

OVERVIEW

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This Report comprises two chapters. Chapter I presents the planning and extent of audit and a brief analysis on the expenditure of major Departments along with responses of Government to the Audit Inspection Reports/Audit Reports and action taken on these. Chapter II deals with the findings of three Compliance Audits on (i) execution of dairy development schemes in Jharkhand; (ii) implementation of the provisions of pre-conception and pre-natal diagnostic techniques (prohibition of sex selection) Act 1994 and (iii) management of forest land in Jharkhand besides, eight Audit Paragraphs in various Departments. The audit findings included in this Report have total money value of ₹ 120.28 crore covering systemic deficiencies, misappropriation, fraud, loss, wasteful/ unfruitful expenditures, avoidable extra expenditure, undue favours, excess payments etc.

The audit has been conducted in conformity with the Auditing Standards of the Comptroller and Auditor General of India. Audit samples have been drawn based on Simple Random Sampling without Replacement method. The specific audit methodology adopted has been mentioned in each Compliance Audit. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the State Government. The main audit findings are summarised in this overview.

1. Compliance Audit of Programmes/Activities/Departments

(i) Audit on execution of dairy development schemes in Jharkhand

The Agriculture, Animal Husbandry and Cooperative Department (Department) launched (between August 2004 and February 2009) six dairy development schemes to attain self-sufficiency in milk production and to generate gainful sustainable employment for the small and marginal farmers and agricultural labourers. Audit reviewed two schemes viz., Milch Cattle Induction Scheme (MCIS) and Technical Input Programme (TIP) involving expenditure of ₹ 242 crore (78 *per cent* of the total expenditure of ₹ 312 crore on the six schemes during 2012-17). The important Audit findings are:

Status of dairy and planning

The targets for milk production fixed by the Department were 61 *per cent* of the per capita requirement as estimated by Indian Council of Medical Research and 52 *per cent* of the National average per capita daily availability of milk. The actual production was only 41.41 *per cent* of the National average as the Department did not prepare any plan specifying the milestones and timelines to achieve the requirement of milk to attain self-sufficiency in milk production.

The average growth of milk production in the State during the 12th five year plan (FYP) over 11th FYP was 17.52 *per cent* whereas the National growth during the same plan periods was 25.82 *per cent*. Further, the cumulative growth of milk production in Jharkhand (12.80 *per cent*) during 12 FYP was less when compared with the growth of milk production of the neighboring States of Orissa (16.18 *per cent*), Chhattisgarh (18.04 *per cent*) and Bihar (27.26 *per cent*). Had the targets been planned and fixed based on measurable parameters like the number of Artificial Insemination (AI) to be carried out,

expected number of calves to be born, targeted number of female calves to be brought into milking progeny etc., through adequate monitoring and follow-up, these could have yielded desired results.

Recommendation

The Department needs to develop appropriate strategies and measurable parameters at every level of scheme implementation indicating clear milestones and timelines to attain its objectives in milk production.

Paragraphs 2.1.2 and 2.1.5

Human Resource Management

The Department faces an overall vacancy of 55 per cent (155 posts) at various levels which included critical vacancies of 34 per cent in the posts of the District Dairy Development Officer (DDDO) at district level and 56 per cent in the posts of Dairy Technical Officer (DTO) at village level. The Statistical Cell in the Department was non-functional since its creation. These shortcomings adversely affected the implementation of the dairy development schemes in the State. As a result, the Department did not have any information on actual number of cattle inducted under MCIS nor the amount of subsidy parked in banks. Supervision and follow up of the distributed cattle under MCIS as envisaged in the scheme guidelines was also not carried out.

Recommendation

The Department should take appropriate measures to fill up the critical vacancies to ensure field visits by the DDDOs/DTOs, to ensure coordination with banks by the DDDOs to ascertain the reasons for failure of the beneficiaries to repay their loans and to make the Statistical cell functional.

Paragraph 2.1.3

Parking of Government funds in bank accounts

During 2012-17, the DDDOs in the six test checked districts released ₹ 82.85 crore subsidy to banks for inducting 18,452 cattle. Though only 9,584 cattle could be purchased by utilising the subsidy of ₹ 37.78 crore, the Department did not make any effort to get refund of undisbursed subsidy of ₹ 45.07 crore and charge interest from the banks. In the remaining 18 districts of the State, the Department neither had any statistics regarding number of cattle actually purchased nor ascertained the amount of subsidy parked in banks in the State as a whole. The DDDOs merely transferred funds received from the Department to the banks and declared the schemes as implemented without actually implementing the scheme.

Recommendation

The Department should ascertain the amount of subsidy parked in banks in the entire State and charge interest from banks on the unutilised subsidy, which was not remitted to beneficiaries within the stipulated period. Besides, the Department should not release further subsidy till the unutilised subsidy with the banks is adjusted.

Paragraph 2.1.6.3

Milch cattle induction schemes (MCIS) and productivity enhancement

The MCIS under *Rastriya Krishi Vikas Yojna* (RKVY) could not provide employment to 30 per cent (1,553 out of 5,208) of the intended beneficiaries and failed to induct 15 per cent (2,854 out of 18,777) of the targeted cattle in the State as the Department released subsidy for induction of only 15,923 cattle in both the phases. The main reason for short release of subsidy in the second phase was on account of absence of claims by the concerned banks against 1,481 beneficiaries who failed to pay their instalments against loans received in the first phase. Reasons for short release in the first phase were not on record. Further, the scheme was not implemented in 2016-17 as the subsidy amount was reduced to 25 per cent for beneficiaries of general category (from the earlier 40-50¹ per cent) and 33.33 per cent for SC/ST categories (from the earlier 40-50 per cent) under a new funding pattern implemented by GoI.

The MCIS under BPL (female) scheme was aimed to provide gainful employment to the rural BPL women. The scheme could not provide sustainable employment to 89.49 per cent (16,446 out of 18,176 beneficiaries) beneficiaries and failed to induct 53 per cent (13,924 out of 26,148) of targeted cattle during 2015-17 mainly due to failure of the DDDOs to facilitate the beneficiaries by organising *pashu-mela* in their premises for purchase of cattle. In addition, the scheme did not cover nine out of 24 districts of the State as milk route was not established by MILKFED.

The performance of the two-milch cattle dairy was poor (8.40 per cent of target), when compared to the five or more cattle dairies (where performance ranged between 45.76 per cent and 68.08 per cent) as the two-milch cattle dairy do not provide sustainable source of income to the beneficiary round the year resulting from the fact that the cattle ceases to give milk at least for two months during pregnancy cycle. In addition, the beneficiaries get subsidy for purchase of second phase only in the following financial year, irrespective of the prescribed period of six months. This breaks continuity in availability of milk for sale by the beneficiary. In contrast, in other dairy schemes where the number of cattle is more than one, the beneficiary gets milk round the year by spacing the pregnancy cycle of different cattle to maintain the availability of milk.

During 2012-17, only 27.27 per cent (46,322 out of 1.70 lakh) of the female calves could be converted into milking progeny as the Department could not ensure the rearing of these female calves for the very fact that only ₹ 1.08 crore was released for this purpose during entire 12 FYP period against the requirement of ₹ 10.71 crore.

Recommendation

Considering the objective to attain self-sufficiency in milk production and provide gainful employment, the Department should provide adequate funds for promoting mini, midi, commercial and modern dairies besides streamlining the two-milch cattle dairies by providing the second cattle within six months.

¹ 50 per cent for Mini dairy and 40 per cent Midi dairy.

Further, the Department should fix target for production of female calves and provide required funds to rear the female calves for maximum conversion into milking progeny

Paragraph 2.1.7.1

Technical Input Programme (TIP)

The Department failed to furnish Audit with records relating to procurement and distribution of technical inputs valued at ₹ 43 crore for the period 2012-16 despite several requisitions/ reminders and assurance given (January 2018) by the Secretary of the Department. Audit also observed that the Assistant Director (Drawing and Disbursing Officer) fraudulently withdrew (March 2017) ₹ 7.82 lakh twice from the Doranda Treasury on the strength of same invoice.

Recommendation

The failure of the Department to furnish records to Audit and the double withdrawal by the Assistant Director, merit vigilance investigation.

Paragraph 2.1.7.2

Irregular payment of ₹ 4.25 crore

The Department suppressed the quality test report of mineral mixture supplied by an illegible firm and purchased substandard mineral mixture for ₹ 4.25 crore.

Recommendation

The entire procedure of selection of an ineligible firm, suppression of quality test report and payment of ₹ 4.25 crore merits vigilance investigation.

Paragraph 2.1.7.2 (iii)

Monitoring

The Department did not: (i) define any key performance indicators (KPI) for evaluation of programmes; (ii) undertake mandatory third party monitoring and evaluation; (iii) ensure monitoring of schemes through field visits by DDDOs/ District Animal Husbandry Officers; (iv) establish Management Information System (MIS); (v) perform internal audit.

Recommendation

The Department should prescribe and ensure adherence to monitoring and oversight procedures at all levels.

Paragraph 2.1.8

(ii) Audit on implementation of the provisions of Pre-conception and Pre-natal diagnostic techniques (Prohibition of Sex Selection) Act, 1994

Human resources management

As per information provided by the PCPNDT Cell of National Health Mission, 250 (36 per cent) out of 702 genetic/ultrasonography (USG) centres in 19 out of 24 districts of the State as on March 2017, engaged 227 unqualified doctors (38 per cent) out of total 599 doctors employed in total USG centres in the

State without any qualified doctors on their panel. Of these, 87 USG centres engaged 81 MBBS doctors without any experience or training, 163 USG centres appointed 146 MBBS doctors, who, though having one year experience/six months training, had not cleared the mandatory Competency Based Evaluation (CBE)². In the test-checked districts, 126 unqualified doctors working in 136 USG centres conducted 59,959 sonography³ during 2014-17 of which, 604 were done by 56 inexperienced and untrained MBBS doctors in 61 USG centres.

In five out of 24 districts, 18 radiologists were registered with 71 USG centres during 2014-17, each radiologist working in between three to six USG centres, violating Government of India stipulations of a maximum of two USG centres per radiologist.

Recommendation

The Department should initiate appropriate action against (i) unqualified doctors performing sonographies, (ii) USG centres who permit such unqualified doctors to perform sonographies, and (iii) DAAs who registered such USG centres despite their not having qualified doctors.

Paragraphs 2.2.2.2 and 2.2.2.3

Monitoring and inspection for implementation of the Act

The State government had not constituted Sub-district Appropriate Authorities in any of the sub-divisions even after more than two decades of enactment of the Act. Further, there was delay of two years in reconstitution of State Supervisory Board and State Advisory Committee for reviewing, monitoring and supervision of the implementation of the Act at the State level. These shortcomings prevented implementation of the recommendations of State and Central level committees such as restricting qualified doctors to work in a maximum of two ultrasound clinics in a district, setting up online grievance/complaint portal for receiving complaints, inspecting ultrasound clinics by State Level Monitoring committee, tracking online form F⁴, geographic information system (GIS) mapping of USG centres etc. This also resulted in failure to monitor and inspect implementation of the Act as evident from non-maintenance of essential records for conducting sonography of pregnant women in 2,257 cases, sonography conducted without referral slips of registered medical practitioners in 979 cases, engagement of radiologists other than the registered radiologists in 14 USG centres.

Recommendation

The Department should establish Sub-district Appropriate Authorities at the earliest to strengthen the institutional arrangements to fulfil the mandate of the Act and ensure strengthening of supervisory and advisory committees.

Paragraphs 2.2.4.2 and 2.2.4.3

² Rule 9 of PCPNDT (six months training) Rules, 2014 stipulates that the registered medical practioners employed in a USG centre on the basis of one year experience or six months training shall have to clear CBE examination.

³ To observe foetal growth or study bodily organs

⁴ Form for maintenance of record in case of Prenatal Diagnostic test/procedure by genetic clinic/ultrasound clinic/imaging centre

The State Inspection and Monitoring Committee (SIMC) neither carried out any field visit nor inspected any USG centre during 2014-17. The District Appropriate Authorities (DAA) conducted only three *per cent* (244 out of 8,608 inspections) of targeted inspections in the State during 2014-17. In test checked districts, inspections by DAAs were only to the extent of two *per cent* during 2014-17 (96 against required 5,060 inspections).

Audit verification of records of nine USG centres (whose inspections by the concerned DAAs had revealed no irregularities) revealed deficiencies such as non-maintenance of basic records by the centres, USGs conducted by unqualified doctors, unavailability of backup of images, absence of name, registration number and qualification of radiologist on the display board etc.

Recommendation

The Department should ensure required numbers of inspections by SIMC and DAAs and shall take appropriate action against those DAAs whose inspections of the nine USG centres did not reveal the irregularities noticed by Audit.

Paragraph 2.2.4.7 (i) & (ii)

Joint physical inspection of 72 USG centres by Audit and Departmental officials revealed several violations, including 21 USG centres functioning illegally due to their delayed renewal and approval, non-maintenance of vital records in 61 *per cent* of 3,717 cases for conducting sonography of pregnant women, absence of referral slips of registered medical practitioners in 26 *per cent* of 3,717 cases for doing sonography, non-submission of monthly reports by USG centres in 65 *per cent* cases etc.

Recommendation

The Department should ensure regular inspection of USG centres to prevent violations of the Act, and take appropriate corrective action.

Paragraph 2.2.4.7 (iii)

The Department has not completed till date (May 2018) development of online grievance/complaint portal and comprehensive website for information on implementation of the PCPNDT Act even after more than three years of instructions (May 2015) by Government of India. Resultantly, not a single complaint was recorded in the Department against violation of the Act, as noticed by Audit.

Recommendation

The Department should develop and make operational the website and ensure that online grievance redressal system is functional at the earliest. The website should carry information about the status of the redressal along with the authority with whom it is pending.

Paragraph 2.2.4.9 (i)

(iii) Audit on management of forest land in Jharkhand

Jharkhand has 23.605 lakh hectare recorded forest area, of which 19.185 lakh hectare (81 *per cent*) was declared as protected forest by the State Government through preliminary notifications issued mostly between 1952 and 1967 under

the Indian Forest Act, 1927. However, the Department headquarters have not maintained any records of preliminary notifications. In 12 test checked forest divisions, Audit verified 86 preliminary notifications involving 7.33 lakh hectare (38 *per cent*) out of 19.185 lakh hectare protected forest of the State. Major audit findings are:

Human resource management

There was acute shortage in cutting-edge field officials of the Forest Department. As at March 2018, the vacancy for the posts of 'Forester', 'Forest Guard' and 'Amin' were to the extent of 73 *per cent*, 43 *per cent* and 78 *per cent* respectively. This significantly affected the achievement of Departmental mandates such as guarding the forest boundaries, maintenance of forest land records and maps etc.

Recommendation

The Department should recruit, on priority, adequate manpower at field level for proper management of forests, maintenance of demarcation register and protection of forest to safeguard the forest land from encroachments.

Paragraph 2.3.2

Absence of final notification

The Department has not issued a single final notification on protected forest in the last 65 years of issuing preliminary notifications, due to failure to complete demarcation of forests, authentications of maps, issue draft de-notifications of excluded areas and non-release of land arising from failure to appoint Forest Settlement Officers (FSO).

Absence of final notifications and lack of effective coordination between the Forest and Land Revenue departments resulted in encroachment of 25,181 hectare forest land besides failing to restrict illicit sale and purchase of forest land.

Recommendation

The Department should initiate immediate action to appoint FSOs so that final notifications can be issued without further delay. The Department should also share details of forest land with the Land Revenue Department to prevent the unauthorised sale and purchase of forest land.

Paragraph 2.3.3.1 & 2.3.3.2

Compensatory afforestation

In seven out of 12 test checked forest divisions, 760.41 hectare non-forest land transferred for compensatory afforestation by the user agencies was not notified as reserved/protected forest as necessary compliance for rectification of draft notifications of the proposal was not made by the Department.

Recommendation

The Department should initiate immediate action to accord approval for notification of non-forest land transferred for compensatory afforestation by user agencies.

Paragraph 2.3.3.3

Final notification of sanctuary

Preliminary notifications for Palamu wildlife (Betla National Park) sanctuary and Mahuadanr wolf sanctuary were issued in June and July, 1976. However, final notification of these sanctuaries was not issued by the Department as arrangements for alternative livelihood of affected right holders was yet to be done as the Department did not take initiative to arrange the required funds.

Recommendation

The Department should initiate immediate action to provide funds for making arrangements for alternative livelihood to the affected right holders in a time bound manner so that final notifications of the concerned sanctuaries can be issued.

Paragraph 2.3.3.4

Un-reconciled discrepancies

There was discrepancy of 1.037 lakh hectare recorded forest land between the Department's reported figures to FSI and the figures reported to Audit from the figures maintained by the forest divisions.

Recommendation

The Department should take immediate steps to reconcile the discrepancy of 1.037 lakh hectare recorded forest land appearing in FSI Report and divisional records in a time bound manner.

Paragraph 2.3.4

(iv) Audit Paragraphs

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of Compliance Audit (eight paragraphs) are included in the Report. The major observations relate to absence of compliance with rules and regulations, audit against propriety, cases of expenditure without adequate justification and failure of oversight/administrative control. Some of these are mentioned below:

- Inordinate delays in terminating the contracts by the Executive Engineer, Rural Development Department (Rural Works Affairs) Works Division, Latehar and resuming the balance works, besides failure to cover the water bound macadam surface with bituminous layer before allowing traffic, led to cost escalation of ₹ 3.12 crore, non-recovery of liquidated damages of ₹ 2.62 crore and wasteful expenditure of ₹ 93 lakh.

(Paragraph 2.4.1)

- Chief Engineer, National Highways Ranchi provided undue benefit of ₹ 3.60 crore to a contractor through three ineligible time extensions with benefits of price escalation despite the contractor's persistent failure to meet the time schedule of the work.

(Paragraph 2.4.2)

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- Senior Superintendent of Police, Ranchi deputed police guards to private persons at State Government expense in violation of orders, resulting in non-realisation of ₹ 14.11 crore.

(Paragraph 2.4.3)

- Continuing with the deployment of Special Auxiliary Police-1, Ranchi by IG Operations despite non-payment of deployment charges by the user agency resulted in non-recovery of ₹ 5.48 crore.

(Paragraph 2.4.4)

- Failure of the Health, Medical Education & Family Welfare /Rural Development Departments to provide funds, create posts, purchase equipment and ensure monitoring of the works led to unproductive and unfruitful expenditure of ₹ 11.30 crore on five incomplete and non-functional healthcare facilities.

(Paragraph 2.4.5)

- Approval of Detailed Project Report (DPR) for construction of live model of Rain Water Harvesting at an encroached site led to unfruitful expenditure of ₹ 2.02 crore on the DPR in Drinking Water and Sanitation Department.

(Paragraph 2.4.6)

- Commencement of bridge works without ensuring availability of land for approach roads and non-synchronisation of road and bridge works resulted in three bridges lying idle for three to four years rendering expenditure of ₹ 4.66 crore unfruitful besides blocking of ₹ 76.82 lakh for more than four years in Road Construction and Rural Development Departments.

(Paragraph 2.4.7)

- Injudicious sanction of a bridge work by Road Construction Department to connect Kargali and Chalkari villages despite construction of another bridge by Rural Development Department to connect the same villages already in progress led to misutilisation of Government money worth ₹ 15.47 crore in Road Construction Department.

(Paragraph 2.4.8)

