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Report of the Comptroller and Auditor General of India on General and Social Sector for the year ended March 2016

Government of Maharashtra

Report No. 4 of the year 2017

Report of the Comptroller and Auditor General of India

on

General and Social Sector

for the year ended March 2016

GOVERNMENT OF MAHARASHTRA
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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 Maharashtra under Article 151 of the Constitution of India.

This Report relates to audit of the General and Social Sector of the Government Departments conducted under the provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Regulations on Audit and Accounts, 2007 issued thereunder by the Comptroller and Auditor General of India. This Report is required to be placed before the State Legislature under Article 151 (2) of the Constitution of India.

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 Auditing Standards (March 2002) issued by the Comptroller and Auditor General of India.

CHAPTER - I

CHAPTER I

INTRODUCTION

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from performance audit of selected programmes and activities and compliance audit of Government Departments and Autonomous Bodies of the Government of Maharashtra (GoM) falling under General and Social Sector.

Compliance Audit refers to examination of the transactions relating to expenditure of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with. On the other hand, Performance Audit examines whether the objectives of an organisation, programme or a scheme have been achieved economically, efficiently and effectively.

The primary purpose of this Report is to bring to the notice of the State Legislature, important results of audit. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective actions as also to frame policies and directives that will lead to improved operational efficiency and financial management of the organisations thus, contributing to better governance.

This chapter, in addition to explaining the planning and extent of audit, provides a synopsis of the significant deficiencies in working of selected schemes/projects, significant audit observations made during the audit of transactions and follow-up on previous Audit Reports. Chapter II of this Report contains findings arising out of one performance audit and one Information Technology (IT) audit. Chapter III contains observations on audit of transactions in Government Departments and on Autonomous Bodies.

1.2 Audited Entity Profile

The Departments in the General and Social Sector in the State at the Secretariat level are headed by Additional Chief Secretaries/Principal Secretaries/Secretaries and assisted by Directors/Commissioners and subordinate officers. The Autonomous Bodies are audited by the Principal Accountant General (Audit)-I, Mumbai and the Accountant General (Audit)-II, Nagpur.

A summary of the State Government's fiscal transactions during 2015-16 *vis-a-vis* the previous year is given in **Table 1.1**.

Table 1.1: Summary of fiscal operations during 2015-16

(₹ in crore)

2014-15	Receipts	2015-16	2014-15	Disbursements	2015-16		
Section A: Revenue					**Non-Plan**	**Plan**	**Total**
165415.46	**Revenue receipts**	**185035.68**	**177553.12**	**Revenue expenditure**	**154317.65**	**36056.40**	**190374.05**
115063.90	Tax revenue	126608.11	60485.77	General services	64092.74	277.02	64369.76
12580.89	Non-tax revenue	13423.01	76952.49	Social services	60828.36	21488.87	82317.23
17630.03	Share of Union Taxes/Duties	28105.95	37686.57	Economic services	23913.59	14138.38	38051.97
20140.64	Grants from Government of India	16898.61	2428.29	Grants-in-aid and Contributions	5482.96	152.13	5635.09
Section B: Capital							
0.00	Miscellaneous Capital Receipts	16.89	19523.47	Capital Outlay	2628.11	20165.05	22793.16
975.08	Recoveries of Loans and Advances	865.11	1140.54	Loans and Advances disbursed	--	--	1114.63
29373.28	Public debt receipts*	37976.41	8827.78	Repayment of Public Debt*	--	--	10043.10
2350.00	Appropriation from Contingency fund	2962.00	4350.00	Appropriation to Contingency fund	--	--	962.00
4360.00	Contingency Fund	962.00	2350.00	Contingency Fund	--	--	2962.00
83021.94	Public Account Receipts	72747.20	68985.90	Public Account Disbursements	--	--	66412.16
46883.46	Opening Cash Balance	49648.41	49648.41	Closing Cash Balance	--	--	55552.60
332379.22	**Total**	**350213.70**	**332379.22**	**Total**	--	--	**350213.70**
Source: Finance Accounts of respective years							

*Excluding ways and means advances
(Receipt: ₹ nil and Disbursement: ₹ nil)

1.3 Authority for Audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The C&AG conducts audit of expenditure of the Departments of GoM under the provisions of the C&AG's (DPC) Act, 1971 and Regulations on Audit and Accounts, 2007 issued by the C&AG.

1.4 Organisational Structure of the Offices of the Principal Accountant General (Audit)-I, Mumbai and the Accountant General (Audit)-II, Nagpur

Under the directions of the C&AG, the Offices of the Principal Accountant General (Audit)-I, Mumbai and the Accountant General (Audit)-II, Nagpur conduct the audit of the various Government Departments and Offices/ Autonomous Bodies/institutions under them. While 17 districts from Konkan and Western Maharashtra fall under the audit jurisdiction of the Principal Accountant General (Audit)-I, Mumbai, the remaining 19 districts from Vidarbha and Marathwada are under the audit jurisdiction of the Accountant General (Audit)-II, Nagpur.

1.5 Planning and Conduct of Audit

The audit process starts with the assessment of risk faced by various Departments of the GoM, based on expenditure incurred, criticality/ complexity of activities, the levels of delegated financial powers and assessment of overall internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided. During 2015-16, 7,601 party-days were used to carry out audit of 474 units (compliance and performance audits) of the various Departments/Organisations. The audit plan covered those units/entities which were vulnerable to significant risks as perceived by Audit.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the Heads of the Departments. The Departments are requested to furnish replies to the audit findings within one month of receipt of the IRs. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these IRs are processed for inclusion in the Audit Reports which are submitted to the Governor under Article 151 (2) of the Constitution of India.

1.6 Significant Audit Observations

In the last few years, Audit has reported several significant deficiencies in implementation of various programmes/activities through performance audits, as well as on the quality of internal controls in selected Departments. Similarly, the deficiencies noticed during compliance audit of the Government Departments/Organisations were also reported upon.

1.6.1 Performance Audit of Programmes/Activities/Departments and IT Audit of Systems

The present Report contains one performance audit and one IT audit, highlights of which are indicated below.

- **Implementation of the Scheme for Modernisation of Police Force in Maharashtra**

  A performance audit of the implementation of Central Scheme for ‘Modernisation of Police Force in Maharashtra’ for the period 2011-16 revealed scant utilisation of funds (38 *per cent*) during the last five years. The low spending was due to delays in preparation and submission of Annual Action Plans to GoI which had a spiraling effect on approval of State plans and release of funds thus, impacting Scheme implementation and funds utilisation. Besides, the State Government could not get ₹ 265.38 crore from

GoI during 2011-16 due to non-utilisation of Central funds released in previous years.

During 2011-16, only eight *per cent* of the planned residential and non-residential buildings, which also included police stations, could be constructed/upgraded. The digital radio trunking system procured at a cost of ₹ 9.56 crore was not commissioned despite delay of 39 months thereby defeating the objective of upgrading the police communication network from the old analog system to the new encrypted digital system. Though there was an acute shortage of medium vehicles and motorcycles in the State yet only 662 vehicles were procured through Scheme funds during 2011-16, leaving a shortfall of 1,564 vehicles (including motorcycles).

There was a shortage of 65,026 modern weapons constituting 45 *per cent* of the total requirement of the State. Supply of 1,834 weapons valuing ₹ 9.60 crore and representing 41 *per cent* of the total ordered quantity was pending from Ordnance Factory Board for a period ranging from six months to 4½ years. Vital police equipment valuing ₹ 28.76 crore such as, bullet-proof jackets, night vision binoculars, bomb disposal suits, portable x-ray machines *etc.* planned for procurement under the Annual Action Plans of 2011-16 (excluding 2014-15) had not been procured as of September 2016.

The functioning of forensic science laboratories was affected by shortage of technical staff, leading to 34,171 samples (18 *per cent*) pending investigation as on 01 January 2017. Monitoring of the Scheme was lax and majority of the police stations was not recording the response time to assess the operational efficiency of the police.

(Paragraph 2.1)

- **Information Technology Audit of e-Tendering System in Government Departments**

The Government of Maharashtra adopted the e-Tendering system in August 2010 with a view to enhancing transparency in Government procurement of goods, services and works, reduce cycle time and cost of procurement. Two e-Tendering application systems were in use in the State namely, (i) Sify-NexTenders system developed by a private agency, and (ii) National Informatics Centre (NIC) system.

An IT Audit of both the systems conducted for the period 2010-16 revealed that implementation of dual systems breached the Central Vigilance Commission guidelines for use of a common unified platform for achieving economies of scale and reducing threat to security of data. While the NIC system was free of charge to users, the Sify-NexTenders system involved user charges. There were serious system deficiencies in Sify-NexTenders system which undermined the effectiveness of the e-Tendering process. The State Government also did not ensure development and implementation of all the essential features in both the systems to ensure transparency in e-Procurement process.

There were no validation checks to ensure minimum time to be allowed to the bidders for bid submission, leading to participation of a few bidders in the e-Tendering process. Comprehensive audit of Sify-NexTenders system was not done by Standardisation Testing and Quality Certification Directorate, GoI and the State Government also failed in its role to ensure this. The monitoring of the systems was poor due to insufficiency of MIS reports. Inadequate IT security, non-documentation of IT security policy, business continuity and disaster recovery plans, and deficiencies in audit trail made the systems further vulnerable to errors and manipulations.

(Paragraph 2.2)

1.6.2 Compliance Audit of Government Transactions

The important findings of compliance audit paragraphs (10 paragraphs including two theme-based paragraphs) are indicated below.

- **Establishment of Trauma Care Centres in the State**

  The planning for establishment of Trauma Care Centres (TCCs) in the State was deficient. Two each Level-I and Level-II TCCs, which were expected to provide highest level of definitive and comprehensive care to accident victims, were either not constructed or partially functional as of January 2017. Of 18 Level-III selected TCCs, only one TCC at Ratnagiri was fully functional while the remaining 17 were either non-functional or partially functional due to inadequate manpower, shortage of equipment and incomplete infrastructure or were used for other purposes. Requisite training to doctors, paramedics and staff nurses was not imparted. Monitoring of TCCs was weak.

(Paragraph 3.1)

- **Upgradation of Industrial Training Institutes**

  The planning for upgradation of Industrial Training Institutes (ITIs) was deficient. No criteria was laid down for identification of ITIs to be upgraded while the criteria laid down for selection of Industry Partners was not followed. The constitution of Institute Management Committee, responsible for implementation of various activities of upgradation programme, was not done as per guidelines.

  Utilisation of funds was poor, as 250 ITIs could spend only ₹ 167.27 crore during the last five to nine years against ₹ 625 crore received, indicating sub-optimal achievement of objectives. Upgradation funds were irregularly diverted by one ITI for construction of house boat/purchase of speed boat.

  None of the 250 ITIs applied for accreditation from National Accreditation Board for Education and Training, leading to non-affiliation of new trades proposed in Institute Development Plans of ITIs.

  There were large number of vacant posts of Principals and Instructors in the ITIs. A State Implementation Cell responsible for implementation of upgradation programme was not formed as of January 2017.

(Paragraph 3.2)

- **Implementation of Civil Works in Court Buildings**

  Absence of comprehensive proposals from the subordinate courts to The High Court, Mumbai constrained the planning for redevelopment/ construction works in court buildings. In 25 of 38 test-checked works taken up under the Centrally Sponsored Scheme, there was a time lag of more than six months in granting administrative approvals. In 33 of 35 works (94 *per cent*), there was a delay of more than six months in issue of work orders from grant of administrative approvals. In 25 of 35 works (71 *per cent*), there was a time overrun of more than six months from the dates stipulated in the work orders, while 35 works registered a cost overrun of ₹ 112.20 crore as of May 2016.

Structural audits of 142 court buildings, though more than 30 years old, were not conducted by Public Works Divisions as of July 2016. Fire audits of court buildings were conducted belatedly and estimates of ₹ 130.38 crore prepared post-fire audits for carrying out fire safety works was pending (December 2016) with the Urban Development Department for technical scrutiny.

(Paragraph 3.3)

- Social Justice and Special Assistance Department without due diligence approved a proposal of a Cooperative Society for establishment of a wheat processing unit at Yavatmal and released financial assistance of ₹ one crore, which was misappropriated.

(Paragraph 3.4)

- Poor planning by Public Health Department led to idling of a 200-bedded Geriatric Health and Mental Illness Centre at Ambejogai in Beed district for 57 months and rendered an expenditure of ₹ 19.21 crore incurred on its construction unfruitful.

(Paragraph 3.5)

- Failure of Social Justice and Special Assistance Department to remove encroachments before handing over a piece of land to Public Works Division, Kolhapur resulted in idling of school building constructed at a cost of ₹ 1.96 crore for more than three years and the targeted beneficiaries were deprived of the intended benefits.

(Paragraph 3.6)

- The Commissioner of Small Savings and State Lottery, Maharashtra made an infructuous expenditure of ₹ 1.14 crore on lease rent of hired office premises at Vashi, Navi Mumbai which remained unoccupied for 33 months, out of total lease period of 36 months.

(Paragraph 3.7)

- Idling of rent and service charges of ₹ 5.84 crore in current accounts of banks for more than two years resulted in loss of interest of ₹ 1.21 crore to Maharashtra Housing and Area Development Authority**.**

(Paragraph 3.8)

- The Skill Development and Entrepreneurship Department did not assess the requirement for construction of a boys hostel at ITI, Chandur Railway, Amravati leading to an unfruitful expenditure of ₹ 92.39 lakh.

(Paragraph 3.9)

- Failure of District Collector, Gadchiroli and District Vocational Education and Training Officer, Gadchiroli to exercise due diligence in implementation of *e-Vidya* project rendered an expenditure of ₹ 1.06 crore unfruitful.

(Paragraph 3.10)

1.7 Responsiveness of Government to Audit

1.7.1 Inspection Reports Outstanding

Periodical inspections of Government Departments are conducted to test-check their transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with IRs which are issued to the Heads of the Offices inspected, with copies to the next higher authorities. Half yearly reports of pending IRs are sent to the Secretaries of the concerned Departments to facilitate monitoring of action taken on the audit observations included in the IRs.

As of June 2016, 3,388 IRs (10,560 paragraphs) were outstanding. Year-wise details of IRs and paragraphs are shown in **Appendix 1.1**.

1.7.2 Response of Departments to Draft Paragraphs and Performance Audits

The draft paragraphs and performance audits were forwarded demi-officially to the Principal Secretaries/Secretaries of the concerned Departments between July 2016 and December 2016 with the request to send the responses within six weeks. The Government reply was received in respect of one theme-based paragraph and one draft paragraph while no replies were received in respect of the one performance audit, one IT audit, one theme-based paragraph and seven draft paragraphs featured in this Report.

1.7.3 Follow-up on Audit Reports

According to instructions issued by the Finance Department, GoM in January 2001, Administrative Departments were required to furnish Explanatory Memoranda (EMs) duly verified by Audit to the Maharashtra Legislature Secretariat in respect of paragraphs included in the Audit Reports, within three months of presenting the Audit Reports to the State Legislature. The Administrative Departments, however, did not comply with these instructions. The status of outstanding EMs from 2010-11 to 2014-15 is indicated in **Table 1.2**.

Table 1.2: Status of submission of EMs during 2010-15

Audit Report	Date of tabling the Report	Number of Paragraphs and Reviews	Number of EMs received	Balance
2010-11	17 April 2012	13	12	01
2011-12	18 April 2013	08	06	02
2012-13	14 June 2014	13	05	08
2013-14	10 April 2015	10	10	00
2014-15	05 August 2016	09	--	09
Total		**53**	**33**	**20**

The EMs in respect of 15 paragraphs relating to the period prior to 2010-11 was outstanding. Department-wise details are shown in **Appendix 1.2.**

With a view to ensuring accountability of the Executive in respect of all the issues dealt with in the Audit Reports, the Public Accounts Committee (PAC) lays down in each case, the period within which Action Taken Notes (ATNs) on its recommendations should be sent by the Departments.

The PAC discussed 252 paragraphs pertaining to the Audit Reports for the years from 1985-86 to 2013-14 and gave 435 recommendations of which, ATNs were pending on 343 recommendations, as indicated in **Table 1.3.**

Table 1.3: Position of outstanding ATNs on PAC recommendations

Year of Audit Report	PAC Report Number	Year of PAC	Number of recommendations	Number of ATNs awaited
1985-86 to 2002-03	16, 17, 19, 24, 28	1994-95	170	132
	1, 2, 4, 6, 8	1995-96		
	20, 24,	1997-98		
	3, 6	2000-01		
	9	2001-02		
	13	2003-04		
	8	2007-08		
	13, 14	2008-09		
2003-04	14	2008-09	3	3
2004-05	14	2008-09	01	0
2005-06	8	2010-11	94	79
2006-07	15	2008-09	85	61
	9	2012-13		
	1	2015-16		
2007-08	13	2012-13	22	14
2008-09	17	2012-13	30	27
2009-10	18	2012-13	14	11
	6	2015-16		
2010-11	12	2015-16	16	16
2011-12	--	--	--	--
2012-13	--	--	--	--
2013-14	--	--	--	--
Total			**435**	**343**

The Department-wise position of PAC recommendations on which ATNs were awaited is indicated in **Appendix 1.3.**

CHAPTER - II

CHAPTER II

PERFORMANCE AUDIT

Home Department

2.1 Implementation of the Scheme for Modernisation of Police Force in Maharashtra

Executive Summary

A performance audit of the implementation of Central Scheme for 'Modernisation of Police Force in Maharashtra' for the period 2011-16 revealed scant utilisation of funds (38 *per cent*) during the last five years. The low spending was due to delays in preparation and submission of Annual Action Plans to GoI which had a spiraling effect on approval of state plans and release of funds thus, impacting Scheme implementation and funds utilisation. Besides, the State Government could not get ₹ 265.38 crore from GoI during 2011-16 due to non-utilisation of Central funds released in previous years.

During 2011-16, only eight *per cent* of the planned residential and non-residential buildings, which also included police stations, could be constructed/upgraded. The digital radio trunking system procured at a cost of ₹ 9.56 crore was not commissioned despite delay of 39 months thereby defeating the objective of upgrading the police communication network from the old analog system to the new encrypted digital system. Though there was an acute shortage of medium vehicles and motorcycles in the State yet only 662 vehicles were procured through Scheme funds during 2011-16, leaving a shortfall of 1,564 vehicles (including motorcycles).

There was a shortage of 65,026 modern weapons constituting 45 *per cent* of the total requirement of the State. Supply of 1,834 weapons valuing ₹ 9.60 crore and representing 41 *per cent* of the total ordered quantity was pending from Ordnance Factory Board for a period ranging from six months to 4½ years. Vital police equipment valuing ₹ 28.76 crore such as, bullet-proof jackets, night vision binoculars, bomb disposal suits, portable x-ray machines *etc.* planned for procurement under the Annual Action Plans of 2011-16 (excluding 2014-15) had not been procured as of September 2016.

The functioning of forensic science laboratories was affected by shortage of technical staff, leading to 34,171 samples (18 *per cent*) pending investigation as on 01 January 2017. Monitoring of the Scheme was lax and majority of the police stations were not recording the response time to assess the operational efficiency of the police.

2.1.1 Introduction

'Law and order' is a State subject and it is primarily the responsibility of the State Governments to modernise and adequately equip their police forces for meeting the challenges of law and order. However, due to financial and other constraints, the efforts made by the State Governments have often not been up to the desired level. In this context, the Ministry of Home Affairs (MHA), Government of India (GoI) had been supplementing the efforts and resources of the States from time to time by implementing the Centrally Sponsored Scheme for Modernisation of State Police Forces (Scheme) since 1969-70. The main objective of the Scheme was to meet deficiencies in various aspects of police administration and to control internal security and law and order situation. The Scheme comprised seven components namely, (i) construction of buildings/housing, (ii) communication systems, (iii) mobility, (iv) weaponry, (v) equipment, (vi) forensic science laboratories/forensic equipment, and (vii) training.

2.1.2 Organisational Setup

The Home Department under Government of Maharashtra (GoM), headed by the Additional Chief Secretary (ACS), is responsible for implementation of the Scheme. A State Level Empowered Committee (SLEC) under the Chairmanship of the Chief Secretary monitors the implementation of the Scheme. The Chairman is assisted by the ACS (Home), ACS (Finance) and Director General of Police (DGP) as members of the Committee. The DGP is further assisted by the Inspector General of Police (Modernisation), the Commissioners of Police (CP), Superintendents of Police (SP) of districts and other unit heads such as, the Director, Forensic Science Laboratories (DFSL); the Managing Director, Maharashtra State Police Housing and Welfare Corporation (MSPHWC)[1]; and the Director General, Home Guards (HG).

2.1.3 Audit Objectives

The audit objectives were to assess whether:

- plans for the Scheme were prepared and submitted timely to GoI;
- financial resources were adequately managed and judiciously used;
- the Scheme was implemented effectively and efficiently; and
- monitoring of the Scheme was effective.

2.1.4 Audit Criteria

The audit criteria have been derived from the following documents:

- Scheme guidelines and instructions issued by GoI and GoM from time to time;
- Five year strategic plan and annual action plans approved by MHA; and
- Fund release orders of GoI and GoM.

2.1.5 Audit Scope and Methodology

The performance audit was conducted during November 2015 and June 2016 covering the period 2011-12 to 2015-16 through test-check of records in the offices of the ACS (Home) in *Mantralaya*; DGP, Mumbai; DFSL, Mumbai[2];

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[1] MSPHWC is a State Government company established in 1974 under the Companies Act, 1956 to undertake construction of buildings/housing for use and occupation by officers and employees of the State Government in the Police, Jail, Home Guards and Civil Defence Departments

[2] Including three regional forensic science laboratories at Pune, Aurangabad and Nashik under DFSL, Mumbai

MSPHWC, Mumbai; and Director General, HG, Mumbai. Besides, records maintained by the offices of six CP[3], eight SP[4], district forensic science laboratories and Commandant, HG in nine[5] of 36 districts of the State were also test-checked. Under the sampled police districts, 10 police stations (PS) each under the jurisdiction of six CP and eight SP (total 140 PS) were also selected randomly for audit scrutiny.

An entry conference was held on 30 June 2016 with the ACS (Home) and Additional DGP, Mumbai in which the audit objectives, criteria, scope and methodology of audit were discussed. The audit findings were discussed with ACS (Appeals, Security and Prisons), Principal Secretary (Special) and the Additional DGP, Mumbai in an exit conference held on 17 November 2016. The draft performance audit report was issued to the State Government in October 2016; their reply was awaited as of January 2017.

Audit Findings

2.1.6 Planning

2.1.6.1 Delay in Submission of Annual Action Plans

As per Scheme guidelines issued (November 2010) by GoI, every State was required to prepare an Annual Action Plan (AAP) based on the five year Strategic Plan (2011-16). The AAP was to provide the description of programme actions or activities necessary to achieve strategic goals and objectives during the year. The AAP duly approved by the SLEC were to be submitted to MHA, GoI by due date.

The Home Department prepared the five year Strategic Plan (2011-16) in June 2011 with a financial outlay of ₹ 1,168.27 crore. However, the AAP for the year 2011-12 to 2015-16 duly approved by SLEC were submitted to MHA after a delay of four to six months, as indicated in **Table 2.1.1**.

Table 2.1.1: Delay in submission of Annual Action Plans

AAP	Due date of submission of AAP to MHA as per Scheme guidelines	Date of submission of AAP by DGP to SLEC	Date of approval of AAP by SLEC	Date on which AAP forwarded to MHA by GoM	Delays in months	Date of approval by MHA
2011-12	17.01.2011	Information not available with DGP/Department	15.06.2011	17.06.2011	05	Information not available with DGP/Department
2012-13	15.01.2012	25.04.2012	Information not available with DGP/Department	16.05.2012	04	02.07.2012
2013-14	15.01.2013	17.06.2013	23.7.2013	02.07.2013	06	01.10.2013
2014-15	15.01.2014	21.06.2014	13.7.2014	10.07.2014	06	16.09.2014
2015-16	15.01.2015	29.06.2015	13.7.2015	14.07.2015	06	07.08.2015
Source: GoI guidelines and information furnished by Home Department and DGP, Mumbai						

The delay of four to six months in the submission of AAP to GoI during the period 2011-16 led to delay in approval of State Plans by MHA and consequent delay in release of funds, which in turn impacted Scheme implementation and funds utilisation, as discussed in succeeding paragraphs.

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[3] Mumbai, Thane, Navi Mumbai, Pune, Aurangabad and Nashik

[4] Aurangabad, Nashik, Nanded, Pune, Satara, Thane, Wardha and Yavatmal

[5] Aurangabad, Mumbai, Nashik, Nanded, Pune, Satara, Thane, Wardha and Yavatmal

During exit conference, the ACS (Appeals, Security and Prisons) stated (November 2016) that the State Government would make efforts to contain the delays and submit the AAP by January from next year onwards.

2.1.7 Financial Management

2.1.7.1 Fund Flow Mechanism

GoI funds under the Scheme were intended to supplement the resources of the State Governments. During 2011-12, funds were provided by GoI and the State Governments in the ratio of 75:25 which was subsequently revised to 60:40 from 2012-13 onwards.

The GoI releases its share to the State Government for five of seven components of the Scheme, after approval of the AAP. The funds for the remaining two components *i.e.* procurement of weapons and construction of buildings/housing are provided by GoI directly to the Ordnance Factory Board (OFB) and MSPHWC respectively. The State share is released by GoM to OFB, and other implementing agencies namely, the DGP, MSPHWC, DFSL and Home Guards.

The Scheme funds which remain unutilised at the end of the financial year (except for weaponry and construction of buildings/housing) are revalidated by the SLEC and sanctioned by the Finance Department, GoM for utilisation in the succeeding year. The funds released to OFB are recorded as advance and considered as expenditure on receipt of delivery of weapons by the State Government. Funds released to MSPHWC are also treated as advances and considered as expenditure only on receipt of statements of expenditure and/or utilisation certificates (UC) and charged to expenditure based on the settlement of advance.

2.1.7.2 Shortfalls in Expenditure *vis-à-vis* Funds Released

The status of component-wise funds released by GoI and GoM and expenditure incurred during 2011-16 (up to September 2016) was as indicated in **Table 2.1.2.**

Table 2.1.2: Component-wise funds released and expenditure incurred during 2011-16

(₹ in crore)

Component	AAP 2011-12		AAP 2012-13		AAP 2013-14		AAP 2014-15		AAP 2015-16		Total	
	Funds	Exp.	Funds	Exp.	Funds	Exp.	Funds	Exp.	Funds	Exp.	Funds	Exp.
Construction of buildings/ housing	23.94	10.69	0	0	145.85	67.05	119.67	5.96	0	0	289.46	83.70
Communication systems	14.71	2.27	6.30	2.61	13.51	6.82	0	0	10.14	7.81	44.66	19.51
Mobility	23.26	22.83	10.33	8.77	8.57	1.53	0	0	6.95	0.36	49.11	33.49
Weaponry	9.70	3.24	8.00	0	12.19	11.98	6.30	6.30	6.49	5.88	42.68	27.40
Equipment	17.85	1.32	11.70	0.23	4.60	1.10	0	0	8.76	2.31	42.91	4.96
Forensic equipment	8.01	7.85	1.99	1.99	1.59	1.58	0	0	1.46	0.21	13.05	11.63
Training	0	0	0	0	1.32	1.32	0	0	1.20	0.06	2.52	1.38
Others (Anti-Naxalite Programme)	6.00	5.00	1.57	0	0	0	0	0	0	0	7.57	5.00
Total	**103.47**	**53.20**	**39.89**	**13.60**	**187.63**	**91.38**	**125.97**	**12.26**	**35.00**	**16.63**	**491.96**	**187.07**

Source: Information furnished by the implementing agencies

Note: As revalidation orders were issued by SLEC in October 2016 therefore, no expenditure was incurred between March 2016 and September 2016.

It could be seen from **Table 2.1.2** that against the release of ₹ 491.96 crore during 2011-16, the Home Department could utilise only ₹187.07 crore (38 *per cent*) till September 2016. Further, the percentage of non-utilisation was highest at 88 *per cent* under equipment component while it ranged between 71 *per cent* (construction of buildings/housing) and 11 *per cent* (forensic equipment) in respect of the remaining six components. Audit analysed the reasons for significant shortfall in spending (62 *per cent*) under the Scheme which revealed the following:

(i) As already mentioned, there had been a delay of four to six months in submission of AAP to GoI during 2011-16 which led to delay in approval of AAP by MHA and consequent delay in release of central share by GoI. After approval of AAP by the MHA for a particular year, the GoM accords composite administrative approval to various items included in the approved AAP. However, there were significant delays in granting of administrative approvals by GoM leaving very little or no time for the implementing agencies to utilise the funds during the financial year thereby necessitating revalidation of the unutilised funds for use in the succeeding financial years, in respect of five[6] of seven components (except weaponry and construction of buildings/housing components). Even the revalidation orders were issued by the Home Department after time lapse of five to 10 months of the commencement of financial years thus, severely impairing the ability of implementing agencies to utilise the funds by the end of the revalidated financial years. An overview of under-utilisation of funds during 2011-14 and 2015-16 (up to September 2016) due to delay in issue of composite administrative approvals and revalidation orders in respect of five components is indicated in **Table 2.1.3**.

Table 2.1.3: Under-utilisation of funds in respect of five components (except weaponry and construction of buildings/housing)

(₹ in crore)

AAP	Date of approval of AAP by MHA	Total funds released by GoI and GoM	Date of issue of composite administrative approval by GoM	Dates on which revalidation orders were issued by Home Department					Actual expenditure finally incurred up to September 2016 (% utilisation)
				2012-13	2013-14	2014-15	2015-16	2016-17	
2011-12	Information not available	69.83	05.03.2012	12.11.2012	30.08.2013	03.02.2015	26.11.2015	27.10.2016	39.27 (56)
2012-13	02.07.2012	31.89	30.03.2013	--	30.08.2013	03.02.2015	26.11.2015	27.10.2016	13.60 (12)
2013-14	01.10.2013	29.59	17.01.2014	--	--	03.02.2015	26.11.2015	27.10.2016	12.35 (12)
2015-16	07.08.2015	28.51	21.12.2015	--	--	--	--	27.10.2016	10.75 (38)

Source: Information on fund release and actual expenditure has been derived from **Table 2**
Note: In AAP 2014-15, funds were released for weaponry and buildings/housing components only and therefore, excluded.

(ii) As regards 'construction of buildings/housing' component, of ₹ 289.46 crore released to MSPHWC during 2011-16 for construction/upgradation of 117 residential and administrative buildings, only nine buildings could be completed while works of

[6] Communication systems, mobility, equipment, forensic science laboratories/forensic equipment and training

44 buildings were in progress and 64 had not commenced as of September 2016 (total expenditure incurred ₹ 83.70 crore), mainly due to delay in planning and tendering, non-availability of land, encroachment of land *etc*. as discussed in **paragraph 2.1.8.1.** Similarly, for 'weaponry' component, against the total demand for 4,420 weapons made by DGP, Mumbai between 2011-12 and 2015-16, only 2,586 weapons were delivered by the OFB leaving a balance of 1,834 weapons (41 *per cent*) which remained undelivered as of September 2016. As a result, only ₹ 27.40 crore could be spent by the Home Department during 2011-16 against total release of ₹ 42.68 crore during the same period. The details are given in **paragraph 2.1.8.4.**

Further, as per GoI instructions issued from time to time, unspent balances of previous years lying with the State Governments were to be deducted from subsequent year's allocations/releases. Audit observed that GoI released only ₹ 282.12 crore during 2011-16 against its due share of ₹ 547.50 crore[7]. The GoM did not get ₹ 265.38 crore as it represented the unspent balances of the previous years.

During exit conference, the Additional DGP stated that the GoI released its share only by November every year due to which, the State Government had very little time to utilise the available funds during the same financial year. The ACS (Appeals, Security and Prisons) added that unspent funds of the previous years were revalidated by the SLEC and utilised during subsequent years.

The reply is not tenable because, (i) there had been a delay of four to six months in submission of AAP to GoI during 2011-16 which had a cascading effect on approval of State plans and release of funds by the MHA thus, impacting Scheme implementation and funds utilisation, and (ii) there had been an inordinate delay of five to 10 months in issue of revalidation orders by Home Department, leading to meagre utilisation of funds (38 *per cent* to 56 *per cent*) in five of seven components during 2011-16 (**Table 2.1.3**).

2.1.7.3 Violation of Scheme Guidelines in Management and Accounting of Funds

As per Scheme guidelines issued (November 2010) by GoI, all funds received under the Scheme were to be deposited in a separate savings bank account in any nationalised bank or scheduled bank approved by the RBI. The interest received was to be utilised for the same activities as envisaged under the Scheme and no portion of it was to be utilised for other expenses not envisaged in the Scheme. Further, no portion of the Scheme funds was to be kept in fixed deposit for income generation. Audit observed that the implementing agencies violated the Scheme guidelines in management and accounting of funds, as discussed below.

- The MSPHWC kept Scheme funds amounting to ₹ 289.46 crore released during 2011-16 for construction of buildings/housing in its common bank account. As a result, the quantum of interest earned by MSPHWC on the Scheme funds

7 On the basis of 75 *per cent* sharing pattern up to 2011-12 and 60 *per cent* from 2012-13 onwards

(₹ 289.46 crore) could not be ascertained by audit. Besides, it was difficult to ascertain whether interest accrued on the Scheme funds was used for the furtherance of the objectives of the Scheme.

During exit conference, the Financial Advisor and Chief Accounts Officer (FA&CAO), MSPHWC accepted that as the Scheme funds were not kept separately, it was difficult to ascertain the interest portion.

- Against the total release of ₹ 491.96 crore during 2011-16, ₹ 289.46 crore was released to MSPHWC for the component 'construction of buildings/housing' of which, only ₹ 83.70 crore was expended (**Table 2.1.2**). However, the Home Department furnished UC of ₹ 275.76 crore to GoI by treating the unutilised funds of ₹ 192.06 crore[8] as actual expenditure instead of advances, in violation of Scheme guidelines.
- The MSPHWC had also invested ₹ 168 crore in various banks in short-term fixed deposits as on March 2016, in violation of Scheme guidelines. Incidentally, the fixed deposits of ₹ 168 crore also included ₹ 35.57 crore (₹ 50.24 crore with interest up to March 2016) that was initially earmarked for purchase of various equipment[9] in the AAP of 2006-07 and 2009-10 but, transferred by the DGP, Mumbai to MSPHWC. The action of the DGP to transfer funds earmarked for purchase of equipment to MSPHWC, which was solely responsible for construction of buildings/housing, was not rational.

  During exit conference, the ACS (Appeals, Security and Prisons) accepted the facts and stated that the tendering process being time consuming, the funds were parked in short-term fixed deposits. The Principal Secretary (Special) added that many building/housing projects which were stalled due to various reasons had been cleared in the last few months and the process streamlined. This would enable utilisation of funds parked in the fixed deposits along with interest.

  The Home Department however, did not explain the rationale for transfer of Scheme funds meant for purchase of equipment by the DGP to MSPHWC.

Recommendation 1: The State Government may submit the Annual Action Plans to the Government of India by due dates so that delays in approvals and release of funds are arrested and the implementing agencies have sufficient time to utilise the funds effectively and efficiently during plan period itself. The State Government may also ensure that Scheme funds are managed and accounted for as per guidelines.

8 ₹ 275.76 crore - ₹ 83.70 crore

9 Bomb blankets, bullet-proof jackets, bomb suits, bullet-proof helmets, bomb trollies *etc.*

2.1.8 Scheme Implementation

The Scheme aimed to modernise the police forces in terms of (i) construction of buildings/housing, (ii) communication systems, (iii) mobility, (iv) weaponry, (v) equipment, (vi) forensic science laboratories/forensic equipment, and (vii) training. Audit scrutiny of six of seven components (except 'Training') for the period 2011-16 revealed significant deficiencies in terms of poor progress of construction works, non-replenishment of the stocks of weapons and equipment, shortfalls in firing practice, shortage of technical manpower and drivers *etc.* which are discussed in the succeeding paragraphs.

2.1.8.1 Construction of Buildings/Housing

During 2011-16, of ₹ 289.46 crore released to MSPHWC for execution of 117 works (construction/upgradation of residential and non-residential buildings), MSPHWC expended only ₹ 83.70 crore, leaving an unspent balance of ₹ 205.76 crore (71 *per cent*) at the end of September 2016 (**Table 2.1.2**). The year-wise physical and financial progress of 117 works as of September 2016 is given in **Table 2.1.4.**

Table 2.1.4: Year-wise physical and financial progress of works

(₹ in crore)

AAP	No. of works approved in AAP	Physical progress as of September 2016			Financial progress as of September 2016		
		No. of works completed	No. of works in progress	No. of works not yet commenced	Fund released by GoI/GoM	Funds utilised	Unspent balance
2011-12	15	4	2	9	23.94	10.69	13.25
2012-13	0	0	0	0	0	0	0
2013-14	92	5	36	51	145.85	67.05	78.80
2014-15	10	0	6	4	119.67	5.96	113.71
2015-16	0	0	0	0	0	0	0
Total	**117**	**9**	**44**	**64**	**289.46**	**83.70**	**205.76**

Source: Information furnished by MSPHWC
Note: GoM did not include any construction/upgradation works in AAP 2012-13 and 2015-16 and therefore, no funds were released during these two years.

As could be seen from **Table 2.1.4**, only nine[10] of 117 residential and non-residential buildings (eight *per cent*) could be constructed/upgraded during 2011-16. Of the remaining 108 works[11], while 44 works[12] were in progress, 64 works[13] had not commenced as of September 2016 due to delay in planning and tendering, non-availability of land, encroachment of land *etc.*

The FA&CAO, MSPHWC accepted the facts and stated (August 2016) that correspondence was in progress with the City and Industrial Development Corporation/Maharashtra Housing and Area Development Authority on land issues and the user Departments for finalisation of scope of works. During exit

[10] Five works were entrusted to the Public Works Department (PWD); Four works were carried out by MSPHWC

[11] 90 works to be executed by PWD and 18 by MSPHWC

[12] 37 by PWD and 07 by MSPHWC

[13] 53 by PWD and 11 by MSPHWC

conference, the ACS (Appeals, Security and Prisons) attributed the shortfalls to shortage of technical staff like engineers and architects.

Given the fact that 108 works comprised 44 police stations, 14 training centres and 50 residential/non-residential buildings, delay in their construction/upgradation, especially the police stations indicated lack of adequate planning and coordination on the part of the implementing agency (MSPHWC).

Recommendation 2: The State Government may closely monitor the construction/upgradation works being executed by Maharashtra State Police Housing and Welfare Corporation and Public Works Department so that the factors impeding the progress of works are identified and resolved early, facilitating their early completion.

2.1.8.2 Communication Systems

Transmission of intelligence data on crime and criminals and other vital information in the shortest possible time is of paramount importance and therefore, the police forces need to have modern, reliable and efficient communication systems. During 2011-16, the Home Department spent only ₹ 19.51 crore on communication systems against the total release of ₹ 44.66 crore made by GoI and GoM during the same period (**Table 2.1.2**).

Scrutiny of records in the office of DGP, Mumbai revealed that the Mumbai police had 1,380 analog wireless sets and 2,200 analog walkie-talkies. As per AAP 2011-12, the Home Department accorded (March 2012) administrative approval of ₹ 8.64 crore for procurement of 306 digital wireless sets for Mumbai city and 273 digital walkie-talkies[14] for Mumbai city and rest of Maharashtra. The upgraded system (from analog to digital) was expected to improve the quality of communication in terms of less distortion, better security and efficient use of bandwidth.

The DGP, Mumbai placed (April 2013) a purchase order for supply, installation and commissioning of a digital radio trunking system comprising 150 each of encrypted digital wireless sets and walkie-talkies along with control room equipment, repeaters[15]/base station equipment, system test equipment and tools, technical documentation *etc.* at a total cost of ₹ 9.56 crore. As per purchase order, the radio trunking system was to be commissioned by September 2013. However, by January 2017, only trial runs had been conducted on the system and the system was yet to be finally commissioned. The delay in commissioning of the system was mainly due to delay in installation of repeaters in two[16] of three sites identified by the Home Department. Audit observed that the Home Department could not initially obtain the permission of the Bhabha Atomic Research for installation of repeater in Trombay Hill area, and there was delay in finalising the new site in Bombay Stock Exchange building as the earlier site in the same building was found to be technically unsuitable. Considering that the system was to be

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[14] Mumbai city: 163; Rest of Maharashtra: 110

[15] In telecommunications, a repeater is an electronic device that receives a signal and retransmits it. Repeaters are used to extend transmissions so that the signal can cover longer distances or be received on the other side of an obstruction.

[16] Trombay Hill and Bombay Stock Exchange

commissioned within five months of placement of purchase order, all technical issues concerning site selection should have been addressed timely by the Home Department. Thus, the objective of upgrading the police communication network from the old analog system to the new encrypted digital system remained unachieved despite a time lapse of 39 months (October 2013 to December 2016). No payment was released to the supplier as of January 2017.

Based on the approved AAP of 2012-14, the Home Department also accorded a composite administrative approval for purchase of 296 encrypted digital wireless sets and 418 walkie-talkies at an estimated cost of ₹ 9.99 crore. However, the DGP, Mumbai placed (April 2016) a purchase order for procurement of only 50 of 418 digital walkie-talkies. The walkie-talkies were supplied in August 2016. No orders were placed for procurement of 296 encrypted digital wireless sets.

Further, for procuring licenses for operation of digital radio trunking system, it was obligatory to pay spectrum charges in advance to the Department of Telecommunications, GoI. Audit observed that the GoM had paid spectrum charges[17] of ₹ 10.20 crore to the GoI during 2012-16 for 4,617 sets. Considering the fact that the digital radio trunking system was not commissioned as of January 2017, the advance spectrum charges of ₹ 10.20 crore paid to GoI during 2012-16 (for four years) lacked rationale.

During exit conference, the Additional DGP stated that the encrypted digital wireless sets and walkie-talkies could not be procured due to paucity of funds. However, it is being purchased yearly in a phased manner under Mega City Policing Scheme. Regarding payment of spectrum charges, Additional DGP added that until and unless the whole of the spectrum charges were paid in advance, licenses would not be issued by GoI.

The reply is not tenable as funds under this component remained unutilised every year commencing from 2011-12 and the cumulative savings at the end of September 2016 was ₹ 25.15 crore (**Table 2.1.2**). Further, grave mismatch between payment of advance spectrum charges and commissioning of the digital radio trunking system clearly indicated inadequacies in planning for procurement of licenses.

2.1.8.3 Mobility

Mobility of police forces is essential for enhancing their operational efficiency, in tackling law and order situations as well as for prevention and detection of crimes and ensuring security and surveillance. Increased mobility also reduces response time and enhances operational efficiency of police forces.

Shortage of Vehicles

Scrutiny of AAP 2016-17 submitted (July 2016) by the GoM to the MHA revealed shortage of 76 heavy vehicles; 1,852 medium vehicles; and 5,797

[17] At the rate of ₹ 2.55 crore per year

motorcycles in the State *vis-à-vis* the norms fixed by GoM. The details are shown in **Table 2.1.5**

Table 2.1.5: Shortage of vehicles in the State as on June 2016

Type of vehicle	Requirement as per GoM norms	Actual holding	Shortages (-)/ excess (+)	Shortages (in %)
Heavy	1349	1273	-76	6
Medium	3778	1926	-1852	49
Light	4874	5151	+277	Nil
Motorcycle	11764	5967	-5797	49
Source: Annual Action Plan 2016-17				

In the nine test-checked districts, there was a shortage of 1,113 vehicles (heavy, medium and light) and 635 motorcycles as of March 2016. The shortage of vehicles (heavy, medium and light) and motorcycles was highest at 47 *per cent* under SP, Nashik and 67 *per cent* under CP, Nashik respectively.

Shortfall in Procurement of Vehicles

During 2011-16, the GoM accorded composite administrative approval for procurement of 2,226 vehicles[18] at an estimated cost of ₹ 109.38 crore. The Home Department received ₹ 49.11 crore from GoI and GoM during 2011-16 under mobility component and spent ₹ 33.49 crore on procurement of 662 vehicles as of September 2016 (**Table 2.1.2**), leaving a shortfall of 1,564 vehicles (70 *per cent*).

Shortage of Drivers

For effective deployment of vehicles for police duties, availability of adequate number of drivers is of utmost importance. In nine test-checked districts, against the availability of 5,955 vehicles as of September 2016, only 5,174 drivers were available *vis-à-vis* the requirement of 8,933 drivers[19]. Further, 14 units[20] in nine test-checked districts confirmed to audit that of 5,174 personnel used for driving duties during 2015-16, 2,931 personnel[21] (57 *per cent*) were diverted from active policing to driving duties.

During exit conference, the Additional DGP stated that a proposal for recruitment of 6,600 drivers in the State had been forwarded by the Home Department to the Finance Department, GoM.

Recommendation 3: The State Government may expedite procurement of vehicles to mitigate shortages and recruit adequate number of drivers to strengthen the operational efficiency of police force.

2.1.8.4 Weaponry

The Home Department received ₹ 42.68 crore under the Scheme for Weaponry component during 2011-16 against which, an expenditure of ₹ 27.40 crore was incurred (**Table 2.1.2**).

[18] Jeeps, light vans, prison vans, motorcycles, multi-purpose vehicles *etc.*
[19] 5,955 vehicles × 1.5 drivers per vehicle (As per State Government norms)
[20] Units mean offices of the CP and SP
[21] Hawaldars/Naiks

Shortage of Modern Weapons

Scrutiny of AAP 2014-15[22] revealed that only 81,482 modern weapons[23] were available with the State police forces as of March 2015 against the total requirement of 1,46,508 weapons as per GoM norms. Thus, there was a shortage of 65,026 modern weapons constituting 45 *per cent* of the total requirement of the State. In nine test-checked districts, only 31,160 modern weapons were available as of September 2016 against the requirement of 70,471 weapons as per the GoM norms. Thus, there was a shortage of 39,311 weapons constituting 56 *per cent* of the total requirement of these districts.

Pendency in Supply of Weapons by OFB

Against the order of 4,420 modern weapons placed by the DGP, Mumbai in the four State annual plans (2011-12 and 2013-16), only 2,586 weapons were supplied by the OFB, leaving a balance of 1,834 weapons (41 *per cent*) valuing ₹ 9.60 crore which were not supplied for six months to 4½ years as of September 2016. The details are shown in **Table 2.1.6**.

Table 2.1.6: Statement showing pending supplies of weapons as of September 2016

(₹ in crore)

AAP	No. of weapons demanded	No. of weapons pending receipt (%)	Money value of weapons not received
2011-12	1006	400 (40)	1.28
2013-14	1099	323 (29)	1.55
2014-15	1164	551(47)	3.22
2015-16	1151	560 (49)	3.55
Total	**4420**	**1834 (41)**	**9.60**

Source: Information furnished by DGP, Mumbai
Note: The details of weapons demanded under AAP 2012-13 and pending from OFB were not available with the DGP, Mumbai.

During exit conference, the Additional DGP stated that meetings were held with the OFB and the matter was also pursued through correspondence but, the Board accorded priority to the Army and the sensitive areas for supply of modern weapons due to which, there were delays in supply of weapons to the State.

Audit is of the view that the delays in supply of weapons could have been contained to some extent if the AAP had been submitted to MHA as per the prescribed schedule shown in **Table 2.1.1** to facilitate timely release of funds for early supply of weapons by OFB.

Weaponry at District Armouries and Central Pool

Audit observed that while there was shortage of weapons *vis-à-vis* the requirements on one side, significant stocks of modern weapons were held

[22] The AAP of 2015-16 prepared by the Home Department did not show the current holding of weapons *vis-à-vis* the requirement and therefore, the quantum of shortage of weapons in the State as of March 2016 could not be ascertained by audit

[23] 7.62 mm self-loaded rifles, pistol auto 9 mm, 5.56 INSAS rifles, 40 mm under barrel grenade launcher, tear gas guns, 9 mm carbine, AK-47 rifles *etc.*

(September 2016) at the district armouries of nine test-checked districts and central pool, Pune as shown in **Table 2.1.7.**

Table 2.1.7: Weapons held at the district armouries and central pool, Pune

Sr. No.	Type of Weapon	Shortfall of weapons in nine test-checked districts	Stocks held at the armouries of nine test-checked districts	Stocks at Central Pool, Pune
1	7.62 self-loading rifle	11900	10173	1988
2	Pistol auto 9 mm	6319	2476	2409
3	9 mm carbine	3364	2395	2231
4	.38 revolver	1800	1415	60
5	12 bore shotgun	5069	2150	1628
6	5.56 INSAS rifle	9972	1174	302
7	AK-47 rifle	887	457	05
Total		**39311**	**20240**	**8623**
Source: Information furnished by CP and SP of nine test-checked districts and SRPF (Group I), Pune				

During exit conference, the Home Department did not furnish any specific reason(s) for holding significant stocks of modern weapons without its distribution to the field units.

Shortfall in Firing Practice

As per State Government's weaponry policy of April 2010 and August 2014, it was mandatory for all police personnel across ranks to undergo at least one annual firing practice. Information furnished to audit by CP and SP of nine test-checked districts revealed a shortfall of 60 to 71 *per cent* in armed firing practice during 2011-16 as shown in **Table 2.1.8**.

Table 2.1.8: Shortfalls in firing practice in nine test-checked districts during 2011-16

Year	No. of police personnel drafted for training by CP/SP	Actual number of participants	Shortfall	% shortfall
2011-12	83858	24040	59818	71
2012-13	84194	30930	53264	63
2013-14	84299	29305	54994	65
2014-15	88556	27879	60677	69
2015-16	87324	34597	52727	60
Source: Information furnished by CP and SP of nine test-checked districts				

The SP, Pune attributed (May 2016) the shortfall to non-availability of ammunition while CP, Mumbai attributed (November 2016) the shortfall to non-availability of firing range. During exit conference, the Principal Secretary (Special) admitted that shortage of ammunition had affected firing practice.

The consistent shortfall in firing practice during 2011-16 underscores the fact that the Home Department did not identify and address the impediments in providing mandatory firing practice to police personnel.

Recommendation 4: The State Government may make concerted efforts to address the issue of pending supplies with the Ordnance Factory Board so that backlog in supply of weapons is cleared at the earliest. The stocks of modern weapons lying at the district armouries and central pool may be effectively utilised to fulfill the operational needs of the field units. The State Government may also ensure that mandatory firing practice is imparted to the police personnel to sharpen their skills.

2.1.8.5 Equipment

In order to tackle any law and order situation arising from terror/Naxalite attacks, communal flare-up and other agitational activities, the police need to be well equipped. During 2011-16, the Home Department received ₹ 42.91 crore under the Scheme for procurement of equipment against which, an expenditure of only ₹ 4.96 crore was incurred, leaving an unspent balance of ₹ 37.95 crore at the end of September 2016 (**Table 2.1.2**).

Low spending on police equipment during 2011-16 (12 *per cent*) was largely due to delay in submission of AAP to GoI which in turn delayed the approval of State plans and release of funds, grant of composite administrative approvals by the GoM and issue of revalidation orders, leaving little or no time for the implementing agency (DGP, Mumbai) to procure the equipment. Audit analysis of the unspent balance of ₹ 37.95 crore revealed that vital police equipment valuing ₹ 28.76 crore (76 *per cent*) included in the AAP of 2011-16 (excluding AAP 2014-15) had not been procured as of September 2016. The details are shown in **Table 2.1.9**.

Table 2.1.9: Vital police equipment pending procurement since AAP 2011-12

(₹ in crore)

Item	AAP 2011-12		AAP 2012-13		AAP 2013-14		AAP 2015-16		AAP 2011-16	
	Qty	Total value	Qty	Total value	Qty	Total value	Qty	Total value	Qty	Total value
Bomb disposal suit	0	0	29	5.16	0	0	0	0	29	5.16
Bullet-proof jacket	500	3.50	0	0	90	0.90	9	0.09	599	4.49
Total containment vehicle[24]	1	4.00	0	0	0	0	0	0	1	4.00
Portable x-ray machine 3D	0	0	0	0	0	0	10	3.00	10	3.00
Fixed x-ray baggage scanner machine	0	0	1	0.15	0	0	1	0.40	2	0.55
Night vision binocular	28	0.40	118	1.67	0	0	20	0.61	166	2.67
Robot	2	2.50	0	0	0	0	0	0	2	2.50
Very small aperture terminal (VSAT)	1	2.00	0	0	0	0	0	0	1	2.00
Bomb inhibitor[25]	0	0	46	1.81	0	0	2	0.02	48	1.83
Bomb suit	8	1.12	1	0.14	0	0	1	0.01	10	1.27
Bullet-proof helmets	0	0	0	0	100	0.30	50	0.10	150	0.40
Magazine operation pouch	0	0	0	0	0	0	115	0.35	115	0.35
Deep search metal detector	0	0	0	0	0	0	17	0.29	17	0.29
Hidden camera and recorder	0	0	25	0.25	0	0	0	0	25	0.25
Total										**28.76**

Source: Revalidation order issued by SLEC on 27 October 2016

Note: No funds were released by GoI and GoM for purchase of equipment under AAP 2014-15 (**Table 2.1.2**).

24 It allows the technician to safely contain, transport and dispose of explosive devices. The vehicle can be remotely opened and closed providing safer stand-off for the technician

25 Bomb inhibitors are installed in airports, Government buildings, public places, mail sorting offices and any other areas where there is a threat from explosive devices

Audit analysis further revealed that of the 14 items of police equipment pending procurement valuing ₹ 28.76 crore (**Table 2.1.9**), seven items of equipment valuing ₹ 13.42 crore (47 *per cent*) such as, bullet-proof jackets (total 599), total containment vehicle (one), bomb inhibitors (two), bomb suits (10), bullet-proof helmets (150), magazine operation pouches (115) and fixed x-ray baggage scanner machine (one) planned for procurement for Mumbai city had not been procured as of September 2016.

Inordinate delay in procurement of vital police equipment may create critical gaps in preparedness of police forces to deal with any unforeseen security situation.

Recommendation 5: In order to plug any gaps in the preparedness of the police forces to deal with unexpected security situation, the State Government may speed up the procurement of police equipment initially planned for.

2.1.8.6 Forensic Science Laboratories/Forensic Equipment

The DFSL, Mumbai and seven regional forensic science laboratories at Nagpur, Pune, Aurangabad, Nashik, Amravati, Nanded and Kolhapur were set up to provide valuable aid to investigation through analysis of forensic evidence. During 2011-16, the GoI and GoM released ₹ 13.05 crore of which, DFSL spent ₹ 11.63 crore (**Table 2.1.2**) as of September 2016 on purchase of various forensic equipment[26].

Pendency in Analysis of Samples

Scrutiny of case registers at DFSL, Mumbai for the calendar year 2011 to 2016 revealed 34,171 samples pending investigation as of 01 January 2017. These are detailed below in **Table 2.1.10**.

Table 2.1.10: Details of samples pending investigation

Calendar year	Opening balance	Samples received during the year	Total samples received	Samples examined during the year	Closing balance	Pending samples (in %)
2011	30989	103679	134668	79557	55111	41
2012	55111	112502	167613	92464	75149	45
2013	75149	136109	211258	174207	37051	18
2014	37051	146194	183245	164046	19199	10
2015	19199	146695	165894	133517	32377*	20
2016	32382*	157791	190173	156002	34171	18

Source: Information furnished by DFSL, Mumbai
*The difference in closing balance (2015) and opening balance (2016) was not reconciled by DFSL

Though the pendency in analysis of samples declined from 41 *per cent* in 2011 to 18 *per cent* in 2016, it was still significant considering the fact that forensic reports form crucial evidence for scientific investigations and court decisions. The main reason for pendency in analysis of samples was shortage of technical staff (29 *per cent*)[27] in the forensic science laboratories.

During exit conference, DFSL, Mumbai accepted the facts.

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26 Image documentation system, scanning electron microscope, microscope spectrophotometer 800, DNA sequencer, ocean system *etc.*

27 Sanctioned strength: 492; Men-in-position: 349 (position as on June 2016)

Unfruitful Expenditure on Purchase of Forensic Equipment

Under the Scheme, GoM accorded (December 2010) administrative approval for purchase of one evidence investigator system (equipment) for detection of drugs in human body by analysing samples of blood, urine, oral fluid, hair *etc.* As the equipment was proprietary item of a company based in the United Kingdom, permission was granted by GoM to import the same through its authorised dealer in Mumbai. The DFSL, Mumbai placed a purchase order (March 2011) for procurement of this equipment at a total cost of ₹ 98.91 lakh. The equipment was installed in August 2011.

Scrutiny of records in DFSL, Mumbai revealed that between August 2011 and February 2014 (30 months), 33 samples were analysed using the equipment but, all the test results were found to be erroneous. The use of equipment was discontinued from March 2014. Though the equipment was modified by the authorised dealer free of cost, blood and urine anlaysis conducted (July 2016) on the equipment by the representatives of the authorised dealer on experimental basis showed erratic results and the equipment was eventually not found suitable for narcotic drugs and psychotropic substances analysis.

Thus, forensic equipment procured at a cost of ₹ 98.91 lakh remained dysfunctional since its installation in August 2011.

Recommendation 6: The State Government may fill up the technical posts in the forensic science laboratories in a phased manner in order to reduce the pendency of samples and minimise the consequential delays in investigation process.

2.1.9 Monitoring

2.1.9.1 Shortfall in Meetings of SLEC

As per GoI letter dated 25 April 2001 and Scheme guidelines, the SLEC, headed by Chief Secretary of the State, should meet once every month to monitor the preparation of AAP and their implementation. Audit however, observed that the SLEC held only six meetings during 2011-16 against the stipulated 60 meetings. Significant shortfall of 90 *per cent* in holding the prescribed number of meetings resulted in poor monitoring by SLEC to ensure timely preparation and submission of AAP to GoI, as well as addressing the critical issues relating to mobility, weaponry, construction/upgradation of residential and non-residential buildings *etc.* as pointed out in the preceding paragraphs.

2.1.9.2 Poor Asset Management

As per Scheme guidelines issued (November 2010) by GoI, all items of fixed assets should be serially numbered in accordance with the group/nomenclature of the item and entered in the registers of fixed assets indicating (a) name and description of item, (b) date of receipt, (c) supplier's name, (d) cost of item, (e) guarantee period, if any, and its details, (f) asset identification number, (g) location of the item, and (h) remarks with regard to disposal/write-off *etc*. The Scheme guidelines further provides for annual verification of assets to be carried out by a team of designated officers of the Police Directorate.

Audit observed that DGP, Mumbai neither maintained any register of fixed assets nor conducted annual verification of assets created out of Scheme funds during 2011-16.

During exit conference, the Additional DGP stated that software was being developed for creation of a centralised database of assets.

2.1.9.3 Inadequate Follow-up on Audit Reports of MHA

As per Scheme guidelines issued (November 2010) by GoI, the MHA was to conduct concurrent audit of the Scheme on quarterly basis. The State Governments were required to furnish action taken reports to MHA within one month of submission of audit reports.

Audit observed that during 2011-16, though MHA conducted concurrent audits of the Scheme up to March 2016 yet the Home Department did not submit any action taken report to MHA. Considering that the observations raised by MHA were vital and pertained to slow pace of implementation of projects under buildings/housing component, improper maintenance of stock registers for items purchased under the Scheme, issues of disputed land sites *etc*., non-submission of action taken reports clearly indicated poor monitoring by SLEC. It also shows the apathy of the Home Department to address the shortcomings pointed out by MHA in the audit reports.

Recommendation 7: The State Government may strengthen the system of monitoring so that all the critical issues that has a direct bearing on the implementation of the Scheme are addressed timely.

2.1.10 Impact Assessment

2.1.10.1 Increase in Crime Cases

The State police are charged with the responsibility of detection and prevention of crime in the State. As part of this function, it supervises the investigation of all cases. Audit reviewed the status of crime cases and revealed increasing trend of crimes and slow pace of investigation during calendar years 2011 to 2015, as indicated in **Table 2.1.11**.

Table 2.1.11: Increase in crime cases in the State during 2011-15

Calendar year	Opening balance of pending cases	Cases reported during the year	Cases refused[28]	Total No. of cases due for investigation	Total no of cases investigated	Closing balance of pending cases	Pending cases (in %)
2011	158536	335124	554	493106	329856	163250	33
2012	163250	333680	364	496566	331453	165113	33
2013	165113	358509	72	523550	336053	187497	36
2014	187497	384815	255	572057	366515	205542	36
2015	205542	423180	249	628473	387895	240578	38
Source: Reports on 'Crime in Maharashtra' prepared by State Criminal Investigation Department (CID)							

[28] Cases refused means after primary investigations, the charges were found to be false

Table 2.1.11 shows that the number of crime cases reported during 2011-15 had increased by 26 *per cent* from 3,35,124 in 2011 to 4,23,180 in 2015. The number of cases pending investigation also increased from 33 *per cent* to 38 *per cent* during 2011-16. As per reports on 'Crime in Maharashtra' prepared by CID, Maharashtra, the percentage of crimes cases registered under four categories namely, rape, kidnapping and abduction, robbery, assault on women had increased by 186 *per cent* during 2015 over 2011. In view of rising crime cases, the need to equip the State police forces with modern weapons, communication systems, better mobility, adequate training to increase their striking capability and operational efficiency as well as improving the efficiency of forensic science laboratories by providing adequate technical manpower cannot be overemphasised.

2.1.10.2 Non-recording of Response Time

The effectiveness of police is determined by the total time taken to reach the crime site from the time of receiving message about the crime (response time). Crime registers in the prescribed format are being maintained in the police stations which have columns to record the response time.

Audit observed that the Home Department did not prescribe the maximum response time for police to reach the crime sites. Further scrutiny of crime registers for the month of December 2011 and December 2015 in 140 selected police stations revealed that while 10 police stations in Mumbai (out of 140) did not have specific columns for recording the response time, the remaining 130 police stations did not record the response time in the crime registers. This shows deficiency in maintaining crime registers, an effective tool to assess police efficiency as well as impact of the Scheme as a whole.

During exit conference, the Additional DGP stated that the response time was being recorded in modern control rooms in Mumbai city, Thane, New Mumbai *etc.* However, the Additional DGP did not explain how the response time was being recorded in respect of those crimes which were not routed through the police control rooms.

2.1.11 Conclusion

The implementation of the Central Scheme for 'Modernisation of Police Force in Maharashtra' was far from satisfactory as during the last five years (2011-16), the GoM could spend only 38 *per cent* of the total funds released under the Scheme. The low spending during the last five years was mainly due to delays in preparation and submission of Annual Action Plans to GoI, causing consequent delays in approval of plans and release of funds. The problem was compounded by further delay in granting of composite administrative approvals by the GoM to various items included in the approved annual plans, leaving very little or no time for the implementing agencies to utilise the funds during the financial year thereby necessitating revalidation of the unutilised funds for use in the succeeding financial years. Even the revalidation orders were issued by the GoM much after the commencement of the financial year thus, severely impairing the ability of implementing agencies to utilise the funds within the revalidated financial year.

Audit scrutiny of the Scheme components aimed at modernising the police forces revealed a number of deficiencies. During 2011-16, only eight *per cent* of the planned residential and non-residential buildings, which also included police stations, could be constructed/upgraded. The digital radio trunking system procured at a cost of ₹ 9.56 crore was not commissioned despite delay of 39 months thereby defeating the objective of upgrading the police communication network from the old analog system to the new encrypted digital system. Though there was an acute shortage of medium vehicles and motorcycles in the State yet only 662 vehicles were procured through Scheme funds during 2011-16, leaving a shortfall of 1,564 vehicles (including motorcycles).

There was a shortage of 65,026 modern weapons constituting 45 *per cent* of the total requirement of the State. Supply of 1,834 weapons valuing ₹ 9.60 crore and representing 41 *per cent* of the total ordered quantity was pending from Ordnance Factory Board for a period ranging from six months to 4½ years. Vital police equipment valuing ₹ 28.76 crore such as, bullet-proof jackets, night vision binoculars, bomb disposal suits, portable x-ray machines *etc.* planned for procurement under the Annul Action Plans of 2011-16 (excluding 2014-15) had not been procured as of September 2016.

The functioning of forensic science laboratories was affected by shortage of technical staff, leading to 34,171 samples (18 *per cent*) pending investigation as on 01 January 2017. Monitoring of the Scheme was lax; management of assets created under the Scheme was poor; follow-up on the audit reports submitted by the Ministry of Home Affairs, GoI was inadequate; and majority of the police stations were not recording the response time to assess the operational efficiency of the police.

General Administration Department (Information Technology)

2.2 Information Technology Audit of e-Tendering System in Government Departments

Executive Summary

The Government of Maharashtra adopted the e-Tendering system in August 2010 with a view to enhancing transparency in Government procurement of goods, services and works, reduce cycle time and cost of procurement. Two e-Tendering application systems were in use in the State namely, (i) Sify-NexTenders system developed by a private agency, and (ii) National Informatics Centre (NIC) system.

An IT Audit of both the systems conducted for the period 2010-16 revealed that implementation of dual systems breached the Central Vigilance Commission guidelines for use of a common unified platform for achieving economies of scale and reducing threat to security of data. While the NIC system was free of charge to users, the Sify-NexTenders system involved user charges. There were serious system deficiencies in Sify-NexTenders system which undermined the effectiveness of the e-Tendering process. The State Government also did not ensure development and implementation of all the essential features in both the systems to ensure transparency in e-Procurement process.

There were no validation checks to ensure minimum time to be allowed to the bidders for bid submission, leading to participation of a few bidders in the e-Tendering process. Comprehensive audit of Sify-NexTenders system was not done by Standardisation Testing and Quality Certification Directorate, GoI and the State Government also failed in its role to ensure this. The monitoring of the systems was poor due to insufficiency of MIS reports. Inadequate IT security, non-documentation of IT security policy, business continuity and disaster recovery plans, and deficiencies in audit trail made the systems further vulnerable to errors and manipulations.

2.2.1 Introduction

Electronic tendering (e-Tendering) is the use of Information and Communication Technology (web based) by Government in conducting their tendering processes with suppliers for the acquisition of goods, works and services. Government of Maharashtra adopted e-Tendering for tendering process in August 2010 with the following objectives:

- to provide single window system for all Government services;
- to establish a one stop-shop providing all services related to Government procurement;
- to bring about procurement reform across the Government Departments through process standardization;
- to reduce cycle time and cost of procurement; and
- to enhance transparency in Government procurement.

As per the Government Resolution (GR) of General Administration Department issued in August 2010, all the State Government Departments were mandated to use e-Tendering system from 01 October 2010 for all tenders having an estimated value of ₹ two crore and above for procurement of goods, services and works. The estimated value of tender to be procured through e-Tendering system was reduced to ₹ 50 lakh and above from 01 December 2010, ₹ 10 lakh and above from 01 October 2012 and ₹ three lakh and above from 26 November 2014.

Two e-Tendering application systems are in use in the State namely, (i) Sify-NexTenders system of Sify Technologies Limited: The application had web based architecture and its database was maintained in MS SQL Server[1]. The application was hosted at State Data Centre in Mumbai and was available on https://maharashtra.etenders.in.
(ii) National Informatics Centre (NIC) system: The application had web based architecture and its database was maintained in PostgreSQL Server[2]. The application was hosted at NIC Data Centre in New Delhi and was available on https://mahatenders.gov.in.
The NIC system was being used mainly by Water Resources Department, Public Health Department, Agriculture Department, Industries Energy and Labour Department, School Education and Sports Department. Whereas, Sify-NexTenders system was being used by Public Works Department, Medical Education and Drugs Department, Tribal Development Department, Home Department, Women and Child Development Department.

2.2.2 Organisational Setup

The Principal Secretary, (Information Technology) in General Administration Department (GAD), Government of Maharashtra (GoM) and the Directorate of Information Technology, GoM (DIT) in coordination with Sify Technologies Limited and NIC is implementing the e-Tendering system in the State of Maharashtra. All Government Departments/undertakings/ autonomous organisations in Maharashtra were the users of the e-Tendering system.

2.2.3 Audit Objectives

The audit objectives were to assess whether:

- the e-Tendering system was effective;
- the input, processing and output controls of the e-Tendering system were adequate to ensure integrity of the system and that it complied with the rules and procedures;
- reliable controls were in place to ensure data security and that necessary tamper-proof audit trails have been incorporated in the system; and
- the system met the requirements of internal audit.

[1] It is a relational database management system developed by Microsoft
[2] It is an open source object-relational database management system

2.2.4 Audit Criteria

The planning and implementation of the e-Tendering system, data management and monitoring were examined with the provisions contained in the following documents:

- Maharashtra State e-Governance Policy 2011;
- Manual of Office Procedure for Purchase of Stores by the Government Departments issued by Industries, Energy and Labour Department in October 2015;
- GRs and circulars issued by GAD and DIT and Request for Proposal (RfP) issued in December 2009 by DIT to select system integrator for the e-Tendering project;
- Guidelines for operational model for implementation of Mission Mode Projects by the line Ministries/State Departments under the National e-Governance Plan issued by Ministry of Communications and Information Technology, GoI in May 2006;
- Guidelines for compliance to quality requirements of e-Procurement Systems issued in August 2011 by Standardisation Testing and Quality Certification Directorate, Ministry of Communications and Information Technology, GoI; and
- Guidelines of Chief Vigilance Commissioner on e-Tendering solutions issued in September 2009.

2.2.5 Audit Scope and Methodology

Audit test-checked the records in the offices of Principal Secretary (IT), GAD, DIT and 17 units under 13 Government Departments **(Appendix 2.2.1)** implementing the e-Tendering system. The selection of Departments and the units within the Departments was done based on maximum number of tenders released during 2010-16. Data in the e-Tendering system for the period 2010-16 was analysed with the help of Computer Aided Audit Techniques in addition to manual records related to e-Procurement maintained in these units. The audit objectives, audit criteria and scope of audit were discussed with the Principal Secretary (IT), GAD in an entry conference held on 15 June 2016. The Information Technology Department, GoM (Department) was requested to have an exit conference to discuss the audit findings however, no response was received from the Department. The draft IT report was issued to the State Government in October 2016; their reply was awaited as of January 2017.

2.2.6 Audit Findings

2.2.6.1 Implementation of Dual System of e-Tendering System

The Department entered (March 2010) into an agreement with Sify Technologies Limited for development and implementation of an application software for e-Tendering, procurement of server side hardware infrastructure and its maintenance *etc.* on Public Private Partnership basis under built, own, operate and transfer model. The e-Tendering application (Sify-NexTenders) was to be transferred to DIT free of cost at the end of five years from the Go-Live of the application or on termination of contract whichever was earlier. The e-Tendering application went live from August 2010. A service fee of ₹ 882 plus service tax was payable by the bidders per bid to Sify Technologies Limited. Scrutiny of records of DIT revealed the following:

- The Department entered (March 2010) into an agreement with Sify Technologies Limited for development and implementation of application software for a period of five years up to August 2015[3], despite being aware of the fact that GoI under the National e-Governance plan (NeGP) had declared (May 2006) e-Procurement as a Mission Mode project to create a national initiative for implementing procurement reforms. Though the Department adopted e-Tendering application developed by NIC[4] in July 2012 under the NeGP but, in the absence of an exit clause, the Department could not foreclose the contract with Sify Technologies Limited and switch over to the single system of NIC from July 2012.
- Implementation of two systems simultaneously also breached the Central Vigilance Commission guidelines of September 2009 stipulating the use of common unified platform by all Departments across a State for achieving economies of scale and reducing threat to security of data.
- While the bidders had to pay a service fee ₹ 882 per bid plus service tax for using Sify-NexTenders system, the NIC system could be used free of cost by the bidders. Further, application of uniform service fee of ₹ 882 across all tenders irrespective of their money value was another drawback in the Sify-NexTenders system.
- As mentioned in **paragraph 2.2.1**, the State Government progressively brought down the value of tenders which increased the volumes and the revenue of Sify Technologies Limited. However, the benefit of volumes was not passed on to the bidders in the form of reduction in the service fee being recovered by Sify Technologies Limited.

Recommendation 1: Considering the benefits of the use of common unified platform, the State Government may consider implementation of NIC system, which is tried and tested and also free of cost, in all the Departments across the State.

2.2.6.2 Undue Benefit to Sify Technologies Limited

Though the agreement with Sify Technologies Limited expired in August 2015 yet 216 units under Public Works Department, Medical Education and Drugs Department, Tribal Development Department *etc.* continued to use Sify-NexTenders system while 2,307 units under Rural Development Department, Agriculture Department, Housing Department *etc.* continued to use NIC system in the State as of March 2016.

In March 2016, DIT extended the post Go-Live support of Sify-NexTenders system till August 2016 and also reduced the service fee payable by the bidders from

3 Five years from Go-Live which was achieved in August 2010
4 No fee was payable by the users for using the application software developed by NIC

₹ 882 per bid to ₹ 300 per bid from 01 April 2016, on the ground that the e-Tendering system was functional for five years. However, DIT failed to enforce its order of March 2016 as Sify Technologies Limited continued to charge a service fee of ₹ 882 per bid plus taxes, resulting in undue benefit to the service provider.

2.2.6.3 Non-execution of Service Level Agreements with Sify Technologies Limited

As per Section 6.2 of RfP issued by DIT in December 2009, the successful bidder was required to comply with seven[5] Service Level Agreement (SLA) for ensuring adherence to project timelines, quality and availability of services. However, the Department did not execute any SLA with Sify Technologies Limited till March 2016. In the absence of SLA, the methodology and periodicity to ensure correctness of the software application free from errors/bugs, methodology of logging complaints/query of the implementing units and their resolution *etc.* could not be defined and addressed. It also pointed to deficient monitoring of various services by DIT.

2.2.7 Inadequate Documentation

Documentation of an IT system such as (i) System Requirement Specifications (SRS) addressing functional and non-functional requirements including standards and policies, (ii) System Design Documentation (SDD) including software architecture design, logical, physical database design and data dictionary, programming logic, and workflows, and (iii) user manuals relating to systems administration, installation, operation and maintenance *etc.* are necessary for a quality system and future maintenance.

Audit observed that though the agreement with Sify Technologies Limited required the technical documentation and the software source code with detailed documentation to be delivered by the service provider, the same was not delivered to DIT. Similarly, for the NIC system, except for the data dictionary, vital documents such as, SRS, SDD and manuals relating to system administration, installation, operation and maintenance were not available with DIT.

Due to absence of proper technical documentation for various stages of the system development, the extent to which the user requirements were incorporated in the system could not be ascertained. Absence of technical documentation for an important e-Governance project such as this, which has maximum public use, would not only increase the dependence on outside agency such as Sify Technologies Limited but also pose a major risk for future maintenance of the system and its up-gradation.

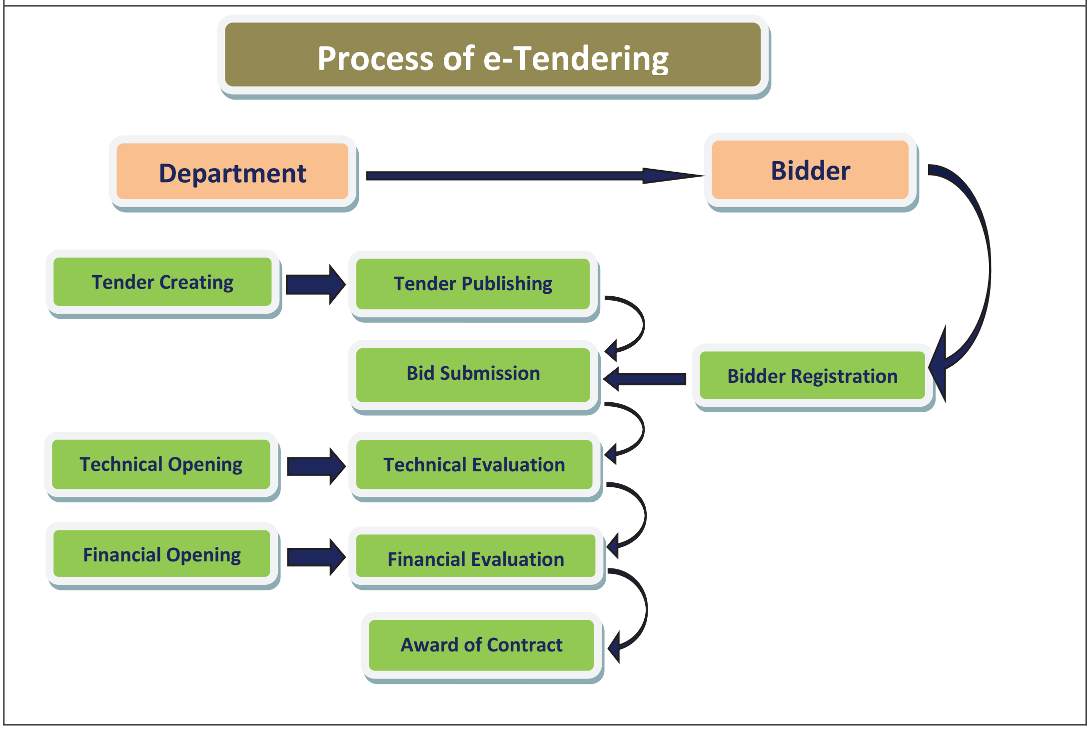
2.2.8 System Deficiencies

Functions in the e-Tendering system include online registration of bidders, tender creation and publishing, payment of tender fees and earnest money deposit (EMD), encryption of bids, bid submission, tender opening, automatic evaluation of

[5] (i) Timely delivery, (ii) Correctness of delivery, (iii) Resolution time, (iv) Installation of hardware equipment, (v) Application response time, (vi) Application availability and (vii) Security and incident management

financial bids and award of contracts. A flow chart showing the process of e-Tendering is depicted in **Chart 1.**

Chart 1



The system deficiencies noticed in Sify-NexTenders and NIC systems are discussed below.

2.2.8.1 Multiple Registration of Vendors

Both the e-Procurement systems provided for one-time centralised online registration of vendors before their participation in tender process. The systems captured details of vendor such as, address, nature of business, financial information, PAN *etc.* During registration, each vendor was given a unique user identity number (Id).

Audit observed that Sify-NexTenders system lacked adequate validation checks resulting in allotment of more than one user Id to a single vendor. Though, in the NIC system user Ids were validated based on e-Mail Ids, the vendors created multiple user Ids using different e-mail Ids. Both the systems did not check the registration with unique identity of the vendor like PAN to prevent multiple registrations by a single vendor. Few cases of multiple registration of a single vendor noticed in test-checked units are discussed below.

- In Directorate of Vocational Education and Training, Mumbai, 10 individual vendors were allotted more than one user Id.
- In Directorate of Government Printing and Stationery, Mumbai, seven individual vendors were allotted more than one user Id.

Thus, the information on vendors available in Sify-NexTenders system was not fully reliable as the system did not have adequate validation. In the NIC system, validation was based on e-mail Id which was not foolproof.

2.2.8.2 Inadequate Controls to Ensure Sufficient Time for Bid Submission

As per Manual of Office Procedure for Purchase of Stores by the Government Departments issued (October 2015) by Industries, Energy and Labour Department, a minimum period of one week should be allowed for submission of bids from the date of issue of tender notice in respect of procurement of goods.

However, due to non-stipulation of the minimum period for bid submission in both the Systems, the time given for submission of bids was insufficient, as discussed below.

- In the office of the Executive Engineer, Electrical Division (South), Mumbai using Sify-NexTenders system, 17 works[6] for which tender notices were issued during 2015-16, the bid submission duration was only 15 to 34 minutes (against the minimum period of one week) and the start time for submission of bid was after 10 pm. Though three to eight bidders had purchased the tenders, only one to three bidders finally submitted the bids within the stipulated time.

  The Executive Engineer, PWD (E) stated (July 2016) that sufficient time was given for all stages of tendering and that there were no irregularities. The reply is not tenable as only 15 to 34 minutes was given for bid submission stage as revealed from the data captured in the system and the time given was insufficient with reference to Manual provisions.

- In Directorate of Vocational Education and Training, the bid submission duration was three hours in 34 tenders[7] issued during 2013-14 (Sify-NexTenders system).
- In District Superintendent Agriculture Officer, Ahmednagar, the bid submission duration was one day in seven tenders[8] of which, in six tenders only one bidder submitted the bid while in one tender only two bidders participated (NIC system).

  The District Superintendent Agriculture Officer, Ahmednagar stated (July 2016) that due to some problem in the digital signature token system sufficient time could not be given to the bidders for submission of bids.

- In Directorate of Health Services, Mumbai, the bid submission duration was three hours in one tender[9] issued in September 2013 for purchase of iron and folic acid tablets (Sify-NexTenders system).

Inadequate time and odd hours specified for bid submission indicated absence of fair play and transparency in the e-Procurement process thus, defeating the objective of competitive bidding.

Recommendation 2: The State Government may ensure proper validation checks in both the systems so that sufficient time is available to the bidders for critical stages and the tendering process is not vitiated.

6 Total value of tenders: ₹ 2.84 crore
7 Total value of tenders: ₹ 14.48 crore
8 Total value of tenders: ₹ 0.71 crore
9 Total value of tenders: ₹ 7.24 crore

2.2.8.3 Technical Evaluation of Bidders not Uploaded in Sify-NexTenders System

Uploading of comparative statements of technical evaluations enhances transparency in the procurement process and enable all the stakeholders *i.e.* bidders, citizens, auditors *etc.* to access the information easily. Audit observed that Sify-NexTenders system did not have the facility for uploading the comparative statements of technical evaluations done manually by user Departments, though it was available in NIC system.

2.2.8.4 Absence of Facility for Displaying Data on Award of Contracts

As per RfP issued by DIT in December 2009, the e-Tendering system should have had a facility for issue of tender acceptance notice/letter of intent online to the successful bidder. Facility should also have been available for successful suppliers/contractors to respond to the tender acceptance notice/letter of intent using the digital signature.

Audit observed that these facilities were not available in Sify-NexTenders system nor was it ensured by DIT. Therefore, the details of vendors to whom contracts were awarded were not available in the system. In 14 of 17 test-checked units implementing Sify-NexTenders, the status of 6,743 of 7,020 tenders (96 *per cent*) released during 2010-16 was not available in the system. The remaining 277 tenders were cancelled.

In NIC system, though the facility for uploading the details of award of contract was available, the status of tenders released during 2013-16 was not updated in respect of 404 of 758 tenders (53 *per cent*) in five test-checked units[10]. The system did not have facility for raising alerts to enable the head of the unit to monitor the contracts where status of the tenders was not updated.

Scrutiny of records further revealed that in 24 tenders valuing ₹ 34.63 crore released during 2011-15 by four units[11], the works were awarded to bidders other than the lowest (L_1) while in two units[12] during 2013-16, though three tenders were released, the works were finally awarded to contractors who did not participate in the e-Tendering process.

Complete details of successful bidders in the systems would have facilitated comparison of system-generated first lowest bidder (L_1) with the bidder to whom the work was actually awarded and reporting through periodical management information system (MIS) to the competent authorities.

[10] (i) District Superintendent of Agriculture Officer, Ahmednagar, (ii) Directorate of Health Services, Mumbai, (iii) Joint Director of Industries, Pune, (iv) Directorate of Sports and Youth Services, Pune, and (v) Collector, Yavatmal

[11] (i) Commissioner, Women and Child Development Department, Pune: ₹ 24.90 crore (one tender); (ii) Directorate of Vocational Education and Training, Mumbai: ₹ 7.35 crore (two tenders); (iii) District Superintendent Agriculture Officer, Ahmednagar: ₹ 2.14 crore (20 tenders); and (iv) Joint Director of Industries, Pune : ₹ 24 lakh (one tender)

[12] Directorate of Medical Education and Research, Mumbai: ₹ 2.02 crore (one tender) and Directorate of Government Printing and Stationery, Mumbai: ₹ 16.40 lakh (one tender)

Recommendation 3: The State Government may ensure development and implementation of all the essential features in both the systems to ensure transparency in e-Procurement process.

2.2.8.5 Purchases made Outside e-Tendering not Mapped to the Systems

Paragraph 4.1 of the Manual of Office Procedure for Purchase of Stores by the Government Departments issued (October 2015) by Industries, Energy and Labour Department stipulated that information regarding all public goods procured by the Government Departments outside e-Tendering should be available in the e-Tendering portal.

Audit observed that DIT did not map the procedure prescribed in the Manual to the systems. Consequently, details of all purchases made by the user Departments outside e-Tendering were not available in e-Tendering portal of DIT. Test-check of tender files in two of 17 units revealed that four purchase/work orders amounting to ₹ 3.53 crore[13] were placed between November 2015 and March 2016 without resorting to e-Tendering but, these were not recorded in the e-Tendering portal. Further, even though the State Government had formulated a policy for procurement of public goods made outside e-Tendering, it was yet to come out with a policy on recording information on tenders finalised for procurement of public works and services made outside e-Tendering.

2.2.8.6 Absence of Facility for Blacklisting of Suppliers in Sify-NexTenders System

The RfP issued by DIT in December 2009 stipulated that the system intended to be procured should allow the user Departments to cancel the registration of any particular contractor or to blacklist any contractor or supplier so as to ensure that such supplier/contractor does not conduct further business with GoM. The same was also emphasised in the Manual of Office Procedure for Purchase of Stores by the Government Departments issued (October 2015) by Industries, Energy and Labour Department.

Audit observed that neither the facility for blacklisting of contractors/suppliers was available in the Sify-NexTenders system nor did DIT direct Sify Technologies Limited to provide the same. Absence of such facility may lead to the risk of participation of blacklisted/banned contractors in the tendering process.

2.2.8.7 Inadequate Management Information System

The e-Tendering system was expected to provide various MIS reports to serve as a tool for eliciting crucial information for decision-making and monitoring. Audit observed that in the absence of SRS in both the systems, the requirement of MIS was not documented by the service providers (Sify Technologies Limited and NIC).

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[13] District Superintendent Agriculture Officer, Ahmednagar ₹ 3.24 crore, and Project Officer, (Integrated Tribal Development Project), Dahanu: ₹ 0.29 crore

Though both the systems contained modules for generation of MIS regarding tenders published, tenders opened, tenders cancelled *etc.*, the following vital MIS reports were not available in the systems:

- MIS on the tenders invited but not finalised for significantly long period (Sify-NexTenders system).
- MIS on tender fees and EMD collected through online system to facilitate its reconciliation with the amount remitted to Government account (Sify-NexTenders system).
- MIS on works awarded other than L_1 (Sify-NexTenders and NIC systems).
- MIS on EMD not refunded to unsuccessful bidders (Sify-NexTenders and NIC systems).
- MIS reports for audit trail to track the users responsible for transactions and the history of transactions were not available (NIC system).

In the absence of these vital MIS, effective functioning of the e-Tendering system could not be ensured.

Recommendation 4: The State Government may ensure that all the business rules related to procurement is incorporated in both the systems and also identify MIS reports for various user groups for effective decision-making and monitoring of procurement.

2.2.9 Deficiencies in Implementation of Systems

2.2.9.1 Uploading of Financial Bids in Portable Document Format

The facility to upload financial bids in template format or portable document format (PDF) was available in Sify-NexTenders and NIC systems. The financial bids submitted only in template format could be evaluated automatically by the systems and comparative statements generated.

Audit observed that financial bids were allowed to be uploaded in PDF (instead of template format) by the user Departments in 223 tenders issued during 2013-16 in two[14] of 17 units. As a result, the systems could not evaluate and generate the comparative statements automatically. The comparative statements therefore, had to be prepared manually thus, defeating the objective of automatic evaluation of financial bids.

The Executive Engineer, Mechanical Stores Division, Dapodi, Pune accepted (June 2016) the fact and stated that training for template preparation was not received by the Departmental staff from service providers.

2.2.9.2 Stipulation of Physical Submission of Bid Documents

Under the e-Tendering system, tenders with all supporting documents were required to be uploaded online by the bidders. Such a system ensured secrecy of tenders till the bids were opened.

[14] Mechanical Stores Division, Dapodi, Pune and Project Officer, Integrated Tribal Development Project, Dahanu

Audit observed that in 80 tenders released during 2013-16 by Joint Director of Industries, Pune, tenders along with supporting documents were allowed to be submitted both in electronic and physical forms thus, failing to protect the secrecy of the tenders before opening of bids. The Joint Director of Industries, Pune stated (June 2016) that proper care would be taken in future.

2.2.10 Post-implementation Inadequacies

2.2.10.1 Comprehensive Audit of Sify-NexTenders System not Conducted

According to guidelines for operational model for implementation of Mission Mode Projects by the line Ministries/State Departments under the NeGP issued (May 2006) and guidelines for compliance to quality requirements of e-Procurement systems issued (August 2011) by Ministry of Communications and Information Technology, GoI, the e-Tendering applications should be comprehensively tested/audited and approved by Standardisation Testing and Quality Certification Directorate, GoI (STQC) or any other Government organisations providing quality certifications. The comprehensive audit *inter alia* entailed coverage of (i) testing of application software to validate that the application met the functional requirements, and (ii) application security testing to unearth various applications security vulnerabilities, weaknesses and concerns related to the system.

Audit observed that the NIC system was audited and certified (February 2015) by STQC which was valid up to 17 February 2016[15]. However, the Sify-NexTenders system was audited (October 2013) by STQC only for application security and not for functional requirements. Consequently the Sify-NexTenders system remained incomplete as discussed in **paragraph 2.2.8.4**.

2.2.10.2 Capacity Building and Training

As per paragraph 13 of Maharashtra State e-Governance Policy 2011, the State Government would endeavour to build capacities within the system for e-Governance, program and change management by training the manpower and deploying appropriate infrastructure and machinery. The implementation guidelines issued (July 2011) by Ministry of Communications and Information Technology, GoI for e-Procurement rollout in States under NeGP further stipulated initial and continuous training and handholding support to identified Departmental staff at a defined minimum level through Facility Management Personnel (FMP). Accordingly, 30 personnel were hired by DIT in July 2012 through a private agency for various posts such as, Project Manager, Operations Manager and Operations Assistant to assist, train and support the Departmental staff using NIC system. This arrangement was however, discontinued after January 2016.

Three test-checked units[16] using NIC system confirmed to audit between April and June 2016 that sufficient training had not been provided by FMP. Further, the

[15] Re-certification is required only if major changes in the e-procurement application software are effected

[16] Directorate of Sports and Youth Services, Pune; Joint Director of Industries, Pune and Collector Office, Yavatmal

District Superintendent Agriculture Officer, Ahmednagar hired a consultant for operating the NIC system during 2014-15 and incurred an expenditure of ₹ 9.45 lakh, due to non-availability of trained manpower. These clearly indicated that DIT and user Departments did not make adequate efforts for capacity building in order to ensure seamless implementation of e-Tendering system.

Recommendation 5: The State Government may take necessary steps to build capacities within the Departments to facilitate smooth implementation of e-Tendering system in the State.

2.2.11 Information System Security

2.2.11.1 Absence of Information Technology Security Policy

An effective IT security policy is important for protection of information assets created and maintained by IT and IT enabled activities. By enunciating an IT security policy, the organisation demonstrates its ability to reasonably protect all business critical information and related information processing assets from loss, damage or abuse and also creates enhanced trust and confidence between organisations, trading partners and external agencies as well as within the organisation. Audit however, observed that the Department did not frame IT security policy nor did it issue any security guidelines and access control policies for e-Tendering system.

2.2.11.2 Non-conduct of Third Party Security Audit

As per Central Vigilance Commission guidelines of September 2009, the IT application should be audited for complete security of the system and transaction data by a competent authority at least once in a year.

Audit observed that the security audit of Sify-NexTenders system was conducted only up to October 2013 as per 'OWASP[17]-Top 10 web application vulnerabilities for 2010' while for NIC System, the application security certificate indicated that the security audit was conducted only up to February 2014 as per 'OWASP-Top 10 web application vulnerabilities for 2007'. Now that 'OWASP-Top 10 web application vulnerabilities for 2013' had been released and in use, the additional vulnerabilities such as, sensitive data exposure, missing function level access control, using known vulnerable component not initially covered in 'OWASP-Top 10 web application vulnerabilities for 2007 and 2010' remained undetected for corrective action.

2.2.11.3 Inadequate Logical Access Controls

In the computerised system, access to data need to be restricted to authorised individual users only. Audit observed that logical access controls available in both the applications were inadequate due to following reasons:

17 OWASP or Open Web Application Security Project aims to educate developers, designers, architects, managers and organisations on the consequences of the most important web application security weaknesses. As per guidelines issued in August 2011 by STQC Directorate, Ministry of Communications and Information Technology, GoI, OWASP guidelines were to be used for security testing

- In PWD Electrical Division (South), Mumbai using Sify-NexTenders system, 64 tenders valuing ₹ 26.64 crore which were beyond the financial bid opening powers of the Executive Engineer were opened (2015-16) using the user ID of Executive Engineer. This indicated that access controls for various levels of users of the system were not mapped as per the business rule.
- In PWD Electrical Division (South), Mumbai, an unknown user Id '*myshankpale_am'* was created in the system and details incorporated in 25 tenders[18] were tampered with by using this unknown user Id due to which, these tenders had to be cancelled subsequently and fresh tenders had to be invited[19]. The serious security breache was not communicated to DIT by the user Department and Sify Technologies Limited for further investigation and remedial action. The PWD Electrical Division (South), Mumbai confirmed (July 2016) that user Id '*myshankpale_am'* was not an authorised user.
- While accessing the application, a notification that 'the user is using Government Information System and its usage may be monitored' was not displayed on the website in both the systems. The date and time of the last login and the number of unsuccessful attempts since the last login was not notified in both the systems as required under eSAFE-GD220 guidelines issued (January 2010) by Ministry of Communications and Information Technology, GoI for assessment of effectiveness of security controls.
- 'CAPTCHA', a computer programme to determine whether or not the user is human, was not in use in both the systems as required under eSAFE-GD220 guidelines.
- As per the eSAFE-GD210 guidelines issued (January 2010) by Ministry of Communications and Information Technology, GoI for implementation of security controls, a computerised system should enforce change in password after a specified period (typically 30 days). This was not enforced in both the systems. In Directorate of Medical Education and Research (DMER), Mumbai, digital signatures of two officials, already transferred from the office in January 2016, continued to be used (July 2016) for opening of financial bids.
- In DMER, Mumbai using Sify-NexTenders system, user Ids were created for generic users such as *'DIR_DMER_OP'* and *'DIR_DMER_AU'* due to which, the name of officials actually using the system could not be ascertained.

Thus, the logical access controls were weak in both the systems and DIT as well as the user Departments did not sensitise the information security risks to the users of the system.

2.2.11.4 Digital Signature not Validated

Under the Information Technology Act, 2000, holder of a digital signature, whose digital signature certificate (DSC) has been issued by a licensed

[18] Tender Notice No. 9 of 2015-16
[19] Tender Notice No. 12 of 2015-16

certifying authority (CA), was responsible for protecting the corresponding private key. Unless the validity of DSC had expired or the certificate had been revoked by the issuing CA, the digital signature would be legally valid and would be attributed to the person listed in the DSC.

Audit observed that in Sify-NexTenders System, there was no provision for online verification of validity of DSC while in the NIC system, this provision was available.

2.2.11.5 Lack of Business Continuity and Disaster Recovery Plan

An organisation should have a business continuity and disaster recovery plan with associated controls in order to ensure that it accomplishes its mission and not lose the capability to process, retrieve and protect information in case of eventualities due to interruption or disaster leading to temporary or permanent loss of computer facilities and data.

Audit observed that though e-Tendering was a critical system and used throughout the State, business continuity and disaster recovery plans were not documented. Further, Sify-NexTenders system did not have disaster recovery setup and backup was taken on external storage devices, which were stored in same location as data servers. As for NIC system, the application was hosted at New Delhi and had a disaster recovery centre at Pune.

2.2.11.6 Change Management of Application not Documented

The changes to information system including its components, upgrades and modifications to the information system should be authorised, documented and controlled through the defined change management process.

Audit observed that a documented procedure for change management was not available in Sify-NexTenders system. Also, the version of the application in use was not displayed in Sify-NexTenders system for ensuring version control, as displayed on the NIC system.

Recommendation 6: The State Government may ensure documentation and implementation of IT security policy, business continuity and disaster recovery plan to protect the applications and information assets against improper or unauthorised access which could compromise confidentiality, integrity and availability of data and IT resources.

2.2.12 Inadequate Audit Trail

Audit trail captures the flow of transactions in a system in order to track the history of transactions, system failures, erroneous transactions, changes/modifications in data *etc.*

Audit observed that in Sify-NexTenders system, published tenders were selectively deleted from the live database and moved to archived database by Sify Technologies Limited for which, no audit trail existed. In the NIC system, data of previous years has been retained in the production system.

2.2.13 Absence of Audit Module

The audited entities are required to ensure that all requirements for the purpose of facilitation of audit are incorporated in the IT system and that audit has the right to access the IT systems, irrespective of the fact that the systems are owned, maintained and operated by the audited entities or by any other agency on behalf of the audited entities. Further, internal audit system both in manual and computerised environment ensures that the controls are in place.

Audit observed that there was no audit module in both the systems to generate customised reports for facilitating conduct of internal audit. Though the Sify-NexTenders system was being implemented since 2010-11, the internal audit wing did not verify the transactions through the system.

2.2.14 Conclusion

An Information Technology audit of e-Tendering system revealed that the State Government was implementing dual systems simultaneously – one through a private agency (Sify-NexTenders) and the other through NIC, in contravention of Central Vigilance Commission guidelines for use of a common unified platform. While the NIC system was free of charge to users, the Sify-NexTenders system involved user charges. There were serious system deficiencies in Sify-NexTenders system which undermined the effectiveness of the e-Tendering process. The State Government also did not ensure development and implementation of all the essential features in both the systems to ensure transparency in e-Procurement process.

There were no validation checks to ensure minimum time to be allowed to the bidders for bid submission, leading to participation of a few bidders in the e-Tendering process. Comprehensive audit of Sify-NexTenders system was not done by Standardisation Testing and Quality Certification Directorate, GoI and the State Government also failed in its role to ensure this. The monitoring of the systems was poor due to insufficiency of MIS reports. Inadequate IT security, non-documentation of IT security policy, business continuity and disaster recovery plans, and deficiencies in audit trail made the systems further vulnerable to errors and manipulations.

CHAPTER - III

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CHAPTER III

Audit of Transactions

Audit of transactions of the Government Departments, their field formations as well as that of the Autonomous Bodies brought out instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs.

Medical Education and Drugs Department and Public Health Department

3.1 Establishment of Trauma Care Centres in the State

Introduction

Accidental trauma is a leading cause of mortality in India. If basic life support, first-aid and replacement of fluids[1] can be arranged within the first hour of the injury (the golden hour), lives of many of the accident victims can be saved. In the State of Maharashtra, 3,23,205 road accidents were reported between 2011 and 2015 in which 65,434 persons (20.25 *per cent*) were killed.

In order to bring down preventable deaths due to road accidents to 10 *per cent*, Government of India (GoI) had been implementing the Scheme for 'Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways' in the States since 11th Five Year Plan (2007-12). Besides, GoI had also been implementing 'Pradhan Mantri Swasthya Suraksha Yojana' (PMSSY) since 2007-08 for correcting regional imbalances in the availability of affordable healthcare services through setting up of institutions in the line of AIIMS and upgradation of the existing Government Medical College Institutions in the States.

Under these two Central Schemes, GoI had been extending financial assistance[2] to the Government of Maharashtra (GoM) for establishment of Trauma Care Centres (TCCs), development of manpower and purchase of equipment in the State. Besides, GoM had also been establishing TCCs using its own resources. Based on the degree of facilities and infrastructure available, the TCCs were designated[3] as Level-I/II/III. In Maharashtra, there were two Level-I, two Level-II and 69 Level-III TCCs under the

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1 Fluid replacement or fluid resuscitation is the medical practice of replenishing bodily fluid lost through sweating, bleeding, fluid shifts or other pathologic processes

2 While the Scheme for 'Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways' was fully funded by GoI, fund sharing pattern under PMSSY was 5:1 (GoI:GoM)

3 Level-I would provide the highest level of definitive and comprehensive care for patient with complex injuries; Level-II would provide definitive care for severe trauma patients and Level-III would provide initial evaluation and stabilize accident victims

administrative control of two Departments[4] of GoM, as detailed in **Table 3.1.1**.

Table 3.1.1: Establishment of TCCs in Maharashtra State

	Medical Education and Drugs Department		Public Health Department
Name of Scheme	PMSSY	Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways	Establishment of TCCs
Number of TCCs	Level-I : 2	Level-II : 2	Level-III: 69

Source: Information furnished by the Secretary, Director of Medical Education and Research, Mumbai and the Joint Director, Public Health Department, Mumbai
Note: Of 69 TCCs, 66 were funded by GoM and three by GoI

Audit examined (between January and June 2016) the effectiveness of planning and establishment of TCCs and their functional status through test-check of records of all the four[5] Level-I/II TCCs; 18[6] of 69 Level-III TCCs; Secretariat and Directorate of Medical Education and Drugs Department and Public Health Department for the period 2011-16. The audit observations were referred to the State Government in August 2016; their reply was awaited as of January 2017.

Audit Findings

3.1.1 Planning

3.1.1.1 Establishment of Trauma Care Centres

As per Scheme[7] guidelines issued by the Ministry of Health and Family Welfare, GoI, the distance norms for setting up of different level of TCCs would be as under:

Level	Distance
Level-III	At the distance of 100-150 km
Level-II	At the distance of 300-450 km
Level-I	At the distance of 600-700 km

On plotting 73 TCCs on the political map of Maharashtra, audit observed that while the distance norms for setting up of four Level-I and II TCCs in the State had been largely followed by GoM, there were wide variations in actual distance between two TCCs *vis-a-vis* the norms for setting up of 69 Level-III TCCs in the State. For instance, 38 TCCs were established at a distance of 50 km from each other and 14 were established at a distance of 50 to 100 km, covering mainly the western and central parts of Maharashtra. The remaining 17 TCCs registered their sporadic presence in the eastern, southern and northern parts of Maharashtra.

4 Medical Education and Drugs Department and Public Health Department

5 Level-I TCCs: Grants Medical College and Sir J.J. Group of Hospitals, Mumbai and Government Medical College and Hospital, Nagpur; Level-II TCCs: Government Medical College and Hospital, Kolhapur and B.J. Medical College and Sasoon Hospital, Pune

6 11 District Hospitals – Alibag, Amravati, Beed, Gondia, Jalgaon, Jalna, Nashik, Osmanabad, Parbhani, Ratnagiri and Satara; 03 Rural Hospitals – Ahmadpur, Ajanta and Telgaon; 04 Sub-District Hospitals – Achalpur, Dahanu, Hinganghat and Warora

7 Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways

The Public Health Department observed (January 2010) that 69 TCCs identified were not sufficient to cater to the needs of trauma victims and therefore, asked the Maharashtra Remote Sensing Application Centre, Nagpur (MRSAC) to prepare spatial database for establishment of Primary Health Centres (PHCs), Sub-District Hospitals (SDHs), TCCs, Women and Child Hospitals *etc*. which would be helpful in preparation of master plan and district-wise perspective plan for the State.

Audit observed that MRSAC submitted (December 2010) spatial database on the basis of which, Public Health Department prepared (January 2013) a master plan that envisaged establishment of 39 new TCCs in the State (in addition to 69 TCCs) between 2013 and 2018 along with other healthcare facilities such as, SDHs, PHCs, Women and Child Hospitals. However, as of January 2017, no new TCCs have come up for construction.

Inadequacies in planning were further demonstrated by the fact that two Level-I TCCs, which were to provide highest level of comprehensive care to trauma victims, were either not constructed (TCC, Mumbai) or only functional partially (TCC, Nagpur) as of January 2017. Similarly, one Level-II TCC at Kolhapur was non-functional while another at Pune was running purely on *ad hoc* basis through deployment of medical staff from B.J. Medical College and Sasoon Hospital, Pune located in the same premises. Of 18 Level-III selected TCCs, though 13 TCC buildings had been completed, these were either non-functional or partially functional as of January 2017 due to inadequate manpower, shortage of equipment and incomplete infrastructure such as, electric works, compound walls, water supply *etc*. or used for other purposes. Detailed finding are indicated in **paragraphs 3.1.1 to 3.1.7.**

3.1.2 Financial Management

During 2007-16, ₹ 78.56 crore were received from GoI and GoM for establishment of 22 selected TCCs against which, an expenditure ₹ 70.99 crore was incurred, as shown in **Table 3.1.2.**

Table 3.1.2: Funds received and expenditure incurred on 22 selected TCCs

(₹ in crore)

Level of TCC	Number of TCCs	Source of funding	Funds received	Period of receipt	Expenditure incurred
I	2	GoI	39.70	2011-16	39.51
II	2	GoI	11.97	2007-12	4.43
III	3	GoI	3.94	2007-12	3.86
III	15	GoM	22.95	2011-16	23.19
Total	**22**		**78.56**		**70.99**
Source : Data furnished by selected TCCs					

3.1.2.1 Non-submission of Utilisation Certificates

For implementation of Central Scheme for 'Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways', GoI and GoM signed (September 2007) a Memorandum of Understanding (MoU) for establishment of five[8] TCCs in the State. As per MoU, utilisation

[8] Two Level-II TCCs at Kolhapur and Pune; Three Level-III TCCs at Dahanu, Hinganghat and Satara

certificates (UCs) along with statements of expenditure duly audited by the State Accountant General were to be submitted by the TCCs to GoI through GoM within 12 months of release of funds. The MoU also stipulated that subsequent release of grants by GoI would be regulated on the basis of submission of UCs by GoM.

Audit observed that though the MoU expired in March 2012, GoM did not make any efforts (up to January 2017) to renew the MoU. Of ₹ 33.60 crore approved for establishment of five TCCs, GoI released ₹ 15.91 crore only (47 *per cent*) during 2007-12 as the TCCs failed to submit audited statements of expenditure. Further, of ₹ 15.91 crore received, an expenditure of ₹ 8.64 crore was incurred but UCs amounting to ₹ 3.02 crore only were submitted to GoI between March 2011 and April 2015. Also, due to non-renewal of MoU and non-submission of UCs, GoI did not release the balance amount of ₹ 17.69 crore.

3.1.3 Functioning of Trauma Care Centres

A trauma care facility can be a specialised area within a hospital building, a separate building adjunct to an existing hospital or a standalone facility self-sufficient in all aspects such as, patient access, patient care areas, clinical support services *etc*. As per operational guidelines of the Scheme for 'Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways' issued by GoI, all TCCs must be adequately equipped in terms of infrastructure, equipment and human resources in order to provide necessary trauma care services to the accident victims. Audit observed that of 22 selected TCCs, only one Level-III TCC at Ratnagiri funded by GoM was fully functional with adequate infrastructure, equipment and human resources. The inadequacies noticed in the remaining 21 TCCs are discussed in **paragraphs 3.1.3.1 to 3.1.3.4**

3.1.3.1 Non-functioning of Trauma Care Centres due to inadequacy of Equipment and Manpower

Nine of 21 TCCs were non-functional as of December 2016 due to inadequacy of infrastructure and manpower. The details are summarised in **Table 3.1.3.**

Table 3.1.3: Status of nine non-functional TCCs

Scheme	Name of TCC/ Expenditure incurred	Audit observation
PMSSY	Grants Medical College and Sir J.J. Group of Hospitals, Mumbai /Nil (Level-I TCC)	The hospital was to be upgraded along with construction of TCC and administrative building at a total cost of ₹ 150 crore. Of ₹ 150 crore, GoI earmarked (September 2007) ₹ 15.80 crore[9] for construction of TCC. However, work of TCC had not commenced as the hospital administration gave preference to upgradation of hospital and construction of administrative building over TCC.
Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways	Government Medical College and Hospital, Kolhapur/₹ 1.77 crore (Level-II TCC)	The TCC building was constructed in March 2011 at a cost of ₹ 0.80 crore. However, equipment valuing ₹ 3.48 crore were ordered belatedly in February 2016 against which, equipment valuing ₹ 1.04 crore was supplied as of June 2016. The TCC was not functional as 99 posts of doctors/technicians/nursing staff/*safai karmacharis etc*. were not filled up.

[9] Manpower: ₹ 4.30 crore; Civil works: ₹ 1.50 crore; and Equipment: ₹ 10 crore

Scheme	Name of TCC/ Expenditure incurred	Audit observation
Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways	Sub-District Hospital, Hinganghat/₹ 0.64 crore (Level-III TCC)	The work order for construction of TCC was issued only in September 2011 though funds amounting to ₹ 0.64 crore were released during 2009-10. The work was completed in November 2012. However, due to non-appointment of 15 medical officers/orthopaedic surgeon/anaesthetists/staff nurse *etc*. by GoM and non-availability of equipment, the TCC was not functional.
	Sub-District Hospital, Dahanu/₹ 0.65 crore (Level-III TCC)	GoI funds for construction of TCC were received in January 2010. However, work could not commence as the TCC area was falling under coastal zone regulations for which, no objection certificate from Maharashtra Coastal Zone Management Authority was received in September 2011. The work order was issued after a further time lapse of 25 months in November 2013 for completion by May 2014. However, the work was still incomplete.
Establishment of TCCs by GoM	Sub-District Hospital, Warora/₹ 2.12 crore (Level-III TCC)	Work order for construction of TCC was issued in October 2011 at a cost of ₹ 2.12 crore for completion by February 2014. The work was however, completed in February 2016. But, due to non-appointment of 15 medical officers/orthopaedic surgeon/anaesthetists/staff nurse *etc*. by GoM and non-availability of equipment, the TCC was not functional.
	Sub-District Hospital, Achalpur/₹ 1.77 crore (Level-III TCC)	Work order was issued in August 2011 for completion by November 2012. The work was however, completed in June 2013. But, the TCC was non-functional due to non-availability of equipment. Further, staff appointed for this TCC was diverted to the Sub-District Hospital.
	Rural Hospital, Telgaon/₹ 1.70 crore (Level-III TCC)	The TCC was completed in February 2016. However, due to non-appointment of 15 medical officers/orthopaedic surgeon/anaesthetists/staff nurse *etc*. by GoM and non-availability of equipment, the TCC was not functional.
	Rural Hospital, Ajanta/₹ 0.61 crore (Level-III TCC)	Work order was issued in March 2009 for completion by September 2009. The work was still incomplete due to delay in completion of electrical works, installation of transformer, water supply works and plastering work.
	Rural Hospital, Ahmedpur/₹ 0.86 crore (Level-III TCC)	Work order for construction of this TCC admeasuring 700 sqm was issued in July 2014 for completion by July 2015. However, during execution of work, the area of TCC building was increased from 700 sqm to 1200 sqm leading to non-adherence to timeline of July 2015. The work was still in progress (December 2016).

The Deans/Medical Superintendents of the TCCs accepted the audit observations.

3.1.3.2 Sub-optimal Functioning of Trauma Care Centres due to inadequacy of Infrastructure, Equipment and Manpower

Four of 21 TCCs were functioning sub-optimally as of December 2016 due to inadequacy of infrastructure, equipment and manpower as detailed in **Table 3.1.4**.

Table 3.1.4: Status of four TCCs functioning sub-optimally

Scheme	Name of TCC/ Expenditure incurred	Audit observation	Reply
PMSSY	Government Medical College and Hospital, Nagpur/	The work of 90 bedded TCC was awarded in August 2012 for completion in 18 months (February 2014). However,	The Dean, Government Medical College and Hospital,

Scheme	Name of TCC/ Expenditure incurred	Audit observation	Reply
	₹ 39.51 crore (Level-I TCC)	due to inadequacies in estimation of various infrastructure works such as, non-provision of transformer sub-station, 250 KVA generator set, passenger lift for eight persons, air conditioner system for ICCU, water pump *etc*. in the original estimates, the completion of TCC was delayed. The works were completed in March 2016 and the TCC started functioning partially with 30 beds from July 2016.	Nagpur stated (April 2016) that the original drawings and estimates prepared by an expert committee had to be modified subsequently for effective disaster management.
Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways	B.J. Medical College and Sasoon Hospital, Pune/₹ 3.28 crore (Level-II TCC)	The TCC building was completed in November 2014. However, due to non-filling of 99 posts of doctors/technicians/nursing staff/*safai karmacharis etc*. the TCC was functioning sub-optimally using the medical staff from B.J. Medical College and Sasoon Hospital.	The Dean, B.J. Medical College and Sasoon Hospital, Pune accepted (March 2016) the audit observation.
Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways	District Hospital, Satara/ ₹ 2.59 crore (Level-III TCC)	The TCC building was completed in February 2013. However, due to partial provision of equipment and non-appointment of 15 numbers of medical officers/orthopaedic surgeon / anaesthetists/staff nurse *etc*. by GoM, the TCC was being run sub-optimally by deployment of medical staff from the district hospital.	The Civil Surgeon, District Hospital, Satara accepted (March 2016) the audit observation.
Establishment of TCCs by GoM	District Hospital, Amravati/Nil (Level-III TCC)	The District Hospital, Amravati had a TCC functioning since 2004 with requisite doctors and nursing staff. However, some of the essential equipment *viz.,* power bone drills, operation table, orthopaedic instrument sets, cardiac monitors, x-ray machines, ECG machines, colour doppler *etc.* were not provided by GoM.	The Civil Surgeon, District Hospital, Amravati accepted (April 2016) the audit observation.

3.1.3.3 Trauma Care Centres Functioning from Hospital Buildings

Five[10] of 21 TCCs did not have separate buildings and they continued to function from orthopaedic/casualty/emergency wards of the district hospitals which did not have essential equipment like ventilators, oxygen cylinders, cardiac monitors, defibrillators, ECG machines, pulse oxymeters *etc*.

In District Hospital, Osmanabad, the space in front of orthopaedic ward was being used for treating trauma victims.

The Civil Surgeons of concerned TCCs accepted the audit observation.

3.1.3.4 Trauma Care Centres Lying Idle or Used for Other Purposes

In three of 21 TCCs, while two TCCs were lying idle for significant periods, one TCC was being utilised for other purposes as of December 2016. These are discussed below.

10 District Hospitals: Alibag, Gondia, Jalgaon, Osmanabad and Nashik

- The TCC at District Hospital, Jalna constructed in February 2004 remained unutilised till March 2014 as GoM did not make any provision for equipment. The GoM handed over (April 2014) the TCC to a private agency[11] for development, operation and maintenance of radiology imaging diagnostic centre on Public Private Partnership basis. The agency however, did not procure the requisite machinery for setting up of radiology imaging diagnostic centre for two years resulting in termination of contract in April 2016. The TCC building was lying idle since February 2004 without utilisation and the trauma victims were being referred to District Hospital, Jalna for treatment.
- The TCC at District Hospital, Beed had been functioning since November 2004. The GoM handed over (April 2014) the TCC to a private agency[12] for development, operation and maintenance of radiology imaging diagnostic centre on Public Private Partnership basis. The agency however, did not procure the requisite machinery for setting up of radiology imaging diagnostic for two years resulting in termination of contract in April 2016. The TCC building was lying idle since April 2014 without utilisation and the trauma victims were being referred to District Hospital, Beed for treatment.
- The TCC at District Hospital, Parbhani was constructed in May 2005. However, due to non availability of requisite equipment in the TCC, the same was being utilised as minor operation theatre while the trauma victims were referred to District Hospital, Parbhani for treatment.

The Civil Surgeons of concerned TCCs accepted the audit observation.

Thus, considering that TCCs were expected to provide highest level of definitive and comprehensive care to accident victims, non-functioning or partial functioning of 21 of 22 selected Level-I/II/III TCCs (95 *per cent*) due to acute shortage of manpower and equipment clearly demonstrated slackness on the part of GoM in making the TCCs fully operational for providing high level of medical care to trauma victims.

3.1.4 Shortage of Manpower

Level-I and II TCCs

The GoI prescribed (July 2012) manpower requirement of 140 personnel for each Level-I TCC comprising surgeons/anaesthetists/staff nurses/operation theatre and laboratory technicians/radiographers/casualty medical officers/nursing attendants/*safai karmacharis etc.* The GoM however, sanctioned (August 2016) 180 posts of which, 108 posts were filled up to August 2016. No posts were sanctioned for Level-I TCC at Mumbai as construction work of TCC did not commence as of December 2016.

Similarly, GoI prescribed (July 2012) manpower requirement of 99 personnel for each Level-II TCC. However, the GoM did not sanction any posts for Level-II TCCs at Kolhapur and Pune.

[11] Enso Care (Maharashtra) Private Limited, Mumbai
[12] Wipro GE Healthcare Private Limited, Mumbai

Level-III TCCs

In 18 selected Level-III TCCs, against the requirement of 270 personnel, GoM filled up only 136 posts (50 *per cent*). Further, GoI prescribed (July 2012) manpower requirement of 75 personnel for each Level-III TCC. However, GoM had been maintaining the old manpower norm of 15 personnel prescribed by it in March 2006 which did not include the key posts of general surgeons, operation theatre technicians, laboratory technicians and radiographers.

3.1.5 Trauma Victims Referred to Other Hospitals

Audit observed that due to delay in commencement of TCCs, serious under staffing issues and shortage of equipment in TCCs, the trauma victims brought to TCCs were being referred to other hospitals. Information furnished by 13 of 18 Level-III TCCs revealed that between 2011-12 and 2015-16, 50,735 trauma cases were reported to TCCs of which, 8,055 (16 *per cent*) were referred to other hospitals for treatment. The referral cases was highest in TCC, Warora (80 *per cent*) followed by Ahmedpur (67 *per cent*) and Hinganghat (63 *per cent*). In the remaining 10 TCCs, trauma cases ranging from one *per cent* to 42 *per cent* were referred to other hospitals.

3.1.6 Capacity Building for Better Management of Trauma Services

The operational guidelines of the Scheme for 'Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways' issued by GoI provides for appropriate skilled training to various human resources *viz.,* doctors, paramedics *etc*. engaged in the trauma care services. Further, as per MoU signed (September 2007) by GoI and GoM under this Scheme, the State Government would sponsor at least three nurses per identified institution for undergoing one year training programme on trauma care and on the successful completion of such training, deploy these nurses only at the identified institutions.

In 22 selected TCCs, no training was imparted to the doctors and paramedics during 2011-16. Similarly, no staff nurse was nominated by the State Government during 2011-16 for undergoing one year training programme on trauma care. Thus, the State Government failed to follow the operational guidelines of GoI and the conditions of MoU.

3.1.7 Monitoring of Trauma Care Centres

As per the terms of MoU entered (September 2007) between GoI and GoM, a monitoring committee was to be set up under the Chairmanship of Health Secretary of the respective State Government and members from the concerned hospital (Medical Superintendent); construction agency and state procurement agency; and a representative from the GoI (Ministry of Health and Family Welfare).

Audit observed that though a monitoring committee was set up in the State in 2007, it met only thrice against the stipulated 20 between 2007 and 2012 (no meeting was held there after). Further, in these three meetings, the committee made a number of observations on shortage of manpower and equipment, incomplete construction works, non-submission of statement of expenditure and UCs *etc.* However, no corrective action was apparently taken by GoM as evident from the audit findings in **paragraph 3.1.3**.

Further, under PMSSY, every medical college and hospital (including TCC) was to undertake periodic review through external peer level institutes like AIIMS for continuous strengthening of administrative capabilities, human resource management policies *etc*. The Dean, Government Medical College and Hospital, Nagpur confirmed (August 2016) that no State level authority or any representative from AIIMS had visited Level-I TCC at Nagpur during 2011-16 for conducting periodic review.

In respect of Level-III TCCs, no guidelines had been issued by the State Government for monitoring the functioning of TCCs under the administrative control of Public Health Department.

3.1.8 Conclusion and Recommendations

The planning for establishment of TCCs in the State was deficient. Two each Level-I and Level-II TCCs, which were expected to provide highest level of definitive and comprehensive care to accident victims, were either not constructed or partially functional as of January 2017. Of 18 Level-III selected TCCs, only one TCC at Ratnagiri was fully functional while the remaining 17 were either non-functional or partially functional due to inadequate manpower, shortage of equipment and incomplete infrastructure or were used for other purposes. Requisite training to doctors, paramedics and staff nurses was not imparted. Monitoring of TCCs was weak.

Given the fact that all the Level-I and II and majority of the Level-III trauma care centres were either non-functional or partially functional due to shortage of manpower and equipment, the State Government may sort out the staffing and equipment issues at the earliest to ensure that trauma care services are available timely to accident victims.

Skill Development and Entrepreneurship Department

3.2 Upgradation of Industrial Training Institutes

Introduction

To improve the employment outcomes of graduates from the vocational training system, by making design and delivery of training more demand responsive, the Government of India (GoI) took a decision (October 2007) to upgrade 1,896 Government Industrial Training Institutes (ITIs) in India into Centers of Excellence (CoE). Of 1,896 ITIs, 500 had already been upgraded into CoE and upgradation of the remaining 1,396 ITIs was decided (April 2008) to be taken up in a phased manner. As per GoI guidelines of April 2008, for each ITI proposed for upgradation, the State Government was to appoint an Industry Partner (IP) who would assist, guide and promote the courses in ITIs. Under his Chairmanship, an Institute Management Committee (IMC) was to be set up with Principal of the ITI as the Member Secretary. The IMC was to be registered as a Society under relevant Societies Registration Act and was responsible for managing the affairs of the ITI. The roles and responsibilities of different parties were to be set out in a Memorandum of Agreement (MoA) to be signed between GoI, State Government and the Chairman of each IMC.

Further, each IMC was to prepare an Institute Development Plan (IDP) defining the long term goals of the Institute and year-wise break up of key performance and financial indicators. The IDP was to be submitted to the State Steering Committee (SSC) for its scrutiny and onward submission to National Steering Committee (NSC) for release of funds. On approval of IDP, GoI was to sanction and release ₹ 2.50 crore interest free loan directly to each IMC which was to be repaid in 30 years, with a moratorium of 10 years and thereafter, in equal annual instalments over a period of 20 years.

In Maharashtra, on the recommendations of the SSC, the NSC sanctioned (2007-08 to 2011-12) upgradation of 250 ITIs in a phased manner. In order to seek an assurance that the selection of ITIs for upgradation was fair and transparent, funds provided were used judiciously and upgradation resulted in development of skilled work force, audit test-checked (January 2016 to July 2016) records of 66 of 250 ITIs along with records in the offices of six[13] Joint Directors of Vocational Education and Training at regional level (JDs), Directorate of Vocational Education and Training (DVET), Mumbai and the Principal Secretary, Skill Development and Entrepreneurship Department (*Mantralaya*). The reply of State Government furnished in October 2016 had been suitably incorporated at appropriate places.

Audit Findings

3.2.1 Planning

3.2.1.1 Identification of ITIs

The guidelines issued by GoI in 2008 did not lay down the criteria for identification of ITIs to be upgraded. Also, the methodology for identification of 250 ITIs for upgradation was neither documented nor could it be traced in *Mantralaya* or DVET, Mumbai. The Principal Secretary informed audit in February 2016 of three criteria that were followed for identification of ITIs to be upgraded namely, (a) ITIs formed before 01 January 2007, (b) availability of own building, and (c) ITIs which were not covered under the World Bank Scheme. Audit observed that the above criteria were promulgated by GoI in April 2011. However, 44 of 250 ITIs that were selected for upgradation in 2011-12, three[14] were formed after 01 January 2007 while 13 ITIs were operating from rented buildings.

Further, SSC sanctioned (November and December 2011) IDPs of three[15] Tribal ITIs and GoI released ₹ 7.50 crore. However, within one to two months of sanction, the DVET, Mumbai issued instructions (January 2012) to the tribal ITIs not to incur any expenditure as they did not have their own land and buildings and recommended reallocation of funds to other ITIs. However,

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13 Amravati, Aurangabad, Mumbai, Nagpur, Nashik and Pune
14 Kadegaon and Palus in Pune region; Mudkhed in Aurangabad region
15 Sukapur and Nawapada in Nashik region; Bijepar in Nagpur region

till October 2016, the tribal ITIs did not surrender the funds and also no alternate ITIs had been identified for reallocation of funds.

The State Government while confirming the facts stated (October 2016) that a policy decision in this regard was being taken by the SSC.

3.2.1.2 Selection of Industry Partners

As per GoI guidelines of April 2008, one Industry Partner (IP) was to be associated with each ITI to lead the process of upgradation. It was however, observed that there was no one-to-one association of IPs with the ITIs proposed for upgradation. For instance, only 54 IPs were found to be associated with 66 ITIs test-checked.

Further, GoI laid down (April 2011) that the IP should be (a) a manufacturing unit or an infrastructure company or an Information Technology company with a minimum annual turnover of ₹ 10 crore, (b) situated within 100 km radius from the location of the ITI, (c) operational for at least five years, and (d) employ minimum 25 people. Audit observed that post-April 2011, SSC selected 40 IPs during 2011-12 of which, 13 had an annual turnover between ₹ 2.50 crore and ₹ 7.50 crore only.

The State Government accepted the facts and stated that many industrial establishments were not available in the vicinity of ITIs and therefore, only those industrial establishments who had shown interest in the upgradation programme were selected as IPs, irrespective of their annual turnover.

3.2.1.3 Constitution of Institute Management Committee

As per GoI guidelines of April 2008, a 11 members Institute Management Committee (IMC) was to be constituted consisting of (a) IP or its representative as Chairperson and Principal, ITI as Member Secretary, (b) four members from local industry to be nominated by IP in such a way that the IMC was broad-based, and (c) five[16] members nominated by the State Government.

Audit observed that in seven[17] of 66 test-checked ITIs, four members nominated by IPs were either from the same industry or family members of the IPs or service providers running beauty parlors, tutorials *etc*. It was also observed that JD, Pune was acting as Chairman of IMC in four[18] ITIs for a period ranging between three months and four years (as of June 2016) pending approval of change of IP from SSC.

The State Government accepted the facts and stated that consequent upon resignation of IPs, the JD, Pune was appointed as Chairman of IMC.

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[16] (i) Joint Director as representative of DVET; (ii) District Employment and Self Employment Officer; (iii) One expert from local academic circle; (iv) One senior faculty member; and (v) One student representative

[17] Malvan, Balapur, Bhiwapur, Bijepar, Hingna, Ashti and Chalisgaon

[18] Purandar (Saswad): w.e.f. 30.12.2013; Koregaon: w.e.f. 10.3.2016; Solapur (Girls): w.e.f 18.9.2014; and Medha: w.e.f. 4.9.2012

3.2.1.4 Revision of Institute Development Plans after Sanction

Information furnished by 62 of 66 test-checked ITIs revealed that 45 ITIs had revised their IDPs once or more than once after release of funds by GoI, as indicated in **Table 3.2.1**.

Table 3.2.1: Status showing revision of IDPs by ITIs

Status of revision	Number of ITIs	Amount released (₹ in crore)
IDPs revised once	33	82.50
IDPs revised twice	11	27.50
IDPs revised Thrice	01	02.50
Total	**45**	**112.50**
Source: Information furnished by respective ITIs		

Further, of 45 IDPs submitted by ITIs for revision, SSC approved only 11 IDPs with a delay ranging from one to four years from the date of submission of revised IDPs. Consequently, the ITIs could not proceed with the process of affiliation and training in the trades proposed in the revised IDPs and incur any expenditure on tools, machinery and equipment required for such trades.

The State Government attributed delays in revision of IDPs to shortage of time and manpower at DVET, Mumbai and SSC level.

3.2.2 Financial Management

3.2.2.1 Poor Utilisation of Funds

Under the upgradation programme, GoI released ₹ 625 crore[19] to 250 ITIs. As per GoI guidelines of April 2008, the participating ITIs were allowed to keep 50 *per cent* of upgradation funds (₹ 312.50 crore) as seed money[20]. Expenditure incurred by the 250 ITIs and 66 test-checked ITIs under the upgradation programme as of June 2016 are detailed in **Table 3.2.2.**

Table 3.2.2: Details of expenditure incurred by ITIs

State Position			Position for test-checked ITIs		
Total No. of ITIs	Expenditure incurred (₹ in crore)	Number of ITIs incurring 'nil' expenditure	Total No. of ITIs	Expenditure incurred (₹ in crore)	Number of ITIs incurring 'nil' expenditure
250	**167.27**	**12**	**66**	**51.28**	**4**
Source: Information furnished by DVET, Mumbai					

As could be seen from the table above, 250 ITIs could spend only ₹ 167.27 crore (54 *per cent*) in a span of five to nine years[21] against the total available funds of ₹ 312.50 crore. Further, 12 ITIs sanctioned during 2009-12 did not incur any expenditure till June 2016 as some of the ITIs were operating from rented buildings, lack of space, non-affiliation of trades, reluctance of IMCs to implement the IDPs *etc*. Also, 56 ITIs sanctioned during 2007-12

[19] 250 ITIs × ₹ 2.50 crore

[20] The seed money was required to be kept in some long-term instruments so that the IMCs were able to get maximum returns on it. The interest so earned was expected to provide long-term sustainability to the programme and also help repayment of the loan amount after a moratorium of 10 years

[21] Five years had been worked out for ITIs sanctioned for upgradation during 2011-12 and nine years for ITIs sanctioned during 2007-08

incurred an expenditure of less than ₹ 10 lakh up to June 2016, though significant period had elapsed.

The State Government accepted that expenditure incurred by 250 ITIs on upgradation was on the lower side.

3.2.2.2 Revenue Generation by Industrial Training Institutes

As per MoA signed between GoI, State Government and the Chairman of IMC, each ITI should generate sufficient revenue not only for running the institute on a sustainable basis but also for repayment of the loan granted under the upgradation programme.

Scrutiny of 66 IDPs indicated that the IMCs had business plans for generation of revenue through running of production-oriented training scheme (POTS) like computer job work, electrification, welding work, machine job work and running of short-term courses. However, none of the 66 ITIs could furnish documented business plans to audit for scrutiny.

Further scrutiny of Quarterly Progress Reports (QPRs) submitted by 63 IMCs to DVET, Mumbai revealed that POTS were not commenced by 30 IMCs as of March 2016 while in the remaining 33 IMCs, total revenue generated from short-term training courses during 2007-08 to 2015-16 (nine years) was ₹ 1.78 crore only which ranged between ₹ 6,250 (ITI, Devgad) and ₹ 79.78 lakh (ITI, Nashik Girls). Thus, the revenue generation was insignificant for long-term sustainability of the ITIs. It is also pertinent to mention that these 63 IMCs earned a total revenue of ₹ 74.39 crore during 2007-08 to 2015-16 from interest earned on GoI funds parked in fixed deposits.

The State Government accepted the facts and stated that revenue generation was hampered due to absence of regular Principals in the ITIs and non-obtaining of affiliations for starting new trades.

3.2.3 Implementation

3.2.3.1 Non-formation of State Implementation Cell

For management, monitoring and evaluation of the programme at a State level, a State Implementation Cell (SIC) comprising two Assistant Directors (Technical), one Accounts Officer (Finance), one Office Superintendent and support staff was to be set up for a five year period from 2007-08 to 2011-12. The SIC was responsible for implementation of upgradation programme under the guidance of SSC. Audit observed that though GoI released ₹ 40.75 lakh for formation of SIC during 2009-11, the same was not formed as of January 2017. The GoM neither returned the funds nor submitted any utilisation certificate to GoI as of January 2017.

Absence of SIC resulted in inadequate scrutiny of IDPs, delay in approval of revised IDPs, idling of newly constructed buildings, inadequate control of SSC over IMCs that hampered overall implementation and monitoring of the programme, as discussed in succeeding paragraphs.

The State Government accepted that SIC could not be formed due to shortage of staff and in place of SIC, a coordinator was appointed for coordinating the programme activities at the DVET and regional levels.

3.2.3.2 Accreditation of Industrial Training Institutes

As per accreditation criterion published by National Accreditation Board for Education and Training (NABET), all ITIs (Government and private) intending for National Council for Vocational Training (NCVT) affiliation for trades run by them are first required to obtain accreditation[22] from Quality Council of India (QCI). Since 2012, Ministry of Labour and Employment, GoI took a decision to make NABET accreditation mandatory for ITIs seeking NCVT affiliation. Audit observed that none of the 250 ITIs selected for upgradation applied for accreditation as of January 2017.

Audit further observed that before 2012, 62 of 66 test-checked ITIs proposed 227 new trades for affiliation from NCVT of which, 64 trades received affiliation. Now that accreditation of ITIs had been made mandatory by the GoI from 2012, affiliation of the remaining 163 new trades from NCVT would be delayed significantly.

The State Government stated that a policy decision was being taken at the Government level on filling up vacancies in ITIs, procurement of equipment/machinery as per requirements, to aid accreditation of ITIs and affiliation of new trades.

3.2.3.3 Failure of Centers of Excellence

The Centers of Excellence (CoE) are multi-skill courses for which, the ITIs are required to create new infrastructure facilities for running broad-based basic training modules (for first year students) and advance modules (for second year students). Affiliation of NCVT is required before introduction of CoE courses as per existing affiliation procedure. Of 250 ITIs, 75 were decided to be upgraded as CoE. Of 66 test-checked ITIs, 25 were decided to be upgraded as CoE.

Audit scrutiny of documents maintained by ITIs designated as CoE revealed that only 11[23] of 25 ITIs had actually started CoE courses. The remaining 14 had not commenced CoE courses as of January 2017. Of 11 ITIs, eight[24] ITIs had started CoE courses without obtaining mandatory NCVT affiliation and admitted students. This fact was however, not disclosed to the students through print/electronic media.

The Ministry of Labour and Employment, GoI observed (June 2014) that multi-skill courses under CoE were facing various challenges like, the CoE was not reflected in the eligibility criteria for recruitment in Government sector, absence of one integrated certificate for basic and advance modules, difficulty in establishing equivalence between CoE courses and Craftsmen Training Scheme (CTS) due to variation in course duration, lack of industry recognition to CoE courses *etc*. The GoI therefore, recommended discontinuation of admission process from August 2015 and conversion of CoE courses into related CTS courses. However, in specific cases where

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22 Accreditation is a process of establishing competence of ITIs in delivering the requisite elements of vocational training and its ability to carry out evaluation of competence acquired by the trainees

23 Bhivapur, Arjuni Morgaon, Hingna, Nashik (Girls), Shrigonda, Solapur (Girls), Sangola, Murbad, Karjat, Aurangabad (Girls) and Ghansawangi

24 Bhivapur, Arjuni Morgan, Hingna, Solapur (Girls), Sangola, Murbad, Karjat and Ghansawangi

employability of CoE trainees was reasonably high, the State Governments were allowed to continue admissions in CoE courses beyond 2015.

However, within one month of issue of GoI recommendations, GoM directed (July 2014) all the ITIs to discontinue admissions in CoE courses from August 2015. Consequently, all the 25 ITIs designated as CoE discontinued admissions from the academic session 2015-16. Of 25 ITIs, 14[25] ITIs had already created physical infrastructure (buildings) valuing ₹ 8.70 crore for running CoE courses, which were lying idle since August 2015. Further, tools and machinery valuing ₹ 7.28 crore procured by 10[26] of 25 ITIs between 2008-09 and 2014-15 were also lying idle since August 2015. Photographs of idle buildings and machinery in some of the ITIs are shown below.

Idle CoE building

(ITI, Bhiwapur)

Idle CoE building

(ITI, Mul)

Idle Machinery (ITI, Hingna)

Idle Machinery (ITI, Bhiwapur)

The State Government stated that a policy decision was being taken for use of idle buildings and machinery.

3.2.3.4 Vacant posts of Principals and Instructors

The National Implementation Cell, GoI submitted a report in May 2013 pointing out that upgradation of ITIs had suffered due to (a) Principals holding charge of more than one ITI, (b) frequent transfer of Principals, and (c) vacant posts of instructors. In 33 of 66 test-checked ITIs, the Principals of ITIs were transferred (post-IDP approval) three to nine times within a period of one and half year to six years thus, affecting the pace of upgradation of ITIs. Further, for effective running of 250 ITIs under the upgradation programme, GoM worked out a requirement of 2,299 instructors against which, only 20 posts

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25 Samudrapur, Mul, Niphad, Sangamner, Sangola, Nashik (Girls), Karjat, Bhiwapur, Arjuni Morgaon, Shrigonda, Solapur (Girls), Hingna, Aurangabad (Girls) and Renapur

26 Bhivapur, Arjuni Morgaon, Hingna, Mouda, Shrigonda, Aurangabad (Girls), Ghansawangi, Sangola, Karjat and Renapur

were filled up. The shortfall of instructors was made up through contractual appointments.

The State Government accepted the facts.

3.2.3.5 Non-formation of Placement Cells and Absence Feedback Mechanism

As per MoA, the IMCs were required to set up placement cells in ITIs to guide/help the graduates in employment/self-employment and develop a sustainable mechanism to trace the careers of the graduates for at least three years. Information provided by 62 of 66 test-checked ITIs revealed that 19 ITIs did not form any placement cells. The Principals of the ITIs stated that each trade instructor was maintaining a separate register known as a follow-up register which contained placement details of students who had passed out. Audit observed that trade-wise (follow-up) registers were incomplete, as vital information such as, date of passing out, contact number, address and photograph of student, employer details *etc*. were missing. Further, while furnishing quarterly reports to DVET, Mumbai, ITIs were required to mention placement percentage and range of income earned by the students. However, 21 ITIs furnished 'nil' reports on placements while 40 ITIs showed placement percentage of 47 to 100. However, these ITIs could not furnish any document to audit to support their claims.

Further, in terms of MoA, IMCs were required to set up a suitable mechanism to obtain feedback from trainees and industry about quality of training and this feedback was to be used to improve the quality of training in ITIs. Audit observed that no such feedback mechanism was established for students and industries by 66 test-checked ITIs.

3.2.3.6 Irregular Expenditure from Upgradation Funds

As per GoI guidelines of 2008, upgradation funds were to be used for providing additional civil work in ITIs, procurement of machinery and equipment and other activities directly related to upgradation of infrastructure in ITIs.

ITI, Malvan was selected (2008-09) by GoM as CoE for Woodworking and Manufacturing trade sector but, the IMC did not start the trade course. Instead, the Chairman, IMC took up (May 2009) construction of a house boat (through private agencies) and incurred an expenditure of ₹ 52 lakh from upgradation funds till June 2011. The DVET, Mumbai subsequently allowed (September 2011) the Chairman to incur ₹ 25 lakh from upgradation funds for completion of balance works of which, the Chairman incurred an expenditure of ₹ 9.90 lakh till October 2011. As per valuation report submitted (November 2014) by the certified valuer, the value of the house boat was only ₹ 20 lakh. Meanwhile, the Chairman spent (October 2010) another ₹ 10.08 lakh from upgradation funds for procurement of seven seater speed boat. **The Chairman, IMC registered the speed boat in his own name which breached the GoI guidelines that bestowed the right of ownership of assets created from the upgradation fund to the IMC**. The incomplete house boat and the speed boat were lying in damaged condition at Tarkarli beach for the last five to six years as shown in photographs below.

Incomplete house boat

Speed boat lying idle

Audit also observed that the Chairman, IMC was not holding any position in Nirman Realtors and Developers Limited, Mumbai (the selected IP for ITI, Malvan) since 2009. This fact was communicated by Nirman Realtors and Developers Limited, Mumbai to the Principal, ITI, Malvan only in November 2015 and the same was communicated (December 2015) by the Principal to DVET, Mumbai. However, DVET, Mumbai did not take any action against the Chairman, IMC as of October 2016.

The Principal, ITI, Malvan accepted (February 2016) that procurement of speed boat and construction of house boat had no relation to the trades proposed in CoE courses. The State Government also accepted the facts and stated that as the matter was of serious nature, a committee had been constituted under Joint Director, Mumbai Region for conducting complete inspection of ITI, Malvan.

Thus, the Chairman, IMC, Malvan continued to hold his post illegitimately for six years (2010-16) and also incurred an irregular expenditure of ₹ 71.98 lakh from upgradation funds. The DVET, Mumbai at the apex level and the Joint Director, Mumbai region under whom ITI, Malvan falls and who also happened to be the State representative in IMC, Malvan failed to take timely corrective action.

3.2.4 Monitoring

Audit observed the following inadequacies in monitoring of upgradation programme:

- The NSC in its meeting held on 14 March 2011 decided that the SSC would meet once in two months and would apprise the NSC of the decisions taken in SSC meetings. However, between March 2011 and March 2016 (five years), SSC conducted only four meetings against the stipulated 30 meetings. Further, no meetings were held during 2013 and 2014. The State Government accepted the facts and stated that necessary action would be taken to hold SSC meetings regularly.
- Though the SSC in its meeting of 26 July 2010 took a decision to conduct audit of non-performing IMCs by Confederation of Indian Industries, no such audit was carried out (October 2016). The State Government stated that necessary instructions in this regard have been issued.
- The GoI directed the State Governments in June 2011 to conduct verification of physical and financial progress of works being executed by IMCs and submit a report for further follow-up. However, GoM did not take any action in this regard.

3.2.5 Conclusion and Recommendations

- The planning for upgradation of ITIs was deficient. No criteria was laid down for identification of ITIs to be upgraded while the criteria laid down for selection of Industry Partners was not followed. The constitution of Institute Management Committee, responsible for implementation of various activities of upgradation programme, was not done as per guidelines.
- Utilisation of funds was poor, as 250 ITIs could spend only ₹ 167.27 crore during the last five to nine years against ₹ 625 crore received, indicating sub-optimal achievement of objectives. Upgradation funds were irregularly diverted by one ITI for construction of house boat/purchase of speed boat.
- None of the 250 ITIs applied for accreditation from National Accreditation Board for Education and Training, leading to non-affiliation of new trades proposed in Institute Development Plans of ITIs.
- There were large number of vacant posts of Principals and Instructors in the ITIs. A State Implementation Cell responsible for implementation of upgradation programme was not formed as of January 2017.

The State Government may review the programme of upgradation of Industrial Training Institutes to (i) address the deficiencies in planning, (ii) ensure judicious utilisation of funds and physical infrastructure lying idle, and (iii) establish a robust monitoring mechanism, so that the larger goal of skill development and employability is achieved.

Law and Judiciary Department

3.3 Implementation of Civil Works in Court Buildings

Introduction

The Judicial setup in the State of Maharashtra comprises The High Court, Mumbai having jurisdiction over the subsidiary courts namely, three courts[27] in Mumbai City, 32 other district courts and 352 taluka courts thereunder. As of March 2016, 1,811 courts[28] were functioning from 526 court buildings (464 Government-owned and 62 rented premises). The Law and Judiciary Department of Government of Maharashtra (Department) is the Administrative Department for all the subsidiary courts functioning in the State.

In order to ensure effective functioning of judiciary, the Department had been implementing since 1993-94 the Centrally Sponsored Scheme for ‘Development of infrastructure facilities for the judiciary’. Phase-I of the e-Courts project that envisaged provision of hardware, software and network

[27] City Civil and Sessions Court; Chief Metropolitan Magistrate Court; and Small Causes Court

[28] One court building may have more than one court

facilities to the District and Taluka courts is functional in the State of Maharashtra since 2014.

For assessing the adequacy of civil works taken up under the Centrally Sponsored Scheme, audit test-checked the records of all the 38 court building works (17 completed and 21 ongoing) in eight[29] of 32 district courts and three courts in Mumbai city covering the period 2011-16.

Audit Findings

3.3.1 Planning

The Principal District Judges of district courts initiate the proposals for construction of new court complexes/residential quarters. The designs and estimates are prepared by the concerned Public Works Divisions (PW Divisions) and submitted through Principal District Judges of districts to the Building Committee of The High Court for its approval. The proposals duly approved by the Building Committee are forwarded to the Department for grant of administrative approvals and release of funds to the concerned PW Divisions for execution.

Information furnished by The High Court to audit revealed that of 464 Government-owned court buildings in the State, 13 buildings were in dilapidated condition (September 2016). Audit observed that while construction of three of 13 buildings had already been taken up and proposals for three works had been forwarded by the Building Committee of The High Court to the Department for grant of administrative approvals, no proposals were sent by the Principal District Judges to The High Court for construction of the remaining seven[30] dilapidated buildings. In the absence of comprehensive proposals from the subordinate courts, The High Court was not in a position to plan the redevelopment/construction works. This also supports the need for having a medium/long-term plan for prioritising the execution of works.

The Joint Secretary, Law and Judiciary Department stated (October 2016) that a court infrastructure policy had been introduced in October 2016 which emphasises preparation of priority list to streamline and speed-up the pending and future projects.

3.3.2 Execution of Civil Works

3.3.2.1 Works Taken up under Centrally Sponsored Scheme

Audit analysis of 38 test-checked civil works revealed significant delay in grant of administrative approvals, issue of work orders, completion of works and resultant cost overrun. The findings are discussed below.

3.3.2.2 Delay in according Administrative Approvals

Audit scrutiny revealed that in 25 of 38 test-checked works (66 *per cent*), there was a time lag of more than six months in granting administrative approvals

[29] Akola, Ahmednagar, Dhule, Sangli, Satara, Kolhapur, Ratnagiri and Thane

[30] Nashik district: three buildings; Nanded district: one building; Raigad district: one building; Nandurbar district: one building; and Parbhani district: one building

by the Department from the date of receipt of proposals from the Building Committee of The High Court, as indicated in **Table 3.3.1**.

Table 3.3.1: Delay in granting administrative approvals

(works in numbers)

Type of work	Time taken from date of sending proposals by Building Committee of The High Court to grant of administrative approvals by the Department			
	Six to 12 months	One to four years	More than four years	Total
Court building (Total 38 works)	11	13	1	25
Source: Information furnished by The High Court, Mumbai and Department				

In case of construction of court building at Palghar in district Thane, though the proposal was sent by The High Court to Department in December 1997, the administrative approval was accorded after a time lag of more than 16 years in July 2014 and funds amounting to ₹ 82.17 lakh were released in 2015-16. During the intervening period, the court had to carry out its business amid heavy water-logging during monsoon seasons.

Water-logged Palghar court building

3.3.2.3 Delay in Issue of Work Orders

Audit observed that of 38 test-checked works, three works were under tendering stage (January 2017). Of 35 works, in 33 works (94 *per cent*) there was a delay of more than six months in issue of work orders from grant of administrative approvals. The details are indicated in **Table 3.3.2**.

Table 3.3.2: Delay in issue of work orders

(works in numbers)

Type of work	Time taken from grant of administrative approvals to issue of work orders			
	Six to 12 months	One to two years	More than two years	Total
Court building (Total 38 works)	11	14	8	33
Source: Information furnished by concerned PW Divisions of selected districts				

In case of construction of new court building in Ahmednagar district, there was a time lag of 6½ years in issue of work order.

3.3.2.4 Time and Cost Overrun in Completed and Ongoing Works

As of December 2016, five of 35 works (14 *per cent*) registered a time overrun up to six months while 25[31] works (71 *per cent*) registered a time overrun of more than six months from the dates stipulated in the work orders. The remaining five works were completed on time.

The details are shown in **Table 3.3.3**.

Table 3.3.3: Delay in completion of works

(works in numbers)

Type of work	Status of work	Time overrun from the dates of completion stipulated in work orders			
		Up to six months	Six to 12 months	More than 12 months	Total
Court building (Total 38 works)	Completed	5	1	9	15
	Ongoing	0	4	11	15
Source: Information furnished by concerned PW Divisions of selected districts					

Further audit analysis revealed that actual expenditure on 35 civil works as of May 2016 exceeded the awarded cost by ₹ 112.20 crore of which, cost overrun in 17 completed and 18 ongoing works was ₹ 96.94 crore and ₹ 15.26 crore respectively. The broad reasons for cost overrun were change in designs post-award of works such as, change in foundations of buildings; provision of additional floors in court buildings; provision of additional amenities; increase in quantities of tendered items due to inadequate surveys; *etc.* which could have been largely avoided if the works had been planned properly and scope of works decided before award.

3.3.3 Safety Issues

3.3.3.1 Structural Audit of Buildings not conducted

As per GoM notification of January 2009, every owner or occupier of a building in respect of which a period of 30 years, from the date of (i) issue of its completion certificate; or (ii) issue of permission to occupy a building; or (iii) physical occupation of at least 50 *per cent* of its built-up area, whichever is earlier, has expired shall cause such building to be examined by a Structural Engineer registered with the Municipal Corporation/Council for the purpose of certifying that the building is fit for human habitation.

Audit observed that of 464 Government-owned court buildings in the State, 218 buildings were more than 30 years old. However, structural audit was not conducted by PW Divisions in 142 buildings (65 *per cent*) as of July 2016.

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[31] 10 completed and 15 ongoing works

Dilapidated district court building in Thane district

3.3.3.2 Fire Safety Works not Taken Up

The Urban Development Department, GoM (UDD) issued a circular in June 2012 making it mandatory for the owners or occupiers of the buildings to get fire audits of the premises conducted through licensed agencies twice a year and submit fire audit reports to the concerned Chief Fire Officers. However, no fire audits were conducted until The High Court intervened in 2015 and directed the Principal District Judges to conduct fire audits through PW Divisions. Accordingly, the PW Divisions through the licensed agencies conducted fire audits of court buildings between August 2015 and June 2016 and prepared estimates of ₹ 130.38 crore for carrying out the fire safety works such as, installation of fire alarms, fire hydrants, smoke detectors *etc.* The estimates were submitted by The High Court to the Department between August 2015 and October 2016. The Department however, forwarded the estimates to UDD, under whose jurisdiction the Fire Brigade functions, for technical scrutiny, which was pending as of December 2016. Thus, not only there were delays in carrying out fire audits, but approval to estimates for carrying out the fire safety works were also pending.

3.3.4 Conclusion

Absence of comprehensive proposals from the subordinate courts to The High Court, Mumbai constrained the planning for redevelopment/construction works in court buildings. In 25 of 38 test-checked works taken up under the Centrally Sponsored Scheme, there was a time lag of more than six months in granting administrative approvals. In 33 of 35 works (94 *per cent*), there was a delay of more than six months in issue of work orders from grant of administrative approvals. In 25 of 35 works (71 *per cent*), there was a time overrun of more than six months from the dates stipulated in the work orders, while 35 works registered a cost overrun of ₹ 112.20 crore as of May 2016.

Structural audits of 142 court buildings, though more than 30 years old, were not conducted by PW Divisions as of July 2016. Fire audits of court buildings were conducted belatedly and estimates of ₹ 130.38 crore prepared post-fire audits for carrying out fire safety works was pending (December 2016) with the Urban Development Department for technical scrutiny.

Social Justice and Special Assistance Department

3.4 Misappropriation of Government Funds

Social Justice and Special Assistance Department without due diligence approved a proposal of a Cooperative Society for establishment of a wheat processing unit at Yavatmal and released financial assistance of ₹ one crore, which was misappropriated.

With a view to providing opportunities to Scheduled Caste community in Cooperative sector, the Social Justice and Special Assistance Department, Government of Maharashtra (Department) decided (February 2004) vide Government resolution (GR) to extend financial assistance to the Cooperative societies for Scheduled Caste community to undertake various projects such as, power loom, knitting garments, cloth processing units, processing of agriculture produce *etc*. The project cost was to be shared[32] between society, Government and financial institution.

The Department accepted a proposal (March 2011) of a Cooperative society[33] (Society) for setting up a wheat processing project at a cost of ₹ 5.94 crore. Of its total share of ₹ 4.16 crore, Department released ₹ one crore towards share capital and long term loan (₹ 50 lakh each) which was deposited in the joint account[34] of the Society in February 2012. Scrutiny of records (October 2015 and June 2016) of Assistant Commissioner, Social Welfare, Yavatmal and the Commissioner, Social Welfare, Pune revealed the following:

- The Society did not fulfil the basic eligibility criterion of land being in its own name and Department also did not ensure the same at the time of project approval (March 2011). Further, the project proposal prepared by the Society was through an agency which was not an authorised agency notified by Department for the project. The proposal was also not scrutinised by the Commissioner, Cooperation, Pune and approved by the Director, Cooperation, Maharashtra State, Pune, before it was sent to Department for approval.
- As per the GR of 2004, the financial assistance of ₹ one crore was to be used for construction of project building. However, the President of the Society misutilised the entire funds for purchase of two plots of land admeasuring 2.42 hectare (ha) of which, land admeasuring 1.21 ha belonged to the President which was sold to the Society via a sale agreement made on a ₹ 100 non-judicial stamp paper for which the President received (March 2014) ₹ 45 lakh. However, the agreement to sale between the President and the Secretary of the Society (who also happened to be the wife of President) did not appear to be genuine as it was executed on 22 December 2010 whereas, the non-judicial stamp paper was purchased on 08 June 2012. The second plot admeasuring

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32 Society share: 5%; Government share: 35%; Long-term loan from Government: 35% and Long-term loan from financial institutions: 25%

33 Lokayat Magasvargiya Audhyogik Sahakari Sanstha, Kelzara (B), Yavatmal

34 Joint account was to be operated by Director, Social Welfare, Pune and the President of the Society

1.21 ha was purchased (May 2014) from one of the members of the Society at a financial consideration of ₹ 45 lakh, whose valuation as communicated by the Joint District Registrar, Yavatmal to the Assistant Commissioner, Social Welfare, Yavatmal was merely ₹ 4.97 lakh.

- As per provisions of GR of February 2004, the Society executed and registered (April 2012) a mortgage deed in favour of the State Government. However, the properties mortgaged were (a) land admeasuring 1.21 ha which was acquired subsequently by using forged document and misusing Government funds, (b) project building which was not in existence and plant and machinery which had not been procured, and (c) immovable properties (residential houses) of 11 Directors of the Society valuations of which were not available on record.

The Commissioner, Social Welfare, Pune stated (July 2016) that the State Government has been requested to cancel the registration of Society and also to recover the entire amount as revenue arrears from the Society. Further, the Assistant Commissioner, Social Welfare, Yavatmal has been directed to register a FIR against the Society.

Thus, failure of the Department to check and enforce the conditions envisaged in the GR of February 2004 led to misappropriation of Government funds amounting to ₹ one crore.

The matter was referred to the State Government in June 2016; their reply was awaited as of January 2017.

Public Health Department

3.5 Idling of a Newly Constructed Hospital and Unfruitful Expenditure

Poor planning by Public Health Department led to idling of a 200-bedded Geriatric Health and Mental Illness Centre at Ambejogai in Beed district for 57 months and rendered an expenditure of ₹ 19.21 crore incurred on its construction unfruitful.

Under the Marathwada Development Programme, the Public Health Department, Government of Maharashtra (Department) accorded (February 2008) administrative approval for construction of 200-bedded Geriatric Health and Mental Illness Centre (hospital) at Ambejogai in Beed district at an estimated cost of ₹ 9.46 crore which was subsequently revised to ₹ 20.48 crore in March 2010. The work involved construction of main building comprising four wards, an outpatient department and allied works[35]. The hospital aimed to provide comprehensive medical care to special beneficiary group of Geriatric patients, children with behavioral disorders, women of broken homes, alcoholics and drugs abusers *etc.* The hospital was completed in March 2012 at a cost of ₹ 19.21 crore.

Scrutiny of records (October 2015) of the Department revealed that though the hospital was completed in March 2012 it had not been taken over by the Civil

[35] Internal roads, garden, compound wall, bore well, street lights *etc.*

Surgeon, Beed (under whose jurisdiction this hospital had come up) as of January 2017 due to non-availability of requisite manpower and equipment[36] in the hospital.

Audit observed that the Director of Health Services (DHS), Mumbai requested (August 2012) the Department to sanction 209 posts for the hospital comprising medical superintendent, deputy medical superintendent, eye surgeon, orthopedic surgeon, radiologist, ENT surgeon, clinical psychiatrist, nurses (neurology), X-ray operators, laboratory assistants, physiotherapists *etc.* The Public Health Department took up the matter (April 2013) with the State Planning and Finance Departments for sanction of 209 posts but, the same was under process as of January 2017.

While the staffing issue remaining unresolved, DHS, Mumbai purchased between January 2013 and October 2013 various medical equipment/items for the hospital such as, ECG machines (05), pulse oximeters (04), adult and pediatric ventilator (01), examination tables (10), iron cot with back rest and food table (200), wheel chairs (10), stretchers (10) *etc.* at a total cost of ₹ 86.10 lakh. Since the hospital was non-functional, these equipment/items were diverted for use by the District Hospital, Beed. The decision to procure medical equipment/items for the hospital, without ensuring requisite manpower, was flawed.

In February 2014, the Department even contemplated conversion of the newly constructed 200-bedded hospital into 100-bedded facility, by reserving 20 beds for elderly patients. However, this option was not found feasible December 2015) by the Civil Surgeon, Beed. The hospital constructed in March 2012 at a cost of ₹ 19.21 crore continues to be non-functional as of January 2017.

Thus, poor planning by Public Health Department led to idling of a 200-bedded Geriatric Health and Mental Illness Centre for 57 months (up to January 2017) and rendered an expenditure of ₹ 19.21 crore incurred on its construction unfruitful. Besides, the special beneficiary group was also deprived of the intended benefits.

The matter was referred to State Government in September 2016; their reply was awaited as of January 2017.

Social Justice and Special Assistance Department

3.6 Idling of School Building

Failure of Social Justice and Special Assistance Department to remove encroachments before handing over a piece of land to Public Works Division, Kolhapur resulted in idling of school building constructed at a cost of ₹ 1.96 crore for more than three years and the targeted beneficiaries were deprived of the intended benefits.

The Social Justice and Special Assistance Department, Government of Maharashtra (Department) decided (June 2006) to construct a Government

[36] X-ray machines, EEG machines, ventilators, surgical instruments, MRI equipment *etc.*

residential school at taluka Shirol in district Kolhapur to provide free residence, food, library and other educational facilities to the Scheduled Castes and Navboudha boys and girls. Accordingly, the Department granted (February 2007) administrative approval and the District Collector, Kolhapur allotted (February 2007) two hectares of land to Special District Social Welfare Officer (SDSWO), Kolhapur, which was subsequently handed over to Public Works Division, Kolhapur for execution of project. However, in March 2011, the Department decided to construct independent buildings for the school and hostels for boys and girls on the ground that it would not be proper to accommodate girls and boys in one building. Accordingly, the type plan of the project was revised by the Department.

Scrutiny of records of the Executive Engineer, National Highway Division No. VII, Kolhapur (January 2015) and the Commissioner, Social Welfare, Pune (December 2016) revealed the following:

- The land allotted by the District Collector to SDSWO, Kolhapur in February 2007 was partially encroached upon. However, during the intervening period (2007 to 2011), the Commissioner, Social Welfare, Pune and SDSWO, Kolhapur did not make concerted efforts to remove the encroachments with the help of district administration (*Tahashildar*, Shirol). The Public Works Division, Kolhapur constructed (March 2013) the school building as per the revised type plan at a cost of ₹ 1.96 crore on the portion of land which was free of encroachments.
- Even after construction of school building, the Commissioner, Social Welfare, Pune and SDSWO, Kolhapur did not take any action to remove the encroachments from the remaining portion of the land to facilitate construction of hostel buildings for boys and girls. Consequently, the school building constructed at a cost of ₹ 1.96 crore had been lying idle since March 2013 and SDSWO, Kolhapur did not take over the building as of December 2016.

Thus, failure to remove encroachments before handing over land to Public Works Division resulted in idling of school building constructed at a cost of ₹ 1.96 crore for more than three years thereby depriving the targeted beneficiaries of the intended benefits. Besides, deterioration of building due to neglect can also not be ruled out.

The matter was referred to State Government in December 2016; their reply was awaited as of January 2017.

Finance Department

Directorate of Small Savings and State Lottery

3.7 Infructuous Expenditure on Lease Rent for Vacant Office Premises

The Commissioner of Small Savings and State Lottery, Maharashtra made an infructuous expenditure of ₹ 1.14 crore on lease rent of hired office premises at Vashi, Navi Mumbai which remained unoccupied for 33 months, out of total lease period of 36 months.

The Commissioner of Small Savings and State Lottery (Commissioner) under the administrative control of Finance Department, Government of Maharashtra invited (September 2011) tenders for hiring of office premises to accommodate the Office of the Deputy Director (Finance and Accounts), Maharashtra State Lottery, Mumbai. The Finance Department approved (March 2013) hiring of unfurnished premises admeasuring 8,281 sqft at Vashi, Navi Mumbai offered by Shree Venkatesh Enterprises (licensor) on a lease rent of ₹ 3.44 lakh per month. A lease agreement was executed (May 2013) between the licensor and the Commissioner which was valid for 36 months (01 May 2013 to 30 April 2016). The Commissioner took possession of the premises in May 2013.

Scrutiny of records (August 2016) in the Office of the Commissioner revealed that at the time of taking possession (May 2013), the premises did not have basic facilities such as, electric meter, water supply, toilets, terrace door, window grilles *etc*. which were subsequently provided by the Licensor by September 2013. Thereafter, it took 28 months (October 2013 to January 2016) for the Commissioner to plan and procure[37] furniture/modular furniture including interior decoration and electrical works for furnishing the hired office premises. The premises were finally occupied by the Office of the Deputy Director (Finance and Accounts) in February 2016. While the office premises remained vacant/unoccupied for 33 months (May 2013 to January 2016), the Commissioner paid a lease rent of ₹ 1.14 crore[38] to the licensor for the vacant premises.

The payment of lease rent of ₹ 1.14 crore for the vacant premises for 33 months out of total lease period of 36 months (92 *per cent* of lease period) was infructuous. Reason being, for the initial five months (May 2013 to September 2013), the Commissioner should not have paid any rent as the premises was devoid of basic facilities which the licensor was expected to provide. The Commissioner could have also used this window of five months productively to plan and procure furniture/modular furniture including interior decoration and electrical works for the hired premises, which took 28 months.

The matter was referred to State Government in September 2016; their reply was awaited as of January 2017.

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[37] As per lease agreement, it was the responsibility of the Commissioner to provide furniture, computers *etc*. in the hired office premises

[38] ₹ 3.44 lakh × 33 months

Housing Department

Maharashtra Housing and Area Development Authority

3.8 Loss of Interest

Idling of rent and service charges amounting to ₹ 5.84 crore in current accounts of banks for more than two years resulted in loss of interest of ₹ 1.21 crore to Maharashtra Housing and Area Development Authority.

The Mumbai Building Repairs and Reconstruction Board (Board), functioning under Maharashtra Housing and Area Development Authority (MHADA), undertakes structural repairs/reconstruction of old and dilapidated cessed buildings[39] in the island city of Mumbai. During execution of structural repairs/reconstruction of buildings, the tenants/occupiers are provided temporary accommodation in transit tenements maintained by the Board. The tenant/occupier who has accepted the temporary accommodation is required to pay the Board rent and service charges at the rates fixed by the Board. The rent and service charges so collected is deposited in the current accounts maintained by the Estate Management Wing of the Board.

As per circular issued (August 1996) by MHADA, all deposits including rent and service charges held in the current accounts were to be transferred to the Finance Controller (FC), MHADA through the Chief Accounts Officer of the Board every Monday or the next working day, in case Monday was a holiday. The FC, MHADA, after meeting all the estimated expenditure, was required to invest the surplus amount in fixed deposits, in order to avoid loss of interest.

Audit scrutiny of bank statements and monthly accounts maintained by the Estate Manager of the Board revealed that though ₹ 5.84 crore had been parked in two current accounts in Bank of Maharashtra since 09 August 2011 and 03 January 2012, the same was transferred to FC, MHADA on 31 January 2014, after a delay of more than two years. This led to loss of interest of ₹ 1.21 crore as indicated in **Table 3.8**.

Table 3.8: Statement showing loss of interest

(₹ in crore)

Current Account No.	Amount	Period for which lying in current accounts	Duration	Rate of interest (%)	Loss of interest
20045301847	5.38	03.01.2012 to 31.01.2014	2 years and 29 days	9.87	1.10
20045301586	0.46	09.08.2011 to 31.01.2014	2 years and 176 days	9.25	0.11
Total	**5.84**				**1.21**

Source: Bank statements and monthly accounts maintained by the Estate Management Wing of the Board and investment register maintained by FC, MHADA
Note: The rates of interest of 9.87% and 9.25% had been adopted, as these were the minimum rates offered by banks on fixed deposits during the intervening period (August 2011 to January 2014).

[39] A cessed building in Mumbai is one that was built before 01 September 1940 and up to 30 September 1969

The Chief Executive Officer (CEO), MHADA stated (July 2016) that consequent to reorganisation of Board in April 2011, all current accounts were to be closed. However, the same could not be done due to which, the amount remained in the current account till its transfer to FC, MHADA on 31 January 2014. The CEO further stated that the revenue receipts generated by the Board through recovery of rent and service charges are not invested but used to meet the revenue expenditure of the Board such as, water charges, property charges, electricity charges *etc.* and therefore, there was no loss of interest.

The reply is not acceptable because, the issue here is idling of rent and service charges in current accounts for long duration, in contravention of MHADA's own directives of August 1996, leading to loss of interest of ₹ 1.21 crore.

The matter was referred to State Government in July 2016; their reply was awaited as of January 2017.

Skill Development and Entrepreneurship Department

3.9 Unfruitful Expenditure

The Skill Development and Entrepreneurship Department did not assess the requirement for construction of a boys' hostel at ITI, Chandur Railway, Amravati leading to an unfruitful expenditure of ₹ 92.39 lakh.

The District Collector, Amravati accorded (August 2010) administrative approval to construction of 50-bedded boys' hostel for Industrial Training Institute (ITI), Chandur Railway, Amravati at a cost of ₹ 106.30 lakh. The work was included in the district annual plan 2010-11 on the demand of the then local Member of Legislative Assembly. The work was awarded (December 2010) at a cost of ₹ 83.85 lakh for completion by December 2011. The work was completed in January 2012 at a cost of ₹ 78.27 lakh and handed over to the Principal, ITI, Chandur Railway in the same month.

Scrutiny of records (February 2016) of the Principal, ITI, Chandur Railway revealed the following:

- Though the hostel building was handed over to the Principal in January 2012, it continues to be unoccupied (January 2017) as not a single inmate had been admitted in the hostel. Besides, furniture items such as, beds, chairs, benches, almirahs *etc.* procured in March 2013 for the hostel at a cost of ₹ 14.12 lakh also could not be put to any use.
- The then Principal, ITI, Chandur Railway had informed (June 2008) the Joint Director, Vocational Education and Training, Amaravati region that most of the students were residing within a periphery of 20 to 25 km of the ITI and in a position to commute easily on daily basis and therefore, there was no need for a boys' hostel at ITI, Chandur Railway. However, the opinion of the Principal was not considered while granting administrative approval in August 2010.

The Principal, ITI, Chandur Railway attributed (July 2016) the vacant hostel building to (a) easy availability of bus and railway passes to the students thus, making it easier for them to commute daily, (b) non-receipt of any application from the students for admission in the hostel, and (c) non-availability of staff and caretaker for the hostel. The Principal however, added that the hostel building was being used for library and classrooms.

The reply only reinforces the apprehensions of the then Principal raised in June 2008. Further, the contention of the Principal that the hostel building was being used for library and classrooms does not appear to be credible because, enrolment in ITI, Chandur Railway showed a declining trend from 355 students in 2010 to 189 in 2015. Besides, use of hostel building for library and classrooms was not the objective of the project.

Thus, inadequate assessment of the requirement for a boys' hostel rendered an expenditure of ₹ 92.39 lakh unfruitful.

The matter was referred to the State Government in June 2016; their reply was awaited as of January 2017.

Skill Development and Entrepreneurship Department

3.10 Unfruitful Expenditure on *e-Vidya* Project

Failure of District Collector, Gadchiroli and District Vocational Education and Training Officer, Gadchiroli to exercise due diligence in implementation of *e-Vidya* project rendered an expenditure of ₹ 1.06 crore unfruitful.

Under the District Plan, the District Vocational Education and Training Officer, Gadchiroli (DVETO) introduced *e-Vidya* project (project) that envisaged setting up of virtual classes by establishing video conferencing centres for providing vocational education and training in 12 Industrial Training Institutes (ITIs) of Gadchiroli district. These 12 ITIs were also to be used for imparting training to students for various competitive exams and for developing their soft skills and employability skills.

The District Collector, Gadchiroli invited tender for the project in March 2010.The work order was placed to a short-listed agency[40] in October2010 and DVETO executed an agreement with the agency in January 2011. As per agreement, the agency was to set up 12 virtual classes by establishing VSAT[41] connectivity of 80 hours bandwidth per month through a tower installed centrally in ITI boys hostel building at Gadchiroli (one of the 12 ITIs) at a financial consideration of ₹ 48 lakh. Besides, recurring monthly charges of ₹ 3.45 lakh was also to be paid to the agency for programme management, virtual session delivery, bandwidth fee and operational expenses towards running of 12 virtual classrooms. The project was to run for a period of three years (March 2014).

[40] Everonn Education Limited, Chennai

[41] VSAT or Very Small Aperture Terminal is a satellite communications system that serves homes and business users

Scrutiny of records (August 2014) of DVETO revealed the following:

- The project commenced on 01 April 2011 and abruptly ended on 27 August 2012 as the agency could not provide network connectivity on a sustainable basis. Between 01 April 2011 and 26 August 2012, the agency was paid ₹ 58.09 lakh[42] as recurring monthly charges, apart from ₹ 48 lakh for setting up of virtual classes. The agency finally wound up its operations and left in December 2013 without informing DVETO. Audit observed that the project was introduced in haste as evident from the fact that while the tender was invited by the District Collector on 18 March 2010 and work order issued on 06 October 2010, administrative approval to the project was accorded by the District Collector only on 14 October 2010. Further, the project was not technically sanctioned by the Administrative Department[43], a mandatory requirement for procurement of public goods and services.
- The DVETO did not safeguard Government interests, as the agreement executed by him with the agency in January 2011 did not have performance guarantee and penalty clauses which could have bound the agency to fulfil its obligations under the contract.

Thus, failure of District Collector, Gadchiroli and District Vocational Education and Training Officer, Gadchiroli to exercise due diligence in implementation of *e-Vidya* project led to an unfruitful expenditure of ₹ 1.06 crore.

The matter was referred to the State Government in June 2016; their reply was awaited as of January 2017.

Sangita Choure

(SANGITA CHOURE)

Mumbai,
The 25 May, 2017

Principal Accountant General (Audit)-I,
Maharashtra, Mumbai

Countersigned

(SHASHI KANT SHARMA)

New Delhi,
The 29 May, 2017

Comptroller and Auditor General of India

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42 ₹ 3.45 lakh × 16 months and 26 days = ₹ 58.09 lakh

43 Director, Vocational Education and Training, Mumbai

APPENDICES

Appendix 1.1

(Reference : Paragraph 1.7.1; Page 7)

Department-wise outstanding Inspection Reports/Paragraphs issued up to December 2015 but outstanding as on 30 June 2016

Sr No	Name of Deptt	Mumbai/ Nagpur	Upto 2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		Total	
			IR	Paras	IR	Paras	IR	Paras	IR	Paras	IR	Paras	IR	Paras	IR	Paras
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
General Sector																
1	Environment	Mumbai	16	43	5	20	6	45	3	36	3	44	4	75	37	263
		Nagpur	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	16	43	5	20	6	45	3	36	3	44	4	75	37	263
2	Finance	Mumbai	15	20	3	7	0	0	1	6	0	0	2	7	21	40
		Nagpur	16	23	0	0	0	0	0	0	4	12	0	0	20	35
		Total	31	43	3	7	0	0	1	6	4	12	2	7	41	75
3	General Administration	Mumbai	19	27	6	12	3	6	1	1	5	25	6	24	40	95
		Nagpur	8	13	0	0	0	0	0	0	3	7	0	0	11	20
		Total	27	40	6	12	3	6	1	1	8	32	6	24	51	115
4	Home	Mumbai	117	213	11	36	17	31	17	58	15	80	26	195	203	613
		Nagpur	96	177	7	20	2	6	31	119	22	122	23	128	181	572
		Total	213	390	18	56	19	37	48	177	37	202	49	323	384	1185
5	Law and Judiciary	Mumbai	25	51	0	0	0	0	2	7	6	13	7	44	40	115
		Nagpur	80	142	0	0	1	1	0	0	18	63	1	3	100	209
		Total	105	193	0	0	1	1	2	7	24	76	8	47	140	324
6	Maharashtra Legislature Secretariat & Parliamentary Affairs	Mumbai	2	5	0	0	0	0	0	0	1	5	0	0	3	10
		Nagpur	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	2	5	0	0	0	0	0	0	1	5	0	0	3	10
7	Planning	Mumbai	1	1	1	2	1	1	0	0	0	0	2	11	5	15
		Nagpur	1	1	0	0	0	0	0	0	0	0	0	0	1	1
		Total	2	2	1	2	1	1	0	0	0	0	2	11	6	16
Social Sector																
8	Maharashtra State Language	Mumbai	0	0	1	5	0	0	0	0	1	2	0	0	2	7
		Nagpur	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	0	0	1	5	0	0	0	0	1	2	0	0	2	7
9	Employment and Self Employment	Mumbai	3	4	0	0	1	1	0	0	6	17	3	14	13	36
		Nagpur	11	15	5	7	0	0	0	0	0	0	0	0	16	22
		Total	14	19	5	7	1	1	0	0	6	17	3	14	29	58

Appendix 1.1 (contd…..)

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
10	Higher and Technical Education	Mumbai	107	287	28	85	20	94	8	79	12	63	22	126	197	732
		Nagpur	143	238	9	13	7	12	28	56	28	130	29	149	244	598
		Total	250	525	37	98	27	106	36	135	40	193	51	275	441	1332
11	Housing	Mumbai	62	177	15	59	14	59	21	128	15	106	6	42	133	571
		Nagpur	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	62	177	15	59	14	59	21	128	15	106	6	42	133	571
12	Medical Education and Drugs	Mumbai	35	72	12	43	5	36	16	88	6	52	5	64	79	355
		Nagpur	38	93	7	21	5	17	16	81	8	60	7	69	81	341
		Total	73	165	19	64	10	53	32	169	14	112	12	133	160	696
13	Public Health	Mumbai	65	139	6	15	12	50	21	75	2	14	7	66	113	359
		Nagpur	163	377	17	35	13	63	34	159	28	145	31	175	286	954
		Total	228	516	23	50	25	113	55	234	30	159	38	241	399	1313
14	Social Justice and Special Assistance	Mumbai	78	148	3	8	1	3	9	18	7	48	5	28	103	253
		Nagpur	52	74	16	27	6	17	24	94	9	49	22	129	129	390
		Total	130	222	19	35	7	20	33	112	16	97	27	157	232	643
15	School Education and Sports	Mumbai	59	112	12	44	52	219	4	26	52	188	14	44	193	633
		Nagpur	24	45	8	55	1	6	8	30	5	25	11	137	57	298
		Total	83	157	20	99	53	225	12	56	57	213	25	181	250	931
16	Tribal Development	Mumbai	43	119	14	36	0	0	3	32	5	40	6	70	71	297
		Nagpur	107	258	18	38	10	33	31	120	12	57	7	47	185	553
		Total	150	377	32	74	10	33	34	152	17	97	13	117	256	850
17	Women and Child Development	Mumbai	33	70	3	9	1	10	1	9	2	8	14	52	54	158
		Nagpur	21	27	5	10	7	13	2	8	7	20	0	0	42	78
		Total	54	97	8	19	8	23	3	17	9	28	14	52	96	236
18	Water supply and Sanitation	Mumbai	30	36	10	23	4	12	4	8	8	35	10	54	66	168
		Nagpur	13	19	4	6	1	1	13	29	4	13	5	6	40	74
		Total	43	55	14	29	5	13	17	37	12	48	15	60	106	242

Appendix 1.1 (concld.)

Social Sector

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
19	Minorities Development	Mumbai	1	2	1	8	0	0	0	0	2	12	2	9	6	31
		Nagpur	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	1	2	1	8	0	0	0	0	2	12	2	9	6	31
20	Food, Civil Supplies and Consumer Protection	Mumbai	3	4	0	0	0	0	0	0	2	11	0	0	5	15
		Nagpur	5	5	0	0	0	0	6	18	5	17	2	7	18	47
		Total	8	9	0	0	0	0	6	18	7	28	2	7	23	62
21	Revenue	Mumbai	115	181	7	23	4	9	20	46	14	74	12	67	172	400
		Nagpur	213	419	1	2	5	21	0	0	7	31	14	52	240	525
		Total	328	600	8	25	9	30	20	46	21	105	26	119	412	925
22	Rural Development and Water Conservation															
	(a) District Rural Development Agency	Mumbai	18	31	5	13	2	8	5	22	6	41	5	40	41	155
		Nagpur	5	15	1	1	0	0	1	4	0	0	0	0	7	20
		Total	23	46	6	14	2	8	6	26	6	41	5	40	48	175
	(b) Minor Irrigation (Local Sector)	Mumbai	21	46	2	15	0	0	4	29	4	31	2	12	33	133
		Nagpur	0	0	0	0	1	8	0	0	0	0	0	0	1	8
		Total	21	46	2	15	1	8	4	29	4	31	2	12	34	141
	(c) Social Forestry	Mumbai	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Nagpur	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Urban Development															
	(a) Mumbai Metropolitan Regional Development Authority	Mumbai	10	33	1	10	0	0	1	12	1	15	0	0	13	70
		Nagpur	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	10	33	1	10	0	0	1	12	1	15	0	0	13	70
	(b) District Urban Development Agency	Mumbai	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Nagpur	67	168	2	6	1	5	0	0	10	38	1	4	81	221
		Total	67	168	2	6	1	5	0	0	10	38	1	4	81	221
	(c) Nagpur Improvement Trust	Mumbai	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Nagpur	3	42	1	7	0	0	0	0	0	0	1	19	5	68
		Total	3	42	1	7	0	0	0	0	0	0	1	19	5	68
	Grand Total		**1944**	**3972**	**247**	**731**	**203**	**787**	**335**	**1398**	**345**	**1713**	**314**	**1969**	**3388**	**10560**

Appendix 1.2
(Reference: Paragraph 1.7.3; Page 7)
Statement showing number of paragraphs/reviews in respect of which Government Explanatory Memoranda had not been received

Sr. No.	Name of Department	Up to 2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total
	General Sector							
1	Environment	1	1	--	--	--	--	2
2	Home	3	--		1	--	--	4
3	Maharashtra Legislature Secretariat & Parliamentary Affairs	1	--	--	--	--	--	1
4	Planning	1	--	--	--	--	--	1
	Social Sector							
5	Law and Judiciary	--	--	--	--	--	1	1
6	Housing	--	--	--	1		1	2
7	Medical Education & Drugs	--	--	1	--	--	1	2
8	Public Health	1	--	--	1	--	2	4
9	School Education and Sports	--	--	1	2	--	1	4
10	Social Justice and Special Assistance	--	--	--	1	--	--	1
11	Tribal Development	--	--	--	--	--	1	1
12	Urban Development	8	--	--	1	--	1	10
13	Water Supply and Sanitation	--	--	--	1	--	--	1
14	Women and Child Development	--	--	--	--	--	1	1
	Total	**15**	**1**	**2**	**8**	**0**	**9**	**35**

Appendix 1.3

(Reference: Paragraph 1.7.3; Page 8)

Department-wise position of PAC recommendations on which Action Taken Notes were awaited

Sr. No.	Name of Department	1985-86 to 2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total
1	School Education & Sports	5	0	0	31	0	0	0	4	0	0	0	0	0	40
2	Social Justice and Special Assistance	22	0	0	0	17	0	0	3	0	0	0	0	0	42
3	Urban Development	31	0	0	0	2	0	0	0	0	0	0	0	0	33
4	Home	16	3	0	1	4	0	7	0	8	0	0	0	0	31
5	Housing	14	0	0	8	0	1	0	0	0	0	0	0	0	31
6	Revenue and Forests	2	0	0	0	20	0	0	0	0	0	0	0	0	22
7	Rural Development and Water Conservation	9	0	0	0	0	0	8	0	5	0	0	0	0	22
8	Co-operation & Marketing	0	0	0	0	18	0	0	2	0	0	0	0	0	20
9	Employment & Self Employment	0	0	0	15	0	0	0	0	0	0	0	0	0	15
10	Public Health	7	0	0	0	0	0	8	2	0	0	0	0	0	17
11	Higher & Technical Education	1	0	0	9	0	0	4	0	3	0	0	0	0	17
12	General Administration	1	0	0	11	0	0	0	0	0	0	0	0	0	12
13	Medical Education & Drugs	7	0	0	0	0	3	0	0	0	0	0	0	0	10
14	Environment	0	0	0	0	0	10	0	0	0	0	0	0	0	10
15	Water Supply & Sanitation	9	0	0	0	0	0	0	0	0	0	0	0	0	9
16	Planning	6	0	0	0	0	0	0	0	0	0	0	0	0	6
17	Tribal Development	2	0	0	2	0	0	0	0	0	0	0	0	0	4
18	Finance	0	0	0	2	0	0	0	0	0	0	0	0	0	2
Total		**132**	**3**	**0**	**79**	**61**	**14**	**27**	**11**	**16**	**0**	**0**	**0**	**0**	**343**

Appendix 2.2.1
(Reference: Paragraph 2.2.5; Page 30)
Names of the Departments and units test-checked

Sr. No.	Name of Department	Name of unit
1.	Public Works Department	(i) Executive Engineer, Public Works Division (North), Pune (ii) Executive Engineer,Public Works Division (South), Ratnagiri (iii) Executive Engineer, Electrical Division (South), Mumbai
2.	Revenue Department	(iv) Collector Office, Yavatmal
3.	Water Resources Department	(v) Mechanical Stores Division, Dapodi, Pune
4.	Tribal Development Department	(vi) Project officer, Integrated Tribal Development Project, Dahanu
5.	Public Health Department	(vii) Directorate of Health Services, Mumbai
6.	Agriculture Department	(viii) District Superintendent Agriculture Officer, Ahmednagar
7.	Home Department	(ix) Director General of Police, Mumbai (x) Deputy Inspector General of Prison, Western Region, Pune
8.	Medical Education and Drugs Department	(xi) Directorate of Medical Education and Research, Mumbai
9.	Higher and Technical Education Department	(xii) Directorate of Technical Education, Mumbai
10.	Skill Development and Entrepreneurship	(xiii) Directorate of Vocational Education and Training, Mumbai
11.	Industries, Energy and Labour Department	(xiv) Directorate of Government Printing and Stationery, Mumbai (xv) Joint Director of Industries, Pune
12.	School Education and Sports Department	(xvi) Directorate of Sports and Youth Services, Pune
13.	Women and Child Development Department	(xvii) Commissioner, Women and Child Development Department, Pune

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