

Overview

OVERVIEW

This Report comprises three chapters containing audit findings pertaining to Social, General and Economic Sectors (Non-PSUs); Revenue Sector; and Social & Economic Sector (PSUs). There are three Performance audits on Rashtriya Madhyamik Shiksha Abhiyan, National Programme of Nutritional Support to Primary Education (Mid-Day Meal Scheme) and Rashtriya Krishi Vikas Yojana and 25 compliance audit paragraphs involving ₹ 598.74 crore. Some of the major findings are mentioned below:

Social, General and Economic Sectors (Non-PSUs)

The total expenditure of the State increased from ₹ 13,536 crore to ₹ 26,254 crore during 2010-11 to 2014-15, the revenue expenditure of the State Government increased by 82 *per cent* from ₹ 11,621 crore in 2010-11 to ₹ 21,164 crore in 2014-15. The revenue expenditure constituted 81 to 86 *per cent* of the total expenditure during the year 2010-11 to 2014-15 and capital expenditure was 13 to 19 *per cent*. During the period, Revenue expenditure increased at an annual average rate of 14.99 *per cent*, whereas revenue receipts also grew at an annual average rate of 16 *per cent* during 2010-11 to 2014-15.

PERFORMANCE AUDIT

Rashtriya Madhyamik Shiksha Abhiyan

- Bottom up approach was not adopted for preparation of the Perspective Plan (PP) and the Annual Work Plan and Budget (AWP & B) as the school level plans, which were to act as the building blocks for the state level plans, were not prepared by the School Management Development Committees (SMDCs).

[Paragraph 1.2.6.1]

- In the State, 83 *per cent* of the schools are without activity rooms, 76 *per cent* are without library, 55 *per cent* are without a play-ground, 50 *per cent* are without a computer room, 48 *per cent* are without an integrated science lab, and 14 *per cent* are without classrooms and without electricity, thus adversely affecting achievement of the main objectives of RMSA of providing minimum necessary physical infrastructure in the schools.

[Paragraph 1.2.8.4]

- Out of total released funds of ₹ 167.14 crore, ₹ 88.33 crore (53 *per cent*) were lying unutilized since inception of the scheme resulting in completion of only 25 *per cent* construction works which led to the children being deprived of the necessary infrastructure facilities.

[Paragraph 1.2.8.1]

- In 126 out of 271 upgraded schools, enrollment of students in class IX was below the prescribed norm of 25. No action was taken by the Department to impart vocational education despite availability of funds from the Government of India.

[Paragraph 1.2.8.2]

- Students could not get the benefit of Information Communication Technology (ICT) even though ₹ 6.67 crore were available under the scheme.

[Paragraph 1.2.12]

National Programme of Nutritional Support to Primary Education (Mid-Day Meal Scheme)

- There were disruptions in providing mid day meals in schools as seen in 50 of the 120 selected schools.

[Paragraph 1.3.8.3]

- Micronutrients and supplements were not being administered to the children as per requirement and health check-ups were short by upto 79 per cent during 2010-13.

[Paragraph 1.3.8.6]

- The scheme failed to improve enrolment in schools as actual enrollment declined by 22 per cent during 2010-15.

[Paragraph 1.3.9.1]

- There was an adverse impact on teaching activities as involvement of teaching staff in the programme activities ranged between nine to 12 hours per week as against the required four hours per week.

[Paragraph 1.3.9.3]

Rashtriya Krishi Vikas Yojana

- The State and District Agriculture Plans were prepared after a delay of 21 and 31 months respectively from the scheduled dates.

[Paragraph 1.4.6.1]

- During 2010-15, the State Level Sanctioning Committee approved 56 projects even before their Detailed Project Reports were prepared.

[Paragraph 1.4.6.2]

- An excess expenditure of ₹ 3.09 crore, in respect of six projects pertaining to the years 2011-13, was incurred without the approval of the SLSC.

[Paragraph 1.4.7.2]

- Three Organic Waste Converter plants, installed at a cost of ₹ 4.86 crore, remained non-functional even after lapse of 12 to 17 months of their installation.

[Paragraph 1.4.8.2 (a)]

COMPLIANCE AUDIT

Activities of Civil Aviation Department

Fees for landing, parking, hanger usage of helicopters/aircrafts of private Companies at various helipads and airstrips were not being realized by the Uttarakhand Civil Aviation Development Authority. The Authority was not following the prevalent rules/ regulations in procuring parts and tools for government Helicopter and Aeroplane.

[Paragraph 1.5]

Unfruitful Expenditure

Unauthorized construction of auditorium on a land not owned by the Culture Department resulted in unfruitful expenditure of ₹ 1.03 crore.

[Paragraph 1.6]

Loss of revenue

Cessation of exploitation of forest produce by the Forest Department resulted in loss of revenue worth ₹ 93.31 lakh.

[Paragraph 1.7]

Wasteful Expenditure

Ill-conceived selection of site by the Department of Medical, Health and Family Welfare for construction of base hospital rendered expenditure of ₹ 2.12 crore on site development wasteful.

[Paragraph 1.8]

Idle Equipment

The purpose for which hill recovery cranes were allotted by the GoI was defeated as two cranes allotted to SP, Tehri and SSP, Dehradun valued at ₹ 40.89 lakh remained idle for periods of six and three years respectively.

[Paragraph 1.9]

Undue benefit to a manufacturer

Subsidy of ₹ 22.89 lakh was paid by the Industrial Development Department to a manufacturer on the basis of false claims which was now recoverable with interest of ₹ 9.91 lakh.

[Paragraph 1.10]

Avoidable Expenditure

The State Government had to pay an amount of ₹ 152.20 lakh from its own resources, in a road work under centrally sponsored scheme PMGSY, due to faulty preparation of DPR by the Rural Development Department.

[Paragraph 1.11]

Forgoing of Interest

Non-charging of interest by the Public Works Department on mobilization advance paid to contractors resulted in forgoing of interest to the tune of ₹ 1.73 crore.

[Paragraph 1.12]

Undue favour to contractor

The Public Works Department unduly favoured contractor in providing time extensions against its own norms which led to waiving of liquidated damage of ₹ 3.30 crore.

[Paragraph 1.13]

Deposit Works in the Public Works Department

The expenditure incurred on deposit works were not limited to the amount of deposit received for the works and these excess amount were met out from other deposit works. This excess amount was also not being charged to “Miscellaneous P.W. advances”. After completion of deposit works, the concerned divisions did not surrender the balances/un-expended balance to the client departments. Most of the divisions were not maintaining and reporting the correct picture regarding actual deposits received, expenditure incurred, and up-to date position of progress of works and funds availability in prescribed Form-65. Besides, Deposit register Part-III (primary record of deposit works) were also not being maintained by few divisions.

[Paragraph 1.14]

Idle Expenditure

Expenditure of ₹ 1.02 crore, made by Social Welfare Department on a girls hostel, remained idle as the building could not be put to use in the absence of any arrangement for its operation.

[Paragraph 1.16]

Revenue Sector
COMPLIANCE AUDIT
Short levy of tax due to incorrect application of rate of VAT

Incorrect application of rate of tax by the Assessing Authority resulted in short levy of tax of ₹ 4.08 lakh, besides interest of ₹ 3.98 lakh was also leviable.

[Paragraph 2.2]

Unauthorized utilization of Form-11

Utilization of unauthorized declaration of Form-11 for the purchase of molasses at concessional rate which were used in manufacture and sale of non-taxable country liquor resulted in loss of revenue amounting to ₹ 16.85 lakh, besides penalty of ₹ 59.47 lakh was also leviable.

[Paragraph 2.3]

Non-imposition of penalty

Non-imposition of penalty of ₹ 3.25 lakh for wrongly claiming Input Tax Credit.

[Paragraph 2.4]

Non-levy of penalty of ₹ 5.81 lakh for delayed payment of tax

Penalty of ₹ 5.81 lakh was not levied by the Assessing Authorities, even though the dealers failed to pay the tax due under the provision of the Act within the time allowed.

[Paragraph 2.5]

Short levy of tax

Erroneous application of the clause (c) of sub section (3) of the Section 4 of the Act at the time of assessment of the tax on the sale of the earlier period when clause (c) was not applicable, resulted in short levy of tax ₹ 2.57 lakh at differential rate of 8.5 *per cent* besides interest of ₹ 2.15 lakh.

[Paragraph 2.6]

Short levy of Tax against declaration Form-11 and Form-C

There was short levy of tax on invalid declaration in Form-C (₹ 65.81 lakh) and transaction against local declaration on Form-11 (₹ 82.73 lakh).

[Paragraph 2.7]

Pendency of cases in the Revenue Department

The shortage of Presiding Officers and frequent strikes by advocates led to the buildup of pendency of cases in the revenue courts. Set target for disposal of revenue cases was under achieved by approximately 50 *per cent* during the years 2013-14 and 2014-15. As a result the pendency of revenue cases at various levels increased from 16,108 (April, 2003) to 34,209 cases (August 2015).

[Paragraph 2.8]

Social and Economic Sector (PSUs)

COMPLIANCE AUDIT

Avoidable Expenditure

Uttarakhand Power Corporation Limited did not register on power exchanges for power trading resulting in avoidable expenditure of ₹ 4.68 crore as trading margin/ transaction fee chargeable to traders.

[Paragraph 3.2]

Implementation of Re-structured Accelerated Power Development and Reform Programme (R-APDRP).

The programme could not yield the desired objectives due to incomplete execution of the modules of Part-A and very slow progress of the works planned under Part-B. AT&C losses increased even after implementation of Part-B. UPCL failed to fix the reliability indices of power supply and proper monitoring of the scheme at the apex level. As the progress of Part-B works was very slow, there are high chances of non conversion of GoI loan into grant.

[Paragraph 3.3]

Non-disposal of excess inventory

Inventory worth ₹ 1.20 crore was lying idle in Uttarakhand Power Corporation Limited, due to non-disposal of the same.

[Paragraph 3.4]

Wasteful Expenditure

Slackness of the SIDCUL in successfully implementing centrally sponsored projects cost the State exchequer ₹ 25.81 lakh.

[Paragraph 3.5]

Infructuous Expenditure

Infructuous expenditure of ₹ 95 lakh on Project Development and Promotion Partnership (PD&PP) was due to improper contract management adopted by SIDCUL.

[Paragraph 3.6]

Forgoing of revenue

The failure of the Corporation in cancelling allotment of plots as per terms and conditions of allotment resulted in forgoing of revenue to the tune of ₹ 4.30 crore by the Corporation.

[Paragraph 3.7]