section 220 (2).

HSPCB submitted application for exemption under various sections<sup>22</sup> of the IT Act, 1961 to the concerned authorities i.e. Commissioner and Chief Commissioner of IT, Income Tax Appellate Tribunal (ITAT) and Central Board of Direct Taxes (CBDT) from January 2013 to December 2014, but was not able to get registration/exemption under any of the provisions of the Act *ibid* so far. HSPCB also approached Hon'ble Punjab and Haryana High Court through two civil writ petitions<sup>23</sup>, both of which were disposed of as the appeal was pending

<sup>21</sup> Punjab State Pollution Control Board since 2003; Himachal Pradesh Environment Protection and Pollution Control Board since 1974; Madhya Pradesh State Prevention and Control of Water Pollution Board since 1977 and Gujarat State Pollution Control Board since 2006.

<sup>22</sup> 12A, 10(23C) (iv), 10(46) and under section 119 for condonation of delay.

<sup>23</sup> CWP No. 5694 of 2013 in respect of registration under section 12A decided on 6 March 2014 and CWP No. 6753 of 2014 in respect of registration under section 10(23C)(iv) decided on 18 November 2014.

with the Income Tax Appellate Tribunal (ITAT). Subsequently, the ITAT also rejected the appeal on the ground that under section 12 A, exemption is available only in the assessment year immediately following the financial year in which such application is made.

HSPCB deposited ₹ 8.50 crore in February 2014 on the orders of Hon'ble High Court during pendency of CWP No. 5694 of 2013. Further, IT Department recovered the balance amount i.e. ₹ 44.52 crore along with interest of ₹ 7.33 crore {under Section 220(2)} between February 2014 and April 2014 by attaching bank accounts of the HSPCB.

On being pointed out (December 2014), HSPCB stated (January 2015) that delay in filing the returns and exemption was attributed to non-audit of accounts by statutory auditors. The Chairman, HSPCB further stated (September 2015) that there was no delay on the part of the Board as on receipt of notice from IT Department and after obtaining the PAN Number (October 2012), Board filed the IT returns for the AY 2006-07 to 2011-12 (December 2012) and applied for grant of exemption under section 10(23C)(iv) and registration under section 12 A of IT Act (January 2013). The HSPCB intimated (January 2016) that an appeal against the orders of ITAT has been filed in the Hon'ble Punjab and Haryana High court. The reply was not tenable as HSPCB had not applied in time for seeking registration as Charitable Institution under Section 12A (the then extant provision) despite the fact that Pollution Control Boards of neighbouring States were already enjoying the benefit of such exemption. Non-auditing of accounts by statutory auditors was an excuse to cover their own lapse as the accounts for the year for which returns have been filed, had also not been audited by statutory auditors at the time of filing of returns. The Board had failed to obtain exemption under any of the sections so far (January 2016).

Thus, due to inaction of the Board to get itself registered under section 12A or obtain exemption under section 10(23) (iv) of the Act *ibid*, the Board had to pay avoidable income tax and interest thereon amounting to ₹ 60.35 crore.

The matter was referred to Principal Secretary to Government of Haryana, Environment Department in August 2015 and further reminder issued in September 2015; the reply was awaited (January 2016).

### Food and Supplies Department

#### *3.5 Avoidable payment of interest due to delay in realization of bills from Food corporation of India*

**Food and Supplies Department paid interest of ₹ 15.93 crore due to delay in realization of bills from FCI in eleven districts during 2010-15.**

Provincial Reserve Account Manual of Food and Supplies Department and departmental instructions (April 1999) provided that dispatch documents for the

wheat dispatched to Food Corporation of India (FCI) should reach circle office on the day of dispatch and bills prepared by the circle office should be sent to FCI on the next day so that bills can be realized from FCI within the banking hours of the same day. The bills should be realized from FCI within three days from the dispatch of the wheat. Any delay in realisation from FCI resulted in availing funds from cash credit accounts from State Bank of India and payment of avoidable interest. The instructions had been issued repeatedly year by year regarding prompt realisation of payment from FCI. The issue of delay in realization from FCI was also highlighted by Audit in 2005-06<sup>24</sup> and the Public Accounts Committee (PAC) had directed (May 2009) the department to evolve a method to avoid recurrence of such things in future and the PAC be informed of the same within a period of three months. The department reiterated the directions to realize the amount from FCI within three days of dispatch of wheat but occurrence of the similar instances shows that no system to check/monitor the same was evolved.

During test check of bills of wheat, submitted to FCI for realization, in eleven<sup>25</sup> districts of the Department for the period 2010-15 showed that there were delays in submission of bills to FCI, ranging from one day to 300 days<sup>26</sup> in 2804 cases, which resulted in avoidable loss of interest ₹ 9.63 crore.

Similarly, there was delay in realization of bills from FCI ranging from one day to 165 days in 1395 cases which resulted in avoidable loss of interest of ₹ 6.30 crore. Thus, due to delay in submission of bills to FCI and delay in recovery of bills from FCI, the Department had to suffer a loss of ₹ 15.93 crore<sup>27</sup> on payment of interest.

The Department stated (July 2015) that disciplinary action had been initiated against the defaulting officials in three districts (Sirsa, Sonipat and Kaithal) and District Food and Supplies Controllers, Ambala, Karnal, Kurukshetra, Fatehabad, Faridabad, Jhajjar, Rohtak and Yamunanagar has been directed to send the proposal for chargesheeting the erring official to the head quarter. Reply is not convincing as there was lack of in-built mechanism to monitor timely raising of bills which resulted in the delay in raising bills and consequential loss of interest amounting to ₹ 15.93 crore. As such, there is an urgent need to improve the monitoring system.

The matter was referred to the Additional Chief Secretary, Food and Supply Department in July 2015 and further reminder was issued in August 2015. Reply was awaited (January 2016).

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<sup>24</sup> Para No. 3.4.5.2 of Audit Report (Civil) of Comptroller and Auditor General for the year 2005-06 – Government of Haryana.

<sup>25</sup> (i) Fatehabad, (ii) Sirsa, (iii) Sonipat, (iv) Kaithal, (v) Jhajjar, (vi) Yamunanagar, (vii) Faridabad, (viii) Rohtak, (ix) Karnal, (x) Kurukshetra and (xi) Ambala

<sup>26</sup> After giving margin period of two days.

<sup>27</sup> Delay in submission of bills: ₹ 9.63 crore, Delay in realization of bills: ₹ 6.30 crore

### 3.6 Compliance of terms and conditions of milling agreements for Custom Milled Rice

**Non-conduct of physical verification of stock regularly, allotment of paddy in excess of millers' capacity, non-obtaining of proper guarantee, coupled with lack of appropriate action against defaulting millers facilitated the non-delivery of rice valuing ₹ 115.48 crore by millers. There were also cases of non-recovery of ₹ 24.46 crore from millers on account of short supply of rice, non-recovery of ₹ 2.40 crore on account of value cut and moisture cut from millers and non-adherence of guidelines in number of cases.**

The State Government procures paddy for Central Pool through its five Procuring Agencies<sup>28</sup> (PAs). The paddy is procured at Minimum Support Price (MSP) and is allotted to private rice millers for milling. The paddy is moved directly from mandis to the millers' premises for milling and the resultant rice (67 per cent of paddy), called Custom Milled Rice (CMR) is delivered directly to Food Corporation of India (FCI). A Performance Audit of activities of Custom Milling of Rice in Haryana Agro Industries Corporation Limited and Haryana State Warehousing Corporation has been featured at paragraph 2.2 of the Report of Comptroller and Auditor General of India on Public Sector Undertakings for the year ended on 31 March 2015, Government of Haryana.

The terms and conditions of milling agreements executed by Food and Supplies Department (FSD) with the millers every year during 2010-15, inter alia, provided that:

- rice would be delivered up to 31 March of the next year as per schedule given in the agreements;
- guarantee in shape of Post Dated Cheques (PDCs) of ₹ 25 lakh per MT milling capacity (increased to ₹ 30 lakh for Kharif Marketing Season (KMS) 2012-13 and ₹ 50 lakh from KMS 2013-14) would be obtained from the millers at the time of issue of release orders of paddy;
- security amount of ₹ two lakh for one tonne capacity (increased to ₹ five lakh from KMS 2012-13) and ₹ one lakh for additional one tonne capacity (increased to ₹ two lakh from KMS 2014-15) would be obtained in the shape of FDR pledged in the name of concerned procuring agency.
- every miller would be liable to pay the cost of such short quantity of rice at the rates of CMR fixed by the GOI and penalty at 50 per cent of cost of such rice along with interest at Cash Credit Limit (CCL) pattern.

<sup>28</sup> (i) Food and Supplies Department, (ii) Haryana State Cooperative Supply and Marketing Federation Limited (HAFED), (iii) Haryana State Warehousing Corporation (HSWC), (iv) Haryana Agro Industries Corporation Limited (HAIC) and (v) Haryana State Federation of Consumer's Cooperative Wholesale Stores Limited (CONFED)

During 2010-15, 158.66 lakh MT paddy was procured in the State for Central pool. Of this, 61.93 lakh MT paddy was procured by FSD. With a view to assess whether the work of CMR was carried out efficiently with reference to terms and conditions of agreements with rice millers, the records of FSD and five<sup>29</sup> district offices out of 11 districts involved in CMR operations covering the period 2010-15 were test-checked during the period from April 2014 to December 2014 and from June 2015 to August 2015.

Audit findings are discussed in succeeding paragraphs:

### **3.6.1. Non-delivery of rice by millers**

Twenty three millers of four out of five test-checked districts (excluding Kaithal), to whom 1.24 lakh MT paddy was allotted during KMS 2011-12 to 2013-14, did not deliver rice as per norms (67 per cent of the paddy). The millers were required to deliver 0.83 lakh MT rice to the FCI. It was, however, noticed that only 0.44 lakh MT rice was delivered and 0.39<sup>30</sup> lakh MT rice was not delivered. The shortages for the KMS 2011-12 and 2012-13 came to notice during physical verification conducted in June and September 2013 when the millers did not deliver rice to FCI. In respect of KMS 2013-14, physical verification of rice conducted in November 2014 at the premises of rice millers showed that only 0.08 lakh MT rice was available with the rice millers against the requirement of 0.39 lakh MT rice.

On the request of the Rice millers' Association (June 2015), the State Government decided (September 2015) to levy penalty for KMS 2013-14 at the rate of 10 per cent of the cost rice instead of 50 per cent. As on 30 September 2015, an amount of ₹ 115.48<sup>31</sup> crore was recoverable (*Appendix 3.1*). The Department presented post dated cheques in banks deposited as security by 17 millers for ₹ 11.60 crore out of total 23 millers, but the cheques bounced between April and December 2015. The reasons as to why post dated cheques were not encashed was not on record. However, First Information Reports (FIRs) were lodged with Police Department against ten millers only as of April 2015. The reasons as to why FIRs were not lodged in respect of remaining seven millers was not on record.

Audit noticed that the following lapses on the part of FSD facilitated the non-delivery of rice:

- As per guidelines of the Government issued for each KMS during 2010-15, joint physical verification of paddy stocks was required to be conducted on fortnightly basis. The District Heads of the procurement agencies and the millers were responsible in respect of quantity and quality of paddy stocks found at the time of physical verification. The physical verification reports were to be submitted regularly by the District Head of the Agencies to their

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<sup>29</sup> (i) Fatehabad, (ii) Kaithal, (iii) Karnal, (iv) Kurukshetra and (v) Yamunanagar

<sup>30</sup> 2011-12: 948 MT, 2012-13: 1,610 MT and 2013-14: 36,416 MT

<sup>31</sup> Includes cost of rice plus penalty of fifty per cent (for 2011-13) and 10 per cent (for 2013-14) of cost of rice due to non delivery plus interest at the rate of 11.75 per cent being minimum of the CCL rate prevalent during the period March 2013 to March 2015.

Headquarters. However, it was observed that physical verification was not conducted regularly as required in Kurukshetra and Karnal districts out of the five selected districts. In Kurukshetra, physical verification of the millers was conducted only once or twice during 2011-12 as against requirement of 9 to 25 physical verifications while in Karnal, it was conducted only twice against the requirement of 19 verification during 2013-14. Further, physical verification reports were neither being sent to Directorate nor was the Directorate monitoring the physical verification.

- As per guidelines of the Government for each KMS, in case rice miller fails to deliver the CMR as per the stipulated schedule, the Department was required to shift the Paddy stocks at the risk and cost of the miller concerned after giving him seven days notice for this purpose. It was noticed that the Department had not taken any action to shift the paddy stocks from the premises of all the 23 defaulting millers to some other millers for getting the paddy milled. Even the notices were not issued to millers for shifting of paddy to other millers.
- As per guidelines, the mills having 1 MT per hour milling capacity is allotted 3000 MT paddy (2000 MT upto 2011-12). For every additional 1 MT per hour capacity, 1000 MT extra paddy is allotted subject to a maximum cap of 6000 MT paddy (5000 MT paddy upto 2011-12). Further, mills on lease are not given more than 3000 MT of paddy. The District Milling Committees (DMCs) headed by Deputy Commissioners allot the paddy to millers according to their capacity. Further, the millers having dryers and sortex facilities and having proven track record in terms of timely delivery of rice, adherence to quality norms and better infrastructural facilities can be allotted more paddy by the DMCs subject to prior approval of the concerned head of the procurement agency i.e. Director General, FSD. Of 23 millers, 12 millers were allotted 33,690 MT paddy in excess of norms fixed by the Government as detailed in **Appendix 3.1**. Out of this excess allotment, allotment of 23,444 MT paddy was with the approval of concerned DMCs but approval from Director General, FSD was not obtained. For the balance 10,246 MT, approval was neither obtained from DMCs nor from the Director General, FSD. Thus, the allotment of 33,690 MT paddy was irregular.
- Audit also observed that the guarantee taken in the shape of PDCs did not serve the purpose as in 17, out of 23 cases the PDCs bounced where the millers defaulted in delivering the rice. Further, the Department was not prompt in taking action against the defaulting millers and FIR was lodged against only 10 defaulting millers, while FIR was yet to be lodged against the remaining 13 defaulting millers as of November 2015.

The Director General, FSD stated (November 2015) that the Government had decided to recover the amount of balance CMR from the defaulter rice millers and also to charge sheet the erring officers/officials. It was further stated that directions were issued to District Food and Supplies Controllers (DFSCs) from time to time for conducting physical verification, shifting of paddy/rice to other millers in the

cases where rice millers were not able to deliver rice, initiating criminal proceeding against defaulter rice millers, etc. The fact remains that the control mechanism of the Directorate was not adequate and the existing system with its deficiencies did not safeguard the interest of the Government.

### **3.6.2. Non-recovery from the millers**

Five rice millers in three<sup>32</sup> out of five selected districts were allotted 27151 MT paddy during 2013-14 for milling against which 18191 MT of CMR was due to be delivered to FCI up to the extended period of 30 September 2014. However, only 9787 MT of CMR was delivered and 8403 MT of CMR valuing ₹ 19.90 crore was due from the millers (July 2015). Physical verification reports showed that paddy/rice<sup>33</sup> was lying in the premises of the millers. The department had not taken any action to shift the paddy/rice from the premises of the millers. It was further noticed that out of these five defaulting millers, four<sup>34</sup> millers were allotted paddy in excess ranging between 410 MT and 2,977 MT of their entitlement. Total recovery along with penalty and interest worked out to ₹ 24.46 crore. However, neither this amount had been recovered from the millers nor any action regarding encashment of post dated cheques (PDCs) or lodging FIRs had been taken against the defaulting millers except in two<sup>35</sup> cases in which PDCs bounced and FIR against one<sup>36</sup> miller was lodged (November 2015).

The Director General, FSD stated (November 2015) that the concerned DFSCs were being directed to explain the position in this regard.

### **3.6.3. Non-recovery of amount of value cut and moisture cut from millers**

GOI while conveying (April 2014) the provisional rates of CMR for the years 2013-14 to State Government imposed a value cut<sup>37</sup> at the rate of one *per cent* of the cost of the rice delivered to FCI. Similarly, any moisture cut<sup>38</sup> made by FCI from the bills of the department, was also to be recovered from the millers. It was however, noticed that in two districts (Karnal and Kurukshetra) an amount of ₹ 2.40 crore was recoverable from 47 millers on account of value cut and moisture cut. But the amount had not been recovered (November 2015) despite the completion of KMS 2013-14 by September 2014. Besides, the Department had not prepared the milling account of these millers even after a lapse of more than 12 month of completion of KMS 2013-14.

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<sup>32</sup> (i) Kurukshetra, (ii) Karnal and (iii) Kaithal

<sup>33</sup> 1,492 MT paddy and 7,266 MT rice

<sup>34</sup> (i) M/s Divya Food Karnal, (ii) M/s Moti Ram Sunil Kumar Assandh, (iii) M/s Jaharvir Rana Rice Mill Jhansa and (iv) M/s Shri Ganesh Rice and General Mills Cheeka

<sup>35</sup> (i) M/s Divya Food Karnal and (ii) M/s Moti Ram Sunil Kumar Assandh

<sup>36</sup> M/s Jaharvir Rana Rice Mill Jhansa

<sup>37</sup> If due to some reasons, GOI relaxed the specifications of the rice to be procured under central pool it may impose a value cut in the value of CMR commensurate with the specifications relaxed, which was to be recovered from the millers.

<sup>38</sup> Moisture cut is imposed if the moisture content is more than 14 *per cent* in the CMR.

The Director General, FSD stated (November 2015) that the concerned DFSCs were being directed to explain the position in this regard.

#### **3.6.4. Non-adherence of guidelines**

(i) Guidelines for the purchase of paddy issued by the FSD every year provide that millers doing custom milling paddy shall execute an agreement with the concerned State Government Agencies (SGAs) in the prescribed proforma. Audit observed that during 2014-15, paddy was allotted to 6 millers without executing any agreements with millers in Karnal district.

(ii) Guidelines for the purchase of paddy issued by the FSD every year provide that security amount of ₹ 5 lakh for one tonne capacity and ₹ 2 lakh for additional per tonne capacity would be obtained from the millers. The security should be in the shape of Fixed Deposit Receipts (FDR) pledged in the name of concerned procurement agency and should be valid till final execution of agreement. Audit observed that security amount of ₹ 1.50 crore from 16<sup>39</sup> millers was not obtained during 2014-15.

(iii) As per guidelines, each miller was required to prepare in triplicate a pictorial chart/sketch depicting the positioning of the stacks, stack number with the number of bags in each stack. A copy of the chart was to be kept in mill premises while second copy was to be kept by the Inspector Incharge and the third copy was to be kept in the District Office. Audit observed that pictorial chart/sketch was not submitted by any of the millers in test-checked districts. Further, the physical verification proforma prescribed in the guidelines did not contain any column regarding variety and health of paddy/CMR. As a result of this, the chances of exchange of good quality paddy with that of lower quality cannot be ruled out.

The Director General, FSD stated (November 2015) that the concerned DFSCs were being directed to explain the position in this regard.

Thus, non-conducting of physical verification of stock regularly, allotment of paddy in excess of millers' capacity, non-obtaining of proper guarantee in the shape of FDR/ bank guarantee for the milling of paddy, coupled with lack of appropriate action against defaulting millers facilitated non-delivery of rice valuing ₹ 115.48 crore. There were also cases of non-recovery of ₹ 24.46 crore from millers on account of short supply of rice, non-recovery of ₹ 2.40 crore on account of value cut and moisture cut from millers and non-adherence of guidelines in a number of cases.

The matter was referred to the Additional Chief Secretary to Government of Haryana, Food and Supplies Department in September 2015, reply had not been received (January 2016).

<sup>39</sup> One case of Kurukshetra and 15 cases of Karnal

## Forest Department

### 3.7 Excess payment to the land owner and non-deduction of Income Tax

**Divisional Forest Officer, Morni-Pinjore paid excess damages of ₹ 1.36 crore for trees. Besides, Income Tax of ₹ 0.90 crore on interest payment was also not deducted.**

Section 23 (1) of Land Acquisition Act, 1894 (LA Act), *inter alia*, provided that apart from market value of land, damages sustained by land owners on account of loss of standing crops and trees was also payable as part of compensation. Further, as per section 23 (1-A) and section 23 (2) an additional amount of 12 *per cent* per annum was payable from date of the publication of notification to the date of the award alongwith 30 *per cent* solatium on the market value of land. Further, section 194A of the Income Tax (IT) Act 1961 prescribe that while making payment of interest, the person/authority responsible for making the payment should deduct the tax at source (TDS) at the stipulated rates.

Forest Department acquired (August 1984) land measuring 1675.43 *acre* and 1526.10 *acre* of villages Asrewali and Nadlan in Panchkula district, respectively under LA Act for the purpose of forest plantation and soil conservation measures. The Land Acquisition Collector (LAC) awarded (August 1984) compensation by determining the value of land at ₹ 640 per *acre* but the claims in respect of trees were rejected on the ground that the land owner, whose land has been acquired, had cut and removed all the trees before handing over the possession. Dissatisfied with the said award, the land owner filed an appeal under section 18 of the LA Act for the enhancement of compensation amount. The Additional District Judge, Ambala enhanced (December 1991) the value of land from ₹ 640 per *acre* to ₹ 730 per *acre* but disallowed damages on account of trees. The land owner filed appeal in the Hon'ble High Court of Punjab and Haryana for the enhancement of compensation for the value of land as well as for damages for loss on account of trees in respect of both villages. The Hon'ble High Court increased (October 2012) the value of land to ₹ 1520 per *acre* with interest, solatium and additional amount as provided in statute as regards the valuation of land. The damage on account of trees in the appeal for both the villages was fixed at ₹ 16.50 lakh each alongwith interest as provided under section 28 of the LA Act.

Scrutiny of the records (May 2015) of the office of Divisional Forest Officer (DFO), Morni-Pinjore showed that solatium at the rate of 30 *per cent* and additional amount of 12 *per cent* was also paid by the department (May 2014) on the value of trees in contravention of provisions of the LA Act and orders of the Hon'ble High Court of Punjab and Haryana. As a result, an excess payment of ₹ 1.36 crore had been made to the land owner on account of solatium and additional amount on compensation for trees and interest there upon.

It was further observed that in contravention of the provisions of the IT Act 1961, the department released (May 2014) a total amount of ₹ 5.52 crore to the land owner without deducting the TDS amounting to ₹ 90.28 lakh on the interest payments of ₹ 4.51 crore on the plea that the land owner had given undertaking

regarding depositing the IT himself, which was against the provisions of the IT Act and an undue favour to the land owner.

Principal Secretary to Government of Haryana, Forest Department stated (December 2015) that the payment has been made in accordance with the decision of the Hon'ble High Court. Further, the TDS was not deducted as the landowner had given an undertaking that he would deposit the income tax payable himself and an amount of ₹ 71.50 lakh<sup>40</sup> had been deposited by him confirmation of which was awaited from IT Department. The reply is not tenable as the Hon'ble High Court had allowed interest under section 28 of the LA Act only on the value of trees; and solatium, additional amount and interest on the value of land only as provided in the statute. Further, the amount shown so deposited by the landowner was not only less than the amount of due TDS but also deposited late with the IT Authority. Besides, verification of tax deposit by land owner was still awaited (December 2015) from the IT Authority.

Thus, due to payment of solatium and additional amount on compensation for trees and interest thereon in contravention of provisions of the LA Act and orders of the Hon'ble High Court of Punjab and Haryana an excess payment of ₹ 1.36 crore had been made to the land owner. Besides, non-deduction of TDS from the interest payments was tantamount to undue favour to the land owner.

### 3.8 Unfruitful expenditure on Plant Tissue Culture Unit

**Expenditure of ₹ 87.65 lakh incurred on Plant Tissue Culture Unit at Kurukshetra was rendered unfruitful due to non-availability of hardening chamber and non-deployment of competent staff.**

Tissue culture is a method of propagation of lesser known tree species or rare, endangered and threatened species which do not propagate naturally or the natural propagation is insufficient. The proposal for establishment of a plant tissue culture unit (TCU) in the department was made as one of the provisions in the "Integrated Natural Resource Management and Poverty Reduction" project.

Forest Department, Haryana entered into a Memorandum of Understanding (MOU) (March 2008) for setting up a modern TCU with Council of Scientific and Industrial Research (CSIR) through its constituent Institute namely the Institute of Himalayan Bio Resource Technology (IHBT), Palampur, Himachal Pradesh which *inter alia* provided that laboratory should be made operational within 24 months after the completion of building work including joint procurement of equipments and supplying/developing tissue culture protocol for tree species like Bamboos, Eucalyptus, Aloe Vera and other medicinal plants etc. As per MOU, IHBT had to send trained manpower to setup the laboratory at Kurukshetra and make it functional as well as train sufficient manpower required to run the TCU successfully.

Scrutiny of records of Divisional Forest Officer, Research Division, Pinjore showed that the civil work to setup plant tissue culture laboratory was completed in November 2009 and the TCU was made functional by December 2011.

<sup>40</sup> ₹ 71.50 lakh = ₹ 36.47 lakh (September 2014) + ₹ 35.03 lakh (December 2014).

Training in tissue culture procedure was given to five personnel (Forest Guards) in November 2010 by the IHBT but the Forest Department did not engage the professional expert from the IHBT on the plea of very high salary proposed by them. Rather, a Research Scholar pursuing doctorate of Philosophy in Tissue Culture from Kurukshetra University was hired (@ ₹ 18,000/- per month) on contractual basis to look after the unit for the period August 2012 to June 2013 and thereafter no other qualified officer had been deputed in TCU so far (December 2015). Currently, only one forest guard who got the training from IHBT in tissue culture was being deployed in the unit.

Audit observed that the TCU was lacking in terms of availability of a hardening chamber which was an important constituent for transferring of plantlets from culture vessel to a green house or field; provision of which was not made in MOU as it was thought that TCU would be self sufficient for developing the protocols. This shortcoming was highlighted to the higher authorities by Research Wing (June 2013); however the department had failed to establish/provide the hardening chamber<sup>41</sup> as of January 2016.

The department decided (May 2012) to take up 10 species<sup>42</sup> for tissue culture but was not able to develop any tissue culture protocol except of *Corymbia* (September 2015). The Principal Secretary to Government of Haryana, Forests Department intimated (December 2015) that the development of tissue culture protocol of any species is a research activity and it may take years to develop a protocol for any species. Further, the Principal Chief Conservator of Forests intimated (January 2016) that the provision of construction of hardening chamber had been proposed in the current financial year and would be constructed soon. Besides, the trained forest guard is maintaining TCU by multiplying plant cultures under supervision of Divisional Forest Officer/Conservator of Forests (Research). The reply was not tenable as the department failed to provide the hardening chamber and trained tissue culture expert even after a lapse of more than two years. Further, the plea of the department that the forest guard was maintaining the TCU was not acceptable as a professional expert from IHBT was required for this purpose.

Thus, due to non-availability of hardening chamber and non-deployment of competent staff, the expenditure of ₹ 87.65 lakh<sup>43</sup> incurred upto March 2015 was not only rendered unfruitful but also forfeited the very purpose for which the unit was established.

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<sup>41</sup> As per departmental data, estimated cost of hardening chamber: ₹ 7.50 lakh

<sup>42</sup> *Euclyptus*, *Dalbergia sissoo*, Bamboos, *Salvadora oleoids*, *Salvadora persica*, *Anogeissus latifolia*, *Anogeissus pendula*, *Tecomella undulate*, *Boswellia serrata* and *Adina cordifolia*.

<sup>43</sup> (i) Consultancy charges to IHBT : ₹ 7.85 lakh, (ii) Purchase of equipments, chemicals, air-conditioners etc.: ₹ 26.47 lakh, (iii) Construction of building : ₹ 26.50 lakh, (iv) Electricity connection : ₹ six lakh and (v) Operational costs : ₹ 20.83 lakh.

**Health Department  
(Red Cross Societies)**

**3.9 Utilization of funds by Red Cross Societies**

**District Red Cross Societies (DRCS) had spent ₹ 18.38 crore on pay and allowances and only ₹ 6.63 crore on its main aims and objectives. An expenditure of ₹ two crore was incurred on the activities not covered under its objectives. There were cases of embezzlement, non-imparting of training to handicapped persons, non-levy of penalty on the supplier, non-approval of constitution and uniform service rules of DRCS.**

The Indian Red Cross Society (IRCS) was constituted under the Indian Red Cross Society Act, 1920 for the purpose of aid to the sick and wounded members of the Armed Forces and other purposes of a like nature during war and also for continuation in peace time, maternity and child welfare; nursing and ambulance work; relief for the mitigation of suffering caused by epidemics, earthquakes, famines, floods and other disasters etc. Haryana State Branch of the IRCS came into existence in June 1971. There are 21 District Red Cross Societies (DRCSs) in the State.

With a view to ascertain whether the funds of the societies were utilized according to its aims and objectives, records for the period 2010-15 in the office of Red Cross Society Haryana (RCH) and five<sup>44</sup> out of 21 DRCSs were test checked under Section 20 (1) of CAG's DPC Act, 1971. Against the income of ₹ 54.79 crore, an expenditure of ₹ 49.82 crore was incurred in the test checked units during 2010-15.

During audit the following irregularities were noticed:

**(i) Non preparation of budget estimates.**

Audit scrutiny showed that Budget Estimates (BE) were not prepared by two DRCSs, Bhiwani and Fatehabad during the audit period 2010-15, DRCS, Sirsa for the year 2011-15, DRCSs, Gurgaon and Kurukshetra for the year of 2012-13 and 2014-15 respectively, reasons for which were not available on record. Non preparation of BE indicated lack of financial control over the expenditure by DRCSs.

On being pointed out in the audit, DRCSs, Fatehabad and Kurukshetra stated (September 2015) that budgets for these years had now been approved in the Executive Committee (EC) meeting of DRCSs. No reply from DRCSs, Sirsa and Gurgaon has been received (December 2015).

<sup>44</sup> Sirsa, Kurukshetra, Bhiwani, Fatehabad and Gurgaon.

**(ii) Irregular expenditure**

(a) Section 20 (1) of Constitution of DRCS provides that all the appointments in the district branch shall be made by President and the cases would be laid before the EC for confirmation.

Audit observed that the appointments of 90 employees<sup>45</sup> in five test checked districts were made without following the procedure as laid down in the constitution of the DRCSs. Societies incurred an expenditure of ₹ 12.29 crore on account of pay and allowances to 90 employees during 2010-15 without following the procedure. DRCS, Fatehabad stated (September 2015) that approval of EC on all the appointments has now been taken. Remaining four DRCSs have assured to get the matter approved from EC in the next meeting. However, no approval has yet been given by the EC (December 2015).

(b) DRCSs have to incur the major expenditure to achieve the objective mentioned in First Schedule section 7 under the Indian Red Cross Society Act, 1920. Scrutiny of records of five DRCSs showed that an expenditure of ₹ 29.52 crore was incurred by these DRCSs during 2010-15. Audit observed that these DRCSs incurred an expenditure of ₹ 18.38 crore (62 per cent) on salaries and only an expenditure of ₹ 6.63 crore (22 per cent) was incurred on aims and objectives by these DRCSs. Out of ₹ 18.38 Crore, DRCSs had incurred irregular expenditure of ₹ 1.50 crore<sup>46</sup> on pay and allowances of the staff working in other departments<sup>47</sup>. Besides, expenditure of ₹ 0.24 crore was also incurred in Sirsa District on vehicles and machinery deployed for other departments. On being pointed out, the Secretary DRCS, Fatehabad stated (September 2015) that out of ₹ 18.40 lakh an amount of ₹14.14 lakh had been recouped. No recovery has been made by other DRCSs as of December 2015.

(c) Scrutiny of records of selected DRCSs showed that Societies had incurred expenditure of ₹ 27.39 lakh on financial aid to the poor persons, private and Government institutions etc., on Diwali and National day celebrations which was not covered under the objectives of the IRCS Act, 1920. Further, State Government was directed (April 2010) by the High Court to stop such payments. The RCH forwarded (November 2010) court instructions to all the presidents of DRCSs to stop such payments.

It was further observed that an expenditure of ₹ 26.34 lakh out of ₹ 27.39 lakh was incurred on these activities even after the directions (April 2010) of the High Court.

The Secretary, DRCS Bhiwani stated (March 2015) that the society has now stopped the practice of distribution of aid to poor. The fact, however, remained

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<sup>45</sup> Employed for official Staff and for various projects such as Family Counseling Centre, District Rehabilitation Centre, etc.

<sup>46</sup> Sirsa: ₹ 0.16 crore, Kurukshetra: ₹ 0.48 crore, Gurgaon: ₹ 0.68 crore and Fatehabad: ₹ 0.18 crore = ₹ 1.50 crore.

<sup>47</sup> Tehsil office, Municipal Council, Civil Surgeon, DC office, Census Department etc.

that expenditure was incurred in contravention of provisions of IRCS Act, 1920 and no action had been taken against the officers at fault.

**(iii) Training to the handicapped persons**

Social Justice and Empowerment (SJE) Department framed a policy (August 2009) to rehabilitate 128 blind persons who were employed for canning of chairs by posting them as Master Trainers (MTs) in DRCSs as use of cane chairs had decreased significantly. They were required to undergo three months compulsory training in making of chalk, disposable articles, candles, dusters etc. after which they were required to give further training to handicapped persons in different training centers to be opened by SJE department.

The SJE department had released grants to respective DRCSs for payment of salaries to MTs. Accordingly salaries amounting to ₹ 6.69 crore<sup>48</sup> was paid from December 2009 to March 2014. It was however noticed that the three months compulsory training was not imparted to the MTs in 17 districts (except four DRCSs<sup>49</sup>) due to non availability of suitable training centres. Also an amount of ₹ 4.20 lakh was released in January 2010 to DRCSs for purchase of tools and machines for training purposes. However, no purchase has been made so far (December 2015). The RCH stated (January 2015) that they had considered the issue of training seriously and has fixed training schedule for training of 105 Blind MTs from February to November 2015. However, no training centre has been opened so far (December 2015).

Thus, the objective of rehabilitation of MTs and of enabling the handicapped persons for self employment was not achieved even after incurring an expenditure of ₹ 6.69 crore and necessary tools and machinery are yet to be purchased.

**(iv) Suspected Embezzlement**

The Punjab Financial Rules (Volume-I) (Rule 2.2 and 2.7), as applicable to the Haryana Government and also to Red Cross Societies, require a Drawing and Disbursing Officer (DDO) to satisfy himself that all the monetary transactions are entered in the Cash Book as soon as they occur and the same are attested by him. In case, an employee, who is not in-charge of the cash book, receives money on behalf of the Government, he is required to remit the same to the employee having a Cash Book or deposit the amount into the treasury/bank on the same day or in the morning of next day. The head of the office is also required to verify all the entries including totals in the cash book or have this done by some responsible official other than the writer of the Cash book and initial all entries as correct.

Scrutiny of record of DRCS, Bhiwani showed that an amount of ₹ 66,850 was collected between April and August 2011 as receipt by the DRCS, Bhiwani on

<sup>48</sup> December 2009 to March 2012, ₹ 3.73 crore, 2012-13 ₹ 1.25 crore and 2013-14 ₹ 1.71 crore Total ₹ 6.69 crore.

<sup>49</sup> Kurukshetra, Panchkula, Hisar and Palwal.

account of ambulance van charges. The amount was entered<sup>50</sup> in the cash book and shown as deposited in the bank. Scrutiny of cash book and Bank Statement however, showed that the amount was not deposited in the bank. It was also not ensured by the DDO, that the entire money collected was deposited in the Bank. This amount was not even reflected in the bank reconciliation statement prepared by the chartered accountant who had finalized the account of the society. This was tantamount to embezzlement of ₹ 66,850.

The Secretary, DRCS Bhiwani stated (June and September 2015) that amount of ₹ 93,410 (embezzlement of ₹ 66,850 and interest of ₹ 26,560) had been deposited in bank in June 2015. Thus, non verification of monetary transactions in cash book by DDOs and non checking of entries in the cash book other than the writer of the cash book facilitated the embezzlement.

**(v) *Non approval of Constitution and uniform Service Rules***

RCH circulated (January 2006) draft Constitution and uniform Service Rules for all branches of DRCSs in Haryana for their comments so that it could be approved in the meeting of Management committee to be held on 17 January 2006. It was noticed that three out of five DRCSs (Fatehabad, Bhiwani and Gurgaon) neither adopted the Constitution nor have any service rules duly approved by the competent authority. Three DRCSs (Sirsa, Fatehabad and Gurgaon) had stated that they had followed Haryana Government rules in the absence of its own approved service rules. The Secretary RCH stated (September 2015) that the rules have not been approved by DRCSs.

**(vi) *Undue favour and non levy of penalty***

Four supply orders for First Aid Boxes were issued between December 2011 and October 2013, with a request to complete the supply within one month from the date of the supply order failing which penalty at the rate of one *per cent* per day of total cost of material was to be imposed. Though, the firm had supplied the First-Aid-Boxes with a delay ranging between 48 to 174 days, yet payment of ₹ 9.25 lakh was made against these supply orders without levying any penalty. It was also noticed that samples of the supplied items had also failed.

The Secretary, RCH stated (September 2015) that the condition of levying the penalty at one *per cent* was mentioned by them in some supply orders whereas in tender form no such condition was given. The reply is not convincing as the condition of penalty was mentioned in the supply orders and therefore penalty was to be levied on such cases where there were inordinate delays in supply.

Thus, District Red Cross Societies had spent ₹ 18.38 crore on pay and allowances and only ₹ 6.63 crore on its main aims and objectives. An expenditure of ₹ two crore was incurred on the activities not covered under its objectives. There were cases of embezzlement, non-imparting of training to handicapped persons, non-

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<sup>50</sup> ₹ 15,400 on 21 April 2011, ₹ 15,190 on 14 June 2011 and ₹ 36,260 on 04 August 2011.

levy on penalty on the supplier, non-approval of constitution and uniform service rules of DRCS.

The matter was referred to the Additional Chief Secretary to Government of Haryana, Health Department in August 2015 and further reminder was issued in September 2015. Reply was awaited (January 2016).

### Higher and Technical Education Departments

**(Guru Jambheshwar University, Hisar and Kurukshetra University, Kurukshetra)**

#### 3.10 Avoidable payment of Service Tax

**Guru Jambheshwar University, Hisar and Kurukshetra University, Kurukshetra made avoidable payment of Service Tax of ₹ 1.98 crore on the services which were exempted by Government of India.**

Government of India (GOI), Ministry of Finance, Department of Revenue, exempted (June 2012) payment of service tax on the services provided to or by an educational institution in respect of education by way of auxiliary education services (AES)<sup>51</sup>. Central Board of Excise and Customs further clarified in September 2013 that all the services relating to education are exempted from service tax. The notification was further amended in July 2014 and the concept of AES was omitted and exemption of service tax was available to an educational institution on the services provided (a) by an educational institution to its students, faculty and staff (b) to an educational institution, by way of transportation of students, faculty and staff, catering including any mid-day meals scheme sponsored by the Government, security or cleaning or house-keeping services performed in such educational institution and services relating to admission to, or conduct of examination by, such institution" security, housekeeping, catering and cleaning, etc.

Scrutiny of the records (May-June 2015) of Guru Jambheshwar University (GJU), Hisar showed that the GJU had deployed security staff and security supervisors through a service provider (SP)<sup>52</sup> and the agency was paid an amount of ₹ 31.39 lakh as service tax during the period January 2013 to June 2014 in contravention of the instructions *ibid*. Further manpower was deployed (September 2012) through another SP<sup>53</sup> for maintenance works (Civil, Electrical, PHE and

<sup>51</sup> Auxiliary educational services means any services relating to imparting any skill, knowledge, education or development of course content or any other knowledge-enhancement activity, whether for the students or the faculty, or any other services which educational institutions ordinarily carry out themselves but may obtain as outsourced services from any other person.

<sup>52</sup> Haryana Ex-Service League.

<sup>53</sup> M/s Narwal Super Security, Panipat.

Horticulture) in the GJU and an amount of ₹ 56.53<sup>54</sup> lakh had been paid to the Service Tax department and the SP from October 2012 to April 2015 on account of service tax in lieu of supply of manpower taken for maintenance services which comes under housekeeping works. Thus, GJU had made an avoidable payment of Service Tax amounting to ₹ 87.92 lakh.

The Principal Secretary, Technical Education Department stated (November 2015) that the matter had been taken up with the Service Tax department for refund of service tax and audit would be appraised about the final outcome of the case.

(b) Scrutiny of the records (January 2015) of Kurukshetra University, Kurukshetra (KUK) showed that KUK had deployed staff as Malis, Sweeper, Waiter, Cook for housekeeping and security staff through three SPs and an amount of ₹ 1.10<sup>55</sup> crore was paid as service tax to the SPs during the period July 2012 to March 2014 in contravention of the instructions *ibid*. The Additional Chief Secretary, Higher Education Department stated (November 2015) that the matter regarding refund of service tax would be taken up with the concerned authority in consultation with the Chartered Accountant engaged by the University.

Thus, GJU and KUK made avoidable payments of service tax amounting to ₹ 1.98 crore on account of service tax to the SPs which could have been avoided, had the notifications issued by Government been properly examined/implemented.

## Home Department

### 3.11 Crime and Criminal Tracking Network and Systems

**Crime and Criminal Tracking Network and Systems project has not been completed even after a lapse of three years. The department failed to provide hardware to investigating officers, training to police personnel, digitise/migrate the legacy data, application software and network services among police stations, higher offices and National Crime Record Bureau for sharing real time information. Department also failed to provide citizen centric services to improve police functioning in maintaining law and order.**

Government of India (GOI), Ministry of Home Affairs (MHA) has conceptualized Crime and Criminal Tracking Network and Systems (CCTNS) as a “Mission Mode Project” under National e-Governance Plan in 2009 with a view to modernize the police force by enhancing outcomes in the areas of crime investigation and criminal detection, information gathering and its dissemination among various police organizations and units across the country and in enhancing

<sup>54</sup> ₹ 14,13,440 to service provider, ₹ 42,39,625 service tax deposited directly by University to Service Tax Department.

<sup>55</sup> ₹ 32,45,647 to M/s HESL Security Personnel, Kurukshetra, ₹ 72,67,853 to M/s Keshav Security Service Pvt. Ltd., New Delhi and ₹ 5,02,694 to M/s XEAM Ventures Pvt. Ltd.

citizen services by creating a nationwide networked infrastructure for evolution of IT-enabled tracking system. The Haryana CCTNS project was to be implemented from 2009 to 2012 in two phases, covering 40 Police stations (PSs) in phase-I and remaining 233 PSs and 152 higher offices in phase-II. Records of Director General of Police (DGP) and 20 out of 40 PSs covered under phase-I in three Districts<sup>56</sup> were scrutinized during December 2014 to February 2015. Against the project cost of ₹ 58.94 crore, grant of ₹ 22.40 crore (₹ 10.75 crore from GOI and ₹ 11.65 crore from State Government) was released and an expenditure of ₹ 10.99 crore was incurred (19 per cent of total project cost), leaving a balance of ₹ 11.41 crore during 2009-15. Following major irregularities were noticed during audit:

(a) **Pre-implementation activities**

State Government was required to engage a firm as State Project Management Consultant (SPMC) to provide support for the implementation of the project. M/s Pricewater House Coopers Pvt. Ltd. Gurgaon was appointed as SPMC through open bidding process at a total cost of ₹ 43.85 lakh on 14<sup>th</sup> May 2010. The consultant firm was required to adhere to the milestone timelines as per Request for Proposal (RFP). The timelines and actual dates on which these deliverables were approved by MHA/State Government are given below in the table:

Sr. No.	Deliverable	Timelines as per RFP/ Agreement	Actual date of submission	Delay in submission by SPMC	Date on which approval was conveyed by MHA/NCRB/State	Delay in weeks
1.	Detailed Assessment Report	T <sup>57</sup> +4 weeks	30 July 2010	7 week	29 December 2010	22 week
	Functional Requirement Specifications and Data Migration Report	T+6 weeks	30 July 2010	5 week	29 December 2010	22 week
	Infrastructure Requirements	T+6 weeks	30 July 2010	5 week	29 December 2010	22 week
	Process Re-engineering Report, M&E Framework, CB & CM Report and Drafting Government orders	T+6 weeks	30 July 2010	5 week	29 December 2010	22 week
	Project Implementation Requirements	T+8 weeks	30 July 2010	3 week	29 December 2010	22 week
2.	Project Implementation and Monitoring (PIM) Plan	T+10 weeks	20 September 2010	8 week	29 December 2010	22 week
3.	Request for Proposal (RFP) for System Integrator	T+12 weeks	08 January 2011	NIL <sup>58</sup>	14 January 2011	1 week
4.	Bid Evaluation Report	T+20 weeks	26 August 2011	47 week	30 September 2011	5 week

(Source: Report submitted by SPMC)

It was observed that above reports were submitted by SPMC after a delay period ranging between three and 47 weeks (except Sr. No. 3 of above) and approved by MHA/State Government after delay periods ranging between one week and 22 weeks, which resulted in overall delay in implementation of the project. Due to delay in submission of deliverables the agency was liable to pay penalty of ₹ 3.51 lakh as per clause 5.9 of RFP, which was not levied. The DGP stated (March 2015) that deliverables, were dependent on the Model RFP to be shared by NCRB, MHA, GOI. The reply is not tenable as delay was calculated after receipt of Model RFP and actual date of submission of reports by SPMC.

<sup>56</sup> Panchkula, Ambala and Gurgaon where pilot phase (Phase-1) was implemented on 01 January 2015.

<sup>57</sup> T= Date of Agreement (14 May 2010).

<sup>58</sup> Model Request for proposal received from NCRB on 27 October 2010.

**(b) Implementation of project**

The central feature of CCTNS implementation at the State level is the “bundling of services” concept. According to Guidelines, State of Haryana was to select one System Integrator (SI) to provide mainly Site preparation and Hardware (supply and installation), Capacity Building, Digitization/Migration of historical data, Application Software (customization and enhancement). M/s Hewlett Packard India Sales Ltd. (M/s HP) was selected as SI by High Power Purchase Committee of the State on the basis of technical and commercial score in June 2011 at a project cost of ₹ 53 crore. First phase of project was implemented in all 40 PSs and remaining 233 PSs and 152 higher offices were required to be covered in phase-II which was yet to be started.

**Broad milestone of project and actual date of completion is as under:**

Sr. No.	Activities	Agreement / SLA date	Due date of completion	Revised date of completion	Actual date of completion	
1.	Site Survey	Phase-I	T <sup>59</sup> + 10 weeks	10 December 2011	10 December 2011	10 September 2012
		Phase-II	T+10 weeks	10 December 2011	10 December 2011	February 2014
2.	Site preparation and Hardware Installation.	Phase-I	Three months after taking over of sites	January 2013	January 2013	January 2013
		Phase-II		01 July 2014 to 07 February 2015	01 July 2014 to 07 February 2015	Under progress
3	Capacity Building		T1 <sup>60</sup> + 44 weeks	02 November 2012	26 October 2014	Under progress
4.	Data Digitization/Migration		T1+14 weeks	06 April 2012	30 March 2014	Under progress
5.	Application Software	CAS (State)	T1+ five months	28 May 2012	21 May 2014	01 January 2015
		State Specific.	T+ five months	27 February 2012	20 February 2012	Under progress

(Source: Departmental Data)

It can be seen from the above table that there were delays in preparation of site, installation of hardware, data digitization/migration, Capacity Building and CAS.

Following deficiencies were noticed in implementation of CCTNS:

**(i) Site preparation and commissioning of Hardware**

As provided in clause 5.4.4 of RFP, the Haryana Police was to provide the necessary space to the SI. The SI was required to conduct a site survey to ensure site readiness for the institutionalization of the CCTNS infrastructure. As per Agreement (T) the supply, installation and commissioning of hardware at offices was to be completed within three months after taking over the office sites.

In phase-I, 40 PSs, site preparation and hardware installation were completed by January 2013. Test check of CCTNS project in 20 PSs showed that DG sets (Generator) costing ₹ 25.97 lakh were lying idle since inception as fuel for the same had not been provided by the department and the warranty period of these DG sets had already expired without even being used.

<sup>59</sup> T= Date of Agreement (30 September 2011).

<sup>60</sup> T1= Date of CAS (state) received from NCRB (29 December 2011 and revised on 22 December 2013).

Hardware amounting to ₹ 0.69 lakh was not traceable in Gurgaon and Ambala which indicates lack of monitoring and loss to the Government. Hardware costing ₹ 3.39 lakh at PS Traffic, Gurgaon was lying idle.

In Phase-II, SI was required to complete the site survey report by December 2011, but it was completed in February 2014 as SI took time in the formulation of its teams for conducting the site survey. SI was required to complete site preparation and hardware installation by July 2014 to February 2015 as department handed over 197 PSs between April 2014 and November 2014, but 34 PSs had not been handed over to SI for site preparation and two PSs were not functional. Out of 152 higher offices, 11 offices had not been handed over so far.

The departments stated (February 2015) that SI had submitted site survey reports in February 2014. Hardware was not installed due to non finalization of model of computer and printers in timely manner. SI confirmed that earlier approved model of the computers have reached the end of life and proposed for new models. The reply of department is not acceptable as due to lackadaisical approach of department, the firm took two years and three months to complete just the site survey and hardware at phase-II PSs and higher offices were yet to be installed which ultimately delayed the overall implementation of the project.

**(ii) Capacity building**

As provided in Agreement, SI was required to provide training in change management, applications modules and basic computer training to 45,000 police personnel<sup>61</sup> at a cost of ₹ 5.98 crore by October 2012 against which payment of ₹ 59.76 lakh was made to SI so far. Scrutiny of records showed that:

- There was shortfall in achievement of targets of imparting of training which ranged between 75 and 86 *per cent* in basic computer application module and no training were provided in change management so far.
- SI provided basic computer training to 9,974 officials only upto October 2012 against the target of 20,000 officials and payment of ₹ 59.76 lakh was made against due amount of ₹ 35.28 lakh<sup>62</sup> which resulted in an excess payment of ₹ 24.48 lakh.
- Test check of CCTNS project in 20 Police Stations showed that 407<sup>63</sup> police personnel who were required to be trained as end user of Core Application Software (CAS) but none of them was trained and the work of CAS was being done by Computer Operators.

DGP stated (March 2015) that excess payment released to SI for training would be recovered from the payment of next milestone<sup>64</sup> of the SI and the training

<sup>61</sup> Change management training to 5000 personnel: @ ₹ 3162.61 per trainee, applications modules training to 20,000 (@ ₹ 792.79 per trainee and basic computer training to 20,000 (@ ₹ 353.70 per trainee.

<sup>62</sup> 9974 trainee @ ₹353.70 = ₹35,27,804.

<sup>63</sup> Ambala-85, Panchkula-96 and Gurgaon-226.

<sup>64</sup> M-3 Go-live of pilot district i.e. completion of Phase-I.

would be started after the deployment of complete system application modules. The facts, however, remained that training given to the police personnel had not been fruitful as trained manpower was not posted at Police Stations.

**(iii) Data Digitization and Migration**

As per clause 4.5.4.8 of Agreement, SI was required to migrate the data from already digitized data to the new system (CCTNS) (approx 7,10,637 FIR cases) and historical criminal data available in manual form was required to be digitized by SI (approx. 13,74,245 FIR cases) by March 2014. However, scrutiny of records showed that SI has performed work of data migration of 2,74,701 FIR records against 7,10,637 and data digitization of 6,61,764 FIR records against 13,74,245 (09 December 2015). Thus, there was a shortfall of digitization and migration to the extent of 7,12,481 and 4,35,936 FIR records data respectively. DGP stated (February 2015) that the digitization and migration of the records/data had dependency on data migration utility to be released by the NCRB, which was released in December 2012. The delay in digitization/migration was also due to inadequate number of data entry operators deployed by SI.

Thus, due to ineffective planning and non-monitoring, the digitization/migration exercise which was required to be completed in March 2014, only 45 *per cent* of data has been digitized/ migrated (December 2015) and data had not been put to meaningful use as it had not been migrated to the CCTNS-CAS.

**(iv) Core Application Software (State) and additional application software**

The CCTNS application software (CAS State) was common for all states and UTs and it was required to be developed by NCRB and each State/UT was to customize the CAS (state) according to their unique requirement and thereafter commission the same. In order to improve service delivery to the citizens, 40 e-services such as basic status of case registered, copy of FIR/complaint registered, passport verification, tenant verification, servant verification, NOCs, driving license, lost cell phone certificates, information of the customer staying in hotels, RTI, online payment of traffic challans etc. were to be provided to the citizens in CAS (State) by citizen portal module.

Test check of CCTNS projects in 20 PSs showed that only two e-services were being provided to the citizens and no additional modules had been integrated with CAS by March 2015. Besides, the SI was required to deploy 13 additional modules by February 2012, but only eight modules have been developed so far.

The DGP stated (February-March 2015) that remaining services would be provided to the citizens and the development of remaining modules would be completed shortly. Integration between the CAS (State) and CAS (Centre) has to be done only at the database level. The department had asked the SI to hold meetings with the external agencies for obtaining the databases. The fact, however, remains that the remaining e-services could not be provided to citizens as such intended benefits to citizens like online police verification, NOCs, RTI, payment of traffic challans etc. were still denied. The department also failed to integrate all the 13 additional modules with CAS (state).

**(v) Networking**

With a view to enhance outcomes in the areas of crime investigation and criminal detection, information gathering and its dissemination across the country a nationwide networked infrastructure were required to be created. The connectivity of CCTNS project at higher offices was to be on Haryana State Wide Area Network (SWAN) and connectivity at all the police stations was to be either on SWAN or Virtual Private Network over Broadband (VPN<sub>o</sub>BB). SI was responsible for the last mile connectivity for CCTNS project and connectivity to 338 PSs and 118 Special Cells was to be provided by BSNL using VPN<sub>o</sub>BB. But it was noticed that;

- None of the 20 PSs where phase-I was implemented, were connected to NCRB.
- Out of 273 PSs and 152 higher offices, 421 sites were connected through SWAN, but at 49 sites SWAN was not made functional.
- BSNL had not laid line using VPN<sub>o</sub>BB to connect police posts and special cells as agreement with BSNL has not been executed.
- Local Area Network had not been provided at PSs as supply order for structure cabling was not issued timely by the department.

Thus, prime objective of project i.e crime investigation and crime detection across the country by creating a nationwide networked structure could not be achieved.

**(vi) Other Miscellaneous Irregularities****(a) Non-levy of penalty**

As provided in chapter 3 of Agreement, SI was required to adhere to the timelines mentioned for each deliverable otherwise penalty may be imposed. The firm had not adhered to the timelines as per agreement and was liable to pay penalty amounting to ₹ 3.47 crore, of which an amount of ₹ 2.23 crore had been deducted in April 2014, but balance amount of ₹ 1.24 crore had not been deducted so far (December 2015). The matter was referred (December 2015) to DGP but no reply has been received.

**(b) Undue benefit**

As per agreement clause 2.6 Schedule-VI, mobilization advance of ₹ 4.45 crore (10 per cent of cost of implementation phase ₹ 44.46 crore) was payable to SI against submission of bank guarantee having validity throughout contract period. It was noticed that mobilization advance amounting to ₹ 4.45 crore was paid without obtaining the bank guarantee. DGP stated (March 2015) that directions are being issued to the firm concerned for submission the bank guarantee against mobilization advance. SI requested exemption from submission of the bank guarantee in a meeting held in December 2015. However no action has been taken so far in this regard (December 2015).

Similarly, mobilization advance of ₹ 32.48 lakh (10 per cent of cost of implementation phase: ₹ 3.24 crore) was given to SPMU without obtaining appropriate bank guarantee. On being pointed out, bank guarantees amounting to ₹ 33.09 lakh had been submitted by the firm in May 2015 which also expired on 07 June 2015, as the contract of the firm concerned also expired in June 2015. Necessary approval to extend the contract was pending at the end of NCRB/MHA since June 2015 and no action was taken against the firm so far. (December 2015).

*(c) Shortfall in holding meetings for implementation of project*

As per CCTNS implementation guidelines, various Governance committees i.e. State Apex Committee, State Empowered Committee, State Mission Team and District Mission Team were to be formed. Meetings of State Apex Committee were required to be held on quarterly basis and meetings of rest of the committees were to be held on monthly basis. Regular meetings were to be held to review the progress and implementation of the project. The Committees were constituted during October 2009, but, meetings of above mentioned committees had not been held and shortfall ranged between 60 and 73 per cent. The DGP (February 2015) stated that the observations would be brought to the notice of the Chairperson of the each committee for holding meetings as per prescribed frequency.

Thus, CCTNS project has not been completed even after a lapse of three years. The department failed to achieve overall objective of the project and not recovered the due penalty so far.

The matter was referred (May 2015) to the Additional Chief Secretary to Government of Haryana, Home Department and further reminder was issued in June 2015; the reply was awaited (January 2016).

*3.12 Non-implementation of Outdoor Surveillance System*

**Non-implementation of Outdoor Surveillance System, a crucial and vital project for maintenance of law and order and crime control, resulted in blockade of funds amounting to ₹ 8.24 crore for more than four years, wasteful expenditure of ₹ 14.48 lakh and loss of interest of ₹ 2.04 crore.**

In order to create an outdoor surveillance system with a communication infrastructure and implementation of an IP based video surveillance system for aiding visual surveillance for law and order, crime and traffic control, incident management and disaster response, Government of India (GOI) approved an Outdoor Surveillance System under the scheme for modernization of State Police Forces, in 2008-09 for Panchkula district of Haryana and later on the project was extended to other three districts (Rohtak, Karnal and Panipat) during the financial year 2009-10 and 2010-11.

Financial Commissioner and Principal Secretary, Government of Haryana, Home Department issued sanction amounting to ₹ 8.26 crore during 2009-11 for installation of system in four districts through Haryana State Electronics

Development Corporation Limited (HARTRON), which was deposited (₹ 5.65 crore in December 2010 and ₹ 2.61 crore in June 2011) with HARTRON on the basis of request for proposal (RFP) finalized by HARTRON. A purchase order was placed with M/s VMC System Ltd. Secunderabad for ₹ 7.75 crore by HARTRON in February 2011. As per clause 3 of agreement and 6.4 of RFP, the company was required to complete the installation, commissioning and integration of the system at all the sites within three months from the date of award of contract (February 2011). Final acceptance test was to be conducted within four months from the date of award of contract. As such, the project was to be operationalised by June 2011.

Scrutiny of records (May 2014) of Director General of Police (DGP) Haryana showed that the firm delivered (November 2011) the equipment at the four sites with a delay of six months. Physical inspection was conducted by a Committee during May 2012 which pointed out that company delivered only eight equipment against 20 at each site, of which only six equipment were found to be as per specification of the purchase order and accuracy of the software was found to be only 32 *per cent*. The company requested for another opportunity to supply the said software after being updated/reconfigured but failed to supply the equipment as per requirement and became non responsive since September 2013.

The purchase order placed with the company was terminated by HARTRON in June 2014. In terms of clause No. 6.4 (v) of RFP, the earnest money amounting to ₹ 2.00 lakh along with performance bank guarantee of ₹ 77.50 lakh was forfeited by HARTRON and an amount of ₹ 8.91 crore had been refunded by HARTRON to the DGP in January 2015 after deducting an amount of ₹ 14.48<sup>65</sup> lakh out of total amount of ₹ 9.05<sup>66</sup> crore. The amount was lying with DGP, Haryana in the PRERIT Society account and not refunded to GOI.

In audit it was observed that the matter remained under correspondence between Police Department and HARTRON and there was inordinate delay on the part of both the Police Department and HARTRON. Action against the agency was taken in June 2014 and the system which was required to be made operational by June 2011 was still to be procured (December 2015). However, utilization certificate of funds had already been submitted to GOI in September 2010 and December 2012 after depositing the funds with HARTRON, without incurring expenditure on the Project.

Further, according to the instructions issued by Finance Department (March 2011), HARTRON was required to pay interest at the rate of six *per cent* per annum, on half yearly basis to the department on unutilized funds and administrative departments were responsible for recovering the interest. But, neither HARTRON paid nor the department demanded interest amounting to ₹ 2.04 crore on unutilized funds for the period March 2011 to December 2014.

<sup>65</sup> Deduction : expenditure incurred on manpower: ₹ 12.60 lakh,+ floating NIT ₹1.88 lakh = ₹ 14.48 lakh.

<sup>66</sup> Amount deposited ₹ 8.26 crore + Bank guarantee ₹0.77 crore + forfeited EMD amount ₹ 0.02 crore = ₹ 9.05 crore.

Thus, due to lackadaisical approach of the Department, the outdoor surveillance system, which was to be operationalised by June 2011, has not been procured even after a period of more than four years from the target date of completion.

On being pointed out the DGP stated (June 2015) that due to refusal of HARTRON to go ahead for re-tendering of the city surveillance system, Electronics Corporation of India Limited has been approached for submitting a concept note in order to establish the desired specification for the system and rough cost estimate and the matter is still under process.

The fact remains that the department did not install the system even after four years from the targeted date of completion due to which the desired benefits of the proposed project could not be achieved and expenditure of ₹ 14.48 lakh so far incurred was rendered unfruitful. Submission of utilization certificate of funds to the GOI in 2010-13 was irregular. ₹ 8.24 crore remained blocked and unutilized for a period of more than four years, which further resulted in loss of interest ₹ 2.04 crore.

The matter has been referred to Additional Chief Secretary to Government of Haryana, Home Department in August 2015 and further reminder issued in September 2015; Reply was awaited (January 2016).

### ***3.13 Non-procurement of jammers for jails***

**Jammers could not be procured and funds of ₹ 5 crore remained unutilised for more than six years due to indecisiveness of Jail Department. Objective of improving security infrastructure in four jails remained unachieved besides department suffered loss of interest of ₹ 1.20 crore.**

In order to improve the security infrastructure of various jails, Haryana Government accorded sanction (September 2008) of ₹ 5 crore for installation of 14 Mobile Jammers and CCTV Surveillance, etc. in four jails. For procurement of these items a sum of ₹ 5.00 crore (₹ 3.00 crore in April 2009 and ₹ 2.00 crore in January 2013) was deposited with Haryana State Electronics Development Corporation Limited (HARTRON) by the Director General (DG), Prisons. In the first phase, jammers were to be installed in four highly sensitive jails of Sonipat, Jhajjar, Palwal and Rewari having borders with other states.

DG, Prisons asked (April 2009) HARTRON a nodal agency in the State to start the bidding process during April 2009 and again in November 2009 but tenders were not finalized. In the meantime, a letter was received (July 2011) from Secretary (Security), Cabinet Secretariat, New Delhi stating that as per policy of Government of India (GOI), Jammers are restricted items and are to be procured only from the two authorized Public Sector Undertakings (PSUs) (M/s Bharat Electronics Limited (BEL) and M/s Electronics Corporation of India Limited (ECIL)). Accordingly, the Financial Commissioner and Principal Secretary (FCPS), Jails Department allowed (November 2011) the DG, Prisons to withdraw the indent placed with HARTRON and to procure the jammers from ECIL and BEL and complete the project within three months. The matter was taken up with the concerned PSU's by DG, Prisons in January 2012. The GOI approved

procurement of static cell phone jammers from ECIL in October 2012. However, while issuing administrative approval for ₹ 2.00 crore (January 2013), the Additional Chief Secretary, Jail Department again asked to install the jammers through HARTRON. Thereafter the matter remained under correspondence between Jail Department and HARTRON.

The Managing Director, HARTRON intimated (November 2013) the DG, Prisons that since the Jail Department intends to procure a specific model from a specific vendor (M/s ECIL), as such the department should make the procurement at its own level. The Additional Chief Secretary to Government of Haryana, Jail Department advised (March 2014) the DG, Prisons to take-up the matter with the Director, Supplies and Disposals, Haryana. In a meeting of the Technical Committee held on March 2015, attended by Jail Department officials, the Committee decided that mobile jammer being a highly technical item in the field of Electronics/IT Engineering, its procurement should be handled by HARTRON. The matter remained undecided thereafter.

Audit observed (October 2014) that although the sanction for installation of specific model was received from GOI in October 2012, yet the department failed to make the procurement despite availability of funds. The Hon'ble High Court of Punjab and Haryana in a judgment in September 2012 also ordered that jammers be installed in all the prisons in the State of Haryana. Due to indecisiveness of the Jail Department Jammers could not be procured/installed in four jails (December 2015). Funds amounting to ₹ five crore has thus remained unutilised since April 2009<sup>67</sup> and the objective of improving security infrastructure of four highly sensitive jails remains unachieved. During inspection of District Jail Kurukshetra (October 2014), 15 mobile phones were confiscated from the prisoners by Jail Authorities.

Further, as per instructions of Government of Haryana (March 2011) interest at the rate of six *per cent* on the funds lying deposited with HARTRON has not been paid by the HARTRON due to which the department also suffered a loss of interest of ₹ 1.20<sup>68</sup> crore.

On being pointed out, DG, Prisons stated (May 2015) that the matter regarding installation of mobile phone jammers and CCTV was under process with HARTRON. As it was the only approved source for purchase of electronic items and since the amount was already deposited with HARTRON, it was considered appropriate to procure the items through them. DG, Prison further stated (December 2015) that process of procurement of mobile phone jammers has been finalized by HARTRON and supply order amounting to ₹ 6.77 crore has been issued to ECIL in December 2015 and HARTRON has agreed (October 2015) to pay ₹ 1.12 crore (calculated upto September 2015) as interest amount and a proposal was being forwarded to Government for getting relaxation to utilize the amount of interest against the balance payment of Mobile Phone Jammers. The reply is not tenable as GOI had already approved the procurement from ECIL in

<sup>67</sup> ₹ 3.00 crore for six years and ₹ 2.00 crore for more than two years.

<sup>68</sup> ₹ 85.50 lakh on ₹ 3.00 crore from April 2011 to December 2015 and ₹ 34.50 lakh on ₹ 2.00 crore from 15 February 2013 to December 2015.

October 2012 and supply order was issued in December 2015 after a period of more than three years and supply has not been made as of December 2015.

Thus, Jammers could not be procured and funds of ₹ 5.00 crore remained unutilised for more than six years due to indecisiveness of Jail Department. Objective of improving security infrastructure in four jails remained unachieved besides department suffered loss of interest of ₹ 1.20 crore.

The matter was referred to Additional Chief Secretary to Government of Haryana in July 2015 and further reminders were issued in August and November 2015. Reply was awaited (January 2016).

### Horticulture Department

#### 3.14 Unfruitful expenditure on incomplete Hi-Tech Vegetable Seedling Production Unit

**Lack of financial prudence, not ensuring the availability of raw water and execution of sub-standard work rendered the expenditure of ₹ 96.49 lakh by Horticulture Department on erection of hi-tech green house and other infrastructure for vegetable seedling production unit, unfruitful.**

Government of India, Ministry of Agriculture launched a scheme “Vegetable Initiative for Urban Clusters” (March 2011) under Rashtriya Krishi Vikas Yojna (RKVY) with the objective of addressing all concerns relating to both the demand and supply side of vegetable sector in selected cities, enhancing vegetable production and productivity, improving nutritional security, income support to vegetable farmers and creating employment opportunities for skilled and unskilled persons, especially unemployed youth.

Scrutiny of records of District Horticulture Officer (DHO), Rohtak (March 2014) showed that the main work for “Erection of Hi-Tech Green House and other infrastructure for Vegetable Seedling Production Unit at Village - Samar Gopalpur, Rohtak” was awarded (September 2011) to a firm for ₹ 78 lakh with a completion time limit of five months which was extended up to March 2012. Few other ancillary works like storage tank, installation of tubewell, chain fencing of seedling production unit and other related works were got executed (between September 2011 and March 2013) separately through the department and District Soil and Conservation Officer for an amount of ₹ 18.49 lakh. Audit observed that though the project was planned to be operational by March 2012, even after incurring an expenditure of ₹ 96.49<sup>69</sup> lakh till March 2013, the project was lying unutilized due to the following major shortcomings in the planning and execution of the project:

- In the Expression of Interest floated in July 2011, the department made only a provision of water storage structure but failed to ensure the source of water for the storage tank. The water was planned to be sourced from a nearby minor of

<sup>69</sup> ₹ 96.49 lakh = ₹ 78.00 lakh (contractor) + ₹ 7.32 lakh (link chain fencing)+ ₹ 0.64 lakh (Tubewell)+ ₹ 0.92 lakh (water storage tank) + ₹ 9.61 lakh (Miscellaneous).

the Irrigation Department during execution of work. However, Horticulture Department failed to obtain sanction from the Irrigation Department for the supply of water, which should ideally have been taken before taking up execution of the project. Moreover, the land for laying the channel from the source to the project was yet to be acquired. Though a tubewell was also installed to provide water for emergency purposes at a cost of ₹ 0.64 lakh, it could not be made operational due to faulty execution by the department as the same was dug beyond the requisite/prescribed depth<sup>70</sup>. The motor of the tubewell was also reported to have been stolen. Thus, water which was the most important component for the successful operation of the project was not available on the site (December 2015).

- As per the terms and conditions of work order of ₹ 78 lakh, the payment was to be released in three stages<sup>71</sup>. Audit observed that the total payment of ₹ 78 lakh was released to the agency between January 2012 and March 2013, in spite of the fact that the agency had not supplied DG set, seed sowing machine and floor washing machine. Moreover, the last payment of 20 *per cent* was to be released after issue of completion certificate and inspection of the project by the Project Evaluation Committee (PEC). The PEC had reported (January 2013) the non-supply of above referred materials and qualified the report that most of the systems<sup>72</sup> could not be tested because of lack of electric supply. Thus, release of second and third instalment of ₹ 48.12 lakh<sup>73</sup> to the agency was a clear violation of the agreed terms and conditions of the contract.
- The work of construction of storage tank by the department was also not executed properly as seepage had started in the storage tank due to cracks. The Director General, Horticulture stated (September 2015) that the matter was under process and explanation from concerned officers had been called for.
- Further, DHO Rohtak intimated (April 2015) that the Hi-tech green house had got damaged due to storm in May 2014 and could not be made functional for want of canal water and defects in the project.

The Additional Chief Secretary stated (September 2015) that the department came to know about the non-availability of water after starting the work and water would be arranged from the Irrigation Department. Besides the agency concerned had also been asked to repair the poly house sheet (April 2015) and the process of completing and making the project fruitful is in process and would be made functional soon to fulfill the desired purpose. The reply is not tenable as the

<sup>70</sup> Fresh ground water: Upto 50 feet; Marginal ground water: upto 90 feet; deteriorate below this highly saline: upto 500 feet.

<sup>71</sup> 40 *per cent* after supply of material at site, 40 *per cent* after completion of project and 20 *per cent* after inspection of site by PEC and issue of completion certificate.

<sup>72</sup> Control Panel for fan pad systems, control panel for fogging/ misting system, boom irrigation system, automatic climate control system, automation in fogging and fertigation system and Heating system.

<sup>73</sup> ₹ 48.12 lakh = ₹ 25.00 lakh (November 2012), ₹ 18.12 lakh (January 2013) and ₹ five lakh (March 2013).

department had failed to obtain the water from any alternate source and repair the water storage structure as well as damaged green house from the concerned agency.

Thus, lack of financial prudence by not ensuring the availability of raw water and execution of sub-standard/ faulty work rendered the expenditure of ₹ 96.49 lakh unfruitful and the unit which was to act as a model unit for the region could not be made operational (December 2015), thereby defeating its very objective.

### **Industrial Training and Vocational Education Department**

#### ***3.15 Blockade of funds due to injudicious site selection***

**Decision of Industrial Training and Vocational Education Department to make payment for land without ensuring its suitability for construction of ITI resulted in blocking of funds of ₹ 98.82 lakh for more than seven years and loss of interest of ₹ 66.05 lakh.**

As per rule 6.15 of B&R Manual of orders, the site of every building should be definitely settled before the detailed design and estimates are prepared. Besides rule 6.15 (iii)(b) laid down that a board comprising of DC, EE (B&R), EE (Public Health) and an officer of the department may be constituted for the selection of site, and board would submit its report regarding suitability of the site.

With a view to establish an Industrial Training Institute (ITI) at Kalayat, Director General (DG), Industrial Training and Vocational Education (ITVE), Haryana requested (January 2007), Deputy Commissioner (DC), Kaithal to provide 10 acres of land free of cost. Besides other requirements regarding suitability, it was requested that the land should not be in a low lying area. The Principal ITI, requested (May 2007) the Executive Engineer (EE), Public Works Department (PWD) Building and Roads (B&R), Narwana to prepare site plan of ITI as Municipal Committee (MC) was ready to transfer the land (7 Acre 1Kanal) at the collector rate. The EE, informed (May 2007) that land may be purchased in the name of ITI so that site plan could be prepared.

The Principal, ITI Kaithal along with *Kanungo* (an official working in Revenue Department) visited the site (May 2007) and found that the land was water logged. Further, as per the directions of Financial Commissioner and Director, a Joint Committee comprising of Joint Director (Technical), Principal, ITI, Kaithal, Tehsildar and members of the MC, Kalayat inspected (June 2007) the site and reported that the land was a part of a pond with an average depth of 6-7 feet and as such additional cost of earth filling had to be borne by the Government. DC, Kaithal informed (October 2007) the department that the Urban Local Bodies Department had agreed to sell the land measuring 7 Acres 1 Kanal for construction of building for ITI at a cost of ₹ 98.82 lakh. Government accorded (November 2007) sanction for payment of ₹ 98.82 lakh to MC Kalayat; which was deposited in July 2008 without ensuring the suitability of land for construction of ITI building. The EE, PWD (B&R), Narwana in October 2008 informed the department that the site was a part of an existing pond and water was standing and that even after filling the land, it would cause dampness to the building.

Keeping in view the report of the PWD (B&R), the Department requested (November 2008) DC, Kaithal to arrange an alternate site as it was not feasible to construct a building thereon. DC Kaithal informed (February 2009) that Gram Panchayat Pinjupura had agreed to provide 8 Acre 19 Marla land for establishment of ITI on perpetual lease basis at the rate of ₹ one per year for 33 years. Development and Panchayat Department accorded (December 2009) approval to Gram Panchayat, Pinjupura for lease out its land in favour of ITVE and ITI building had been constructed at Pinjupura and classes had already been started. The department requested (May 2010) the MC Kalayat to refund the amount of ₹ 98.82 lakh, but MC Kalayat stated (September 2010) that they were unable to refund the money due to their weak financial position and would refund the amount after sale of commercial land.

Scrutiny of records (October 2014) of the DG, ITVE, Haryana showed that the department ignored the fact that the land was a part of a pond, average depth of which was about 6-7 feet and there was water logging. But, the department did not consult the PWD (B&R) authorities and had not obtained their technical opinion about the suitability of land before making payment to the MC. Thus, the department made payment (July 2008) for the land which was not suitable for construction of ITI despite being aware of the problem of water logging in the inspection (May-June 2007) by the Joint Committee which resulted in blocking of ₹ 98.82 lakh for a period of more than seven years, besides loss of interest of ₹ 66.05 lakh.

The Principal Secretary, Industrial Training Department stated (November 2015) that the Urban Local Bodies Department had again been requested either to transfer the land in the name of the department or refund the amount along with interest. But the fact remains that due to injudicious selection of site by the department the Government funds had been blocked unnecessarily and no refund had been made even after more than seven years from date of making the payment.

### Irrigation Department

#### *3.16 Unfruitful expenditure on incomplete canal*

**The expenditure of ₹ 1.09 crore incurred on incomplete canal rendered unfruitful due to non-linking of minor on both sides of the cell box culvert and non-construction of head regulator.**

Para 15.1.1 of the Haryana PWD code provides that no work shall be commenced unless detailed designs and estimate have been prepared for the work to confirm that the work is technically feasible and viable and corresponding technical sanction has been issued by the competent authority. Further, Para 15.1.4 and 15.2.1.(a).vi of ibid stipulate that necessary approvals/clearance of the authorities concerned viz. B&R department for using the right-of-way or crossing the same may be obtained before the execution of the work.

With a view to bring maximum agriculture land under command area and to provide irrigation facilities to the cultivable land of village Madina Korsen and Madina Kheri Rojh of Rohtak district, a project “Constructing Madina Korsen

minor from RD 0-7350 off taking from RD 93150-L, Bhiwani sub-branch (BSB)” was approved for ₹ 1.38 crore in September 2007 under RIDF-XIII of NABARD. The alignment of the proposed channel was to pass through the Delhi-Hisar section of the National Highway (NH-10) and any work proposed to be executed through this road required prior approval of the National Highway Authority of India (NHAI). Further, a separate estimate for construction of Head Regulator of Madina Korsen minor off taking at RD 93150 of BSB was also approved for ₹ 2.51 lakh in February 2011 to control the flow of water in the minor.

Scrutiny of the records (December 2013) of Executive Engineer (EE), Rohtak Water Services Division, Rohtak showed that the work of construction of earth work and single layer brick lining from RD 0-7350 of Madina Korsen minor was allotted (December 2010) at a cost of ₹ 22.87 lakh with a completion time of one year (December 2011). The work was executed to the tune of ₹ 21.87 lakh (June 2011) except the portion of National Highway where a culvert/bridge<sup>74</sup> was required to be constructed. The work of culvert was completed by NHAI in September 2015 but the Irrigation Department had not linked the minor with a culvert. Besides, the work of construction of head regulator at RD-93150-L Bhiwani sub-branch was allotted in January 2015 i.e. after a lapse of four years from the approval of estimate at a cost of ₹ 4.29 lakh with a time limit of two months but the same was not started by the agency (December 2015) due to running of water in canal as no blind closure was provided by the Department, in the absence of which work cannot be said to be completed. An expenditure of ₹ 1.09 crore<sup>75</sup> had been incurred on the incomplete work (December 2015).

On being pointed out in audit (January 2014), the EE stated (December 2015) that the work of head regulator was allotted (January 2015) with a time limit of two months and would be executed as and when the closure of the channel is available and linking of channel is completed. The reply of the department is not tenable as the department had not only failed to get the head regulator of Madina Korsen minor constructed even after a lapse of four years, but also failed to link the minor on both sides of the culvert as found in the physical verification (December 2015). As a result, the minor could not be made functional so far.

Thus, the expenditure of ₹ 1.09 crore incurred on incomplete canal was not only rendered unfruitful due to non-linking of minor on both sides of the cell box culvert and non-construction of head regulator but also the intended benefits of the scheme had not been derived so far.

The matter was referred to Principal Secretary, Irrigation Department in May 2015 and further reminder issued in June 2015; the reply was awaited (January 2016).

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<sup>74</sup> Construction of cell box culvert at N.H. km 94.81 (crossing Madina Korsan RD 4812) of NH-10 for Madina Korsan Minor

<sup>75</sup> ₹ 1.09 crore: ₹ 87.38 lakh Cost of land+ ₹ 21.87 lakh on construction work.

### 3.17 Follow up Audit on Performance Audit on 'Working of Irrigation Department'

**Out of six recommendations in the Performance Audit, one recommendation was fully implemented; one recommendation was partially implemented and four recommendations were not implemented. Further, out of other 23 observations, the department had not taken significant steps in respect of eight observations; substantial progress was made in respect of nine observations and full progress was made in intended areas in respect of six observations.**

#### 3.17.1 Introduction

A Performance Audit Report on 'Working of Irrigation Department' incorporated in Report of the Comptroller and Auditor General of India on Social, General and Economic Sectors (Non-Public Sector undertakings) for the year ended March 2012, highlighted the issues relating to lack of planning, non-achievement of targets, slow and tardy implementation of schemes, etc. Besides, there were instances of lack of co-ordination with line departments, splitting of works, inadequate control over disposal of sewage and effluent discharge in canals, execution of sub-standard works, etc.

According to instructions issued (October 1995) by the Finance Department and reiterated from time to time, the administrative departments are to initiate suo moto positive and concrete action on all audit paragraphs and performance audits featuring in the Comptroller and Auditor General's Audit Reports regardless of whether the cases were taken up for examination by the Public Accounts Committee or not.

#### 3.17.2 Follow up results

In order to examine the corrective actions taken by the Department, as per various instructions of the Government, on the issues raised in the performance audit report on 'Working of Irrigation Department', follow up audit was conducted during May-June 2015 by scrutinising relevant records maintained in the offices of the Engineer-in-Chief and concerned divisions.

There were 30 observations and six recommendations in the Performance Audit (PA). The status of action taken by the Department on recommendations and other audit observations has been categorised as follows:

- Insignificant/no progress
- Substantial implementation/progress
- Full progress in all intended areas and in system improvement

#### 3.17.3 Status of Recommendations and other observations

Out of six recommendations in the Performance Audit, one recommendation relating to expenditure control mechanism to avoid excess expenditure was found to be fully implemented; one recommendation relating to activation of vigilance mechanism to avoid cases of sub-standard works, etc. was partially implemented

and four recommendations were not implemented. Besides, the status of other observations on which specific recommendations were not made, but on which the department was required to take remedial action, have also been examined during follow up as detailed in the following paragraphs:

### **3.17.3.1 Insignificant/no progress**

#### **Recommendations**

(i) *Preparing proper plans for completion of ongoing works so as to increase the coverage of areas under irrigation.*

##### **(a) Flood control and drainage works (Para 2.2.7.1)**

Out of 193 incomplete flood control/ protection works, 39 works (approved in 2006-07 to 2009-10) were pending for more than two to five years.

Not even a single scheme/work had been completed as of June 2015. Effective steps were not taken to complete the works. As a result, no progress could be made in this regard.

(ii) *Co-ordinating with line departments/organizations to ensure that the intended benefit of the scheme reaches the targeted beneficiaries.*

##### **(a) Non-pursuance for release of electric connection for pump houses (Para 2.2.9.2)**

Seven pump houses<sup>76</sup> constructed during 1982 were not working for want of electric connections, although a sum of ₹ 33.57 lakh was deposited with Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL) as security deposit. The department had failed to get electric connections in respect of pump houses as of June 2015. Further, no alternative arrangements had been made to make the pump houses functional. As a result of this, these pump houses remained non-functional and minors were lying abandoned.

##### **(b) Extra expenditure due to lack of coordination with Mining Department (Para 2.2.11.1)**

Due to lack of proper co-ordination with Mining Department, the department had to incur an extra expenditure of ₹ 1.86 crore. During the exit conference (November 2012), EIC stated that the earlier contractors left the work midway due to stoppage by the Mining Department. However, when permission was received from Mining Department, the contractors refused to execute the work at the old rates and the works were re-allotted.

During follow up Audit (May 2015), the department reiterated the same reply as given during the exit conference (November 2012). Hence, the position remained the same and the Department has not evolved any proper system to avoid

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<sup>76</sup> MGD-1 Madhogarh Distributary 2.173 KM, MGD-2 Madhogarh Distributary 3.265 KM, MGD-3 Madhogarh Distributary 4.447 KM, AM-2 Ateli Minor 4.000 KM, RPM-1 Rampur Sub Minor 5.800 KM , DNM-2 Dancholi Minor 4.000 KM, DSPM-1 Dostpur Minor 2.400 KM

recurrence of such losses in future.

- (iii) *Taking adequate steps to stop the disposal of sewage and effluent in canals.*
- (iv) *Implementing effectively directives of the Apex Court.*

**(a) Disposal of sewage and effluent water in Western Jamuna Canal causing environmental hazards (Para 2.2.10.4)**

Twenty six cusecs sewage and effluent was being discharged into Western Jamuna Canal (WJC) at 11 places and no steps were taken by the Department under Canal and Drainage Act and as per directions of Hon'ble Supreme Court to stop discharge of sewage and effluent in WJC, except for taking up the matter with Haryana State Pollution Control Board and Deputy Commissioners.

The department replied (June 2015) that efforts were being made by the department to stop the disposal of sewage and notices had been issued. Reply was not convincing as concrete steps had not been taken up under Canal and Drainage Act and as per directions of Hon'ble Supreme Court. Further, no progress on the matter was found in spite of taking the matter at the level of Haryana State Pollution Control Board.

**Status of other audit observations**

The Department had also not taken any significant steps to address other observations like unfruitful expenditure on Dadupur-Nalvi Irrigation Project, expenditure on increasing capacity/remodeling of canals, non-utilisation of funds under Mahatma Gandhi National Rural Employment Guarantee Act, submission of fake/improper performance guarantee, construction Divisions with heavy establishment charges, non-recovery/adjustment of amount lying in Miscellaneous Public Work Advances against staff and others, non-deposit of labour cess with Labour Welfare Board, lack of seriousness towards making payments of land compensation, etc. The details of these observations and latest progress are given in **Appendix 3.2**.

**3.17.3.2 Substantial implementation/progress**

**Recommendation**

- (v) *Activating its vigilance mechanism to avoid the cases of sub-standard works, wasteful/extra expenditure in execution of works.*

**(a) Damage of head regulator costing ₹1.35 crore (Para 2.2.10.3)**

The structure of the work 'Construction of remodeling of Head Regulator of Augmentation Canal at RD 68036 of WJC', got damaged due to settlement of piers and abutments.

The department intimated (June 2015) that Central Water and Power Research Station (CWPRS), Pune had submitted its report in November 2012 to State Vigilance Department after investigating the matter and the same was with that department. The matter needs to be pursued with Vigilance Department to fix accountability.

**(b) Sub-standard execution of works (Para 2.2.11.2)**

The samples of eight works, executed in HKB Circle Jagadhri at a cost of ₹ 18.01 crore were found to be sub-standard.

The department intimated (June 2015) that the 11 officers/officials have been charge-sheeted and Government had appointed (May 2015) an Investigating Officer for carrying out detailed inquiry. Audit is of the opinion that inquiry of such matters should be expedited to bring the defaulters to book.

**Status of other audit observations**

While the Department had made substantial implementation/progress to address some of the observations, progress was still lagging especially in system improvement, planning, central assistance for floods, grant under Accelerated Irrigation Benefit Programme, non-receipt of share from other States, Jawahar Lal Nehru Lift Irrigation Scheme, non-recovery of balance amount from LAO, mutation of land not made, shortage of staff, non-transfer of amounts lying in deposit to revenue, non-preparation of Annual Administrative Report, etc. The details of these observations and latest progress achieved are given in **Appendix 3.3**.

**3.17.3.3 Full progress in all intended areas and in system improvement**

**Recommendation**

(vi) *Strengthening the expenditure control mechanism to avoid excess expenditure over budget provisions.*

**(a) Budget provision and expenditure (Para 2.2.8.1)**

There was excess expenditure during 2007-08 to 2010-11 under capital voted and savings under revenue expenditure and substantial savings or nil expenditure under Scheduled Caste Sub Plan (SCSP) during 2007-12.

The department had taken corrective measures in respect of booking of excess capital expenditure and there was no excess expenditure during 2012-13 to 2014-15. Further, excess expenditure was regularised upto 2010-11 by the PAC. Savings under SCSP have also come down to less than five *per cent* of the budget in 2014-15 indicating that the Department has taken necessary corrective action.

**Status of other audit observations**

The Department had initiated necessary action on the audit observations such as non-utilisation of grant ₹ 1.94 crore, excess release of grant to Haryana Irrigation Research and Management Institute (HIRMI), non-revision of tender document fee, splitting of work, non-sale of fertile earth of Ottu lake and execution of work without administrative approval and sanction of estimates. The details of compliance on these points are given in **Appendix 3.4**.

It is evident that while the Department had taken remedial action in some areas, concrete action is still to be taken in other areas. The Department should,

therefore, develop a well formulated plan for taking prompt action on the audit observations for further improving its performance.

These points were referred to the Additional Chief Secretary to Government of Haryana, Irrigation Department in July 2015 but reply had not been received (January 2016). However, audit findings on follow up were discussed with Engineer-in-Chief, Irrigation Department in December 2015 wherein he assured to take remedial action in respect of all the pending cases.

### Irrigation and Public Works (Buildings and Roads) Departments

#### 3.18 Avoidable expenditure on acquisition of land

**Commencing work on land, which was not fully acquired by the Government and slackness in initiating action to acquire the remaining land resulted in avoidable extra expenditure of ₹ 1.22 crore towards compensation for acquisition of such land.**

As per Para 2.92 of the Public Works Department code (the then extant code), no work should be commenced on land which has not been duly made over by the responsible civil officers. Further, Para 9 of Appendix V of the PWD Code (the then extant code) had prescribed that attention should be given to preliminary operations, including survey both of alignments and soil before submission of projects as well as the estimates of cost of acquisition of land. The Land Acquisition Act, 1894 provided that whenever the land was required for public purpose, it can be acquired by issuing notifications under Section 4(1) and 6(1) of the Act and after the announcement of award under section 11 of the Act *ibid*.

(a) Scrutiny of the records (April 2015) of Jui Water Service Division, Bhiwani showed that 19.01 acre land was utilised in the construction of Bardoo Sub-Minor from RD 0-10500 during the year 1978. Out of this, 14.46 acre land was acquired in January 1978 and land measuring about 4.55 acre was utilised without paying compensation to the land owners. Aggrieved land owners approached the Court (September 2007) for the payment of compensation as per Law. The department submitted (March 2008) in the Hon'ble Court that the compensation would be released without any delay as per Law. In light of this submission and concurrence of the petitioner, the Hon'ble Court dismissed the case as withdrawn (March 2008). But due to non-payment of compensation, the land owners again approached the Court through a contempt petition in 2012. At this, the department issued notification under section 4 (August 2012) and section 6 (April 2013) and an award for ₹ 1.26 crore<sup>77</sup> was awarded by Land Acquisition

<sup>77</sup> ₹ 1.26 crore = ₹ 0.545 crore (cost of land) + ₹ 0.545 crore (Compulsory Acquisition Charges) + ₹ 0.17 crore (Additional amount of interest). While calculating the extra expenditure, the difference in value of additional amount not worked out as the additional amount of interest @ 12 per cent was to be paid for the period from the date of publication of notification under section 4 to the date of award of the collector or the date of taking possession of the land, whichever is earlier.

Officer (LAO), Bhiwani in (March 2015). Had the department initiated timely action in March 2008 and made payment before November 2010 the compensation amount would have been ₹ 47.26 lakh (value of land and compulsory acquisition charges) but due to delay in initiating acquisition process and making payment of compensation, an extra expenditure of ₹ 61.79 lakh (**Appendix 3.5**) was incurred as the floor rate of land and rates of compulsory acquisition charge were revised in November 2010 and September 2013 respectively. On being pointed out, the Engineer-in-Chief, Irrigation and Water Resources department Haryana intimated (October 2015) that the department had not initiated any action to acquire the land in question on the plea that as per policy decision the payment of land compensation in cases more than 10 years old should normally be avoided as either the land was utilised by paying the compensation or on the consent of the land owners who were making benefits of the scheme or project. The reply is not acceptable as the department had itself given the assurance in the Hon'ble Court (March 2008) and had not contested the case on the above grounds/ policy of the department and thus had to incur the extra expenditure on the acquisition of land.

(b) In Provincial Division No. 2, Gurgaon 7.35 *acre* land was utilised for construction of road from Malpura via Lokra Mau during the year 1999-2000. Out of total required land of 7.35 *acre*, 6.44 *acre* was acquired in April 1988 and 0.53 *acre* was acquired in July 1999 at a cost of ₹ 1.37 lakh and ₹ 2.04 lakh respectively, but land 0.38 *acre* was utilised without acquisition. Aggrieved land owners approached the Hon'ble Punjab and Haryana High Court (2012) for the payment of compensation. On the assurance by the department that the compensation would be awarded shortly, the Hon'ble Court disposed the petition (March 2013). An award of ₹ 67.68 lakh was announced (November 2014) by the LAO, Gurgaon which was higher by ₹ 59.81 lakh (**Appendix 3.5**) than the compensation to be paid in 1999.

On being pointed out (July 2015), the Engineer-in-Chief, Public Works Department (Buildings and Roads) intimated (January 2016) that the total land in possession of the department for village Malpura has not been acquired till date. As and when the land owner came forward for payment of their land, then payment of land was made as per the Land Acquisition Act. The reply was not tenable as the department is required to acquire the land before initiating any work. Thus, commencing of the work by the department on land before complete acquisition and delay in payment of compensation resulted in avoidable extra expenditure of ₹ 1.22 crore towards compensation for acquisition of such land. The lapse become even more serious in the backdrop of the assurance given by the Government to the Court in 2008 that compensation would be released without delay.

The matter was referred to Additional Chief Secretary, Public Works Department (Buildings and Roads Branch) and Principal Secretary, Irrigation Department in July 2015 and further reminder issued in August 2015. Reply is awaited (January 2016).

### Medical Education and Research Department

#### *3.19 Non-deposit of rent of shops in Government Account*

**In violation of the terms and conditions of the agreement, rent of shops/booths amounting to ₹ 1.16 crore was irregularly retained by the Maharaja Agrasen Medical Education and Scientific Research Society, Agroha (a registered society) and not deposited in Government account.**

In order to establish Maharaja Agrasen Institute of Medical Research and Education, Agroha, Haryana Government entered into an agreement (June 1990) with Maharaja Agrasen Medical Education and Scientific Research Society, Agroha (Society), a society registered under the Societies Registration Act, 1860. Clause 1(e) and (f) of the agreement provides that the property of the institute shall vest in the society, but the society shall have no right to sell, mortgage, sub-lease or otherwise transfer the said property to anybody except with the prior approval of the State Government. Clause 11 of the agreement further provides that all rights, titles and interest of the society in the institute and in the land, buildings, fittings, fixtures, furniture and equipment of the institute, whether acquired out of contribution, recurring or non-recurring of the State Government or of the society or from any other source, whatsoever, shall vest absolutely and forever in the State Government without payment any compensation thereon.

Scrutiny of the records (May 2015) of Maharaja Agrasen Medical College (MAMC), Agroha showed that the society constructed eight shops and booths during 2001-02 in the campus of the Medical College without approval of the Government. It was observed in audit that these shops had been given on rent during 2002-03 and rent amounting to ₹ 1.16 crore received for the period from 2002-03 to 2014-15 was retained by the society instead of depositing in the Government account, in contravention of the conditions of the agreement.

On being pointed out in audit, the Additional Chief Secretary, Medical Education and Research Department stated (December 2015) that the rent of shops of Block-A was being retained by the society as these shops were constructed exclusively by the society from its own income i.e. donations etc. and the income so generated was entirely spent towards college and hospitals activities. The post facto approval for retention of rent had been obtained (July 2015) from executive committee of MAMC. The reply of the department was not tenable as the society has constructed the shops/booths and gave on rent and deposited the rent in its own account without obtaining the approval of the Government which was in violation of terms and conditions of the agreement.

### Public Health Engineering Department

#### *3.20 Blockade of funds on unutilized pipes*

**Stone Ware pipes valuing ₹ 1.55 crore remained unutilized, due to change of specifications resulting in blockade of funds for more than five years.**

Rule 15.2 (b) of the Punjab Financial Rules Vol.-I and Para 25.3.3 of the

Haryana PWD Code provides that purchases must be made in accordance with the definite requirements of the public service and not much in advance of actual requirements. Further, the quantity of heavy items of consumption like cement, steel, pipes etc. available at various locations/stores in a department should be circulated and considered for inter-divisional transfer. Further, Para 1.8 of the Manual on Sewerage and Sewage Treatment (MSST) stipulates that survey and investigation are pre-requisites both for framing of the preliminary report and the preparation of a detailed sewerage project. Also, Para 1.8.1.1 of the MSST provides that the information related to topography, subsoil conditions, underground structures as well as location of streets and adjoining areas should be kept in view while planning/estimation of sewerage schemes.

Scrutiny of records of Public Health Engineering Divisions, No. 3 Kaithal (August 2014) and Bahadurgarh (April 2015) showed that the Engineer-in-Chief (EIC), Public Health Engineering Department (PHED) issued a circular (February 2007) to Superintending Engineers (SEs)/Executive Engineers (EEs) to submit their requirements of material for the scope of work proposed to be covered during 2007-08 along with a certificate that material would be consumed during the year 2007-08. In response, SEs, Jind Circle and Rohtak Circle sent the requirements (30796 Nos.) for the purchase of Stone Ware Pipes (SW Pipes) of various sizes<sup>78</sup> to EIC in February 2007 and August 2007 respectively. The department purchased 23,428 SW Pipes of various sizes through Director, Supplies and Disposal Haryana, Chandigarh for ₹ 2.24 crore between July 2007 and April 2009 for laying sewer line in Kaithal and Bahadurgarh towns. During audit it was noticed that the department executed the works through contractors wherein the pipes were provided and fixed by the contractual agencies. Resultantly, out of 28,441<sup>79</sup> pipes only 13,137<sup>80</sup> pipes (46 per cent) had been utilized and 15,304 pipes (54 per cent) valuing ₹ 1.55 crore were lying in the store (August 2015). It was further noticed during physical verification of store that the stock of SW pipes was lying in open since 2009 and the pipes were deteriorating/damaged with the passage of time.

The Principal Secretary to Government of Haryana, Public Health Engineering department stated (July 2015) that in view of site conditions like sandy soil and heavy traffic the RCC NP3 pipes were used in place of SW pipes. The RCC NP3 pipes were preferred over SW pipes as it requires lesser number of joints. The reply was not acceptable as the various aspects of site conditions were required to be kept in view while planning/estimation of the work and the fact regarding the number of joints involved in SW pipes was in the knowledge of the department.

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<sup>78</sup> SW Pipes of internal dia ranging from 300mm to 600mm.

<sup>79</sup> 28441= 5013 (opening balance) + 23428 (received between July 2007 and April 2009).

<sup>80</sup> 13137 = 300 of internal dia 400mm (Transferred to PHED-2, Sirsa); 928 of internal dia 400mm (transferred to PHED, Rohtak); 120 of internal dia 600mm (Transferred to PHED, Ambala City); 350 of internal dia 600mm (Transferred to PHED-2, Bhiwani) and rest 11439 pipes utilized in approved estimates as planned (Providing Sewerage scheme in Kaithal Town & Extension sewerage scheme Bahadurgarh Town).

Thus, non-utilisation of pipes for more than five years resulted in blockade of funds amounting to ₹ 1.55 crore. Further, these pipes were also being subjected to deterioration as they were lying in the open.

### 3.21 *Injudicious expenditure on tertiary treatment water scheme*

**Expenditure of ₹ 4.34 crore on tertiary treatment water scheme at Tosham (Bhiwani) was injudicious due to non-availability of effluents for treatment and non-construction of tertiary treatment plant.**

There are three types of sewerage treatment processes i.e. primary, secondary and tertiary. Generally, the primary and secondary treatment of sewerage is adopted in sewerage schemes under which many constituents undergo reduction in concentration. Tertiary treatment<sup>81</sup> provides the additional treatment for reuse of the reclaimed water in agriculture, horticulture, ground water recharges, etc.

The Water Supply and Sewerage Board approved (April 2012) a Scheme for “Providing tertiary treatment of sewerage and its recycling for public utilities” in village Tosham, district Bhiwani for ₹ 3.22 crore with a completion schedule of April 2014. The scheme provided for development of village pond as storage for the treated water, development of lawn, plantation, landscaping, etc (₹ 1.97 crore) and construction of tertiary treatment plant near the secondary treatment plant (₹ 1.25 crore). The requisite land for tertiary treatment plant was to be provided by the Gram Panchayat free of cost. The Secondary Sewerage Treatment Plant of three MLD capacity had been made functional in July 2014 in Tosham from where the water was to be supplied for treatment in the TTP.

Audit of the records of the Public Health Engineering (PHE) Division, Tosham (June 2014) showed that the work of development of pond, park, etc was allotted to an agency in November 2012 for ₹ 1.22 crore which was enhanced to ₹ 3.42 crore on the justification that enhancement was as per site requirement. This was not justified as the original area/ depth of the pond remained the same and the expenditure was increased mainly due to remodeling of pond for architectural appearance and due to provisions/additions of floating fountains, benches, machinery, lightening arrangements, increase in number and cost of Gazebo, children playing station, toilet blocks, food plaza etc. The agency was accordingly paid ₹ 3.08 crore (March 2015). The work of boundary wall was allotted to another agency in September 2012 for ₹ 0.50 crore and executed for ₹ 0.62 crore (March 2014) after enhancement besides other miscellaneous items which were got executed for ₹ 0.64 crore. A total expenditure of ₹ 4.34 crore had been incurred on the scheme upto April 2015 and the estimates of the scheme were revised and enhanced from ₹ 3.22 crore to ₹ 5.28 crore (June 2013) due to increase in the scope of work of the park.

It was noticed that while expenditure of ₹ 4.34 crore was incurred on development

<sup>81</sup> Tertiary treatment is supplementary to primary and secondary treatment for removing of residual organic and inorganic substances and in some cases even the refractory and dissolved substances to the degree necessary.

of pond, park, fancy lighting, food plaza, play sets for children, etc., the core work of construction of tertiary treatment plant had not been taken up so far. Even the DNIT for construction of tertiary treatment plant had not been approved so far (December 2015).

On being pointed out by audit, the EIC, PHED stated (May 2015 and January 2016) that the park alongside the pond was developed presuming that the tertiary water would be utilised for watering plants and beautification of park was carried out to provide a pleasant atmosphere to the public. The TTP was planned for Tosham as the functional STP at present could not treat the sewerage upto prescribed level/norms<sup>82</sup> and there was no drain near the STP for disposal of treated sewerage. The Principal Secretary, PHED stated (December 2015) that DNIT of the TTP was under scrutiny, the STP of three MLD set up in Tosham was made functional in July 2014 and treated water was being discharged in Tosham drain. Further, the park was now under the charge of Gram Panchayat who look after the park by using the rain water collected in the modified pond. The reply was not tenable as the approved scheme was for tertiary treatment of water and its recycling for 'public utilities', but the construction of TTP has not even started (December 2015) even after incurring the expenditure of ₹ 4.34 crore.

Thus, expenditure of ₹ 4.34 crore on tertiary treatment water scheme at Tosham (Bhiwani) was injudicious due to non-availability of effluents for treatment and non-construction of tertiary treatment plant.

### **Public Works Department (Buildings and Roads)**

#### ***3.22 Extra expenditure on construction of road***

**Due to improper formulation of estimate and non revision of the estimate as per codal provisions, an extra expenditure of ₹ 5.57 crore was incurred on Nizampur-Narnaul-Dadri Road (SH-17) in Km 13.88 to 27.60. Besides the road between km 15.010 to 18.200 was not as per specifications and an avoidable expenditure of ₹ 39.57 lakh was incurred on maintenance.**

According to Paragraph 10.8.1 of Haryana PWD Code, the structural design of roads shall be based on the relevant standards/criteria prescribed by Standards of Indian Road Congress (IRC). For the traffic volume (November 2007) at Nizampur-Narnaul-Dadri Road, IRC:37/2001 recommends for 125mm Bituminous Macadam (BM) and 25 mm Semi Dense Bituminous Concrete (SDBC). Further, paragraph 10.1.7 and 10.10.4 of the Code provides that the estimate of a road project should bring out prevailing or expected volume of traffic code and these detailed estimate should be suitable for inviting tenders.

Ministry of Shipping, Roads, Transport and Highways (MORTH), Government of India (GOI) approved (November 2008) the work "Improvement by providing widening and strengthening of Nizampur-Narnaul-Dadri Road (SH-17) in Km

<sup>82</sup> BOD level less than 10 mg/l prescribed by CPHEEO in November 2013.

13.88 to 27.60" for ₹ 10.20 crore with GOI share of ₹ 5.10 crore. Technical sanction was accorded (March 2009) for ₹ 14.80 crore which envisaged widening of the road from seven meter to ten meter with top bituminous layers of 125mm BM<sup>83</sup> and 25mm SDBC in accordance with IRC: 37/2001 recommendations. Tenders were called in February 2009. In the meanwhile, a new proposal under Design Built Finance Operate and Transfer (DBFOT) scheme was made for four laning<sup>84</sup> of the road from Kotputli- Narnaul- Dadri- Bhiwani- Kharak under World Bank Scheme. As this stretch was part of the above road, Government approved (July 2009) that this stretch be also four laned. The Superintending Engineer, Bhiwani (SE) had recommended (April 2009) bituminous crust of 125 mm BM (75mm BM + 50mm BM) in the estimate of four laning as per design requirement. Chief Engineer (National Highway) approved the revised estimate for ₹ 14.47 crore for four laning by reducing the bituminous crust from 125mm BM to 75mm BM for four lane road without re-inviting the tender. SE allotted (June 2009) the work to M/s Kundu Construction Co. at a contract price of ₹ 13.09 crore on February 2009 tenders (i.e. specifications for widening the road to ten meter with 125mm BM + 25 mm SDBC). The date of start was revised to October 2010 due to non clearance of site with date of completion of January 2012. The SE submitted (May 2011) revised enhanced estimate for ₹ 25.26 crore for seeking revised administrative approval for four laning with the provision of 125 mm BM and 25 mm SDBC on the basis of traffic census of November 2007. But approval was not conveyed for this estimate.

The agency executed the work by laying of 125 mm thick BM from RD 13.88 to 15.01 and 75 mm thick BM from RD 15.01 to 26.40 alongwith 25 mm SDBC in the reach from km 13.88 to 18.20 while no work was executed from km 26.45 to 27.60 as clearance from Forest Department was awaited which was received in January 2015. A payment of ₹ 11.64 crore was made (March 2012) to the agency. The agency requested (July 2011) the Executive Engineer (EE) that the 75 mm thick BM would not fulfill the design requirement and would not bind the agency by defect liability period clause. The SE terminated the contract in October 2013 as the agency failed to complete the work within stipulated period.

The specifications of road remained undecided for two years and the road already constructed was damaged. The EE instructed (February 2013) for designing the sub base and base for 15 years and bituminous crust for ten years. The State Government accorded (January 2014) revised administrative approval for ₹ 27.79 crore for the comprehensive estimate including the work already executed, laying 60mm Dense Bituminous Macadam (DBM) + 40 mm Bituminous Concrete (BC) in the reach from km 18.200 to 26.450 and construction of road in the reach km 26.450 to 27.600. The balance work was allotted (March 2014) to M/s All Grace Developers for ₹ 13.52 crore, which had executed the work of ₹ 12.44 crore as of November 2015.

Audit observed that instead of seeking revised approval for enhanced quantities due to four laning of the road, the Chief Engineer reduced the bituminous crust from 125mm to 75mm for keeping the work within technical sanction of ₹ 14.80

<sup>83</sup> 125mm BM in two layers- first layer of 75mm BM and other layer of 50mm BM.

<sup>84</sup> 7mtr to 15.70mtr (7.25mtr on both sides and central verge of 1.20 mtr).

crore which was against the provisions of para 10.8.1 of the PWD Code. Tenders had already been called for higher specifications and work was allotted for same quantities which violated the para 10.1.7 of PWD Code. Due to reduction in bituminous crust, the agency refused to complete the work and defect liability period clause could not be enforced resulting in avoidable expenditure of ₹ 39.57 lakh on maintenance of road. The additional layers in km 18.200 to 26.450 were being executed by incurring extra expenditure of ₹ 5.57 crore<sup>85</sup>. Further, the road between km 15.01 to 18.200 remained below specification which was fraught with the risk of early damage/deterioration as extra bituminous layer not provided in the revised detailed estimate.

Thus, due to improper formulation of estimate and non revision of estimate as per codal requirements, the road which was envisaged to be completed by January 2012, was still under construction even after six years from the approval of initial estimate and after incurring an extra expenditure of ₹ 5.57 crore.

Additional Chief Secretary stated (January 2016) that the estimate for four laning as per IRC specifications with reduced specifications (75mm BM + 25mm SDBC) was proposed from field office due to principle of distribution of load on separated carriageway in case of four laning and the change of thickness of layer of BM from 125mm to 75mm was not the reason for abandoning the work by first agency. It was further added that, had the work been completed by the agency in 2012, the resurfacing of road would have become due in 2015. The reply was not tenable as the SE had recommended (April 2009) 75mm BM + 50mm BM as per design requirement in view of traffic census and IRC specifications in the estimate of four laning and the agency had left the work due to dilution of specifications of road. Further, the contention of the department that if the work had been completed in 2012, the department would have to incur expenditure on re-surfacing of the road in 2015 was not justified as the public had to bear poor road conditions during that period due to improper decision which led to not only delay in completion of work but also extra expenditure of ₹ 5.57 crore.

## Rural Development Department

### 3.23 Utilization of funds under Backward Region Grant Fund

**There was inadequate financial control in implementation of Backward Region Grant Fund Scheme leading to short release of funds by GOI, delay in release of funds to the Implementing Agencies and deficiency in redressing of regional imbalances. Funds were not allocated for priority programmes under SC/ST development plans.**

The Backward Regions Grant Fund (BRGF), a 100 *per cent* centrally sponsored scheme, was launched (2006-07) by the Ministry of Panchayati Raj (MPR), Government of India (GOI) to redress regional imbalances in development by

<sup>85</sup> ₹ 9.50 crore (Cost of laying of DBM and BC as per new contract)-₹ 3.93 crore (Cost of laying of BM and SDBC as per earlier contract) = ₹ 5.57 crore

providing financial resources for supplementing and converging existing developmental inflows into identified districts. The Programme was implemented in Haryana from 2007-08 in two districts (Sirsa and Mahendergarh) for providing financial resources with a view to bridge critical gaps in local infrastructure and other developmental requirements that were not being adequately met through existing inflows, strengthening the panchayats and municipality level governance with more appropriate capacity building, providing professional support to local bodies. Records in the office of Director, Rural Development Haryana, Haryana Institute of Rural Development (HIRD) Nilokheri, Additional Deputy Commissioner(ADC)-cum-CEO, District Rural Development Agency (DRDA), Sirsa and implementing agencies (IAs) for the period 2010-15 were examined with a view to ascertain whether funds were utilized efficiently and effectively. Following irregularities were noticed during audit:

### **1. Planning**

Each Panchayat or Municipality within the Backward District concerned was to be considered as a unit for planning under BRGF. Plans prepared by each Panchayat and Municipality were to be consolidated into the District Plan by the District Planning Committee. Planning exercise was to be done in accordance with the BRGF guidelines issued by Planning Commission from time to time. Inclusion of issues related to SCs/STs was also to be ensured during consolidation of district plan and particular care was also to be taken to ensure that District Plan addresses issues relating to SC/ST component. Following irregularities were noticed:

#### **(i) Priority programmes under SC/ST Plan**

As per BRGF guidelines, priority was to be given to schemes such as rural playgrounds, residential intermediate college/hostels for SC/ST children, tractors and agricultural implements to Self Help Groups of 20 small/marginal SC/ST farmers, pre-recruitment training for paramilitary and security forces, construction of shops etc. providing one time support of ₹ 20 lakh to reputed NGOs which owned land for setting up secondary schools/colleges for girls, Provisions of funds were for only those programmes which were included in the district plan.

Scrutiny of records showed that priority programmes proposal were not included in the district plan due to which funds could not be provided for priority schemes, reasons for which were not on record. ADC, Sirsa stated (February 2015) that efforts would be made to include the priority sectors in next plan. The fact, however, remains that funds were not provided to the above priority schemes.

### **2. Financial management**

During 2010-15, against the total available funds of ₹ 69.17<sup>86</sup> crore, expenditure of ₹ 59.50 crore has been incurred in Sirsa leaving a balance of ₹ 9.67 crore against pending sanctioned works. Following important irregularities were noticed:

<sup>86</sup> Opening Balance: ₹ 1.03 crore + Grant received: ₹ 67.66 crore + Miscellaneous Receipts: ₹ 0.48 crore.

**(i) Short/late release of Funds:**

As per instructions issued (November 2009) by Government of India, Ministry of Panchayati Raj entire entitlement of a year would have to be claimed within same financial year itself and would not be carried forward to the next financial year. The funds were to be released by GOI in two installments and the second installment was to be released only after utilisation of 60 per cent of first installment.

Scrutiny of records showed that against the total allocation of ₹ 87.03 crore, ₹ 67.66 crore has been released by the GOI during 2010-15. Short release of ₹ 19.37 crore was due to non utilization of 1<sup>st</sup> installment of the grant in time by ADC. Director General and Secretary, Rural Development Department (RDD) stated (December 2014) that delay was due to non-utilization of 60 per cent of the 1<sup>st</sup> Installment of the grant in time at district level by ADC, DRDA. As such Ministry did not entertain the proposal of 2nd installment as it was received in the next financial year.

**(ii) Delay in release of Government money**

As per instructions issued (June 2009) by the GOI, MPR, State Government was required to transfer the funds to concerned district within 15 days from the date of release by GOI. In case of delay, penal interest at the rate equal to RBI bank rate along with amount was to be paid to the district. It was noticed that the State Government released the funds of ₹ 21.11 crore to the IAs (ADC, Sirsa and Director, HIRD, Nilokheri) during 2010-11 with a delay ranging between 7 and 106 days for which the State Government paid interest of ₹ 15.95 lakh to the IAs (January 2012). It was observed that delay in the release of funds was attributed to delay in release of sanction by the RDD as shown in the table below:

Sr. No.	DRDA	Amount sanctioned (₹ in lakh )	Date of sanction by GOI	Date of receipt in RDD	Date of sanction/ released to IAs	Period in days	No. of days for which interest is to be released	Penal interest at 6 per cent PA (₹ in lakh)
1.	Sirsa	460.00*	16 July 2010	21 July 2010	13 August 2010	22	07	0.53
2.	Sirsa	850.00	23 July 2010	29 July 2010	26 August 2010	28	13	1.82
3.	Sirsa	692.00	14 December 2010	24 December 2010	25 April 2011	121	106	12.06
4.	Director HIRD	109.00	12 January 2011	13 January 2011	25 April 2011	101	86	1.54
	<b>Total</b>	<b>2,111.00</b>						<b>15.95</b>

**Source- Information provided by the department**

**\*This fund relates to previous year received in 2010-11.**

It has been decided (July 2011) by the department that in order to avoid any delay, cases related to the release of BRGF schemes would be sent to the Finance Department (FD) by hand and the concerned department would also immediately intimate FD through fax as soon as information of the release of such fund received from GOI.

**(iii) Non-utilization of additional resources for development.**

As per Para 4.8 and 4.9 of BRGF guidelines, funds shall be kept in a nationalized bank or a post office and the interest accrued on the deposits shall be treated as additional resources under the BRGF and should be utilized as per guidelines.

Scrutiny of records showed that funds of ₹ 67.66 crore were received as BRGF

Grant from GOI during 2010-15, which was released to various IAs. Interest amounting to ₹ 1.28 crore was earned on the amount of test checked IAs including DRDA which was neither utilized nor refunded by IAs.

ADC, Sirsa stated (February 2015) that all the interest earned during 2010-15 would be placed before District Planning Committee for approval as additional resources. However, the same has not been placed so far. Further, 299 new works with estimated cost of ₹ 17.53 crore could not be started due to lack of funds in 2014-15. Had this amount of interest been utilised as additional resources, some projects which had not been executed due to lack of funds could have been started.

**(iv) Injudicious expenditure**

Para 2.2 of BRGF guidelines provides that particular care shall be taken to ensure that the district plan addresses issues relating to SC/ST development and schemes benefitting SCs/STs should be allocated funds at least in proportion to population of these communities and amenities such as schools, anganwaris, health centers etc. should be provided on priority in those villages that have a substantial SC/ST population. Further, the guidelines issued (January 2006) by the Planning Commission provided that villages with 50 *per cent* and above SC/ST population may be selected first and related activity taken up.

Audit noticed that 30 villages of Sirsa district have SC/ST population of more than 50 *per cent* (between 50 and 76 *per cent*) and an expenditure of ₹ 8.42 crore was incurred on construction of Anganwaris in 127 villages during 2010-15. However, only an expenditure of ₹ 0.64 crore (7.6 *per cent*) was incurred on construction of Anganwaris in eight villages, where population of SCs was more than 50 *per cent* leaving 22 such villages uncovered. It was observed that expenditure of ₹ 7.78 crore (92.40 *per cent*) was incurred on such villages, where SC population was less than 50 *per cent*. Spending significant funds in those villages where population of SCs was less than 50 *per cent* not only led to violation of guidelines, but also deprived the disadvantaged group of intended benefits of the programme. ADC, Sirsa stated (February 2015) that Anganwaris in such villages where SC population was more than 50 *per cent* would be considered in the next plan. The department was requested to intimate the latest status of the same but reply is awaited (December 2015).

**3. Implementation of the scheme**

**(i) Non-installation of electric poles**

The ADC, Sirsa sanctioned (September 2012) ₹ 78.10 lakh to the Municipal Council, Sirsa for eight works of installation of street lights for SC Basties.

Audit observed that 170 electric poles (with Sodium lamps) costing ₹ 28.38 lakh were purchased in September 2013. Installation work was awarded to a contractor in June 2014 after nine months and the scheduled date of completion was August 2014. Expenditure of ₹ 10.84 lakh has been incurred on installation of 170 poles, but only 95 lamps have been installed on the poles and 75 lamps were lying in the stores. Process of taking electricity connection has also not been commenced to

provide electricity supply. Executive Officer, Municipal Council, Sirsa stated (July 2015) that the process of electrification would be started only after getting the certificate of earthing of electricity and installation of all poles by the contractor.

Thus, due to delay in awarding and completion of work, the objective of providing lights in Basties has not been achieved despite incurring an expenditure of ₹ 39.22 lakh and funds amounting to ₹ 36.08 lakh<sup>87</sup> were still lying unutilized (December 2015).

**(ii) *Unfruitful expenditure due to non-functional sprinkler sets***

The ADC, Sirsa released funds of ₹ 25.73 lakh during September 2012 to March 2013 to District Horticulture Office (DHO) for construction of three pucca tanks and installation of sprinkler sets in three villages (Jodhpuria, Nanuana and Khari Surera) for improving the productivity of the agricultural produce. The work was completed during 2012-13 in three villages (Nanuana, Khari Surera and Jodhpuria) but Sprinkler sets were purchased only for two villages Jodhpuria and Nanuana at a total cost of ₹ 22.49 lakh. During joint physical verification with departmental officers (February 2015), it was noticed that these tanks were without water and sprinkler sets had not been made operational in two villages while no sprinkler sets were purchased in the third village (Khari Surera). It was observed that there was lack of coordination and the department did not make any effort to coordinate with Gram Panchayats. Thus, the expenditure of ₹ 22.49 lakh incurred on these tanks and the sprinkler sets remained unfruitful as no benefit could be derived as envisaged in the proposal.

DHO, Sirsa stated (February 2015) that the implementation of the scheme could not be continued due to non-cooperation of the Gram Sarpanches. The reply is not acceptable as works should have been executed after discussion and coordination with the concerned Gram Panchayats.

**(iii) *Non-fulfillment of conditions by the NGOs for Skill Development***

The BRGF guidelines accorded priority of schemes for the development of SCs/STs like training of educated youths in areas like beauty parlour and tailoring etc. As per guidelines/terms and conditions controlling these NGOs, a committee constituted by DRDA, Sirsa was required to check the center; UCs were required to be submitted within one year and such training was also extended to other segments of the population which will enable the youth to be employed on self employment basis. DRDA, Sirsa office invited (September 2013) tenders from reputed NGOs/firms to start training courses. Out of eight NGOs (which participated in the tender process), five NGOs were ready to impart training at the lowest rate of the tender fixed by ADC, Sirsa so all the five NGOs were selected to impart training.

Scrutiny of the records of three out of the five NGOs showed that: -

- (i) A committee was constituted (October 2013) for checking of such centres but no checking had been done by the committee;

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<sup>87</sup> After adjusting excess expenditure of ₹ 2.80 lakh in respect of other works.

- (ii) Utilization certificates were not sent by the NGOs;
- (iii) Record relating to the placement of the candidates was not available; and
- (iv) Training has been limited to SC candidates only.

ADC, Sirsa stated (March 2015) that necessary instructions have been issued to these NGOs for sending the UC. However, the fact remains that due to non-fulfilling of conditions of tender by the NGOs, it could not be ensured whether funds allotted to NGOs were utilized for intended benefits and skill development programme has been implemented.

Thus, there was inadequate financial control leading to short release of funds by GOI to the State Government, delay in release of funds by the State Government to the IAs and non-preparation of district plan proposals for utilization of additional resources generated, leading to deficient implementation of scheme to redress regional imbalances. Funds were not allocated for priority programmes under SC/ST development plans to the villages having substantial SC/ST population as only 7.6 per cent funds were spent in villages having more than 50 per cent population of SCs. The schemes for providing street lights to villagers and utilization of sprinkler sets for improving agriculture produce were partially implemented.

The matter was referred to Principal Secretary to Government of Haryana Rural Development Department in May 2015 and further reminder was issued in August 2015; reply was awaited (January 2016).

### **3.24. Social Audit provided under 'Mahatma Gandhi National Rural Employment Guarantee'-Audit of Scheme Rules, 2011**

**Social Audit Unit was not made fully functional by Rural Development Department as against 44 sanctioned posts, 32 were lying vacant. Resource persons were not identified, trained and deployed to Gram Panchayats to facilitate social audit. As against the requirement of conducting 12,280, only 6,771 social audits were conducted. Social Audit Calendar was not prepared by Social Audit Unit. Social Audit Reports were not being uploaded on the official web site. The instances of non-conduct of social audit verification, non-recording of videography of social audit Gram Sabha proceedings, non-preparation of social audit reports, annual reports, etc. were also noticed.**

Social audit is verification of implementation of programme/ scheme and its results by the community with active involvement of primary stakeholders. Social audit was formally brought into Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Scheme through MGNREG Audit of Scheme Rules, 2011 in April 2011. A social audit is conducted by the Gram Sabha of the Panchayat with the help and support of resource persons identified by the Social Audit Unit (SAU). Social Audit was to be conducted once in six months.

With a view to assess the compliance of MGNREG Audit of Scheme Rules, 2011, records of Rural Development Department, State Social Audit Unit and 50 selected Gram Panchayats (GPs) out of 4,761 GPs where social audit was

conducted, were test checked during May-June 2015 (*Appendix 3.6*). The data was collected from the beginning of the introduction of the social audit i.e. 2012-13. However, detailed audit was conducted for the year 2014-15.

The audit findings are discussed in the succeeding paragraphs:

### **Audit findings**

#### **(i) Setting up of Social Audit Unit**

Social Audit Unit (SAU) was set up in Haryana in July 2012. The Director, Rural Development Department was given additional charge of the Director, SAU. Out of 44 sanctioned posts, only 12 posts had been filled up so far (September 2015). Of these, six were whole time and six posts were filled up by giving additional charge. Further, the core posts of Financial Controller, Section Officer, Auditors, Joint Director (Monitoring), Assistant Director (Monitoring), Investigator, Junior Programmer, etc. remained vacant (July 2015). Thus, SAU had not become fully functional.

The Additional Chief Secretary, Rural Development Department (ACS) stated (September 2015) that the matter for recruitment of officers/official for remaining posts was under process and would be decided shortly.

#### **(ii) Negligible expenditure incurred by SAU**

GOI in Ministry of Rural Development (MoRD) issued (August 2012) letters to all State Government Secretaries responsible for implementing MGNREGS for spending one *per cent*, out of six *per cent* of total expenditure of MGNREGS provided for Administrative charges, for establishing the SAU. Further in June 2014, MoRD, under special financial assistance for staffing of SAU, allowed reimbursement of cost of engaging social audit resource persons till 2017.

Expenditure on account of salaries of SAU staff and contingent expenditure was being met out of MGNREG Scheme funds. During 2012-15, an expenditure of ₹ 69.87<sup>88</sup> lakh (0.07 *per cent*) was incurred on SAU against the total expenditure of ₹ 979.31<sup>89</sup> crore on MGNREGS during 2012-15. Apart from this, the benefit of special financial assistance from GOI was not availed of by the Department.

The ACS stated (September 2015) that the expenditure was less due to non-selection and non-providing of training to Village Resource Persons (VRPs) except in Karnal district. It was further stated that VRPs had been selected in 19 districts and training would be provided to them and the expenditure would now increase on providing training to identified VRPs and filling up the posts of SAU.

#### **(iii) Identification, training and deployment of resource persons**

According to Rule 4 of the MGNREG Audit of Scheme Rules, 2011, the SAU was responsible for building capacities of Gram Sabhas for conducting social audit and towards this purpose, it was to identify, train and deploy suitable

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<sup>88</sup> 2012-13: ₹ 8.44 lakh, 2013-14: ₹ 30.47 lakh and 2014-15: ₹ 30.96 lakh

<sup>89</sup> 2012-13: ₹ 380.63 crore, 2013-14: ₹ 381.62 crore and 2014-15: ₹ 217.06 crore

resource persons (RPs) at Village, Block, District and State Levels.

The trained resource persons had, however, not been identified, trained and deployed for facilitating social audit in any of the GPs, Blocks and District in the State. Required training/inputs were also not provided to the Social Audit Teams. In district Karnal, 71 Village Resource Persons (VRPs) were identified and trained in October 2014 at Haryana Institute of Rural Development (HIRD), Nilokheri during 2014-15 and an expenditure of ₹ 8,750 was incurred. But their services were not put to use for conducting social audit.

The ACS stated (September 2015) that VRPs had since been identified in 19 districts and programme to conduct training was under process. As regards utilisation of services of trained VRPs of Karnal district, it was stated that their services would be utilised after giving comprehensive training.

**(iv) Preparation of Annual Calendar by SAU**

(a) As per provisions contained in Rule 6(1) of the MGNREG Audit of Scheme Rules, 2011, SAU shall, at the beginning of the year, frame an annual calendar to conduct at least one Social Audit in each GP every six months. SAU had not prepared any Social Audit Calendar for the year 2014-15 as prescribed in the Rules. However, Social Audit Calendars were prepared by the concerned Block Development and Panchayat Officers (BDPOs) but those were not being got approved from the SAUs.

(b) As per Social Audit Calendar uploaded on MoRD website, meetings for social audit were shown as held on 11 November 2014, 24 November 2014, 24 February 2015 and 6 March 2015 in GPs Bishangarh (Ambala-I Block), Gujarnangla (Firojpur Jhirka Block), Ghagas (Nagina Block) and Marora (Nuh Block) respectively but meetings of Gram Sabhas were not held.

(c) Social audit must be conducted as per Social Audit Calendar uploaded on the website ([www.nrega.nic.in](http://www.nrega.nic.in)). Any change in the actual date of conduct of social audit must be approved by the Director, SAU and ACS in advance. Audit observed that the dates of social audit were changed by nine GPs without prior approval of the competent authority. As such, the stakeholders as well as public remained uninformed about holding of social audit meetings.

(d) There was short fall ranging between 43 and 58 *per cent* in conducting social audits during 2012-15 as per details given in the table below:

Year	Number of GPs in Haryana	GPs covered for Social Audit	Social Audits to be conducted	Social Audits actually conducted	Short fall	Percentage Short fall
2012-13	6140	4200	12280	6988	5292	43
2013-14	6140	4122	12280	5156	7124	58
2014-15	6140	4761	12280	6771	5509	45

**Source: Compiled data from departmental records**

Analysis of above data showed:

- As against the requirement of 12,280 (two social audit of each GP per year for 6,140 GPs), only 6,771 social audits were conducted during 2014-15.

- Out of 6,140 GPs, audit of only 4,761 GPs was conducted during 2014-15. No social audit was conducted in respect of 1,379 GPs.

The ACS stated (September 2015) that all the District Programme Co-ordinators had been directed to prepare Social Audit Calendar and upload the same on MIS. It was further stated that targets of social audit could not be achieved due to non-identification of VRPs and non-constitution of Social Audit Committees and efforts would be made for conducting Social Audit of all GPs in future.

**(v) *Uploading of Social Audit Reports***

As per the Standard Operating Procedure prescribed by the MoRD in May 2013, Social Audit Reports (summary/brief) were required to be uploaded by SAU on the official website in the prescribed format within five days of the conduct of social audit. Social Audit Reports (summary/brief) were, however, not being uploaded on the official website.

The ACS stated (September 2015) that the Social Audit process had been started in June 2015 only in true spirit and that Social Audit Reports would be uploaded in future.

**(vi) *Formation of Social Audit Committees***

Rule 3(2) of the Haryana Social Audit and Grievance Redressal Rules, 2014 lays down that a Social Audit Committee consisting of at least nine members including members of Vigilance and Monitoring Committee, six members who have worked in MGNREGS, members of disadvantaged groups and not less than one third women members, shall be constituted to conduct social audit.

The formation of Social Audit Committees in 35 GPs out of 50 test-checked was not as per rules as required representation was not given to MGNREG scheme workers, members of disadvantaged groups and women in these committees while in seven<sup>90</sup> GPs, even committees were not constituted.

The ACS stated (September 2015) that all the District Programme Co-ordinators had been requested to form Social Audit Committees as per rules.

**(vii) *Social audit field verification***

As per provisions contained in Rule 6(2) of the MGNREG Audit of Scheme Rules, 2011, Operational Guidelines of the scheme and Social Audit Manual, the Social Audit Teams/Village Resource Persons must interact with the people in small meetings, visit MGNREGS workers individually, visit all works undertaken under the scheme and verify all records and expenditure incurred by the GPs during the audit period.

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<sup>90</sup> (i) Saragthal, (ii) Tikola, (iii) Dubeta, (iv) Gumthala Rao, (v) Nanduwali, (vi) Chahalka and (vii) Leharwari

Door-to-door visits to meet beneficiaries of the MGNREG Scheme under audit were not conducted by the Social Audit Teams. These teams had also not visited the projects/work sites and verified physically that completed works match with the information contained in the records of GPs. Further, Social Audit Teams were collecting records on the date of social audit whereas records were to be obtained 15 days in advance of the scheduled date of meeting of Gram Sabha as per requirement of rules. A perusal of minutes of meetings of Social Audit Gram Sabhas showed that only work-wise details of expenditure along-with acceptance of the same by the Gram Sabha were being recorded in minutes. However, grievances of public or other deliberations were not being recorded so as to take remedial action in future. As such, the system of recording of minutes was not effective for taking remedial action.

The ACS stated (September 2015) that the Social Audit had been started in June 2015 in true spirit and Social Audit Teams had started visiting door to door to meet beneficiaries of MGNREG Scheme and verification of work at site and grievances.

***(viii) Video recording of Social Audit Gram Sabha proceedings***

As per provisions contained in Para 13.3.11 of the Operational Guidelines of the scheme, Standard Operating Procedure prescribed by the MoRD and the Social Audit Manual, the entire proceedings of the Social Audit Gram Sabha should be video recorded and uploaded on the website of MGNREG Scheme. The video recording of the Social Audit Gram Sabha was, however, not done in any of the test-checked GPs.

The ACS stated (September 2015) that directions had been issued to all DPCs to ensure video recording of Social Audit Gram Sabha proceedings.

***(ix) Presiding of Social Audit Gram Sabha***

As per Social Audit Manual {Para VI (6)} and Operational Guidelines (Para 13.3.5) of the scheme, the Social Audit Gram Sabha should not be presided by the Sarpanch of the concerned GP being a part of the implementing agencies. Contrary to this, Social Audit Gram Sabha were presided by the concerned Sarpanches in 17 GPs out of 50 test checked GPs. In these cases, the independence of social audit was diluted.

The ACS stated (September 2015) that directions had been issued to all the GPs that Sarpanches may not be allowed to preside over the meetings of Gram Sabha in future.

***(x) Supervision by the District Programme Coordinators***

As per provisions contained in Rule 6(7) of the MGNREG Audit of Scheme Rules, 2011 and Social Audit Manual, the District Programme Coordinator (DPC) shall attend the Social Audit Gram Sabha meeting or nominate an official of appropriate level for smooth conduct of the Gram Sabha.

Audit noticed that neither the DPCs attended the Social Audit Gram Sabha meetings nor nominated the other officials to attend the meetings in any of the districts test checked except in Panchkula district. However, the officials were nominated by the concerned BDPOs in respect of all the GPs but the nominees had not attended the Gram Sabha meetings in 25 test checked GPs.

The ACS stated (September 2015) that directions had already been issued to nominate representatives to attend the Gram Sabha meetings.

***(xi) Preparation of Social Audit Reports***

As per Rule 6(8) of the MGNREG Audit of Scheme Rules, 2011, Para 13.3.12 of the Operational Guidelines and Social Audit Manual, the Social Audit Reports shall be prepared in local language by the SAU and displayed on the notice board of the GPs. Out of 50 test-checked GPs, Social Audit Reports were not prepared by 45 GPs. Five GPs had prepared Social Audit Reports but had not displayed on the notice board of the GPs.

The ACS stated (September 2015) that Social Audit Reports would be recorded in local language in future.

**Follow up of social audits**

***(xii) Block/District level public hearings***

According to Para 13.3.15 of the Operational Guidelines of the scheme and Social Audit Manual, a Social Audit Public Hearing should be held at the blocks and district headquarters after holding the Social Audit Gram Sabha in all GPs. Block and district level public hearings were, however, not held in any of the blocks/districts test-checked.

The ACS stated (September 2015) that compliance of the provision of guidelines would be done in future.

***(xiii) Annual Reports***

As per provisions contained in Para 13.11.4 of the Operational Guidelines of the scheme, the DPC, PO and the GP implementing the scheme shall prepare annually a report containing the facts and figures and achievements relating to the implementation of the scheme within his jurisdiction and a copy of the same shall be made available to the public on demand and on payment of such fee as may be specified. Audit observed that such reports were not being prepared by the DPCs, POs and GPs test-checked.

The ACS stated (September 2015) that instructions had already been issued to prepare the Annual Reports in future.

***(xiv) Submission of report to the CAG***

As per provisions contained in Rule 3(2) of the MGNREG Audit of Scheme

Rules, 2011, a summary of findings of social audits conducted during a financial year was to be submitted by the State Government to the Comptroller and Auditor General (CAG) of India. Audit noticed that summary of findings were, however, not being submitted by the State Government to the CAG of India.

The ACS stated (September 2015) that summary of findings of Social Audit would be submitted to CAG in future.

Thus, Social Audit had not been conducted as per guidelines. Physical verification of projects/work sites, an important ingredient, was not being done. Social Audit Reports were not being generated. In the minutes of Gram Sabhas, grievances of public were not found to be recorded.

### Sports and Youth Affairs Department

#### 3.25 Utilisation of sports infrastructure

**There were cases of delays in construction and handing over of stadiums. Further, the stadiums were abandoned and were not being maintained properly. Basic facilities and sports items were not being provided in the stadiums besides shortage of coaches and other staff. Cases of parking of funds and irregular payment to a chief coach were noticed.**

The existing Sports policy was framed in 2001 and revised in 2009 by Government of Haryana. The main objectives of the Sports policy were to encourage mass participation in sports, promote excellence in sports, develop, maintain and optimally utilize high quality of sports infrastructure, facilitate educational institutions, encourage participation, provide training and support to sports persons in participating in national and international championship. To achieve these objectives the State has two State sports complexes, 21 district sports complexes, 13 sub-divisional stadiums, eight multipurpose halls, four Synthetic Athletic tracks, six Hockey Astrofurfs, 167 Rajiv Gandhi Gramin Khel Parisars (RGGKPs), 248 Mini/Rural stadiums and eight Swimming pools. District Sports and Youth Affairs Officers (DSYAOs) are operating and maintaining the Sports facilities in the Districts. During 2010-15, total budget for Sports Infrastructure was ₹ 119.48 crore against which an amount of ₹ 104.19 crore was released and out of total budget of ₹ 4.64 crore earmarked for maintenance of Sports Infrastructure, an expenditure of ₹ 4.47 crore was incurred during this period.

The records in the office of the Director General, Department of Sports and Youth Affairs (SYA) and six<sup>91</sup> out of 21 districts for the period 2010-15 were test checked to ascertain the effectiveness of the department in implementation of provisions relating to building, maintaining, operating and up-gradation of infrastructure. In these six districts, there were one State Sport Complex, six district sport complexes, three sub-divisional stadiums, two multipurpose halls, two synthetic athletic tracks, two Astrofurfs, 67 RGGKPs, 92 mini/ rural stadiums

<sup>91</sup> Ambala, Rohtak, Jhajjar, Bhiwani, Fatehabad and Yamunanagar.

and two swimming pools. Against the budget provision of ₹ 51.51 crore, an expenditure of ₹ 37.61 crore was incurred during 2010-15 in the six test checked districts. Following major deficiencies were noticed during audit:

**1. Creation of Sports Infrastructure**

**(i) Delay in completion of multipurpose hall**

Scrutiny of records showed that Government of India (GOI) transferred (April, 2005) the Scheme “Creation of Sports Infrastructure” to the State for direct implementation by the State. The original estimate of the work for “Construction of Multipurpose Hall at Yamunanagar” prepared in November 2002 for ₹ 1.72 crore was revised to ₹ 5.04 crore in March 2012, for the same scope and specification of the work due to non-availability of sufficient funds with the District Sports Council. An expenditure of ₹ 4.33 crore had been incurred up to February 2015 on the construction work, but, works such as floor tiling, wooden flooring, electricity fitting, painting and development of outside area has yet not been completed. DSYAO, Yamunanagar stated (February 2015) that works would be completed by December 2015 and further added that the main reason for the delay in completion of work was the paucity of the funds as funds were never released against the actual requirement by the Director General, SYA department. A Para on the same issue had featured in the Report of Comptroller and Auditor General of India for the year ended 31 March 2007 (Civil)-Government of Haryana {Para No. 4.5.2 (b)}. Public Accounts Committee (PAC) recommended in its 68<sup>th</sup> Report (2012-13) to send a report in this regard within a period of one month specifically mentioning the officers/officials who were responsible for this lapse. However, no action has been taken by the Department on the recommendation of the PAC so far (December 2015).

Thus, non-releasing of funds in consonance with the requirement of work resulted in non-completion of the stadium. Besides, delay in completion of work also resulted in cost overrun of ₹ 3.32 crore.

**(ii) Blockade of funds and non-construction of Stadiums and Badminton Hall.**

Scrutiny of records of DSYAOs, Ambala and Jhajjar showed that SYA Department transferred ₹ 1.52 crore during October 2010 to July 2012 for construction of four stadiums and one Badminton Hall to four executing agencies<sup>92</sup> without ensuring the availability of land. It was noticed that work of construction of these stadiums has not started (June 2015) as the land was not made available by the concerned Gram Panchayats. DSYAO, Ambala stated (June 2015) that work has not been started so far. Response from DSYAO, Jhajjar has not been received. Thus, transferring of funds without ensuring availability of land and conducting pre-inspection of site resulted not only in blockade of funds of ₹ 1.52 crore but also deprived the Sports persons of Ambala and Jhajjar districts of sports facilities.

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<sup>92</sup> (i) Executive-Engineer, Panchayti Raj Institution Ambala (ii) MC Ambala (iii) BD&PO Ambala (iv) BD&PO Jhajjar.

**(iii) Delay in providing sports infrastructure facilities**

Scrutiny of records showed that 67 RGGKPs were constructed in selected districts by the Haryana State Agricultural Marketing Board (HSAMB) at a cost of ₹ 45.42 crore<sup>93</sup> after a delay ranging between 7 to 50 months from the scheduled time of completion. Of which 25 stadiums were constructed after a considerable delay of more than 24 months to 48 months.

It was also noticed that these RGGKPs were handed over to SYA Department after a delay ranging between 2 to 42 months after construction. Thus, due to delay in construction and thereafter in handing over these stadiums, objective of the sports policy to provide high quality sports infrastructure could not be achieved. Deficiencies in maintenance are given in para 3(iii) and 4.

Chief Administrator, HSAMB, Panchkula stated (August 2015) that reasons for delay were land dispute, change in structural design, agencies left work incomplete, site not clear, shortage of labour and material etc. Reply of the department is not tenable because these issues should have been settled before commencement of the works.

**(iv) Parking of funds**

Rule 2.10 (b) 5 of Punjab Financial Rules (PFR) Vol-I provides that no money is withdrawn from the treasury unless it is required for immediate disbursement.

With a view to provide new technology of sports, medical facilities and awareness about new rules etc. to sports-persons, Department of SYA, Haryana accorded sanction (March 2012) of ₹ 50 lakh to District Sports Council(DSC), Bhiwani for setting up of Regional Sports Development Centre at Bhiwani and transferred the amount in March 2012.

Scrutiny of records (January 2015) showed that this amount was lying unspent in the bank account of DSC, Bhiwani as Directorate office did not give direction for utilization of funds. Thus, funds of ₹ 50 lakh remained unutilized (December 2015) for more than three years depriving the sports persons of infrastructure facilities. DSYAO, Bhiwani stated (January 2016) that they requested Director, SYA Department to issue guidelines to spend this amount, but no guidelines in this regard have been received so far.

**2. Maintenance of Sports Infrastructure:****Renovation of Gymnasium Hall/Mini stadiums**

Scrutiny of records of two DSYAOs (Ambala and Yamunanagar) showed that the SYA transferred ₹ 32.25<sup>94</sup> lakh to the different executing agencies for renovation

<sup>93</sup> Ambala: ₹ 4.08 crore, Rohtak: ₹ 9.54 crore, Jhajjar : ₹ 14.17 crore, Bhiwani: ₹ 10.32 crore, Yamunanagar: ₹ 4.14 crore and Fatehabad: ₹ 3.17 crore.

<sup>94</sup> DSAYO, Ambala: ₹ 16.63 lakh (July 2012); ₹ 1.23 lakh (November 2013) and DSAYO, Yamunanagar: ₹ 14.39 lakh (July 2008)= ₹ 32.25 lakh

of Gymnasium Hall and construction of mini stadium at village Rupali (Yamunanagar) during July 2008 to March 2014. It was observed that:

- While conducting physical verification (July 2013) by the Department, the Deputy Director, found that there was seepage in one or two places of the false ceiling of the Gymnasium hall. Despite incurring expenditure of ₹ 16.63 lakh (July 2012) and ₹ 1.23 lakh (November 2013) on renovation of Gymnasium Hall at Ambala, defects could not be removed which indicated poor quality of repair work. DSYAO, Ambala, stated (June 2015) that condition of the roof and false ceiling of the hall was miserable and there was risk of injury to players. The fact, thus, remains that even after incurring expenditure of ₹ 17.86 lakh on repair of gymnasium hall it could not be put to use as of December 2015.
- An amount of ₹ 14.39 lakh was released to Executive Engineer, PRI, Yamunanagar in July, 2008 for construction of Mini Stadium at village Rupali, without ensuring the availability of land.. The executing agency returned (December 2008) ₹ 12.38 lakh to the Department after deducting ₹ 2.01 lakh incurred on 10 *per cent* completion of the work, which proved wasteful as a stay order had been given by the High Court on the land on which the stadium was to be built. As such, Mini Stadium remained unconstructed (December 2015).

Thus, expenditure of ₹ 19.87 lakh<sup>95</sup> incurred on sports infrastructure had not served the intended purpose and resulted in wasteful expenditure. Besides, sports persons were deprived the facilities of sports infrastructure.

### **3. Coaching to Sports persons**

#### **(i) Irregular payment**

Government of Haryana appointed (30 April 2012) a Director cum Chief Coach, Lawn Tennis Academy at Rohtak for a monthly payment of ₹ 1,00,000. As per the terms and conditions fixed by the DSC, Rohtak the Director cum Chief Coach must impart coaching for minimum 10 days per month to the selected students.

It was noticed that chief coach provided training for 50 days only, from the period May, 2012 to October, 2014 against the requirement of minimum 300 days. Payment of ₹ 28 lakh was made to chief coach during this period without ensuring whether he had imparted training for the requisite period. Besides, sports persons were also deprived of the training, as this was provided for only 50 days against minimum requirement of 300 days.

DSYAO, Rohtak stated (May 2015) that the Chief Coach was appointed with the condition that chief coach would provide coaching for at least ten days in a month but no record of training was maintained by them.

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<sup>95</sup> ₹ 17.86 lakh + ₹ 2.01 lakh.

**(ii) Non-recovery from the students**

As per terms and conditions fixed by the Deputy Commissioner, Rohtak, the Director cum Chief Coach must provide free coaching to 10 students out of 25 students. Remaining 15 students were required to pay ₹ 3,000 per month for getting coaching facilities.

It was observed during audit that the above mentioned coaching programme started from the month of July 2012 and continued up to January 2015. The coaching were provided to the students (number ranging between 16 to 24), but fees amounting to ₹ 8.55 lakh was not received from the students. While accepting the facts DSYAO, Rohtak stated (May 2015) that recovery has not been made, because DC, Deputy Director, and DSYAO, Rohtak after discussion with Chief Coach decided not to charge any fees. Thus, absence of specific executive orders and non-following the procedure, resulted in non-recovery from students.

**(iii) Shortage of Coaches/Groundmen/Groundmanager and Chowkidars at the stadiums**

- Scrutiny of records showed that shortage of Coaches vis-à-vis games being played at districts level ranged between 33 to 63 *per cent* during 2010-15.
- Out of 92 Mini Stadiums, ground managers were not available in 44 stadiums. Further in 30 mini stadiums ground managers were not available for a period of 27 to 58 months.
- Groundmen were not available in 42 mini stadiums. In another 34 mini stadiums, groundmen were not available for 26 to 56 months.
- In 92 Mini Stadiums, no chowkidars were available during the period of 2010-15.
- Similarly, in RGGKPs, Chowkidars were not available in 65 out of 67 stadiums.
- In 67 RGGKPs, ground manager were not available between 2 to 40 months.
- Groundmen were not available in 65 RGGKPs between 2 to 39 months.

Thus, shortage of Coaches, Ground managers, Ground men and Chowkidars in the test checked districts adversely affected the maintenance of the Mini Stadiums and RGGKPs as detailed in Para 4. Besides, sports persons were also deprived of training due to shortage of coaches.

**4. Irregularities noticed during joint inspection**

With a view to assess the actual position of sports infrastructure, a joint inspection (alongwith departmental officers) of 27 RGGKPs and 34 mini stadiums was conducted in six districts<sup>96</sup>. Results of inspection are given below:

<sup>96</sup> Mini Stadium-34 (Jhajjar-6, Rohtak-6, Bhiwani-6, Yamunanagar-2, Ambala-8 and Fatehabad-6).  
RGGKP-27 (Jhajjar-6, Rohtak-6, Bhiwani-5, Yamunanagar-2, Ambala-6 and Fatehabad-2).

- Play grounds of 24 mini stadiums (71 per cent) and 19 RGGKPs (70 per cent) were bumpy and not fit for sports activities.
- High tension electricity lines were passing over the play grounds in six stadiums (18 per cent) posing a major risk.
- Play grounds of 12 stadiums (35 per cent) in Rohtak, Jhajjar, Fatehabad and Bhiwani districts were in low lying areas. Nomadic animals were grazing in five stadiums (15 per cent) due to broken boundarywall, while scrubs and agricultural waste were also scattered in the play grounds in eight stadiums (24 per cent) making them unfit for sports activities.



- Equipments such as Basketball net, Volleyball net, Football poles, Badminton court, Weightlifting equipments, etc. were available only in 16 mini stadiums (47 per cent) and 23 RGGKPs (85 per cent) which showed poor availability of sports equipments in stadiums and deprived aspiring youth of sports facilities.
- Out of inspected 34 Mini Stadiums and 27 RGGKPs, basic amenities such as electricity, water and bath rooms were not available in 32, 27 and 28 Mini Stadiums (94, 79 and 82 per cent respectively) and in 19, 17 and 02 RGGKPs(70, 63 and 7 per cent respectively) respectively.
- Out of 22 tubewells installed in the RGGKPs, 21 (95 per cent) were not working for want of electricity connections and proper maintenance, in the absence of which, basic amenities like toilets and bathrooms were not usable.

Main reasons for non-maintenance of sports infrastructure was shortage of manpower and lack of proper monitoring.

Thus, there were delays in construction and handing over of stadiums. Deficiencies in maintenance of stadiums leading to deterioration, lack of sports equipments and basic facilities in the stadiums, shortage of staff etc., were symptomatic of inherent shortcomings in the system of building and providing good sports infrastructure to aspiring sports persons of the State. This was bound to have an adverse impact on the promotion of sports related activities and in nurturing talent.

The matter was referred (July 2015) to the Principal Secretary to Government of Haryana Sports and Youth Affairs Department and further reminder was issued in September 2015; reply was awaited (January 2016).

## Technical Education Department

### 3.26 Loss due to injudicious allotment of work

#### Allotment of work of construction of Government Polytechnics to RITES without analysing and comparing the rough cost estimates with Public Works Department (B&R), Haryana resulted in a loss of ₹ 1.03 crore.

Government of India (GOI), Ministry of Human Resource Development, launched (January 2009) a scheme “Sub-mission on Polytechnics under coordinated action plan for skill development” under which financial assistance of ₹ 12.30 crore (₹ 8.00 crore for construction work and ₹ 4.30 crore for machinery equipments for each polytechnics) for setting up Government Polytechnics (GPs) in seven districts<sup>97</sup> was to be provided. The State Government was to provide land for setting up polytechnic free of cost and bear the entire recurring expenditure and non recurring expenditure beyond ₹ 12.30 crore.

Scrutiny of the records of the office of Director General, Technical Education (TE), Haryana, Panchkula, showed (July 2014) that seven<sup>98</sup> sites were identified (January 2009) for setting up GPs under the said scheme. But the administrative approval in respect of only four GPs<sup>99</sup> was accorded (March 2010) for ₹ 8.00 crore each for construction work (₹ 2.00 crore was released for each GP). Work for establishment of these GPs was initially allotted to the PWD (B&R) in September 2009 as the rates of PWD (B&R) were at lower side but later on keeping in view the good track record of quality of construction and timely completion of earlier projects the work was assigned (March 2010) to the RITES Limited at project cost plus 6.45 *per cent* as Project Management Consultancy (PMC) charges. Advance payment of ₹ 8.00 crore for above mentioned works was made in March 2010 to RITES whereas the preliminary cost estimates for the construction of GPs were received in November 2010. Although the rates received from RITES were 30 *per cent* higher than those of PWD (B&R) yet the department went ahead and signed the agreement with RITES in July 2011.

Further, at the instance of the then Principal Secretary, TED, the engagement of RITES as PMC was reviewed in May 2012 and on the plea that the cost estimates were on higher side as compared to the estimates prepared by PWD (B&R) Haryana, Government decided in August 2012 that the work may be executed through the PWD (B&R) and quality of work may be ensured. Accordingly the RITES was informed about the decision of the Government in August 2012 and asked to refund the amount of ₹ 8.00 crore along with interest. The RITES

<sup>97</sup> (i) Rewari, (ii) Kaithal, (iii) Yamunanagar, (iv) Kurukshetra, (v) Fatehabad, (vi) Panipat and (vii) Panchkula.

<sup>98</sup> (i) Government Polytechnic Lisana (Rewari), (ii) Guru Gobind Singh Government Polytechnic Cheeka (Kaithal), (iii) Ch. Ranbir Singh Hooda, Institute of Irrigation and Power Enng. Hathni Kund (Yamuna nagar), (iv) Government Polytechnic Umri (Kurukshetra), (v) Government Polytechnic Dhangar (Fatehabad), (vi) Government Polytechnic Jattal (Panipat) and (vii) Government Polytechnic Nanakpura (Panchkula).

<sup>99</sup> (i) Government Polytechnic Umri (Kurukshetra), (ii) Government Polytechnic Dhangar (Fatehabad), (iii) Government Polytechnic Jattal (Panipat) and (iv) Government Polytechnic Nanakpura (Panchkula).

refunded (October 2012) an amount of ₹ 6.99 crore after deducting ₹ 1.03 crore as PMC fee, stone laying and Notice Inviting Tender publishing charges on the plea that the work was allotted to various agencies in April 2012 by them whereas the work was withdrawn in August 2012.

Thus, the injudicious decision of the department to allot the work to RITES without analyzing and comparing the preliminary cost estimate of RITES and PWD (B&R), Haryana resulted in loss of ₹ 1.03 crore.

The Principal Secretary, TED stated (September 2015) that funds of ₹ 8.00 crore received from GOI were deposited in the joint account of the department and RITES in March 2010 to avoid lapse of funds/grant. The approval of Finance Department for construction of Polytechnics was obtained in August 2010 and thereafter the agreements were signed in July 2011. It was further stated that the preliminary cost estimates of the projects were prepared by the PWD (B&R) on the basis of plinth area rates which were variable. The reply is not tenable as initially the construction work was allotted to PWD (B&R) in 2009 and advance payment of ₹ 8.00 crore was made (March 2010) to RITES without analyzing preliminary cost estimate and executing any agreement just to avoid lapse of funds. Further, the department was already aware in November 2010 that the preliminary cost estimates of RITES were approximately 30 *per cent* higher. Even then, the decision to withdraw the work from RITES was taken only in August 2012.

Despite knowing the fact that PWD (B&R) was a specialized department of the State Government and the preliminary cost estimates were also on lower side, not allotting the work to PWD (B&R) in November 2010, lacked financial prudence. It resulted in loss of ₹ 1.03 crore besides delay in construction of GPs.

## Women and Child Development Department

### 3.27 Procurement in Women and Child Development Department

**Cases of delay in procurement of Pre-School Education kits, excess purchase of furniture, extra expenditure on purchase of utensils, diversion of funds and irregular purchase were noticed.**

Women and Child Development (WCD) Department, Haryana is implementing various schemes for welfare of women and children in the State. Many food items under Supplementary Nutrition Programme (SNP), pre education kits and furniture etc. were being purchased by WCD Department. To ensure whether requirement of material was properly assessed, purchased and utilised, with reference to financial rules, regulations, instructions, etc., the records for the period 2010-15 in respect of Integrated Child Development Services Scheme was test checked in the office of the Director, WCD Panchkula and five District Programme Officers (DPOs)<sup>100</sup> during November 2014 to February 2015. Following irregularities were noticed:

<sup>100</sup> Mewat, Faridabad, Sirsa, YamunaNagar and Panipat.

**(i) Delay in procurement of Pre-School Education kits**

To enable the elder siblings to attend school to strengthen the Pre-School Education (PSE) in Anganwadi Centres (AWCs) through non-formal and play way method, the Central Government revised (May 2009) the norms for PSE kits from ₹ 500 to ₹ 1,000 per AWC per annum. For this purpose the kits were to be purchased by the committees constituted under the chairmanship of each Additional Deputy Commissioner (ADC).

The department withdrew ₹ 1.73 crore in March 2010 for purchase of 20,398 PSE kits. But due to delay in finalization of purchase process, purchase order could be placed in September 2010 with a time limit of 90 days. PSE kits were, however, delivered in April-May 2011, after a delay of one year which resulted in deprivation of the children from the facility of PSE kits for one year, besides loss of interest of ₹ 16.12<sup>101</sup> lakh due to withdrawal of funds in advance of requirement. Similar irregularity in respect of delay in procurement of PSE Kits was also pointed out in the Audit Report for the year 2009-10 (Para 1.2.12.27). Public Accounts Committee, while discussing the Report (2014-15) recommended to conduct an inquiry into the matter and to fix the responsibility of those officers, who had caused the delay in taking action. However, no action has been taken so far (December 2015).

The WCD Department stated (December 2014) as the approval of Chief Minister was received on 30 March 2010, the funds were drawn to avoid the lengthy procedure to get the same re-validated from the GOI and these funds were placed at the disposal of ADCs. Reply of the department was not tenable as the case was submitted for approval to Chief Minister on 30 March 2010 and it was approved on the same day with the instructions that procurement matters should be finalized well in time in future. The fact, however, remains that there was delay of more than one year in procurement of kits.

**(ii) Excess purchase of furniture**

Rule 15.2 of Punjab Financial Rules provides that purchase must be made in the most economical manner, in accordance with the definite requirements of the public service. Scrutiny of stock records of DPO, Sirsa showed that swings, plastic chairs and tables valuing ₹ 4.73 crore were provided by the ADC Sirsa under BRGF during March 2010 to June 2010 in all the 914 AWCs of the district. However, the same furniture items i.e swings, plastic chairs and tables valuing ₹ 85.14 lakh were again purchased and supplied in AWCS of District Sirsa between June 2011 and May 2013 by the Director WCD without ascertaining the actual requirement.

DPO, Sirsa stated (January 2015) that excess furniture would be shifted to other centres. The reply was not tenable as the furniture was in excess at all centres of the district and purchases should have been made after assessing the requirement.

**(iii) Diversion of Government grant**

Scrutiny of records of the DPO, Jhajjar showed that an amount of ₹ 11.95 lakh was sent

<sup>101</sup> ₹ 1.73 crore × 13 months × 8.60 per cent = ₹ 16.12 lakh.

in February 2011 by the Civil Surgeon, Jhajjar under National Rural Health Mission (NRHM). As per instructions of the Mission Director, NRHM, this amount was to be utilized for holding group meeting, rally, quiz/seminar /debates and competitions in Schools for awareness. However, this amount was spent on purchases of weighing machines in violation of guidelines. WCDPOs Salhawas and Bahadurgarh, Rural-I and II intimated (September 2014) that the purchases were made on the advice of Civil Surgeon, Jhajjar and prescribed procedure could not be adopted due to shortage of time. The fact remains that the grant was diverted which was in violation of the guidelines of NRHM.

**(iv) Irregular purchase**

Director, WCD Department issued instruction in July 2010 for preparation of various food items for beneficiaries, in which biscuit, toffee and kastoori methi were not included in the recipes under Supplementary Nutrition Programme. It was observed in audit that in contravention of these instructions, the DPO, Faridabad had purchased biscuit and toffee of ₹ 16.29 lakh during 2010-11 and the DPO, Palwal had purchased Kastoori methi of ₹ 8.14 lakh during 2010-13. The Director, WCD Department stated (May 2015) that explanation has been sought from the DPOs Palwal and Faridabad so that such irregularity may not be repeated in future.

**(v) Extra expenditure on purchase of utensils**

Deputy Commissioner cum Chairman, BRGF Sirsa sanctioned (September 2012) an amount of ₹ 27.50 lakh for purchase of utensils for use in AWCs. Tenders were invited for the supply of certain specific brands<sup>102</sup> of stainless steel products. Financial bids of five firms were opened, though their technical bids were not in order as they were not bidding for the desired brand utensils. Supply order was placed (October 2012) with M/s Ashutosh Trading, Ambala (lowest among bidders) to supply 17,000 Mosaic brand utensils sets which were not as per requisite brand mentioned in tenders inviting notice. Firm supplied the material in January 2013 and payment of ₹ 28.22 lakh was made. Thus, purchase of such utensils which were not of the requisite brand as per conditions mentioned in the tender was irregular. The DPO, Sirsa stated (January 2015) that utensils were purchased by inviting tenders. The reply was not tenable as the acceptance of bid ignoring the pre-requisite conditions of the tender was irregular.

**(vi) Loss due to purchase of eatables from open market on higher rates**

Under the Wheat Based Nutrition Programme of GOI, the State Government was required to assess the requirement of food grains and lift the allocated quota from the Food Corporation of India (FCI) at the subsidized rates instead of purchase of these items from the open market.

Scrutiny of records relating to purchase of Supplementary Nutrition Programme items for the period 2010-11 showed that 12 DPOs<sup>103</sup> out of 21, purchased

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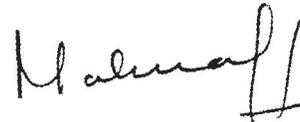
<sup>102</sup> Vinod, Kraft, Baijal, Prestige, Jindal, Shri&Sam and Pushpanjali.

<sup>103</sup> Ambala, Hisar, Jind, Gurgaon, Kurukshetra, Rohtak, Mewat, Narnaul, Sirsa, Panipat, Rewari and Faridabad.

wheat, wheat flour, daliya and rice worth ₹ 1.11 crore from the open market at three to four times higher rates as compared to the rate payable to the FCI. Due to non-compliance of instructions of the GOI and improper planning for assessment of requirement, department had incurred an extra expenditure of ₹ 75.02 lakh. The Director, WCD Department stated (May 2015) that the DPOs purchased the food grains from open market on their own. However, instructions have been issued not to repeat such an irregularity in future.

Thus, there were cases of delay in procurement of PSE kits, excess purchase of furniture, extra expenditure on purchase of utensils, diversion of Government grant and irregular purchase of SNP items.

Matter was referred to Principal Secretary to Government of Haryana Women and Child Development Department in May 2015 and reminder was issued in July 2015; reply has not been received (January 2016).



**Chandigarh**

**Dated:**

**(Mahua Pal)**

**Principal Accountant General (Audit), Haryana**

**Countersigned**



**New Delhi**

**Dated:**

**(Shashi Kant Sharma)**

**Comptroller and Auditor General of India**



# **Appendices**



## Appendix 1.1

(Reference: Paragraph 1.8; Page 4)

### Detail of nature of irregularities pointed out through outstanding Inspection Reports

(₹ in crore)

Sr. No.	Nature of irregularities	Number of Paragraphs	Amount
1	Non-recovery/short recovery and other recoveries	37	200.90
2	Suspected embezzlement and misappropriation	46	631.28
3	Undue benefit to millers	5	73.52
4	Blockade of funds	33	186.15
5	Non-disposal of unserviceable goods and items	5	7.45
6	Loss due to various reasons	55	178.80
7	Irregular expenditure	15	7.31
8	Other paragraphs	48	12.04
	<b>Total</b>	<b>244</b>	<b>1,297.45</b>

(Source : Information derived from the data maintained in the office of PAG (Audit ) Haryana)

## Appendix 1.2

(Reference: Paragraph 1.9; Page 5)

### List of Outstanding Paragraphs to be discussed in PAC for the year 2010-11, 2011-12, 2012-13 and 2013-14 as on 31 December 2015.

Sr. No.	Name of Department	Period	Total paras	Para No.
1.	Agriculture	2011-12	1	4.3.7
		2013-14	1	3.1
2.	Education	2011-12	3	4.1.3, 4.3.1, 5.1
		2012-13	1	2.3
		2013-14	3	2.1, 3.3, 3.4 and (3.8)
3.	Food and Supplies	2011-12	1	4.2.5
		2012-13	1	3.5
4.	Home (Police)	2011-12	1	3.4
		2013-14	2	3.10, 3.11
5.	Health and Family Welfare	2011-12	1	4.1.1 (a)
		2013-14	2	2.2, 3.10
6.	Health and Medical Education Department	2012-13	1	3.6
7.	Social Justice and Empowerment	2011-12	1	3.3
8.	Irrigation	2011-12	3	2.2, 2.3, 4.1.2
		2012-13	2	3.10, 3.11
		2013-14	2	3.13, 3.14
9.	Public Works Department(B&R)	2011-12	2	4.2.3, 4.3.5
		2012-13	2	3.13, 3.14
10.	Public Works Department(P&H)	2011-12	5	4.1.1 (b), 4.2.4, 4.3.2, 4.3.3, 4.3.4
		2012-13	2	2.1, 3.12
		2013-14	2	3.15, 3.16
11.	Revenue	2012-13	1	3.15
		2013-14	1	3.18
12.	Rural Development	2011-12	1	2.4
		2012-13	1	2.4
13.	Town and Country Planning (Haryana Urban Development Authority)	2012-13	2	3.16, 3.17
		2013-14	2	2.3, 3.20
14.	Housing Department ( Housing Board Haryana)	2012-13	1	3.8
15.	Transport	2011-12	2	4.2.6, 4.3.6
		2012-13	1	3.18
		2013-14	2	3.21, 3.22
16.	Administration of Justice	2011-12	1	4.2.2
		2012-13	1	3.7
17.	General Administration(HPSC)	2013-14	1	3.8
18.	Labour and Employment	2011-12	1	2.1
19.	Panchayats Department	2011-12	1	3.1
		2012-13	1	3.4
		2013-14	1	3.2
20.	Urban Local Bodies Department	2012-13	3	2.2, 3.19, 3.20

<b>Sr. No.</b>	<b>Name of Department</b>	<b>Period</b>	<b>Total paras</b>	<b>Para No.</b>
21.	Co-operation Department	2012-13	1	2.5
22.	Civil Aviation Department	2012-13	1	3.1
23.	Civil Secretariat	2012-13	2	3.2, 3.3
24.	Public Relation Department	2012-13	1	3.9
25.	Welfare of SC and BC Department	2012-13	1	3.21
26.	Environment (HSPCB)	2013-14	2	3.5, 3.6
27.	Finance	2013-14	1	3.7
28.	Horticulture	2013-14	1	3.12
29.	Renewable Energy (HREDA)	2013-14	1	3.17
30.	Sports and Youth Affairs	2013-14	1	3.19
31.	Women and Child Development	2013-14	1	3.23
	<b>TOTAL PARAS</b>		<b>76</b>	

Source: Information derived from the data maintained by the Public Accounts Committee)

### Appendix 1.3

(Reference: Paragraph 1.9; Page 5)

Details of Audit Report paragraphs for which action taken notes (ATNs) were awaited for the years 2010-11, 2011-12, 2012-13 and 2013-14 as on 31 May 2015

Sr. No.	Name of Department	CAG Audit Report	Total paras	Para No.
1	Agriculture	2011-12	1	4.3.7
		2013-14	1	3.1
2	Home (Police and Jail)	2012-13	1	3.7
		2013-14	2	3.10, 3.11
3	Irrigation	2011-12	2	2.2, 2.3(irrigation portion) 4.1.2
		2012-13	2	3.10, 3.11
		2013-14	2	3.13, 3.14
4	Public Works Department (B&R)	2011-12	1	4.2.3
		2012-13	1	3.13
	Public Works Department (B&R), combined para PW (B&R),PW (PH),Irrigation	2012-13	1	3.14
5	Revenue	2012-13	1	3.15
		2013-14	1	3.18
6	Transport	2011-12	2	4.2.6, 4.3.6
		2012-13	1	3.18
		2013-14	2	3.21, 3.22
7	Town and Country Planning (Haryana Urban Development Authority)	2012-13	2	3.16, 3.17
		2013-14	2	2.3, 3.20
8	Rural Development	2011-12	1	2.4
		2012-13	1	2.4
9	Health and family welfare	2011-12	1	4.1.1(a)
		2012-13	2	2.1, 3.12
		2013-14	2	2.2, 3.9
10	Administration of Justice Department	2011-12	1	4.2.2
11	General Administration	2013-14	1	3.8
12	Environment (HSPCB)	2013-14	2	3.5, 3.6
13	Welfare of Scheduled Castes and Backward Classes	2012-13	1	3.21
14	Urban Local Bodies Department	2012-13	3	2.2, 3.19, 3.20
15	Education	2012-13	1	2.3
		2013-14	3	2.1, 3.3, 3.4 (portion of 3.8)
16	Cooperation	2012-13	1	2.5
17	Civil Aviation	2012-13	1	3.1

Sr. No.	Name of Department	CAG Audit Report	Total paras	Para No.
18	Development and Panchayats	2012-13	1	3.4
		2013-14	1	3.2
19	Health and Medical Education	2012-13	1	3.6
20	Housing Board Haryana	2012-13	1	3.8
21	Information, Public Relations and Cultural Affairs	2012-13	1	3.9
22	Finance	2013-14	1	3.7
23	Horticulture	2013-14	1	3.12
24	Sports and Youth Affairs	2013-14	1	3.19
25	Women and Child Development	2013-14	1	3.23
	<b>Total</b>		<b>55</b>	

(Source : Information derived from minutes of proceedings of the Public Accounts Committee)

**Appendix 1.4**

(Reference: Paragraph 1.9; Page 5)

**List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Departments**

Sr. No.	Name of Administrative Department	Year of Audit Report	Paragraph Number	Amount (₹ in lakh)
1.	Agriculture	2000-01	6.3	40.45
		2013-14	3.1	4,131.00
2.	Animal Husbandry	2000-01	3.4	21.96
		2001-02	6.3	747.00
3.	Finance	2001-02	3.3	5.62
		2013-14	3.7	2,021.00
4.	Food and Supplies	2002-03	4.6.8	23.89
5.	Rural Development (DRDA)	2001-02	6.1.11	0.54
		2011-12	2.4.10.2	2.60
6.	Town and Country Planning (HUDA)	2000-01	3.16	15,529.00
		2001-02	6.10	4,055.00
		2011-12	2.3.10.8	16,700.00
		2013-14	2.3.10.6	1,266.00
			2.3.10.7	44.41
			2.3.10.11	37,386.00
		3.20	84.64	
7.	Women and Child Development	2009-10	1.12.13.1	8.25
			1.12.13.3	4.09
8.	Social Justice and Empowerment (District Red Cross Society)	2011-12	3.3.5.1	1,572.00
			3.3.5.2	71.00
9.	PED (Irrigation)	2010-11	3.1.2	62.25
10.	Labour and Employment	2011-12	2.1. 9.4	79.95
11.	Urban Local Bodies	2012-13	2.2.8.1	17,040.00
			2.2.8.6	10,182.00
			3.20	554.00
12.	Cooperation	2012-13	2.5.7.4	494.00
			2.5.9.3	767.00
13.	Health and Medical Education	2012-13	3.6	125.00
<b>Total</b>			<b>28</b>	<b>1,13,018.65</b>

**Say ₹ 1,130.19 crore**

(Source : Action taken notes on proceedings of Public Accounts Committee)

### Appendix 1.5

(Reference: Paragraph 1.9; Page 5)

Details of outstanding recommendations of Public Accounts Committee on which the Government is yet to take final decision as on 31 May 2015

Sr. No	PAC Report	Year of Audit Report	Total no. of outstanding recommendation of PAC 1971-72 to 2009-10 as on 31 May 2015
1	9 <sup>th</sup>	1971-72	1
2	14 <sup>th</sup>	1973-74	1
3	16 <sup>th</sup>	1975-76	1
4	18 <sup>th</sup>	1976-77	1
5	21 <sup>st</sup>	1978-79	1
6	22 <sup>nd</sup>	1979-80	2
7	23 <sup>rd</sup>	1979-80	1
8	25 <sup>th</sup>	1980-81	3
9	26 <sup>th</sup>	1981-82	2
10	28 <sup>th</sup>	1982-83	1
11	29 <sup>th</sup>	1983-84	2
12	32 <sup>nd</sup>	1984-85	5
13	34 <sup>th</sup>	1985-86	5
14	36 <sup>th</sup>	1986-87	7
15	38 <sup>th</sup>	1987-88	6
16	40 <sup>th</sup>	1988-89	8
17	42 <sup>nd</sup>	1989-90, 90-91,91-92	4
18	44 <sup>th</sup>	1990-91, 91-92,92-93	8
19	46 <sup>th</sup>	1993-94	7
20	48 <sup>th</sup>	1993-94, 1994-95	3
21	50 <sup>th</sup>	1993-94,1994-95, 1995-96	33
22	52 <sup>nd</sup>	1996-97	15
23	54 <sup>th</sup>	1997-98	10
24	56 <sup>th</sup>	1998-99	14
25	58 <sup>th</sup>	1999-2000	39
26	60 <sup>th</sup>	2000-01	35
27	61 <sup>st</sup>	2001-02	12
28	62 <sup>nd</sup>	2002-03	20
29	63 <sup>rd</sup>	2005-06	25
30	64 <sup>th</sup>	2003-04	09
31	65 <sup>th</sup>	2004-05	21
32	67 <sup>th</sup>	2007-08	37
33	68 <sup>th</sup>	2006-07	57
34	70 <sup>th</sup>	2008-09	28
35	71 <sup>th</sup>	2009-10	31
		<b>Total</b>	<b>455</b>

(Source: Action taken notes on proceedings of Public Accounts Committee)

**Appendix 1.6**

(Reference: paragraph 1.10; Page 5)

**Statement showing the details of rendering of account to CAG and submission of Audit Report to State Legislature by the autonomous bodies as on 31 August 2015**

Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year up to which accounts were rendered	Year up to which Audit Report issued	Year up to which Audit Report submitted to State Legislature	Year for which accounts due	Period of delay in submission of accounts (upto 31 <sup>st</sup> August 2015)
1.	Haryana Khadi and Village Industries Board, Manimajra, Chandigarh	2012-13 to 2016-17	2011-12	2011-12	2009-10	2012-13 & 2013-14	Two years
2.	Haryana Labour Welfare Board, Chandigarh	2013-14 to 2017-18	2013-14	2013-14	2006-07	--	
3.	Haryana Urban Development Authority, Panchkula	2012-13 to 2016-17	2013-14	2011-12	2011-12	--	
4.	Haryana Housing Board, Panchkula	2009-10 to 2013-14	2013-14	2012-13	2012-13	--	--
5.	Haryana State Agricultural Marketing Board, Panchkula	2010-11 to 2014-15	2013-14	2013-14	2011-12	--	--
6.	Haryana Wakf Board, Ambala Cantt.	2013-14 to 2017-18	2013-14	2013-14	Not required to be laid down	-	
7.	Haryana State Legal Services Authority, Chandigarh	No entrustment required. Audit undertaken under Section 19 (2) of CAG's DPC Act 1971	2013-14	2013-14	-	-	-
8.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Bhiwani	-do-	2013-14	2013-14	-	-	-
9.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Faridabad	-do-	2012-13	2012-13	-	2013-14	One year
10.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Fatehabad	-do-	2013-14	2013-14	-	-	-
11.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Gurgaon	-do-	2013-14	-	-	-	-

Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year up to which accounts were rendered	Year up to which Audit Report issued	Year up to which Audit Report submitted to State Legislature	Year for which accounts due	Period of delay in submission of accounts (upto 31 <sup>st</sup> August 2015)
12.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Jhajjar	-do-	-	-	-	1996-97 to 2013-14	18 years
13.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Kaithal	No entrustment required. Audit undertaken under Section 19 (2) of CAG's DPC Act 1971	2013-14	2012-13	-	-	-
14.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Panchkula	-do-	2013-14	-	-	-	-
15.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Panipat	-do-	2010-11	2010-11	-	2011-12 to 2013-14	Three years
16.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Rewari	-do-	2013-14	-	-	-	-
17.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Rohtak	-do-	2013-14	-	-	-	-
18.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Sonipat	-do-	2013-14	-	-	-	-
19.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Yamunanagar	-do-	2011-12	2011-12	-	2012-13 to 2013-14	Two years
20.	Chief Judicial Magistrate - cum-Secretary, District Legal Services Authority, Hisar	-do-	2013-14	2012-13	-	-	-
21.	Chief Judicial Magistrate - cum-Secretary, District Legal Services Authority, Narnaul	-do-	2013-14	2010-11	-	-	-
22.	Chief Judicial Magistrate - cum-Secretary, District Legal Services Authority, Sirsa	-do-	2013-14	2013-14	-	-	-

Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year up to which accounts were rendered	Year up to which Audit Report issued	Year up to which Audit Report submitted to State Legislature	Year for which accounts due	Period of delay in submission of accounts (upto 31 <sup>st</sup> August 2015)
23.	Chief Judicial Magistrate - cum-Secretary, District Legal Services Authority, Ambala	-do-	2012-13	2012-13	-	2013-14	One year
24.	Chief Judicial Magistrate - cum-Secretary, District Legal Services Authority, Jind	No entrustment required. Audit undertaken under Section 19 (2) of CAG's DPC Act 1971	2013-14	2012-13	-	-	-
25.	Chief Judicial Magistrate - cum-Secretary, District Legal Services Authority, Karnal	-do-	2007-08	2007-08	-	2008-09 to 2013-14	Six years
26.	Chief Judicial Magistrate - cum-Secretary, District Legal Services Authority, Kurukshetra	-do-	2007-08	2007-08	-	2008-09 to 2013-14	Six years
27.	Chief Judicial Magistrate - cum-Secretary, District Legal Services Authority, Mewat	-do-	-	-	-	2009-10 to 2013-14	Five years
28.	Chief Judicial Magistrate - cum-Secretary, District Legal Services Authority, Palwal	-do-	2012-13	2011-12	-	2013-14	One year
29.	Haryana Building and other Construction Workers Welfare Board, Chandigarh	2009-10 to 2013-14	2013-14	2011-12	2011-12	-	-

### Appendix 2.1

(Reference: Paragraph 2.1.6.3; Page 11)

#### Details of villages having deficient water supply

Sr. No.	Name of Division	Villages under Jurisdiction of Division	Minimum Requirement of Water Supply	Villages With Prescribed Water Supply	Villages With Deficient Water Supply
1	PHED-1 Bhiwani	110	70 LPCD	26	84
2	PHED-2 Bhiwani	30	70 LPCD	8	22
3	PHED Charkhi Dadri	144	70 LPCD	30	114
4	PHED Tosham	140	70 LPCD	37	103
5	PHED Siwani	50	70 LPCD	11	39
6	PHED-1 Rewari	279	70 LPCD	79	200
7	PHED-1 Hisar	89	70 LPCD	64	25
8	PHED-1 Jhajjar	80	70 LPCD	1	79
9	PHED Panchkula	160	55 LPCD	142	18
10	PHED Ambala Cantt	201	55 LPCD	159	42
11	PHED, Mohindargarh	101	70 LPCD	0	101
12	PHED-2 Jhajjar	67	70 LPCD	10	57
13	PHED-2 Hisar	79	70 LPCD	27	52
14	PHED-2 Narnaul	118	70 LPCD	0	118
15	PHED-1 Sirsa	179	70 LPCD	149	30
	<b>Total</b>	<b>1,827</b>		<b>743</b>	<b>1,084</b>

Source: Data compiled from departmental records

**Appendix 2.2**

**(Reference: Paragraph 2.1.7.1; Page 13)**

**Details of expenditure incurred in excess of sanctioned estimates**

Sr. No.	Name of Division	Number of Cases	Estimated Cost	Expenditure upto March 2015	Excess
1	PHED-1 Jhajjar	35	2,933.10	3,887.68	954.58
2	PHED-2 Hisar	7	442.90	512.10	69.20
3	PHED Mohindargarh	11	794.45	884.50	90.05
4	PHED-1 Bhiwani	18	273.13	340.58	67.45
5	PHED-2 Jhajjar	9	848.38	971.89	123.51
6	PHED-2 Bhiwani	6	291.30	379.01	87.71
7	PHED-Tosham	23	1,065.67	1,329.59	263.92
8	PHED-1 Narnaul	33	614.14	797.13	182.99
9	PHED-3 Narnaul	4	235.90	266.13	30.23
10	PHED-1 Sirsa	16	573.30	695.38	122.08
	<b>Total</b>	<b>162</b>	<b>8,072.27</b>	<b>10,063.99</b>	<b>1,991.72</b>

Source: Data compiled from departmental records

## Appendix 2.3

(Reference: Paragraph 2.1.8.3; Page 17)

## Details of cases in which schemes were taken up without prior clearances from concerned authorities and clear title of land

Name of work	Approval date and sanctioned amount	Date of allotment/ Scheduled date of completion	Expenditure as of March 2015 (₹ in crore)	Remarks
Canal based independent water works at village Gopalwas falling under PHE Division Siwani	30 November 2012 at a cost of ₹ 2.06 crore under TFC	1 March 2013/ 1 March 2014	1.53	All components of the scheme were completed except inlet channel for raw water, which was not constructed as the scheme was formulated without proper survey and without obtaining prior permission from the Forest Department to execute the work of construction of inlet channel in the forest area. Besides, there was a dispute of land with a land owner regarding construction of channel.
Water Supply Scheme Kusumbhi for three villages under PHE Division No. I, Bhiwani	7 May 2010 at a cost of ₹ 1.72 crore	19 October 2011 / 19 October 2012	1.18	All components of the scheme were completed except inlet channel for raw water, which was not constructed as the scheme was formulated without proper survey and without obtaining prior permission from the Forest Department to execute the work of construction of inlet channel besides dispute with the land owners. The EE intimated (April 2015) that a separate estimate of ₹ 50 lakh by changing the alignment for pumping raw water from Jui feeder to outlet channel had been sanctioned to make the scheme functional.
Water supply facilities to Government polytechnic for women, Morni under PHE Division Panchkula	20 December 2012 at a cost of ₹ 1.47 crore revised to ₹ 2.26 crore.	March 2013/ 12 months at a cost of ₹ 1.53 crore	0.36	Completion of work was delayed due to delay in seeking clearance from the Forest Department for which an amount of ₹ 22.50 lakh was deposited on 9 November 2013 and permission was granted on 2 August 2014 and yet the work had not been completed as of December 2015. Thus, the work was taken up without obtaining permission from the Forest Department.
Augmentation of canal based water supply scheme Kailram group of three villages under PHE Division II, Kaithal.	Three estimates for ₹ 1.20 crore, ₹ 0.94 crore and ₹ 0.75 crore	The work was started in February 2006 and remains incomplete as of December 2015.	3.11	Completion of work had delayed due to non-obtaining of permission from the Forest Department for laying RCC Pipes in the forest area. Further, due to widening of road along the alignment of RCC Pipe channel, B&R authority had not allowed to construct the inlet channel. Villagers of the area had also showed resistance for construction of RCC Pipe channel above ground level. Approval of the Irrigation department for out-let for raw water from minor had also not been obtained. As such, the department had taken up the execution of work without taking clearances from concerned departments.
Augmentation of canal based water supply scheme for Kojinda group of two villages under PHE Division I, Narnaul	October 2012 ₹ 1.61 crore	22 August 2013/ 21 August 2014	1.32	The work was allotted to the agency without acquisition of land. Audit scrutiny showed that the EE had shown expenditure of ₹ 1.32 crore (₹ 1.07 crore on DI pipes in 2013-14 and ₹ 0.25 crore on various works such as installation of gas chlorinator at old existing boosting station, replacement/maintenance of old pipeline and local purchase/replacement of machinery of tube wells at old water works in 2013-15) on the work.
		<b>Total</b>	<b>7.50</b>	

Source: Data compiled from departmental records

**Appendix 2.4**

**(Reference: Paragraph 2.1.8.5; Page 19)**

**Details of cases of delay in execution of works due to inaction of the departmental officers**

Name of PHE Division	Name of scheme	Approval date and sanctioned amount	Expenditure (₹ in crore)	Remarks
1. Kaithal-1	Canal based independent water supply scheme of village Dundheri	May 2010/ ₹ 0.83 crore	0.74	Work was allotted (6 September 2010) to an agency for ₹ 79.61 lakh with a completion time period of 12 months. The agency was paid (11 December 2012) an amount of ₹ 40.97 lakh for the work executed. Despite time extension up to 31 January 2012, the agency failed to complete the work within the extended period. Therefore, action under clause-III of contract agreement was taken against the agency in May 2013 and the balance of work was allotted (February 2014) for ₹ 40.83 lakh to another contractor with a completion time of six months on risk and cost basis. The second agency also did not start the work even after taking action under Clause-2 of the contract agreement in September 2014. Audit observed that no further action was taken against the agency to withdraw the work from the agency and get it executed from another agency.
2. Jhajjar-3	Providing Independent water works for village Jharli	August 2010/ ₹ 1.91 crore	1.86	The work was allotted to an agency (15 February 2008) for ₹ 59 lakh with a completion period of nine Months. The agency did not complete the work within the prescribed time period. Thereafter, penalty as per clause-II of contract agreement was levied (8 April 2009). In the meantime, some deficiencies leading to sub-standard execution of work were noticed. But the agency neither rectified these deficiencies nor restarted the work. The work was withdrawn (March 2015) from the agency to get it executed on risk and cost of the agency. However, no action has been taken to execute the work from another agency (May 2015).
3. Narnaul-3	Canal based water supply scheme Pota	February 2009/ ₹ 1.13 crore	0.63	The work was allotted (29 July 2009) to an agency for ₹ 76.32 lakh with a completion period of 10 months by the PHE Division Mahendergarh. An expenditure of ₹ 63.40 lakh was incurred up to September 2013. Thereafter, the work was transferred to PHE Division No.3, Narnaul for further execution. But, the work was not executed by the contractor after September 2013. The department levied penalty against the agency as per clause-II of the contract agreement, but had not taken action against the agency to withdraw the work for getting the work done from other agency on risk and cost basis. The work was lying abandoned for about two years. In reply, the EE intimated (May 2015) that the department was considering in getting this work executed on risk and cost basis.
4. Narnaul-1	Canal based water supply scheme Gulawala	September 2012/ ₹ 4.05 crore	1.81	The work was allotted (August 2013) to a contractor for ₹ 1.47 crore with a completion period of 12 months. The agency completed the work in June 2014 except construction of pump house and inlet channel. The department changed the work of original DNIT by replacing the execution of the work of lying of 300 mm DI pipe for inlet channel with new technology in which 400 mm RCC pipe was to be laid. But, the contractor refused to execute the work of new technology. The tenders for the balance work of laying of inlet channel were not invited as of April 2015.
5. Narnaul-1	Water supply Mehrampur group of three villages	February 2009/ ₹ 1.34 crore	1.24	Work was allotted (2 December 2010) to a contractor for ₹ 68.31 lakh with a completion period of six months. This agency did not start the work. Thereafter, the work was withdrawn from the agency after taking necessary action as per clauses of contract agreement. The work was re-tendered and allotted (August 2012) to another agency for ₹ 81.29 lakh with a time limit of six months. This agency did not complete the work within the prescribed period. An amount of ₹ 89.10 lakh was paid (4 December 2013) to the agency for the work executed.

Name of PHE Division	Name of scheme	Approval date and sanctioned amount	Expenditure (₹ in crore)	Remarks
				Thereafter, the agency left the work. The work was withdrawn (March 2014) from the agency after taking action under clauses-II and III. No further action was taken to complete the work from any other agency at the risk and cost of the contractor.
6. Rewari-1	Canal based water supply scheme Naya Gaon and Hazariwas	May 2011/ ₹ 2.40 crore	1.94	The work was allotted (December 2011) to an agency for ₹ 53.44 lakh with a completion period of 6 months. The agency left the work in 2012-13, Clause-II was levied (April 2013). Audit observed that the EE did not initiate penal action under Clause-III of the contract agreement to get the balance work executed from another agency on risk and cost basis.
7. Mohindergarh	Augmentation of water supply scheme Akoda	August 2009/ ₹ 1.92 crore	1.11	The work was allotted (January 2010) to an agency at an estimated cost of ₹ 1.03 crore to be completed by July 2011. The agency was paid ₹ 46.98 lakh (November 2013) for the work done. No further work was executed by the agency. Penalty under clause II of the contract agreement was levied on 18 July 2014 but the agency did not start the work. Thereafter, clause III under the agreement was imposed (August 2014) to get it executed from another agency on risk and cost basis. No further action was taken to get the balance work completed (April 2015).
8. No. 3 Narnaul	Water supply scheme Pathera Group of villages	August 2009/ ₹ 1.88 crore	1.66	The work was allotted (18 January 2010) to an agency for ₹ 92.19 lakh with a completion period of 18 months by the PHE Division Mohindergarh. The work was transferred (September 2013) to PHE Division No.3, Narnaul but the agency did not execute the work relating to construction of in-let channel from Irrigation minor to the water works. The department had also not taken any penal action against the agency as per clauses of the agreement.
		<b>Total</b>	<b>10.99</b>	

Source: Data compiled from departmental records

## Appendix 2.5

(Reference: Paragraph 2.1.8.8 (a); Page 21)

### Details of diversion of funds provided for sustainability of water resources

Name of work	Approval date and sanctioned amount	Expenditure as of March 2015 (₹ in crore)	Status
One estimate for construction of water works, procurement of pipes, rising main for inlet channel etc. for rural water supply in villages Sehlanga, Dhalanwas and Jhamri and other works contingent thereto under PHE Division No. 1, Jhajjar.	02 March 2013/ ₹ 9.58 crore	3.56	Under progress
Seven estimates of seven rural water supply schemes for providing raw water arrangements and for construction of pumping stations etc. under PHE Division Charkhi Dadri.	May 2012 to March 2013/ ₹ 23.57 crore	11.31	Under progress
Five estimates of five RWS schemes for construction of additional SS Tanks under PHE Division No. 1 Sirsa.	26 July 2010/ ₹ 0.74 crore	0.76	Work completed
Three estimates for three RWS schemes for construction of additional SS Tanks under PHE Division No. 2 Sirsa.	26 July 2010 to 28 February 2012/ ₹ 0.52 crore	0.52	Work completed
Five estimates for five RWS schemes for construction of additional SS Tanks were sanctioned under PHE Division Fatehabad.	May 2011 to September 2012/ ₹ 1.44 crore	1.32	Work completed
<b>Total</b>	<b>₹ 35.85crore</b>	<b>17.47</b>	

Source: Data compiled from departmental records

## Appendix 2.6

(Reference: Paragraph 2.2.6; Page 33)

### Number of Government Schools and Government Aided Schools

Year	Number of Government Schools			Number of Government Aided Schools		
	As per SSA	As per MDM <sup>1</sup>	Difference	As per SSA	As per MDM	Difference
2010-11	14,779	14,927	148	316	378	62
2011-12	15,014	14,735	279	325	378	53
2012-13	14,925	14,892	33	450	315	135
2013-14	14,902	15,013	111	229	173	56
2014-15	14,582	14,380	202	229	272	43

Source: Data furnished by Director, Elementary Education Department and Haryana School Shiksha Pariyojna Parishad (HSSPP) implementing agency for SSA

### Enrolment in Government and Government Aided Schools

Year	Government Schools			Government Aided Schools		
	As per SSA	As per MDM	Difference	As per SSA	As per MDM	Difference
2010-11	20,28,055	NA*	-	86,401	NA*	-
2011-12	21,15,588	21,17,808	2,220	79,599	55,868	23,731
2012-13	20,71,283	20,81,760	10,477	68,678	46,911	21,767
2013-14	20,36,864	19,78,128	58,736	65,625	47,133	18,492
2014-15	19,58,029	20,08,285	50,256	61,742	48,976	12,766

Source: Data furnished by Director, Elementary Education Department and Haryana School Shiksha Pariyojna Parishad (HSSPP) implementing agency for SSA

Note: \* Not available

<sup>1</sup> Excluding Local Bodies Schools, National Child Labour Project Schools and Government Aided Schools

## Appendix 2.7

(Reference: Paragraph 2.2.8.2; Page 38)

### Details of foodgrains allocated and lifted in the State

(Figures in MT)

Year	Foodgrains Allocated	Foodgrains lifted	Percentage of Lifting	Shortfall
2010-11	53,806.61	29,893.90	56	44
2011-12	54,333.09	42,776.07	79	21
2012-13	60,413.37	45,986.38	76	24
2013-14	59,057.35	43,848.86	74	26
2014-15	55,786.34	37,954.50	68	32
	<b>2,83,396.76</b>	<b>2,00,459.71</b>		

Source: Project Approval Board (PAB) and Quarterly Progress Reports (QPRs)/Utilisation Certificates (UCs) sent by Director, Elementary Education (DEE) to GOI.

### Details of allocation and lifting of foodgrains in selected districts

(Figures in MT)

Name of the district	Period	Foodgrains allocated	Foodgrains lifted	Percentage of lifting	Shortfall
Bhiwani	2010-15	19,083.84	12,855.40	67	33
Hisar	2012-15*	10,193.09	8,011.07	79	21
Karnal	2010-15	14,608.89	11,680.97	80	20
Kurukshetra	2011-15**	10,122.80	7,610.96	75	25
Rewari	2010-15	8,842.82	6,131.18	69	31
Sirsa	2010-15	17,971.09	13,216.99	74	26

Note: \* Record for the duration 2010-11 to 2011-12 not available.

\*\* Record for the duration 2010-11 not available.

Source: Data furnished by selected District Elementary Education Officers (DEEOs).

### Appendix 2.8

(Reference: Paragraph 2.2.8.2; Page 38)

#### Foodgrains requirement and actual receipt in selected schools

District	Number of Schools	Requirement	Actual Receipt	Short Receipt	Percentage of short receipt
		(in quintals)			
Bhiwani	30	5,895	4,107	1,788	30
Hisar	30	6,014	3,732	2,282	38
Karnal	30	6,163	4,251	1,912	31
Kurukshetra	06	968	765	203	21
Rewari	30	3,371	2,518	853	25
Sirsa	30	6,122	4,417	1,705	28

Source: Data compiled from the records of selected schools.

## Appendix 2.9

(Reference: Paragraph 2.2.10.1; Page 46)

### Details of inspections carried out by the Department

Year	Total number of schools/centres	Number of schools/ centres to be inspected	Number of schools/centres actually inspected	Percentage of schools/centres inspected
2010-11	15,434	35,250 <sup>2</sup>	1,050	3
2011-12	15,596	35,250	4,386	12
2012-13	15,466	35,250	5,693	16
2013-14	15,305	35,250	4,568	13
2014-15	14,714	35,250	3,126	9

Source: Data as per QPRs sent to MHRD.

### Details of inspections carried out by DEEOs of selected districts

Name of the district	Period	No. of schools/centres to be inspected	Schools/centres inspected	Percentage of inspection
Bhiwani	2013-15*	500	120	24
Hisar	2010-15	1,250	475	38
Karnal	2010-15	1,250	304	24
Kurukshetra	2012-15**	750	142	19
Rewari	2010-15	1,250	312	25
Sirsa	2014-15***	250	129	52

Note: \* Record for the period 2010-13 was not available.

\*\* Record for the period 2010-12 was not available.

\*\*\* Record for the period 2010-14 was not available.

### Details of inspections carried out by BEOs of selected Blocks

Name of the district	Period	No. of schools/centres to be inspected	Schools/centres inspected	Percentage of inspection
Bhiwani	2010-15	5,000	928	19
Hisar	2010-15	5,000	395	08
Karnal	2010-15	5,000	322	06
Kurukshetra	2010-15	5,000	646	13
Rewari	2010-15	5,000	568	11
Sirsa	2010-15	5,000	488	10

Source: Data provided by selected DEEOs and BEOs.

<sup>2</sup> A. State Level: Number of Schools to be inspected in a month X 10 month = 25 X 10=250  
 B. DEEOs Level: Number of DEEO's X Number of Schools to be inspected in a month X 10 month = 21 X 25 X 10 =5,250  
 C. BEOs Level: Number of School X Number of BEO's X 10 month = 25 X 119 X 10=29,750  
 A + B + C = 250 + 5,250 + 29,750 = 35,250

## Appendix 2.10

(Reference: Paragraph 2.3.1; Page 50)

## Details of Private colleges in the State

Sr. No.	Types of Institutions/ Colleges	Nodal agency/ Department	Number of Institutions
<b>Private colleges</b>			
1	Law	HE	14
2	Degree		76
3	B.Ed	HE/NCTE	619
4	Medical	MCI <sup>3</sup> /MER	10
5	Dental	DCI <sup>4</sup> /MER	13
6	Physiotherapy and Homeopathy	IAP/CCH <sup>5</sup> and MER	9
7	Ayurvedic	CCIM <sup>6</sup> /MER	8
8	Nursing	INC/HNC <sup>7</sup> and MER	59
9	Pharmacy	AICTE/TE	27
10	B.Tech		152
11	B.Arch		13
12	BHM		5
13	MBA		161
14	MCA		47
		<b>Total</b>	<b>1,213</b>
<b>Private Universities</b>			
1	PU <sub>s</sub>	HE	18

Source: Data compiled from departmental records

<sup>3</sup> Medical Council of India

<sup>4</sup> Dental Council of India

<sup>5</sup> Indian Association of Physiotherapy and Central council of Homeopathy

<sup>6</sup> Central Council of Indian Medicine

<sup>7</sup> Indian Nursing Council and Haryana Nursing Council

**Appendix 2.11**

**(Reference: Paragraph 2.3.4; Page 51)**

**Statement showing the test-checked private colleges**

Name of University	CDLU, Sirsa		GJU, Hisar		KU, Kurukshetra		MDU, Rohtak		Pt. B.D. Sharma UHS, Rohtak		Total	Selected
	Total	Selected	Total	Selected	Total	Selected	Total	Selected	Total	Selected		
Degree	7	2	-	-	22	2	25	3	-	-	54	7
B.Ed	28	9	-	-	164	5	286	17	-	-	478	31
Law	1	1	-	-	4	1	7	2	-	-	12	4
Technical (Engineering, MBA, MCA, Hotel Management and Arch.)	-	-	14	7	87	5	110*	8	-	-	211	20
Medical/Para Medical	-	-	-	-	-	-	-	-	77	15	77	15
<b>Grand Total</b>	<b>36</b>	<b>12</b>	<b>14</b>	<b>7</b>	<b>277</b>	<b>13</b>	<b>428</b>	<b>30</b>	<b>77</b>	<b>15</b>	<b>832</b>	<b>77</b>
<b>Private Universities</b>	-	-	-	-	-	-	-	-	-	-	<b>18</b>	<b>5<sup>8</sup></b>
* Including Government and private aided college												

**Source: Data compiled from departmental records**

<sup>8</sup> (i) Ansal University, Gurgaon, (ii) NIILM University, Kaithal, (iii) BML Munjal University, Gurgaon, (iv) MVN University, Palwal and (v) ITM University, Gurgaon

## Appendix 2.12

(Reference: Paragraph 2.3.6.2; Page 54)

## List of colleges affiliated without compliance of deficiencies

Sr. No.	Name of College	Session	Deficiencies
<b>MDU</b>			
1.	Meenakshi College of Education, Mohna Road, Ballabhgarh, Faridabad	2008-09 to 2014-15	<ol style="list-style-type: none"> <li>1. Non-availability of required land, washrooms and other infrastructure such as resource room for handicapped, play ground facilities etc.</li> <li>2. Inadequate size of office, three classrooms and other rooms such as library (non-furnished with less number of books) and multipurpose hall etc.</li> <li>3. Very small size of labs not able to serve the purpose</li> <li>4. Computers with old configuration</li> <li>5. Non-provision of safe drinking water etc.</li> </ol>
2.	I.P.J. College of Education, VPO-Ismaila, Distt. Rohtak	2008-09 to 2014-15	<ol style="list-style-type: none"> <li>1. Non availability of required infrastructure</li> <li>2. Non availability of university approved qualified faculty</li> <li>3. Non availability of supporting staff</li> <li>4. Non-availability of fully equipped and properly furnished labs and library etc.</li> </ol>
3.	I.B. College of Education, Ram Gopal Colony, Near Sector-1 Telephone Exchange, Rohtak	2008-09 to 2014-15	
4.	I.P.S. College of Education, Research and Technology, Nehru Colony, Rohtak	2007-08 to 2014-15	
5.	I.P.S. School of Management, Jind Bye Pass, Nehru Colony, Rohtak	2008-09 to 2014-15	
6.	I.P. College of Education, VPO- Jasia, Distt. Rohtak	2009-10 to 2014-15	
7.	Inderprastha College of Education, Near Power House, Jind Bye Pass, Rohtak	2009-10 to 2014-15	
8.	Manav Rachna College of Engineering, Sector 43, Faridabad	2008-09 to 2014-15	
<b>KUK</b>			
9.	Arya Kanya Mahavidyalaya, Mor Majra, Karnal	2010-11 to 2014-15	<ol style="list-style-type: none"> <li>1. Need for appointment of more regular teaching staff, regular Principal and support staff.</li> <li>2. Need for purchasing more computers.</li> </ol>
10.	S.B. Institute of Engineering & Technology, Fatehpur Pundri, Kaithal	2008-09 to 2014-15	<ol style="list-style-type: none"> <li>1. Non availability of university approved Principal and faculty</li> <li>2. Non-availability of fully equipped labs.</li> <li>3. Non availability of required non-teaching staff etc.</li> </ol>
11.	Manav College of Education, Jewra, Barwala Road, Hisar	2010-11 to 2014-15	<ol style="list-style-type: none"> <li>1. Not fully equipped labs</li> <li>2. Library needs more books.</li> </ol>
<b>GJU</b>			
12.	Manav College of Management and Technology, Jewra, Barwala Road, Hisar	2010-11 to 2014-15	<ol style="list-style-type: none"> <li>1. Non availability of university approved Principal and faculty</li> <li>2. Non-availability of fully equipped and properly furnished labs and library</li> <li>3. Non availability of required infrastructure</li> </ol>

Source: Data compiled from departmental records

### Appendix 3.1

(Reference: Paragraph 3.6.1; Page 82, 83)

#### Detail of paddy given, CMR due, CMR delivered and balance rice not received from millers in FSD

Sr. No.	Year	Name of miller	Paddy to be allotted	Paddy actually allotted	Excess/less paddy allotted	CMR Due	CMR delivered	Pending CMR	CMR found in physical verification	Shortage in CMR	Value of pending CMR	Penalty of the value of pending CMR	Number of Months from last extension	Interest to be recovered up to September 2015	Total recoverable amount (12+13+15)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>Kurukshetra</b>															
1	2011-12	Ankit Trading Co. Pehowa	3000	5727	2727	3837	2889	948	0	948	185.3	92.65	30	81.65	359.6
2	2012-13	Chahal Rice Mill Pehowa	4000	6425	2425	4305	2695	1610	0	1610	358.02	179.01	20	105.17	642.19
3	2013-14	Shri Shakti Rice & Gen. Mill Khijarpur	5000	8344	3344	5590	2511	3079	1386	1693	729.01	72.9	12	94.22	896.14
4	2013-14	Shree Balaji Rice Mill Shd	3000	4218	1218	2826	1971	855	359	496	202.44	20.24	12	26.17	248.85
5	2013-14	Shri Krishna Trading Co. ladwa	3000	5109	2109	3423	2214	1209	1118	91	286.25	28.63	12	37	351.88
<b>Fatehabad</b>															
6	2013-14	Tarachand Rice Mill Ayalki	3000	4993	1993	3345	2265	1080	0	1080	255.71	25.57	12	33.05	314.33
7	2013-14	Garg Rice Mill Kalotha	4000	3603	-397	2414	1955	459	0	459	108.68	10.87	12	14.05	133.59
<b>Karnal</b>															
8	2013-14	Ashirwad Foods Karnal	6000	5277	-723	3536	1347	2189	6	2183	518.05	51.81	12	66.96	636.81
9	2013-14	Maruti Rice Mill	4000	2519	-1481	1688	485	1203	600	603	284.83	28.48	12	36.81	350.13
10	2013-14	Rajshree Rice Mill	5000	9185	4185	6154	804	5350	0	5350	1266.71	126.67	12	163.72	1557.11
11	2013-14	S.K.Rice Traders	3000	4551	1551	3049	1106	1943	0	1943	460.28	46.03	12	59.49	565.8
12	2013-14	Sunil Kumar Amit Kumar Karnal	3000	5292	2292	3546	2208	1338	1200	138	316.8	31.68	12	40.95	389.42
13	2013-14	Maha Luxmi Rice Mill, Taraori	6000	2972	-3028	1991	700	1291	878	413	305.67	30.57	12	39.51	375.74

Sr. No.	Year	Name of miller	Paddy to be allotted	Paddy actually allotted	Excess/less paddy allotted	CMR Due	CMR delivered	Pending CMR	CMR found in physical verification	Shortage in CMR	Value of pending CMR	Penalty of the value of pending CMR	Number of Months from last extension	Interest to be recovered up to September 2015	Total recoverable amount (12+13+15)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
14	2013-14	A.R Agro	5000	4032	-968	2701	0	2701	147	2554	639.51	63.95	12	82.66	786.12
15	2013-14	Ganpati Agro Foods	6000	5564	-436	3728	2695	1033	0	1033	244.58	24.46	12	31.61	300.65
16	2013-14	L.R. International	6000	4540	-1460	3042	2244	798	0	798	188.94	18.89	12	24.42	232.26
17	2013-14	Mahadev Khal & Oil Mill	5000	1812	-3188	1214	377	837	167	670	198.18	19.82	12	25.61	243.61
18	2013-14	Hari Om Rice Mill, Assandh	6000	8186	2186	5485	4929	556	306	250	131.64	13.16	12	17.01	161.82
19	2013-14	Shri Sai Rice Mill Assandh	6000	4103	-1897	2749	2533	216	0	216	51.14	5.11	12	6.61	62.87
20	2013-14	Tanishq Food Rice Mill	3000	9909	6909	6639	2911	3728	0	3728	882.67	88.27	12	114.09	1085.03
21	2013-14	Shiv Shankar Rice Mill	5000	7751	2751	5193	1078	4115	0	4115	974.3	97.43	12	125.93	1197.66
22	2013-14	Shree Krishna Kripa Food Gharaunda	6000	5360	-640	3591	2076	1515	1385	130	358.71	35.87	12	46.36	440.94
<b>Yamuna Nagar</b>															
23	2013-14	Jai Bala Sundri Rice Mill	5000	4081	-919	2734	1995	739	270	469	174.97	17.5	12	22.62	215.08
	<b>Total</b>		<b>105000</b>	<b>123553</b>	<b>18553</b>	<b>82780</b>	<b>43988</b>	<b>38792</b>	<b>7822</b>	<b>30970</b>	<b>9122.39</b>			<b>1295.67</b>	<b>11547.63</b>

Source: Data compiled from departmental records

Paddy excess allotted: 12 cases: 33,690 MT (Sr. No. 1,2,3,4,5,6,10,11,12,18,20,21)

Paddy less allotted: 11 cases: 15,137 MT (Sr. No. 7,8,9,13,14,15,16,17,19,22,23)

Net excess allotted: 18,553 MT

## Appendix 3.2

(Reference: Paragraph 3.17.3.1; Page 111)

### Details of audit observations where there was insignificant/no progress

Sr. No	Para No. and title of the paragraph	Action taken/further audit comments
1.	<b>2.2.9.1 Unfruitful expenditure on Dadupur-Nalvi Irrigation Project</b>	<ul style="list-style-type: none"> <li>➤ The minors not constructed.</li> <li>➤ Railway Authorities not taken up the work of construction of Railway Bridge.</li> <li>➤ No action taken to fix responsibility for unfruitful expenditure.</li> </ul>
2.	<b>2.2.10.1 Expenditure on increasing capacity/ remodeling of canals</b>	<ul style="list-style-type: none"> <li>➤ The irrigated area of 5 canals decreased from 2007-08 to 2014-15 and total irrigated area by all these nine canals decreased by 13 per cent.</li> <li>➤ An increase in irrigated area by only four <i>per cent</i> (from 44,005 acres in 2012-13 to 45,916 acres in 2014-15).</li> <li>➤ Matter needs to be investigated and reasons analysed.</li> </ul>
3.	<b>2.2.10.2 Non-utilisation of funds under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)</b>	<ul style="list-style-type: none"> <li>➤ No instructions were issued to the field offices by the Department to utilise the MGNREGA funds.</li> </ul>
4.	<b>2.2.11.2 Submission of fake/improper performance guarantee</b>	<ul style="list-style-type: none"> <li>➤ The Department has not pursued the case with the Police Department.</li> <li>➤ The Department has not evolved a system to verify the genuineness of bank guarantees.</li> </ul>
5.	<b>2.2.13.2 Construction Divisions with heavy establishment charges</b>	<ul style="list-style-type: none"> <li>➤ No system evolved to utilise the manpower in a rational manner.</li> </ul>
6.	<b>2.2.14.1 Non-recovery/ adjustment of amount lying in MPWA against staff and others</b>	<ul style="list-style-type: none"> <li>➤ Concrete action not taken for recovery/adjustment of MPWA.</li> </ul>
7.	<b>2.2.14.3 Non-deposit of labour cess with Labour Welfare Board</b>	<ul style="list-style-type: none"> <li>➤ No action taken by the Department to deposit the amount in a timely manner.</li> </ul>
8.	<b>2.2.14.4 Lack of seriousness towards making payments of land compensation</b>	<ul style="list-style-type: none"> <li>➤ No action taken by the Department to avoid recurrence of such cases through system improvement.</li> </ul>

## Appendix 3.3

(Reference: Paragraph 3.17.3.2; Page 112)

## Details of audit observations where there was substantial implementation/progress

Sr. No	Gist of the paragraph	Action taken/Further audit comments
1.	2.2.7 (ii) Planning	<ul style="list-style-type: none"> <li>➤ Out of 19 works, 7 works completed and 4 works under progress while 4 works dropped during the period 2012-15.</li> <li>➤ Four works<sup>1</sup> not taken off due to non-obtaining of clearance from State Government and the Ghaggar committee.</li> <li>➤ Medium irrigation scheme 'Kaushalya Dam' made functional.</li> <li>➤ Infrastructure of Bhakhra Main Line-Hansi Butana Branch (Major irrigation) lying unutilised due to court case pending in Hon'ble Supreme Court.</li> </ul>
2.	2.2.8.2 Central assistance for floods	<ul style="list-style-type: none"> <li>➤ The State Government accorded revised administrative approval in February 2014.</li> <li>➤ The case still pending with Central Water Commission (July 2015).</li> </ul>
3.	2.2.8.3 Grant under Accelerated Irrigation Benefit Programme	<ul style="list-style-type: none"> <li>➤ The case followed up with GOI and re-submitted to Ministry of Water Resources, GOI in January 2015.</li> <li>➤ The Central share of ₹ 16.82 crore pending as of May 2015.</li> </ul>
4.	2.2.8.4 Non-receipt of share from other States	<ul style="list-style-type: none"> <li>➤ An additional amount of ₹ 10.72 crore received from Delhi Government.</li> <li>➤ An amount of ₹ 111.80 crore as the share of other member States not received.</li> <li>➤ Rajasthan State not deposited amount due to pending issue of share of water allocation and Uttar Pradesh had asked to adjust the amount with irrigation revenue payment pending with Haryana alongwith maintenance and modernisation of Okhla Barrage.</li> </ul>
5.	2.2.9.2 Jawahar Lal Nehru Lift Irrigation Scheme Unfruitful expenditure on repair and maintenance	<ul style="list-style-type: none"> <li>➤ During most of the running period tail was fed and 13 ponds in 11 villages filled with canal water.</li> <li>➤ No area irrigated by canal water as sufficient water not available at the tail end of the canal.</li> </ul>
6.	2.2.12.1 Non-recovery of balance amount from LAO	<ul style="list-style-type: none"> <li>➤ Only an amount of ₹ 1.12 crore received back in respect of three divisions<sup>2</sup>.</li> <li>➤ The established system of placing the amount of advance payments to LAOs in MPWA not followed.</li> </ul>
7.	2.2.12.2 Mutation of land not made	<ul style="list-style-type: none"> <li>➤ Out of 18 divisions involved, mutation of land (197.36 acre) made in favour of department in respect of four divisions<sup>3</sup> only.</li> </ul>
8.	2.2.13.1 Shortage of staff	<ul style="list-style-type: none"> <li>➤ The statement of vacancies of different categories sent to the Haryana Public Service Commission/Staff Selection Commission for recruitment of staff.</li> <li>➤ Staff shortage increased from 28 per cent in 2012 to 41 per cent in 2015.</li> </ul>
9.	2.2.14.5 Non-preparation of Annual Administrative Report	<ul style="list-style-type: none"> <li>➤ Administrative Reports for the year up to 2013-14 approved by the Government.</li> <li>➤ The Report for the year 2014-15 not prepared.</li> </ul>

<sup>1</sup> (i) Construction of Dewan Wala Dam on Ghaggar River, (ii) Construction of Dangrana Dam on Ghaggar River (iii) Mewat Irrigation Scheme and (iv) Ambala Irrigation scheme

<sup>2</sup> Siwani Water Services Division, Bhiwani (₹ 48.92 lakh), Construction Division-28, Jind (₹ 46.46 lakh) and Safidon Water Services Division, Safidon (₹ 17.10 lakh)

<sup>3</sup> Bhiwani Water Services Division, Bhiwani (93.58 acre), Construction Division-28, Jind (59.5088 acre), Safidon Water Services Division, Safidon (6.046 acre), Panipat Water Services Division Panipat (38.23 acre) Total: 197.36 acre

### Appendix 3.4

(Reference: Paragraph 3.17.3.3; Page 112)

#### Details of audit observations where full progress in all intended areas

Sr. No	Gist of the paragraph	Action taken/Further audit comments
1.	2.2.8.5 Non-utilisation of grant ₹ 1.94 crore	<ul style="list-style-type: none"> <li>➤ Out of unspent balance of ₹ 8.50 crore, ₹ 7.02 crore spent on works.</li> <li>➤ Remaining ₹ 1.48 crore deposited into treasury in December 2012.</li> </ul>
2.	2.2.8.6 Excess release of grant to HIRMI	<ul style="list-style-type: none"> <li>➤ The major portion of unspent balance adjusted.</li> <li>➤ The Department addressed the issue by making objective assessment of requirement of funds by HIRMI and releasing grants accordingly.</li> </ul>
3.	2.2.8.7 Non-revision of tender document fee	<ul style="list-style-type: none"> <li>➤ The rates revised in September 2014.</li> </ul>
4.	2.2.9.3 Ottu Lake Splitting of work	<ul style="list-style-type: none"> <li>➤ The matter investigated and 34 officers/officials charge sheeted.</li> <li>➤ After inquiry the charges against all the officers were dropped by the Government.</li> </ul>
5.	2.2.9.3 Ottu Lake Non-sale of fertile earth of Ottu lake	<ul style="list-style-type: none"> <li>➤ The matter investigated and 34 officers/officials charge sheeted.</li> <li>➤ After inquiry the charges against all the officers were dropped by the Government.</li> </ul>
6.	2.2.11.2 Execution of work without Administrative Approval and sanction of estimates	<ul style="list-style-type: none"> <li>➤ Estimates sanctioned and administrative approvals accorded by competent authority.</li> </ul>

### Appendix 3.5

(Reference: Paragraph 3.18; Page 114)

#### Detail of avoidable payment made as compensation for land acquired

(a) **Avoidable payment made by Executive Engineer, Jui Water Service Division, Bhiwani**

Particular	Award Number	Payments made	Amount due before November 2010	Avoidable payment
Cost of land of 4.54375 acre	1 and 2 dated 31 March 2015	54,52,500	36,35,000	18,17,500
Compulsory Acquisition Charges 100/30 per cent	-do-	54,52,500	10,90,590	43,61,910
<b>Total</b>		<b>1,09,05,000</b>	<b>47,25,590</b>	<b>61,79,410</b>
Interest as per above award		17,04,815	--	--
<b>Total amount of the award</b>		<b>1,26,09,815</b>	<b>--</b>	<b>--</b>

Source: Information supplied by department

(b) **Avoidable payment made by Executive Engineer, Provincial Division No. 2, Gurgaon**

Particular Area of land	Award Number	Payments made	Amount due if the payments were made timely on the rates as on 1999-2000 (i.e. ₹ 2.40 lakh/acre)	Avoidable payment
Cost of land of 0.38125 acre	1 dated 26-11-2014	30,50,000	91,500	29,58,500
Compulsory Acquisition Charges 100/30 per cent	-do-	30,50,000	27,450	30,22,550
<b>Total</b>		<b>61,00,000</b>	<b>1,18,950</b>	<b>59,81,050</b>
Interest as per above award		6,67,825	--	--
<b>Total amount of the award</b>		<b>67,67,825</b>	<b>--</b>	<b>--</b>

Source: Information supplied by department

**Total avoidable payment = ₹ 61.79 lakh + ₹ 59.81 lakh = ₹ 121.60 lakh.**

### Appendix 3.6

(Reference: Paragraph 3.24; Page 126)

#### List of selected Gram Panchayats for test-check

Sr. No.	Name of District	Sr. No.	Name of Block	Sr. No.	Name of Gram Panchayat
1	Ambala	1	Ambala-I	1	Jagoli
				2.	Bishangarh
2	Bhiwani	2.	Naraingarh	3.	Nanduwali
				1	Siwani
				2	Kairu
3	Gurgaon	3	Dadri-II	4	Matani
				5	Kherpura
				6	Pohkarwas
4	Hissar	1	Farukh Nagar	7	Badal
				8	Khandwla
5	Jhajjar	1	Hansi-I	9	Dhani Puria
				2	Hansi-II
				3	Narnaund
6	Jind	1	Bahadurgarh	10	Bass Azamshahpur
				11	Ghari Ajema
				12	Ismailpur
				13	Dadri Toe
7	Karnal	2	Jhajjar	14	Birdhana
				3	Sahlawas
				15	Samaspur Majra
				16	Dhanirwas
8	Kurukshetra	4	Matanhail	17	Sasrauli
				18	Deorar
9	Mahendragarh	1	Julana	19	Rajana Khurad
				2	Pillukhera
10	Mewat	1	Nilokheri	20	Borsham
				21	Budhera
				1	Thanesar
11	Panchkula	2	Ismailabad	22	Alampur
				23	Malikpur
				24	Gorkha
12	Panipat	1	Narnaul	25	Dohar Kalan
				1	Firojpur Jhirka
				2	Nagina
				3	Punhana
				4	Nuh
13	Rohtak	1	Rohtak	26	Gujarnangla
				27	Ghagas
				28	Leharwari
14	Sirsa	1	Dabwali	29	Marora
				30	Chahalka
				31	Baladwala
				32	Taprian
15	Sonipat	2	Barwala	33	Khokhra
				34	Jondhan Khurd
				35	Katwara
				1	Ellenabad
				2	Nathusari Chopta
16	Yamuna Nagar	3	Rania	36	Panna
				37	Dhani Kahan Singh
				38	Ludesar
				39	Kharian
17	Jagadhri	4	Odhan	40	Desu Malkana
				41	Tikola
				42	Sargathal
				43	Dubeta
				44	Tharia
				45	Gumthala Rao
				46	Unheri
47	Dalautpur				
18	Mutafabad	2	Bilaspur	48	Bihta
				3	Jagadhri
				4	Mutafabad
19	Gandapura	3	Jagadhri	49	Daulatpur
				4	Mutafabad
				50	Gandapura

Source: Data compiled from departmental records