

## OVERVIEW

For the Audit Report 2016- 2017, audit of 11 schemes and compliance audits were attempted. However, despite repeated efforts, records requisitioned by audit parties were not made available and replies to audit memos were not provided in many cases, as discussed below:

During audit of 10 Schemes for the Audit Report 2016- 2017 (IT Audit on NREGASoft - Rural Development Department, Activities of Sports department, National Food Security Mission -Agriculture Department, Working of Registrars of Births and Deaths - Medical Health & Family Welfare Department, Execution of Gomti riverfront development project - Irrigation and Water Resources Department, Activities of Technical Education department, Functioning of Jails - Prisons Administration and Reform Services Department, Accelerated Irrigation Benefit Programme - Irrigation and Water Resources Department, Implementation of Adarsh Nagar Yojana for Small and Medium Towns - Urban Development Department and Rejuvenation of River Ganga - Panchayati Raj Department), 108 units out of 455 did not produce essential records requisitioned by Audit.

***Non-production of records severely limits the exercise of CAG's constitutional mandate and may result in lack of accountability by State Government functionaries and lead to concealment of fraud, misappropriation, embezzlement etc. The State Government is urged to take appropriate action including flagging of individual instances of non-production of records from a vigilance angle and initiation of disciplinary action against the concerned officials.***

Out of 4,046 audit memos issued in respect of seven schemes audited during 2016-17 (IT Audit on NREGASoft, Activities of Sports department, Activities of Technical Education department, Functioning of Jails, Execution of Gomti riverfront development project, Accelerated Irrigation Benefit Programme and Implementation of Adarsh Nagar Yojana for Small and Medium Towns), replies were not received for 787 audit memos and partial replies were received in respect of 164 audit memos by the respective officers in charge.

In respect of compliance audit paragraphs forwarded to the concerned Administrative Secretaries, replies were not received in respect of 11 cases (Irrigation department – 09, Revenue department – 01 and Panchayati Raj department – 01).

This Report of the Comptroller and Auditor General of India on the General and Social Sector for the year ending 31 March 2017 includes findings on audit of 'Gomti Riverfront Development Project', 'National Food Security Mission' and 'Working of Registrars of Births and Deaths' and seven compliance audit paragraphs on Government departments. A summary of the important audit findings is given below.

**Audit of Gomti Riverfront Development Project**

Government of Uttar Pradesh (GoUP) approved (March 2015) Gomti Riverfront Development Project (Project) at an estimated cost of ₹ 656.58 crore with the objective of developing a world-class riverfront on Gomti river in Lucknow for promoting tourism and facilitating water supply to the capital. The cost of the project was revised in June 2016 to ₹ 1,513.52 crore with March 2017 as scheduled date of completion. Against this, expenditure of ₹ 1,447.84 crore had been incurred as of September 2017 and the work is incomplete.

The project consists of cleaning of riverbed, channelization of river to maintain water flow by construction of Diaphragm Wall on both the sides of the river, construction of Intercepting Trunk Drain (underground-pipeline) to carry sewage to Sewage Treatment Plant (STP), construction of inflatable Rubber Dam and beautification/site development.

**Fabrication of evidence on publication of NIT in newspapers**

- Files of Executive Engineer (EE), Lucknow Division, Sharda Canal contained copies of letters purportedly issued by the Superintending Engineer (SE), (Circle VII and XII) and EE to Director, Department of Information and Public Relations (DIPR) for publication of 24 Notice Inviting Tenders (NITs) valued at ₹ 1,188.74 crore and reply from the Director, DIPR confirming that the NITs had been published. Audit cross-verified the authenticity of these letters with DIPR and found that 23 NITs valued at ₹ 662.58 crore pertaining to this project had not been published in newspapers by DIPR. Evidence of publication of NITs in newspapers had, therefore, been fabricated to award the contracts to specific firms.

*(Paragraph 2.1.2)*

**Construction of Diaphragm Wall**

SE, Circle XII awarded the work of construction of diaphragm wall at a cost of ₹ 516.73 crore to M/s Gammon India Private Limited.

- After the issue of NIT in February 2015, the SE in violation of Finance department directions and Central Vigilance Commission (CVC) guidelines issued (March 2015) corrigendum to NIT lowering the qualification criteria.
- The corrigendum was not published in newspapers; nor was there any record of the purchasers of tender documents having been informed about the change. Consequently, competitive bidding process was violated and the department was deprived of the opportunity of obtaining more competitive rates from other bidders, who might have become eligible as per the relaxed criteria.
- There was no evidence that the NITs had been evaluated by the tender evaluation committee before award of the contract;
- Gammon India was ineligible in terms of the original tender conditions, since they had only experience of excavating 19 lakh cum of earthen bund earthwork (against requirement of 20 lakh cum.). Gammon India was ineligible even in terms of the diluted conditions since they did not have the stipulated expertise in hydraulic structures.

*(Paragraph 2.1.3.1)*

### **Intercepting Trunk Drain contract**

The work of construction of Intercepting Trunk Drain for channelisation of Gomti river in Lucknow was awarded to M/s KK Spun Pipe Pvt. Ltd., New Delhi for ₹ 285.70 crore.

- There was no evidence that the tender evaluation committee performed any technical evaluation of bids and no technical evaluation report was prepared.
- The firm did not meet the technical qualification criteria of annual turnover and also did not submit the mandatory certificates on financial fitness to be issued by the District Collector. Despite this, the technical committee recommended the ineligible firm, for reasons not on record.
- Another firm M/s. Patel Engineers, which met the technical qualification criteria of having annual turnover was rejected on the ground that they had not submitted the EMD along with the bid. The action of the tender committee in rejecting the eligible bid was incorrect, as the NIT itself had stipulated that the EMD was required to be submitted along with the financial bid and Patel Engineers had done this. It was evident that the tender committee rejected the eligible firm with the specific intention of selecting the ineligible firm, KK Spun.

*(Paragraph 2.1.3.2)*

### **Construction of Rubber Dam**

The work for upgradation of Gomti weir with Rubber Dam including supply and installation of air filled/water filled Rubber Dam system was awarded to M/s Gammon India Ltd. for ₹ 60.27 crore.

- The NIT for this work was not published in any newspaper, in violation of GoUP orders and CVC guidelines.
- Even though the Standard Bid Document of the Irrigation Department stipulated that the bidders should have prior and sufficient similar experience in line with CVC guidelines, the NIT for the work did not contain such prequalification criteria.
- The agreement stipulated that the department would import rubber membrane (valued at ₹ 31.00 crore) by floating global tender and provide the same to the contractor. Despite this, Gammon India was allowed to import rubber membrane on its own for ₹ 18.84 crore (including custom duty), against which, the department paid ₹ 29.24 crore to the firm resulting in undue benefit of ₹ 10.40 crore to the firm at the expense of the public exchequer.

*(Paragraph 2.1.3.3)*

### **Audit on 'National Food Security Mission'**

Government of India (GoI) launched (October 2007) the National Food Security Mission (NFSM), with the objective of raising the level of production of rice, wheat, pulses and coarse cereals by increasing area and productivity in a sustainable manner. The scheme is implemented in identified districts of the State under five components *i.e.*, rice, wheat,

pulses, coarse cereals and commercial crops. NFSM provides for demonstration of improved package of practices, distribution of seeds, nutrient managements, farm mechanisation and training as major interventions in the scheme. In Uttar Pradesh, NFSM was implemented in 27 districts for rice, in 39 districts for wheat and in all the 75 districts for pulses production. An audit of the scheme to assess the performance covering the period 2012-17 revealed the following:

### **Planning**

Planning for the implementation of NFSM was deficient. Neither was any baseline survey and feasibility study conducted, nor were the priorities, potential and demands of various interventions required by farmers at field level determined, resulting in low farmers' response to the adoption of improved practices under the scheme.

*(Paragraph 2.2.4)*

### **Financial Management**

Out of ₹ 1,284.82 crore provided by GoI and State Government, the Department could utilize only ₹ 1,013.29 crore (79 per cent) for implementation of NFSM during 2012-17. There were unspent balances at the end of each year and the expenditure under the Scheme significantly reduced from ₹ 303.65 crore in 2014-15 to ₹ 127.38 crore in 2016-17.

*(Paragraph 2.2.5.1)*

### **Non-payment of subsidy**

In seven out of ten test-checked districts, subsidy of ₹ 9.39 crore was not paid to farmers during 2013-17 since funds under respective components like rice, wheat, pulse etc., were not available;

At State level, subsidy of ₹13.58 crore was outstanding for payment to farmers during 2016-17 in respect of interventions, i.e., purchase of certified seeds, farm implements, demonstration etc., since funds were not available under General category though it was available in other categories (SC/ST), where, against ₹ 53.92 crore provided during the year, only ₹ 21.16 crore was spent, since there was no demand under that category.

*(Paragraph 2.2.5.2)*

### **Diversion of funds**

In Aligarh and Budaun districts, Deputy Directors, Agriculture (DDA) made inter-component diversions of ₹ 44.98 lakh during 2014-15 without approval of State Food Security Mission Executive Committee (SFSMEC).

*(Paragraph 2.2.5.3)*

### **Selection of beneficiary**

District Seed Committees (DSC) were not constituted in any of the NFSM districts. PRIs were also not involved by the DDAs in the selection of beneficiaries contrary to the NFSM Guidelines. Non-constitution of DSCs and non-involvement of PRIs resulted in selection of beneficiaries by DDAs in an arbitrary manner.

*(Paragraph 2.2.6.1)*

### **Distribution of seeds**

Distribution of rice seeds (hybrid and high yielding varieties) reduced from 71,164 quintals in 2012-13 to only 12,904 quintals in 2016-17 registering a decline of 82 *per cent*. Distribution of wheat seeds also registered a decline of 84 *per cent* from 7.53 lakh quintals distributed in 2012-13 to only 1.21 lakh quintals in 2016-17. Distribution of pulse seeds also declined from 27,018 quintals in 2012-13 to 5,902 quintals in 2016-17 (78 *per cent*).

Purchase of seeds from Government agencies decreased drastically due to farmers preferring private agencies than Government seed stores due to poor quality of seeds on account of non-conduct of germination tests and seeds not being distributed as required for the agro-climatic zone.

In nine out of ten test-checked districts, germination tests of seeds were not conducted during 2012-17. The quality of seeds was, therefore, not ensured by the departmental seed stores before sale of seeds to farmers.

There were serious delays in supply and distribution of seeds to farmers (32 *per cent* of rice, wheat, pulses and coarse cereals seeds in the test-checked blocks were distributed with a delay of 8 to 209 days after the sowing period of the crops).

In Bahraich, Chitrakoot, Ghazipur, Kanpur Nagar and Sambhal districts, 61 *per cent* seeds of rice, wheat and pulses distributed were not of varieties prescribed for such agro-climatic zone/region.

*(Paragraph 2.2.6.2)*

### **Deficiencies in conduct of Field Demonstrations**

Field demonstrations of improved agricultural practices were seriously deficient as requisite quantities of seeds, nutrients, pesticides and implements were not provided to farmers for carrying out the demonstrations and cropping based demonstrations were also not conducted. Also, the norms in conduct of field demonstrations were not adhered to.

DDAs of Aligarh, Budaun, Chitrakoot, Ghazipur, Kanpur Nagar and Mathura purchased 6,000 light traps costing ₹ 94.35 lakh operated by electricity for pulses demonstrations during 2013-17 and distributed to beneficiaries without verifying that electricity was available in the fields selected for demonstrations resulting in unfruitful expenditure of ₹ 94.35 lakh on light traps.

*(Paragraph 2.2.6.2)*

### **Fraudulent and irregular claims for Farm Machinery and Implements**

Out of 425 cases of purchase of rotavators and land levelers test checked by audit in six districts, claims for subsidy in 89 cases (21 *per cent*) passed by DDAs (₹ 33.50 lakh) were found to be fraudulent as the document submitted by the farmers for possessing a tractor in support of their claims were actually found to be of other vehicles such as motor cycles, scooter, car, etc.

In three out of ten test checked districts, subsidy of ₹ 6.93 crore in respect of 462 land levelers was given to 462 farmers who were only individuals and not a group as per NFSM guidelines.

*(Paragraph 2.2.6.2)*

## **Monitoring and Evaluation**

Executive committees of State and District Food Security Missions did not meet regularly and therefore the activities of the mission were not reviewed on prescribed intervals.

The Department did not conduct concurrent evaluation of the scheme as stipulated in the guidelines every year except in 2013-14 since the SFSMEC had not conveyed its decision on concurrent evaluation.

*(Paragraph 2.2.6.3)*

### **Working of Registrars of Births and Deaths**

The primary purpose of registration of event of births and deaths is to create a legal document that is used to establish and protect the rights of individuals. A secondary purpose is to create a data source for compilation of vital statistics. The database of registration of births and deaths is also a source of statistics for understanding population dynamics for comprehensive planning for programmes and schemes for welfare of people.

Audit examination of the working of the Registrars of births and deaths covering the period 2012-17 revealed the following:

#### **Level of registration (LoR) of births and deaths**

The level of registration of births and deaths in Uttar Pradesh is considerably low as compared to national average and also that of neighbouring States of Chhattisgarh, Jharkhand and Madhya Pradesh. As per the statistics published by the Registrar General of India (RGI) for the year 2016, only 62.5 *per cent* births were registered in the State as against the national average of 86 *per cent*, Chhattisgarh: *cent per cent*, Jharkhand: 90.2 *per cent* and Madhya Pradesh: 74.6 *per cent*. The LoR of deaths in the State was 35.5 *per cent* in comparison to the national average of 78.1 *per cent*, Chhattisgarh: 95.2 *per cent*, Jharkhand: 70.3 *per cent* and Madhya Pradesh: 60.9 *per cent*.

*(Paragraph 2.3.4.1)*

#### **Financial Management**

There was no provision in the State budget upto 2016-17 for activities relating to the registration of births and deaths under the RBD Act. The Government has opened a separate budget head w.e.f. August 2017 at the instance of audit.

*(Paragraph 2.3.4.2)*

#### **Non-preparation of Annual Action Plans**

Despite suggestion of the Registrar General of India, the Chief Registrar of Uttar Pradesh (CRUP) neither prepared the plan for creation and advocacy of publicity and digitisation of records nor demanded funds from RGI during 2012-17 for the same. As a result, no funds were received from GoI.

*(Paragraph 2.3.4.3)*

#### **Training of CRS functionaries**

Despite the directions of RGI to prepare AAPs for training of CRS functionaries in both urban and rural areas on the process of online registration, CRUP prepared and submitted

plans only for urban areas and placed demand for financial assistance only for the same and therefore, no training on the online registration process could be provided to any of the functionaries in rural areas of the State which could be one of the reasons for the low level of registration of births and deaths in rural areas as compared to urban areas.

*(Paragraph 2.3.4.4)*

#### **Failure of Private hospitals/ Nursing Homes**

In respect of births and deaths in hospitals, health centres, nursing homes etc., the medical officer in charge or any person authorized by them in this behalf is to report the events of births and deaths to the designated registrar of that area.

As per the RBD Act, the implementation/monitoring of all the hospitals in a district was to be done by the District Registrars (DM) / Additional District Registrars (CMO) and also take penal action against the erring institutions that did not provide the information of events. Audit observed that though 266 out of 667 private nursing homes/private hospitals in all the six test checked districts did not provide information of occurrence of births and deaths to the registrars of the concerned area, no penal action was taken by the DRs (DM)/ADRs (CMO) of the concerned districts. CRUP also did not have the information on the number of private nursing homes/private hospitals (for the entire State) that did not provide information of occurrence of births and deaths to the registrars of the concerned area stating that the information is available only at districts.

*(Paragraph 2.3.4.5)*

#### **Failure in registration by Registrars**

The designated registrars did not perform their assigned roles and responsibilities under the RBD Act.

- Seven out of 75 registrars in four out of six test-checked districts did not register any event of births and 14 registrars of five districts did not register any event of deaths during the audit period,
- In none of the test checked districts, did the Officers-in-charge of district hospitals, CHCs and PHCs who were the designated registrars under the provisions of the RBD Act register births (1.37 lakh) and deaths (0.16 lakh), that had occurred in the respective hospitals/health centres during 2012 to 2017.
- 42 out of 75 Registrars in six test checked districts registered the events of births and deaths with delays ranging up to one year or more.

*(Paragraph 2.3.4.6)*

#### **Linking of birth and death certificates**

Despite the instructions of RGI, CRUP did not provide for linkage of certificate of births and deaths with important schemes/programmes of Government.

*(Paragraph 2.3.4.7)*

#### **Non-issuance of Certificates**

Registrars of births and deaths did not issue certificate in lieu of registration of births (34 per cent) and deaths (20 per cent), during 2014-16 in the State to the concerned families as required under the RBD Act.

*(Paragraph 2.3.5.1)*

## **Monitoring**

Neither a Monitoring Cell was constituted by the DMs as of November 2017 nor inspections were conducted by the DMs / CMOs in any of the 75 test checked registrar offices during 2012-17 as required under the Act.

*(Paragraph 2.3.6)*

## **Compliance Audit Paragraphs**

Failure to ensure timely availability of funds for anti-erosion work resulted in loss of ₹ 2.20 crore.

*(Paragraph 2.4)*

Incorrect calculation by the Executive Engineer in designing of crust overlay of a road in district Chandauli, resulted in avoidable expenditure of ₹ 7.17 crore.

*(Paragraph 2.5)*

Approval of higher rates of tipper for transportation of construction material led to over payment of ₹ 1.16 crore to the contractor.

*(Paragraph 2.6)*

Excess provision of Wet Mix Macadam in road crust design and erroneous calculation of equivalency factor of Semi-Dense Bituminous Concrete resulted in excess expenditure of ₹ 1.32 crore.

*(Paragraph 2.7)*

Incorrect calculation of Million Standard Axle and consequential faulty design of the crust led to avoidable expenditure of ₹ 2.59 crore in strengthening of a road in Kanpur.

*(Paragraph 2.8)*

Government revenue, collected as charges for issuing copy of *Khatauni* to the applicants, amounting to ₹ 111.42 crore, was not deposited into the treasury and was kept outside the Government account. An expenditure ₹ 44.35 crore was incurred out of the collected amount without any budgetary allocation and approval of legislature.

*(Paragraph 2.9)*

Selection of inappropriate land for construction of the Sports College building led to abandonment of work after expenditure of ₹ 22.35 crore.

*(Paragraph 2.10)*