सत्यमेव जयते

Report of the
Comptroller and Auditor General of India
on
Social, General, Economic (Non-PSUs) sectors
for the year ended 31 March 2016

भारतीय लेखापरीक्षा और लेखा विभाग ✦ INDIAN AUDIT AND ACCOUNTS DEPARTMENT

सत्यमेव जयते

JAMMU & KASHMIR

Government of Jammu and Kashmir

Report No. 1 of the year 2017

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PREFACE

This Report for the year ended 31 March 2016 has been prepared for submission to the Governor of the State of Jammu and Kashmir under Article 151 (2) of the Constitution of India.

The Report contains significant results of the performance audit and compliance audit of the departments/ autonomous bodies of the Government of Jammu and Kashmir under the Social, General and Economic Sectors (Non-Public Sector Undertakings) conducted as per provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The instances mentioned in this Report are those which came to notice in the course of test audit for the period 2015-16 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 2015-16 have also been included, wherever necessary.

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

Overview

OVERVIEW

This Report contains two Performance audits i.e. National Rural Health Mission and Jawaharlal Nehru National Urban Renewal Mission, one Follow up Audit and 16 paragraphs involving ₹763.02 crore relating to unfruitful/ wasteful/ unproductive expenditure, fraudulent drawals, idle investment and blocking of funds. Some of the major findings are mentioned below:

The total expenditure[1] of the State increased from ₹28,646 crore to ₹43,845 crore during 2011-16, the revenue expenditure of the State Government increased by 61 *per cent* from ₹22,681 crore in 2011-12 to ₹36,420 crore in 2015-16. Non-Plan revenue expenditure increased by 63 *per cent* from ₹21,432 crore to ₹34,847 crore and capital expenditure increased by 24 *per cent* from ₹5,899 crore to ₹7,331 crore during the period 2011-16.

PERFORMANCE AUDIT

The **National Rural Health Mission (NRHM)** was launched by Government of India (GoI) in April 2005 to provide accessible, affordable and quality health care to the rural population and to reduce the Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and the Total Fertility Rate (TFR). A performance audit of the implementation of the programmes covering the period 2011-12 to 2015-16 brought out that while considerable progress had been achieved, public spending on the health sector remained low and there were continuing deficiencies in infrastructural requirements and non-achievement of set targets. Some of the significant findings are given below:

- The percentage utilization of funds under the programme ranged between 60 and 80 *per cent* during 2011-12 to 2015-16. There was also delay in release of funds to SHS by the State Finance Department ranging from one month to four months.

(Paragraphs: 2.1.7 and 2.1.7.1)

- 1,748 out of 3,193 health institutions (55 *per cent*) were in hired accommodations. There were shortages of 13 Community Health Centres (CHCs), 46 Primary Health Centres (PHCs) and 468 Sub-Centres (SCs) as of March 2016. None of the SCs/ PHCs/ CHCs had been upgraded to the level of the Indian Public Health Standards (IPHS) in the State. SCs "upgraded" as New Type Primary Health Centres in October 2014 had not been provided with the required facilities by way of additional manpower and infrastructure defeating the purpose of their upgradation.

(Paragraphs: 2.1.8, 2.1.8.1 and 2.1.8.2)

- There was shortage of medical personnel *vis-à-vis* IPHS. Availability of medical specialists was to the extent of 86 *per cent* in District Hospitals and 54 *per cent* in CHCs while the availability of nurses and para-medical staff

[1] Total expenditure includes revenue expenditure, capital outlay and disbursement of loans and advances

was 78 *per cent* in District Hospitals and 73 *per cent* in PHCs of the State. The position of staff in Blood Banks in the District Hospitals was worse as the sanctioned and effective strength was only ten against required 132 posts as per IPHS norms.

(Paragraph: 2.1.9)

- Institutional deliveries ranged between 86 *per cent* and 91 *per cent* of total deliveries and cash compensation for pregnant women was provided to 56 to 74 *per cent* of total deliveries in the State.

(Paragraph: 2.1.11.2)

The Government of India (GoI) launched the **Jawaharlal Nehru National Urban Renewal Mission (JnNURM)** for providing universal access to civic amenities to the urban population with focus on sustainable development of physical infrastructure in cities, creation of new sewerage system and renewal of existing ones. A performance audit of the implementation of the scheme during the period 2011-16 brought out that the implementation of JnNURM was hampered by short release of funds by the State Government and delay in transmission of funds to the implementing agencies. The Government had yet to fully carry out reforms envisaged under the scheme guidelines relating to transfer of certain powers to urban local bodies and city planning and development as well as in the urban transport sector which would have facilitated achievement of the overall objective of holistic development of urban infrastructure on a sustainable basis. Further, execution of housing projects was marked with delays and sewage management projects could not fructify due to poor planning and conceptualisation. Some of the major findings are given below:

- There was short release of State share of ₹33.32 crore, delay in release of funds, mis-utilisation of ₹1.07 crore and non-refund of interest of ₹11.48 crore. In addition, ₹31.84 crore was kept in fixed deposits instead of utilizing them for the purpose for which they were released.

(Paragraphs: 2.2.7.1, 2.2.7.2, 2.2.7.3 and 2.2.7.4)

- Execution of housing projects was marked by delays with none of 34 projects costing ₹141.38 crore taken up for execution between 2007-08 to 2015-16 having been completed despite expenditure of ₹101.16 crore. The Detailed Project Reports were not based on authentic data of revenue/ census authorities nor had beneficiaries' survey been carried out before project formulation.

(Paragraph: 2.2.9.1 (d))

- Only three out of twelve Solid Waste Management projects could be completed due to non-availability of sites while sewerage projects in Jammu and Srinagar could not be fructified despite expenditure of ₹158.45 crore due to poor planning and conceptualisation.

(Paragraphs: 2.2.10.1 and 2.2.10.3)

COMPLIANCE AUDIT

Sher-e-Kashmir University of Agricultural Sciences and Technology, Kashmir (SKUAST-K)

Instead of creating General Fund, Foundation Fund and Pension Fund, the University had created Common Facilitation Fund and Revolving Fund without authorization from Board of Management/ University Council. There was shortage in teaching staff ranging between 39 and 44 *per cent* and excess in non-teaching staff ranging between 284 and 356 *per cent*. Inventory of seed/ plant varieties/ bio-diversity details/ germplasm bank had not been maintained.

(Paragraph: 3.1)

Irregular use of departmental receipts for departmental expenditure

The Department of Agricultural Production utilized departmental receipts of ₹4.02 crore for departmental expenditure in violation of the financial rules.

(Paragraph: 3.2)

Inclusion of extra cost elements in sale price of seed sold to farmers

Fixation of sale rate of subsidized seeds by adding overhead, handling and processing charges as well as interest which were not provided for in any instructions by the Joint Director Agriculture (Inputs), Jammu, in the Department of Agricultural Production resulted in casting an undue burden of ₹6.83 crore on farmers.

(Paragraph: 3.3)

Loss due to non-adherence to policy for allotment of medical shops

Non-adherence to policy for allotment of sites/ structures at health institutions by two hospitals under the Department of Health and Medical Education resulted in non-recovery of ₹1.59 crore.

(Paragraph: 3.4)

Delay in completion of building

Administrative delay and poor prioritization in the Department of Health and Medical Education resulted in a building that was constructed at a cost of ₹5 crore for use as a General Nursing and Midwifery Training School at Akhnoor remaining unutilized because of non-completion of minor residual works costing just ₹0.35 crore.

(Paragraph: 3.5)

Working of Government College of Engineering and Technology, Jammu

Funds ranging from 11 to 35 *per cent* in Non-Plan of each financial year from 2011-12 to 2015-16 and 61 *per cent* of Plan funds of 2014-15 remained unutilised by the College. Non-adherence to prescribed teacher student ratio affected the quality of education imparted to students as reflected in low pass out rate and low campus placements. Ratio of 1:1.1 between teaching and non-teaching posts for AICTE approved institutions had not been maintained. Even after lapse of 21 years, the required infrastructure had not been created by the Higher Education Department as work on only two out of 11 buildings could be completed while three were under progress and work on six projects could not be started.

(Paragraph: 3.6)

Unproductive expenditure and blocking of funds

Failure to ensure encumbrance free land for construction of college building resulted in unproductive expenditure of ₹9.89 crore and blocking of ₹6.23 crore for over four years in the Higher Education Department.

(Paragraph: 3.7)

Advancing funds for land without ensuring its availability

Injudicious action of the Police Department in advancing funds to the Custodian Evacuee Property Kashmir for land for construction of police stations without ensuring its availability for the proposed purpose resulted in blocking of ₹1.80 crore for over seven years.

(Paragraph: 3.8)

Expenditure on Police establishments not approved for inclusion in the project

The Police Department incurred an expenditure of ₹1.53 crore on Police establishments that were not included in the sanction accorded by the competent authority.

(Paragraph: 3.9)

Suspected fraudulent and irregular payments on hiring of vehicles

The Police Department paid an amount of ₹4.04 crore for hiring of "buses, trucks and light motor vehicles" that turned out to be registered as scooters, motor cycles, non-commercial/small cars, tractors and bulldozers or were non-existent. Further, there was double payment of ₹1.40 lakh while payment of ₹1.52 crore was doubtful as there were no details of the vehicles hired and irregular payment of ₹0.30 crore on hiring of non-commercial vehicles.

(Paragraph: 3.10)

Release of funds and incurring of expenditure on projects without identification of site

Release of funds by the Housing and Urban Development Department without identification of site for Solid Waste Management Projects resulted in blocking of ₹1.96 crore for more than four years. In addition, expenditure of ₹3.79 lakh was incurred on engagement of a consultant which was unfruitful since he would not be able to prepare detailed project report in the absence of site details.

(Paragraph: 3.11)

Commencement of work without proper site survey

Lack of proper site survey at time of preparation of detailed project report and before commencement of work for construction of Truck Terminal building at Akramabad (Doda) resulted in delay in completion of building despite expenditure of ₹1.59 crore and doubling of its cost to ₹3.24 crore in the Housing and Urban Development Department.

(Paragraph: 3.12)

Blocking of funds due to accord of administrative approval prior to availability of land

Injudicious decision of the Industries and Commerce Department to accord administrative approval to a project for construction of a building for its district office at Rajouri and release funds for the purpose when acquisition of land on which the building was to be constructed remained sub-judice resulted in blocking of ₹0.48 crore spent on procurement of material for over four years and ₹0.10 crore paid for acquisition of land for a period ranging between five and 10 years.

(Paragraph: 3.13)

Unjustified release of funds despite existing stay orders of Court

Release of funds by the Labour and Employment Department for works on land after Courts had stayed the works and the matter was sub judice lacked justification and only resulted in funds of ₹2.50 crore being utilised for procurement of materials that would now either remain unutilised or be diverted for works other than that for which they were intended.

(Paragraph: 3.15)

Modernization of Judicial Infrastructure

An audit appraisal of the programmes for modernization of judicial infrastructure in the State by the Department of Law, Justice and Parliamentary Affairs brought out that the physical condition of 64 *per cent* court buildings was either poor or very poor and 20 *per cent* courts were functioning either from private buildings or buildings of other departments. Utilization of Government of India funds declined from 78 *per cent* (2011-12) to 35 *per cent* (2014-15) except in 2015-16 and the State share of ₹3.36 crore lapsed during the period 2011-16 due to non-utilization. Due to delay in release of funds by the State Government, there was cost overrun of ₹9.73 crore besides time overrun of over six years in the construction of Lawyers Chambers at High Court complexes of Jammu and Srinagar. An expenditure of ₹157.37 crore was incurred on 10 works in respect of which building permission had not been sought from the concerned authorities. Non-utilisation of available information technology infrastructure in 48 courts defeated the objective of establishment of e-courts while ₹31.17 lakh spent on video conferencing facilities was rendered unfruitful.

(Paragraph: 3.16)

Procurement in Power Development Department

An audit appraisal of procurements in the Power Development Department brought out that there was no system in place for monitoring purchase/ issue of store/ stock and requisitions received from user divisions. Supply orders valued at ₹9.61 crore were placed without the mandatory Bank Guarantees that were meant to enforce due performance by the suppliers. The objective of centralized purchase of stores was not fully achieved as the user divisions had made direct purchase of stores of ₹89.51 crore. Further, lack of synchronisation of activities with funds available resulted in expenditure of ₹5.23 crore being rendered unfruitful.

(Paragraph: 3.17)

Non-levy of Supervision charges

Failure of the Power Development Department to levy supervision charges in accordance with extant rules for works being undertaken on behalf of other departments that are not financed from the Consolidated Fund resulted in loss of ₹1.12 crore in two Electric Divisions.

(Paragraph: 3.18)

Manpower Management

An audit appraisal of manpower management in the Public Health Engineering Department brought out that human resources development functions had not been streamlined despite creation of Human Resources Management wing in the department. Promotions were made in excess of notified posts and promotees continued to work beyond six months without regularization. There was no regularity in constitution of Departmental Promotion Committees, updating/ finalization of seniority lists and control on engagement of daily rated workers (DRWs)/ community participation workers (CPWs).

(Paragraph: 3.19)

Construction/ Reconstruction of Bridges in Jammu and Kashmir

Lack of due diligence in conduct of site surveys and in finalisation of design in various divisions of the Public Works Department resulted in 18 works valued at ₹43.95 crore being held up due to design change or land disputes after award of works rendering unfruitful expenditure of ₹26.92 crore incurred thereon.

(Paragraph: 3.20)

Non-deduction of supervision charges

Failure of the Public Works Department to comply with extant rules resulted in loss of ₹1.87 crore due to non-deduction of supervision charges.

(Paragraph: 3.21)

Working of Sheep/ Goat Breeding Farms

An appraisal of the Sheep Husbandry Department brought out that the department could not achieve its stated objectives of improving the stock of livestock in the State and of augmenting production of milk, wool and mutton. The shortfall in production of rams and bucks with reference to projected requirements ranged between 76 to 97 *per cent* while there was excess mortality rate of 10 to 18 *per cent* in six sheep breeding farms. There was decreasing trend in yield of wool, mutton and milk during the period 2011-12 to 2015-16. The departmental authorities attributed the deficiencies and shortfalls to lack of requisite infrastructure, climatic variations and inbreeding. Yet, steps to mitigate the situation and address the shortcomings were not evident and unutilised funds increased from ₹7.38 lakh in 2011-12 to ₹98.58 lakh in 2015-16.

(Paragraph: 3.22)

Award of work without ensuring encumbrance free land

Failure of the Social Welfare Department to ensure availability of unencumbered land before proceeding with construction work led to unfruitful expenditure of ₹0.29 crore, blocking of ₹0.25 crore and cost escalation of ₹1.51 crore besides non-fulfillment of the intended objective of providing hostel facilities to Scheduled Tribe students residing in remote villages of Udhampur district.

(Paragraph: 3.23)

Chapter - I

Introduction

CHAPTER-I

INTRODUCTION

1.1 Budget profile

There are 29 departments and 42 autonomous bodies in the State. The position of budget estimates and actuals there against of the State Government during 2011-16 is given in **Table-1.1** below.

Table-1.1 : Budget and expenditure of the State Government during 2011-16

(₹ in crore)

Particulars	2011-12		2012-13		2013-14		2014-15		2015-16	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
Revenue expenditure										
General services	11,080	9,725	11,098	10,626	12,228	11,403	12,923	12,039	14,895	13,675
Social services	5,988	6,293	6,921	6,908	7,096	7,896	9,114	8,501	11,416	11,331
Economic services	5,369	6,663	6,572	7,583	8,293	7,759	9,466	8,789	10,886	11,414
Grants-in-aid[1] and contributions	-	-	-	-	-	-	-	-	-	-
Total (1)	**22,437**	**22,681**	**24,591**	**25,117**	**27,617**	**27,058**	**31,503**	**29,329**	**37,197**	**36,420**
Capital expenditure										
Capital Outlay	7,286	5,899	8,863	5,224	7,308	4,507	10,221	5,134	12,685	7,331
Loans and advances disbursed	80	66	70	93	133	121	71	87	93	94
Repayment of Public Debt	1,174	1,211	1,317	1,343	1,231	1,297	8,412	1,518	8,812	10,815
Contingency Fund	-	-	-	-	-	-	-	-	-	-
Public Accounts disbursements[2]	2,158	17,106	2,789	17,722	3,964	14,169	3,690	17,796	3,939	24,094
Closing Cash balance	-	960	-	91	01	1,063	-	1,401	-	527
Total (2)	**10,698**	**25,242**	**13,039**	**24,473**	**12,637**	**21,157**	**22,394**	**25,936**	**25,529**	**42,861**
Grand Total (1+2)	**33,135**	**47,923**	**37,630**	**49,590**	**40,254**	**48,215**	**53,897**	**55,265**	**62,726**	**79,281**

Source: Annual Financial Statements and Finance Accounts of the State Government

1.2 Application of resources of the State Government

The total expenditure[3] of the State increased from ₹28,646 crore to ₹43,845 crore during 2011-16 while the revenue expenditure increased by 61 *per cent* from ₹22,681 crore in 2011-12 to ₹36,420 crore in 2015-16. Non-Plan revenue expenditure increased by 63 *per cent* from ₹21,432 crore to ₹34,847 crore and capital expenditure increased by 24 *per cent* from ₹5,899 crore to ₹7,331 crore during the period 2011-16.

The revenue expenditure constituted 79 to 85 *per cent* of the total expenditure during the years 2011-16 and capital expenditure 15 to 21 *per cent*. During the period, total expenditure increased at an annual average rate of 12 *per cent* whereas revenue receipts grew at an annual average growth rate of 10 *per cent* during 2011-16.

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1 Grant-in-aid paid by the State Government is included in the above sectors

2 Actuals exclude transactions of investment of cash balance and departmental cash balance

3 Total expenditure includes revenue expenditure, capital outlay and disbursement of loans and advances

1.3 Persistent savings

Persistent savings of more than ₹ 1 crore in each case and also by 10 *per cent* or more of the total grant were noticed in six cases during the last five years as given in **Table-1.2** below.

Table-1.2 : List of grants with persistent savings during 2011-16

(₹ in crore)

Sl. No.	Grant number and name	Amount of Savings				
		2011-12	2012-13	2013-14	2014-15	2015-16
Revenue (Voted)						
1.	03-Planning and Development	20.48 (14)	89.06 (36)	683.73 (75)	816.81 (82)	748.96 (76)
2.	10-Law	77.17 (38)	62.01 (33)	65.28 (32)	97.04 (34)	102.19 (37)
3.	11-Industries and Commerce	36.84 (18)	32.34 (15)	42.17 (18)	89.05 (33)	53.91 (13)
Revenue (Charged)						
4.	10-Law	6.51 (28)	12.54 (39)	3.81 (14)	6.47 (22)	3.98 (13)
Capital (Voted)						
5.	19-Housing and Urban Development	262.38 (43)	235.05 (31)	672.87 (76)	568.44 (77)	220.61 (42)
6.	25-Labour, Stationery and Printing	71.84 (97)	78.16 (98)	102.52 (98)	76.70 (98)	31.79 (29)

Source: Appropriation Accounts

Note: Figures in paranthesis indicate percentage of savings to total grant

Reasons for persistent savings under these heads were not intimated (December 2016) by the State Government.

1.4 Funds transferred directly to the State Implementing Agencies

The Government of India directly transferred ₹298 crore to various State implementing agencies without routing through the State Budget during the year 2015-16. Consequently, these amounts remained outside the scope of the Annual Accounts (Finance Accounts and Appropriation Accounts) of the State Government during the year.

1.5 Grants-in-aid from Government of India

The grants-in-aid received from Government of India (GoI) during the years 2011-12 to 2015-16 have been given in **Table-1.3** below.

Table-1.3 : Grants-in-aid from GoI

(₹ in crore)

Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Non-Plan Grants	4,551	4,080	4,009	3,342	11,135
Grants for State Plan Schemes	9,990	10,274	9,834	12,807	5,593
Total	**14,541**	**14,354**	**13,843**	**16,149**	**16,728**
Percentage of increase/decrease over the previous year	(-) 0.34	(-) 1	(-) 4	17	4
Percentage of Revenue Receipts	59	55	51	56	47

Total grants-in-aid from GoI increased from ₹14,541 crore to ₹16,728 crore during the period 2011-16.

1.6 Planning and conduct of audit

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

After completion of audit, an Inspection Report containing the audit findings is issued to the head of the office with request to furnish replies within one month. Whenever replies are received, audit findings are either settled/ or further action for compliance is advised. 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 Jammu and Kashmir under Article 151 of the Constitution of India.

During 2015-16, compliance audit of 918 drawing and disbursing officers of the State and 31 autonomous bodies was conducted by the office of the Accountant General (Audit), Jammu and Kashmir. Besides, three performance audits were conducted.

1.7 Response of Government to Audit Report

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 specfic programmes/ schemes in order to offer suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens.

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Accountant General (Audit) to the Principal Secretaries/ Secretaries of the Department concerned drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the departments/ Government is invariably indicated at the end of such paragraphs included in the Audit Report. Three Performance Audits, one Follow-up Audit and 35 paragraphs proposed to be included in the Report of the Comptroller and Auditor General of India on Social, General and Economic (Non-PSUs) sectors for the year ended 31 March 2016 were sent to the Principal Secretaries/ Secretaries of the respective departments. Of these, replies in respect of one Performance Audit and 19 paragraphs were not received (December 2016).

1.8 Recoveries at the instance of Audit

The audit findings involving recoveries that came to notice in the course of test audit of accounts of the Departments of the State Government were referred to various departmental Drawing and Disbursing Officers (DDOs) for confirmation and further necessary action under intimation to audit.The details of recoveries pointed out by Audit during the year 2015-16, those accepted by the Departments and recoveries effected are given in **Table-1.4** below.

Table-1.4 : Statement showing the recoveries at the instance of Audit

(₹ in crore)

Department	Recoveries pointed out in 2015-16			Recoveries Accepted during 2015-16			Recoveries effected during 2015-16		
	Audit Report	Inspection Reports	Total	Audit Report	Inspection Reports	Total	Audit Report	Inspection Reports	Total
Government Departments	155.20	956.91	1,112.11	155.20	956.91	1,112.11	0.37	16.40	16.77
Total	**155.20**	**956.91**	**1,112.11**	**155.20**	**956.91**	**1,112.11**	**0.37**	**16.40**	**16.77**

1.9 Response of Government to Audit

The Hand Book of Instructions for speedy settlement of Audit observations/ Inspection Reports (IRs) issued by the Government (Finance Department) provides for prompt response by the Executive to IRs issued by the Accountant General (Audit) to ensure remedial/ rectification action in compliance with the prescribed rules and procedures. The Heads of offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and report their compliance to the Accountant General (Audit).

Based on the results of test audit, 41,953 audit observations contained in 10,357 IRs pertaining to the period 1998-2016 and outstanding as on 31 March 2016 are given in **Table-1.5** below.

Table-1.5 : Details showng the Audit observations outstanding at the end of 31 March 2016

Name of sector	Opening Balance (01 April 2015)		Additions during the year 2015-16		Settled during the year 2015-16		Closing Balance (31 March 2016)	
	No. of Inspection Reports	No. of Paragraphs	No. of Inspection Reports	No. of Paragraphs	No. of Inspection Reports	No. of Paragraphs	No. of Inspection Reports	No. of Paragraphs
Social Sector (Non-PSUs)	3,587	15,585	1,614	8,057	492	3,212	4,709	20,430
General Sector (Non-PSUs)	1,684	4,748	157	916	269	691	1,572	4,973
Economic Sector (Non-PSUs)	3,656	13,757	555	4,396	135	1,603	4,076	16,550
Total	**8,927**	**34,090**	**2,326**	**13,369**	**896**	**5,506**	**10,357**	**41,953**

The pendency of large number of paragraphs indicate lack of response of the Government departments to Audit. The Government may look into this matter and revamp the system to ensure proper response to the audit observations from the departments in a time-bound manner.

1.10 Follow-up on Audit Reports

1.10.1 Non-submission of *suo-motu* Action Taken Notes

To ensure accountability of the Executive to issues dealt with in various Audit Reports, the State Government (Finance Department) issued instructions in June 1997 to the administrative departments to furnish *suo-motu* Action Taken Notes (ATNs) on all the audit paragraphs featuring in the Audit Reports to the Public Accounts Committee (PAC)/ Committee on Public Undertakings (COPU) irrespective of whether these are taken up for discussion by these Committees or not. These ATNs are to be submitted to these Committees duly vetted by the Accountant General (Audit) within a period of three months from the date of presentation of Audit Reports in the State Legislature.

It was, however, noticed that out of 469 audit paragraphs featuring in the Civil Chapters of Audit Reports from 2000-01 to 2014-15[4], *suo-motu* ATNs in respect of 176 audit paragraphs had not been received upto 30 September 2016.

1.10.2 Action taken on recommendations of the PAC

Action Taken Notes, duly vetted by the Accountant General (Audit) on the observations/ recommendations made by the PAC/ COPU in respect of the audit paragraphs discussed by them are to be furnished to these Committees within six months from the date of such observations/ recommendations. Out of 440 audit paragraphs featuring in the Civil chapters of Audit Reports for the years from 2000-01 to 2013-14, only 200 audit paragraphs have been discussed by the PAC up to 30 September 2016. Recommendations in respect of 185 audit paragraphs have been made by the PAC. However, ATNs on the recommendations of the Committees are pending from the State Government in respect of 113 paragraphs.

[4] Presented in the Jammu and Kashmir State Legislature on 27.06.2016

1.11 Non-submission/delay in submission of Annual accounts by Autonomous Bodies

A total of 586 annual accounts of 28 bodies were awaited in Audit as on 31st March 2016. Nine Autonomous Bodies required to be audited by the Comptroller and Auditor General (C&AG) of India under Sections 19 (3) and 20 (1) of the CAG's DPC Act, 1971, had also not furnished the annual accounts as given in **Table-1.6** below.

Table-1.6 : Non-submission of accounts by Autonomous Bodies

Name of Body/Authority	Delay in number of years	No. of accounts	Grants during 2015-16 (₹ in crore)
Ladakh Autonomous Hill Development Council, Leh	1-21	21	253.07
Ladakh Autonomous Hill Development Council, Kargil	1-12	12	269.28
Compensatory Afforestation Management and Planning Authority	1-7	07	NA
Sher-e-Kashmir University of Agricultural Sciences and Technology, Srinagar	1-2	02	132.18
Sher-e-Kashmir University of Agricultural Sciences and Technology, Jammu	1-2	02	54.61
EPF Board, Srinagar	09	09	NA
Jammu and Kashmir State Housing Board	03	03	NA
Khadi and Village Industries Board	03	03	17.47
Building and Other Construction Workers Welfare Board	02	02	NA
Total		**61**	**726.61**

The audit of Ladakh Autonomous Hill Development Council (LAHDC) Leh and LAHDC Kargil has been entrusted to the C&AG of India. LAHDC Leh has failed to submit accounts for audit since its inception i.e. 1995-96 although substantial sums are being released to the Council and unspent balances at the end of the year remain credited in a non-lapsable Fund in the Public Account of the State. Same is the position in respect of LAHDC Kargil which came into existence in the year 2004-05 and the accounts are in arrears since inception.

Non-submission/ delay in submission of accounts by these bodies receiving substantial funding from the State Budget is a serious financial irregularity persisting for years. In view of this non-compliance, the audited accounts of these statutory bodies have not so far been presented to the State Legislature as required under the statutes under which these Bodies were created. This has deprived the State Legislature of the opporunity to assess their activities and financial performance.

1.12 Year-wise details of reviews and paragraphs appeared in Audit Report

The year-wise details of performance reviews and Audit paragraphs that appeared in the Audit Report for the last two years alongwith their money value is given in **Table-1.7** below.

Table-1.7 : Details of Performance reviews and Audit paragraphs appeared in Audit Reports during 2013-15

Year	Performance Audit		Audit Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Draft paragraphs
2013-14	5	730.10	23	64.73	4	14
2014-15	4	846.15	25	409.12	3	13

Two performance audits, one Follow-up audit and 22 audit paragraphs involving money value of ₹763.02 crore have been included in this Report. Replies, wherever received, have been incorporated at appropriate places.

Chapter - II

Performance Audit

CHAPTER-II

PERFORMANCE AUDITS

Health and Medical Education Department

2.1 National Rural Health Mission

The National Rural Health Mission (NRHM) was launched by Government of India (GoI) to provide accessible, affordable and quality health care to the rural population to reduce the Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and the Total Fertility Rate (TFR). A performance audit of the implementation of the programme brought out *inter alia* the following significant points :

Highlights

- **The percentage utilization of funds under the programme ranged between 60 and 80 *per cent* during 2011-12 to 2015-16. There was also delay in release of funds to SHS by the State Finance Department ranging from one month to four months.**

(Paragraphs: 2.1.7 and 2.1.7.1)

- **1,748 out of 3,193 health institutions (55 *per cent*) were in hired accommodations. There were shortages of 13 CHCs, 46 PHCs and 468 SCs as of March 2016. None of the SCs/ PHCs/ CHCs had been upgraded to the level of Indian Public Health Standards (IPHS) in the State. SCs "upgraded" as NTPHCs in October 2014 had not been provided with the required facilities by way of additional manpower and infrastructure defeating the purpose of their upgradation.**

(Paragraphs: 2.1.8, 2.1.8.1 and 2.1.8.2)

- **There was shortage of medical personnel *vis-à-vis* IPHS. Availability of medical specialists was to the extent of 86 *per cent* in DHs and 54 *per cent* in CHCs while the availability of nurses and para-medical staff was 78 *per cent* in DHs and 73 *per cent* in PHCs of the State. The position of staff in Blood Banks in DHs was worse as the sanctioned and effective strength was only ten against required 132 posts as per IPHS norms.**

(Paragraph: 2.1.9)

- **Institutional deliveries ranged between 86 *per cent* and 91 *per cent* of total deliveries and cash compensation for pregnant women was provided to 56 to 74 *per cent* of total deliveries in the State.**

(Paragraph: 2.1.11.2)

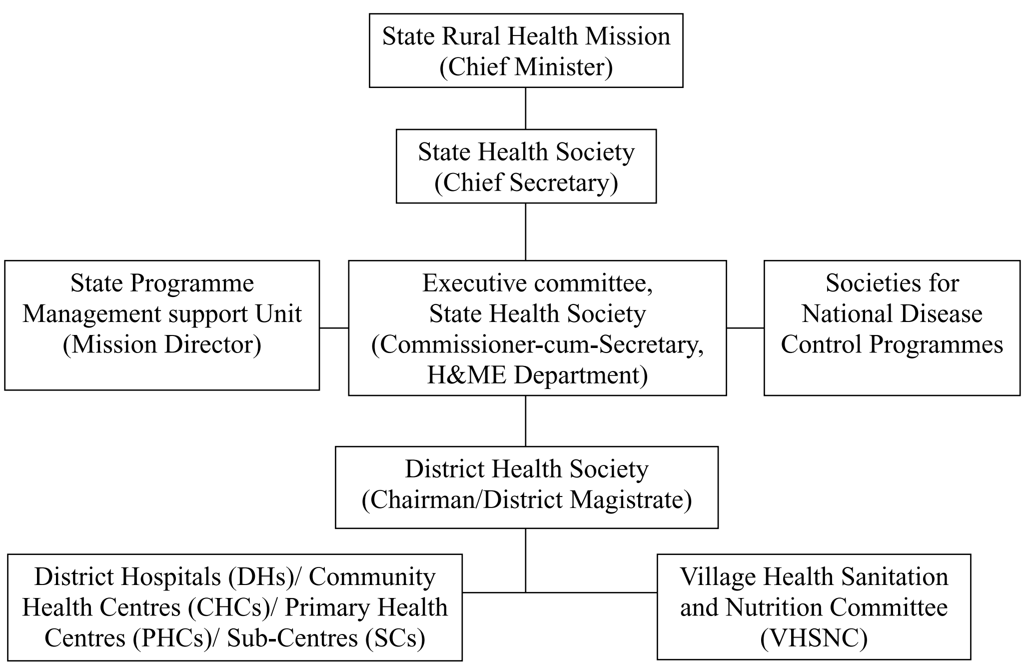
2.1.1 Introduction

The National Rural Health Mission (NRHM) was launched by Government of India (GoI) in April 2005 to provide accessible, affordable and quality health care to the rural population especially the vulnerable sections and to reduce the Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and the Total Fertility Rate (TFR). With the launch in May 2013 of the National Urban Health Mission (NUHM) to promote universal access to a continuum of health services, the mission has now been converted into the National Health Mission (NHM) to cover both villages as well as towns.

2.1.2 Organizational structure

The organisational structure for implementation of NRHM in the State is given below:

Chart-I



2.1.3 Audit objectives

A performance audit was conducted to ascertain whether:

- activities of NRHM on improving Reproductive and Child Health (RCH) were properly planned;
- financial management was efficient and effective;
- there was availability of physical infrastructure and health care professionals;
- quality health care was provided;
- the mechanism of data collection, management and reporting existed; and
- monitoring mechanisms and internal control system were in place and effective.

2.1.4 Scope of Audit and Methodology

The performance audit, conducted between March 2016 and August 2016, reviewed the implementation of the Mission in the State covering the period from 2011-12 to 2015-16. Records of the State Health Society (SHS), Director Health Services (DHS) Jammu and three[1] out of 10 District Health Societies (DHSs) in Jammu region were test-checked in audit. Besides, three District Hospitals, six Community Health Centres (CHCs), 12 Primary Health Centres (PHCs) and 33 Sub-Centres (SCs) in Jammu region selected on the basis of Simple Random Sampling without Replacement method. Due to prevailing situation in the Kashmir region during the period of conduct of audit exercise, the implementation of Mission in Kashmir region could not be reviewed in audit.

An entry conference was held on 18 March 2016 with the Commissioner Secretary, Health and Medical Education Department wherein the audit objectives, scope, and methodology were discussed. An exit conference was held on 23 November 2016 with the Commissioner Secretary, Health and Medical Education Department and replies of the State Government have been incorporated at appropriate places.

2.1.5 Audit Criteria

The audit criteria for assessing the various activities under the Mission were derived from the following sources:

- Guidelines issued by the GoI/ State Government regarding implementation of the programme;
- Programme Implementation Plans for the years 2011-12 to 2015-16; and
- J&K Financial Rules and Book of Financial Powers.

2.1.6 Planning and Survey

With a view to follow bottom up approach, planning and budgeting process is required to begin at the block level with preparation of Block Health Action Plan (BHAP) based on inputs/ discussion with the implementing units. BHAPs are to be consolidated to form an integrated District Health Action Plan (DHAP) which is further consolidated at the State level. The State Programme Implementation Plan (SPIP) is to be prepared every year by the SHS by aggregating the DHAPs for submission by end of December for approval to the GoI by end of February every year.

Test-check of records of six[2] CHCs in three test-checked districts showed that the annual BHAPs during the years 2011-12 to 2015-16 had not been prepared at the Block level and submitted to the respective DHSs. Moreover, timelines for

[1] Doda, Rajouri and Udhampur

[2] CHCs: Gandoh and Bhaderwah (Doda); Kandi and Nowshera (Rajouri); Chenani and Ramnagar (Udhampur)

submission of SPIPs to the GoI were not adhered to and the SPIPs for 2011-12 to 2015-16 were submitted after delay of one to three months which consequently resulted in delayed approvals by GoI.

2.1.7 Financial Management

The mission is an expression of the commitment of the Government to raise public spending on health from 0.9 *per cent* of GDP to 2-3 *per cent* of GDP. As per programme guidelines, the States are to take action to increase their expenditure on Health sector by at least 10 *per cent* every year over the Mission period. The position of investment on Health sector in the State during the period 2011-12 to 2015-16 is given in the **Table-2.1.1** below.

Table-2.1.1 : Statement showing the expenditure incurred on Health Sector

(₹ in crore)

Year	State GSDP	Total expenditure of the State Government	Budgetary Outlay of State Government on Health Sector	Expenditure of State Government on Health Sector	Expenditure through NRHM (Central assistance)	Total expenditure on Health Sector	Percentage of expenditure on Health sector vis-a-vis total expenditure of State Government	Percentage of total spending (including NRHM) on Health sector *vis-à-vis* State GSDP
1	*2*	*3*	*4*	*5*	*6*	*7 (5+6)*	*8*	*9*
2011-12	68185	28645	1674.94	1540.29	195.80	1736.09	6	2.54
2012-13	76916	30434	1787.14	1622.54	235.47	1858.01	6	2.42
2013-14	87570	31686	1923.01	1784.91	342.26	2127.17	7	2.43
2014-15	87921	34550	2311.26	2015.12	323.22	2338.34	7	2.66
2015-16	91850	43845	2887.94	2610.04	416.47	3026.51	7	3.29

Public spending on Health sector ranged between 6 *per cent* and 7 *per cent* of total expenditure of the State Government whereas it was between 2.42 *per cent* and 3.29 *per cent* of GSDP during 2011-12 and 2015-16.

The funding pattern under Mission was in the ratio of 85:15 between the Government of India (GoI) and the State Government up to 2011-12 and thereafter in the ratio of 90:10. Prior to 2014-15, funds were transferred by GoI directly into the account of SHS through e-transfer mode. From 2014-15 onwards, funds were released to the State Finance Department by GoI where from these were transferred to SHS through treasury route. The position of funds available and expenditure incurred there against under the Mission during 2011-16 is given in the **Table-2.1.2** below.

Table-2.1.2: Position of funds received and expenditure incurred

(₹ in crore)

Year	Opening balance	Releases by GoI	State share	Total funds available	Expenditure *(per cent)*	Closing balance
2011-12	105.13	194.60	27.16	326.89	195.80 *(60)*	131.09
2012-13	131.09	134.01	51.65	316.75	235.47 *(74)*	81.28
2013-14	81.28	345.15	34.82	461.25	342.26 *(74)*	118.99
2014-15	118.99	265.13	19.00	403.12	323.22 *(80)*	79.90
2015-16	79.90	361.49	76.00	517.39	416.47 *(80)*	100.92
Total		**1300.38**	**208.63**		**1513.22**	

The utilization of funds ranged between 60 *per cent* and 80 *per cent* during 2011-12 to 2015-16 which impacted implementation of the Mission. There was short release of funds by GoI against the approved GoI Resource Envelope during 2011-12 to 2015-16 as indicated in the **Table-2.1.3** below.

Table-2.1.3: Details showing the funds released against approvals

(₹ in crore)

Year	Administrative approval of SPIP by the GoI[3]	GoI Resource Envelope	Funds Released by the GoI	Percentage release of funds *vis-a-vis* approved Resource Envelope
2011-12	260.95	176.00	194.60	111
2012-13	312.54	209.75	134.01	64
2013-14	392.37	381.55	345.15	90
2014-15	544.93	436.36	265.13	61
2015-16	689.53	368.00	361.49	98
Total	**2200.32**	**1571.66**	**1300.38**	

Against approved State Programme Implementation Plans (SPIPs) worth ₹2,200.32 crore and GoI Resource Envelope of ₹1,571.66 crore, GoI released ₹1,300.38 crore (83 *per cent*) during 2011-12 to 2015-16. The percentage release of funds *vis-a-vis* approved GoI Resource Envelope ranged between 61 *per cent* and 98 *per cent* during 2012-13 to 2015-16. This was due to delayed submission of SPIPs and short and delayed release of State share.

The Department stated (December 2016) that funds released by GoI did not include infrastructure maintenance and National Disease Control Programme which are also part of NHM Resource Envelope and that there was no shortage of funds released by GoI except in 2014-15 when funds had not been released in full to all the States.

[3] Includes supplementary plan of ₹41.78 crore for 2012-13; ₹163.33 crore for 2013-14 and ₹30.45 crore for 2015-16

2.1.7.1 Delays in release of funds and diversion

Audit noticed delay in release of funds and diversion as well as irregular expenditure of Mission's funds including excess release of annual maintenance grants and non-utilisation of funds for stated procurements all of which adversely impacted the timely and effective implementation of the Mission. A summary of specific cases is given in **Table-2.1.4** below.

Table-2.1.4 : Deficiencies in Financial Management

Sl. No.	Guidelines/ Rules	Actual Position and audit observations	Response/ observations
1.	Funds to the implementing agencies to be released within 15 days from the date of receipt from the GoI.	There were delays ranging between one month and four months in release of funds to SHS by the State Finance Department.	Department stated (December 2016) that delay in release of central funds to the SHS through State treasury was due to procedural delays involved in securing sanction from the Finance Department for advance drawal.
2.	Funds allocated for any activity/ scheme approved in the SPIP should not be diverted or re-appropriated without approval of the National Programme Coordination Committee.	Principal, Government Medical College, Jammu was authorised by the Administrative Department to divert ₹two crore out of JSSK[4] funds for clearing the liability of diet charges of five hospitals created under other schemes of the State Government. It was paid (February 2016) to M/s Mahamaya Sales Corporation.	Department stated (December 2016) that no authorization had been given to Principal Government Medical College Jammu for diversion of funds from one head to another. It added that excess expenditure could not be deposited under minus expenditure due to closure of financial year.
3.	Cost of land is to be borne by the State Government out of its own resources.	An amount of ₹2.18 crore had been paid irregularly for compensation of land during 2012-15 out of the Mission's resources.	Department stated (December 2016) that payment of land compensation of ₹105.72 lakh out of NRHM funds had been authorized (December 2012) by the Administrative Department and that ₹75 lakh released (December 2012) by the Planning Department for land compensation had been utilized for construction of SDH Akhnoor. Further, provision of ₹1.80 crore was made in the DPR for land compensation and that funds had also been released for the purpose under State Plan thus liquidating the amount paid out of NRHM funds.
4.	Expenditure reflected in the Annual Financial Management Report (FMR) should tally with the Audited statement of expenditure.	There was an unexplained variation of ₹53.13 crore between FMR and Audited statement of expenditure during 2011-12 to 2014-15. No reconciliation has been carried out to ascertain the reasons for such variation.	Department stated (December 2016) that some figures remain unreported/ partially reported by the implementing agencies at the end of financial year and that physical checking of books of accounts of health institutions was not possible at the end of financial year. It added that the figures were taken into account and books of account were checked by the statutory auditor and audited FMR was considered as final financial report. However, audit observation regarding reconciliation of figures was noted for compliance.

[4] Janani Shishu Suraksha Karyakram

Sl. No.	Guidelines/ Rules	Actual Position and audit observations	Response/ observations
5.	Allocations to support Information, Education and Communication (IEC) activities are to be spent equally (one third each) at National, State and District levels.	Out of total expenditure of ₹13.98 crore during 2011-12 to 2015-16 on IEC activities, an amount of ₹10.21 crore (73 *per cent*) was spent at State level.	Department stated (December 2016) that since IEC activities were not possible to be undertaken at the district/block level, these were being carried out at the State level and the activities get percolated down to the district/block/village level. Audit maintains that it defeated the purpose of decentralisation envisioned in the Mission.
6.	Each PHC and CHC, as part of IPHS[5], is required to set up a Rogi Kalyan Samiti (RKS)/ Hospital Management Committee, which will bring in community control into the management of public hospitals.	During 2011-12 to 2013-14, there were 61 RKS (80 *per cent*) in three districts out of 76 RKS required to be formed and during 2014-15 to 2015-16 only 81 RKS (84 *per cent*) were formed out of 96 RKS required to be formed in these districts. In 15 test-checked units (DH: 1; CHCs: 4; PHCs: 4 and SCs: 6) ₹35.01 lakh was spent on purchase of machinery/ equipment, drugs/ medicines, routine office expenses, etc., from Untied grants not covered under the programme guidelines or without approval of RKS.	Department stated (December 2016) that RKS had been constituted in all health institutions of district Doda and Udhampur and that in Rajouri district registration of 15 NTPHCs was in process.
7.	Annual Maintenance Grants (AMG) was to be provided to health institutions having their own buildings and the hired health institutions housed in private buildings were not entitled for the AMG.	Excess AMG of ₹5.26 crore was projected in the SPIPs (2014-15 and 2015-16) for those health institutions housed in private accommodations (326 PHCs and 3626 SCs) and shown as rent-free for approval and release of funds thereof in 2014-15 and 2015-16.	Department stated (December 2016) that from 2014-15 Untied Fund, AMG and Corpus Fund of Rogi Kalyan Samities (RKS) were merged into one head "Untied Grant" and that its allocation to the health institutions was based on actual utilization, service delivery and case load irrespective of its functioning and that there was no question of providing AMG to only those health institutions having own buildings. Audit maintains that rented building housing health institutions were not entitled for AMG.

2.1.8 Physical Infrastructure

Audit noticed that 1,748 out of 3,193 health institutions (55 *per cent*) were functioning from hired accommodations. In test-checked districts, 336 (Doda: 82; Rajouri: 136; Udhampur: 118) out of 610 health institutions were in rented accommodations.

2.1.8.1 Availability of Health Institutions

As per norms for hilly/ tribal/ difficult areas, there should be one CHC for population of 80,000, one PHC for population of 20,000 and one SC for population of 3,000

[5] Indian Public Health Standards

in the State. As of March 2016, there were 3,193 health institutions (DHs: 22; CHCs: 84; PHCs: 398; NTPHCs: 239 and SCs: 2450) in the State with shortages of 13 CHCs, 46 PHCs and 468 SCs as per the population criteria.

The State Government accorded (October 2014) sanction for establishment of 826 new SCs and hiring of 676 Auxiliary Nurse-cum-Midwife (ANM) under NHM. However, as of March 2016, only 540 SCs had been made functional. Audit noticed that out of 183 SCs created in three test-checked districts of Rajouri (70), Doda (69) and Udhampur (44), 12 SCs (Doda:10; Udhampur: 2) had not been opened and one[6] SC was already in existence while remaining 170 SCs were operating in rented accommodations.

The State Government had also accorded (October 2014) sanction for upgradation of 371 SCs to the level of New Type Primary Health Centres (NTPHCs) with equal number of posts of Medical Officers (Allopathic) and 1,284 casual workers to work as nursing orderlies. Out of 40 SCs upgraded as NTPHCs in three test-checked districts of Rajouri (18), Doda (11) and Udhampur (11), two SCs (Marmat and Jijhote in Doda district) did not exist on the ground while as none of the remaining 38 NTPHCs had been provided with the required facilities by way of additional manpower and other infrastructure indicating that only nomenclature of the SCs was changed to NTPHCs thereby defeating the purpose of upgradation of SCs to NTPHCs.

The Department stated (December 2016) that construction of new buildings required funding which could not be met from annual availability of funds and these would be taken up in phased manner subject to availability of funds and land sites.

2.1.8.2 Upgradation of Health Institutions

During 2011-16, none of the SCs/ PHCs/ CHCs had been upgraded to the level of IPHS in the State. Against target of upgradation of 14 CHCs to First Referral Units (FRUs) in the State during 2011-13, only 10 CHCs were upgraded. Further, no categorization of SCs as Type ‘A’ and Type ‘B’ existed in the State. In test-checked districts, none of the CHCs and PHCs had been upgraded to FRU and 24x7 PHCs during the years 2011-12 to 2015-16.

The Department stated (December 2016) that all CHCs in test-checked districts had been upgraded to FRUs and PHCs were selected for upgradation as 24×7 PHCs on eligibility criteria laid down by GoI. It added that 32 out of 56 PHCs had been upgraded as 24×7 PHCs in the selected districts and the remaining did not fall in the required eligibility criteria.

2.1.8.3 Award of works without exercise of codal checks

The works relating to construction and upgradation of DHs/ CHCs/ PHCs/ SCs were allotted by the Department without considering the requirements of the district level functionaries. Further, neither the cost estimates had been got

[6] SC Charat, Udhampur

technically vetted to establish their accuracy and genuineness nor there was monitoring of the construction works at any level by the Department as stipulated in extant codal provisions. In the three test-checked districts of Doda, Rajouri and Udhampur, audit noticed the following:

- The Department had released ₹2.75 crore under three schemes/ works **(Table-2.1.5)** between April 2014 and February 2016 without obtaining cost offers/ Detailed Project Reports (DPRs), without accord of administrative approval of these schemes and without getting the estimates technically vetted from the Public Works Department (PWD) Roads and Buildings (R&B) and Design Directorate.

Table-2.1.5: Statement showing the details of works without cost offers, DPRs, administrative approvals

(₹ in lakh)

Sl. No.	Name of the scheme/ work	Amount released (Date of release)	Name of executing agency
1.	Execution of civil works for remodelling of old buildings of SDH Bhaderwah for establishment of MCH wing	100 (April 2014 and November 2015)	Jammu and Kashmir Housing Board Jammu
2.	Execution of civil works for remodelling of old building of DH Doda for establishment of MCH wing	125 (March 2014 and December 2015)	Jammu and Kashmir Projects Construction Corporation Limited
3.	Construction of additional accommodation at CHC Thanamandi	50 (March 2015 and February 2016)	Public Works (Roads and Buildings) Department
	Total	**275**	

- The Scheme "Construction of PHC building at Khawas Rajouri" was taken up in 2006-07 at an estimated cost of ₹1.92 crore by the Executive Engineer (EE), PWD (R&B) Division Rajouri and was targeted to be completed in two working seasons. The provision of ₹31.15 lakh for machinery and equipment (₹15 lakh), cost of Ambulance (₹7 lakh) and 5 *per cent* escalation charges (₹9.15 lakh) was kept in the DPR of the scheme. The project was not technically vetted by the Chief Engineer, R&B Department/ Design Directorate and was neither administratively approved nor were drawings counter-signed by the DHS Jammu. The Department released ₹1.88 crore under the scheme up to March 2016 which had been shown as expenditure on works incurred by the Department. Even after spending ₹31.35 lakh meant for procurement of machinery/ equipment and ambulance, the construction of building had not been completed.
- Due to land/ site selection dispute in respect of four construction works in Rajouri, an expenditure of ₹91 lakh incurred had remained locked up and rendered unfruitful.

The Department stated (December 2016) that re-modelling of old buildings of DH Doda and SDH Bhaderwah was repair/renovation/alteration works and Statement of Expenditure would be obtained and that executing agency had been asked to submit DPR in respect of construction of accommodation at CHC

Thanamandi for administrative approval. It added that ₹1.88 crore had been released for construction of PHC building at Khawas Rajouri and executing agency had been asked to refund ₹17.36 lakh meant for machinery/ equipment and ambulance.

2.1.8.4 Availability and functioning of Critical Care Ambulances

The Mission Director released (January 2011) ₹2.40 crore in favour of DHS Jammu for procurement of 12 critical care ambulances. Supply order for fabrication of the ambulances including installation of equipment was placed in February 2013 with a firm but was subsequently withdrawn in September 2013 due to differences in the specifications in the NIT and the machinery/ equipment to be installed in the ambulances. After expenditure of ₹0.61 lakh on account of Petrol, Oil, Lubricant charges, toll tax, etc., the balance of ₹2.39 crore was transferred in November 2015 to the J&K Medical Supplies Corporation Jammu after about five years. Thus, critical care ambulances could not be made available despite allocation of funds.

The Department stated (December 2016) that rate contract for the ambulances had been finalized and post-dispatch inspection of three ambulances received in Jammu had been carried out by a committee constituted for the purpose and certain clarifications had been sought from the concerned agency. Further, order for remaining ambulances had been placed.

2.1.8.5 Availability of Staff residential quarters

As per Indian Public Health Standards (IPHS), suitable accommodation with all amenities should be available for medical officer, nursing staff, pharmacist, laboratory technician and other staff in a PHC. A minimum of eight quarters for doctors, eight quarters for staff nurses/ paramedical staff, two quarters for ward boys and one quarter for driver should be provided in the CHC.

As against these norms, the shortage of staff quarters was to the extent of 91 *per cent*, 93 *per cent* and 94 *per cent* in three DHs, six CHCs and 12 PHCs respectively. Audit noticed that staff quarters were not available in two CHCs and eight PHCs in three test-checked districts.

The Department stated (December 2016) that staff quarters wherever required would be constructed in a phased manner subject to availability of funds and land.

2.1.9 Human Resources availability

The position of staff in 22 District Hospitals, 84 CHCs/ SDHs, 398 PHCs and 2,736[7] SCs in the State ended 31 March 2016 is detailed in ***Appendix-2.1***. The availability of health care human resources at the State level (22 District Hospitals) *vis-a-vis* IPHS norms was to the extent of 86 *per cent* for medical specialists and 78 *per cent* for nurses and para-medical staff. The position of staff in Blood Banks in DHs was worse as the sanctioned and effective strength was only 10 against required 132 posts as per IPHS norms.

[7] Out of 2736 SCs, 286 SCs have not yet been established

The availability of medical specialists *vis-a-vis* IPHS norms in 84 CHCs was to the extent of 54 *per cent*. The position in respect of nurses and para-medical staff in CHCs was better with sanctioned strength of 2,757 and persons-in-position of 2,512 (91 *per cent*) against required 2,100 posts of nurses and para-medical staff as per IPHS norms.

The position of medical officers (MBBS) was better in PHCs as compared to IPHS norms but there was shortage of 256 Doctors *vis-a-vis* the sanctioned posts. Further, against 4,378 posts of nurses and para-medical staff in PHCs as per IPHS norms, there were 3,210 staff leaving shortage of 1,168 posts (27 *per cent*).

The Department stated (December 2016) that they had referred the vacant posts to the Public Service Commission and Subordinate Services Selection Board and that creation of posts as per IPHS norms would be considered in a phased manner.

2.1.9.1 Availability of ASHAs

Under the Mission, a trained female community health worker called Accredited Social Health Activist (ASHA) is to be provided in each village in the ratio of one per population of 1,000 people or less, for large isolated habitations. The job of ASHA includes tracking of children upto full immunization stage, accompanying the pregnant ladies to the institution for delivery and facilitating ante-natal checkups (ANCs). The position of ASHAs during the years 2011-12 to 2015-16 is given in the **Table-2.1.6**.

Table-2.1.6: Statement showing the status of ASHA staff

Year	Selection of ASHAs	
	Target	Achievement
2011-12	12,000	9,814
2012-13	12,000	10,692
2013-14	12,000	11,214
2014-15	12,000	11,686
2015-16	12,000	11,753

Against the target of selection of 12,000 ASHAs, 11,753 ASHAs were in position as of March 2016. It was observed that 394 ASHAs selected in three test-checked districts (Doda, Rajouri and Udhampur) during 2015-16 were not provided with drug kits.

The Department stated (December 2016) that there was shortfall in selection of ASHAs due to non-acceptance of the work by local women owing to less incentives paid. GoI had revised the incentives for ASHAs and their number would increase in due course. Further, 3,000 new drug kits proposed for 2016-17 were not approved by GoI.

As per mission guidelines, ASHA should be literate woman with formal education up to 10th standard which could be relaxed only if no suitable lady with this qualification was available. Audit noticed that out of 1,887 ASHAs engaged in three districts (Doda, Rajouri and Udhampur), 1,123 ASHAs (60 *per cent*) were below 10th standard.

The Department stated (December 2016) that the qualification of 10th standard was applicable to new ASHAs and not existing ones.

2.1.9.2 Training of Medical and Para-medical staff

The position of targets *vis-à-vis* achievements in respect of trainings provided to medical and para-medical staff during the period 2011-12 to 2015-16 is given in **Table-2.1.7** below.

Table-2.1.7: Targets and achievement of training imparted to medical staff

Year	Medical Officers		Staff Nurses		ANMs	
	Target	Achievement *(Percentage)*	Target	Achievement *(Percentage)*	Target	Achievement *(Percentage)*
2011-12	172	97 *(56)*	96	75 *(78)*	616	260 *(42)*
2012-13	248	134 *(54)*	208	172 *(83)*	666	386 *(58)*
2013-14	364	277 *(76)*	384	358 *(93)*	616	427 *(69)*
2014-15	1,272	642 *(50)*	648	443 *(68)*	1,631	599 *(37)*
2015-16	458	267 *(58)*	464	360 *(78)*	624	482 *(77)*
Total	**2,514**	**1,417**	**1,800**	**1,408**	**4,153**	**2,154**

Training was imparted to 1,417 out of 2,514 Medical Officers (MOs) during 2011-16 and shortfall ranged between 24 and 50 *per cent*. Similarly, shortfall in imparting training to staff nurses and ANMs ranged between seven and 32 *per cent* and 23 and 63 *per cent* respectively during 2011-16.

The Department stated (December 2016) that training required availability of resource persons and that all doctors were not required to get all types of training.

2.1.10 Quality of Health Care

2.1.10.1 Implementation of Quality Assurance at Facility level

The District Quality Teams (DQT) were required to function at District Hospitals. Further, in-charge of Health Facility would form an Internal Quality Assurance Team. Audit observed that no District Quality Teams nor Internal Quality Assurance Teams had been constituted in the test-checked districts of Doda, Rajouri and Udhampur. As a result, no assessments were conducted during the period 2011-16.

A quarterly feedback was to be taken on a structured format by the Hospital Manager as patient satisfaction survey. This feedback was to be analysed to see the lowest performing attributes and further actions were to be planned accordingly. Audit noticed that no patient satisfaction surveys were conducted in test-checked districts of Doda, Rajouri and Udhampur.

Under the Quality Assurance programme, all health facilities were to establish procedure for death and medical audit. While death audits were to be conducted for all deaths happening at the facility, medical audit and prescription audit was done on a representative sample drawn from medical records. Emphasis was to be placed on maternal and infant death audits and also death/ failure/ complication following sterilization.

Audit noticed that 24 maternal deaths and 260 infant deaths had occurred at facilities in three test-checked districts of Doda, Udhampur and Rajouri during the period from 2013-14 to 2015-16 but no death audits were conducted and also these deaths were not reported to District or State Quality Assurance Committee. Also no medical audit and prescription audit had been conducted on a representative sample drawn from medical records of the Facilities.

The Department stated (December 2016) that efforts were being made to implement the quality assurance at the facility level from the current financial year.

2.1.10.2 Availability of drugs/ medicines at Health Centres

List of essential drugs approved as per the Public Health Standards for CHC contain 172 medicines/ drugs (136 items under various categories of "General List", 20 items under "Miscellaneous List" and 16 items under "Essential Obstetric Care Drug List"). Audit found that 135 items of medicines/ drugs (78 *per cent*) in CHC Gandoh, 62 items (36 *per cent*) in CHC Bhaderwah and 146 items (85 *per cent*) in CHC Nowshera were not available during 2015-16.

Women in the reproductive age require a weekly dose of iron folic acid tablets for prevention of iron deficiency anaemia. In November 2013, DHS Jammu placed supply order with a firm from outside the State for purchase of these tablets. It was observed that supply of iron folic acid tablets was neither received from the supplier nor was alternative procurement made from any other agency thereby depriving the beneficiaries from the intended benefits. Thereafter, the DHS Jammu transferred ₹1.97 crore (January 2015) to 10 CMOs of Jammu region and ₹1.99 crore (November 2015) to J&K Medical Supplies Corporation Ltd. However, the supply was also not received from the Corporation (June 2016).

The Department stated (December 2016) that the procurement could not take place for about two years due to handing over the procurement system to J&K Medical Supplies Corporation Ltd. It added that with the start of procurement process by the Corporation, the supply of drugs was being made to the health institutions of Jammu division.

2.1.10.3 Emergency Response System-Non-functional Health Helpline services

Health emergency response system is critical in providing rapid health services. Audit noticed the following:

- Procurement of ambulances to be operated on Helpline number 108 had not been approved by the State Government. As such, Ambulances under 108 could not be purchased (July 2016).

- An amount of ₹15 lakh released in January 2013 by the Mission Director NRHM in favour of the DHS Jammu for establishment of Health Helpline (104) was refunded in the next month (February 2013) without utilisation. No Health Helpline (104) has been established (July 2016).
- The DHS Jammu awarded (July 2013) the project "Vehicle Tracking and Management System" for establishing the Control Room/ Call Centre[8] and also installation and commissioning of GPS and Fuel Sensors[9] in ambulances in favour of a firm. For this purpose, ₹27.72 lakh was paid to the firm for 200 ambulances between February 2014 and December 2014. The Department did not monitor the functioning of GPS and Fuel Sensor systems installed in these ambulances and the purpose for which these systems were installed had not been achieved as GPS system remained functional in only three ambulances. Audit also noticed that ₹22.25 lakh was further paid to the Firm for establishment of Control Room and recurring charges for functioning of 102 Ambulance services during the period from December 2013 to December 2015. The Department stated (December 2016) that the ambulances could not be monitored on LCD screen when internet services were not available.
- 83 Ambulances available in three test-checked districts (Doda, Rajouri and Udhampur) as of March 2016 had not been fully equipped with essential medical equipment.

2.1.11 Reproduction and Child Health (RCH)

Planning and Budgeting for RCH should cover all the related components such as Maternal Health, Child Health and Family Planning which plan to reduce IMR/ MMR/ TFR as per National Programme Implementation Plan of RCH-II.

2.1.11.1 Maternal Health

The 'Framework of Implementation' of the Mission (2012-17) has laid down outcome indicators to be achieved upto the end of 12th Five Year Plan (2012-17) viz. to reduce maternal and infant mortality rates to 100 per one lakh live births and 25 per thousand live births respectively and to reduce total fertility rate (TFR) to 2.1. The important services for ensuring maternal health and care include ante-natal care, institutional delivery care, post-natal care and referral services.

2.1.11.1 (a) Registration and Antenatal care of pregnant women

One of the major aims of safe motherhood is to register all pregnant women before they attain twelve weeks of pregnancy and provide them with services such as four ante-natal checkups, iron folic acid tablets and two doses of tetanus toxoid (TT). The number of registered pregnant women who got first, second and third ante-natal (ANC) checkups ranged between 25 *per cent* and 48 *per cent,* between 19 *per cent* and 43 *per cent* and between 39 *per cent* and 91 *per cent* of total pregnant women

8 At the rate of ₹1,25,000 per month for one year and at the rate of ₹50,000 per month for 2nd year
9 At the rate of ₹16,500 per unit

registered respectively during 2011-12 to 2015-16. In three test-checked districts (Doda, Rajouri and Udhampur), these checkups ranged between 54 *per cent* and 69 *per cent* of total pregnant women registered during 2011-12 to 2015-16.

2.1.11.1 (b) Administration of Iron Folic Acid

As per supplementation interventions by MOH&FW, 100 mg of elemental iron and 500 mcg of folic acid daily for 100 days during pregnancy followed by same dose for 100 days in the post-partum period has been recommended for pregnant and lactating women. Audit observed that iron folic acid tablets were administered to pregnant women ranging between 15 *per cent* and 61 *per cent* during the period 2011-12 to 2015-16. In three test-checked districts (Doda, Rajouri and Udhampur), iron folic acid tablets were administered in the range of 5 *per cent* and 36 *per cent* of pregnant women during the same period.

The Department stated (December 2016) that there was shortage of the tablets as the Purchase Committee could not finalize the rate contract and that Medical Supplies Corporation had then procured sufficient stock of these tablets and provided to the districts.

2.1.11.1 (c) Tetanus toxoid immunisation

The provision of quality ante-natal care including two tetanus toxoid injections has been envisaged under the programme. During 2011-12 to 2015-16, 39 *per cent* to 55 *per cent* of pregnant women were fully immunized in the State. The position in test-checked districts (Doda, Rajouri and Udhampur) was comparatively better as between 60 *per cent* and 72 *per cent* of pregnant women were fully immunized in these districts.

2.1.11.1 (d) Pregnant woman not accompanied by ASHAs

The ASHAs are responsible for facilitation of ante-natal checkups and for accompanying the mothers up to health institutions for delivery. Audit noticed that upto 43 *per cent* of women who delivered at health institutions were accompanied by ASHAs during 2011-12 to 2015-16 which indicated poor performance of ASHAs.

The Department stated (December 2016) that they were in the process of strengthening ASHA *grehas* in the health institutions to facilitate ASHAs to stay at the facility while escorting the pregnant women.

2.1.11.1 (e) Distribution of Sanitary Napkins

MOHFW, GoI, introduced a scheme for promotion of menstrual hygiene among adolescent girls in the age group of 10-19 years in rural areas. Audit observed the following:

- In district Rajouri, 2.46 lakh packs of sanitary napkins were received in six medical blocks out of which 2.13 lakh were distributed leaving balance of 0.33 lakh sanitary napkin packs in two Blocks (Kandi: 0.23 lakh and Manjakote: 0.10 lakh) unutilised. Against realisable amount of ₹10.65 lakh from the distribution of 2.13 lakh sanitary napkin packs (at the rate of ₹5 per pack), ₹6.96 lakh had been realized and remitted by the medical blocks during October 2013 to May 2016 leaving balance of ₹3.69 lakh un-remitted by the concerned Blocks. Also the remaining 0.33 lakh undistributed sanitary napkin packs had got expired with the passage of time.

- Against realisable amount of ₹2.23 lakh from distribution of 0.45 lakh sanitary napkins in CHC Bhaderwah, only ₹1.61 lakh was realised. Further, in CHC Gandoh, against realisable amount of ₹2.40 lakh from distribution of 0.48 lakh packs of sanitary napkins, only ₹0.27 lakh was deposited with DHS Doda leaving balance ₹2.13 lakh unremitted.

2.1.11.2 Institutional deliveries

To promote safe institutional delivery, the Janani Surakhsha Yojana (JSY) provided all pregnant women a cash compensation of ₹1,400 in rural areas and ₹1,000 in urban areas with cash free services which included free medicines/ consumables during the period of delivery and free referral transport from hospital to home. The ASHA who accompanied the pregnant woman was to be given cash compensation of ₹600 per case. The position of institutional/ home deliveries and compensation provided during the years 2011-12 to 2015-16 in the State is shown in the **Table-2.1.8** below.

Table-2.1.8: Statement showing the amount of compensation paid against deliveries

Year	Total No. of pregnant women registered	Total No. of deliveries[10] (Institutional + Home)	Home deliveries *(Percentage)*	Compensation provided to No. of pregnant women *(Percentage)*
2011-12	4,62,362	1,78,849	25,851 *(14)*	1,32,645 *(74)*
2012-13	3,53,001	1,91,584	22,572 *(12)*	1,27,041 *(66)*
2013-14	4,38,916	1,96,610	19,872 *(10)*	1,43,129 *(73)*
2014-15	3,89,096	1,97,068	17,877 *(09)*	1,16,635 *(59)*
2015-16	3,55,521	1,90,900	18,855 *(10)*	1,06,265 *(56)*

Audit noticed that percentage of home deliveries in the three test-checked districts (Doda, Rajouri and Udhampur) ranged between 16 and 22 *per cent* of pregnant women registered during 2011-12 to 2015-16. The cash compensation was provided to beneficiaries ranging between 39 *per cent* and 69 *per cent* of the total deliveries in these districts. Further, out of 1.42 lakh deliveries in three test-checked districts only 0.65 lakh beneficiaries (46 *per cent*) were assisted by ASHAs during 2011-16.

All pregnant women who deliver at any health institution in normal condition is to be retained for at least three days i.e. 72 hours so that she could stabilise and also

[10] The data on total number of deliveries in private hospitals is not being captured in HMIS web portal

look after the child she has delivered. Audit observed that between 64 *per cent* and 73 *per cent* of women having institutional deliveries in these three districts were discharged within 48 hours of delivery in contravention of the guidelines.

The Department stated (December 2016) that mode of payment to beneficiaries was changed from cash payment to payment by cheque to prevent pilferage/ misuse of funds and then to cash benefit transfer and this had resulted in declining trend in payment of compensation to pregnant women.

2.1.11.2 (a) Janani Shishu Suraksha Karyakram

JSSK is an initiative to assure free services to all pregnant women and sick neonates accessing public health institutions. The scheme envisages free and cashless services to pregnant women including normal deliveries and caesarean operations and also treatment of sick newborn (upto 30 days after birth) in all Government health institutions across the State.

Audit check of records showed that ₹37.15 lakh was irregularly diverted in four units (DHs: Rajouri and Udhampur; CHCs: Nowshera and Kandi) from JSSK to Hospital Development Fund (HDD) of these institutions and incurred on wages of security and purchase of stationery items.

The Department stated (December 2016) that diversion of JSSK funds to HDD in these districts had been stopped from 2014 onwards.

2.1.11.2 (b) Janani Suraksha Yojana

The programme guidelines provide that all payments under JSY to expectant mothers shall compulsorily be made in one instalment including compensation amount for sterilization wherever applicable at the time of discharge from the hospital/ health centre. The main objective of JSY was to promote institutional deliveries and to reduce IMR/ MMR.

The data regarding registration of pregnant women under JSY and amount paid to them was not available with the Department. The Mission Director NHM stated (August 2016) that no separate registration for pregnant women under JSY was mentioned in the portal and that the GoI had recently made registration of pregnant women on MCTS portal mandatory for getting JSY benefits which was being followed.

Audit check of records in three test-checked districts (Doda, Rajouri and Udhampur) showed that out of 1.64 lakh beneficiaries entitled to receive incentive under the scheme who delivered in the hospitals, only 0.85 lakh beneficiaries were paid incentive thereby depriving 0.79 lakh women (48 *per cent*) from availing the benefit under the scheme during 2011-16. Besides, out of 0.35 lakh home deliveries in these three districts, incentive under the scheme was not paid to 0.34 lakh women (97 *per cent*) entitled for benefits under the scheme.

Further, an incentive of ₹1,400 is to be paid to mother beneficiaries for institutional deliveries in rural areas and ₹1,000 in urban areas. The said benefit to the mother should be paid at the health facility immediately after the delivery and before discharge, but not later than seven days of the delivery. Audit check of records, however, showed that payment of incentive was made to the mother beneficiaries in test-checked medical blocks after delay ranging between one day and one year during 2011-12 to 2015-16.

2.1.11.2 (c) Post-natal care services

Post-natal services include immunisation, monitoring weight of the child, physical examination of the mother, advice on breast feeding and family planning. Test-check in the three selected districts brought out that due attention was not paid to post-natal care services as only 0.67 lakh (63 *per cent*) out of 1.07 lakh institutional deliveries during 2011-12 to 2015-16 were attended for post-natal care services. The Medical Termination of pregnancy (MTP) cases ranged between 12 *per cent* and 19 *per cent* whereas suspected Reproductive Tract Infection (RTI) and Sexual Transmitted Infection (STI) cases ranged between 60 *per cent* and 82 *per cent* of total institutional deliveries in these districts during 2011-12 to 2015-16.

2.1.11.2 (d) Maternal deaths

RCH-II was launched with the objective to reduce maternal mortality rate and infant mortality rate. The position of maternal and infant deaths at the State level during the years 2013-14 to 2015-16 is given in the **Table-2.1.9** below.

Table-2.1.9: Details showing the position of maternal and infant deaths

Year	No. of deaths	
	Maternal	Infant
2013-14	104	2,292
2014-15	136	2,008
2015-16	150	2,034
Total	**390**	**6,334**

As can be seen from above, the maternal mortality had gradually increased since 2013-14 to 2015-16 which indicated that the objective of reducing maternal mortality under the Mission remained unfulfilled. Audit noticed that mechanism to get regular and complete information about maternal and neonatal deaths for maintaining a district-wise data base was not in place in the test-checked districts. However in three test-checked districts, there were 54 maternal deaths (0.05 *per cent*) and 1,666 still births (2 *per cent*) out of 1.07 lakh institutional deliveries during 2011-12 to 2015-16.

2.1.12 Family Planning

The objective of the National Family Planning Program is that all women and men in the reproductive age group will have knowledge of and access to comprehensive range of family planning services thereby enabling families to plan and space their children to improve the health of women and children. Target-free approach based on unmet needs for contraception, equal emphasis on spacing and limiting methods and promoting children by choice in the context of reproductive health are the guiding principles in this regard.

2.1.12.1 Permanent method

The permanent method of family planning includes vasectomy (male sterilization) and tubectomy (female sterilization). The position of targets and achievements in various permanent methods during the years 2011-12 to 2015-16 is given in **Table-2.1.10** below.

Table-2.1.10 : Details showing the targets and achievements of family planning

Year	Vasectomy		Tubectomy and Laparoscopy[11]	
	Target	Achievement *(Percentage)*	Target	Achievement *(Percentage)*
2011-12	5,762	1,136 *(20)*	28,461	18,174 *(64)*
2012-13	5,652	912 *(16)*	22,610	17,958 *(79)*
2013-14	5,767	652 *(11)*	23,068	15,587 *(68)*
2014-15	5,882	442 *(08)*	23,530	12,898 *(55)*
2015-16	5,948	452 *(08)*	23,794	13,980 *(59)*
Total	**29,011**	**3,594**	**1,21,463**	**78,597**

As can be seen from the above table, the percentage achievement under vasectomy was very poor and ranged between eight *per cent* and 20 *per cent* and under tubectomy/ laparoscopy between 55 *per cent* and 79 *per cent* during 2011-12 to 2015-16. Further, proportion of vasectomy to the total sterilisation was only five *per cent* whereas 95 *per cent* of sterilisations were tubectomy/ laparoscopy during 2011-12 to 2015-16 which pointed towards gender imbalance.

The Department stated (December 2016) that achievement of vasectomy was poor country wide as this method had not been accepted as a method of choice.

2.1.12.2 Spacing methods

The intra uterine contraceptive device (IUCD), oral contraceptive pills (for women), and condoms are three contraceptive methods of family planning to help space children. The achievement under oral pill cycles and distribution of condoms *vis-à-vis* targets fixed was satisfactory but in respect of IUCD the achievement was low ranging between 43 *per cent* and 59 *per cent* of the targets fixed during 2011-12 to 2015-16.

The Department stated (December 2016) that they were working at improving the achievements in respect of IUCD insertions.

2.1.13 Immunisation and child health

Indicators of child health relate to the immunization status of children, details pertaining to exclusive breastfeeding, prevalence of diarrhoea and acute

[11] Targets and achievements of Tubectomy and Laparoscopy shown together by the Department

respiratory infection (ARI) and more importantly their nutritional status in terms of grade III/ IV malnutrition. **Table-2.1.11** below gives a summary of targets and achievements under the routine immunization during 2011-12 to 2015-16.

Table-2.1.11: Statement showing the position of Immunisation - target and achievements

(Figure in thousands)

Year	Target	Achievement								
		BCG[12]	Measles	DPT[13]/ LPV[14]	OPV[15]	FI[16]	DT 5 years	TT (10)	HEP-B	
									T*	A*
2011-12	224	213	204	210	209	204	97	163	224	177
2012-13	240	212	195	206	204	195	107	164	240	197
2013-14	224	208	194	169	187	194	120	152	224	65
2014-15	226	207	206	200	202	206	138	141	226	138
2015-16	228	213	218	218	219	218	138	141	228	160

* *T : Targets; A : Achievement*

Audit observed that the targets were not fixed on the basis of household surveys for achieving universal immunization. The overall shortfall in achievements of full immunisation of children between 0 to 1 age group covering BCG, Measles, DPT, OPV and Hepatitis-B ranged between four *per cent* and 19 *per cent* during 2011-12 to 2015-16. The shortfall in immunization resulted in incidence of vaccine preventable infant and child diseases, the year-wise details thereof in the State were as in **Table-2.1.12** below:

Table-2.1.12: Details of incidence of infant and child diseases

Year	Name of Disease (Cases in number)				
	Diphtheria	Whooping cough/ pertussis	Measles	AR-I3 for less than five year infants	Diarrhoea
2011-12	39	92	2,147	10,843	62,796
2012-13	78	92	910	11,956	63,039
2013-14	43	26	992	12,848	57,904
2014-15	5	3	835	6,839	49,753
2015-16	1	0	413	6,876	38,145
Total	**166**	**213**	**5,297**	**49,362**	**2,71,637**

2.1.13.1 Vitamin-A solution

One of the child health indicators are Vitamin A coverage with two mega doses each year of children in 9-36 months. There was shortfall ranging between 43 *per cent* and 59 *per cent* in 1st dose, 26 *per cent* to 60 *per cent* in 2nd dose and between 56 *per cent* and 74 *per cent* against the targets fixed during 2011-12 to 2015-16.

12 Bacille Calmette Guerin
13 Diphtheria Pertussis and Tetanus
14 Liquid Pentavalent Vaccine
15 Oral Polio Vaccine
16 Fully Immunized

The Department stated (December 2016) that the condition would improve with the availability of Vitamin A being made through the Medical Supplies Corporation.

2.1.14 Performance Indicators

The main objective of the programme is to reduce the Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and Total Fertility Rate (TFR). The position in the State under 'Framework of Implementation' of the Mission and Millennium Development Goals (MDGs) were as in **Table-2.1.13** below:

Table-2.1.13: Statement showing the comparative position of performance indicators

Framework of Implementation (2005-2012)		Framework of Implementation (2012-17)	Expected outcomes by the end of 31 March 2016	Millennium Development Goals (2015)	Position in the State (SRS-2014)	All India Position (SRS-2014)
1.	Infant Mortality Ratio (IMR) reduced to 30/1000 live births by 2012	Reduce IMR to 25/1000 live births	Reduce IMR to 26/1000 live births	Reduce IMR to 27/1000 live births	37	40
2.	Maternal Mortality Ratio (MMR) reduced to 100/100,000 live births by 2012	Reduce MMR to 100/100,000 live births	Reduce MMR to 100/100,000 live births	Reduce MMR to 109/100,000 live births	70	212
3.	Total Fertility Rate (TFR) to 2.1 by 2012	Reduce TFR to 2.1	Reduce TFR to 2.1	-	1.9	2.3

As per Sample Registration System-2014, the IMR, MMR and TFR in the State was 37/1000 live births, 70/100,000 live births and 1.9 respectively whereas expected outcomes by end of 31 March 2016 were 26/1000 live births (IMR), 100/100,000 live births (MMR) and reduction of TFR to 2.1. However, the position of the State was better as compared to the All India position.

The Department stated (December 2016) that continued efforts were being made to reduce IMR and TFR further to achieve the targets for 2017.

2.1.15 Monitoring and Evaluation

The four major approaches to monitoring and evaluation under NRHM include use of data from population surveys, commissioning implementation research or evaluation studies, use of Health Management Information System (HMIS) data and field appraisals and reviews. The Health Planning and Monitoring Committees (HPMCs) were to be formed at PHC, Block, District, and State levels to ensure regular community based monitoring of activities at respective levels along with facilitating relevant inputs for planning.

Audit checks of records showed that HPMCs to assess the progress made under various activities were not constituted at any level. Further, hard copies of monthly

HMIS reports were not submitted by the DHSs to the SHS which was mandatory as per guidelines.

2.1.16 Conclusions

While considerable progress had been achieved, public spending on health sector remained low at between 6 *per cent* and 7 *per cent* of total expenditure of the State Government whereas it was between 2.42 *per cent* and 3.29 *per cent* of GSDP. There were shortages of 13 CHCs, 46 PHCs and 468 SCs in the State as of March 2016, about 55 *per cent* health institutions in the State were in hired accommodation and none of the SCs/ PHCs/ CHCs had been upgraded to the level of IPHS in the State indicating the need for greater spend on development of infrastructure. There were significant shortfalls in providing desired facilities to pregnant women and in immunization as well as reproductive care targets. Between 25 *per cent* and 91 *per cent* of total registered pregnant women were provided first, second and third ante-natal checkups and full immunization were administered to 39 *per cent* to 55 *per cent* of pregnant women. The IMR, MMR and TFR in the State was 37/1000 live births, 70/100,000 live births and 1.9 respectively against expected outcomes of 26/1000 live births (IMR), 100/100,000 live births (MMR) and reduction of TFR to 2.1 by end of 31 March 2016.

2.1.17 Recommendations

In light of the audit findings, the Government may consider:

- Expediting filling of vacancies of medical and para-medical personnel in health institutions as per IPHS norms;
- Ensuring ante-natal check-ups, administration of iron folic acid tablets and full immunisation as well as incentive payment to all registered pregnant women; and
- Strengthening the monitoring mechanism by ensuring submission of hard copies of HMIS reports, involvement of local communities and constitution of Health planning and monitoring committees.

Housing and Urban Development Department

2.2 Jawaharlal Nehru National Urban Renewal Mission

The Government of India (GoI) launched the Jawaharlal Nehru National Urban Renewal Mission (JnNURM) for providing universal access to civic amenities to the urban population with focus on sustainable development of physical infrastructure in cities, creation of new sewerage system and renewal of existing ones. A performance audit of the implementation of the scheme during the period 2011-16 brought out that the implementation of JnNURM was hampered by short release of funds by the State Government and delay in transmission of funds to the implementing agencies. The Government had yet to fully carry out reforms envisaged under the scheme guidelines relating to transfer of certain powers to urban local bodies and city planning and development as well as in the urban transport sector which would have facilitated achievement of the overall objective of holistic development of urban infrastructure on a sustainable basis. Further, execution of housing projects was marked with delays and sewage management projects could not fructify due to poor planning and conceptualisation. Some of the significant audit findings are highlighted below:

Highlights

- **There was short release of State share of ₹33.32 crore, delay in release of funds, mis-utilisation of ₹1.07 crore and non-refund of interest of ₹11.48 crore. In addition, ₹31.84 crore was kept in fixed deposits instead of utilizing them for the purpose for which they were released.**

  (Paragraphs: 2.2.7.1, 2.2.7.2, 2.2.7.3 and 2.2.7.4)

- **Execution of housing projects was marked by delays with none of 34 projects costing ₹141.38 crore taken up for execution between 2007-08 and 2015-16 having been completed despite expenditure of ₹101.16 crore. The Detailed Project Reports were not based on authentic data of revenue/ census authorities nor had beneficiaries' survey been carried out before project formulation.**

  (Paragraph: 2.2.9.1 (d))

- **Only three out of twelve Solid Waste Management projects could be completed due to non-availability of sites while sewerage projects in Jammu and Srinagar could not be fructified despite expenditure of ₹158.45 crore due to poor planning and conceptualisation.**

  (Paragraphs: 2.2.10.1 and 2.2.10.3)

2.2.1 Introduction

The Jawaharlal Nehru National Urban Renewal Mission (JnNURM) was launched in December 2005 by the Government of India (GoI) with the objective of reforms driven and fast track development of cities with focus on sustainable development of physical infrastructure including development of technical and management capacity for promoting holistic growth with improved governance. The mission was implemented during 2005-12 and extended up to 2017.

In Jammu and Kashmir, JnNURM was launched in 2007 and consisted of four sub-missions viz. Urban Infrastructure and Governance (UIG), Basic Services to the Urban Poor (BSUP), Urban Infrastructural Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP). The cities of Srinagar and Jammu were identified as mission cities and were covered under UIG and BSUP and other cities and towns were covered under the other two components.

JnNURM is implemented by the Housing and Urban Development Department (HUDD) through Jammu and Kashmir State Urban Infrastructure Development Agency (SUIDA). A total of 115 projects were sanctioned between 2006-07 and 2013-14 out of which 20 were completed (March 2016). The financing pattern of the scheme is 90 *per cent* Central share and 10 *per cent* State share.

2.2.2 Organisational Set-up

The Ministries of Urban Development (MoUD) and of Housing and Urban Poverty Alleviation (MoHUPA), Government of India (GoI) act as nodal ministries for implementation of projects under UIG/ UIDSSMT and BSUP/ IHSDP respectively. In the State, the Commissioner/ Secretary, Housing and Urban Development Department, assisted by Special Secretary, Chief Executive Officer (CEO) SUIDA, Joint Director Planning and Statistics and Director Finance Department, oversees the implementation of the Mission in the State. The implementing agencies are the Jammu Municipal Corporation, (JMC), the Srinagar Municipal Corporation (SMC), the Lakes and Waterways Development Authority (LAWDA) Srinagar and 78 Urban Local Bodies (ULBs).

2.2.3 Audit Objectives

The objectives of the performance audit were to ascertain whether:

- Proper, comprehensive and effective plans had been formulated for implementation of the programme based on detailed assessment of requirements;
- financial management was adequate and effective;
- reforms were implemented according to mission guidelines to urban governance;
- projects were executed economically, efficiently and effectively and adequate arrangements were made for operation and maintenance of created assets; and
- implementation of the scheme was monitored effectively.

2.2.4 Scope of Audit and Methodology

The performance audit of implementation of JnNURM projects during 2011-16 was conducted between September 2015 and April 2016. The audit was carried out as per the Performance Auditing Guidelines issued by the Comptroller and Auditor General of India by test-check of records of the administrative department, SUIDA and selected ULBs and implementing agencies.

The scope and objectives of the performance audit were discussed in an entry conference held on 12 January 2016 and results of audit were discussed in an exit conference held on 9 December 2016 with Commissioner/ Secretary HUDD. The response of the Government has been suitably included in the Report.

2.2.5 Audit Criteria

The audit criteria used for assessing various objectives under the scheme were derived from the following sources:

- Guidelines, instructions/circulars/orders issued by MoUD and MoHUPA, GoI;
- Memorandum of Agreement signed between the State Government, GoI and ULBs;
- City Development Plans and Detailed Project Reports; and
- Jammu and Kashmir Municipal Act 2000.

2.2.6 Planning

JnNURM guidelines stipulate preparation of City Development Plans (CDP) for a period of 20-25 years with five-yearly updates for each mission city indicating policies, programmes and strategies for meeting fund requirements. The perspective plan was to be followed by preparation of respective development plans integrating land use with services, urban transport and environment management for every five years plan period. It was seen that CDP for Jammu and Srinagar Cities were formulated (2006-07) but were never subsequently updated. Though CDPs for other towns and cities covered under UIDSSMT were not mandatory, GoI advised (April 2007) that plans be prepared for them also to provide broad framework for development of cities/ towns. UIDSSMT projects were launched in 13 towns of the State but CDPs were not prepared/ finalized and development projects were implemented without comprehensive development plans.

Audit also found gaps in selection of ULBs for sanction of projects under the mission components. Elections to all the ULBs were held in 2005 and were therefore eligible for sanction of projects under UIDSSMT and IHSDP. Audit noticed that out of the 78[17] ULBs in the State, IHSDP and UIDSSMT projects were sanctioned (2006-07) for only 34 and 13 ULBs respectively. The State Government had not formulated any criteria based on existing infrastructure and priority for creation of new infrastructure in ULBs and projects were formulated and sanctioned only on first come first served basis.

[17] Excluding JMC and SMC

2.2.7 Financial Management

The position of assistance received by implementing agencies and expenditure incurred there against during the period 2011-12 to 2015-16 is given in the **Table-2.2.1** below.

Table-2.2.1: Position of assistance received and expenditure incurred

(₹ in crore)

Year	Opening balance	Receipt	Total availability	Expenditure	Percentage of expenditure	Closing balance
2011-12	43.49	172.42	215.91	186.10	86	29.81
2012-13	29.81	297.00	326.81	151.91	46	174.90
2013-14	174.90	68.23	243.13	135.80	56	107.33
2014-15	107.33	23.65	130.98	82.51	63	48.47
2015-16	48.47	48.46	96.93	52.39	54	44.54

(Year-wise details of allotment and expenditure were not provided by the Administrative Department/ J&KSUIDA. Figures were compiled by audit from departmental records)

From above, it can be seen that percentage of expenditure decreased from 86 *per cent* (2011-12) to 54 *per cent* (2015-16) and unspent balance accumulated to ₹44.54 crore at the end of March 2016.

2.2.7.1 Delay in release of funds

Against ₹174.27 crore of State share, the State Government released ₹140.95 crore during 2006-07 to 2013-14.

Audit also noted that ₹208.25 crore released by GoI for execution of projects in 22 test-checked cases during 2011-12 to 2014-15 was released by Finance Department to the administrative department after a delay[18] ranging between 14 and 284 days. The administrative department also released funds to SUIDA in five other test-checked cases after a delay of 19 to 109 days during 2014-15. Moreover, funds of ₹30.71 crore received by Director ULBs Jammu and Srinagar under UIDSSMT and IHSDP were also released to the implementing agencies after a delay ranging between 14 and 776 days.

On being pointed out (September 2015), Director ULBs Jammu stated that funds were released to the executing agencies against work done claims/ demand put forth by them and that the delay was due to non-execution of works/ schemes owing to land disputes, etc.

Audit observed that delay in release of State share and of transmission of funds from the Finance department to the implementing agencies through the administrative department contributed to delay in execution of works and reflected lack of monitoring and coordination between the departments and the implementing agencies.

[18] Calculated on the basis of 10 days retention

2.2.7.2 Retention of funds in Fixed Deposits

Funds allocated under JnNURM are meant to be utilized for projects under the scheme. Audit noticed retention and parking of funds in bank accounts and fixed deposit receipts instead of releasing funds to implementing agencies for execution of projects as summarized below:

(a) SUIDA and Director ULBs Srinagar retained ₹16.48 crore and ₹8 crore respectively in Fixed Deposit Receipts[19] (FDRs) between March 2014 to October 2014. The interest earned thereon from the date of inception of the scheme had not been accounted for/ ascertained by the department. On being pointed out, SUIDA stated (December 2016) that FDRs had been made due to non-execution of works and delay in execution of works due to turmoil in the valley and non-shifting of utilities in respect of sewerage projects. The reply was not convincing as amount was kept under FDR before occurrence of floods (September 2014) and objective of the scheme was not parking of funds and earning interest but execution of works.

(b) SUIDA released (May 2011) ₹0.66 crore to the Chief Engineer (CE) Urban Environmental Engineering Department (UEED) Srinagar for execution of sewerage projects. Instead of releasing the funds to the construction company, the CE released (2011) the amount to two Executive Engineers[20] (EEs) who kept the amount under deposit head. On being pointed out, SUIDA stated (December 2015) that UEED Srinagar had been asked (December 2015) to refund the amount. It added that ₹51 lakh[21] had been returned to SUIDA by UEED.

(c) Similarly, Director ULBs Kashmir received (August 2013) State share of ₹2.57 crore from SUIDA for execution of drainage works in Ganderbal and Kupwara towns. The amount was initially deposited in bank accounts and later kept (November 2015) in FDRs. Instead of transferring the amount to the Town Drainage Division Srinagar, the Director made (September 2013) budgetary allotment of ₹2.57 crore in favour of the Division. The Division drew the amounts from the treasury and utilized the same on execution of works. Thus, ₹2.57 crore was drawn twice from the treasury and the original amount remained blocked in FDRs. The CEO SUIDA stated (December 2016) that matter was under investigation and that ₹2.57 crore was still lying in the official account of Director, ULB Kashmir.

(d) Out of ₹641.76 crore sanctioned under UIDSSMT for 51 projects, ₹4.13 crore was meant for incentive for preparation of DPRs by concerned departments. Instead of releasing the amount to the concerned departments, SUIDA retained the amount in the FDRs to earn interest.

Thus, ₹31.84 crore of funds released for specific projects/ purposes were retained in fixed deposits which would have accentuated the constraint of funds for timely implementation of projects.

[19] Actual date of FDR not available with department

[20] Sewerage and Drainage Division-I, Srinagar and Sewerage and Drainage Division (West), Jammu

[21] ₹33 lakh during May 2015 and ₹18 lakh during September 2015

2.2.7.3 Mis-utilization of Funds

Audit noticed that out of ₹63 lakh deducted from contractor's bills (2011-15) on account of taxes by the Executive Officer (EO), Municipal Council (MC) Sopore, ₹16 lakh[22] was remitted to the concerned agencies[23] and balance amount of ₹47 lakh had neither been remitted nor accounted for in the records of MC. On being pointed out, the EO, MC Sopore stated (March 2016) that the then Drawing and Disbursing Officer (DDO) had not remitted the tax due to negligence and the matter would be taken up with Director ULBs Srinagar. The CEO SUIDA stated (December 2016) that amounts outstanding in respect of taxes recovered from contractors was only ₹17.23 lakh and that the former Executive Officer had diverted the amount towards other heads. It added that the amount would be remitted into relevant head of account as soon as the MC came out of cash crunch.

Audit noticed that ₹60 lakh was paid out of JnNURM funds to staff posted at SUIDA and Municipal Council/ Committee (MCs) Sopore and Kokernag between June 2013 and October 2015 though there was no provision of salary to be paid to staff out of JnNURM funds. On being pointed out, the department stated that the salary of staff posted at SUIDA was paid as per Government order of March 2007 which stipulated that the salary for the posts would be met from 1.5 *per cent* of the project cost according to the guidelines of the scheme. The reply was not based on fact as the mission guidelines stipulated 1.5 *per cent* of the project cost for preparation of Detailed Project Reports (DPRs) and not for payment of salary to the staff.

2.2.7.4 Non-refund of interest

As per scheme guidelines, interest earned on the funds kept in bank accounts under UIG was to be transferred to GoI. Audit noticed that implementing offices had remitted interest of ₹10.15 crore earned on bank deposits to SUIDA which had not been refunded to GoI as of December 2015. Additionally, the EE, Water Supply, Master Plan Division Srinagar did not transfer interest of ₹1.33 crore earned on deposits to GoI but utilized the same on execution of civil works during 2015-16 despite availability of ₹23.83 crore.

Thus, financial management of the mission was deficient with short release of State share of ₹33.32 crore, delay in release of funds, parking of funds of ₹31.84 crore in fixed deposits, mis-utilisation of ₹1.07 crore and non-refund of interest of ₹11.48 crore.

2.2.8 Implementation of Reforms

JnNURM guidelines required the State Government and ULBs to initiate reforms in accordance with the 74th Constitutional Amendment Act (Constitution of India). As per tripartite Memorandum of Agreement (MOA) executed in December 2006 between the GoI, the State Government and the ULBs, 23 reforms (***Appendix-2.2)*** were to be implemented by the State Government within the mission period.

22 Service Tax ₹7 lakh, Income Tax ₹8 lakh and Labour Cess ₹1 lakh

23 Income Tax Department, Commercial Taxes Department, etc.

The State Government under the provisions of the J&K Municipal Corporation Act, 2000 and J&K Municipal Act, 2000 notified (April 2013) 18[24] mandatory functions for the ULBs. However, audit found that the reforms had not been fully implemented (March 2016) as follows:

(i) Only eight[25] functions had been transferred to ULBs;

(ii) Neither had city planning functions and preparation of development plans for municipalities been transferred to the ULBs nor had amendment to municipal laws to incorporate the provisions of community participation law been passed by the State legislature;

(iii) Neither property tax was levied in the State nor was collection of water tax transferred to ULBs. The MCs had no effective mechanism to collect the revenue. Sanitation charges, though levied were not collected fully in the two test-checked MCs (Sunderbani and Bhaderwah) where Solid Waste Management plants had been commissioned. Against sanitation charges of ₹52.75 lakh due from the users of Sunderbani and Bhaderwah towns, the MCs had collected ₹10.09 lakh only which resulted in short realization of ₹42.66 lakh[26];

(iv) Reforms such as (i) revision of building bye laws (except JMC and SMC) to streamline the approval process for construction of buildings and development of sites, (ii) simplification of legal and procedural framework for conversion of agricultural land for non-agricultural purpose, (iii) introduction of property title certification system in ULBs, (iv) introduction of computerized process for registration of land and property, (v) revision of by-laws (except JMC and SMC) to make rain water harvesting/ reuse of recycled water mandatory in all buildings and adoption of water conservation measures had not been carried out by the ULBs. This hindered providing better governance and service delivery and making the ULBs self reliant; and

(v) Only JMC and SMC had followed accrual system of accounting. Other reforms such as strengthening of skills, reduction in establishment and voluntary retirement schemes were not in place.

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[24] (1) Regulation of land use and construction of building (2) Planning for economic and social development (3) Urban planning including town planning (4) Roads and bridges (5) Water supply for domestic, industrial and commercial purposes (6) Public Health sanitation conservancy and Solid Waste Management (7) Urban forestry, protection of environment and promotion of ecological aspects (8) Safeguarding the interests of weaker sections of the society including the handicapped and mentally retarded (9) Slum improvement and upgradation (10) Urban poverty alleviation (11) Provision of urban amenities and facilities such as parks, gardens and play grounds (12) Promotion of cultural, educational and aesthetics aspects (13) Burials and burial grounds, cremations and cremation grounds and electric crematoriums (14) Cattle ponds and prevention of cruelty to animals (15) Vital statistics including registration of births, deaths (16) Public amenities including street lighting, parking lots, bus stops and public convenience (17) Registration of slaughter houses and tanneries and (18) Extinction and prevention of fire

[25] (i) Public health and sanitation (ii) Slum improvement and upgradation (iii) Burial and burial grounds, cremations, cremation grounds and electric crematoriums (iv) Cattle ponds, prevention of cruelty to animals (v) Vital statistics including registration of births and deaths (vi) Public amenities including street lighting, parking lots, bus stops and public conveniences (vii) Regulation of land use and construction of buildings (partly) and (viii) Regulation of slaughter houses and tanneries

[26] Sunderbani: 2011-12 to 2014-15: ₹30.10 lakh; Bhaderwah: 2014-15 to 2015-16: ₹12.56 lakh

The State Government/ ULBs was also required to implement the following reforms under urban transport sector to be entitled to financial assistance from GoI:

- creation of city level Unified Metropolitan Transport Authority for Srinagar and Jammu cities;
- dedicated Urban Transport Fund to meet the cost of new projects in urban transport, replacement of assets of public transport companies and to meet the cost of various concessions extended to encourage public transport by the State Government;
- change in bye laws and master plans of cities to integrate land use and transport by densification along with the (Mass Rapid Transit System) corridors around the stations;
- creation of 'Dedicated Urban Transport Fund';
- formulation of advertisement and parking policy;
- using Intelligent Transportation System through city specific (Special Purpose Vehicle) bus services preferably on Public Private Partnership mode; and
- traffic information management control centre for effective monitoring and enforcement of traffic as well as data generation and collection for future planning.

The State Government had yet to carry out the aforesaid reforms.

2.2.9 Housing Projects

As per mission guidelines, houses were to be constructed under IHSDP and BSUP by the implementing agencies according to approved DPRs. The Jammu and Kashmir Government decided (February 2009) to give financial assistance to beneficiaries for construction of dwelling units themselves.

2.2.9.1 Implementation of Housing Projects under IHSDP

Under IHSDP, housing with basic infrastructure amenities in a healthy environment was to be provided to the urban poor either *in situ* or at a new location. The IHSDP projects involved construction of dwelling units besides upgradation of existing infrastructure.

2.2.9.1 (a) Incomplete Detailed Project Reports

Data/ information, for area/ population of towns and slum population depicted in the DPRs was not supported by authenticated data of revenue/ census authorities as was required under mission guidelines. DPRs were silent about availability of land and site for the intended project and whether the shelters were to be constructed *in situ* or at a new location. No data regarding water logging, salinity and drainage were depicted in the DPRs.

2.2.9.1 (b) Non-conducting of Survey for Verification of Beneficiaries

The guidelines of JnNURM stipulated that household survey of slums proposed to be upgraded under housing projects of IHSDP should be carried out before submission of DPRs to State Level Nodal Agency (SLNA)/ Central Sanctioning and Monitoring Committee (CSMC). The willingness of beneficiaries was necessary for any re-location project. The CSMC also stressed the need for identification of beneficiaries by conducting a proper survey indicating the livelihood or occupation profile of beneficiaries before taking up the project. Identified beneficiaries were to be notified and their names placed on the website of JnNURM/ ULB and the beneficiaries were to be issued biometric cards to ensure that houses were allotted to targeted beneficiaries.

Out of 34 towns, projects for 26 towns were sanctioned before February 2009. Audit noticed that committee for identification of beneficiaries was constituted in February 2009 after the sanction of projects by GoI which was indicative that no verification of beneficiaries was conducted before submission of projects. Beneficiaries were not involved in planning process as beneficiary committees were not constituted for consultation, construction of houses, allotment thereof and formulation of DPRs.

2.2.9.1 (c) Execution of Projects

As per scheme guidelines, cost of dwelling units was to be shared in the ratio of 80:10:10 *per cent* between GoI, the State Government and the beneficiary respectively. Audit check of records of MC Billawer revealed that 81 beneficiaries were provided financial assistance of ₹1.50 lakh against the unit cost of ₹1.53 lakh which indicated that no contribution was realized from the beneficiaries resulting in excess payment of ₹0.12 crore. In three[27] MCs, 16 beneficiaries, after receiving first installment of ₹0.30 lakh, did not turn up for receiving next installments.

2.2.9.1 (d) Status of Housing Projects

The State Government sanctioned (2007-11) housing projects for 34 towns at a cost of ₹141.38 crore[28]. Audit noticed that despite incurring an expenditure of ₹101.16 crore between 2007-08 to 2015-16, none of the 34 projects taken up for execution were completed (March 2016). Out of 6,131 DUs (excluding Leh) approved (2007-08 to 2011-12) for construction under these 34 projects, 4,973 (81 *per cent*) were completed, 969 were under progress and 189 had not been taken up for execution.

Thus, DPRs were without authentic data of revenue/ census authorities and other necessary information and no survey had been conducted for identification of beneficiaries. There was non-realisation of beneficiary share of ₹0.12 crore and 34 projects taken up for execution had not been completed despite incurring expenditure of ₹101.16 crore resultantly defeating the mission's objective of providing housing to urban poor.

[27] Billawer, Bhaderwah and Dooru-Verinag

[28] Additional Central Assistance (ACA): ₹112.95 crore; State Share (SS): ₹18.25 crore and Beneficiary Contribution (BC): ₹10.18 crore

2.2.10 Implementation of Urban Infrastructure Projects

Urban infrastructure projects were sanctioned under UIG for mission cities and under UIDSSMT for other towns and cities of the State. Projects for solid waste management, sewerage, storm water and surface drainage, water supply, roads and urban transport, urban renewal, development of water bodies, etc., were sanctioned under these programmes.

2.2.10.1 Solid Waste Management Projects

Audit scrutiny of records of Directors ULBs Jammu and Kashmir revealed that 12 (Jammu: 7; Kashmir: 5) Solid Waste Management (SWM) projects for 12 towns involving provision for collection and segregation of waste were sanctioned (2006-07) by GoI under UIDSSMT at a cost of ₹25.34 crore. The execution of Jammu based projects was entrusted (September 2007) to a construction company and in Kashmir division the works were executed by the Director, ULBs. An amount of ₹13.46 crore was released by GoI for these projects during the period 2006-07 to 2011-12.

Audit noticed that only three projects of Jammu division were completed at a cost of ₹5.25 crore and the remaining nine (Jammu: 4; Kashmir: 5) projects could not be taken up due to non-availability of sites and availability of land. The construction company recommended bio-composting plants instead of vermi-composting which needed more land. Local people were not taken into confidence for setting up SWM projects as execution of projects was not allowed by public due to pollution/ hazardous nature.

The Director ULBs Kashmir utilized ₹5.69 crore out of ₹7.62 crore received for procurement of tippers, tractors, front end loaders and other machinery and equipment which though distributed between March 2013 and July 2015 to the five MCs, could not be utilized for intended purpose as no project was taken up for execution in Kashmir Division. The balance funds of ₹2.52 crore were lying with the department.

2.2.10.2 Collection, Segregation, Storage and Transportation of Waste

As per the Municipal Solid Waste (MSW) Rules 2000, every Municipal Corporation was to organize house to house collection of MSW. According to directions of the Central Pollution Control Board, the MCs were also to maintain daily records of MSW collected and disposed off. Audit noticed the following:

(a) Although bins had been installed in various wards, collection schedules and timings had not been notified and daily records of collection and disposal of MSW were not maintained by the MCs;

(b) No awareness programmes for segregation of waste and promotion of recycling or reuse of segregated materials were organised during 2011-12 to 2015-16;

(c) Bins for storage of waste were required to be coloured according to the kind of waste such as green for bio degradable waste, white for recyclable waste and black for other wastes. However, all bins had been painted green with the result that no segregation of recyclable waste had been undertaken by any of the MC; and

(d) Test-check of two functional SWM plants (Sunderbani and Bhaderwah) revealed that the construction company had supplied (2010) eight vehicles to the MCs for transportation of waste to the SWM plants out of which five vehicles were either damaged/ under repair or were not put to use at all.

2.2.10.3 Sewerage projects

A comprehensive sewerage scheme for Division 'A' of Greater Jammu and Zone-III of Greater Srinagar was sanctioned (December 2006) by GoI under JnNURM. The schemes were sanctioned at a cost of ₹129.23 crore[29] for Greater Jammu and ₹132.92 crore[30] for Zone-III, Srinagar. The Government released between November 2007 and March 2015, ₹59.11 crore[31] for Greater Jammu and ₹91.05 crore[32] for Zone-III, Srinagar. Both the schemes were allotted (August 2007) to National Building Construction Corporation Limited (NBCC) and were targeted to be completed by March 2014. Scrutiny of records of execution of both the schemes revealed the following:-

(A) Comprehensive sewerage scheme for Division 'A' of Greater Jammu

The DPR of the project envisaged construction of a 27 MLD Sewage Treatment Plant (STP) along with 32,007 metres of Trunk Sewer Line (TSL) and 90,740 metres Lateral Sewer Line (LSL) to connect to 30,400 households. After surveying the site conditions, the company allotted work of construction of 26,536 metres of TSL and 65,500 metres of LSL to the sub-contractors. However, during execution of work of the sewer lines, it was seen that some links had been omitted in the main project. In order to cover the missing links, another DPR was sanctioned (March 2012) by GoI for laying of additional 1,050 metres of TSL and 36,220 metres of LSL at an estimated cost of ₹20.32 crore.

As of March 2016, the laying of sewer lines remained incomplete due primarily to non-shifting of utilities by PHE and Power Development Departments. In the meantime, the STP was constructed at a cost of ₹13.58 crore which remained unutilized due to lack of connecting sewer lines. For completion of the project, the construction company demanded an additional amount of ₹34 crore which was yet to be provided by the State Government.

Thus, poor conceptualisation and inadequate survey of the alignment of the sewer lines before award of work resulted in non-completion of the project and unfruitful expenditure of ₹67.74 crore incurred as on March 2016 on the construction of STP, TSLs and LSLs.

[29] ACA: ₹116.31 crore; SS: ₹12.92 crore
[30] ACA: ₹119.63 crore; SS: ₹13.29 crore
[31] ACA: ₹46.42 crore; SS: ₹12.69 crore
[32] ACA: ₹77.76 crore; SS: ₹13.29 crore

(B) Comprehensive sewerage scheme for Zone-III of Greater Srinagar

The DPR of the project envisaged construction of 60 MLD STP, 42,950 metres of TSL and 93,430 metres LSL to be connected to 15,000 households. After surveying the site conditions, the company allotted work of construction of 37,604 metres of TSL and 1,02,100 metres of LSL to the sub-contractors. As of March 2016, construction of sump cum pump house, laying of sewer lines and pumping station remained incomplete due primarily to non-shifting of utilities by the Line Departments. For completion of project, the construction company demanded an additional amount of ₹69.32 crore. Hence, the sewerage project was yet to be fructified despite expenditure of ₹90.71 crore as of 31 March 2016.

2.2.10.4 Storm Water Drainage Projects

Nine (Jammu: 7; Kashmir: 2) storm water and surface drainage water projects were sanctioned (2006-07) under UIDSSMT at a cost of ₹119.84 crore. None of these projects had been completed as of March 2016. Audit noted that the DPRs of these works did not include details like affected land, area under submergence and total forest land/ private land/ revenue land/ data of population areas affected. At the time of preparation of DPRs, it was not ascertained that land required for the project was free from encumbrances and no care was taken to shift and re-locate utilities and other services. Consequently, the execution of the works was impaired as illustrated below:

- Work of 'Construction of covered and deep drain from drainage siphon of Kathua canal' allotted (January 2010) to a contractor which was to be completed by March 2014 could not be completed due to land dispute (about 80 metres in the middle of drain) and stay by Hon'ble High Court and non-shifting of utilities by PHE department. Thus, the expenditure of ₹1.02 crore incurred on this component of the project was unproductive. The department stated that all the works were proposed in Government land but disputes emerged as there were encroachments. The reply is not convincing as the encroachments should have been attended to before award of work to ensure encumbrance free availability of land.

- The construction of Drainage scheme Ganderbal allotted (2012-13) to Town Drainage Division Srinagar at a cost of ₹18.27 crore was to be completed by 2013-14. For execution of works ₹13.52 crore released by SUIDA was utilized in full by the Division. However, against 15,780 metres of drain only 13,916 metres could be completed as the work at main outfall drain could not be executed due to dispute between two habitations for alignment of the proposed drain. Thus, commencement of work without ensuring that the site for final disposal of the drain water was free from encumbrance resulted in unfruitful expenditure of ₹13.52 crore.

Thus, only three out of twelve SWM projects were completed due to non-availability of sites while sewerage projects in Jammu and Srinagar could not be fructified despite expenditure of ₹158.45 crore due to poor prior planning and conceptualisation.

2.2.11 Urban Roads

Eleven projects were sanctioned (2007-08) under UIDSSMT at a cost of ₹75.13 crore to be completed by March 2014 for improvement and upgradation of road network. Audit noticed that none of the five[33] test-checked projects (sanctioned cost: ₹47.88 crore) had been completed (March 2016). Out of 173 roads for which ₹35.79 crore was released, 134 had been completed after incurring expenditure of ₹32.27 crore. Out of the remaining 39 roads, 33 could not be completed due to scarcity of funds and non-acquisition of land and six had not been taken up for execution.

2.2.11.1 Strengthening City Transport Systems

For strengthening city transport system in the cities of Jammu and Srinagar, purchase of 150 buses (Jammu: 75, Srinagar: 75) was sanctioned (June 2009) by the Central Steering and Monitoring Committee (CSMS) under JnNURM at a cost of ₹26.40 crore. An amount of ₹24.78 crore was released by SUIDA to Jammu and Kashmir State Road Transport Corporation (SRTC) between December 2009 and August 2011 and 150 buses were procured by the SRTC in 2010-11 at a cost of ₹24.78 crore. Audit observed the following:

- As per the terms and conditions of supply order, buses were to be supplied within 90 days from the issue of supply order failing which the firm was liable to pay a penalty of ₹1,000/ day/ bus if supplied after 90 days to 120 days and ₹1,500/ day/ bus beyond 120 days. Audit scrutiny of records revealed that against the delivery month of January 2010, the buses were received between July and October 2010 but penalty of ₹1.11 crore had not been recovered from the firm. Moreover the bank guarantees of ₹96.10 lakh furnished by the supplier had also expired as of April 2013 and September 2014.

- Against consultancy charges of ₹40 lakh payable as per the guidelines, ₹84 lakh was paid by the SRTC to the consultant resulting in excess payment of ₹44 lakh. The Corporation had also not deducted service tax of ₹9 lakh from the firm.

- Instead of utilizing the buses for intra-city service, the SRTC utilized the buses for inter-state and inter-city bus services. SRTC stated that the buses were utilized for inter-state and inter-city services as police department had not allowed the buses to operate in the cities because of the judgment of Hon'ble High Court relating to restriction on plying of heavy load buses. Reply was not tenable as the Hon'ble High Court had clarified (2006) that there was no restriction to operate passenger buses in Srinagar city. In any case, the Corporation was required to purchase buses which were allowed to operate for city bus services.

[33] Samba, Kathua, Sunderbani, Ganderbal and Sopore

2.2.12 Urban Renewal Projects

With a view to reduce congestion in the cities of Poonch, Sunderbani and Samba, Urban Renewal Projects were sanctioned (2006-07) under UIDSSMT by GoI at a cost of ₹9.12 crore and ₹4.63 crore was released between March 2007 and August 2012. Audit observed the following:

(a) Development works of the towns of Poonch and Sunderbani were taken up (2007) at an estimated cost of ₹8.99 crore which included construction of shopping complex at Poonch and widening of roads at Poonch and Sunderbani. Despite release of ₹4.49 crore, works could not be taken up as shopkeepers were not ready to shift their shops and business establishments to other locations. It was evident that projects were not formulated after due planning taking into account ground survey and willingness of local stakeholders. This resulted in non-utilization of ₹4.27 crore[34] for over seven years defeating the very purpose of the scheme and denial of intended benefits to the public.

(b) Construction of toilet complex in Samba was allotted (May 2014) at a cost of ₹4.25 lakh to a contractor after a delay of over six years since the project was sanctioned (2006-07) and was to be completed by March 2014. The work had not been completed as of April 2016 despite incurring an amount of ₹3.80 lakh on its execution. The department stated (April 2016) that the work could not be completed within the allotment due to escalation of market rates and the concerned EO had been asked to provide funds under normal resources for completion of the work.

2.2.13 Monitoring and Evaluation

A Programme Management Unit (PMU) at State level and four Project Implementation Units (PIUs) were to be established for strengthening the capacity of SUIDA to manage and implement the projects and to enhance the pace and quality of implementation of mission activities. Audit noticed that:

(a) Despite release (March 2009) of ₹82 lakh by GoI, PMU/ PIUs had not been established;

(b) Project Completion Reports of 20 completed projects were not submitted to GoI; and

(c) There was no monitoring mechanism for projects being implemented under UIDSSMT and IHSDP. Physical/ financial progress reports were not being obtained from the executing agencies by the Directors ULBs Jammu and Kashmir for monitoring and evaluation of projects.

SUIDA stated (December 2015) that PMU and PIUs could not be established due to non-release of funds by the administrative department and that the projects executing agencies were being impressed upon to furnish the Project Completion Reports.

[34] Expenditure of ₹21.79 lakh was incurred on construction of passenger sheds

2.2.14 Capacity building

GoI sanctioned (June 2012) ₹98 lakh for capacity building programmes for JMC and SMC and first installment of ₹41 lakh was released in June 2012. Audit noticed that 83 training programmes, 32 workshops, and two exposure visits required to be conducted up to March 2014 for the staff involved with JnNURM through Institute of Management and Public Administration Jammu/ Srinagar had not been conducted by the department and the funds remained unutilized with the State Government.

2.2.15 Conclusions

The implementation of the JnNURM was hampered by short release of State share of ₹33.32 crore and delay in transmission of funds from the Finance department to the implementing agencies through the administrative department. Financial management and controls needed to be strengthened as evidenced by mis-utilisation of ₹5.20 crore and non-refund of interest of ₹11.48 crore. Further, funds amounting to ₹31.84 crore was kept in fixed deposits instead of utilizing them for the purpose for which they had been released. The Government had not carried out reforms envisaged under the scheme guidelines relating to transfer of certain powers to urban local bodies and city planning and development as well as in the urban transport sector which would have facilitated achievement of the overall objective of holistic development of urban infrastructure on a sustainable basis.

Further, execution of housing projects was marked with delays with none of 34 projects taken up for execution at a cost of ₹141.38 crore between 2007-08 to 2015-16 having been completed despite expenditure of ₹101.16 crore. The Detailed Project Reports were not based on authentic data of revenue/ census authorities nor had beneficiaries' survey been carried out before project formulation. Lastly, only three out of twelve SWM projects could be completed due to non-availability of sites while sewerage projects in Jammu and Srinagar could not be fructified despite expenditure of ₹158.45 crore due to poor prior planning and conceptualisation.

2.2.16 Recommendations

In light of the audit findings, the Government may:

(i) Strengthen financial management and utilization of funds so as to ensure that funds budgeted for during a financial year are utilised for the intended purpose and not retained in fixed deposits or diverted;

(ii) Strengthen project management including ensuring proper pre-award site surveys so that works once awarded are progressed without hindrance or delays;.

(iii) Expedite urban and transport sector reforms especially transfer of functions to urban local bodies, creation of Unified Transport Metropolitan Transport

Authority for Jammu and Srinagar cities and a dedicated Urban Transport Fund that would create the necessary institutional structure for more efficient identification and implementation of urban projects; and

(iv) Strengthen monitoring mechanism of ongoing schemes and projects so as to enable prompt remedial action to remove bottlenecks and hindrances that may arise.

The matter was referred to the Government in August 2016; its reply was awaited (December 2016).

Chapter-III

Compliance Audit

CHAPTER-III

COMPLIANCE AUDIT

Agriculture Production Department

3.1 Sher-e-Kashmir University of Agricultural Sciences and Technology, Kashmir (SKUAST-K)

Instead of creating General Fund, Foundation Fund and Pension Fund, the University had created Common Facilitation Fund and Revolving Fund without authorization from Board of Management/ University Council. There was shortage in teaching staff ranging between 39 and 44 *per cent* and excess in non-teaching staff ranging between 284 and 356 *per cent*. Inventory of seed/ plant varieties/ bio-diversity details/ germplasm bank had not been maintained.

3.1.1 Introduction

The Sher-e-Kashmir University of Agricultural Sciences and Technology (SKUAST) was established in August 1982 by an Act of Jammu and Kashmir State Legislature. With the establishment in September 1999 of a separate agriculture university for Jammu Division, SKUAST got a new name of Sher-e-Kashmir University of Agricultural Sciences and Technology Kashmir (SKUAST-K) for Kashmir and Ladakh regions. The objective of the University is to impart education in agricultural sciences including animal husbandry with emphasis on temperate and cold desert agriculture. The University offers seven[1] Under-Graduate (UG) and six[2] Post-Graduate (PG) courses. Research Programmes are also carried out in 25 Research Centres/ Institutes/ Stations and 12 *Krishi Vigyan Kendras* (KVKs).

The University Council headed by the Chancellor is the apex governing authority of the University with seven other members. It frames policies and programmes of the University. The Board of Management (BoM) headed by the Vice Chancellor is the Chief Executive Body responsible for managing and supervising activities of the University. The Academic and Research councils are responsible for academic and research activities and the Extension Council makes extension education programmes and projects of the University.

Audit reviewed the functioning of the University for the period 2011-12 to 2015-16 to assess the effectiveness and efficiency of its management, compliance with rules and procedures and the extent of achievement of the objectives of the University.

[1] Agriculture, Veterinary Sciences and Animal Husbandry, Fisheries, Horticulture, Forestry, Sericulture and Agriculture Engineering

[2] Agriculture Sciences, Forestry, Veterinary Sciences and Animal Husbandry, Environmental Sciences, Fisheries and Sericulture

3.1.2 Receipts and Expenditure

The State Government provides financial support to the University to run its affairs. In addition, funds are received for research projects from Ministry of Science and Technology, Ministry of Agriculture, Government of India (GoI), the University Grants Commission (UGC) and the Indian Council for Agricultural Research (ICAR). The other sources of income of the University under non-plan include fees received from students, endowments and income from properties of the University.

The position of receipts and expenditure incurred during 2011-12 to 2015-16 is given in **Table-3.1.1** below.

Table-3.1.1: Details of Receipts and Payments

(₹ in crore)

Period	Opening Balance	Receipts				Payments				Percentage	Closing Balance
		Plan	Non-Plan	Centrally Sponsored Schemes	Total Availability	Plan	Non-Plan	Centrally Sponsored Schemes	Total Payments		
1	2	3	4	5	6	7	8	9	10	11	12
2011-12	49.87	31.29	94.13	52.95	**228.24**	25.44	95.32	54.58	**175.34**	77	52.90
2012-13	52.90	6.79	108.63	53.15	**221.47**	11.77	110.44	49.26	**171.47**	77	50.00
2013-14	50.00	4.95	121.40	45.06	**221.41**	5.89	119.49	47.57	**172.95**	78	48.46
2014-15	48.46	10.17	130.11	52.40	**241.14**	10.16	129.66	53.56	**193.38**	80	47.76
2015-16	47.76	12.50	134.35	35.82	**230.43**	12.50	131.04	37.32	**180.86**	78	49.57

It can be seen that utilisation of available receipts was between 77 and 80 *per cent* during 2011-12 to 2015-16 and the unspent balance which was ₹52.90 crore in 2011-12 came down by six *per cent* and stood at ₹49.57 crore in 2015-16.

3.1.2.1 Un-authorised Creation of Funds

The University Act envisaged managing the funds of the University after approval by the University Council (UC) and creating General fund[3], Foundation fund[4] and Pension fund. Instead of creating these funds, the Director Research created a Common Facilitation Fund (CFF) and Faculty of Forestry created a Revolving Fund (RF) without authorization of the BoM or the UC and without specifying what was to be credited/ debited to these funds. This had resulted in creation of a parallel budget as funds and their utilization remained outside the University accounts under these funds as below:

- ₹8.17 crore was credited (2011-16) to CFF of which ₹4.36 crore was revenue and remaining amount was diverted from Expenditure Finance Committee (EFC)/ Non-Plan and other scheme funds. Out of this ₹4.35 crore was spent (2011-16) on construction works, purchase of equipment and vehicles, contingencies, travelling allowances including foreign tours/ trainings, wages, electricity charges, registration/repairing/hiring of vehicles. Rupees three lakh advanced (August 2012) to a contractor was outstanding

[3] For crediting income from fees, endowments and grants and income from properties of University including hostel, experimental stations and farms; contributions and grants made by the Government, other contributions, grants, donations, loans and other receipts

[4] For crediting contributions and grants made by the Central and State Government and such other sums as was to be specified by the BoM

as on June 2016. Further, ₹2.21 crore was transferred to 12 constituent units between August 2011 and November 2015 for which adjustment was awaited.

- RF was created (March 2011) by transfer of money realised on sale of plants, auction of trees and ₹7.76 lakh spent (August 2011 to September 2013) on payment of wages, purchase of petrol, seeds, grant of advances of ₹1.40 lakh to five employees which continued to be outstanding for a period up to 50 months.

The University stated (December 2016) that recovery/ adjustment of outstanding advance had been initiated and the University would consider closing the CFF.

3.1.2.2 Local Fund

Local fund collected from students was to be utilised for purposes such as providing magazine, common room facilities, conducting education tours, arranging extra-curricular and sports activities. Records of Faculty of Forestry revealed that ₹8.93 lakh had been mis-utilized on insurance of vehicle (₹0.26 lakh), payment of electricity charges (₹2 lakh), purchase of furniture/ furnishing (₹2.68 lakh) and payment of wages (₹3.99 lakh). Further, the adjustment account for ₹3.72 lakh advanced (December 2015) to three scientists for education tour was awaited (June 2016).

The University stated (December 2016) that some part of the fee received from students was kept in Dean's Share (Local Fund) to meet expenses related to maintenance of vehicle and electric fee of the hostels. It added that adjustment account from three scientists for ₹3.72 lakh had been rendered. The reply is not tenable as payment for furniture and wages should have been met from Non-Plan funds rather than Local Fund.

3.1.3 Planning

3.1.3.1 Non-preparation of Master Plan

With the objective of ensuring best use of the land of University for infrastructure development, the University decided (January 2011) to prepare a Master Plan. The contract for preparation of Master plan was allotted (November 2011) to a firm at a cost of ₹7 lakh. Audit noticed that the firm had prepared only an interim report[5] and ₹1.57 lakh was paid (December 2011) to the firm. The University neither issued notices to the firm for completion of the job nor was the task entrusted to any other firm.

3.1.3.2 Non-monitoring of projects by the Planning Committee

Planning Committee (PC) of the University was to monitor major projects including the University project as a whole and issue guidelines. The PC was required to meet four times in a year. Against 20 mandatory meetings required to be held during 2011-16, only one meeting had been held (December 2011) during the period.

[5] For interim report along-with set of maps indicating the existing site plan and the site analysis

Thus, monitoring of projects being implemented in the University had not been ensured and guidelines for planning of programmes for proper implementation had not been evolved.

3.1.4 Academic Activities

For quality assurance in agricultural education, the University was required to adhere to minimum norms and standards prescribed (August 2006) by the ICAR for agricultural colleges and institutes. Audit noticed the following:

(a) There were shortages ranging between 39 and 44 *per cent* in teaching staff and excesses ranging between 284 and 356 *per cent* in non-teaching staff in five[6] test-checked faculties during 2010-15. The University stated (December 2016) that filling of vacant posts had been taken up vigorously. It added that services of most of the non-teaching employees were being utilized in research fields, student trials, laboratories and watch and ward.

(b) The Fourth Deans' Committee Report of ICAR stipulated that Dean/ Associate Dean should take a minimum of 32 lectures and Directors 16 lectures in an academic year. Audit noticed that no lectures had been delivered in academic sessions 2013-14 to 2015-16 by the Directors in four out of five test-checked faculties. The Dean had also not delivered any lecture in Agricultural Engineering faculty. The University stated (December 2016) that Deans/ Directors not only teach regular courses in their own specialization but also guide students in M.Sc and PhD degree programmes.

(c) The Committee Report also stipulated induction training for three months to be imparted to newly recruited teaching faculty. No training was imparted to two newly appointed (January 2015 to March 2016) Assistant Professors in the Faculty of Agriculture and only 21 days training was imparted (academic session 2010-15) to two newly appointed (May 2013) Assistant Professors in the Faculty of Forestry. No data was made available to audit by Faculties of Fisheries and Horticulture. The University stated (December 2016) that uniform training module of three months duration at entry level was not in place due to non-availability of infrastructure and they were approaching UGC/ ICAR for financial/ logistic support to make trainings a regular feature in the University.

(d) According to career development plan envisaged in the Committee Report, every faculty was to participate in one training programme every five years. Audit noticed that no plan had been framed by the University for imparting training to the faculty. However, the University nominated faculty members without any criteria/ guidelines for trainings sponsored by external agencies. The University stated (October 2016) that audit observation would be taken care of for future compliance.

(e) To reform the system of conducting examinations, the fourth Deans' Committee Report of the ICAR envisaged that a mechanism should be put in place including creation of examination cell, appointment of examiners, travelling and dearness allowance and attractive remuneration to paper setters and evaluators,

[6] (i) Agriculture (ii) B. Tech Agriculture Engineering (iii) Horticulture (iv) Forestry and (v) Fisheries

secret printing of papers, ensuring copying free examination, etc. Audit noticed that no such mechanism existed in any of the faculties of the University.

(f) The Committee Report further stipulated 20 *per cent* marks for internal midterm examination and 80 *per cent* for an external final examination. For external examination, the syllabus of each course was to be sent to the external examiner who would set the question paper and also evaluate the answer paper. Audit noticed that system of external exams had not been introduced during the period 2011-12 to 2015-16 and only internal exams were being conducted. Audit also observed that the Course Instructors were nominated as paper setters as well as evaluators and no independent check or moderator was in place. The University stated (December 2016) that it was in the process of switching over to the external examination across all faculties from the ensuing session.

Thus, there were shortages ranging between 39 and 44 *per cent* in teaching staff and excesses ranging between 284 and 356 *per cent* in non-teaching staff while recommendations of the Deans' Committee had yet to be meaningfully implemented.

3.1.5 Research and Development

3.1.5.1 Meetings of the Research Council

According to the University Act, the Research Council[7] (RC) was to oversee research programmes relating to agriculture, animal husbandry and allied sciences carried out in the University and was to meet at least once in every quarter. Audit noticed that against 20 mandatory meetings, the RC had only five meetings during 2011 to 2015. This affected the level of supervision and guidance of the research activities.

3.1.5.2 Research Activities

One of the objectives of the University was to conduct research in agriculture and allied branches of learning to meet farmer's needs. The University had to carry out agricultural extension educational activities in the State to inform and demonstrate to the farmers the findings of research on improved practices for improving rural living and increasing agricultural production.

As a result of agricultural research, the University develops breeder seeds/ hybrids, as per demand of line departments (Departments of Agriculture and Horticulture) and the University Varietal Evaluation Committee (UVEC) evaluates the new breeder seed/ hybrids and recommends them for notification. The State Seed Sub Committee (SSSC) forwards the cases to the Central Seed Commission (CSC) in the Union Ministry of Agriculture which notifies the breeder seed/hybrid in the Government gazette. Thereafter, SKUAST releases cultivators guide, registers[8] patents of the new varieties and maintains the database thereof.

7 Comprising 14 external members such as Directors of the Agriculture Department; Chief Conservators of Forests and two eminent scientists from outside and internal members of the University

8 Under Protection of Plant Varieties and Farmers Rights (PPVFR) Act, 2001

Records revealed that UVEC recommended (between January 2009 and March 2009), 17 seed varieties/ hybrids to the SSSC for notification by CSC. The SSSC, after eight months forwarded (November 2009) 16 cases to the CSC which notified 16 varieties between September 2012 and September 2013. It took over four years for notification since recommendation of these varieties by the UVEC. Further, eleven seed varieties forwarded by the SSSC (October 2013) were returned (February 2014) by CSC for submission of more information which was submitted (November 2014) by the University in respect of only seven varieties which were considered (April 2015) for notification by the CSC.

The University stated (December 2016) that varietal development and notification programme was a time consuming process which needed coordination between line departments, university scientists and Central Variety Release Committee (CVRC) and that the University had been prompt in submitting proposals but comments received from different committees had to be attended to including providing information sought by the CVRC. It added that 80 *per cent* of paddy seeds and 100 *per cent* of oil seeds/ oats in the farmer's field was the seed developed in the University which was instrumental in increasing overall crop production in the State.

3.1.5.3 Germ plasm Bank and its Inventory

Germ plasm is the living genetic resources such as seeds or tissue that are preserved for animal/plant breeding and for conducting research. An inventory of seed/ plant varieties, vegetable hybrids and medicinal plants along with bio-diversity details and germ plasm bank was required to be maintained by the University. Audit noticed that no inventory/ bio-diversity details/ germ plasm bank had been maintained by the University.

The University stated (December 2016) that an inventory of seed plant varieties, vegetable hybrids and medicinal plants along with bio-diversity details and germ plasm bank had been maintained by respective divisions and that database as per national/ international standards would be developed by the Directorate of Research.

However, the Faculty of Forestry stated (January 2016) that arboretum of germ plasm of 50 forestry tree/ shrub species collected from different parts of the valley could not be preserved as the arboretum came under Vice-Chancellor's residence and approach road thereto. The Division of Vegetable Sciences stated (January 2016) that the division was carrying out the conservation of the indigenous/ local vegetables.

3.1.5.4 Extension and Trainings

The University Act, 1982, envisages that the University would conduct demonstrations and training programmes for farmers/ students in coordination with other line departments of J&K State. Audit observed that no long term/ annual plan had been scheduled for demonstrating results of research and for imparting trainings during the period 2011-16. No training calendar had been prepared and demonstrations and trainings were held on *ad hoc* basis. Evaluation and impact assessment of demonstrations and trainings was not conducted.

The University stated (December 2016) that annual plan for demonstrations and trainings had been formulated after due inter-action with officers of line departments and the farmers of the concerned districts. The annual plan indicates the month of a particular year/ session when the training is to be conducted. It admitted that evaluation and impact assessment of demonstrations and trainings had not been done and the same would be taken up in a planned manner.

3.1.5.5 Non-maintenance of Database

The University had not maintained a database of developed varieties indicating details such as characteristics of varieties developed, date of proposal by the breeder, references of UVEC, SSSC and CSC including their recommendations and notification references of GoI.

Audit noticed that the notified varieties developed by the University from time to time had not been got registered to safeguard the interests of the breeders by preventing unauthorized exploitation of such varieties/ seeds for commercial advantage by unintended people.

The University stated (December 2016) that database of developed varieties which was maintained at divisional level and by Member Secretary UVEC would also be maintained in Directorate of Research and that registration of notified varieties had been undertaken and proposals of varieties released by the University had been submitted.

3.1.6 Project Management

3.1.6.1 (a) Project 'Serological diversity and molecular characterization of *Dichelobacter nodosus* and development of vaccine against virulent foot-rot'

Under the National Agricultural Innovation Project (NAIP), the University in collaboration with other universities was assigned (January 2009) an ICAR project 'Serological diversity and Molecular Characterization of *Dichelobacter nodosus* and development of vaccine against virulent foot-rot' to be executed at a cost of ₹3.48 crore. The project was completed in February 2014 at a cost of ₹3.47 crore with the development of a vaccine against the disease. Audit observed the following:

(a) After development of vaccine, the required scaling up of production for making the vaccine available to end users was not done; and

(b) To safeguard the intellectual property (IP) of the project and for commercialisation of the vaccine, the University approached (March 2015) the Indian Veterinary Research Institute (IVRI), Uttar Pradesh, which sought (May 2015) a checklist for patent filing and to fix license fee for technology commercialisation. Though, a committee was constituted (June 2015) to take follow up action, there was no progress as of March 2016.

The University stated (December 2016) that the Sheep Husbandry Department was to ensure mass production of vaccine for field use and they had approached the University for list of equipment for scaling up the vaccine and a MoU with a private company was being signed in January 2017 for manufacture of the vaccine developed by the University.

3.1.6.1 (b) Project 'A Value Chain on Enhanced Productivity and Profitability of Pashmina fibre'

To augment pashmina productivity and production, a project 'Value Chain on Enhanced Productivity and Profitability of Pashmina Fibre' was sanctioned (January 2009) by ICAR under National Agriculture Innovation Project (NAIP) at a cost of ₹6.49 crore which was revised to ₹7.94 crore in October 2012. The project was to be completed by March 2014. The project envisaged augmentation of pashmina productivity and production by promotion of animal health through feeding interventions/ improvement of feed resources, shelter management, skill development and capacity building, reduction in trade exploitation and market promotion, strengthening of existing germ plasm centres for sustained production of pashmina goat. The Project also envisaged improvement in pashmina utilization by mechanized processing.

Against ₹7.94 crore received (2008-15) for execution of the project, an expenditure of ₹7.53 crore was incurred ended March 2015. Audit noticed the following:

- Against requirement of strengthening two Germplasm Centres[9] by supplying 213 elite Pashmina goats (13 Bucks and 200 Does) to each centre, only one Germplasm Centre, Government Pashmina Goat Breeding Farm Khangriyal was strengthened;
- Fibre scan machine purchased (February 2010) at a cost of ₹0.50 crore could not be commissioned due to defect;
- Mobile training-cum-exhibition unit was purchased (2010) at a cost of ₹0.20 crore. After running 41,929 kilometres (up to June 2014) the vehicle had remained off-road for two years as of June 2016;
- ₹0.64 crore was spent (2009-14) on purchase of 18 items[10] which were not part of project whereas two items (Ermoscope 808T and improved combs) required for the project costing ₹11 lakh were not purchased.

The University stated (December 2016) that Pashmina Goat Breeding Farm, Upshi, Leh could not be strengthened due to non-cooperation of DSHO, Upshi, and that the Fibre scan machine had an inbuilt fault which was beyond the control of University and that the firm was repairing the equipment.

3.1.7 Internal controls

Existence of an internal control mechanism is essential for exercising control over various activities and in ensuring compliance with financial rules and procedures.

[9] Pashmina Goat Breeding Farm Khangriyal and Pashmina Goat Farm Upshi
[10] Refrigerator, LCD projector, fax machine, laptop, scanner, Xerox machine, etc.

Audit noticed weak internal controls and deviations from established rules and practices as below:

- Revenue Cash book of the Comptroller and three constituent units[11] for the period 2010-14 had not been closed and entries therein were not authenticated by the Drawing and Disbursing Officer. Cash books for the period from April 2014 onwards were not maintained. Ledger accounts were not maintained during these periods. Bank reconciliation was not conducted to ensure genuineness of transactions of the constituent units with those shown in the accounts of the Bank.
- Balances ranging between ₹18.93 crore and ₹29.18 crore were lying with the Comptroller at the end of financial years 2012-13 to 2014-15. However, there was no object/ head-wise distinction of these balances available with the University.
- Revenue of ₹1.68 crore was transferred to constituent units without authorisation of Government/ BoM.
- The University and its constituent units had not maintained asset register for recording details about assets acquired by the University.
- Records such as cash book and ledger were not maintained by the Faculty of Agriculture for money received from the students under self-finance. No regulations had been framed for governance of the fund in which there were transactions of ₹1.74 crore and balance of ₹0.46 crore as of April 2016.
- Merit Scholarship of ₹5.04 lakh due to 51 students[12] in two test-checked faculties of Agriculture (41 students) and Fisheries (10 students) was not paid to the students despite lapse of eight years.
- As per directions (March 2011) of the UC, Academic Audit (AA) was to be carried out by the Deans/ faculties/ Scientists of the University for Critical Performance Assessment of the University. AA had not been conducted despite lapse of over five years.
- According to the decision taken (October 2014) by the UC, a database was to be developed by the University containing details of outgoing students and track record of their professional activities. No such database had been developed despite lapse of 17 months.

The matter was referred to the State Government in October 2016; its reply was awaited (December 2016).

3.2 Irregular use of departmental receipts for departmental expenditure

The Department utilized departmental receipts of ₹4.02 crore for departmental expenditure in violation of the financial rules.

Rule 2.2 (a) of Jammu and Kashmir Financial Code stipulates that all sums of money received by any officer of the State Government in his official capacity must immediately be deposited into the nearest treasury without any deduction

[11] Director Research, Faculty of Forestry and Faculty of Agriculture
[12] 41: Faculty of Agriculture (₹3.69 lakh) and 10: Faculty of Fisheries (₹1.35 lakh)

and credited by the treasury officer to the appropriate head of account. The Rule explicitly prohibits appropriation of departmental receipts for departmental expenditure.

Test-check of records of the Joint Director of Agriculture (Inputs), Jammu, revealed that departmental receipts from sale of seed to farmers amounting to ₹4.02 crore[13] was utilised on purchase of seed from suppliers and for carriage, loading/ unloading of seeds and rent of seasonal stores during 2012-13 to 2014-15. The expenditure incurred out of departmental receipts was adjusted every month in the office of the Joint Director of Agriculture (Inputs). This was despite the fact that regular budgetary allocations of ₹17.13 crore and ₹17.50 crore was made by the Government to the office during the year 2013-14 and 2014-15 respectively.

On being pointed out, the Joint Director of Agriculture (Inputs) Jammu stated (December 2015) that every attempt was being made to ensure full remittance of sale proceeds of seed and clear instructions had been issued to subordinate offices to deal strictly with any case of retention of sale proceeds.

The matter was referred to the Government in April 2016. Their reply was awaited (December 2016).

3.3 Inclusion of extra cost elements in sale price of seed sold to farmers

Fixation of sale rate of subsidized seeds by adding overhead, handling and processing charges as well as interest which were not provided for in any instructions resulted in casting an undue burden of ₹6.83 crore on farmers.

Joint Director Agriculture (JDA) (Inputs) Jammu is responsible for procurement of quality seeds and supplying the same to the farmers of the Jammu division at reasonable prices. The supply of the inputs is based on the subsidy component from the Government of India under Centrally Sponsored Schemes (CSS) and recovery of part cost from farmers.

Audit check of records of JDA (Inputs) Jammu for the period from 2012-13 to 2014-15 brought out that overhead charges at the rate of ₹200 per quintal, interest at the rate of 6.25 *per cent* per annum for every six months period on overall cost of seed and processing charges ranging from ₹160 to ₹250 per quintal (departmental produce only) was being added to the cost of seeds supplied to farmers. During the period, the department had received a total of 2,15,979 quintals of inputs which was to be sold for ₹78.83 crore. Instead, the department sold inputs for ₹85.66 crore after adding the above mentioned charges which resulted in recovery of extra cost of ₹6.83 crore from the farmers. The Director (Finance) Agriculture Production Department confirmed (March 2016) to audit that no such instructions had been issued.

The matter was reported to the Government in May 2016; its reply was awaited (December 2016).

[13] ₹1.26 crore spent on carriage, loading/ unloading of seeds and rent of seasonal stores, ₹2.76 crore (₹1.05 crore during 2013-14 and ₹1.71 crore during 2014-15) spent on purchase of seeds from suppliers

Health and Medical Education Department

3.4 Loss due to non-adherence to policy for allotment of medical shops

Non-adherence to policy for allotment of sites/ structures at health institutions resulted in non-recovery of ₹1.59 crore.

Government framed (June 2008) a policy/ procedure for allotment of sites/ structures for use as fair price medical shops, canteens and telephone booths at health institutions in the State where under allotment of sites/ structures was to be made through auction and by constituting standing committees for fixation of minimum reserve price. The allotments were to be made for a period of five years extendable up to another six years, but not beyond 11 years, depending upon the performance of the allottee vouched for by the concerned Medical Superintendent (MS) of the health institution and counter-signed by the Head of the Department. In case of extension beyond five years, the allottee was required to pay premium equal to the premium paid at the time of original allotment out of which 50 *per cent* was to be deposited before the extension was accorded and the remaining 50 *per cent* in equal yearly instalments to be deposited by the allottee at the beginning of each year. The policy also covered those persons who had been earlier allotted structures/ sites and had either completed or were yet to complete the period of allotment. Audit observed the following:

(A) Audit (December 2015) of records of MS, Sri Maharaja Gulab Singh Hospital (SMGS) Jammu and Principal, Government Medical College (GMC), Jammu showed that the Contract Committee of GMC Jammu had approved (June 2006) Rate Contract for five canteens[14] at bid amount of ₹0.25 crore with effect from 16 June 2006 in favour of a contractor. Accordingly the contractor had deposited (June 2006) the bid amount. The allotment of canteens was extended in favour of the contractor with effect from 16 June 2011 for three years and further by two years with effect from 15 June 2014. However, premium equal to the premium of ₹0.25 crore paid by the allottee at the time of original allotment had not been realized from the contractor.

(B) Scrutiny (December 2015) of records of the office of the MS Government Hospital Sarwal (GHS) Jammu revealed that the Hospital issued a letter of intent for allotment (April 2012) of Fair Price Medical shop in favour of a bidder at a bid amount of ₹0.38 crore per annum. The bidder was asked to deposit initial 50 *per cent* of the premium within one week's time and balance 50 *per cent* within next 90 days. In the meantime, the bidder requested (April 2012) the *Rogi Kalyan Samiti*, GHS Jammu for identification of new site for construction of shop and deposit of initial 50 *per cent* of the premium within next two months or till permanent shop is allotted and balance 50 *per cent* of the premium within next 90 days after allotment of permanent shop in his favour. MS intimated (May 2012) the bidder that construction of shop would take some time and since a make shift place was allotted in his favour, he should deposit the initial 50 *per cent* of the premium within next two months or till the permanent shop

[14] GMC: one canteen; Medical College Hospital: two canteens and SMGS hospital: two canteens

is completed and balance 50 *per cent* of the premium within next 90 days after allotment of the permanent shop.

As the bidder did not deposit the bid amount, the MS asked (July 2014) the bidder to deposit bid amount for the year 2012-13 and 2013-14 in full. An enquiry committee was constituted (August 2014) by the Director Health Services (DHS) Jammu and as per the report of the committee, the bidder had deposited only ₹0.18 crore on account of bid money against due amount of ₹1.14 crore. The DHS Jammu directed (December 2014) the MS to ask the allottee to deposit balance amount of ₹0.96 crore to avoid further loss to the State Exchequer and in case the bidder failed to deposit the amount within one week, to initiate action against the defaulter. Audit noticed that no action had been initiated against the bidder/ allottee of the shop for failure to deposit the balance amount of bid money which resulted in non-recovery of bid money of ₹1.34 crore (2012-13 to 2015-16).

In reply, the MS stated (January 2016) that as per terms of agreement it was decided that the allottee would be provided a newly constructed shop which the hospital could not provide and on this plea the bidder defaulted from paying the full amount. The reply is not acceptable as the allottee was in possession of space in the hospital and was running his business as usual.

Thus, non-adherence to policy for allotment of sites/ structures by the department resulted in non-recovery of ₹1.59 crore.

The matter was referred to the Government in June 2016. Its reply was awaited (December 2016).

3.5 Delay in completion of building

Administrative delay and poor prioritization which was reflective of lack of commitment to timely completion of projects resulted in a building constructed at a cost of ₹5 crore for use as a General Nursing and Midwifery Training School remaining unutilised because of non-completion of minor residual works costing just ₹0.35 crore.

In order to provide delivery/ obstetrics care service at grass root level and to ensure coverage of all births with skilled attendance both in the hospitals and at the community level so that the people have access to emergency delivery care service for women at their door step, the Health and Medical Education Department planned (July 2011) construction of a General Nursing and Midwifery (GNM) building with hostel facility at Akhnoor (District Jammu) under centrally sponsored scheme 'Upgradation/ strengthening of State Nursing Services' through Jammu and Kashmir Housing Board. The building was to be completed at an estimated cost of ₹5.35 crore within one working season (August 2012).

Scrutiny of records of the Chief Medical Officer, Jammu revealed that in anticipation of administrative approval, funds of ₹5 crore were released (August 2011) in favour of Jammu and Kashmir Housing Board, who, in turn, entrusted the work to Deputy General Manager Housing Unit-I Jammu for execution of work of the building. The executing agency after incurring an expenditure of ₹5 crore (October 2014) stopped further execution for want of funds. The building though largely complete, could not be operationalised due to non-execution of some minor[15] works despite expenditure of ₹5 crore.

Director Health Services (DHS) Jammu stated (August 2015) that the funds of ₹0.35 crore were demanded by the executing agency which is being arranged for getting the remaining work completed.

The Government stated (September 2016) that ₹12.18 crore had been released (August 2015) to DHS Jammu and Kashmir and this amount included ₹1.75 crore for GNM school Akhnoor for procurement of transport, lab equipment, books, furniture, etc. which could not be utilized due to non-finalisation of rate contract for procurement of these items. The Finance Department was being approached for re-validation of ₹1.75 crore so as to utilize it for making the school functional.

Audit observed that administrative delay and poor prioritization which was reflective of lack of commitment to timely completion of projects resulted in a building constructed at a cost of ₹5 crore remaining unused because of non-completion of minor residual works costing just ₹0.35 crore.

Higher Education Department

3.6 Working of Government College of Engineering and Technology, Jammu

Funds ranging from 11 to 35 *per cent* in Non-Plan of each financial year from 2011-12 to 2015-16 and 61 *per cent* of Plan funds of 2014-15 remained unutilised by the College. Non-adherence to prescribed teacher student ratio affected the quality of education imparted to students as reflected in low pass out rate and low campus placements. Ratio of 1:1.1 between teaching and non-teaching posts for AICTE approved institutions had not been maintained. Even after lapse of 21 years, the required infrastructure had not been created by the Department as only two out of 11 buildings were completed while three were under progress and work on six projects could not be started.

3.6.1 Introduction

The Government College of Engineering and Technology, Jammu (GCET), was established in 1994 in accordance with the norms of the All India Council for Technical Education (AICTE) under the administrative control of the Higher Education Department. GCET is affiliated to the University of Jammu. The College offers five[16] under-graduate engineering and technology courses (including four Applied Science Departments[17]) having an annual intake capacity of 315[18] with 63 seats in each course.

[15] Sanitary fixtures with water connections, electric appliances, external water supply, black topping of internal roads, site development and general clearance

[16] Civil, Mechanical, Electrical, Electronics and Communication and Computer

[17] Physics, Chemistry, Mathematics and Humanities and Social Sciences

[18] 300+five *per cent* fee waiver seats

Audit reviewed the working of the GCET for the period from 2011-12 to 2015-16 by test-check of records conducted between October 2015 and January 2016.

3.6.2 Financial Management

The year-wise position of budget proposals, allotment of funds by the State Government and expenditure there against during the last five years is given in **Table-3.6.1** below.

Table-3.6.1: Details of allotment of funds and expenditure incurred

(₹ in crore)

Year	Budget Proposals		Allotment		Expenditure		Un- utilized fund (Percentage)		Percentage of allotment against Proposal	
	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan
2011-12	9.63	3.15	9.38	3.60	6.35	3.54	3.03 (32)	0.06 (2)	-	-
2012-13	10.54	12.42	8.06	5.25	6.77	5.20	1.29 (16)	0.05 (1)	76	42
2013-14	17.33	16.76	12.72	3.16	11.01	2.91	1.71 (13)	0.25 (8)	73	19
2014-15	15.80	18.33	12.53	3.16	8.12	1.24	4.41 (35)	1.92 (61)	79	17
2015-16	18.07	2.86	12.01	2.86	10.67	2.18	1.34 (11)	0.68 (24)	66	100
Total	**71.37**	**53.52**	**54.70**	**18.03**	**42.92**	**15.07**	**11.78 (22)**	**2.96 (16)**		

3.6.2.1 Unrealistic budget proposals

The Jammu and Kashmir Budget Manual stipulates that preparation of detailed estimates of expenditure by Heads of Offices should be based on Controlling Officers' assessment of requirements for the ensuing year keeping in view the actual expenditure in the past, current year's trends of expenditure and decisions taken by the Government which have a bearing on funding requirements. Audit noticed preparation of unrealistic budget estimates by the College Management as Plan funds were released in the range of 42 and 17 *per cent* during 2012-13 to 2014-15 and Non-Plan funds in the range of 79 and 66 *per cent* during 2012-13 to 2015-16. Despite less receipt of funds, there were still unutilised funds ranging between 11 and 35 *per cent* under Non-plan at the close of each financial year from 2011-12 to 2015-16 and 61 *per cent* of the Plan funds had remained unutilised during 2014-15.

The Department attributed (July 2016) the non-utilization to inclusion of provision for vacant posts in the budget proposals, non-finalization of rate contracts and non-encashment of bills at the fag end of the year 2014-15.

3.6.2.2 Awaited adjustment account

An amount of ₹1.13 crore was advanced to Land Acquisition Officer (LAO) Jammu between March 1997 and December 2001 for acquiring 869.10 *kanals* of land for establishment of new campus. Against this, ₹54.54 lakh was disbursed to the land owners and the balance ₹58.36 lakh was lying undisbursed with the LAO Jammu since 1997-98. Despite lapse of 18 years, neither had the disbursement account for ₹54.54 lakh been obtained nor had the undisbursed amount of ₹58.36 lakh been claimed (October 2015) by the College Management. The compensation could not be disbursed due to dispute in finalising title of acquired land and consequently amount had remained blocked.

The Department stated (July 2016) that the Collector Land Acquisition (CLA) Jammu had been asked to furnish the utilization certificates.

3.6.2.3 Local Fund

Fees/ funds collected from students at the time of admission, or otherwise, are required to be utilized for student related activities and college development. Audit noticed unutilized balance under 23 local funds ranging between ₹1.70 crore to ₹3.15 crore at the end of each year from 2011-12 to 2015-16 as detailed in the **Table-3.6.2** below.

Table-3.6.2: Position of unutilised balance under 23 Local funds

(₹ in crore)

Year	Opening balance	Funds collected	Expenditure	Closing balance
2011-12	1.27	0.98	0.55	1.70
2012-13	1.70	1.11	0.69	2.12
2013-14	2.12	1.12	0.86	2.38
2014-15	2.38	0.94	0.80	2.52
2015-16	2.52	1.51	0.88	3.15

Further analysis brought out that tuition fees of ₹85.52 lakh out of ₹85.73 lakh collected as of January 2016 had not been utilised by the College Management for organising specialised lectures for students by guest faculty during the period 2011-12 to 2014-15 which had deprived the students of intended benefits. Similarly, ₹8.02 lakh was lying unspent under Training and Placement fund as only 17 training sessions had been held during 2011-12 to 2015-16.

The Department stated (July 2016) that academicians/ scientists, from reputed organisations such as IIT Kharagpur, NIT Jalandhar, etc., who attended conferences/ seminars/ workshops organised by the college did not claim any remuneration/ reimbursement of expenses due to which tuition fees remained unutilised. It added that amounts lying under Training and Placement fund were being utilized as and when required.

3.6.2.4 Modernization and Removal of Obsolescence Scheme (MODROB)

Modernization and Removal of Obsolescence Scheme (MODROB) sponsored by AICTE is aimed at modernizing and removing obsolescence in laboratories/ workshops/ computing facilities so as to enhance the functional efficiency of teaching, training and research activities besides ensuring that practical work and project work carried out by students is contemporary and suited to the needs of industry.

Out of ₹57.25 lakh received (July 2012) as grant-in-aid from AICTE, ₹40.91 lakh (₹40.71 lakh Grant and ₹0.20 lakh interest[19]) had been utilised as of March 2013 leaving an unspent balance of ₹16.34 lakh plus earned interest of ₹0.84 lakh.

The Department stated (July 2016) that sanction for revalidation of unspent balance had not been accorded by AICTE. The reply was not convincing as ₹16.34 lakh could have been utilised for enhancing/ upgrading the functional efficiency of teaching as well as practical/ project work carried out by the students of the College.

3.6.3 Management of Academic Activities

The College offers five under-graduate (UG) engineering and technology courses. The candidates who pass class 12 examination under 10+2 scheme (Science Group) from Jammu and Kashmir Board of School Education or any other examination conducted by a University/ State Board of School Education recognised as equivalent thereto are eligible for admission on the basis of common entrance test conducted by the Jammu and Kashmir Board of Professional Entrance Examination.

3.6.3.1 Teacher, Student Ratio

The AICTE norms stipulate teacher student ratio of 1:15 for UG Engineering and Technology courses. Audit noticed a high teacher student ratio in the college during the years 2011-12 to 2015-16 as shown in the **Table-3.6.3** below.

Table-3.6.3: Details showing the teacher student ratio in the college

Year	No. of teachers	No. of students	Ratio	No. of teachers required as per 1:15 ratio	Shortage of teachers
2011-12	29	597	1:21	40	11
2012-13	29	596	1:21	40	11
2013-14	27	601	1:22	40	13
2014-15	27	611	1:23	41	14
2015-16	27	742	1:27	49	22

Non-adherence to prescribed ratio affected the quality of education imparted to students which was reflected in low pass out rate which was between 68 and 80 *per cent* and also low campus placements which was between 10 and 21 *per cent* during 2011-12 to 2015-16.

The Department stated (July 2016) that filling of vacant posts had been taken up with the Higher Education Department. It added that teacher student ratio was within AICTE norms as the faculty members included permanent staff as well as *ad hoc* staff and guest lecturers.

[19] Out of interest of ₹1.04 lakh earned

3.6.3.2 Ratio of teaching and non-teaching staff

The Expenditure Reforms Commission recommended a ratio of 1:1.1 between teaching and non-teaching posts for AICTE approved institutions. The ratio of teaching and non-teaching staff in the sanctioned strength remained 1:2.6 and in the effective strength ranged between 1:3.6 and 1:3.9 as depicted in **Table-3.6.4** below.

Table-3.6.4: Statement showing the ratio of teaching and non-teaching staff

Year	Sanctioned Staff Strength			Effective Staff Strength		
	No. of teaching staff	No. of non-teaching staff	Ratio of teaching to non-teaching staff	No. of teaching staff	No. of non-teaching staff	Ratio of teaching to non-teaching staff
2011-12	72	191	1:2.6	29	105	1:3.6
2012-13	72	191	1:2.6	29	105	1:3.6
2013-14	72	191	1:2.6	27	105	1:3.9
2014-15	72	191	1:2.6	27	105	1:3.9
2015-16	72	191	1:2.6	27	105	1:3.9

The Department stated (July 2016) that the matter of filling of vacant posts had been taken up with the Higher Education Department and that academic arrangement of staff had been made against the vacant posts to fulfil the norms.

3.6.3.3 Teaching staff arranged on academic arrangement basis

According to the AICTE norms, the ratio between Professors, Associate Professors and Assistant Professors should be 1:2:6. The ratio had not been maintained during the years 2011-12 to 2015-16 which was 1:1.6:2.2 and 1:5:8.5 respectively in respect of sanctioned and effective strength of staff. The shortage of staff had been met by engagement of staff on academic arrangement basis and the percentage of staff so arranged against the sanctioned staff strength during these years ranged between 30 and 50 only.

The Department stated (July 2016) that the matter of filling up of vacant posts had been taken up with the Higher Education Department. It was further stated that arrangements had been made against the vacant posts in compliance of AICTE norms.

3.6.3.4 Accreditation/ recognition of courses

The criteria that are considered by National Board of Accreditation (NBA) during the process of accreditation of a programme are determined by the NBA's definition of quality of programmes and its relevance to the profession concerned. The criteria *inter alia* includes Institutional Mission, Vision and Programme Education Objectives, Programme Outcome, Programme Curriculum, Student's performance and Institutional support and financial resources.

The College had not obtained (October 2015) accreditation/ recognition of its five courses from NBA. The non-accreditation of courses had resulted in non-introduction of PG Courses in five engineering and technology courses offered by the College.

The Department stated (July 2016) that authorisation had been accorded (June 2016) for obtaining accreditation/ recognition for three courses from NBA and that the process had been initiated.

3.6.4 Infrastructure Management

3.6.4.1 Shortage of infrastructure

According to the approval (April 1993) of AICTE for establishment of the College, the State Government was to acquire land for the college as per the AICTE norms and build necessary infrastructure within three years of approval. Audit noticed that even after lapse of 21 years, the required infrastructure had not been created by the State Government. Out of 11 buildings and other infrastructure, two were completed, three were under progress and work on six projects could not be started as brought out in **Table-3.6.5** below.

Table-3.6.5: Details showing the position of infrastructure in college

(₹ in crore)

S. No.	Name of work	Year of start	Revised estimated cost	Value of work done ended October 2015	Funds advanced to JKPCC Ltd.	Physical status ended October 2015
1.	Mechanical Block	2007-08	4.50	4.50	21.38	Completed and handed over
2.	Administrative	2012-13	4.99	4.99		Completed
3.	Girls Hostel	2013-14	6.13	3.91		Work in progress
4.	Work shop block	2010-11	12.45	5.04		Work in progress
5.	Services	2007-08	12.63	3.38		Work in progress
6.	Electrical block	Not started	11.91	0		Not yet started
7.	Drawing hall	Not started	3.17	0		Not yet started
8.	Canteen	Not started	1.72	0		Not yet started
9.	Guest house	Not started	1.97	0		Not yet started
10.	Principal’s residence	Not started	1.43	0		Not yet started
11.	Lecturer’s apartments	Not started	4.92	0		Not yet started
Total			**65.82**	**21.82**	**21.38**	

3.6.4.2 Library Facility and its Management

AICTE norms provide for adequate library facilities in technical institutions which includes availability of e-journals, digital library with multi-media facility, reprographic facility, document scanning, document printing facility under National Programme on Technology Enhanced Learning availability of Books and Journals.

Though subscription to e-journals had been made, other facilities had not been provided to the students. Audit noticed that ₹61.45 lakh allotted under Books and Periodicals during 2011-12 to 2015-16 had not been utilised for procurement of course books. Further, 119 books valuing ₹0.45 lakh issued to 22 lecturers who were disengaged had not returned the books (October 2015). Similarly 105 books valuing ₹0.29 lakh damaged by termites (October 2015) had not been written off.

The Department stated (July 2016) that out of allotment of ₹61.45 lakh for 'Books and Periodicals' during 2011-12 to 2015-16, ₹29.48 lakh were incurred on purchase of books/ subscription towards e-journal to increase the general knowledge of students and ₹13.46 lakh could not be spent due to non-encashment of bills at the treasury. It added that cost of books would be recovered from the *ad hoc* lecturers whose salary for previous month had been withheld and that efforts were being made to write off the value of damaged books.

3.6.5 Administrative Inspection/ Physical verification

Rule 18.7.1 of Jammu and Kashmir Budget Manual stipulates that all offices of Heads of Departments should be inspected by the Secretaries to Government at least once a year. Rule 18.8.1 of the said Manual stipulates that physical verification of stores should take place at least once a year.

Administrative inspection of the college to monitor activities of the College had never been conducted (September 2015) by the Higher Education Department since the college was established. Physical verification of store-stocks to ascertain the correctness of ground balances of store/ stock had not been conducted for the year 2014-15 as of October 2015.

The Department stated (July 2016) that a Committee had been constituted (May 2016) for physical verification of store/ stocks.

3.7 Unproductive expenditure and blocking of funds

Failure to ensure encumbrance free land for construction of college building resulted in unproductive expenditure of ₹9.89 crore and blocking of ₹6.23 crore for over four years.

The Higher Education Department sanctioned (December 2007) establishment of new Srinagar Women's College (SWC) at Zakura, Srinagar under the Prime Minister's Reconstruction Plan (PMRP). Administrative Approval was accorded (January 2012) by the Department for construction of the college through the Jammu and Kashmir Projects Construction Corporation (JKPCC) at an estimated cost of ₹12.29 crore. The Department acquired on lease (June 2013) for 40 years evacuee property land at village Batapora Zakura in Srinagar at a cost of ₹9.89 crore for the purpose.

Records of Commissioner Secretary, Higher Education Department showed (January 2016) that the Department released ₹6.23 crore (February/March 2012) to the Principal, SWC Srinagar, who released (March 2012) ₹1.33 crore to JKPCC and kept the balance amount of ₹4.90 crore in the bank account of the college. Audit noticed that the executing agency could not start the construction work as the Town Planning Organisation Srinagar (November 2015) did not issue no-objection certificate on the ground that the construction site fell in residential zone according to the Master Plan (2021) of Srinagar city whereas the educational institutions came under public and semi-public use. Lakes and Waterways Development Authority (LAWDA) also prevented the JKPCC from carrying out the construction work unless construction of college was approved by the building permission authority.

Thus, failure of the Department to provide encumbrance free land for construction of college rendered the expenditure of ₹9.89 crore incurred on lease of land unproductive besides blocking of ₹6.23 crore lying with the JKPCC and college authorities for over four years.

The matter was reported to the Government in June 2016. Their response was awaited (December 2016).

Home Department

3.8 Advancing funds for land without ensuring its availability

Injudicious action of the Police Department in advancing funds to the Custodian Evacuee Property Kashmir for land for construction of police stations without ensuring its availability for the proposed purpose resulted in blocking of ₹1.80 crore for over seven years.

The Custodian General, Jammu and Kashmir Government, leased out (March 2008) 11 *kanals* and three *marl*as land for twenty years in favour of Police Department for construction of a police station at Chanapora Srinagar at a cost of ₹15 lakh per *kanal* and ground rent of ₹100 per *kanal* per month. The land was under occupation of the Border Security Force and the Police authorities were responsible for negotiating with the BSF for taking possession of the land.

Audit check (October 2015) of records of Senior Superintendent of Police (SSP) Srinagar showed that the Department paid (March 2008) ₹1.65 crore under the terms of the agreement to the Custodian Evacuee Property. As the Police Department could not take possession of the land from the BSF, the Custodian Evacuee Property, Kashmir identified another piece of land at Peerbagh Hyderpora Srinagar for housing the police station. As the title of this piece of land was sub judice, it could also not be acquired by the Department. Thus, ₹1.65 crore advanced to the Custodian Evacuee Property remained blocked for over eight years.

In another case, the Custodian Evacuee Property Kashmir allotted (March 2008) land measuring one *kanal* at Teergaripora, Nowhatta Srinagar to the Department on lease for twenty years for ₹15 lakh per *kanal* and payment of ground rent of ₹90 per *kanal* per month. Audit noticed that without verifying title of land, the Department advanced (February 2009) ₹15 lakh to the Custodian Evacuee Property Kashmir. Later, the Department found that out of one *kanal* (20 *marlas*) of land, 12 *marlas* had been fenced by the Srinagar Municipal Corporation and was reportedly used by the locals. One shop had also been constructed over this land. The Police Department had not taken possession of the land as of October 2015 resulting in blocking of ₹15 lakh for over seven years.

This, injudicious action of the Police Department to advance funds without ensuring its availability for the intended purpose resulted in blocking of ₹1.80 crore for over seven years.

The matter was referred to Government in April 2016. The Director General of Police stated (June 2016) that the BSF had not vacated the land due to security reasons and that the land leased by the Custodian General to the department at Teergaripora was encroached during the process of acquisition.

3.9 Expenditure on Police establishments not approved for inclusion in the project

Department incurred an expenditure of ₹1.53 crore on Police establishments that were not included in the sanction accorded by the competent authority.

The State Home Department forwarded (September 2011) a proposal to the Government of India (GoI) under Jawaharlal Nehru National Solar Mission (JNNSM) for providing Solar Photovoltaic Power Plants (SPPs)[20] to 523 Police Establishments[21] (PEs) at an estimated cost of ₹37.93 crore. Under the Scheme, the Ministry of New and Renewable Energy (MNRE) was to provide Central Financial Assistance (CFA) of ₹243 per watt or 90 *per cent* of the sanctioned project cost whichever was less. Accordingly, the MNRE conveyed (February 2012) sanction for installation of SPPs at 523 Police Establishments at a cost of ₹33.54 crore.

Audit check of records of Director General of J&K Police showed that the Department placed (March 2013) order with a firm for supply of SPPs at 562 police establishments instead of the sanctioned 523 police establishments. These 562 establishments included 25 District Police Offices (DPOs) which were not included in the proposal sent (September 2011) to GoI and were therefore not approved under the project. Subsequently, MNRE refused (December 2013 and March 2014) to meet the extra expenditure on the unapproved works and reduced (June 2013) the financial sanction to ₹29.43 crore only for the sanctioned 523 PEs and released (June 2013) ₹14.72 crore (50 *per cent*) as the first instalment. The Department, however, incurred an irregular expenditure of ₹1.53 crore on installation of SPPs at 17 out of 25 unapproved DPOs.

The Government stated (July 2016) that the tendering process had fetched competitive rates which were substantially less than the projected cost of ₹37.93 crore for supply of SPPs for 523 locations and supply for installation of SPPs at 562 locations was therefore allotted at a cost of ₹36.14 crore which was within projected cost of ₹37.94 crore. The reply is not tenable as GoI had refused (December 2013 and March 2014) to meet the extra expenditure on unapproved works.

[20] With aggregate capacity of 1408.6 Kilowatt peak (kWp)

[21] 7 Training Centres, 31 Armed/ IR Battalion Headquarters, 315 Sub-Divisional Offices/ Police Posts/ Border Police Posts and 170 Police Stations

3.10 Suspected fraudulent and irregular payments on hiring of vehicles

An amount of ₹4.04 crore was paid for hiring of "buses, trucks and light motor vehicles" that turned out to be registered as scooters, motor cycles, non-commercial/small cars, tractors and bulldozers or were non-existent. Further, there was double payment of ₹1.40 lakh while payment of ₹1.52 crore was doubtful as there were no details of the vehicles hired and irregular payment of ₹0.30 crore on hiring of non-commercial vehicles.

Rule 7.33 of the Jammu and Kashmir Financial Code (Vol. I) makes the Controlling Officer responsible for exercising checks to see that an item of expenditure included in contingent bill is of obvious necessity and is incurred after following codal provisions.

Government of India provided ₹115.76 crore[22] between April 2014 and March 2015 for 'Carriage of Constabulary and Hiring of Vehicles' in connection with the conduct of Parliamentary Elections (March-May 2014) and State Assembly Elections (October-December 2014) to the Police Department out of which ₹111.70 crore was spent by 68 Drawing and Disbursing Officers (DDOs) of the Police Department for hiring of vehicles and purchase of the Petrol, Oil and Lubricant (POL) between April 2014 and March 2015.

Scrutiny of the records of nine (Jammu: Four; Kashmir: Five)[23] test-checked DDOs revealed that Police Headquarters (PHQ) issued (March 2014 and October 2014) instructions[24] to the DDOs for hiring vehicles on the basis of rates of the State Road Transport Corporation with 20 *per cent* discount on the rates after adhering to codal formalities. In disregard of these instructions of PHQ, the DDOs hired vehicles from transport/ travel agencies without following codal provisions and without verification of documents of hired vehicles. Audit noticed glaring irregularities of suspected fraudulent and irregular payments amounting to ₹5.87 crore while conducting cross verification of the records of these DDOs with that of the records of the 10 (Jammu: Four; Kashmir: Six)[25] Regional Transport Officers (RTOs) and the vouchers and payment records available in the Office of the Accountant General (Audit), Jammu and Kashmir.

- Nine DDOs of Police department hired 8,983 vehicles from various transport/travel agencies between 11th March 2014 and 20th May 2014 (Parliament Elections 2014) and 31st October 2014 and 29th December 2014 (Assembly Elections 2014). Of these, 625 vehicles involving 755 slots shown to have been hired and deployed and paid for election duties by the DDOs did not match with the type, specification or nature of the vehicles registered with the RTOs. The 625 vehicles which were shown as buses

[22] Parliamentary Elections: ₹39.18 crore and Assembly Elections: ₹76.58 crore

[23] Jammu: Sr. Superintendents of Police (SSPs) Jammu, Kathua, Samba and Police Control Room (PCR) Jammu; Kashmir: Sr. Superintendents of Police (SSPs) Bandipora, Baramulla, Kupwara, PCR Srinagar and Staff Officer to Additional Director General of Police (Armed)

[24] Dated 19th March 2014 for Parliamentary Elections and vide dated 29th October 2014 for Assembly Elections

[25] Jammu: RTOs - Jammu and Kathua, Assistant RTOs - Samba and Udhampur; Kashmir: RTO Srinagar and Assistant RTOs - Anantnag, Bandipora, Baramulla, Budgam and Kupwara

(189), trucks (129), medium motor vehicles (95) and light motor vehicles (212) for carrying constabulary were actually registered in the record of the RTOs as scooters and motor cycles[26], non-commercial/ small four wheeler cars[27], tractors and bulldozers[28] or were non-existent[29]. The payments made to transport/travel agencies was ₹3.99 crore. The fraudulent payment relates to both hire charges on fake vehicles and spending shown on POL.

- In addition, eight vehicles[30] recorded to have been hired for the Election duties from six transport/ travel agencies by four DDOs[31] were actually registered as Government vehicles with the concerned RTOs and the DDOs had paid ₹0.05 crore to the six transport/ travel agencies for hire and POL charges.

- Senior Superintendent of Police (SSP) PCR Jammu hired 23 vehicles between 3rd November 2014 and 27th December 2014 for the Assembly Elections and paid (March 2015) an amount of ₹7.24 lakh to transport/ travel agency against Bill no. 14 of 1st January 2015. Audit scrutiny showed that 20 out of the 23 vehicles were shown to have been hired again between 16th December 2014 and 24th December 2014 vide Bill no. 15 of 1st January 2015 and an amount of ₹1.40 lakh was paid though payment for deployment of such vehicles was already included in Bill no. 14 dated 1st January 2015[32] for ₹7.24 lakh. As such, an amount of ₹1.40 lakh was paid in excess to the travel agency.

- Two SSPs[33] had drawn (between 17th June 2014 and 30th March 2015) an amount of ₹1.05 crore as hire charges on the basis of list of vehicles prepared by the department itself. One SSP[34] accepted and passed a bill raised by four transport/ travel agencies for ₹0.47 crore without having the details of the hired vehicles.

- Under Rule 66 of the Motor Vehicles Act, 1988, no owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place save in accordance with the conditions of a permit granted by a Regional or State Transport Authority or any prescribed authority. Test-check revealed that 86 non-commercial/ private vehicles were hired by five DDOs[35] between March 2014 and December 2014 in contravention of the Motor Vehicles Act, 1988. An amount of ₹0.30 crore was paid (between 17th June 2014 to 30th March 2015) on their hiring and POL charges.

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[26] Scooters such as Chetak, Bajaj, Vespa Mirage, Activa and Motor Cycles such as Passion, Bullet, Hero Honda, etc.

[27] Maruti 800, Santro, etc.

[28] Mahindra Tractor, Bulldozer, etc.

[29] 13 vehicles (Taxis: 12; Bus: one), against which a payment of ₹4.99 lakh was recorded to have been made to transport/ travel agencies.

[30] Matador: One; Buses: Two; Truck: One and Taxis: Four

[31] SSPs Kupwara, PCR Jammu and PCR Kashmir and Staff Officer to Addl. DGP (Armed)

[32] Drawn vide TV no. 557 dated 31st March 2015 and payment made for both the bills vide Cheque no. 259985 dated 21st April 2015.

[33] Bandipora and Baramulla

[34] Bandipora

[35] SSPs: Jammu, Kathua and Samba; PCR Jammu and PCR Srinagar

The Government stated (October 2016) that the irregularities had been referred (June 2016) to the Finance Department for conducting a detailed audit of expenditure.

Housing and Urban Development Department

3.11 Release of funds and incurring of expenditure on projects without identification of site

Release of funds without identification of site for Solid Waste Management Projects resulted in blocking of ₹1.96 crore for more than four years. In addition, expenditure of ₹3.79 lakh was incurred on engagement of a consultant which was unfruitful since he would not be able to prepare detailed project report in the absence of site details.

Solid Waste Management (SWM) Projects for Udhampur and Rajouri towns were sanctioned during 2010-11 for collection, transportation and disposal of solid waste in these towns. The Chief Engineer (CE), Urban Environmental Engineering Department (UEED) Kashmir was directed by the Housing and Urban Development Department (HUDD) in May 2011 to prepare Detailed Project Reports (DPR) which were submitted in December 2011 to the Government for Udhampur and Rajouri towns at a cost of ₹11.25 crore and ₹6.60 crore respectively. However, land for the projects were not identified.

Audit scrutiny of the records of Executive Engineer, Sewerage and Drainage Division (West) Jammu revealed that ₹2 crore was released (March 2012) by the CE, UEED in favour of the division who kept it under MH 8443-Deposits head after obtaining sanction of advance drawal from the Government. The projects could not be taken up as the required land was not provided by the respective District Development Commissioners. Though land was yet to be identified, the executing agency engaged (March 2013) a consultant for preparation of DPRs at a cost of ₹3.79 lakh[36] as consultancy charges and Pollution Control Board Fee during October 2013 to February 2014 respectively.

In December 2014, HUDD desired that the funds placed at the disposal of CE, UEED be transferred to the Director, Urban Local Bodies (ULB) Jammu. As such, balance funds of ₹1.96 crore was transferred (January 2015) to Director (ULB) Jammu. However, the funds could also not be utilized by the ULB till March 2016 due to non-identification of land for the proposed projects and were lying in the saving Bank accounts of Department.

The Government stated (July 2016) that land had been identified at village Mand for the Udhampur SWM Project and that the work would be taken up shortly. It added that the Deputy Commissioner, Rajouri had assured (June 2016) that a different site for SWM project for Rajouri town would be identified within a period of one month.

The fact remained that the department should have identified land for both the

[36] ₹3,23,597 paid to Consultant and ₹55,000 paid to Pollution Control Board as fee

projects before release of funds to the executing agency and incurring expenditure on engagement of consultants who in any event would not have been able to prepare the DPRs in the absence of site details. Hence, funds amounting to ₹1.96 crore remained blocked for more than four years and expenditure of ₹3.79 lakh was rendered unfruitful.

3.12 Commencement of work without proper site survey

Lack of proper site survey at time of preparation of detailed project report and before commencement of work for construction of Truck Terminal building at Akramabad (Doda) resulted in delay in completion of building despite expenditure of ₹1.59 crore and doubling of its cost to ₹3.24 crore.

A project for construction of Truck Terminal building at Akramabad (Doda) was sanctioned (2011-12) for providing separate parking space for trucks and tippers and loading/ unloading of goods. The Executive Engineer (EE) Urban Local Bodies (ULB) Division-II Jammu after engaging a private consultant for ₹3.36 lakh for geo-technical and architectural design, prepared the Detailed Project Report (DPR) for an estimated cost of ₹1.65 crore which was accorded administrative approval (AA) in September 2012.

Audit scrutiny of the records revealed that ₹1.68 crore was released during August 2012 to March 2016 by the Director ULB Jammu and the executing agency allotted (September 2012) the work for ₹1.50 crore with completion period of nine months. During execution, the site of the building was shifted to lower contours due to which quantities of various items of work like earthwork, concrete and back filling of earth got increased and work up to only roof level could be completed (March 2015) after spending ₹1.59 crore. The division submitted (August 2014) revised DPR at the cost of ₹3.24 crore which had not been approved (March 2016) and the work stands held up (August 2014) resulting in non-completion of building despite incurring expenditure of ₹1.59 crore.

The Government stated (July 2016) that detailed structural drawings had not been prepared before preparation of the DPR and the existing road width was assumed as 10.85 metres instead of 3.55 metres which resulted in shifting of main building by 8.972 metres towards lower contour level, resulting in increase in the quantities of various items of work.

Thus, lack of proper site investigation and defective DPR which should have been taken into account alongwith the actual realities on the ground resulted in delay in completion of building despite expenditure of ₹1.59 crore and doubling of its cost to ₹3.24 crore.

Industries and Commerce Department

3.13 Blocking of funds due to accord of administrative approval prior to availability of land

Injudicious decision of the Department to accord administrative approval to the project for construction of building for housing district office at Rajouri and release funds for the purpose when acquisition of land on which the building was to be constructed remained sub-judice had resulted in blocking of ₹0.48 crore spent on procurement of material for over four years and ₹0.10 crore paid for acquisition of land for a period ranging between five and 10 years.

Handloom Development Department (HDD) proposed to construct its own office complex at Rajouri. HDD requested (January 2006) the District Development Commissioner (DDC) Rajouri to identify land for the purpose. A piece of land measuring two *kanals* was identified in village Rampur and final award issued (December 2009) by the Revenue Department for which ₹0.10 crore was released by HDD for payment of land compensation.

Audit check of records of Assistant Director (AD), HDD, Rajouri showed that the Department could not acquire the land as the owners obtained (February 2011) stay orders from the Hon'ble High Court against the acquisition. Despite the matter been sub judice, PWD (R&B) Division, Rajouri (the executing agency) framed (March 2011) the Detailed Project Report (DPR) for construction of the building for a cost of ₹0.48 crore and the Department accorded (September 2011) administrative approval for the project and released (September 2011) ₹0.48 crore to the executing agency for construction of the building. Consequently, the contractor to whom the work was allotted (February 2012) could not start the work. Instead, ₹0.48 crore was utilized by the executing agency on procurement of material which was diverted for other works.

Thus, action of the Department to continue to progress the proposal and accord administrative approval for construction of building as well as release funds for the purpose when acquisition of land on which the building was to be constructed was sub judice resulted in blocking of ₹0.48 crore spent on procurement of material for over four years and ₹0.10 crore paid for acquisition of land for a period ranging between five and 10 years.

The Government stated (May 2016) that the Department had got information about court order which had granted (February 2011) status quo in the case from the Collector Land Acquisition in February 2012.

Irrigation and Flood Control Department

3.14 Follow up on Performance Audit of Lift Irrigation Schemes for the year 2007-08 and Performance Audit of Implementation of Irrigation Schemes for the year 2008-09 in Irrigation and Flood Control Department

3.14.1 Introduction

Performance audit of Lift Irrigation Schemes (LISs) and of Implementation of Irrigation Schemes in the Irrigation and Flood Control (I&FC) Department of Jammu and Kashmir State covering the period 2003-08 and 2004-09 respectively had featured in the Reports of the Comptroller and Auditor General of India, Government of Jammu and Kashmir for the years 2007-08 and 2008-09. The findings and recommendations of both the reports had not been discussed by the Public Accounts Committee (November 2016).

3.14.2 Objective, scope and methodology of audit

The follow up on the two performance audits was conducted between May and June 2016 to assess whether the department had taken action on the findings and recommendations made. Questionnaires were issued to two Chief Engineers (CEs) I&FC Department of Kashmir division and Jammu division to obtain their views and responses. The replies furnished by the department have been incorporated at appropriate places.

3.14.3 Implementation of audit recommendations

The status of implementation of eight audit recommendations of the two Reports accepted by the Government is given below:

A. Insignificant or No Progress

Audit findings made in earlier Report	Recommendation made	Current status as informed by department	Audit findings/ comment
Paragraph No. 1.3.7 (2008-09)			
No Perspective Plan (PP) was formulated. Neither strategies were formulated for utilization of created IP nor were schemes selected for execution after formulation of Detailed Project Reports (DPRs). Guidelines of Accelerated Irrigation Benefit Programme (AIBP) Planning Commission were not taken into cognizance while planning, prioritizing and executing the schemes.	Perspective Plan needs to be formulated and guidelines approved under AIBP should be adhered to. Only approved schemes should be taken up for execution.	The CE, I&FC Jammu stated that Project/ schemes are being prepared as per the need of the area, availability of IP and demand of the general public and accordingly submitted to Government for approval/ sanction and release of funds so that IP in non-irrigated area be capitalized up to maximum extent. It was further stated that there is no specific document of PP but schemes for future are framed to get more and more available water utilized in irrigation sector.	The PP has still not been prepared by the department. The schemes were selected after formulation of Detailed Project Reports (DPRs) and taken up without prioritization and without adhering to the guidelines of schemes or the Planning Commission. No strategies were formulated for utilization of created IP.

Audit findings made in earlier Report	**Recommendation made**	**Current status as informed by department**	**Audit findings/ comment**
Paragraph No. 1.3.9.1 (2008-09)			
Out of 316 schemes due for completion during the review period, only 09 were completed in time and 90 after a time overrun of one to six years. However, out of 135 schemes test-checked, 117 (Jammu: 110; Kashmir: 07) were slated for completion during review period out of which only 39 were completed at a cost of ₹14.95 crore with time overrun of one to four years and balance 78 had not been completed ending March 2009. This was attributed to late release of funds by the EE.	Appropriate monitoring mechanism should be instituted to ensure that projects are completed on time within the approved budget and envisaged benefits are derived.	CE, I&FC Department Jammu stated that generally due to non-release of funds in time schemes are not completed within the stipulated period. Further, no funds have been received under AIBP during the last three years.	The practice of completing the schemes with time overrun had continued as out of fresh 345 completed schemes, 334 had been completed with time overrun of one to eight years.
Paragraph No. 1.3.9.3 (2008-09)			
Construction work of four out of 135 schemes was taken up without preliminary survey, geological investigation, forest clearance, etc. Non-fulfilment of pre-requisites led to non-development of canal section and consequently resulted in abandonment/ change of proposals. Construction of Buzzla Khul:- After incurring expenditure of ₹0.50 crore the work was abandoned due to development of sliding zone since February 2005.	The schemes should be taken up in a planned manner after fulfilling all the pre-requisites. Efforts need to be made to utilize the potential created to the maximum level.	EE, ID Doda stated that the work of Buzzla khul was stopped due to development of a sliding zone after initial expenditure to save the Government money. However schemes stand transferred to Hydraulic division Ramban.	The work of Buzzla khul was stopped due to development of a sliding zone. EE, ID Doda stated that scheme stand transferred to Hydraulic division Ramban. But the EE, Hydraulic division Ramban stated that the khul has not been transferred to them and latest status could not be ascertained.
Construction of Pranoo Khul:- ₹0.38 crore was incurred and head works of khul had been damaged since 2006-07 and the work was held up for want of forest clearance.		EE, ID Doda stated that road construction and widening had created hurdles in the restoration of damaged portions.	Pranoo khul had been damaged due to continuous sliding at different spots from the head works. No action has been taken by the division to restore the damage portion of the khul.

Audit findings made in earlier Report	Recommendation made	Current status as informed by department	Audit findings/ comment
Paragraph No. 3.4.10.5 (2007-08)			
55 schemes were taken up for execution without Administrative Approval/ Technical Sanction (AA/ TS) and expenditure of ₹23.75 crore incurred by four divisions.	–	CE, I&FC Department Jammu stated the schemes approved under AIBP stand cleared by respective State Technical Advisory Committee meetings. Besides, schemes other than AIBP are to be administratively approved by respective Superintending Engineers or by the office under whose competency the scheme falls.	The irregular expenditure of ₹23.75 crore made against 55 schemes and ₹11.39 crore against 12 schemes by the EEs had not been regularized. Further, 92 schemes involving an expenditure of ₹128.47 crore were executed during April 2008 to March 2016 without AA/TS.
Paragraph No. 1.3.8.4 (2008-09)	Perspective Plan needs to be formulated and guidelines approved under AIBP should be adhered to. Only approved schemes should be taken up for execution.		
12 schemes were taken up without AA/ TS and ₹11.39 crore incurred on their execution.			
Paragraph No. 1.3.9.4 (2008-09)			
Out of 39 completed schemes, Cost Benefit Ratio (CBR) achieved in respect of 16 minor irrigation schemes was less than 1. Against the cultivable command area of 5041.10 hectares, the irrigation potential utilized was 1232.40 hectares (24 *per cent*) during 2008-09.	The schemes should be taken up in a planned manner after fulfilling all the pre-requisites. Efforts need to be made to utilize the potential created to the maximum level.	CE, I&FC Department Kashmir stated that the CBR as per the DPR will be achieved in full after the Command Area Development activities are completed and full IP utilized. EE, ID Poonch stated that no CBR has been calculated after completion of the schemes.	No CBR had been calculated after completion of the schemes.
Paragraph No. 1.3.8.5 (2008-09)			
₹2.48 crore were diverted/ utilized unauthorisedly by seven divisions during 2003-09 on unapproved activities/ items likes construction of motorable bridge, silt clearance, labour payment of other *khuls*, petrol, oil and lubricants (POL), furniture, purchase of photocopier machines, levelling equipment, renovation works, purchase of excavator, construction of tanks, CGI roofing, construction of Shah *Khul*.	Adequate funds should be provided and released on a timely basis for approved items of work, diversion of funds to unauthorized activities should be strictly avoided.	EE, ID Doda, Poonch and Kathua stated that meager funds were provided under 'Office Expenses' and expenditure incurred on POL out of schemes funds was for inspection of the schemes. EE, ID II Jammu stated that funds were diverted with the intention that same shall be written back to AIBP funds after availability of funds. EE, ID Tangmarg stated that regularization of diverted funds shall be communicated to audit as and when received.	Diverted funds were not regularized by the competent authority. Additionally, ₹0.46 crore were diverted/ utilized during 2009-10 to 2015-16 on unapproved activities/ items like labour payment, silt clearance and POL.

B. Partial implementation

Audit findings made in earlier report	Recommendation made	Current status as informed by department	Audit findings/ comment
Paragraph No 3.4.10.1 (2007-08)			
Against the envisaged cultivable command area (CCA) of 30,318 acres, only 21,548 acres was created and 14,619 acres (68 *per cent*) was being utilized in respect of 51 (Jammu: 34; Kashmir: 17) out of total 93 LISs completed up to 2002-03. 100 *per cent* irrigation potential created was being utilized in six schemes. In 11 schemes IP utilised was less than 25 *per cent*, in 18 schemes the utilization ranged between 25 and 50 *per cent*. In remaining 16 schemes it was above 50 *per cent*. This was due to low voltage of electricity, shortage of revenue staff and rapid urbanisation. Out of 12 schemes completed during 2003-08, against the IP of 3,174 hectares created in 04 schemes, the utilization was 612 hectares (19 *per cent).* LIS Lethpora, though completed, could not cater to the envisaged area due to non-completion of main/ subsidiaries canals. Similarly, under utilisation of LIS Manda-II was because scheme was in its initial stage of functioning. Reasons for underutilization in respect of the other two schemes were not stated to audit.	Immediate action should be taken to utilize the created irrigation potential.	EEs stated that efforts would be made to utilize the potential created in full. EE, ID Kathua stated that necessary instructions had been issued to the concerned staff. EE, ID Rajouri stated that non-release of funds under AIBP resulted in shortfall in achievement of IP. The position of LIS Lethpora had improved as against creation of IP of 2,946 hectares, department had utilised 2,198 hectares. Similarly IP created under LIS Manda-II was 21 hectares ending March 2016.	The practice continues as against ultimate potential of 16,104 hectares, only 6,451 hectares had been created and 2,421 hectares utilized during April 2008 to March 2016 in 52 completed schemes (Jammu: 38; Kashmir: 14).
Paragraph No. 1.3.9.2 (2008-09)			
Out of 96 minor irrigation schemes completed (out of 360) during review period, against ultimate IP of 25,059 hectares, only 20,298 hectares (81 *per cent*) was created. 39 schemes showed that IP utilized was only 2,403 hectares against the IP created of 4,617 hectares. Against 07 completed schemes, against the IP created of 2,658 hectares only 730 hectares was utilized.	Immediate action should be taken to utilize the created irrigation potential.	EE, Dharmari stated that shortfall in utilization was due to depletion of sources. Neither CE nor EE had replied and only data was furnished by the CE.	The gap between IP created and utilized in respect of these 142 schemes still persists. Moreover, in 345 schemes completed ending March 2016 (including previous schemes) IP created was 84,654 hectares ending March 2016 against which only 62,748 hectares has been utilized which resulted in shortfall of 21,906 hectares.

Audit findings made in earlier report	**Recommendation made**	**Current status as informed by department**	**Audit findings/ comment**
Underutilized schemes Nalla Khul:- Envisaged IP:-30 hectares, IP created:- 30 hectares. IP utilized Nil, Khul from section 490 metres (RD 750 M-1140 M and 1790-1890 M) remained incomplete due to land disputes.	Immediate action should be taken to utilize the created irrigation potential.	The EE ID Nowshera stated that after hectic efforts and persuasion by the department, land owners agreed to allow the department to go ahead for execution of work. Hence the scheme was completed.	The Nalla Khul was shown completed in July 2010 with ultimate IP 30 hectares. Against the creation of IP of 30 hectares, only 10 hectares was utilized.
Janiar Bowli Khul:- Envisaged IP:- 170 hectares Created IP:- 170 hectares IP actually utilized 2 hectares, and damages at head work site were not allowed to be restored by the local residents who apprehended damages to their fields.	Immediate action should be taken to utilize the created irrigation potential.	EE, ID Poonch stated that scheme has been closed.	The Janiar Bowli *khul* scheme has been closed and a new project with envisaged irrigation potential of 80 hectares initiated at an estimated cost of ₹111.72 lakh. IP created 24 hectares and utilized 1.2 hectares after incurring expenditure of ₹40.22 lakh, ending March 2016.
Boila Khul:- Envisaged IP:- 48 hectares, Created IP was 48 hectares but actually utilized 3 hectares. Khul section passing through residential area was not allowed by the residents for construction of distributory of the khul.	Immediate action should be taken to utilize the created irrigation potential.	EE, ID Poonch stated that scheme has been closed.	Further development in the matter was not made available and the status in the progress report was also not reflected.
Raitla Khul:- Envisaged IP:- 52 hectares, IP created 52 hectares but utilization was Nil. Some work of the khul not completed due to local dispute and was planned for completion during 2009-10.	Immediate action should be taken to utilize the created irrigation potential.	No reply was furnished by the Division.	After completion of Raitla Khul, the scheme was taken up for improvement in 2014-15 at an estimated cost of ₹5 lakh and after expenditure of ₹1.17 lakh (March 2016) out of created IP of 52 hectares, utilization was 29 hectares ending March 2016.
Karthai Khul:- Envisaged IP:- 156 hectares. IP created 156 hectares but utilization was Nil. The khul was damaged due to flash floods at different RDs which were not restored due to non-availability of funds.	Utilizing potential created to the maximum level.	EE Hydraulic Division Kishtwar stated that Karthai khul had been completed and irrigation potential created was 14 hectares and utilized 14 hectares.	The Khul has been restored but with a reduced IP of 14 hectares which is being utilized.

Audit findings made in earlier report	**Recommendation made**	**Current status as informed by department**	**Audit findings/ comment**
Paragraph No. 3.4.10.2 (2007-08)			
Seven LISs namely Awneera, Lalyal, Saidgarh, Sohanjana, Kothey Saini, Jathana and Gurah Pattan due for completion between 2000-01 to 2006-07 had not been completed due to dispute over land/ link alignment, insufficient water source, non-completion of civil works, non-procurement/ installation of machinery and inadequate fund and, thus, resulted in unfruitful expenditure of ₹4.27 crore besides non-provision of irrigation facilities to 2,128 acres of land.	Steps should be taken to complete all the ongoing lift irrigation schemes in a time bound manner.	EEs stated that all schemes except Awneera (ID Shopian), Lalyal (ID I Jammu), Saidgarh and Kothey Saini (ID II Jammu) have been completed and are functional.	No action was taken by the department to complete LISs Awneera, Lalyal, Saidgarh and Kothey Saini and make them functional even after making an expenditure of ₹224.64 lakh on their execution against the estimated cost of ₹398.07 lakh.
Paragraph No. 3.4.10.3 (2007-08)			
Time and cost overrun in respect of 19 LISs namely Lethpora, Palpora, Chung, Manda-II, Ismailpur, Akalpur, Seri Palai, Awneera, Lalyal, Saidgarh, Sohanjana, Kothey Saini, Jethana, Gurah Pattan, Tral, Rafiabad, Rajpora, Rakhi Momin and Nikowal ranging between one to 31 years and cost overrun ranged up to ₹33.86 crore.	Steps should be taken to complete all the ongoing lift irrigation schemes in a time bound manner.	EEs concerned stated that all schemes except Awneera, Lalyal, Tral, Rajpura, and Saidgarh have been completed and made functional.	All schemes except Awneera, Lalyal Tral, Rajpora, and Saidgarh have been completed.
LIS Siot (Nowshera) was converted to gravity scheme after incurring ₹80.22 lakh. The said scheme made functional in 2003, could not provide dependable irrigation to the farmers due to leakages in the canal due to which, IP of only 438 hectares was created against envisaged CCA of 1,163 acres. The department had not incorporated the degraded components in the project report of the scheme formulated for conversion. When the work of conversion was in hand, the pumping unit of the scheme was replaced (February 2003) at a cost of ₹25.29 lakh which functioned only for eight months and thereafter remained idle due to said conversion. The pumping machinery had not been dismantled as of February 2008. It was stated that the idle pumping machinery could not be retrieved as the same could be utilized in case of failure of gravity scheme however, the pumping machinery could have been gainfully utilized elsewhere.	Works should be executed in a planned manner to avoid wastage of resources.	EE, MID Akhnoor/ Nowshera stated that machinery which was lying idle since last 12 years at LIS Siot was proposed to be utilized at LIS Dabbar Potha and Thandapani. But parametres of this machinery did not match with the requirement at LIS Dabbar Potha and LIS Thandapani due to which it is not feasible to shift the machinery to these stations. Moreover, locals of the area did not allow shifting of machinery to other stations/ store. EE, ID Rajouri had also intimated that in nearby future the pumping station shall be made functional.	The department had not made any efforts to overcome the deficiency and scheme was still incomplete and non-functional.

Audit findings made in earlier report	**Recommendation made**	**Current status as informed by department**	**Audit findings/ comment**
LIS Bardoh was taken up (1999-2000) at an estimated cost of ₹2.53 crore to provide irrigation to 1,055 acres of land by March 2003. The scheme envisaged an increase of 25,112 quintals in agricultural produce. Scheme remained in-complete, as contractor to whom the work was allotted abandoned the work (December 2007) after incurring expenditure of ₹2.38 crore on procurement and part construction of civil work. No action was taken to re-allot the balance works and machinery purchased could not be installed (January 2008).	Works should be executed in a planned manner to avoid wastage of resources.	The department stated that scheme was complete and functional although some minor repairs are needed.	Full details of the scheme were not made available to audit for scrutiny.
LIS Aijpur Trewa was taken up (2003-04) at an estimated cost of ₹2.55 crore to create 1,400 acres of IP with an envisaged increase in agricultural produce by 47,345 quintals. The scheme remained in-complete due to non-installation of machinery because of dispute with the contractor regarding the standard of civil work carried out by him after incurring ₹24.08 lakh out of the total release of ₹54 lakh and remaining balance of ₹29.92 lakh had been kept in civil deposits.	Monitoring and internal control mechanism should be strengthened for effective implementation of the scheme and accountability should be fixed at various levels for timely completion of schemes.	EE, ID-II, Jammu stated that LIS is still incomplete and fresh project costing ₹424 lakh had been submitted to Government for approval.	No serious efforts were taken by the department to resolve the dispute and scheme had been left half way. However, fresh project had been submitted to the Government.
Paragraph No. 1.3.9.6 (2008-09)			
Out of 240 tube wells in Jammu province for providing irrigation facilities, only 77 *per cent* remained functional on an average during 2004-09. Against 9,126 hectares IP created, only 3,708 hectares was utilized. As per reply furnished by the division against requirement of 960 operational staff only 242 operators were posted.	The scheme should be taken up in a planned manner after fulfilling all the pre-requisites. Efforts need to be made to utilize the potential created to the maximum level.	Reply not furnished by the Department.	Out of 347 (including 240 ending March 2009) tube wells, only 309 are functional and the remaining 38 tube wells are non- functional. Against created IP of 12,544 hectares, only 7,606 hectares had been utilized resulting in shortfall of 4,938 hectares (39 *per cent*).

C. Full implementation

Audit reviewed the records maintained in the office of the CE, I&FC Department Kashmir as well as Jammu in 17 out of 50 divisions in the State with regard to LISs and/ implementation of irrigation schemes for the period 2007-08 to 2015-16. Audit observed that none of the recommendations had been implemented fully by the Department even after a lapse of eight years.

3.14.4 Conclusion

The extent of implementation of the accepted audit observations by the Government was nil, 42 *per cent* for those partially implemented and 58 *per cent* for those not implemented as on March 2016. No Perspective Plan had been prepared and schemes were selected after formulation of DPRs. Time over-run of one to four years (2008-09) had increased to one to eight years. 92 schemes involving an expenditure of ₹128.47 crore were executed during April 2008 to March 2016 in anticipation of administrative approvals/ technical sanctions which amounted to by-passing of an essential measure of administrative and technical control.

The matter was referred to the Government in September 2016. Their response was awaited (December 2016).

Labour and Employment Department

3.15 Unjustified release of funds despite existing stay orders of Court

Release of funds for works on land after Courts had stayed the works and the matter was sub judice lacked justification and only resulted in funds of ₹2.50 crore being utilised for procurement of materials that would now either remain unutilised or be diverted for works other than that for which they were intended.

In order to accommodate offices of Director and Joint Director at a single place, the Jammu Development Authority (JDA), on request (January 2011) of Labour and Employment Department, identified (January 2011) two *kanals* land at village Deeli Trikuta Nagar (Jammu) for construction of office of Director Employment. An amount of ₹1 crore was paid (January 2011) to JDA for the identified land and lease deed was signed in July 2011. The Executive Engineer (EE) Public Works Department (PWD) Roads and Buildings (R&B) Construction Division-I Jammu (executing agency) prepared (March 2011) a Detailed Project Report (DPR) for an estimated cost of ₹2.56 crore subsequently revised (December 2012) to ₹6.74 crore.

In the meantime, the Hon'ble High Court issued (February 2011) stay order for construction on the identified land. Without taking cognizance of the order, the department released (March 2011) ₹0.50 crore and allotted (April 2012) the construction work to a contractor for completion within 12 months. The work could not be commenced in view of the stay order of the Hon'ble Court. Nevertheless, the department again released (November 2011) ₹1 crore to the executing agency who utilized the whole amount of ₹1.50 crore on procurement of construction material.

Similarly, land was provided by JDA at village Paloura Jammu against payment of ₹0.60 crore (March 2011) for construction of District Employment and Counselling Centre (DECC) at an estimated cost of ₹1.26 crore framed by EE, (PWD) R&B Construction Division-II Jammu. The Department released

₹1.26 crore between December 2010 and September 2011 but the work could not be started due to court stay obtained (August 2012) by locals of the area. However, despite the stay order, the department again released (March 2015) ₹1 crore to the executing agency. The executing agencies had utilized the amount of ₹2.50 crore released after stay orders on procurement of material resulting in its blockade.

The Government stated (September 2016) that the Employment Department was not arrayed as a respondent in the Court case and could not be held responsible for any delay in allotment of land by the JDA. It added that some inhabitants had obtained stay order from the Hon'ble Court and stopped construction of work as such the Department could not be blamed for ill planning.

Audit observed that release of funds even after stay orders granted by Court and while the matter was sub judice lacked justification and only resulted in funds of ₹2.50 crore being utilised for procurement of materials that would now either remain unutilised or be diverted for works other than that for which they were released.

Law, Justice and Parliamentary Affairs Department

3.16 Modernization of Judicial Infrastructure

The physical condition of 64 *per cent* court buildings was either poor or very poor and 20 *per cent* courts were functioning either from private buildings or buildings of other departments. Utilization of GoI funds declined from 78 *per cent* (2011-12) to 35 *per cent* (2014-15) except in 2015-16 and the State share of ₹3.36 crore lapsed during the period 2011-16 due to non-utilization. Due to delay in release of funds by the State Government, there was cost overrun of ₹9.73 crore besides time overrun of over six years in the construction of Lawyers Chambers at High Court complexes of Jammu and Srinagar. An expenditure of ₹157.37 crore was incurred on 10 works in respect of which building permission had not been sought from the concerned authorities. Non-utilisation of available IT infrastructure in 48 courts defeated the objective of establishment of e-courts while ₹31.17 lakh spent on video conferencing facilities was rendered unfruitful.

3.16.1 Introduction

Judicial infrastructure including availability of buildings, libraries, Information Technology (IT) systems is a crucial component for improvement of justice delivery in courts. In the State of Jammu and Kashmir, modernization of infrastructure facilities are carried out under various schemes like Development of Infrastructural Facilities for Judiciary (DIFJ) which is a Centrally Sponsored Scheme (CSS), State Sector Infrastructure Projects (SSIP) and e-Courts Mission Mode Project (CMMP). The Department of Law, Justice and Parliamentary Affairs is the administrative department for the High Court and subordinate judiciary.

An audit review was undertaken of Modernization of Judicial Infrastructure in the State which was conducted between February 2016 and May 2016 by test-check of records of the administrative department, the Registrar General Jammu and Kashmir High Court and subordinate judiciary of seven districts (Jammu: 4[37]; Kashmir: 3[38]) covering the period 2011-12 to 2015-16.

3.16.2 Availability of Infrastructure

The position of infrastructure in test-checked 69 (Jammu: 39; Kashmir: 30) courts of seven districts out of 177 courts in the State is detailed in **Table-3.16.1** below.

Table-3.16.1: Position of available infrastructure

Particulars	Number	Percentage
Number of courts test checked	69	39
Physical condition of the court buildings		
(a) Poor	37	54
(b) Very Poor	07	10
(c) Good	18	26
(d) Very Good	07	10
Courts housed in private and of other department's buildings	14	20
Non-availability of computer server room	24	35
Non-availability of internet	51	74
Non-availability of Judicial Service Centre	33	48
Non-availability of air conditioner in server room	46	67
Non- availability of Case Information System (CIS)	34	49
CIS installed but not in use	08	12
Non-availability of Library	16	23
Non-availability of separate toilet for men and women	64	93
Non-availability of computer trained man power	52	75
Non-availability of facility of digital signature	69	100

Audit observed that despite availability of resources under DIFJ and CMMP, there remained critical gaps in infrastructure as well as computerisation of records in courts. About 20 *per cent* courts were functioning either from private buildings or buildings of other departments and the physical condition of 64 *per cent* court buildings was either poor or very poor. The facility of computer trained human resource and full internet facilities had not been provided in 75 and 74 *per cent* courts respectively. Further, 93 *per cent* courts lacked basic requirement of separate toilets for men and women and 23 *per cent* did not have library facilities.

3.16.3 Planning

The Five Years Plan is considered as the Perspective Plan (PP) and it forms the basis for execution of various activities. Annual Action Plans (AAPs) are to be

[37] Rajouri, Kathua, Doda and Reasi
[38] Baramulla, Kupwara and Anantnag

prepared from the PP and works prioritized for completion within the specified time period. Audit observed that no PP had been prepared by the department.

The position of the projects identified, taken up and completed during the period 2011-16 is given in **Table-3.16.2** below.

Table-3.16.2: Position of Projects identified, taken up and completed

Year	No. of projects identified	No. of projects sanctioned by the Government	No. of projects taken up for execution	No. of projects completed	No. of projects in progress
2011-12	8	4	3	1	2
2012-13	8	5	5	2	3
2013-14	13	6	5	1	4
2014-15	18	3	3	1	2
2015-16	26	2	2	-	2
Total	**73**	**20**	**18**	**5**	**13**

As brought out above, 20 projects were sanctioned by the Government during 2011-16 against identified 73 projects. Of these 20 projects, 18 were taken up for execution. Out of eight due for completion between March 2015 and March 2016, only three had been completed. Two works not due for completion were completed ahead of schedule. The progress of 53 projects was uncertain as they faced various impediments including delay in sanction by the Government (23 projects) and delay in completion of procedural formalities by the judicial authorities (19 projects). Lack of a PP resulted in identification of projects on random basis without any prioritisation.

The Government stated (August 2016) that based on inputs received from the High Court of Jammu and Kashmir, a draft 12th Five Year Plan (2012-17) had been prepared for ₹256.17 crore and forwarded to the Planning Department for approval.

3.16.4 Development of Infrastructural Facilities for Judiciary

The scheme aims at improving the physical infrastructure requirements of the courts as also the housing needs of judicial officers to facilitate better justice delivery. Repair and Maintenance cost of the court buildings/ residential quarters was to be met by the State Governments from its own resources.

3.16.4.1 Financial Management

The allocation under the scheme was equally shared by the Government of India (GoI) and State Government upto 2010-11. Thereafter, funding pattern was revised to 75:25 (Centre: State) after the scheme was modified as a programme under the National Mission for Justice Delivery and Legal Reforms. The fund sharing pattern was again revised to 90:10 (Centre: State) from 2015-16. The position of funds received and expenditure incurred during the period 2011-16 is given in **Table-3.16.3** below.

Table-3.16.3: Details of Funds received and expenditure incurred

(₹ in crore)

Year	Government of India Opening balance	Funds received		Expenditure		Closing balance Government of India (Percentage Utilisation)	Lapsed State share
		GoI	State share	GoI	State share		
2011-12	1.50	10.35	9.21	9.26	8.76	2.59 (78)	0.45
2012-13	2.59	25.72	4.22	20.41	3.88	7.90 (72)	0.34
2013-14	7.90	34.28	11.02	23.35	10.72	18.83 (55)	0.30
2014-15	18.83	34.29	12.80	18.83	10.55	34.29 (35)	2.25
2015-16	34.29	13.25	6.65	45.38	6.63	2.16 (95)	0.02

The percentage utilization of GoI funds declined from 78 *per cent* in 2011-12 to 35 *per cent* in 2014-15 except in 2015-16 when it was about 95 *per cent.* However, the State share of ₹3.36 crore lapsed during the period 2011-16 due to non-utilization.

The Government stated (August 2016) that percentage utilization of funds provided by GoI had declined during 2014-15 as ₹34.29 crore released by GoI was actually released by the Finance Department on 31 March 2015. Under-utilization of funds was also attributed to delay in acquisition of land and weather conditions in the State.

3.16.4.2 Delay in release of funds

Funds of ₹117.89 crore were released by GoI during 2011-16 to Finance Department under the scheme. The Finance Department released these funds to Department of Law, Justice and Parliamentary Affairs after a delay of 12 to 131 days[39] who, in turn, released ₹109.94 crore to the executing agencies after delay of one to 265 days. There was also delay of two to 211 days in release of matching share of ₹26.80 crore out of ₹43.90 crore by the administrative department to the executing agencies. The delays contributed to non-completion of projects in time. The position of delay in release of funds is depicted in **Table-3.16.4** below.

Table-3.16.4: Delay in release of funds

(₹ in crore)

Year	Finance Department			Administrative Department					
				Central share			Matching State Share		
	Range of delay (Days)	No. of releases	Amount	Range of delay (Days)	No. of releases	Amount	Range of delay (Days)	No. of releases	Amount
2011-12	39-131	2	10.35	1	1	1.40	37-100	7	9.06
2012-13	19-26	2	25.72	7-174	12	21.11	18-174	3	2.62
2013-14	16	1	34.28	38-172	16	23.38	15-105	6	5.25
2014-15	37	1	34.29	30-265	4	16.51	2-211	5	4.64
2015-16	12	1	13.25	1-69	4	47.54	17-29	2	5.23
Total	**12-131**	**7**	**117.89**	**1-265**	**37**	**109.94**	**2-211**	**23**	**26.80**

[39] Delay has been calculated on the basis of releasing funds after seven days by Finance Department and 15 days by Administrative Department

The Government attributed (August 2016) the delay in release of funds to non-receipt of Utilization Certificates (UCs) and late receipt of funds from Finance and Planning and Development Department.

3.16.4.3 Casual approach of various agencies resulted in non-completion of projects

Six works taken up under DIFJ between July 2006 and March 2011 to be completed within a period of two to three years. Of these, four works valued at ₹69.43 crore were incomplete as of March 2016. Delay in completion of the works led to escalation of costs of ₹93.47 crore in three works from ₹58.91 crore to ₹152.38 crore. The delay in execution was due to delays in accord of approvals and in identification and acquisition of land as well as in changes in scope that were indicative of poor planning and conceptualization of projects as detailed in **Table-3.16.5** below.

Table-3.16.5: Details of incomplete projects

(₹ in crore)

S. No.	Name of the work	Estimated cost	Expenditure ending March 2016	Date of start	Date of completion	Actual date of completion	Remarks
1.	Construction of District Court Complex, Udhampur	2.76 (O) 14.69 (R)	9.01	March 2010	September 2012	In progress	Due to delay in accord of AA, faulty project report, increase in plinth area and slow execution of works led to delay in completion of the work by four years.
2.	Construction of District Court Complex, Doda	2.12 (O) 17.41 (R)	3.11	July 2006	July 2008	In progress	Delay in identification and acquisition of land by the user agency and increase in plinth area resulted in delay in completion of the project by eight years.
3.	Construction of District Court Complex, Srinagar	54.03 (O) 120.28 (R)	98.33	January 2007	January 2009	In progress	Insufficient funds, non-conducting of detailed soil investigation, increase in built up area, change in design of the electrical system resulted in delay in completion of Phase-I by eight years and cost overrun of ₹44.27 crore.
4.	Construction of District Court Complex, Pulwama	10.52	9.40	March 2011	March 2013	In progress	The project was conceived in 2010. However, due to delay in identification and acquisition of land by 3 years, the AA was accorded in December 2013. Further, incorporation of additional items at the later stage resulted in delay in completion of the project.

The Government stated (August 2016) that delay in respect of district court complexes of Udhampur and Doda was due to incorporation of additional items in the DPRs and in respect of the latter it was also due to change of site. Delay in construction of district court complex Srinagar was attributed to resource position of the State Government and non-release of Central share by the GoI for four years. It added that the court building in the district court complex of Pulwama was nearing completion and that construction of residential quarter for judicial officers would be initiated shortly.

3.16.4.4 Monitoring

The scheme guidelines envisage setting up a State Level Monitoring Committee (SLMC) under the Chairmanship of Chief Secretary or the Planning Secretary of the State Government having Registrar High Court, Law Secretary and CE, PWD (R&B) as members. Further, a District Level Monitoring Committee (DLMC) comprising District Magistrate, District Judge or equivalent, Executive Engineer (Public Works Department) was also required to be set up who were required to submit separate quarterly reports to the SLMC. The SLMC and DLMCs were constituted (August 2010) but no monitoring reports were available either with the Administrative Department or High Court of Jammu and Kashmir.

The Government stated (August 2016) that the monitoring of the Projects was conducted through review meetings by analysing the physical and financial progress reports submitted by the Executing Agencies and that no separate monitoring reports were available.

3.16.5 State Sector Infrastructure Projects

Under the State sector, work of construction of lawyers chambers and repair and renovation of court and residential buildings were to be executed. Funds under the scheme were released by the Planning and Development Department. The work of construction of lawyers chambers at High Court complex Jammu as well as at Srinagar were taken up by the Jammu and Kashmir Projects Construction Corporation (JKPCC).

The details of funds allotted and expenditure incurred during 2011-16 was as under:

Table-3.16.6: Year-wise Allotment and Expenditure

(₹ in crore)

Year	Allotment	Expenditure
2011-12	3.13	3.13
2012-13	12.71	12.71
2013-14	5.48	5.48
2014-15	3.70	3.70
2015-16	9.65	9.45

In anticipation of Administrative Approval (AA), the work on construction of 219 Lawyers Chambers at High Court Complex Jammu and 112 Lawyers Chambers at High Court Complex Srinagar was started during the year 2005-06 and 2006-07 with a token contribution of ₹1 crore each. The AA was accorded in February 2012 for ₹10.17 crore and ₹5.88 crore respectively for completion in two years which was subsequently revised (July 2015 and March 2016) to ₹18.41 crore and ₹9.44 crore respectively due to escalation in costs of construction material. The works were completed and the assets were handed over to the user agency in

March 2016 and April 2015 after incurring a total expenditure of ₹25.78 crore on the two projects. Thus, delay in release of funds by the State Government resulted in overall cost overrun of ₹9.73 crore besides time overrun of upto eight years.

The Government stated (August 2016) that the projects took more time due to limited resource position of the State Government.

3.16.6 eCourts Mission Mode Project

The eCourts Mission Mode Project is a National eGovernance Project (NeGP) approved (February 2007) by the GoI for Information and Communication Technology (ICT) enablement of district/ subordinate courts. The objective of the project was to provide designated services to litigants, lawyers and the judiciary by providing hardware, application software and connectivity for ICT enablement of courts and video conferencing facility between court and prison through three phases. Under Phase-1, 48 courts of seven districts were identified and the position of availability of hardware in these courts is given in **Table-3.16.7** below.

Table-3.16.7: Position of available hardware

S. No	Particulars	Number
1.	Computers	204
2.	Scanners	22
3.	Laser jet Printers	46
4.	Dot Matrix Printers	49
5.	UPS	80
6.	Projectors	07
7.	USB Hard Disk Drive	16
8.	Servers	15

Audit observed that the available hardware had not been fully utilized for filing of cases and issue of judgements as depicted in the **Table-3.16.8** below.

Table-3.16.8: Utilisation of available hardware

Particulars	Exclusively Computerised	Exclusively Manual	Partially Computerised
Filing of cases	5	25	18
Caveat checking of cases	Nil	44	4
Issue of check slips	Nil	35	13
Preparation of summons	Nil	48	Nil
Update of daily orders	5	32	11
Preparation of cause list	13	28	7
Preparation of court diaries	Nil	40	8
Warrants and notice generation	Nil	47	1
Preparation of decree	Nil	48	Nil
Delivery of decree	Nil	48	Nil
Issue of judgement and orders	2	29	17

Registrar General of the High Court of Jammu and Kashmir, Srinagar stated (September 2016) that the district and subordinate courts did not have the regular technical manpower to man e-courts activities and many of the contractual workers had abandoned the job.

3.16.6.1 Video Conference facility between courts and prisons

In order to save expenditure and avoid unnecessary movement of police personnel and under trials, video conferencing was included as a component of the National Policy and Action Plan for Implementation of Information and Communication Technology in Indian Judiciary. Under the Mission Mode Project (MMP), video conferencing equipment for 14 Jails[40] and 12 District Court Complexes[41] were provided for during February 2015 and October 2015. The video conferencing equipment were, however, not used by the Prisons and District Courts either due to non-installation or non-availability of User ID and Password and internet connectivity as depicted in the **Table-3.16.9** below.

Table-3.16.9: Details showing availability of VC equipment *vis-à-vis* their installation

Particulars	Prisons	District Courts
No. of installations	14	12
Non-availability of VC equipment	Nil	Nil
Non-installation of VC equipment	7	2
Non-availability of user ID and Password	9	4
Non-availability of internet connectivity	10	10
Non-availability of separate room/ site	6	8
Non-use of VC equipment	14	12

Consequently, the expenditure of ₹31.17 lakh (Jails: ₹15.45 lakh; Courts: ₹15.72 lakh) incurred on purchase of video conferencing equipment proved unfruitful.

Registrar General of the High Court of Jammu and Kashmir, Srinagar stated (September 2016) that the equipment supplied to the courts and jails had remained unused because of absence of reliable internet connectivity at jails. It was also stated that internet connectivity had not been provided at jails though matter had been taken up with the State Government.

3.16.7 Construction of buildings in violation of Municipal Laws

Section 4 of the Jammu and Kashmir Control of Building Operation Act, 1988, envisages that no person shall undertake or carry out development of any structure in any municipal area, local area, town area, notified area or area notified under

[40] Central Jails Kotbhalwal and Srinagar, District Jails Jammu, Kishtwar, Kathua, Poonch, Rajouri, Udhampur, Anantnag, Baramulla, Kupwara, Leh and Sub Jails Hiranagar and Reasi

[41] District Courts Jammu, Kathua, Rajouri, Reasi, Kishtwar, Udhampur, Poonch, Srinagar, Anantnag, Kupwara, Baramulla and Leh

the Jammu and Kashmir State Town Planning Act 1963 except with the previous permission of the authority concerned. In order to facilitate implementation of this Act, the Building Operations Controlling Authority (BOCA) was established under Section 19 of the Act.

Audit scrutiny of 10 test-checked works revealed that neither building permission had been sought from the concerned authorities nor had provision of building fee kept in the Detailed Project Reports (DPRs). However, an expenditure of ₹157.37 crore was incurred on these works ending March 2016. Out of 10 works, four works had been completed. Non-obtaining of requisite building permission from the concerned authorities may adversely impact the planned development of the concerned areas.

Registrar General of the High Court of Jammu and Kashmir, Srinagar stated (September 2016) that necessary instructions were being conveyed to the executing agencies to include provision for municipal permission fee while submitting the proposals to the High Court.

Power Development Department

3.17 Procurement in Power Development Department

There was no system in place for monitoring purchase/ issue of store/ stock and requisitions received from user divisions. Supply orders valued at ₹9.61 crore were placed without the mandatory Bank Guarantees that were meant to enforce due performance by the suppliers. The objective of centralized purchase of stores was not achieved fully as the user divisions had made direct purchase of stores of ₹89.51 crore. Further, lack of synchronisation of activities with funds available resulted in expenditure of ₹5.23 crore being rendered unfruitful.

3.17.1 Introduction

The Power Development Department (PDD) was responsible for generation, transmission and distribution of electricity in the State of Jammu and Kashmir prior to 1995. Thereafter, the Jammu and Kashmir Power Development Corporation (JKPDC), a fully owned Government Company established 1995, was entrusted with operation and maintenance of existing generating stations and setting up of future generating stations whereas transmission and distribution of electricity continued to be looked after by the PDD. The procurement and supply of material and equipment in PDD is made by the Procurement and Material Management (P&MM) wing of the department headed by a Chief Engineer (CE).

Principal Secretary PDD, assisted by Development Commissioner (DC) Power, CE P&MM, two Superintending Engineers (SEs) Electric Purchase Circles (Jammu and Srinagar), two Executive Engineers (EEs) Electric Central Store Division (ECSD), Jammu and Srinagar is responsible for running the affairs of the Department.

An audit review of procurement in the PDD was conducted between November 2015 and April 2016 by test-check of records of the CE P&MM wing, two SEs Electric Purchase Circles (Jammu and Srinagar), two ECSDs (Jammu and Srinagar) and 15[42] (Jammu: Seven, Kashmir: Eight) user divisions covering the period 2011-12 to 2015-16.

3.17.2 Financial management

The position of funds received for procurement and expenditure incurred during the period 2011-12 to 2015-16 is given in **Table-3.17.1** below.

Table-3.17.1: Details of Funds received and Expenditure incurred

(₹ in crore)

Year	Funds received (Plan)	Expenditure (Plan)	Percentage utilisation of funds
2011-12	60.00	60.00	100
2012-13	80.18	74.82	93
2013-14	60.00	38.21	64
2014-15	60.00	60.00	100
2015-16	45.00	45.00	100
Total	**305.18**	**278.03**	

In addition, ₹60.88 crore was placed with Procurement division by user-divisions and ₹1.50 crore was received under Corporate Social Responsibility (CSR).

Against allotment of ₹305.18 crore under procurement during 2011-12 to 2015-16, the department had spent ₹278.03 crore (91 *per cent*). An amount of ₹27.15 crore had been surrendered (March 2013 and March 2014) due to non-finalization of contracts and delay in inspection of material by third party.

3.17.3 Procurement system

As per Rule 8.1 of the Jammu and Kashmir Financial Code, the departments responsible for or concerned in large purchases should have detailed rules and instructions contained in their departmental regulations. The Central Vigilance Commission (CVC) guidelines also stipulate that there should be a departmental manual for procurement of material.

Audit noticed that department specific purchase manual for procurement of material was not in place. The department had procured material generally through four[43] Purchase Committees constituted in September 2007 and entrusted

[42] Jammu Province: Electric Maintenance and Rural Electrification (EM&RE) Division-II Jammu, Batote,Vijaypur, Rajouri, Sub-Transmission Division (STD)-I, STD-II and Transmission Line Maintenance Division (TLMD-III) Udhampur
Kashmir Province: EM&RE Division-III Srinagar, Ganderbal, Bijbehara, Handwara, Kulgam; STD Ganderbal, TLMD-II Pampore, TLMD-IV Pampore

[43] (1) State Level Purchase Committee-I for contracts above ₹100 lakh (2) State Level Purchase Committee-II for contracts up to ₹100 lakh (3) Circle Level Purchase Committee for finalizing purchases of material up to ₹10 lakh in each case with annual ceiling of ₹30 lakh, whenever, material is not available in Central Store of P&MM and urgently required and (4) Divisional Level Purchase Committee for finalizing of purchases of material up to ₹0.50 lakh in each case with annual ceiling of ₹10 lakh, whenever, material is not available in Central Store of P&MM and urgently required

with the responsibility of finalization of purchase contracts. There was no proper system of obtaining complete requisitions from user divisions indicating technical specifications of the stores required and requisitions were received in an *ad hoc* or random manner. The Department had not fixed the minimum and re-ordering levels of the stores items in the quantitative terms for efficient inventory control.

3.17.4 Deficiencies in NITs and supply orders

3.17.4.1 Not obtaining performance guarantee and security deposit

The Standard Bidding Document (SBD) requires tenderers/ suppliers to furnish a performance guarantee equal to five *per cent* of the contract value in the form of Cash Deposit Receipt (CDR)/ Fixed Deposit Receipt (FDR)/ Bank Guarantee (BG) from a nationalized bank. Audit found that in 162 test-checked supply orders issued by CE, P&MM during January 2014 to July 2015 the department had accepted performance guarantee for ₹3.28 crore counter-signed by General Managers of District Industries Centres. These guarantees stipulated that the supplier would furnish an irrevocable bank guarantee in favour of the Government. However, no such irrevocable BG was furnished by the suppliers which was violation of the legal agreement of performance guarantee and rendered it ineffective.

Further, the department placed 41 supply orders for purchase of PCC poles valuing ₹6.33 crore (December 2013). As per decision taken by the Purchase Committee, performance guarantee and security deposit equal to 10 *per cent* of the value of the contract was to be obtained in the shape of CDR/FDR/BG and was to be released only after expiry of warranty period. Instead of obtaining CDR/FDR/BG from each supplier, the department obtained ₹5,000 as security deposit and five *per cent* performance guarantee counter-signed by the General Managers of District Industries Centres without an irrevocable BG.

Thus, supply orders valued at ₹9.61 crore were without the standard contractual safeguards against default in performance.

The CE stated (December 2016) that suppliers are now submitting Performance Guarantees in the shape of CDR/FDR/BGs.

3.17.4.2 Loss of ₹31.71 lakh due to non-recovery of penalty

CE, P&MM had cancelled (December 2010 to June 2014) supply orders for short supply of material[44] valuing ₹6.41 crore. Out of recoverable amount of ₹32.06 lakh from the suppliers as penalty imposed for short supply of materials, the department could recover only ₹0.35 lakh resulting in loss of ₹31.71 lakh.

The CE stated (December 2015) that penalty was recovered as per Industrial Policy. The reply is not acceptable as there was no such provision in the Industrial Policy

[44] ACSR conductors and Steel Tubular Poles

3.17.5 Bid evaluation and Contract system

3.17.5.1 Non-forfeiture of Earnest Money Deposit of ₹20 lakh

As per the SBD for electrical purchases, Earnest Money Deposit (EMD) in the form of CDR/ FDR/ BG from any nationalised bank has to be obtained to establish the earnestness of the bidder so that the bidder does not withdraw, impair or modify the offer within the validity of the bid. Audit found that two bidders who had been declared (October 2011 and July 2014) successful for supply of items ACSR Dog and 33 KV outdoor Vacuum Circuit Breakers (VCB) did not subsequently accept (January 2012 and March 2015) the Letter of Intent (LoI) issued by the Department. However, the Department had not forfeited the EMDs of ₹20 lakh of the bidders.

The CE, (P&MM) stated (December 2015) that the Department had not made full payment to one supplier for earlier supplies and by forfeiting EMD the supplier would be punished twice. The reply is not tenable as non-forfeiture of EMDs defeated their very purpose and issues relating to other contracts had no bearing on decision to forfeit EMDs in case of default in another bid.

3.17.5.2 Extra payment of ₹15.11 lakh on procurement of Transformer Oil

SBD stipulated a requirement of Transformer Oil being of pour point minus 30 Degree Celsius. It was also stipulated that performance certificate for works executed during the last three years was to be furnished by the suppliers. Audit noticed the following:

(a) A contract for supply of 2,300[45] barrels of transformer oil was allotted (November 2014) by CE, P&MM to Firm 'A' at a cost of ₹5.57 crore. The firm selected had submitted a performance report regarding completion of supply of material to the department which was 13 years old. The department ignored this fact while evaluating the technical and commercial bids.

(b) Since Jammu Division had moderate temperature, use of transformer oil of minus six Degree pour point was in vogue. Instead of pour point minus six Degree Celsius CE, P&MM placed supply order for 1,200 barrels of transformer oil of pour point of minus 30 Degree Celsius for Jammu division on the same Firm 'A' at an average rate of ₹112 per litre though user wings had procured the Transformer Oil of minus six Degree Celsius pour point from the same firm at the rate of ₹106 per litre. This resulted in extra expenditure of ₹15.11 lakh on procurement of transformer oil of pour point minus 30 Degree Celsius.

The SE, Electric Purchase Circe-I (Jammu) stated (January 2016) that the test sample had withstood the pour point of minus 42 Degree Celsius against the requirement of pour point of minus 30 Degree Celsius and higher specification was fixed keeping in view the heavy snow bound areas of the Kashmir valley. The reply was not convincing as for Jammu division the specification of minus 30 Degree Celsius was not required.

[45] Jammu: 1200; Srinagar: 1100

3.17.6 Procurement

3.17.6.1 Direct purchases by user divisions

The P&MM wing was established to enable centralized purchase of material and equipment required by user divisions so as to ensure economic and competitive rates. Direct purchases by the user divisions were to be resorted to only in the event of non-availability of material and equipment with the CE, P&MM.

Test-check showed that fifteen[46] (Jammu:7, Kashmir:8) user divisions had made direct purchase of stores valuing ₹89.51 crore (Jammu: ₹70.45 crore, Kashmir: ₹19.06 crore) during 2011-12 to 2015-16 without obtaining non-availability certificate from the P&MM wing thereby defeating the intended objective of ensuring centralized purchase of quality stores at economical rates.

CE, EM&RE Jammu stated (July 2016) that the division had been directed to avoid purchase of material from open market without obtaining non-availability certificate. It was also stated that in certain cases when the material was required at odd hours or holidays for immediate restoration of power supply it was being procured from open market/ SICOP after observing codal formalities.

3.17.6.2 Inclusion of inapplicable taxes and duties in payments to suppliers

The Department placed (November 2011 and March 2015) two LoI/ supply orders with two suppliers from outside the State at ex-works rates plus taxes and duties for supply of Dog Conductor and 66 KV CTs and PTs. Similar supply orders for ₹1.38 crore were placed (December 2011 and April 2015) with 11 local suppliers at the same rates which were paid to the suppliers from outside the State in spite of the fact that taxes and duties[47] were not applicable to them. This resulted in an extra payment of ₹5.32 lakh to the local suppliers.

CE, EM&RE Jammu stated (July 2016) that all the EEs had been directed to effect recoveries of enhanced rates including taxes and duties which were not applicable to local suppliers.

3.17.6.3 Delay in installation of transformers at Thalote and Rahian sub-stations resulted in unproductive expenditure of ₹5.23 crore

Construction of 66/11 KV 3.15 MVA sub-stations at Thalote and Rahian was approved (2000-2001) under the Composite Rural Electrification Scheme (REC) at an estimated cost of ₹2.70 crore. Due to non-availability of materials required for the sub-stations, the projects were revised to 66/11 KV 6.3 MVA and approved (February 2007) under Accelerated Power Development Reforms Programme (APDRP) at an estimated cost of ₹2.59 crore envisaging reduction of losses of 26.18 lakh units of power per year after their completion. However, the schemes

[46] EM&RE Jammu: Batote ₹5.86 crore, Division-II Jammu: ₹12.92 crore, Vijaypur: ₹11.21 crore, Rajouri: ₹23.23 crore, EM&RE Srinagar: Ganderbal: ₹1.27 crore, Bijbehara: ₹2.99 crore, Division-III Srinagar: ₹8.70 crore, Handwara: ₹1.51 crore, Kulgam: ₹0.88 crore; Sub-Transmission Division-I Jammu: ₹8.25 crore, STD-II Jammu: ₹4.05 crore, STD Ganderbal: ₹2.05 crore; TLMD-III Udhampur: ₹4.93 crore, TLMD-II Pampore: ₹1.13 crore, TLMD-IV Pampore: ₹0.53 crore.

[47] For promoting local industry the Government has provided local manufacturers exemptions from payment of VAT, Toll tax, entry tax, etc.

were again revised (October 2010) to 66/11 KV 10 MVA for a cost of ₹3.67 crore. However, the project could not be completed due to non-procurement of 10 MVA Transformers despite completion of allied works at a cost of ₹5.23 crore as of April 2016.

Scrutiny of records showed that the CE, EM&RE division, Jammu, in anticipation of accord of administrative approval, awarded (March 2015) the contract on turnkey basis for supply, construction, installation, testing and commissioning of two power transformers, one each for Rahian and Thalote, at a cost of ₹1.97 crore. The contract stipulated that job shall be taken up after sanction of the revised scheme. However, the revised scheme was not approved till date. In the meantime, in order to address the demand of general public the division temporarily installed two 5 MVA repaired power transformers (one at each station). Thus, due to failure of the department to install transformers in time, the power projects could not be commissioned which resulted in unproductive expenditure of ₹5.23 crore.

CE, EM&RE Jammu stated (July 2016) that allied works of the schemes had been completed and award of contract for construction of two 10 MVA power transformers at Rahian and Thalote had been placed on turnkey basis and would be installed as soon as the scheme was approved by the higher authorities.

3.17.7 Inventory control

The Jammu and Kashmir Financial Code envisages effective control over stock and store balances and of receipts and issues as well as reconciliation of balances at the close of each month with the priced store ledger (value accounts). Audit observed the following:

- Stock items recorded in the priced store ledgers during 2011-12 to 2015-16 had not been valued;
- A debit balance of ₹27.05 lakh was lying under 'Stock Suspense' up to February 2010 the status of which was not known to the department;
- Proforma accounts were not maintained to make adjustments of and to monitor profit and losses at the end of each year due to annual excess or shortfall representing the differences in values due to revision of rates;
- 160 items valuing ₹1.66 crore (Jammu: 60 items; ₹1.05 crore: Srinagar: 100 items; ₹0.61 crore) procured during 1981-82 to 2009-10 were not lifted by the user divisions (January 2015) resulting in locking up of investment of ₹1.66 crore and indicating lack of due diligence in assessing requirements before procurements;
- 133 store items[48] valuing ₹0.59 crore (Jammu: ₹0.54 crore: Srinagar: ₹0.05 crore) procured during 1984-85 to 2011-12 had completed their shelf life and were declared unserviceable. Action to write off the amount of these unserviceable articles was not done; and
- Stock balances ranging between ₹23.56 crore and ₹46.90 crore were lying in two ECS divisions (Jammu and Srinagar) during 2011-16 against stock

[48] Including six items in respect of which period and amount not indicated

reserve limit of ₹ 8 crore (₹4 crore each) resulting in holding excess stock of ₹25.33 crore as of March 2016.

3.17.8 Advances and Deposits

Audit observed the following:

- Miscellaneous Public Works Advances of ₹14.03 lakh pertaining to the period April 1982 to December 1993 were lying outstanding (November 2015) with firms/ contractors and individual officials in ECSD Jammu. Out of this, ₹11.66 lakh was outstanding against one agency since April 1982. The EE, ECSD Jammu stated (January 2016) that the adjustment accounts have not been received despite repeated requests and matter was being pursued for early submission of account.
- Deposits register of ECSD Jammu and ECSD Srinagar showed credit balance of ₹1.42 crore[49] which indicated that stores had not been lifted by the user Divisions. In the Stores division Jammu, ₹0.36 crore had been lying in deposits unclaimed by two firms and one government corporation since March 2006 to March 2008.
- ₹4.10 crore (Jammu: ₹2.31 crore, Srinagar: ₹1.79 crore) had been outstanding against 19 user divisions (Jammu: 13; Srinagar: 6) against the material issued since January 2003 to August 2014. Out of this, ₹0.38 crore had been lying outstanding against one[50] division since January 2003 to September 2006.
- ₹5.30 lakh lying with CE, P&MM on account of EMD for period exceeding three years had not been credited to Government account as unclaimed lapsed deposits. The CE stated (December 2015) that review of deposits would be conducted for crediting them to Government account as miscellaneous revenue.

The matter was referred to the Government in July 2016. Its reply was awaited (December 2016).

3.18 Non-levy of Supervision charges

Failure of the Department to levy supervision charges in accordance with extant rules for works being undertaken on behalf of other departments that are not financed from the Consolidated Fund resulted in loss of ₹1.12 crore in two Electric Divisions.

Rules 4 and 5 of Appendix 3 to the Jammu and Kashmir Public Works Account Code stipulate that works executed on behalf of any agency the charges of which are not financed out of the Consolidated Fund of the State are liable to be charged supervision charges at prescribed rates. Para 406 of the Code stipulates that the charges should be adjusted month by month as the works expenditure is incurred.

49 Jammu: ₹2.56 crore (March 2016); Srinagar: Minus ₹1.14 crore (March 2016)

50 EM&RE Division-III Jammu

Test-check of records of two Electric Divisions[51] brought out that these divisions had executed nine works valuing ₹13.26 crore for eight agencies. However, supervision charges amounting to ₹1.10 crore was not deducted and ₹0.02 crore was less deducted from the firms.

The Executive Engineer (EE), Sub Transmission Division (STD) Kalakote stated (December 2015) that matter would be taken up with the concerned agency to deposit the supervision charges while the EE, STD-II Srinagar stated (June 2015) that the supervision charges would be deducted during the current financial year.

Thus, failure of the department to comply with extant rules resulted in loss of ₹1.12 crore on account of non-levy of supervision charges for the works executed by two Electric Divisions for various agencies.

The matter was referred to the Government in May 2016. Its reply was awaited (December 2016).

Public Health Engineering Department

3.19 Manpower Management

Human resources development functions had not been streamlined despite creation of Human Resources Management wing in the department. Promotions were made in excess of notified posts and promotees continued to work beyond six months without regularization. There was no regularity in constitution of Departmental Promotion Committees, updating/ finalization of seniority lists and control on engagement of daily rated workers (DRWs)/ community participation workers (CPWs).

3.19.1 Introduction

The Public Health Engineering Department is entrusted with the responsibility of providing clean drinking water to urban and rural households, preserving the quality of water by institutionalizing water quality monitoring/ surveillance and improving and augmenting existing water supply schemes besides, their operation and maintenance.

Maintenance of data base and inventory of human resources and category-wise sanctioned and effective staff strength is important for effective deployment, utilization and monitoring of human resources in a department. A review on Manpower Management in the department was conducted between November 2015 and May 2016 by test-check of records of the administrative department, 2 CEs and 15 Executing divisions (Jammu: Eight; Kashmir: Seven) covering the period 2011-12 to 2015-16.

3.19.2 Sanctioned/ Effective Staff Strength

The position of sanctioned and effective strength of posts as on August 2015 of the department is shown in **Table-3.19.1** below.

[51] Sub Transmission Division-IV Kalakote, Sub Transmission Division-II Srinagar

Table-3.19.1: Details showing the position of sanctioned strength and effective strength

Province	Chief Engineers			Superintending Engineers			Executive Engineers			Assistant Executive Engineers			Assistant Engineers			Total		
	SS	PIP	+/ -	SS	PIP	+/ -	SS	PIP	+/ -	SS	PIP	+/ -	SS	PIP	+/ -	SS	PIP	+/ -
Jammu	1	1	Nil	5	5	Nil	22	24	+2	110	111	+1	171	168	-3	309	309	Nil
Kashmir	1	1	Nil	5	4	-1	23	21	-2	90	81	-9	147	91	-56	266	198	-68
Total	**2**	**2**	**Nil**	**10**	**9**	**-1**	**45**	**45**	**Nil**	**200**	**192**	**-8**	**318**	**259**	**-59**	**575**	**507**	**-68**

(+) indicates excess, (-) indicates shortage, SS is sanctioned strength, PIP is Persons in place

Province	Junior Engineers			CAO/ AAOs/ Head Draftsman/ Draftsman			SO/ Head Assistants/ Sr/ Jr/ Asstts./ Accts./ Accts. Asstts.			Others[52]			Total		
	SS	PIP	+/ -	SS	PIP	+/ -	SS	PIP	+/ -	SS	PIP	+/ -	SS	PIP	+/ -
Jammu	375	377	+2	160	150	-10	271	120	-151	10891	8046	-2845	11697	8693	-3004
Kashmir	233	221	-12	164	141	-23	318	249	-69	10954	9422	-1532	11669	10033	-1636
Total	**608**	**598**	**-10**	**324**	**291**	**-33**	**589**	**369**	**-220**	**21845**	**17468**	**-4377**	**23366**	**18726**	**-4640**

Source: CE (Jammu); CE: (Kashmir)

Against sanctioned staff strength of 23,941 under various categories, the effective staff strength was 19,233. Although, there was overall shortage of 20 *per cent* of the sanctioned strength, shortage of staff was more in the cadres of Assistant Engineers (AEs) (19 *per cent*), Junior Assistants (49 *per cent*) and other categories (20 *per cent*) which were mainly field staff. In addition, 32,067 (Kashmir: 11,615; Jammu: 20,452) casual/ seasonal labourers engaged as daily rated workers (DRW)/ need based workers (NBW)/ community participation workers (CPW) work in divisional offices and field also. The non-regular persons were 167 *per cent* of the regular staff.

3.19.3 Allotment and expenditure

The position of allocation of funds and expenditure incurred there against during the period 2011-12 to 2015-16 is given in **Table-3.19.2** below:

Table-3.19.2: Statement showing the allotment of funds and expenditure incurred

(₹ in crore)

Year	Non-plan Allotment	Expenditure	Expenditure on salary	Percentage expenditure on salary	Expenditure on wages paid to DRWs/ NBWs/ CPWs
2011-12	786.86	739.51	541.60	73	14.66
2012-13	806.48	779.68	582.23	75	14.26
2013-14	877.57	841.54	626.00	74	16.03
2014-15	897.90	845.57	626.37	74	15.86
2015-16	1034.09	996.13	774.20	78	52.15

As can be seen from above, staff cost (salary) increased by about 43 *per cent* from ₹541.60 crore in 2011-12 to ₹774.20 crore in 2015-16. The increase was mainly due to new appointments, increase in dearness allowance, routine increments as well as increments on account of promotions and release of wages.

[52] Mechanics, fitters, linemen, electrician, pump operator, pump-drivers, oilers, inspector, foremen, turncocks, jamadars and chowkidars

3.19.4 Working of Human Resources Management

With a view to streamlining the personnel, vigilance and human resource development functions in the departments, Government created (April 2011) a Human Resources Management (HRM) branch in the PHE department to deal with personnel matters of State cadre employees insofar as they relate to promotions, seniority lists, Annual Performance Reports, departmental enquiries, vigilance cases and also to maintain oversight of similar records at levels one below the State cadre. HRM branch was also to computerize the personnel records in a specified time frame. For ensuring the objectives, the officers/ officials working in HRM branch had to undergo special capacity building programmes on personnel matters and disciplinary cases.

Check of records revealed that HRM branch had finalized (2012 to 2016) seniority lists of SEs, EEs, AEEs, and JEs but had not updated these lists. It had not carried out its responsibilities fully as mandated thereby defeating the purpose of streamlining the human resource development functions of the Department. No activity related to periodic review of HRM was ever attempted by the department.

3.19.5 Recruitment

3.19.5.1 Gazetted cadre

Although sanctioned strength of gazetted cadre was notified (2012 and 2013), no recruitment rules had been framed keeping in view the specific technical, logistic, administrative and work requirements of the department.

3.19.5.2 Non-Gazetted cadre

Recruitment rules of non-gazetted cadre are still governed by the Engineering Subordinate Recruitment Rules (SRO 180 dated 26.05.1997) which was for all the wings of Public Works departments including PHE department. Under these rules draftsman cadre was a hundred *per cent* direct recruitment post with prescribed qualification of two years draftsman training course or a diploma. The Senior Draftsman and Head Draftsman, both being 100 *per cent* promotion posts, had the same prescribed qualification as for draftsman. Audit observed that due to non-mentioning of period for a draftsman and senior draftsman to get promoted to higher posts (Head draftsman) in recruitment rules, these cadres had remained without promotion from Draftsman to Sr. Draftsman and from Sr. Draftsman to Head Draftsman for a period of 30 years (2016) despite availability of vacancies in both the cadres.

3.19.5.3 Direct recruitment

In the gazetted cadre, AE is the direct recruitment post and AEE, EE, SE and CE are promotion posts. As against available vacancies of 115 direct recruit AEs (20 *per cent* of 573), department had referred (May 2013) only 41 vacancies to Jammu and Kashmir Public Service Commission (JKPSC). The department had ignored 272 upgraded posts which were available with the department. This resulted in communication of less vacancies to JKPSC. The posts have not been filled yet (September 2016).

3.19.6 Promotion

3.19.6.1 Ad hoc Promotion

In the absence of constitution of Departmental Promotion Committee (DPCs) on a regular basis, the department continued promotion of gazetted cadre on in-charge basis bypassing HRM branch and requirement of obtaining no objection certificate/ vigilance clearance which was a necessity for regular promotions. The working of gazetted cadre on in-charge basis on sensitive posts resulted in the department functioning with *ad hoc* cadre and deprived it of having a regular cadre of officers. There was no transparency in issue of promotion/ regularization orders of various cadres as JEs (diploma holder), Head Assistants, Junior Assistants, Drillers, etc. falling in seniority list at higher place had been overlooked for promotion/ regularization.

Similarly, test-check of records of CE, PHE Jammu and CE, Kashmir showed that DPCs of Head Assistants/ Senior Assistants/ Chauffeurs/ Drivers/ Cleaners had not been constituted on regular basis. Staff promoted on incharge basis were regularized after a delay ranging upto two years which included 22 officials regularized after they had retired from the Government service which indicated that they were promoted on incharge basis in absence of availability of posts. While record of DPCs constituted by SE offices during 2013-14 in respect of field staff was available in CE, PHE Kashmir, no such records were maintained by CE, PHE Jammu office.

3.19.6.2 Non-maintenance/ non-updation/ non-finalization of Seniority lists

According to J&K State Civil Services Decentralization Act, 2010 and the Rules made thereunder and Government Notification (1987), each department is required to categorize its posts into District, Divisional and State cadre and accordingly prepare seniority lists. Further, General Administration Department (GAD) directed (2011) all the departments to revise/ update the seniority lists of the services under their control during the month of January of every calendar year and also ensure regularization of the departmental officers/ officials through the designated DPCs before notifying seniority in the services where method of recruitment is both direct and by promotion. The seniority lists were to indicate the correct names of the officers/ officials, their date of birth, date of substantive appointment and category.

Check of records brought out that no updated/ finalized seniority lists of CEs, SEs and AEs cadres had been prepared. Seniority lists of EEs and AEEs issued in 2013 had not been updated.

CE, PHE Kashmir had issued (December 2015) updated tentative seniority list of ministerial staff and the same was published in the newspaper for inviting objections. Audit observed that around 20 employees had filed objections regarding their position or, otherwise, in the tentative seniority list. No action had been taken to address these objections and finalize seniority list (April 2016). In the absence of finalization of seniority lists, promotions continued to be made on the basis of tentative seniority lists.

Out of eight test-checked divisions of Jammu division, PHE division Reasi had not maintained any seniority list. Six divisions[53] had issued tentative seniority list but not finalized the same. PHE division, Rajouri had issued the final seniority list of field staff. Out of seven test-checked divisions in Kashmir province, all the divisions had maintained the seniority lists of field staff but had not updated it.

3.19.7 Transfer and Deployment

PHE employees working in administrative offices and field divisions are divided into technical, ministerial and field groups. Besides, officers from Finance Department and Planning Development Department are also posted in the PHE Department for financial control and planning purposes.

3.19.7.1 Non adherence of Transfer Policy

The Transfer Policy issued (May 2009 and July 2010) by the State Government was not adhered to by the department as illustrated below:

(a) In Jammu, two AEEs posted as technical officers to SEs, one AE posted in one division, 120 JEs posted in 13 Civil and two Mechanical divisions, five draftsmen posted in two divisions, one head assistant posted in one division, nine senior assistants posted in eight divisions continued at their place of posting for a period ranging from four to 14 years against three years prescribed in the transfer policy;

(b) Similarly, in Kashmir Province six AEEs posted in six divisions, five AEs posted in four divisions, 19 JEs posted in 12 divisions and 19 Junior Assistants posted in 12 divisions had remained posted at these places for a period ranging from over three years to seven years; and

(c) No exercise had been done by the department to identify sensitive and non-sensitive (non-field) posts.

3.19.8 Inadequate Human Resources Capacity Development and welfare measures of staff

3.19.8.1 Trainings

Trainings are an important means for developing employees' competence both for purpose of validating current post as well as evaluating for higher responsibility within the organization. Audit scrutiny of records of Administrative department revealed that no system of imparting trainings to staff was in existence in the department and no capacity building trainings had been imparted to staff of HRM branch during the period covered under audit.

[53] Executive Engineers: Hydraulic Division, Kishtwar; PHE Division Akhnoor; PHE City Division-I and II Jammu; Rural Division Jammu and Mechanical North Division Jammu

3.19.8.2 Appraisal Reports and Leave Accounts

Audit found that Gazetted staff viz CEs, SEs, EEs, AEEs and AEs who were required to furnish appraisal reports annually to HRM branch had not submitted the same on regular basis. In the test-checked divisions appraisal reports were not being obtained from the field staff and in respect of ministerial staff these were obtained at the time of constitution of DPCs only. Thus, department was unable to assess performance of staff and provide them appropriate feedback and guidance for correcting his deficiencies in timely manner.

Rule 16 of J&K Civil Service Leave Rules 1979 envisages that Leave accounts are required to be maintained for each Government Servant by the Head of Office or the DDO as the case may be. Leave accounts had not been maintained in respect of the employees presently working as well as officials who had since retired. During March 2011 to March 2016, an amount of ₹12.70 crore was paid to 724 retired/ expired employees of the 13 divisions as cash in lieu of leave salary for maximum limit of 300 days without preparing the required leave account in the prescribed proforma.

The Department stated that due to shortage of staff leave accounts could not be maintained and that audit instructions had been noted for compliance.

The matter was referred to the Government in July 2016. Its response was awaited (December 2016).

Public Works Department

3.20 Construction/ Reconstruction of Bridges in Jammu and Kashmir

Lack of due diligence in conduct of site surveys and in finalisation of design resulted in 18 works valued at ₹43.95 crore being held up due to design change or land disputes after award of works rendering unfruitful expenditure of ₹26.92 crore incurred thereon.

Rule 9-3 of Jammu & Kashmir Financial Code (Vol.-I) stipulates that no works should be commenced until a properly detailed design and estimate has been sanctioned and funds to cover the charge during the year have been provided by the competent authority. Due diligence in survey, planning and ensuring availability of funds as well as land is thus a pre-requisite for efficient execution of projects and avoiding cost and time overrun. Audit, however, noticed that projects valued at ₹43.95 crore were held up due to changes in design after approval of works or due to lack of encumbrance free site which indicated lack of due diligence in site surveys and designs at the technical approval stage. Consequently, expenditure of ₹26.92 crore (61 *per cent* of estimated cost of the works) was rendered unfruitful as tabulated below:

Table-3.20: Details showing bridges not constructed due to change of design, non-release of funds, etc.

Sl. No.	Name of work	Audit findings	Reply of the Department
1.	Construction of foot suspension bridge over river Marsudhar at Margi Warwan, district Kishtwar	The span of the bridge estimated (June 2009) to cost ₹1.43 crore was changed (June 2010) from foot suspension bridge to motorable bridge and original estimate revised (August 2011) to ₹2.94 crore. The division spent ₹1.31 crore as of July 2015 on construction of abutments and procurement of part material. The administrative department did not release funds and the work was held up resulting in unfruitful expenditure of ₹1.31 crore.	CE, PWD (R&B) Jammu stated (October 2016) that the change was in order to give better connectivity to the inhabitants located on the two sides of the river.
2.	Overhead pedestrian crossing bridge at Khanabal	The construction of bridge was allotted (September 2011) at a cost of ₹0.64 crore and ₹0.23 crore was spent on the construction during 2012-14. Design of the bridge was changed to 'Y' type Foot X-ings for which a revised project was prepared (September 2013) for ₹1.71 crore. The contractor demanded high rates for additional/deviated quantities and refused to execute the work. The work was abandoned (April 2014) which resulted in unfruitful expenditure of ₹0.23 crore.	-
3.	1x100 metre span suspension foot bridge over Nallah Phoru Baramulla	The work for construction of bridge, which was estimated to cost ₹1.88 crore, was started in 2010-11 and after spending ₹1.52 crore and completion of work on two piers, the work was stopped (June 2014) due to change in proposal from foot suspension bridge to motorable bridge. Thus ₹1.52 crore spent on the construction of bridge proved unfruitful.	EE, R&B Division, Sopore admitted (April 2016), that proposal was changed.
4.	RCC Steel Girder Bridge between Guree and Kheripora	Estimated (July 2011) to cost ₹1.38 crore, the construction of bridge was taken up (2011-12) and ₹0.72 crore was spent on construction of left abutment of the bridge as of August 2015. Balance works had not been taken up for execution despite lapse of five years rendering the expenditure of ₹0.72 crore unfruitful.	EE, Khanabal Division, stated (May 2016) that work could not be completed due to non-availability of funds.

Sl. No.	Name of work	Audit findings	Reply of the Department
5.	14 bridges taken up for execution under Special Bridge Programme (Kashmir)	Execution (between 2001-02 and 2012-13) of works of 10 bridges (estimated cost of ₹32.29 crore) was stopped due to non-construction of approach roads for their connectivity though ₹19.90 crore had been spent. Similarly, four completed bridges (estimated cost: ₹3.75 crore) on which ₹3.24 crore was spent during 2010-11 to 2015-16 could not be made functional due to non-construction of their approaches owing to land disputes resulting in unproductive expenditure of ₹23.14 crore.	The EEs stated that the land disputes would be settled and bridges made functional.

The audit findings were referred to Government in July 2016. Its reply thereof was awaited (December 2016).

3.21 Non-deduction of supervision charges

Failure of the department to comply with extant rules resulted in loss of ₹1.87 crore due to non-deduction of supervision charges.

Rules 4 and 5 of Appendix-3 of the Jammu & Kashmir Public Works Account Code (JKPWAC) envisage that the works executed on behalf of any agency the charges of which are not financed out of the Consolidated Fund of the State are liable to be charged supervision charges at the rates[54] prescribed therein. Further, Para 406 of JKPWAC envisage that the percentages liable should be adjusted month by month as the works expenditure is incurred.

Scrutiny of records of the Executive Engineer (EE), R&B Construction Division, Leh revealed that during the period 2010-11 to 2015-16, the division had executed 18 works on behalf of five offices[55] of the Government of India and incurred an expenditure of ₹19.61 crore on their execution but had not recovered an amount of ₹1.87 crore on account of supervision charges (August 2015).

The EE stated (October 2015) that matter would be taken up with Central Institute of Buddhist Studies Leh (CIBS) for recovery of supervision charges and in respect of other departments the supervision charges would be recovered.

The matter was referred to the Government in May 2016. Its reply was awaited (December 2016).

[54] (a) the works costing ₹5 lakh and above at the rate of 9.5 *per cent* (b) the works costing ₹2 lakh but less than ₹5 lakh at the rate of 12.5 *per cent* (c) the works costing more than ₹0.40 lakh but less than ₹2 lakh at the rate of 14.5 *per cent*

[55] (i) Central Institute of Buddhist Studies Leh (CIBS) (ii) Dharma Centre at Choglamsar (iii) Amchi Research Centre Sowa Rigpa (iv) National Hydroelectric Power Corporation (NHPC) and (v) Bharat Sanchar Nigam Ltd. (BSNL)

Sheep Husbandry Department

3.22 Working of Sheep/ Goat Breeding Farms

The Department could not achieve its stated objectives of improving the stock of livestock in the State and of augmenting production of milk, wool and mutton. The shortfall in production of rams and bucks with reference to projected requirements ranged between 76 to 97 *per cent* while there was excess mortality rate of 10 to 18 *per cent* in six sheep breeding farms. There was decreasing trend in yield of wool, mutton and milk during the period 2011-12 to 2015-16. The departmental authorities attributed the deficiencies and shortfalls to lack of requisite infrastructure, climatic variations and inbreeding. Yet, steps to mitigate the situation and address the shortcomings were not evident and the unutilised funds increased from ₹7.38 lakh in 2011-12 to ₹98.58 lakh in 2015-16.

3.22.1 Introduction

The Sheep Husbandry Department was carved (1968) out of erstwhile Animal and Sheep Husbandry Department with the objective of improving and increasing mutton and wool production in the State by multiplication of exotic germplasm and production of progeny for distribution among sheep/ goat rearing population for genetic upgradation of indigenous livestock. In order to achieve its objective, the department undertakes cross breeding programmes and provides curative and prophylactic health-care facilities to the sheep and goat population in the State. The department had established 14 (Jammu: Six; Kashmir: Eight) Sheep Breeding Farms and one[56] Dairy Goat Farm (excluding farms located in Ladakh region) for undertaking cross-breeding and other research programmes under various multi-pronged schemes, including crossbreeding of local sheep with exotic-breed. There were 99,495[57] and 70,679[58] breeders engaged in sheep and goat rearing in Jammu and Kashmir Divisions respectively.

The Commissioner Secretary to Government, Animal and Sheep Husbandry Department, with the assistance of two Directors[59], two Joint Directors (Farms) and Deputy/ Assistant Directors, Sheep/ Goat Breeding farms run the affairs of the department.

Audit reviewed working of Sheep and Goat Breeding Farms for the period 2011-12 to 2015-16 by test-check of records conducted between November 2015 and April 2016 in the offices of two Directors Sheep Husbandry Department (DSHD), two Joint Directors (JD) Farms, seven Sheep Breeding Farms (SBF), one Dairy Goat Farm and six District Sheep Husbandry Officers (DSHO).

[56] Jammu
[57] Position as of March 2016
[58] Position as of March 2015
[59] Director, Sheep Husbandry Department Jammu; Director Sheep Husbandry Department Kashmir

3.22.2 Funding Position

The position of allotment of funds and expenditure incurred there against during 2011-12 to 2015-16 is given in **Table-3.22.1** below.

Table-3.22.1: Position of allotment of funds and expenditure incurred

(₹ in lakh)

Year	Receipts				Expenditure				Unutilised (Percentage)
	Non-Plan	Plan	CSS	Total	Non-Plan	Plan	CSS	Total	
2011-12	1352.23	86.55	24.40	1463.18	1345.26	86.43	24.11	1455.80	7.38 (1)
2012-13	1435.33	71.18	2.00	1508.51	1405.17	71.08	22.32^	1498.57	9.94 (1)
2013-14	1721.79	60.87	31.79	1814.45	1683.57	60.84	28.13	1772.54	41.91 (2)
2014-15	1874.69	61.82	0.12	1936.63	1704.49	57.78	3.66^	1765.93	170.70 (9)
2015-16	2271.22	31.88	0.00	2303.10	2172.64	31.88	0.00	2204.52	98.58 (4)

(^Includes revalidated amount also)

As brought out above, unutilised funds increased from ₹7.38 lakh (one *per cent*) (2011-12) to ₹98.58 lakh (four *per cent*) (2015-16).

3.22.3 Live Stock Position

The position of livestock in the Sheep and Dairy Goat Farms of the State was as in **Table-3.22.2** below.

Table-3.22.2: Details showing the position of available live-stock

Year	Jammu Division (Number)	Kashmir Division (Number)	Total (Number)
2011-12	5119	6979	12098
2012-13	5356	7297	12653
2013-14	4862	6516	11378
2014-15	4817	5448	10265
2015-16	4895	5370	10265

The livestock position had shown a decreasing trend and the population had decreased from 12,098 (2011-12) to 10,265 (2015-16) which reflected a decline of 15 *per cent*. This was mainly due to non-import of fresh breed and non-upgradation of infrastructure in farms.

3.22.4 Ram breeding and production

For genetic improvement of livestock owned by sheep/ goat rearing population, rams produced at the sheep/ goat breeding farms were to be distributed among the concerned population for mating with local ewes and a few rams retained in the farms for in-house breeding.

Audit noticed that no targets had been fixed for production of rams and bucks while there was shortfall in their production against projected requirement which was based on female population of sheep and goat in the State. The shortfall ranged between 76 and 85 *per cent* in respect of rams and 97 *per cent* in respect of bucks during 2011-12 to 2015-16 as described in **Table-3.22.3** below.

Table-3.22.3: Details of shortfall in production against projected requirement

Year	Requirement Projected		Available with the department		Received from departmental farms		Total		Shortfall (*percentage* shortfall)	
	Rams	Bucks	Rams	Bucks	Rams	Bucks	Rams	Bucks	Rams	Bucks
2011-12	41775	19856	8599	504	1601	32	10200	536	31575 (76)	19320 (97)
2012-13	42458	20421	8480	442	1048	88	9528	530	32930 (78)	19891 (97)
2013-14	43009	20593	8368	576	763	69	9131	645	33878 (79)	19948 (97)
2014-15	43603	20791	7488	516	643	145	8131	661	35472 (81)	20130 (97)
2015-16	45560	20860	6272	527	518	112	6790	639	38770 (85)	20221 (97)

3.22.4.1 Import of rams

In pursuance of Sheep breeding policy laid down by National Commission on Agriculture for Northern Temperate Regions, the State Government imported Rambouillet and Merino breed rams up to the year 1995-96 for cross breeding with indigenous species of sheep to produce elite rams. However, no rams had been imported by the State Government since 1995-96 resulting in inbreeding among sheep and goat in the breeding farms.

In order to overcome the adverse impact of inbreeding, the department placed (2008-09) supply order for 900 frozen embryos of Dorper, Rambouillet and Corriedale breeds[60] with a Canada based firm for implanting into local ewes to produce progeny of these breeds. The Department informed that the supplier had agreed to a minimum of 50 *per cent* pregnancy rate in embryos supplied and implanted by him. Against the ordered embryos, the firm supplied only 420 embryos. Audit noticed that the desired results had not been achieved as out of 420 embryos implanted (September 2008) into 210 ewes, only 37[61] lambs were born which was much less than the success rate of 50 *per cent* agreed by the supplier.

3.22.4.2 Retention of sheep/ goat beyond active breeding age-loss of ₹22.86 lakh

The average active breeding age of sheep is six years or a maximum of six lambings upto the age of seven years and six months. After active breeding age, the sheep have only mutton value and are to be auctioned. Records of eight breeding farms (seven sheep and one goat) showed that 1,140 sheep/ goat out of 51,289 sheep/ goat had been retained beyond their active age of breeding during 2011-16 as indicated in the **Table-3.22.4** below.

[60] 224 Dorper, 160 Rambouillet, 36 Corriedale
[61] 9 Dorper, 26 Rambouillet, 2 Corriedale

Table-3.22.4: Position of live-stock retained beyond active age

Year	Jammu Division					Kashmir Division				
	No. of sheep retained beyond active breeding age by SBF/ DGF				Total	No. of sheep retained beyond active breeding age by SBF				Total
	Panthal	Reasi	Billawar	Rajbagh		Dachigam	Kralpathri	Zawoora	Daksum	
2011-12	47	109	36	01	193	23	66	04	75	168
2012-13	71	115	34	07	227	21	76	16	33	146
2013-14	84	03	30	12	129	04	-	04	-	08
2014-15	70	03	59	10	142	0	0	0	0	0
2015-16	66	01	58	02	127	NA	NA	NA	NA	NA
Total	**338**	**231**	**217**	**32**	**818**	**48**	**142**	**24**	**108**	**322**

(Figures in respect of Kashmir division for the year 2015-16 were not made available to audit)

Out of 1,140 livestock retained beyond their active breeding age, 235 died and 905 were auctioned after they had crossed their active breeding age. Prolonged retention of livestock followed by their death resulted in wasteful expenditure of ₹12.87 lakh[62] on providing feed and a minimum loss of 58.75 quintals[63] of mutton valued at ₹9.99 lakh.

Out of eight farms test-checked in audit, seven farms had not forwarded any proposal to the competent authority for obtaining sanction to write off losses owing to death of animals. Though one farm (SBF Billawar) had submitted a proposal to the JD (Farms) for writing off losses of ₹7.29 lakh due to death of 355 animals, the sanction thereof had not been received (December 2016).

3.22.4.3 Distribution of livestock

As per prescribed norms, one ram should provide breeding coverage to 50 ewes and out of every 100 ewes put to breeding, 80 should produce lambs which constitute a progeny of a minimum of 40 lambs for every ram. Records of six DSHOs revealed that 4,510 rams and 923 bucks were distributed among private breeders during 2011-12 to 2015-16 for providing breeding coverage to livestock. The position of breeding performance of these rams/ bucks and progress obtained was as depicted in **Table-3.22.5** below:

Table-3.22.5: Position of breeding performance of rams

District	Breeding performance of Rams (Number)					
	Distributed during 2011-16	Performance/ Progeny born				
		Below ten	Between 10 and 19	Between 20 and 29	Between 30 and 39	40 and above
Reasi	456	10	23	17	76	330
Kathua	855	46	191	255	295	68
Rajouri	1898	42	438	902	516	0
Shopian	339	13	10	15	29	272
Ganderbal	83	02	04	03	18	56
Baramulla	879	24	34	43	74	704
Total	**4510**	**137**	**700**	**1235**	**1008**	**1430**

62 Worked out at the rate of ₹30 per animal per day for six months

63 Worked out at the rate of 25 kg per animal and ₹170 per kg

Table-3.22.6: Position of breeding performance of bucks

District	Breeding performance of Bucks (Number)					
	Distributed during 2011-16	Performance/ Progeny born				
		Below ten	Between 10 and 19	Between 20 and 29	Between 30 and 39	40 and above
Reasi	80	0	02	07	06	65
Kathua	257	11	47	96	70	33
Rajouri	424	09	191	167	57	0
Shopian	0	0	0	0	0	0
Ganderbal	30	0	0	0	30	0
Baramulla	132	04	04	02	08	114
Total	**923**	**24**	**244**	**272**	**171**	**212**

Thus, the breeding performance of rams distributed for providing breeding coverage to private livestock in District Kathua and Rajouri was far below the norms. The breeding performance of bucks was also below the norms in District Kathua, Rajouri and Ganderbal.

3.22.5 Mortality

Departmental norms prescribe a mortality rate not exceeding ten *per cent* in a year for departmental livestock. Records of seven sheep breeding farms and one dairy goat farm showed that 4,175 animals (Jammu: 1,779; Kashmir: 2,396) had died during the period 2011-12 to 2015-16. Audit noticed excess mortality rate of 10 to 18 *per cent* in six[64] sheep breeding farms. Audit further noticed that pneumonia was the cause for maximum (1,176) deaths among the animals followed by enteritis (965). The test-checked farms lacked required infrastructure such as housing, heating arrangement and hygienic conditions responsible for high mortality.

The high mortality rate was attributed (January/ March 2016) by the departmental authorities to lack of infrastructure, inbreeding and climatic variations. The department should have taken timely measures to save livestock death.

3.22.6 Wool, mutton and milk production

Sheep breeding farms were established by the State Government with the objective of producing a good quality germplasm in addition to enhancing the production of wool and mutton. Audit noticed that the breeding farms had not been able to achieve the intended objectives as discussed in the succeeding paragraphs.

3.22.6.1 Wool yield

According to norms, the average wool yield per sheep per year should range between 2.5 kg and 3 kg. Audit noticed decreasing trend in average wool yield per

[64] Panthal (17.39 *per cent* in 2011-12 and 13.56 *per cent* in 2014-15), Billawar (12.64 *per cent* in 2013-14), Rajbagh (17.97 *per cent* in 2015-16), Dachigam (10.43 *per cent* in 2011-12), Daksum (10.43 *per cent* in 2012-13,12.81 *per cent* in 2013-14 and 11.60 *per cent* in 2015-16) and Kralpathri (15.61 *per cent* in 2015-16)

year which ranged between 1.930 kg and 2.480 kg in Jammu division and between 1.064 kg and 1.96 kg in Kashmir division during the period 2011-12 to 2015-16 in seven[65] test-checked sheep breeding Farms. This resulted in non-achievement of the objective to improve wool production as shown in **Table-3.22.7** below.

Table-3.22.7: Statement showing the average wool yield in Jammu & Kashmir divisions

Year	Jammu Division			Kashmir Division		
	No. of adult animals shorn	Wool yield (in kg)	Average wool yield per adult sheep (kg)	No. of adult animals shorn	Wool yield (in kg)	Average wool yield per adult sheep (kg)
2011-12	1777	4310.240	2.426	3598	6429.100	1.786
2012-13	1903	4719.600	2.480	3891	7617.950	1.957
2013-14	1714	4175.750	2.436	3433	6487.700	1.889
2014-15	1744	4062.459	2.329	2679	4844.750	1.808
2015-16	2528	4880.200	1.930	5154	5483.000	1.064

3.22.6.2 Mutton yield

As per norms, the desired body weight in respect of sheep and goat on attaining age of one year is 25-30 kgs. Test-check of records showed that animals which had not attained a sustainable body weight ranged between 38 and 54 *per cent* in Jammu division whereas it ranged between 43 and 78 *per cent* in Kashmir division during 2011-12 to 2015-16 as indicated in **Table-3.22.8** below:

Table-3.22.8: Position of live-stock not attained sustainable body-weight

Year	Jammu division			Kashmir division		
	No. of animals	Body weight		No. of animals	Body weight	
		upto 25 kg	Above 25 kg		upto 25 kg	Above 25 kg
2011-12	340	128 (38 *per cent*)	212 (62 *per cent*)	395	258 (65 *per cent*)	137 (35 *per cent*)
2012-13	785	317 (40 *per cent*)	468 (60 *per cent*)	543	311 (57 *per cent*)	232 (43 *per cent*)
2013-14	668	338 (51 *per cent*)	330 (49 *per cent*)	620	485 (78 *per cent*)	135 (22 *per cent*)
2014-15	497	202 (41 *per cent*)	295 (59 *per cent*)	486	267 (55 *per cent*)	219 (45 *per cent*)
2015-16	609	327 (54 *per cent*)	282 (46 *per cent*)	817	354 (43 *per cent*)	463 (57 *per cent*)
Total	**2899**	**1312 (45 *per cent*)**	**1587 (55 *per cent*)**	**2861**	**1675 (59 *per cent*)**	**1186 (41 *per cent*)**

3.22.6.3 Milk yield

In order to increase milk and mutton production, the department introduced Beetal breed of goat in Jammu Division. Records of Dairy Goat Farm Rajbagh showed that there had been a decreasing trend in the average milk yield per animal per day which reduced from 0.357 litres (March 2012) to 0.132 litres (March 2016) as indicated in the **Table-3.22.9** below.

[65] Jammu: 3; Kashmir: 4

Table-3.22.9: Position of average milk yield

S. No	Month/ year	Milk yield (in litres)	No of milk yielding goats	Average per month (in litres)	Average per day (in litres)
1.	March 2012	310.000	28	11.071	0.357
2.	March 2013	354.350	40	8.858	0.286
3.	March 2014	344.000	60	5.733	0.185
4.	March 2015	402.400	59	6.820	0.220
5.	March 2016	131.000	32	4.094	0.132

The audit findings were referred to the Government in July 2016. Its reply was awaited (December 2016).

Social Welfare Department

3.23 Award of work without ensuring encumbrance free land

Failure of the Department to ensure availability of unencumbered land before going ahead with construction work led to unfruitful expenditure of ₹0.29 crore, blocking of ₹0.25 crore and cost escalation of ₹1.51 crore besides non-fulfillment of intended objective of providing hostel facilities to ST students residing in remote villages of Udhampur district.

The District Social Welfare Officer (DSWO), Udhampur, proposed (May 2007) construction of hostel building for 50 Scheduled Tribe (ST) students in the premises of Government Higher Secondary School Basantgarh. The Executive Engineer (EE), Public Works Department (PWD), Roads and Buildings (R&B) Division, Udhampur framed (December 2007) a proposal for construction of hostel building at an estimated cost of ₹0.98 crore. The Director, Social Welfare Department (SWD) accorded (February 2008) administrative approval for ₹0.79 crore.

As the land available in the premises of the school was inadequate for construction of the hostel building, PWD identified a piece of private land adjacent to the school and allotted (October 2009) the work to a contractor at a cost of ₹0.85 crore. This contract had to be cancelled (August 2010) due to non-demarcation of land by the PWD. After fresh tendering, the work was re-allotted (December 2010) to another contractor at a cost of ₹0.99 crore. The SWD released ₹0.54 crore to the executing agency for construction of the building during 2007-08 to 2009-10.

Audit observed the following:

(a) After the contractor had started (July 2011) construction of the building and the construction had reached lintel level, the work had to be suspended (September 2011) as the landowner demanded ₹7.40 lakh as cost of his land. Further, the land required for the approach road to the hostel building was also found to be in dispute.

(b) This contract too had to be cancelled (August 2012) after a payment of ₹0.29 crore to the contractor for the value of work done. This resulted in unfruitful expenditure of ₹0.29 crore and blocking of ₹0.25 crore incurred by the executing agency on procurement of material.

(c) The executing agency had revised (June 2015) the estimated cost of the building to ₹2.49 crore resulting in cost escalation of ₹1.51 crore (254 *per cent*) and though tenders were invited 13 times, no contractor had come forward to execute the work.

DSWO, Udhampur stated (December 2015) that despite submitting an affidavit to donate the land, the landowner demanded compensation and that the District Development Commissioner, Udhampur had been requested to resolve the dispute. The reply was not convincing as it was foreseeable that adequate land was not available in the school premises and the Department should have first ensured availability of unencumbered land before release of funds to the executing agency.

Thus, failure of the Department to ensure availability of unencumbered land before award of work and commencement of construction work led to unfruitful expenditure of ₹0.29 crore, blocking of ₹0.25 crore and cost escalation of ₹1.51 crore besides non-fulfillment of intended objectives of providing hostel facilities to ST students residing in remote villages of Udhampur district.

The matter was referred to the Government in February 2016. Its reply was awaited (December 2016).

Srinagar/Jammu
The 22nd FEB 2017

(Hoveyda Abbas)
Accountant General (Audit)
Jammu and Kashmir

Countersigned

New Delhi
The 23rd FEB 2017

(Shashi Kant Sharma)
Comptroller and Auditor General of India

APPENDICES

Appendix-2.1

(Refer Paragraph: 2.1.9; Page: 18)

Statement showing position of staff in 22 District Hospitals, 84 CHCs/ SDHs, 398 PHCs and 2736 SCs in the State as of 31 March 2016

(i) (22 District Hospitals)

Category of Posts	Essential No. of Staff as per IPHS	Sanctioned strength			Person-in Position			Shortage under NRHM (Percentage)
		Regular	NRHM	Total	Regular	NRHM	Total	
Medical officers (Specialists)	352	315	59	374	266	35	301	- 24 (41)
Medical officers (MBBS)	242	408	120	528	333	87	420	- 33 (28)
Medical officers (AYUSH & Psychiatry)	44	8	-	8	6	-	6	-
Nurses and Paramedical	1672	855	559	1414	891	408	1299	- 151 (27)
Administration	264	202	22	224	201	18	219	- 4 (18)
Blood Bank staff	132	10	-	10	10	-	10	-

(ii) (84 Community Health Centres/ Sub-District Hospitals)

Category of Posts	Essential No. of Staff as per IPHS	Sanctioned strength			Person-in Position			Shortage under NRHM (Percentage)
		Regular	NRHM	Total	Regular	NRHM	Total	
Block Medical officers	84	64	-	64	84	-	84	-
Medical officers (Specialists)	504	387	-	387	259	11	270	+ 11
Medical officers (MBBS)	168	514	194	708	461	149	610	- 45 (23)
Medical officers (AYUSH)	84	-	-	-	-	-	-	-
Nurses and Paramedical	2100	1986	771	2757	1827	685	2512	- 86 (11)
Administration	504	138	128	266	124	124	248	- 4 (03)

(iii) (398 Primary Heath Centres)

Category of Posts	Essential No.of Staff as per IPHS	Sanctioned strength			Person-in Position			Shortage under NRHM (Percentage)
		Regular	NRHM	Total	Regular	NRHM	Total	
Medical officers (MBBS)	398	806	280	1086	623	207	830	- 73 (26)
Nurses and Paramedical	4378	3106	612	3718	2692	518	3210	- 94 (15)
Administration	398	-	72	72	-	72	72	-

(iv) (2736 Sub-Centres)

Category of Posts	Essential No. of Staff as per IPHS	Sanctioned strength			Person-in Position			Shortage under NRHM (Percentage)
		Regular	NRHM	Total	Regular	NRHM	Total	
ANM/Health worker (Female)	2736	1949	2586	4535	1949	2301	4250	- 285 (11)
Health worker (Male)	2736	1036	-	1036	855	-	855	-
Safai Karamchari	2736	1457	-	1457	1280	-	1280	-

(v) Position of staff in 239 NTPHCs not available

Appendix-2.2
(Refer Paragraph: 2.2.8; Page: 36)

Mandatory Reforms

State Level Reforms

(i) Implementation of decentralization measures as envisaged in Seventy Fourth Constitutional Amendment. States should ensure meaningful association/ engagement of ULBs in planning function of Parastatals as well as delivery of services to the citizens.

(ii) Repeal of urban Land ceiling and regulation Act.

(iii) Reform of rent control laws balancing the interest of landlords and tenants.

(iv) Rationalization of Stamp duty to bring it down to no more than five *per cent* within next seven years.

(v) Enactment of public Disclosure law to ensure preparation of medium term fiscal plan of ULBs/ Parastatals and release of quarterly performance information to stakeholders.

(vi) Enactment of community participation law to institutionalize citizen participation and introducing the concept of Area Sabha in Urban Areas.

(vii) Assigning or associating elected ULBs with "city planning function" over a period of seven years, transferring all special agencies that deliver civic services in urban areas to ULBs and creating accountability platform for all urban civic service providers in transition.

ULB Level Reforms

(viii) Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies.

(ix) Introduction of system of e-governance using IT applications like GIS and MIS for various services provided by ULBs.

(x) Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85 *per cent* within the Mission period.

(xi) Levy of reasonable user charges by ULBs/ Parastatals with the objective that full cost of operation and maintenance is collected within the Mission period. However, cities/ towns in North-East and other special category States may recover at least 50 *per cent* of operation and maintenance charges initially. These cities/towns should graduate to full O&M cost recovery in a phased manner.

(xii) Internal earmarking within local body budgets for basic services to the urban poor.

(xiii) Provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the government for education, health and social security.

Optional Reforms

(i) Revision of bye-laws to streamline the approval process for construction of buildings, development of sites, etc.

(ii) Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.

(iii) Introduction of Property Title Certification System in ULBs.

(iv) Earmarking at least 20-25 *per cent* of developed land in all housing projects (both Public and Private Agencies) for EWS/ LIG category with a system of cross subsidization.

(v) Introduction of computerized process of registration of land and property.

(vi) Revision of bye-laws to make rain water harvesting mandatory in all buildings to come up in future and for adoption of water conservation measures.

(vii) Bye-laws on reuse of recycled water.

(viii) Administrative reforms, i.e., reduction in establishment by bringing out voluntary retirement schemes, non-filling up of posts falling vacant due to retirement, etc., and achieving specified milestones in this regard.

(ix) Structural reforms.

(x) Encouraging Public-Private partnership.