Preface

This Report for the year ended 31 March 2011 has been prepared for submission to the Governor under Article 151 of the Constitution of India. It covers matters regarding the findings of Performance Audit and Compliance Audit in the various departments including the Public Works and Irrigation and Power Department, Chief Controlling Officer based Audit and audit of Autonomous Bodies.

The observations in this Report are those which were noticed by Audit during 2010-11. For completeness, the observations relating to earlier years, not covered in the previous Reports, have also been included, wherever pertinent. Similarly, results of compliance audit subsequent to March 2011 have also been mentioned, wherever relevant.

Chapter 1 Introduction

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of transactions of Government departments and autonomous bodies and performance audit of selected programmes and activities.

Compliance audit refers to examination of the transactions relating to expenditure, receipts, assets and liabilities 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. Performance audit examines the extent to which the objectives of an organization, programme or scheme have been achieved economically, efficiently and effectively.

The primary purpose of the Report is to bring to the notice of the State Legislature, the important results of audit. Auditing standards require that the materiality level for reporting should commensurate with the nature, volume and magnitude of transactions. The audit findings are expected to enable the executive to take corrective measures as also to frame policies and directives that will lead to improved 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 and achievements in implementation of selected schemes, significant audit observations made during the audit of transactions and follow-up on previous Audit Reports. Chapter-2 of this Report contains findings arising out of performance audit of selected programmes/activities/departments. Chapter-3 contains observations on audit of transactions in Government departments and autonomous bodies. Chapter-4 contains observations regarding chief controlling officer based audit.

1.2 Organisational structure of the office of the Principal Accountant General (Audit), Punjab and Union Territory, Chandigarh

Under the directions of the C&AG, the office of the Principal Accountant General (Audit), Punjab and Union Territory, Chandigarh conducts audit of departments of the Government of Punjab (GoP) and autonomous bodies under them. There are seven[1] wings in the office, out of which six wings deal with audit and one deals with administration of the office. The audit of civil and works departments and autonomous bodies in the State is conducted by three wings namely Inspection Civil-I, Inspection Civil-II and Works.

This Report contains the audit observations arising out of audit of the various civil departments including the Public Works departments and autonomous bodies. The Report containing the observations arising out of audit of statutory corporations, boards and government companies and the Report containing observations on revenue receipts of the State are presented separately. Similarly, a separate Report on State Finances is also presented.

1.3 Profile of audited entities

There are 44 departments in the State, at the Secretariat level headed by Financial Commissioners/Principal Secretaries/Secretaries, who are assisted by Deputy Secretaries, Directors and subordinate officers. There are 33 autonomous bodies which are also audited by the office of the Principal Accountant General (Audit), Punjab.

The comparative position of expenditure incurred by the Government during the year 2010-11 and in the preceding two years is given in **Table 1.1**.

Table 1.1: Comparative position of expenditure

(₹ in crore)

Disbursement	2008-09			2009-10			2010-11		
	Non-Plan	Plan	Total	Non-Plan	Plan	Total	Non-Plan	Plan	Total
Revenue Expenditure									
General Services	14027.72	4.41	14032.13	15518.88	6.40	15525.28	18536.78	60.95	18597.73
Social Services	4427.75	1054.93	5482.68	5178.93	1038.20	6217.13	5687.78	1573.07	7260.85
Economic Services	4381.39	363.10	4744.49	4838.76	379.86	5218.62	5712.24	686.70	6398.94
Grants-in-aid and Contributions	309.69	0.00	309.69	446.91	0.00	446.91	639.66	0.00	639.66
Total	**23146.55**	**1422.44**	**24568.99**	**25983.48**	**1424.46**	**27407.94**	**30576.46**	**2320.72**	**32897.18**
Capital Expenditure									
Capital Outlay	255.25	2602.68	2857.93	186.51	1979.90	2166.41	218.06	2166.03	2384.09
Loans and Advances Disbursed	48.83	6.24	55.07	28.84	0.00	28.84	68.40	0.00	68.40
Repayment of Public Debt (including Ways and Means Advances)	2288.52	0.00	2288.52	5308.36	0.00	5308.36	5952.88	0.00	5952.88
Contingency Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Account Disbursements	22590.85	0.00	22590.85	20721.04	0.00	20721.04	25836.98	0.00	25836.98
Total	**25183.45**	**2608.92**	**27792.37**	**26244.75**	**1979.90**	**28224.65**	**32076.32**	**2166.03**	**34242.35**
Grand Total	**48330.00**	**4031.36**	**52361.36**	**52228.23**	**3404.36**	**55632.59**	**62652.78**	**4486.75**	**67139.53**

Source: Finance Accounts

[1] (1) Inspection Civil-I (2) Inspection Civil-II (3) Works (4) Commercial (5) State Receipts (6) Central Revenue and (7) Administration.

1.4 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 C&AG's (Duties, Powers and Conditions of Service) Act, 1971. The Principal Accountant General (Audit), Punjab conducted audit of expenditure of civil and works departments and autonomous bodies of the GoP under Sections 13, 14, 15, 17, 19(2) and 20 and audit of receipts of the State under section 16 of the C&AG's (DPC) Act. The principles and methodologies for various audits are prescribed in the Regulations on Audit and Accounts, 2007 and the manuals issued by the C&AG.

1.5 Planning and conduct of audit

The Audit process starts with the risk assessment of various departments, autonomous bodies, schemes/projects etc. based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, 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 and an Annual Audit Plan is formulated to conduct audit. The audit plan covers those offices/entities which are vulnerable to significant risks as per our assessment.

After completion of audit of each office, Inspection Reports (IRs) containing audit findings are issued to the heads of the offices. The offices audited are requested to furnish replies to the audit findings within one month of receipt of the IR. Whenever replies are received, audit findings are either settled, if the replies are found satisfactory or further action for compliance is advised. The important audit observations pointed out in these IRs are processed for inclusion in the Reports of the C&AG of India, which are submitted to the Governor of Punjab under Article 151 of the Constitution of India.

During 2010-11, the Civil Audit wings conducted compliance audit in 1345 offices, Performance Audit of Functioning of the Medical Colleges and Hospitals under Director, Research and Medical Education and Chief Controlling Officer based Audit of Animal Husbandry Department.

1.6 Significant audit observations

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments, which impact on the success of programmes and functioning of the departments. The focus was on auditing the specific programmes/schemes and to offer suitable recommendations, with the intention to provide an aid to the executives in taking corrective action and improving service delivery to the citizens.

1.6.1 Performance Audit

Performance audits of programmes/activities/departments were undertaken to ensure whether the desired objectives of the Government programmes have been achieved in a cost effective manner.

The present Report contains one performance audit. Significant audit observations are given below:

Functioning of the medical colleges and hospitals under Director, Research and Medical Education

The planning for medical education, research and specialized health care, including infrastructure and human resource development was not judicious and effective as there was acute shortage of medical professionals (36 per cent) in both the Government Medical Colleges. Neither the seats for graduate and post graduate courses were adequate nor were the super-speciality courses being offered. Despite being premier tertiary care hospitals of the State, no trauma care centre exists in any of the Government Medical Colleges and the trauma patients have to seek treatment at distant places. Adequate emphasis on research and training was lacking. Equipment costing ₹ 3.92 crore, required for specialised health care, were lying unutilised for want of required infrastructure, accessories and qualified staff. Further, the mammography unit at Rajindra Hospital, Patiala could not be procured for the last 11 years. Similarly, Cobalt therapy unit in SGTB Hospital, Amritsar could not be utilised despite installation. Bio-medical waste management was improper and unsafe. Ambulance services to be provided to cater to emergencies were found to be extremely deficient as these were not fitted with the mandatory emergency kits.

(Chapter 2)

1.6.2 Compliance Audit

Audit has also observed significant deficiencies in critical areas, which impact on effective functioning of the Government departments/organizations adversely. These are broadly categorised and grouped as under:

- Non-compliance with rules and regulations.
- Failure of oversight/governance.
- Persistent and pervasive irregularities.

Non-compliance with rules and regulations

For sound financial management, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authorities. This helps in maintaining financial discipline and prevents irregularities, misappropriation and frauds. This Report contains instances of non-compliance with rules and regulations as follows:

Health and Family Welfare Department

Failure to raise the final claims for reimbursement of expenditure for the period 2006-10 resulted in non realization of ₹39.89 crore from the Employees State Insurance Corporation.

(Paragraph 3.1.1)

Home Affairs and Justice Department

Deployment of police forces without any demand, receiving the charges in advance and entering into any agreement with the beneficiary States and ineffective follow up to recover the charges led to non recovery of ₹39.71 crore.

(Paragraph 3.1.2)

Housing and Urban Development Department

Delayed declaration of awards for land acquisition led to avoidable payment of appreciation cost of ₹22.03 crore.

(Paragraph 3.1.3)

Failure of the department to regulate the compensation payments as per provisions in the Land Acquisition Act resulted in excess payment of ₹21.78 crore to the land owners.

(Paragraph 3.1.4)

Irrigation Department

Ineffective monitoring and non-supply of detailed Khataunies resulted in non recovery of Tawan of ₹6.42 crore.

(Paragraph 3.1.5)

Social Security and Women and Child Development Department

Failure of the departmental officials to ensure eligibility of the persons for old age pension and other benefits resulted in irregular payments of ₹2.30 crore.

(Paragraph 3.1.6)

Agriculture Department and Housing and Urban Development Department

Departmental charges of ₹1.83 crore remained un-recovered due to ineffective follow up and delay in taking decision.

(Paragraph 3.1.7)

Public Works Department (B&R), Irrigation Department and Housing and Urban Development Department

Labour cess of ₹1.40 crore was recovered after pointed out by Audit and ₹1.14 crore remained to be recovered from the contractors.

(Paragraph 3.1.8)

Health and Family Welfare Department

Delayed registration of the District Health Societies under the Employees Provident Fund and Miscellaneous Provisions Act resulted in creation of liability of ₹86.12 lakh.

(Paragraph 3.1.9)

Home Affairs and Justice Department

Failure to adhere to the instructions of Government in fixing the pay of constables resulted in extra burden of ₹54.79 lakh on the State exchequer.

(Paragraph 3.1.10)

Failure of oversight/governance

Government has an obligation to improve the quality of life of the people in the area of health, education, development and upgradation of infrastructure, public services etc. Audit noticed instances where the funds released by the Government for creating public assets remained unutilized/blocked or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. Audit findings related to failure of oversight are as under:

Health and Family Welfare Department

A number of health facilities viz. Hospitals, Community Health Centres, Primary Health Centres, three of which were announced by the Chief Minister in public meetings seven to four years ago, did not materialize which also resulted in blockage of ₹6.64 crore.

(Paragraph 3.2.1)

Insufficient creation and mis-management of residential accommodation affected the availability of medical and paramedical staff in the health institutions and also resulted in avoidable payment of house rent allowance to them.

(Paragraph 3.2.2)

Irrigation Department

Failure of the department to ensure availability of the required quantity of water in the Sangatpura distributary and its minors before taking up the restoration work rendered the expenditure of ₹1.98 crore as wasteful.

(Paragraph 3.2.3)

Housing and Urban Development Department

Construction of houses without conducting any demand survey and failure of the authorities to protect these houses from encroachments and unauthorized possession resulted in idling of 203 houses constructed at a cost of ₹1.42 crore.

(Paragraph 3.2.4)

Health and Family Welfare Department

Due to ineffective implementation of the scheme by not making wide publicity, ₹2.95 crore remained unutilized over three years, besides foregoing the scope to avail possible matching contribution of ₹62.50 lakh from GoI.

(Paragraph 3.2.5)

Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It is deemed pervasive when it is prevalent in the entire system. Recurrence of irregularities, despite being pointed out in earlier audits, is indicative of slackness on the part of the executive and lack of effective monitoring. This in turn encourages willful deviations from observance of rules/regulations and results in weakening of administrative structure. Audit observed the following instances of persistent and pervasive irregularities:

Industries and Commerce Department

There were payments of investment incentive of ₹2.45 crore to ineligible industrial units.

(Paragraph 3.3.1)

Health and Family Welfare Department

Poor planning to procure the equipment without ensuring availability of the skilled manpower and failure to get them repaired resulted in idling of the equipment worth ₹ 1.59 crore for 7 to 87 months.

(Paragraph 3.3.2)

CCO based Audit

The Chief Controlling Officer (CCO) centric audit is a comprehensive appraisal of the functioning of a department, identifying systemic issues that need to be addressed at various appropriate levels. The audit focuses on the risks that have an impact on the internal controls and the achievement of objectives for which the department was established/demands for grants were sanctioned by the Legislature. Apart from the regularity and compliance issues all the important aspects of functioning of the department viz. financial management, planning and project management, monitoring, internal controls and human resource management etc. are covered in this appraisal.

The present Report contains one cco based audit. Significant audit observations are given below:

Animal Husbandry Department

Though improvement of genetic potential of the livestock through scientific breeding was one of the objectives of the department, it was not largely achieved as performance of all the four breeding farms (Buffalo breeding farm, Rabbit breeding farm, Pig breeding farm and Sheep breeding farm) were far from satisfactory in terms of targets set and achieved, in spite of existence of appropriate infrastructural facilities. Out of the 10 polyclinics functioning in the State, seven were found to be deficient in specialist doctors leading to denial of specialized services for the health of animals. To provide veterinary facilities at the doorsteps of farmers, the department had established 26 mobile veterinary units at the tehsil level, of which, 16 were not fitted with requisite equipments and medicines. Scrutiny of their performance disclosed severe shortfall in the number of health cases treated and artificial inseminations performed. Though the outlay of money planned for spending on various schemes (central and state) in the year 2009-10 and 2010-11 were ₹ 123.91 crore, GoI did not release ₹ 10.44 crore to the State and the State Government did not release ₹ 39.26 crore to the department. Out of the amount of ₹ 74.21 crore actually released, ₹ 18.33 crore was not spent during the period 2009-11.

(Paragraph 4.1)

1.7 Response of the departments to draft performance audit report, draft CCO based audit report and draft paragraphs

As per the instructions issued (August 1992) by the Finance Department, Government of Punjab and provision of C&AG's Regulations on Audit and Accounts, 2007, the departments are required to send their response to draft performance audit reports/draft paragraphs proposed to be included in the C&AG's Audit Reports within six weeks. It was brought to their personal attention that in view of likely inclusion of such paragraphs in the Reports of the C&AG, which will be placed before the Punjab Legislature, it would be desirable to include their comments in the matter. They were also advised to have meetings with the Principal Accountant General to discuss the draft performance audit report, CCO based audit report and draft audit paragraphs. These draft reports and paragraphs proposed for inclusion in this Report were also forwarded to the Principal Secretaries/Secretaries concerned between July and September 2011 demi-officially seeking their replies. Though no written replies were received, however, the audit observations were discussed during the exit conferences for the performance and CCO based audits conducted.

1.8 Follow-up action on Audit Reports

The Comptroller and Auditor General of India's Audit Reports represent the culmination of the process of scrutiny starting with initial inspection of accounts and records maintained in the various offices and departments of the State Government. It is, therefore, necessary that they elicit appropriate and timely response from the executive. At the instance of the Public Accounts Committee (PAC), the Finance Department issued (August 1992) instructions to all the departments to initiate suo moto concrete action on all paragraphs and reviews figuring in the Audit Reports irrespective of whether the cases were taken up for examination by PAC or not. The departments were also required to furnish to the PAC detailed notes duly vetted by Audit indicating the remedial action taken or proposed to be taken by them within a period of three months of the presentation of the Reports to the State Legislature.

The PAC has transferred (16 November 2010) the Audit Reports upto 2007-08 to the concerned departments for taking action at their own level within three months under intimation to the PAC. The PAC is monitoring the action taken by the departments on this aspect.

As regards the Audit Reports relating to the period 2008-09 and 2009-10, which had already been laid before the State Legislature, detailed notes in respect of 15 paragraphs and three Performance Audits ***(Appendices 1.1 and 1.2)*** had not been received in the Audit office as of 30 November 2011, even after the lapse of prescribed period of three months. Some of these paragraphs and Performance Audit dealt with important and repetitive issues such as avoidable payments, excess expenditure, blocking of funds, system failures, mismanagement and misappropriation of the Government money to which the Government departments did not respond.

1.9 Recommendations

The Report contains specific recommendations on a number of issues involving non-observance of the prescribed procedures and systems, compliance of which would help in promoting good governance and better oversight on implementation of developmental programmes. The State Government is impressed upon to take cognizance of these recommendations in a time bound manner.

Chapter 2

Performance Audit

MEDICAL EDUCATION AND RESEARCH DEPARTMENT

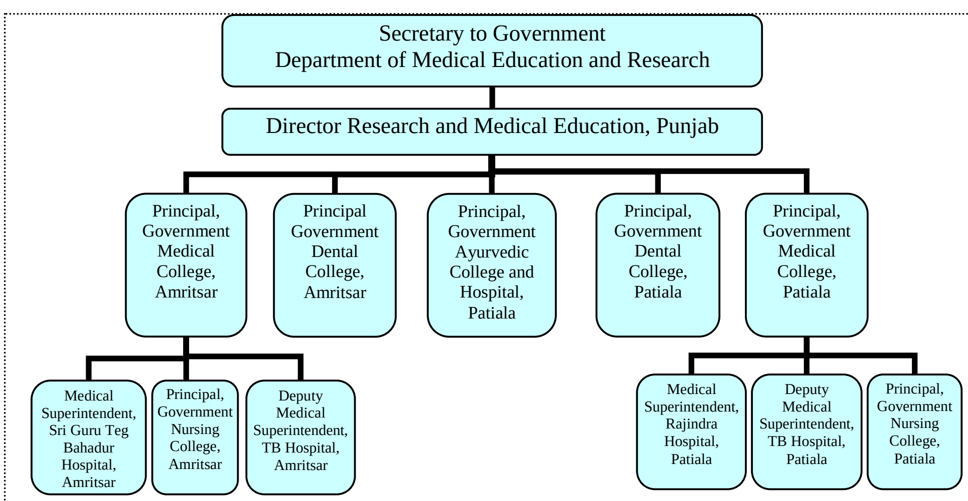
2.1 Functioning of medical colleges and hospitals under Director, Research and Medical Education

2.1.1 Introduction

With a view to provide better medical education, research and special care to ailing patients, the Government of Punjab, in 1973 set up the Directorate of Research and Medical Education. The Directorate is supported by two medical colleges at Amritsar and Patiala, two dental colleges at Amritsar and Patiala and one Ayurvedic college at Patiala as also the hospitals attached to them. The hospitals also provide specialised services as referral hospitals providing secondary and tertiary health care facilities. The Director, Research and Medical Education (DRME) is overall in charge of two Medical Colleges and their attached teaching hospitals, two dental colleges and one ayurvedic college. While the Directorate provides for 100 *per cent* intake of students in the fields of dentistry and ayurveda, 14 *per cent* of medical students are admitted in colleges outside its control in Government sector.

2.1.2 Organisational set up

DRME functions under the over all supervision of the Secretary to the Government of Punjab, Medical Education and Research (Secretary). The organisational chart of the Directorate is given below:-



Typical organisational chart of a medical college is as given in ***Appendix 2.1.***

The office of the Director, Research and Medical Education was created with the object to develop human resource in the health sector and to improve the standards of medical education both at under graduate and postgraduate levels in the field of medical, dental and ayurvedic sciences. The DRME also sponsors teachers of medical institutions for national and international conferences, to keep in touch with the latest developments in the field of their specialties.

2.1.3 Audit coverage

The performance audit of functioning of the two Government Medical Colleges[2] (GMCs) and their attached hospitals, Dental and Ayurvedic Colleges under DRME for the period 2006-07 to 2010-11 was conducted from October 2009 to March 2010 and December 2010 to March 2011 by test checking of records in the offices of the Secretary to Government of Punjab, Department of Medical Education and Research, DRME and all the field institutions under the control of DRME.

2.1.4 Audit objectives

The objectives of performance audit were to examine that:

- the planning for medical education, health infrastructure, training and research, specialized health care and management of bio-medical waste was judicious and effective;
- financial resources were managed efficiently and effectively; and
- the monitoring, evaluation and internal control mechanism were in place and effective.

2.1.5 Audit criteria and methodology

The following were adopted as the sources of various criteria applied in assessing the performance of the GMCs and their attached hospitals:-

- Guidelines of Government of India/Medical Council of India/Dental Council of India/Indian Nursing Council/Pharmacy Council of India and the rules framed by the State Government.
- Goals and targets set by the Government of Punjab.
- Codes, manuals and instructions of the Department and Financial Rules of the Government of Punjab.

The performance audit commenced with a pilot study in the office of the DRME (October 2009). The audit objectives and criteria were discussed with the Secretary, Department of Medical Education and Research during an entry conference held in October 2009 and with the DRME in December 2010. To discuss the audit findings, an exit conference was held with the Secretary and

[2] GMC Amritsar and GMC Patiala

Director in September 2011. Their views/ replies have been considered while finalising this report.

Audit findings

The audit findings are discussed in the following paragraphs:-

I. Medical Education

The primary objective of the DRME is to ensure availability of highly skilled manpower viz. doctors, nurses etc. for effective and quality tertiary medical care to the people and also to promote medical research for enhancing the quality of human life. We examined the extent and sufficiency of planning of medical education in the State with a view to ascertain whether various institutions under DRME were taking adequate number of students to provide a basis for steady flow of health professionals for teaching, curative and other purposes. We noticed the following deficiencies:-

2.1.6. Inadequacy of courses

2.1.6.1 Under-graduate courses

The year-wise position of the applicants for the MBBS course and admitted in the GMCs is given in **Table 2.2**.

Table 2.2: Details of applicants admitted and capacity of colleges

Year	No. of applicants	No. of applicants admitted in the State	Total intake capacity of the			Applicants per medical seat
			Private colleges	College under the control of BFUHS	Govt. colleges	
2006-07	10197	670	320	50	300	15
2007-08	9183	820	470	50	300	11
2008-09	8179	818	468	50	300	10
2009-10	6628	818	468	50	300	8
2010-11	7227	820	470	50	300	9

The above table shows that the number of seats in GMCs remained at 300 during 2006-11, whereas the number of seats in private medical colleges increased from 320 to 470 during this period. As a result, the total strength of medical seats had increased from 670 in 2006-07 to 820 in 2010-11. The number of applicants per available seat came down from 15 in 2006-07 to nine in 2010-11. The existing level of doctor-population ratio in the State is 1:714 (2011) whereas the ideal doctor-population ratio of 1:400 required for the State has been projected by Baba Farid University of Health Sciences, Faridkot (BFUHS), which coordinates selection of students for all the medical colleges in the State. Short intake of students in the two GMCs would affect adversely the availability of doctors.

The DRME stated (September 2011) that the proposal to increase the number of MBBS seats from 150 to 250 in both the GMCs has been initiated. Further action of the department was awaited.

2.1.6.2 Post graduate courses

a) Shortage of seats

At the post graduate (PG) level, 20 PG degree courses are taught in the GMCs. An analysis of admission of the students to PG courses during 2006-11 revealed that though there was enough demand, only 27 to 40 *per cent* of the aspirants got admission because of limited number of seats. The various PG courses and the number of seats are given in **(*Appendix-2.2)***.

On being pointed out, the DRME stated (September 2011) that the Government was going to increase the number of PG seats in GMC, Patiala. Further action of the department was awaited

b) Under-utilisation of services of the teaching faculty

With a view to start the PG course in Blood Transfusion Medicine in GMC, Patiala, the Government created and filled up posts of teaching faculties (Professor:1 and Associate Professor:1) as per Medical Council of India (MCI) norms. Despite the fact that the department had the required infrastructure and equipment as per the norms of MCI since April 2006, the PG course was kept in abeyance for want of re-inspection by the BFUHS, Faridkot. The Department of Blood Transfusion Medicine rectified the discrepancies pointed out (March 2006) by the BFUHS and requested for re-inspection in April 2006. However, the re-inspection could not be conducted for the next four years as the college authorities did not deposit the inspection fee until April 2010. This showed the non-serious attitude of the college authorities which resulted in delay in starting the PG course in Blood Transfusion Medicine coupled with under utilisation of services of the qualified staff and infrastructure. On being pointed out (November 2009 and April 2011), the Principal, GMC, Patiala stated (April 2011) that its application for starting the PG course could not be processed as MCI had raised doubts about the continuation of recognition for the MBBS degree in this college owing to shortage of manpower and infrastructure. The Principal added that the application had again been sent for reconsideration.

2.1.6.3 Lack of super-speciality courses

It was observed that the no super specialty course is operative in both the GMCs. The super-specialty courses in plastic surgery and paediatric surgery which remained operative from 1975 to 1992 in GMC, Patiala were discontinued without assigning any reason. Consequently, the facilities of super specialty courses were not provided to the medical students and no practical trainings were imparted in important and essential areas like open heart surgery, kidney transplantation and neurosurgery to the undergraduate and post graduate students. Similarly, no super specialty facilities were provided to the patients in the teaching hospitals attached to both the GMCs and the patients of open heart surgery, kidney transplantation and trauma patients having head injuries were referred to other institutions.

In the context of large scale shortage of specialist doctors in the State, there is a need to start super specialty courses to provide super specialist care to the patients.

2.1.7 Lack of administrative control of training centres

As per the MCI norms, every medical college shall have the primary health centre and the urban health centre for imparting training to the students in community oriented health issues and should have full administrative jurisdiction over these centres.

It was noticed that the community medicine departments in GMCs, Patiala and Amritsar have no financial or administrative control over the adjoining Rural Health Training Centre (RHTC), Bhadson and RHTC, Verka, respectively. The community medicine departments in both the GMCs were facing acute shortage of manpower and transport facilities for carrying out field work as per norms of the MCI, which hinders the students familiarizing themselves with the difficulties in providing treatment to the rural and urban people.

On being pointed out, the DRME stated (September 2011) that the matter had been taken up with the Secretary, Health and Family Welfare Department in May 2010 to handover the administrative control of RHTC, Bhadson to GMC Patiala. However, no such action had been taken by the GMC, Amritsar.

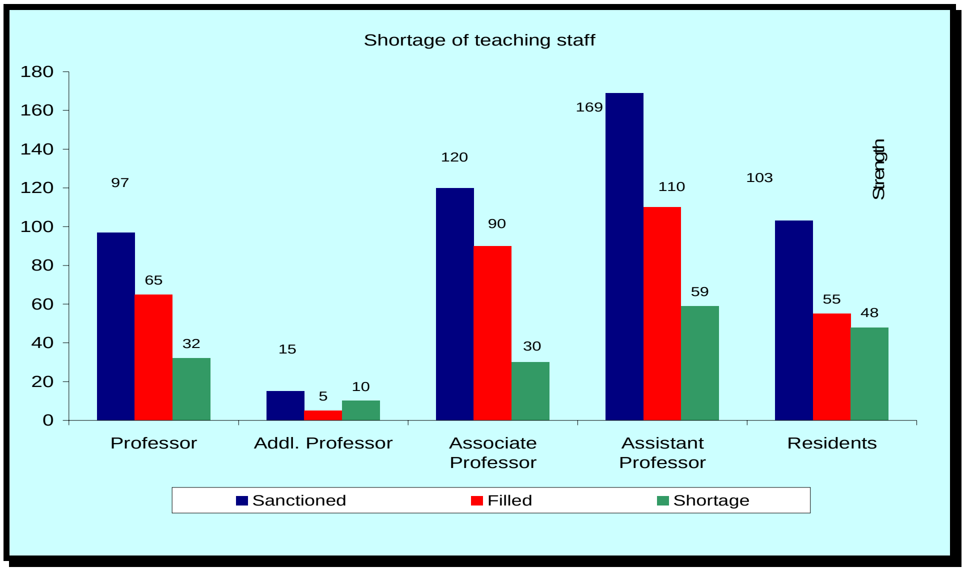
2.1.8 Shortage of teaching staff

The adequacy of providing teaching faculty for GMCs, Ayurvedic college, Dental colleges and Nursing colleges was scrutinized. The following deficiencies were noticed:-

2.1.8.1 Shortage of teachers in GMCs

The teaching posts in the GMCs are filled through the Punjab Public Service Commission. While 75 *per cent* posts of lecturers and senior lecturers are filled from amongst the Punjab Civil Medical Services (PCMS), 25 *per cent* are selected through direct recruitment. Similarly, 75 *per cent* posts of Assistant Professors are filled from amongst lecturers and senior lecturers and 25 *per cent* by direct recruitment. Posts of Additional Professors and Professors are filled by 75 *per cent* from Assistant/Associate Professors and 25 *per cent* by direct recruitment.

Scrutiny of the cadre-wise sanctioned and actual strength of teaching staff in both the GMCs during 2010-11 ***(Appendix-2.3)*** revealed that against the sanctioned strength of 504 posts of Professors, Additional/Associate Professors and Residents, only 325 were in position leaving an over all shortage of 36 *per cent*. The shortage was acute in the cadres of Associate Professor and Additional Professor which was 25 *per cent* and 67 *per cent*, respectively. The vacancies in all the cadres of teaching staff adversely affected not only the medical education to the under graduate and post graduate students but also the level and quality of the health care services in the hospitals.



Scrutiny of records in the office of DRME, Punjab revealed that the recruitment process of Senior Residents, which is the feeding cadre of higher level teaching faculty, was problematic as 103 doctors from PCMS who had applied for the posts of 'Resident' in the colleges under DRME were not given 'No Objection Certificate' by the Department of Health and Family Welfare, Punjab during the period 2008-09 to 2010-11. The department stated that the shortage of doctors in PCMS was due to posts of doctors not being filled up by the Government. The Principals of the GMCs stated (January 2011) that concrete efforts were being made at Government level to fill up the vacant posts.

2.1.8.2 Shortage of teachers in Government Ayurvedic College

The cadre-wise sanctioned strength and men-in-position of teaching faculty vis-a-vis as per the norms of Central Council of Indian Medicine (CCIM), in the Government Ayurvedic College, Patiala during 2010-11 was as given in **Table 2.4**

Table 2.4 : Cadre-wise sanctioned strength and men-in-position of teaching faculties

Cadre	Sanctioned strength as per CCIM Norms	2010-11		
		No. of posts filled in	No. of vacant posts	Shortfall (*per cent*)
Professor	12	4	8	67
Associate Professor	2	0	2	100
Asstt. Professor	9	4	5	56
Reader	6	2	4	67
Senior Lecturer	2	1	1	50
Lecturer	14	6	8	57
Junior Lecturer	2	2	0	0
Demonstrator	12	1	11	92
Total	**59**	**20**	**39**	**66**

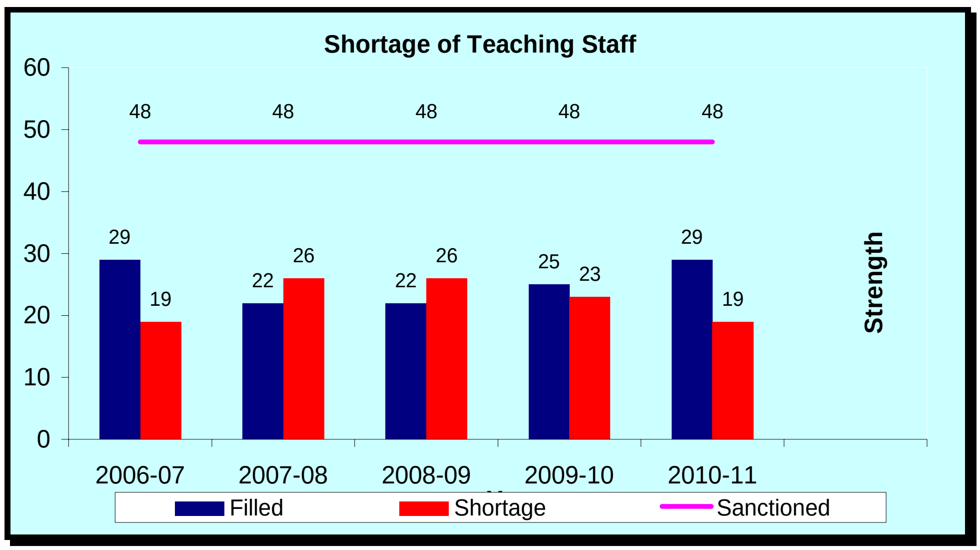
As is apparent from the table above, the shortage of teachers was acute in the cadres of Demonstrator and Associate Professor which was 92 *per cent* and 100 *per cent* respectively.

The Principal admitted (June 2011) that the shortage of staff overloaded the faculty members adversely and affected the medical education to Ayurvedic students.

2.1.8.3 Shortage of teachers in Dental Colleges

The Dental Colleges, Amritsar and Patiala were recognised by the Dental Council of India (DCI) in 1952 and 1958 respectively. Each college was sanctioned 40 seats for the Bachelor of Dental Surgery (BDS) course and seven seats for the Master of Dental Surgery (MDS) course.

As compared to the DCI norms, there was shortage of teaching staff ranging from 19 to 26 during the period 2006-07 to 2010-11 in both the Government Dental Colleges ***(Appendix-2.4)*** as indicated below:



The vacancies in all the cadres of teaching faculty had adversely affected not only the dental education to BDS and MDS students but also constrained provision of oral health care services to the public. Moreover, due to shortage of teachers, the MDS courses in Community Dentistry and Orthodontia in Amritsar and Orthodontia and Oral Surgery in Patiala sanctioned by DCI could not be started as of March 2011.

2.1.8.4 Failure to provide qualified teaching faculty in Nursing Colleges

Indian Nursing Council (INC) is the regulatory body responsible for granting permission and overseeing the functioning of Nursing colleges in the country. From the academic session 2003-04, the State Government upgraded the Schools of Nursing at Patiala (October 2002) and Amritsar (August 2003) to Colleges of Nursing having four years B.Sc. (Nursing) course. The affiliations of the colleges were granted provisionally by the BFUHS, Faridkot in August 2003 and November 2003 respectively. Though, these courses started with the then existing staff and infrastructure of the Schools of Nursing, it was noticed that no qualified staff was posted as per the norms of INC since the up-gradation. Contrary to the INC norms of teaching to be imparted by a person holding M.Sc. (Nursing) degree, staff having qualification of B.Sc. (Nursing) were teaching the students of B.Sc. (Nursing). Moreover, in both the colleges, the posts of Principals were lying vacant since their up-gradation. Besides, the infrastructure available in the colleges was not in consonance with the norms of INC. Thus, the colleges were running with non-qualified staff and inadequate infrastructure.

II. Training and research activities

2.1.9 Absence of focus on training and research activities

One of the main objectives of the department was to pursue and encourage research in the field of medical sciences. In order to update the knowledge of medical professionals, the department was to organise in-service trainings, continued medical education programmes, workshops etc.

In both the GMCs, no central database of training and research activities undertaken had been maintained. However, information collected from the departments in both GMCs revealed the following shortcomings:-

- Demand for grants of the DRME had no distinct head of account showing allocation of funds for training and research. It was noticed that no financial assistance had been specifically provided by the Government to the DRME/GMCs for any such purpose during 2006-11. Hence, no research activities/projects had been undertaken in the GMCs.
- Only twenty articles of general nature were published by faculty members of GMCs in indexed medical journals during the period 2006-11.
- There was no provision in the rules to facilitate availment of special casual leave, TA/DA etc. by the faculty members for participation in conferences, seminars and training courses.

Thus, lack of encouragement for taking up research work was indicative of the absence of focus on training and research activities in the GMCs.

III. Health infrastructure

2.1.10 Inadequacy of infrastructure for education and health care

2.1.10.1 Government Dental College and Hospital, Patiala

With a view to provide facilities like operation theatres, laboratories, wards, auditorium and lecture theatres to the students and patients, Government accorded (September 2003) administrative approval for ₹ 2.45 crore on the basis of rough cost estimate submitted by the Public Works Department (PWD).

It was noticed that in the absence of necessary budget allotment, the PWD could not award, till January 2007, the work for construction of Block 'C' in the Government Dental College and Hospital, Patiala. However, in February 2007, without receiving any funds, PWD allotted the work to a contractor. The contractor abandoned the work in May 2007 due to non-payment of work done. An amount of ₹ 17.53 lakh was paid to the contractor in February 2009 out of ₹ 28.63 lakh released by the State Government in 2008-09. Further payment of ₹ 41.98 lakh was made (February and March 2011) to the contractor after another tranche of ₹ 1.65 crore was released by the State Government, in September 2010.

Thus, due to funds not being released in time by the State Government, an expenditure of ₹ 59.51 lakh has been rendered ungainful for the last four years. Besides, cost of the work had escalated by ₹ 2.66 crore as the case for revised administrative approval for ₹ 5.11 crore was under process. In the meanwhile, the students and patients have been deprived of the intended benefits of the facilities like operation theaters, laboratories, wards, auditorium and lecture theaters etc.

2.1.10.2 Government Dental College and Hospital, Amritsar

To provide facilities like boys hostel, guest house and staff quarters in the GMCs, the Government in August 2004, accorded an administrative approval for an expenditure of ₹ 8.27 crore on such works.

Scrutiny of related records (October 2010 to April 2011) revealed that the construction work was allotted by PWD (January 2005) in anticipation of release of funds, to a contractor at ₹ 4.92 crore. The work was to be completed in 36 months (January 2008) was stopped by the contractor (March 2008) owing to non payment of his bills even though a sum of ₹ 1.18 crore had been paid to contractor (2006-07) before stopping the work and further amount of ₹ 0.65 crore was paid to him in February 2009 i.e. a year after stopping the work. The work was still lying incomplete because an amount of ₹ 1.24 crore representing the value of work done, was still unpaid to the contractor. In March 2008, the contractor showed his inability to complete the work due to non payment of his bills and rising cost of material etc. and requested to finalise the bill. The matter taken up with the Superintending Engineer/Chief Engineer in November 2009 was still awaiting for their approval as of March 2011.

Thus, failure of the State Government to release funds, despite making provisions in the budget every year in the annual plans upto 2009-10, resulted in the work which was to be completed by December 2007, remaining incomplete even after three years (May 2011), thereby delaying the intended benefits.

2.1.10.3 Sri Guru Teg Bahadur Hospital, Amritsar

Under the National Mental Health Programme, GoI released (December 2006) ₹ 44 lakh for strengthening the Psychiatric wing of SGTB Hospital, Amritsar. But the Principal, GMC, Amritsar instead of getting the existing building repaired, proposed to construct a new Psychiatric wing and Government accorded (October 2007) administrative approval for an expenditure of ₹ 1.75 crore on the work.

Scrutiny of records (January 2010) revealed that though ₹ 30 lakh out of ₹ 44 lakh released by GoI were sufficient for completing the work as per original plan, under the expanded scope of work, released funds were just sufficient to construct the building upto the plinth level.

Thus, the decision to construct the new Psychiatric wing instead of getting the existing building repaired and without ensuring availability of sufficient funds, was counter-productive. Moreover, purchase of equipment before completion of the building led to idling of the equipment valuing ₹ 13.89 lakh.

The Nodal Officer (Head of Radiology Department in GMC, Amritsar) accepted the audit contention, whereas the DRME stated (November 2010) that in the year 2009-10, no proposal for additional funds had been received from the Principal, GMC Amritsar.

IV. Deficient facilities for specialised health care

2.1.11 Machinery and Equipment

2.1.11.1 Idle machinery and equipment

Machinery and equipment form an integral part of the infrastructure needed to provide education and the medical care in the medical colleges and the attached hospitals. It was, however revealed that equipment costing ₹ 3.92 crore were lying unutilised in various teaching hospitals **(*Appendix-2.5*)**.

It is, thus, evident that in these cases, purchases were made without ascertaining/ensuring the availability of required infrastructure, accessories and qualified staff etc. and the investment of ₹ 3.92 crore remained largely unfruitful as the objectives of acquiring the equipment had not been achieved completely.

2.1.11.2 Delay in procurement of machinery and equipment

a) Mammography unit not set up due to ill planning

Mammography is the only modality in the world that can detect breast cancer in early stages. If detected in early stage, the disease is controllable and curable.

The GoI released a grant of ₹ 30 lakh under the National Cancer Control Programme (NCCP) in October 1999 for procurement of an imported mammography unit at Rajindra Hospital, Patiala. The grant could not be utilized till 2009-10 due to non-finalisation of the specifications of the mammography unit by the Controller of Stores. GoI revalidated the funds for the financial year 2010 -11. The purchase committee, constituted in 2010-11 to purchase the mammography unit, also could not finalise the tenders (December 2010). As the committee could not resolve difference of opinion, in regard to the specifications of the mammography unit to be procured, the matter could not progress further. The department stated (December 2010) that the case was under active consideration of the department for procurement of an indigenous mammography unit. The unit, thus remains to be procured even after the lapse of more than eleven years. Thus, facilities of better diagnosis and better treatment for breast cancer could not be provided to the patients. Further, the cost of the unit would have escalated further rendering the amount of grant inadequate.

b) Inordinate delay in procurement of equipment

Under the NCCP, GoI released a grant of ₹ 2 crore each to GMC, Amritsar (December 2005) and GMC, Patiala (May 2007) for development of the Oncology wing and for the purchase of cobalt therapy unit and simulator treatment planning system, respectively.

We observed that there was a delay of four years in the purchase of machinery due to non finalization of the tender specifications by the Controller of Stores. The equipment finally purchased during June 2010 and February 2011 was awaiting installation in Rajindra Hospital, Patiala (March 2011). Though the equipment was installed in SGTB Hospital, Amritsar (January 2011), it remained un-utilised because the building in which it has been placed is incomplete. Consequently, 881 patients from SGTB, Amritsar who required radiotherapy were referred to the other institutions for treatment during the period March 2009 to February 2011.[3] In the meanwhile, UCs for these two grants had been sent to GoI (April 2010).

On being pointed out (February and March 2011), no specific reasons for delay in procurement of equipment were furnished to audit.

2.1.12 Inadequate supply of medicines

2.1.12.1 Government Medical College Hospitals

Details of the number of patients treated and medicines purchased in the two leading teaching hospitals at Patiala and Amritsar during the period 2007-11 are given in **Table 2.3:**

[3] Rajindra Hospital Patiala, however, did not maintain any record of the referred patients.

Table 2.3 : Details of patients treated and expenditure on medicines

Year	No. of patients treated			Medicines purchased (₹ in lakh)			Expenditure per patient (₹)
	Indoor	Outdoor	Total	GMC Patiala	GMC Amritsar	Total	
2007-08	59024	710316	769340	5.19	7.42	12.61	1.64
2008-09	67420	760383	827803	10.62	0.88	11.50	1.39
2009-10	63984	812363	876347	6.67	0.40	7.07	0.81
2010-11	72580	916608	989188	1.12	0.42	1.55	0.16

During the period 2007-11, while 7.69 lakh to 9.89 lakh patients per year had visited the two medical college hospitals for treatment, expenditure on purchase of medicines for the patients (OPD and Indoor) during the period had steadily fallen from ₹ 1.64 in 2007-08 to ₹ 0.16 in 2010-11 which shows that for all practical purposes medicines provided by the hospitals to the patients were next to nothing. Based on the doctor's prescription, the patients had to arrange medicines from the open market at their own cost.

The Medical Superintendents of hospitals attached to GMCs stated (December 2010 and April 2011) that due to shortage of funds, medicines could not be purchased as per requirements.

2.1.12.2 Government Ayurvedic College Hospital

In Government Ayurvedic College, Patiala, no medicines were purchased and provided to the patients during the period 2006-11. The patients had to arrange medicines from the open market at their own cost. The Principal, Government Ayurvedic College attributed (June 2010) this to the absence of suitable provision of budget for purchase of medicines.

In the exit conference, the Secretary ensured (September 2011) that some norms would be fixed to procure medicines out of available funds under Provincial Professional Service Scheme.

This reflected the apathy of Government/hospital authorities in giving importance to the public health in the leading hospitals of the State.

2.1.12.3 Lack of advanced trauma centre

Despite the fact that GMCs Amritsar and Patiala are premier tertiary care centres of Punjab, no trauma care centre exists in the hospitals attached to these colleges. The trauma patients[4] have to seek such treatment at distant places outside the State or in some private specialized hospitals at great personal expense and inconvenience. Many trauma patients lost their precious lives for want of timely care.

Though, a proposal of the GOMOCO-ALUMNI Association, Patiala to set up a trauma centre in the premises of Rajindra Hospital, Patiala on a piece of land

[4] Rajindra Hospital, Patiala -16309 patients referred during 2006-07 to 2010-11
SGTB hospital, Amritsar- data non available

to be provided by the hospital authorities was approved by the Chief Secretary, Government of Punjab for this purpose, the State Government sanctioned and released ₹ one crore (June 2006) to the Society, but it could not be set up due to non allotment of site by the hospital authorities in the hospital premises.

On being pointed out, the DRME stated (September 2011) that the site was not provided to the Society as the existing structure was to be dismantled, besides it involved shifting of skin department. Finally, the Society cancelled (February 2009) the lease deed and refunded the amount of ₹ one crore.

The reply was not acceptable as despite availability of funds, the Trauma Centre at Patiala could not be set up and the intended benefits could not be provided to the ailing patients.

2.1.13 Deficiencies in services for patient care

2.1.13.1 Cardiac Surgery Department

The Cardiac Surgery Department was suffering from lack of following necessary infrastructure and qualified doctors:

- The Cardiology Department of the Rajindra Hospital, Patiala has been running without Cardiologist since May 2002 and doctors from the Medicine Department were examining the heart patients and serious heart patients were referred to other institutions.

- The facility of angiography was not provided in both the teaching hospitals due to lack of cardiac cath laboratory required as per the MCI norms. As a result, 1582 patients were referred by the Rajindra Hospital, Patiala to other medical institutions for angiography during the period 2006-11. The data relating to number of similarly referred cases was not available in SGTB Hospital, Amritsar.

In both the hospitals, the Cardiology Department did not possess the essential machinery and equipment like echo colour doppler, cine film projector, mechanical heart valves, high pressure autoclave sterilizer and automatic scrub station etc. On being pointed out, the Medical Superintendents of both the hospitals stated (February 2011 and March 2011) that the demand for equipment and posting of required Professors and Assistant Professors was being sent to the Government since 2007 which has the authority to order processing of the procurement of such equipment and recruitment of teachers**.**

2.1.13.2 Neurology Department

- The services of the neurology department in both the GMCs were not optimally utilized. In the absence of neuro surgeon and neuro surgery unit, the patients having head injuries had to be referred to other hospitals. During the period from December 2009 to March 2011, the Rajindra Hospital, Patiala had referred 832 out of 5803 patients having head injury to other institutions.

- The department in both the GMCs had EMG-MNCV[5] machines to test the muscle strength and velocity of the nerves of the paralysed patients, but no tests have been carried out since 2007 due to non posting of the EMG technicians in the department. No action was taken to post an incumbant despite several requests made (April 2011) by the heads of departments to the Principals of the respective GMCs.

2.1.13.3 Nephrology Department

As per MCI norms, nephrology department in a hospital should be staffed by qualified nephrologists. Contrary to these norms, nephrologists were not posted in the SGTB Hospital, Amritsar and Rajindra Hospital, Patiala since 2005 and 2006 respectively. Due to non posting of nephrologists, the services in the department were, instead, being handled by doctors from the Department of Medicine, thus rendering such services sub-optimal as the department offers only dialysis services to the kidney patients and the cases of renal transplantations are referred to other medical institutions for treatment. The DRME stated (September 2011) that the efforts were being made to fill up the vacant posts of medical, dental and ayurvedic faculties as per the prescribed norms. However, the reply did not indicate the reasons for not filling up the posts since 2005 and 2006 and specific steps being taken now to fill up the vacant posts.

2.1.13.4 Ophthalmology Department

The department has one Eye Bank each in GMCs Patiala and Amritsar to preserve the donated eyes for short term storage for 24 hours. It was noticed that out of 334 persons, who got registered with the eye banks for keratoplasty[6] in both the hospitals, only 139 patients had got eye transplanted during the period 2005-10. It was, however, noticed that out of 139 patients who could receive eye transplantation, only 22 persons were registered patients and the remaining 117 patients who had been benefited, were un-registered patients. The department stated that the registered persons could not be accommodated due to shortage of transportation and telephone facilities. Justification provided for overlooking registered patients and according priorities to un-registered patients was, prima facie, untenable.

2.1.13.5 Anaesthesia Department

(i) Operation Theatres (OTs) in the Rajindra Hospital, Patiala are under the control of the Department of Anaesthesia. During 2006-11, against the requirement of 22 Anaesthetists, only 12 were in position. The shortage of man power affected the optimum utilisation of the OTs. The Professor and Head of the Department, GMC, Patiala attributed this to the lower remuneration being offered by the Government to the specialists as compared to that paid by private institutions/corporate sector. DRME stated (September 2011) that the efforts were being made to fill up the vacant posts as per the

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5 EMG-MNCV- Electro Magneto Gram- Muscle Nerve Control Velocity

6 Keratoplasty: - A surgical procedure in which part or all of a damaged or deceased cornea is replaced by healthy corneal tissue from a donor.

prescribed norms. However, the reply was silent on the specific efforts made to fill up the vacant posts.

(ii) The Boyle's apparatus, required to administer general anaesthesia to patients in OT, were not working properly due to non-renewal of the annual maintenance contract. Several requests made by the head of the department to the Principal, GMC, Patiala since January 2007 had not resulted in any appropriate action. In the absence of such basic equipment, medical care facilities were badly affected and the risk of loss of life was ever present in the hospital.

2.1.13.6 Deficient Ambulance Services

Ambulance services should be available in every hospital round the clock every day to cater any emergency. In this context, following deficiencies were noticed in the two teaching hospitals attached to GMCs at Amritsar and Patiala:-

- In Rajindra Hospital, Patiala all the four ambulances attached to the hospital remained un-utilized for the period ranging from five months to 18 months due to non availability of funds under the sub head POL (Petrol, Oil and Lubricants). Consequently, the drivers remained without work and the patients who were in need of emergency medical care had to make their own arrangements to reach the hospitals.

- Out of the three ambulances attached to SGTB Hospital, Amritsar, one met with an accident in the year 2008. It has been left un-repaired since then.

- All the ambulances were not fitted with the emergency kits and oxygen cylinders for giving emergent treatment to the patients.

Both the Medical Superintendents of SGTB Hospital, Amritsar and Rajindra Hospital, Patiala stated (February and April 2011) that the matter to make these ambulances functional would be taken up with the DRME.

V. Management of bio-medical waste

2.1.14 Improper handling of bio-medical waste

Rule 5 of the Bio Medical Waste Management Rules, 1998 provides that bio medical waste (BMW) should be treated and disposed of properly.


Bio Medical Waste thrown in open at Rajindra Hospital Patiala.

Scrutiny of records in the office of DRME (December 2010) revealed that the department entered (March and April 2010) into agreements with two firms for disposal of BMW of each hospital located at Amritsar and Patiala, at the rate of ₹ 3.45 (Amritsar) and ₹ 3.65 (Patiala) per occupied bed per day. As per the agreement, the generator (hospital) was to collect the segregated BMW in distinct plastic bags supplied by the service provider (firm) and the service provider was required to collect this from the identified common waste collection sites. During our inspection of wards, laboratories and central collection points in the hospitals, we noticed that despite availability of different coloured baskets in the wards, all types of waste was being disposed of in one basket. We also noticed that the hazardous waste of the hospital was piled up in the open in an unsafe manner instead of being storing in the colour coded containers at the central collection point. Scavengers were seen taking out BMW from the dumped waste. The BMW including blood soaked cotton plasters and hospital waste thrown in the open were being removed by the Municipal Corporation as the service provider was to collect the segregated BMW only from the identified common waste collection sites in the hospital. Thus, failure on the part of hospital staff to segregate BMW at initial stage and to deliver at designated collection points remain an unaddressed environmental hazard.

The Medical Superintendents of the hospitals admitted (February/ April 2011) the lapses in disposal of the BMW and assured to take appropriate action for proper collection and disposal of the same.

2.1.15 Wasteful expenditure on procurement of incinerator

With a view to dispose of the hospital waste, an incinerator with burning capacity of 50 Kg per hour was purchased by GMC, Patiala in September 1992 at a cost of ₹ 8.85 lakh.

Mention was made regarding non-installation of the incinerator in the Audit Report of CAG for the period ended March 1998. The para was settled by the Public Account Committee in September 2005 on the assurance given by the Secretary to Government of Punjab, Department of Medical Education and Research that enquiry would be conducted as to why this expenditure was allowed to become wasteful, and results thereof would be reported to the Public Accounts Committee. Despite this assurance, neither the enquiry was conducted nor the incinerator shifted to elsewhere for its gainful utilization even after a lapse of six years.

Medical Superintendent, Rajindra Hospital, Patiala stated (March 2011) that the machinery could not be put to use due to non-clearance by the Punjab Pollution Control Board.

VI. Financial management

With a view to ascertain whether the management of financial resources was done efficiently and effectively, the budget allocation and expenditure under Non-Plan and Plan heads were scrutinized and discussed in following paragraphs :-

2.1.16 Budget allotment and expenditure

The budget allocation and the expenditure incurred during the last five years was as follows:-

Table 2.1:Detail of budget allotment and expenditure

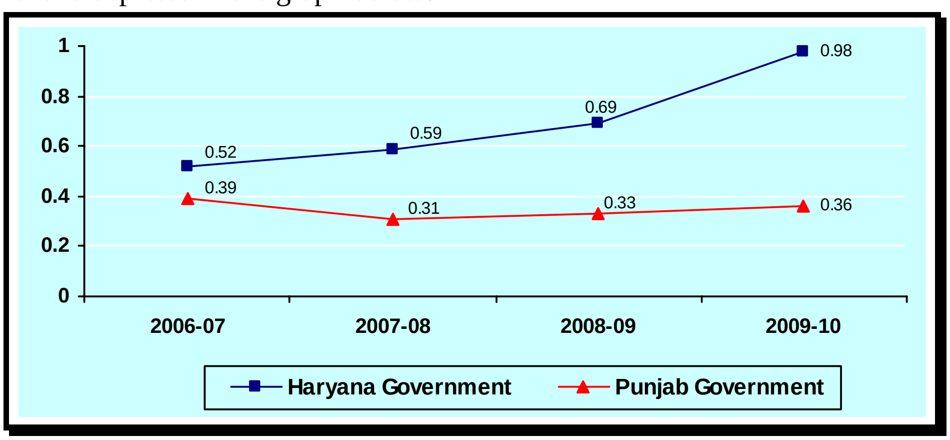
(₹ in crore)

Year	Non- Plan					Plan	
	Budget allotment	Total expenditure	Out of total expenditure, expenditure on			Budget allotment	Total expenditure
			Salary & wages	PPSS[7]	Others[8].		
2006-07	136.26	127.92	95.86	8.12	23.94	Nil	Nil
2007-08	137.86	137.67	104.52	8.48	24.67	18.87	0.16
2008-09	145.56	140.29	110.92	10.52	18.85	18.21	1.96
2009-10	157.63	154.18	124.82	11.18	18.18	20.08	Nil
2010-11	201.77	182.59	150.74	10.94	20.91	24.03	11.16
Total	**779.08**	**742.65**	**586.86**	**49.24**	**106.55**	**81.19**	**13.28**

PPSS = Provincial Professional Service Scheme

A comparison of the budget allocation during the years 2006-07 to 2010-11 (***Appendix-2.6)*** revealed that the budget allocated to the Medical and Public Health Department ranged between 2.76 and 3.71 *per cent* of the total budget of Government of Punjab and that of DRME ranged between 0.42 *per cent* and 0.62 *per cent.* Out of the total Non-Plan expenditure of ₹ 742.65 crore incurred by the department during the years 2006-07 to 2010-11, 79.02 *per cent* (₹ 586.86 crore) was on the salaries and wages and 6.63 *per cent* (₹ 49.24 crore) was on PPSS .

Though the functioning of the Department of Medical Education and Research is human resource driven, yet the non-plan expenditure of the department failed to get prioritization over the years 2006-10 which is evident from the declining percentage of expenditure to the total expenditure in Punjab whereas the trend was other way round in the neighbouring State of Haryana. The trend is depicted in the graph below:



(*Source :Combined Finance and Revenue Accounts*)

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7 PPSS budget is meant for improving the environment for the students, improvement of patient care, procurement of medicines/equipments including maintenance etc. and to meet any emergent demand of the colleges/hospitals.

8 It includes the miscellaneous expenditure viz. office expenses, travelling allowances, medical re-imbursement, petrol oil and lubricants etc

The budget allotment under the PPSS is more or less equal to the collection of user charges made by the medical institutions. It was, however, observed that the medical institutions failed to tap their full potential for collecting user charges, as mentioned in subsequent para 2.1.17. Consequently, the department could not secure additional budget of ₹ 3.26 crore under PPSS during the period from 2006-11. To that extent, their ability to meet with day-to-day and emergent requirements of medical education and patient care was constrained.

Additional infrastructure in the medical colleges and hospitals in the form of buildings, equipment, human resources etc. is provided under the plan budget. It was noticed that in the 10th Five year plan (2002-07), the State Government had approved an outlay of ₹ 106.20 crore for medical education under the State funded schemes, but since no funds were released to the Directorate, no expenditure was incurred there-against. In the 11th Five Year Plan, the Government had approved an outlay of ₹ 81.19 crore (2007-11) for four State funded schemes. Though, funds to the extent of ₹ 50.42 crore were released by the Finance Department, an amount of ₹ 13.28 crore only had been spent as of March 2011 because funds amounting to ₹ 36.31 crore were released towards the fag end of different financial years. As a result, ongoing projects remained incomplete as discussed in the para 2.1.10.

2.1.17 Utilization of Welfare Funds through Personal Ledger Account

The Government through a notification[9] (June 1978) authorized the heads of medical/dental colleges to operate the Personal Ledger Accounts (PLAs) to credit additional charges realized from the students for carrying out various student welfare activities, such as purchase of sports equipments, maintenance of playgrounds etc. To avoid inconvenience in administration and utilization of the funds, the Finance Department exempted (October 2004) the Department of Medical Education and Research from closing the PLA at the end of each financial year.

The following deficiencies were noticed in utilisation of these funds called "Amalgamated Fund of the Punjab State Medical and Dental Colleges":-

2.1.17.1 Under-utilization of funds

The purpose of creating the PLAs in the GMCs was defeated as these GMCs could spend only ₹ 3.35 crore out of the total amount of ₹ 7.32 crore (2006-11) collected from the students and credited to PLAs. Of this, ₹ 1.79 crore (53 *per cent*) was spent on wages of servants in the hostel mess. No other student welfare activities were carried out despite availability of funds. On being pointed out, the Principals of GMCs, Amritsar and Patiala stated (February 2010) that the expenditure would be incurred as per rules. The reply was not acceptable as it did not explain why funds were not used for intended purposes.

[9] The 'Amalgamated Fund Rules of the Punjab State Medical and Dental College, 1978

2.1.17.2 Mis-utilisation of funds

Contrary to the provisions of Government notification for operation of PLAs, GMC, Patiala and Government Ayurvedic College, Patiala incurred an expenditure of ₹ 26.47 lakh out of PLA funds (2010-11) on account of payment of inspection and affiliation fee, office expenses and salary to teachers for which a distinct budget head existed. The Principals of GMC, Patiala and Ayurvedic College, Patiala while admitting the audit observation, assured audit to comply with the guidelines in future. The replies furnished by the Principals were not acceptable as misutilization of ₹ 26.47 lakh was an unauthorized diversion of funds. The amount had not been recouped so far (November 2011).

2.1.18 Inadequate mobilization of resources

As per Directorate's purchase policy (March 2004), the budget allotment under the PPSS is to be used for improving the welfare environment of the students, providing patient care, procurement of medicines/equipments including maintenance etc. and to meet any emergent demand of colleges/hospitals. Since the budget allotment is invariably based on the quantum of collection made from students and patients towards charges for services provided on rates specified for various categories of students, failure to make such collection constrained colleges/hospitals in providing appropriate services to the students/ patients.

Following instances show that the colleges/hospitals failed to recover their dues, thus adversely impacting the PPSS allocation.

2.1.18.1 Failure to recover rent

Rule 4.1 of the Punjab Financial Rules, Volume I provides that it is the prime duty of the controlling officer to see that all sums due to government are regularly and promptly assessed, realized and credited into the government account. The Government of Punjab, Department of Medical Education and Research had fixed (January 2009) the minimum rent of shops, constructed in the various colleges/hospitals at ₹ 140 per square feet. Further, such allotment of shops was to be made through public auction by giving wide publicity through leading news papers.

a) The Government of Punjab, Department of Medical Education and Research, decided (January 2009) that in case of defaulter of shops already rented out, provisions of the Public Premises Act be invoked. But such provisions were not invoked by the Medical Superintendent against four shop owners in the Rajindra Hospital, Patiala who did not pay any rent since April 2009 and from whom rent of ₹ 14.65 lakh was recoverable as of March 2011. On being pointed out (April 2011), the Medical Superintendent stated that notice for vacation of the shops would be issued to the unauthorised occupants. No further progress has been reported till November 2011.

b) Two shops (medical store and canteen) in the TB and Chest Diseases Hospital, Patiala were allowed to run by the Red Cross Society since 1975 for the welfare of T.B. patients. While the medical shop was run by the Red Cross Society itself, the canteen was sublet by it to a contractor at the monthly rent of ₹ 7500. Though the Red Cross Society has been collecting rent, nothing was being paid to the hospital. Due to non-receipt of rent by the hospital, revenue of ₹ 17.62 lakh could not be collected by the hospital during the period February 2009 to March 2011. The amount recoverable as rent for the previous period could not be computed as no specific rent had been determined despite the letter of the allotment providing that rent was payable at the rate determined by the State PWD. The DRME had failed to pass suitable orders on various requests from the head of the hospital for determining the rent payable by the Red Cross Society.

Deputy Medical Superintendent of the hospital stated (April 2011) that the matter would be taken up with the Red Cross Society for allotment of shops in accordance with the allotment policy of the Government.

c) According to the standard terms and conditions of allotment circulated (February 2008) by DRME, the allotees of the shops were required to pay the rent in advance on or before 7th of every month. In case of default, their allotment was liable to be cancelled. The shops in the premises of the SGTB Hospital, Amritsar were leased out on rent by the Medical Superintendent without execution of any agreement.

It was noticed that rent amounting to ₹ 66.09 lakh was pending for recovery from 10 allottees as on 31 December 2010. Neither any concrete steps were taken by the hospital authorities to recover the amount nor any action was initiated to cancel the allotment due to absence of any formal agreement with the allottees.

On being pointed out, Medical Superintendent stated (February 2011) that efforts were being made to recover the outstanding amount of rent.

d) A shop measuring 128 square feet was let out in September 1967 by SGTB Hospital, Amritsar at a monthly rent of ₹ 400. According to the terms and conditions of the lease deed, the shop was to be handed over to the hospital authorities in case of the death of the original tenant or the termination of the lease deed. On expiry of the lease, the allotee did not vacate the shop and after the death of the allotee in 1986, his wife continued to run the shop unauthorisedly. The appeal filed by the widow for retaining the shop was quashed by the Hon'ble Supreme Court (March 2009). Thus, besides non-realising of rent of ₹ 5.66 lakh (upto April 2009), the hospital authorities had failed to get the site vacated. The DRME stated (December 2010) that execution had been filed to get the shop vacated. However, no further action to implement the decision of the Supreme Court was initiated (September 2011).

2.1.18.2 Processing fee of Blood Banks

During 2006-07 to 2010-11, the Blood Banks attached to the GMCs at Amritsar and Patiala collected ₹1.80 crore[10] as processing cost of blood from the patients admitted in the government/private hospitals. Instead of depositing the same in the Government account, the amount so collected was deposited in the bank accounts of respective District Blood Transfusion Societies without the consent of Finance Department. Moreover, the governing bodies of both the societies had adopted different parameters to collect, retain and credit the government receipts into their accounts. The District Blood Transfusion Council, Patiala collected, retained and credited the processing cost of blood units from all private hospitals and nursing homes into the Society's account whereas the District Blood Transfusion Council, Amritsar charged ₹ 200 and ₹ 300 per unit of blood from the patients of government and private hospitals, respectively, over and above the actual cost of blood ₹ 330 fixed by the Government and credited the amount into its account. Government had not prescribed uniform policy to collect, realise and credit the processing cost of blood from the patients.

It was stated (December 2010) by the Medical Superintendents that exemption from the financial rules would be obtained from the Finance Department of the State Government.

2.1.18.3 Delay in receipt of admission fee

As per para 10 (D) and Note 3 below Para 9 of the Department of Medical Education and Research Notification dated March 2008, admission fee has to be deposited by the successful candidates in the shape of demand draft drawn in favour of the Registrar, Baba Farid University of Health Sciences (BFUHS), Faridkot.

Scrutiny of records of GMCs, Amritsar and Patiala revealed that BFUHS, Faridkot collected admission fee of ₹ 18.26 crore from the successful candidates for admission during the years 2007-10 on behalf of GMCs, Amritsar and Patiala. However, the amount of fee so collected was transferred by BFUHS to the respective colleges after a delay ranging from 52 to 177 days. This resulted in loss of interest of ₹ 35.85 lakh to the GMCs, Amritsar and Patiala.

Though the Principal, GMC, Amritsar stated (January 2011) that in the notification neither any mention of time limit for transfer of the admission fee collected by the BFUHS nor was there any provision of charging of interest on delayed transfer of money. A demand had been raised (April 2010) against BFUHS for interest on delayed transfer of money. The Principal, GMC, Patiala stated (March 2011) that the matter would be taken up with BFUHS, Faridkot for immediate transfer of the admission fee.

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[10] Patiala - ₹ 1.08 crore for the period i.e 2006-07 to 2010-11(upto 02/2011): and Amritsar - ₹ 0.72 crore i.e for the period 2008-09 to 2010-11 (upto 1/2011)

2.1.18.4 Delayed deposit of fees collected from NRI students

Rule 2.4 of the Punjab Financial Rules, Volume I provides that the departmental receipts collected are to be credited into the treasury on the same day or on the morning of the next day. In GMC, Amritsar, fees collected from the NRI students in the shape of demand drafts during the period from July 2007 to July 2010 were remitted into the treasury after delays ranging from 33 to 202 days. Non-adhering to the financial rules resulted in loss of ₹ 5.31 lakh to the State exchequer by way of interest.

The Principal, GMC, Amritsar while admitting the audit contention stated (January 2011) that such delay would be avoided in future.

2.1.18.5 Failure to revise rates

a) X-Ray fee

The Medical Superintendent, SGTB Hospital, Amritsar procured and installed CR radiography machine costing ₹ 28 lakh in November 2008 in the Department of Radio Diagnosis. The hospital had been charging ₹ 400 as X-Ray fee both for shorter and longer investigations, whereas the Guru Gobind Singh Hospital, Faridkot which is also a teaching hospital under the BFUHS, Faridkot, was charging ₹ 600 and ₹ 800 as X-Ray fee for shorter and longer investigations respectively. The Rajindra Hospital, Patiala was also charging ₹ 400 as X-Ray fee for shorter and longer investigations. Thus, non revision of the fees for X-Ray investigations had resulted in recurring loss of revenue to the hospitals attached to GMCs at Amritsar and Patiala.

b) Registration, admission and clinical tests fee

The Government of Punjab vide notification (May 1999) had fixed the rates of registration fee (₹ 10), admission charges (₹ 10 for general ward and ₹ 50 for special room) and various other charges for clinical tests and operations to be charged from the patients. Though the cost of the materials used for conducting the clinical tests had increased manifold and the pay and allowances of the staff deployed to carry out the clinical tests had also increased substantially, the Government had not revised the rates for registration of admission and clinical tests since 1999, despite appropriate proposals having been sent (September 2009) by the hospital authorities to the DRME, Punjab for revision of the rates. Government need to revise fee and charges to generate maximum revenue for better functioning of the hospitals.

VI. Monitoring, Evaluation and Internal Control

The Director was responsible for monitoring and evaluation of implementation of the programmes, schemes and other activities of the department. Scrutiny of records in the office of DRME (December 2010) revealed the following deficiencies:

2.1.19 Inadequate monitoring, evaluation and internal control

Monthly progress reports of each scheme/programme which were submitted to the Directorate by the controlling officers in the field were merely compiled at the Directorate level and no corrective steps/measures were being taken to improve the working of the department.

- The periodical reports, physical and financial progress of various schemes, received from the field units, were neither scrutinised nor effective follow up action taken at the Directorate level.

DRME stated that monitoring and evaluation of the on going projects would be undertaken as suggested by audit.

Conclusion

The planning for medical education, research and specialized health care, including infrastructure and human resource development was not judicious and effective as there was acute shortage of medical professionals (36 per cent) in both the Government Medical Colleges. Neither the seats for graduate and post graduate courses were adequate nor were the super-speciality courses being offered. Despite being premier tertiary care hospitals of the State, no trauma care centre exists in any of the GMCs and the trauma patients have to seek treatment at distant places. Adequate emphasis on research and training was lacking. Equipment costing ₹ 3.92 crore, required for specialised health care, were lying unutilised for want of required infrastructure, accessories and qualified staff. Further, the mammography unit at Rajindra Hospital, Patiala could not be procured for the last 11 years. Similarly, Cobalt therapy unit in SGTB Hospital, Amritsar could not be utilised despite installation. Bio-medical waste management was improper and unsafe. Ambulance services to be provided to cater to emergencies were found to be extremely deficient as these were not fitted with the mandatory emergency kits.

Recommendations

- There is a need to strengthen recruitment of medical professionals in colleges and hospitals.
- To achieve the ideal doctor-population ratio, number of seats for graduate and post graduate courses in both the GMCs need to be increased keeping in view the increase in demand for doctors and constant rise in population.
- Super-specialty courses need to be introduced in GMCs.
- Adequate emphasis on research and training is required to be given.

- Government should establish a trauma care centre in the State to take care of medical emergencies and provide relief to victims of trauma.

- The procedure for procurement and management of medical equipment needs to be systematized.

- Disposal of the bio medical waste should be ensured as per provisions of the agreements entered into with the service providers.

- With a view to strengthen the medical education and health care, Government needs to ensure allocation of adequate and timely release the funds.

- The health institutions should augment their own resources by enforcing timely collection of charges and revision of charges, fee etc.

- Monitoring, evaluation and internal control of the directorate should be strengthened to commensurate to the level of activities of the department.

Chapter 3

Compliance Audit

3.1 Non-compliance with rules and regulations

For sound financial administration and control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authorities. This helps in maintaining financial discipline and prevents irregularities, misappropriation and frauds. Audit of the departments of the Government, their field formations as well as of the autonomous bodies brought out several instances of lapses in management of resources and failures in adherence to the norms of regularity, propriety and economy. Some of the audit findings on non-compliance with rules and regulations are as under:

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1.1 Failure to raise claims for reimbursement of expenditure

Money value= ₹39.89 crore
Matrix identity =E
Score =0.45
Weighted value =₹ 17.96 crore

Failure to raise the final claims for reimbursement of expenditure for the period 2006-10 resulted in non realization of ₹ 39.89 crore from the Employees State Insurance Corporation

The Employees' State Insurance Scheme under the Employees State Insurance Corporation Act, 1948 aims at protecting the employees working in factories against the hazards of sickness, maternity, disablement and death due to employment injury and provide medical care to the insured employees and their families. The expenditure on medical care within the prescribed ceiling is shared between the Employees State Insurance Corporation (Corporation) and the State Government in the ratio of 7:1. The State Government incurs the expenditure in advance and gets it reimbursed from the Corporation, subsequently.

As per the agreement entered into (December 1957) between the State Government and the Corporation –

- As soon as possible after the close of the financial year, the State Government shall have an account prepared showing the expenditure incurred by them on medical care to the insured persons and their families in the State.
- The Accountant General of the State shall furnish annually a certificate indicating the expenditure admitted in audit. The audited account together with such certificate shall be furnished by the State Government to the Corporation to enable it to pay its share.

- Where a State Government so desires, the Corporation may make periodical 'on account' payments.

Scrutiny of records (July 2010) in the office of the Director, Health Services (State Insurance), Punjab, disclosed that the Corporation had been reimbursing its 7/8th share of expenditure to the State Government on interim basis quarterly. Out of ₹ 125.71 crore as its share, the Corporation had reimbursed ₹ 85.82 crore during the period 2006-10 leaving a balance of ₹ 39.89 crore. The final claims for reimbursement had not been got settled from the Corporation for the period 2006-10.

On being pointed out (March 2011), the Director stated (May 2011) that claims for reimbursement were yet to be lodged as the figures of expenditure with Accountant General (A&E) could not be reconciled due to non-compilation of accounts and shortage of staff. The reply is not acceptable as such administrative issues should have been monitored and controlled considering the quantum of reimbursement due, particularly when the State's financial position was precarious.

Thus, failure of the Director to reconcile the figures of expenditure and obtain audit certificate for the period 2006-2010 in time has resulted in non-reimbursement of expenditure of ₹ 39.89 crore from the Corporation, which involved loss of interest of ₹6.42 crore to the State exchequer, whose financial position has been strained on account of huge borrowings etc.

The matter was referred to the Government in March 2011; reply has not been received (December 2011).

HOME AFFAIRS AND JUSTICE DEPARTMENT

3.1.2 Recoverable charges against deployment of police forces

Money value= ₹39.71 crore
Matrix identity =E
Score =0.35
Weighted value ₹ 13.90 crore

Deployment of police forces without any demand, receiving the charges in advance and entering into any agreement with the beneficiary States and ineffective follow up to recover the charges led to non recovery of ₹ 39.71 crore

With a view to assess the outstanding dues from other Departments/States against deployment of the Punjab Police forces, records of 24 Senior Superintendents of Police (SSP), eight Punjab Armed Police Battalions (PAP), six Indian Reserve Battalions (IRB), five commando battalions and four Superintendents of Police, CID (Intelligence) ***(Appendix 3.1)*** covering the period from April 2006 to March 2011 were checked. The results of audit are presented below:-

Outstanding dues from bodies within State

Rules provide that the department can deploy forces for private persons, corporate bodies or commercial companies as per their requirement duly applied for and on collection of the charges in advance and also restrict deployment of the police forces until the required advance payment has been received.

a) Recovery of charges from private and corporate bodies

We found (between August 2010 and December 2010) and subsequent information collected (March 2011) that nine ***(Appendix 3.1)*** offices of the Punjab Police regularly deployed forces for the corporate bodies ***(Appendix 3.1),*** such as Banks, Electricity Board, All India Radio during the period from April 2006 to March 2011 without any requisition in the prescribed form and without receipt of advance payment of charges from them. Though the bills for ₹ 34.20 crore for providing forces to the corporate bodies during the said period were raised by the department but it could recover only ₹ 11.73 crore (34 *per cent*) and ₹ 22.47 crore were still outstanding as on March 2011.

When we pointed out (March 2011), the Additional Director General of Police, Security while admitting the fact that no advance payment was received stated (April 2011) that the forces were deployed to protect the vulnerable points which is the responsibility of the department. The reply is not acceptable as the department itself had raised the bills and recovered part of the claims.

b) Recovery of charges from Punjab Cricket Association (PCA)

Mention was made regarding outstanding recovery of ₹ 1.01 crore upto the year 2005-06 from Punjab Cricket Association in paragraph 7.3.4 in the Report of the Comptroller and Auditor General of India (Revenue Receipts)-Government of Punjab for the year ended 31 March 2007, yet no recovery had been made by the department till date.

We further found (June 2010 and February 2011) that during 14 events of International/Indian Premier League (IPL) cricket matches organised by the Board of Control of Cricket in India (BCCI) and the franchises of IPL at Mohali between October 2006 and October 2010, 18706 police personnel ***(Appendix 3.1)*** were deployed at the PCA stadium without receiving advance payments. Though, the department had been lodging claims with the PCA for recovering the dues, it could not recover the charges from them. This led to non-recovery of the entire claim of ₹ 7.47 crore for the period from October 2006 to October 2010.

When we pointed out (March 2011), the SSP Mohali stated (April 2011) that vigorous efforts were being made to recover the expenditure incurred on account of providing forces.

Outstanding dues from other States

Government of India, Ministry of Home Affairs issued (September, 1995) instructions for reimbursement of expenditure in respect of Armed Police Battalions deployed in other States. It provided that the borrowing State/U.T./Authority would reimburse the expenditure of the Armed Police

Battalion loaned to them on quarterly basis to the extent of ₹ 50.00 lakh per quarter per Battalion subject to final settlement on receipt of certified audited figures.

We found (May 2010 to December 2010) and subsequent information collected (March 2011) that on the requisitions made by other States, 20 police units (***Appendix 3.1)*** were deployed between April 2006 and March 2011 to maintain law and order in other States. But against the total claim of ₹ 13.04 crore, the department could recover only ₹ 3.27 crore from two States.

Despite the fact that the department failed to recover the balance charges of ₹ 9.77 crore from other States, who had requisitioned the Punjab Police forces, it continued to deploy police forces. When we enquired (March 2011) about the reasons for non-recovery of the outstanding charges, the Director General of Police did not furnish reply in this regard.

Thus, deployment of police forces without any demand, receiving the charges in advance and entering into any agreement with the beneficiary States and ineffective follow up to recover the charges led to non recovery of ₹ 39.71 crore.

It is recommended that the department should ensure that it deploys the forces after receipt of a formal request, as well as advance payment and entering into formal agreements with the beneficiaries, in respect of the cases other than deployment of police forces for normal maintenance of the law and order.

The matter was referred to Government (April 2011); the reply has not been received (December 2011).

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.1.3 Avoidable payment

Money value=₹ 22.03 crore

Matrix identity =C

Score =0.70
Weighted value =₹ 18.02 crore

Delayed declaration of awards for land acquisition led to avoidable payment of appreciation cost of ₹ 22.03 crore

To take care of payment of adequate compensation to the land owners and to eliminate the delay, the Government of Punjab, (Department of Revenue & Rehabilitation) formulated (December 2006) a new policy for acquisition of land for public purpose, which stipulated that declaration under Section 6 of the Land Acquisition Act, 1894 (Act) was to be issued within six months of issue of notification under Section 4 of the Act and the award was to be announced within six months of issue of declaration under Section 6 of the Act failing which the acquisition proceedings would lapse and to be started *de novo*, if required. Section 23 (1-A) of the Act provides that in addition to the market value of land, an amount calculated at the rate of 12 *per cent* per annum on such market value for the period commencing from the date of publication of the notification under Section 4, to the date of award or the date of taking possession of the land, whichever is earlier, is to be paid to the land owners.

Scrutiny of records (May 2011) in the office of the Land Acquisition Collector, Greater Mohali Area Development Authority, Mohali, (LAC) disclosed that for acquiring 1316.26 acres of land for construction of 200 feet wide road from Sector 66-66A to NH-64 and NH-64 to Sector 21, Panchkula, the notification under Section 4 of the Act was issued in February 2009 (929.73 acres) and August 2009 (386.53 acres) and declaration under Section 6 was issued in August 2009 and August 2010 respectively.

However, the awards for 855.08 acres of land actually acquired were announced in April 2010 and February 2011 after the delay ranging between 70 and 181 days from the stipulated date (i.e. one year after the date of issue of notification under Section 4). As the awards were announced late, an extra payment of ₹ 22.03 crore on account of 12 *per cent* appreciation cost had to be made to the landowners, which could have been avoided had the awards been announced in time.

On this being pointed out (May 2011), the Land Acquisition Collector stated (August 2011) that the delay in announcement of awards occurred due to procedural reasons and point has been noted for future compliance. The reply amounts to admittance of the lapse for which no responsibility has been fixed.

The matter was referred to the Government (September 2011); reply has not been received (December 2011).

3.1.4 Excess payment to the land owners

Money value= ₹ 21.78 crore
Matrix identity =B
Score =0.80
Weighted value =₹ 17.42 crore

Failure of the department to regulate the compensation payments as per provisions in the Land Acquisition Act resulted in excess payment of ₹ 21.78 crore to the land owners

The Land Acquisition Act, 1894 (Act) interalia provides for payment of the market value of land, and an award amount calculated at the rate of 12 *per cent* per annum on such market value for the period commencing from the date of publication of the notification under section 4 (1) of the Act, to the date of award or the date of taking possession of the land, whichever is earlier.

During audit (June 2010 and May 2011) of records in the office of the Land Acquisition Collector, Greater Mohali Area Development Authority, Mohali (GMADA), it was noticed that land measuring 357.65 acres for various purposes[11] was acquired in various villages near Mohali. On the basis of recommendations made by the District Land Price Fixation Committee, the Cabinet Sub Committee in its meeting held on 3rd February 2009, fixed the rate at ₹ 1.50 crore per acre which included the 30 *per cent* solatium, 12 *per cent* amount for the period of one year from the date of issue of notification under Section 4 (1) of the Act, and 10 *per cent* compensation for not going to the Court by the land owners. It was observed by us that the notifications under Section 4 in respect of the land acquired were issued between

[11] (i) 200 feet wide road in Sector 66-66-A Junction to N.H. -64 (ii) 300 feet wide road for International Airport to Mix land use Road (iii) Remaining land down stream of Sector 66-66A falling in the area of PSEC (iv) Setting of urban estate Sector-81(v) To connect Mohali International Airport from crossing of Grid Road Sector 80-81 to West Chowck 98/105 and 98-104 (vi) For laying outfall sewer in village Manauli to sewage treatment plant.

11 September 2008 and 24 April 2010 and the awards were announced between 25 May 2009 and 20 October 2010. But the award amount at the rate of 12 *per cent* per annum was paid to the land owners for whole one year without limiting the period to the date of announcement of the awards resulting in excess payment of ₹ 21.78 crore to the land owners.

On this being pointed out (June 2010 and May 2011), the Land Acquisition Collector stated (June, 2010 July and August 2011) that the payments were made as per the rate of land i.e. ₹ 1.50 crore per acre approved by the Cabinet Sub Committee in its meeting held on 3 February 2009 and there was no provision in the decision of the said Committee regarding reducing the 12 *per cent* in case the award is announced before the completion of one year from the date of notification under section 4 of the Act. The reply is not acceptable because 12 *per cent* compensation amount should have been calculated till the date of award as provided under Section 23 of the Act.

Thus, failure of the department to regulate the compensation payments as per provisions in the Act resulted in excess payment of ₹ 21.78 crore to the land owners.

The matter was referred to the Government (July 2010 and September 2011); reply has not been received (December 2011).

IRRIGATION DEPARTMENT

3.1.5 Recoverable amount of Tawan

Money value= ₹ 6.42 crore

Matrix identity = E

Score = 0.35
Weighted value = ₹ 2.25 crore

Ineffective monitoring and non-supply of detailed Khataunies resulted in non recovery of Tawan of ₹ 6.42 crore

Under the provisions of the Northern India Canal and Drainage Act, 1873 (Act) and the Rules framed thereunder, persons taking water from a canal without permission shall be chargeable (*Tawan*-the penal charges) with a special rate equal to 25 times in addition to the ordinary water rate leviable on the cultural command area. Section 45 of the Act provides that any sum due under the Act and certified by the Divisional Canal Officer (DCO) is recoverable by the Collector from the person liable for the same as arrears of land revenue. The Government, in November 2002 decided to collect the *Tawan* through the DCOs of Irrigation Department instead through Collectors of the Revenue Department. However, in January 2006, this decision was reverted to the original procedure as the DCOs of the Irrigation Department were not successful to collect the *Tawan.*

With a view to ascertain the reasons for negligible and ineffective recovery of *Tawan*, we collected information from five circles comprising 18 divisions[12] of the Irrigation Department and from the concerned District Collectors (DCs).

[12] Lehal I B, Patiala, IB Sangrur, IB Mansa, BML Patiala, Devigarh Division Patiala, Headworks Division Ropar, Sidhwan Canal Division Ludhiana, Canal Division Faridkot, Canal Division Bathinda, Bist Doab Division Jalandhar, Majitha UBDC Division Amritsar, Jandiala UBDC Division Amritsar, UBDC Division Gurdaspur, Madhopur UBDC Division Gurdaspur, Shah Nehar Headworks Division Talwara, Eastern Canal Division Ferozepur, Harike Canal Division Ferozepur and Abohar Canal Division Abohar

We noticed that the DCOs decided 26,388 cases of theft of canal water between July 2006 and December 2010 and levied *Tawan* of ₹ 6.44 crore. The Chief Engineer (Canals), Punjab took up (May 2009) the matter about non-recovery of *Tawan* with the Principal Secretary (Irrigation), who instructed all the DCs to effect recovery of *Tawan*. Against the demand of ₹ 6.44 crore, recovery of ₹ 2.30 lakh only by two divisions[13] during July 2007 and December 2009 was reported.

When we analysed the reasons for ineffective recovery of *Tawan*, we noticed that the Irrigation Department either did not prepare and supply the *Khataunies* or failed to supply complete informations/records of *Khataunies* to Revenue Department.

When we pointed out (November 2009), the Executive Engineer (Tawan) in the office of CE (Canals) stated (March 2010) that the field offices had been asked to coordinate with the respective DCs to effect recovery. Thus, due to ineffective coordination between the Revenue and Irrigation Departments, there was hardly any recovery of *Tawan*.

The matter was referred to the Government (March 2011); reply has not been received (December 2011).

SOCIAL SECURITY AND WOMEN AND CHILD DEVELOPMENT DEPARTMENT

3.1.6 Payments of financial assistance to ineligible persons

Money value= ₹2.30 crore

Matrix identity =B

Score =0.65
Weighted value =₹ 1.50 crore

Failure of the departmental officials to ensure eligibility of the persons for old age pension and other benefits resulted in irregular payments of ₹ 2.30 crore

With a view to provide social security, the State Government introduced the Old Age Pension and Financial Assistance to Widows and Destitute Women Scheme, 1968. Under the Old Age Pension Rules, 1968, the Punjab Government grants pension of ₹ 250 per month to the old people of Punjab living in the State for more than three years at the time of submission of application. Men and women who are at least 65 and 60 years old respectively and whose monthly income is less than ₹ 1,000 are eligible for grant of old age pension. In the year 2010-11, there were 18.80 lakh beneficiaries to whom an amount of ₹ 598.07 crore was paid.

a) Ineligible beneficiaries detected by the department

As there were reported cases of ineligible old age pensioners, the State Government directed (October 2008) all the Deputy Commissioners of the districts to arrange to conduct verification by the village sarpanches and patwaris of all the beneficiaries of old age pension to whom such benefits had been allowed after 1 September 2002. The verification in 10 out of the 20 districts was completed (March 2010 to August 2010) and 40,893 ineligible

[13] Shah Nahar Head Works Division, Talwara and Eastern Canal Division, Ferozepur

beneficiaries of old age pension and financial assistance to widows and destitute women were detected by the department. The Director, Social Security and Women and Child Development, Punjab (Director) issued (June 2010) instructions to all the District Social Security Officers (DSSOs) to stop payment of pension to all the ineligible pensioners and to recover the amount of excess pension paid along with interest.

On the ground that the beneficiaries were not satisfied with the verification conducted by the department, the Council of Ministers, while considering the cases of stoppage of pension, ordered (September 2010) for re-verification of the beneficiaries and not to stop the pension of any person. However, the re-verification of the beneficiaries of old age pension is under process (June 2011).

b) Ineligible beneficiaries detected by Audit

We conducted test check in three out of the 10 districts where the original verification was completed by the department and found that the old age pension was being paid to 1375[14] ineligible persons, out of 160733 cases test checked, which were declared eligible after verification by the department like those having excess land holding, under aged, excess income and sons of the beneficiaries working in Government job/working abroad. The original verification done by the department was deficient and the amount of payment made to the ineligible persons worked out to ₹ 1.73 crore during the period April 2003 to September 2010.

On this being pointed out (October 2010 to January 2011), the DSSOs of SAS Nagar and Gurdaspur stated (November 2010 and January 2011) that the matter would be taken up with the Head Office and the DSSO, Ferozepur stated that reply would be sent after verification.

c) Release of payment despite absence of beneficiaries

We further noticed (October 2010) that in SAS Nagar district, 506 pensioners were found absent during the departmental verification due to the reasons such as (i) address not proper, (ii) not residing in the said address, (iii) shifted to other places and (iv) not appeared before the verification team. Inspite of these, 506 cases were included in the list of eligible pensioners and payment of ₹ 10.12 lakh for the period January 2010 to August 2010 was made to them without ensuring correctness of their eligibility etc. On this being pointed out (October 2010), the DSSO, SAS Nagar stated that the matter would be brought to the notice of the Director for further orders.

d) Release of payment to non BPL families

Under the National Family Benefit Scheme, lump sum cash assistance of ₹ 10,000 was to be paid to the below poverty line families (BPL) on the death of the primary bread winner (member of household whose earning contributed substantially to household income) in the age group of 18-65 years. Test

[14] Ferozepur: 728 cases (₹ 0.90 crore), Gurdaspur: 514 cases (₹ 0.65 crore) SAS Nagar : 133 cases (₹ 0.18 crore)

check of the records in three districts15 disclosed that in 471 cases, payment of ₹ 47.10 lakh was made to the non BPL families during October 2007 to September 2010.

On this being pointed out (October 2010 to January 2011), the DSSO, SAS Nagar stated (October 2010) that the matter would be looked into. The DSSO, Ferozepur stated (December 2010) that the benefit was given to other eligible families after verification as per Government instructions. The DSSO, Gurdaspur stated (January 2011) that benefit was given to other eligible families after getting the verification report from the concerned Child Development Project Officers and getting the below income certificate from the competent authority. These replies are not acceptable because the non BPL families were not eligible for benefit under this scheme in any case.

Thus, due to failure of the officials of the department to verify and ensure the eligibility of persons for pension and other benefits, payments to the tune of ₹ 2.30 crore were made to the ineligible beneficiaries during the period April 2003 to September 2010 in three districts alone.

The matter was referred to the Government (May 2011); reply has not been received (December 2011).

AGRICULTURE DEPARTMENT AND HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.1.7 Failure to recover departmental charges

Money value= ₹1.18 crore
Matrix identity = E
Score =0.45
Weighted value =₹ 0.53 crore

Departmental charges of ₹ 1.83 crore remained un-recovered due to ineffective follow up and delay in taking decision

As per Section 50(1) of the Land Acquisition Act, 1894 (Act), where the provisions of this Act are put in force for the purpose of acquiring land at the cost of any fund controlled or managed by a local authority or of any company, the charges of and incidental to such acquisition shall be defrayed from or by such fund or company. In the case of Industries Department, where land on behalf of local authority, private bodies and companies was acquired, the State Government decided (April 1992) to levy and recover departmental charges at the rate of 14 *per cent* on the cost of land acquired.

Mention was made in paragraph 4.5.1 of the Comptroller and Auditor General's Audit Report (Civil)-Government of Punjab for the year ended 31 March 2007 regarding non levy of departmental charges of ₹ 4.94 crore by the Director, Colonization and Land Acquisition, Punjab, (Director). The amount is yet to be realized and the department stated (May 2011) that they were making efforts to recover the outstanding charges. Few more instances of non-recovery of the departmental charges are discussed below:

a) Test check of records (April 2010) in the office of the Director disclosed

[15] Ferozepur : 314 cases (₹ 31.40 lakh), Gurdaspur : 106 cases (₹ 10.60 lakh) and SAS Nagar : 51 cases (₹ 5.10 lakh)

that the department acquired land measuring 40.33 acres at a cost of ₹ 8.40 crore on behalf of the Punjab State Agricultural Marketing Board (Board) between November 2008 and March 2009 for development of four[16] *mandis* in the State. The departmental charges of ₹ 1.18 crore at the rate of 14 *per cent* of the land cost were included in the four land acquisition awards approved by the Financial Commissioner (Revenue). Though the amount of land acquisition was deposited by the Board between November 2008 and March 2009, the departmental charges of ₹ 1.18 crore were not paid by the Board.

On being pointed out (April 2010), the Director stated (April 2010 and May 2011) that the matter was taken up with the Board, but payment of the departmental charges had not been made so far by the Board. The Secretary of the Board further stated (May 2011) that it had taken up (June 2009) the matter for reducing the charges from 14 to 2 *per cent* with the State Government. The reply is not acceptable as even after two years, the Government has not responded to the request.

Thus, due to protracted correspondence having no effect and abnormal delay in taking decision at the Government level, receipts of ₹ 1.18 crore remained to be recovered by the department.

Money value= ₹0.65crore

Matrix identity = E

Score =0.35
Weighted value =₹ 0.23 crore

b) Similarly, the Land Acquisition Collector (LAC), Greater Mohali Area Development Authority (GMADA), Mohali acquired (January and February 2011) 2.88 acre of land for M/s PACL (a private company) for ₹ 4.68 crore. However, departmental charges amounting to ₹ 65.42 lakh (calculated @ 14 *per cent* of the cost of land) for the acquisition were not levied and recovered from the company. This resulted in loss to the State exchequer to the tune of ₹ 65.42 lakh.

On being pointed out (August 2011), the Chief Administrator, GMADA stated (December 2011) that as no such condition was imposed in the draft award, departmental charges could not be realized from the company and the matter was being referred to Government to take appropriate decision. The reply is not acceptable as the departmental charges were required to be levied and recovered from the company as per provisions of the Act *ibid*.

The matter was referred to the Government (March and September 2011); the reply has not been received (December 2011).

[16] Dharamkot (District Moga), Noor Mehal (District Jalandhar), Patiala and Raikot (District Ludhiana)

PUBLIC WORKS DEPARTMENT (B&R), IRRIGATION DEPARTMENT AND HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.1.8 Undue favour to the contractors

Money value= ₹1.14 crore

Matrix identity = C

Score = 0.55
Weighted value = ₹ 62.70 lakh

Labour cess of ₹ 1.40 crore was recovered after pointed out by Audit and ₹ 1.14 crore remained to be recovered from the contractors

The Punjab Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008 regulate the employment and conditions of service of the building and other construction workers and provides for their safety, health and welfare measures.

The Government vide notification dated 11 November 2008 decided that in case of building or other construction work that has been or is being carried out through contractors, all Government departments, corporations, and local authorities etc., shall deduct a cess at source at the rate of one *per cent* of the approved cost of the work from the bills of the contractors at the time of making payments and to be remitted to the Punjab Construction Workers Welfare Board on or before 10th day of the succeeding month, after deducting the cost of collection, if any, not exceeding one *per cent* of the amount so collected.

Mention was made in paragraph 3.1.8 of the Report (Civil) of the Comptroller and Auditor General of India- Government of Punjab for the year 2009-10 regarding non-deduction of labour cess from the payments made to the contractors by some divisions of the Punjab Mandi Board. Few more instances of non deduction of labour cess are given below:

(a) Scrutiny of records (July 2009 to December 2009) of 11 Public Works and Irrigation divisions ***(Appendix 3.2)*** revealed that cess amounting to ₹ 2.31 crore at the rate of one *per cent* of the total payments of ₹ 231 crore made to the contractors during December 2008 to April 2009 was not deducted from the contractors' bills.

After this was pointed out by us, an amount of ₹ 1.40 crore ***(Appendix 3.2)*** was recovered leaving ₹ 91.49 lakh ***(Appendix 3.2)*** still recoverable.

On this being pointed out (between August 2009 and December 2009), the Executive Engineers (EE) of Ferozepur, Gurdaspur and No.-I Ludhiana divisions stated (August and September 2011) that amount would be recovered from the concerned agencies. The EEs of the other two divisions stated (August 2011) that labour cess would be deducted. Final recovery was awaited (August 2011).

(b) Similarly, in Construction Division No.2, GMADA, Mohali, a sum of ₹22.72 crore was released to a contractor after the issue of notification on which one *per cent* cess amounting to ₹ 22.72 lakh was not deducted.

On being pointed out, the Divisional Engineer, GMADA stated (August 2011) that matter regarding deduction of cess on works allotted prior to 1st October 2008 was being taken up with the competent authority and also stated that as decided (May 2009) by the Chief Engineer, GAMADA, the cess would be borne by GMADA from its own sources. The decision of the CE was not prudent as the contention of the notification was that one *percent* cess was to be recovered from the contractors and not to be borne/paid by the departments.

Thus, failure to deduct the cess of ₹ 1.14 crore amounted to undue favour to the contractors and denial of benefits to the construction workers.

The matter was referred to the Government (April 2010 and May, September 2011), reply has not been received (December 2011)

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1.9 Creation of liability due to non-deduction of Employees Provident Fund contribution

Money value= ₹ 86.12 lakh

Matrix identity =E

Score =0.45
Weighted value =₹ 38.75 lakh

Delayed registration of the District Health Societies and non-deduction of contribution under the Employees Provident Fund and Miscellaneous Provisions Act resulted in creation of liability of ₹ 86.12 lakh

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (Act)[17] provides that any establishment employing twenty or more persons or class of such establishment which the Central Government may, by notification in the Official Gazette specify in this behalf, is covered under this Act. As per provisions contained in the Employees Provident Fund Scheme, 1952 framed by the Central Government under Section 5 of the Act, an employee of the covered establishment whose emoluments do not exceed ₹ 6500 per month are covered under the scheme.

The employers are required to get them registered with the Regional Provident Fund Commissioner (RPFC) and pay, at the first instance, to the fund both the contributions i.e. contribution payable by themselves and equivalent contribution payable by the employees covered under the scheme at the rate of 12 *per cent* of the emoluments. The contribution paid by the employer on behalf of the member employee is recoverable by means of deduction from wages of the member employee. If timely deductions are not made from the employees' wages, the employer will have to pay both the shares himself, as recovery of arrears of the contribution for the back period from the subsequent wages of the employees is prohibited.

Scrutiny of records of the District Health Societies (DHSs), Jalandhar, Patiala and Bathinda and subsequent information collected from the State Health Society (SHS) and all the 20 DHSs in the State constituted under the National Rural Health Mission (NRHM), revealed that though the SHS and DHSs were established between August 2005 and October 2007, they got themselves registered with RPFC between January 2010 and August 2010 only.

[17] Section 1(3) (b) and 1(5) of the Act

Consequently, the employees' contribution in respect of the employees employed in these societies was not deducted from their salary and both the employer and employees contributions were not deposited with RPFC. The amount of employers' share of contribution for the period 1 April 2008 to 31 March 2010 alone in respect of 2412 employees employed by 19 societies worked out to ₹ 86.12 lakh (***Appendix 3.3***).

On being pointed out (between October 2009 and June 2011), the Managing Director, NRHM stated (May 2011) that they had decided to make payments of arrears of Employees Provident fund on behalf of the employer as well as the employees share for the time being so as to avoid any legal complications and the department would recover the employees' share from the employees in easy installments over a reasonable period. The reply is not in consonance with the provisions of the Act, which prohibits recovery of contribution from the wages of the employees, if timely deduction was not made by the employer.

Thus, delayed registration of the societies with the RPFC and consequent non-deduction of contribution created a liability of ₹ 86.12 lakh.

The matter was referred to the Government (May 2011); the reply is awaited (December 2011).

HOME AFFAIRS AND JUSTICE DEPARTMENT

3.1.10 Incorrect fixation of pay

Money value=₹ 54.79 lakh
Matrix identity =C
Score =0.70
Weighted value =₹ 38.35 lakh

Failure to adhere to the instructions of Government in fixing the pay of constables resulted in extra burden of ₹ 54.79 lakh on the State exchequer

As per schedule of General Conversion Table to the Revised Pay Rules, 2009 notified by the Punjab Government in May 2009 and further clarified by the Finance Department in October 2009, the constables and clerks drawing pay in the pre-revised scale of pay of ₹ 3120-5160[18] were to be placed in the revised pay scale of ₹ 5910-20200 plus grade pay of ₹ 1900. Accordingly, the pay of the persons in the Police Department appointed as constables and clerks on or after 1 January 2006, was to be fixed at ₹ 7810 (₹ 5910+grade pay ₹ 1900).

Scrutiny of records (September–December 2010) in the offices of the Commandants, 5th Indian Reserve Battalion (IRB), Amritsar; 7th IRB, Kapurthala; and 80th Battalion, Punjab Armed Police (PAP), Jalandhar, revealed that 908 constables and two clerks were appointed after 1 January 2006. The Drawing & Disbursing Officers (DDOs) of the respective offices fixed the pay at higher stage of ₹ 8140 (Basic pay :₹6240+ grade pay: ₹ 1900) instead of ₹ 7810 (₹ 5910+ grade pay of ₹ 1900) in violation of the clarification issued by the Finance Department. Thus, non-adherence to the instructions of Government in fixing the pay of the constables and clerks by the DDOs resulted in excess payment of ₹ 81.64 lakh during the period from August 2009 to November 2010.

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[18] 3120-100-3220-110-3660-120-4260-140-4400-150-5000-160-5160

On being pointed out (December 2010), the Commandant, 80th Battalion (PAP), Jalandhar started making recovery of the excess payment from the salary of the concerned officials from April 2011. Whereas the Commandants of 5th IRB Amritsar and 7th IRB Kapurthala stated (February 2011and March 2011) that an Anomaly Committee had been constituted by the Government to sort out the anomalies arisen out of the recommendations of 5th Pay Commission and required action would be taken on receipt of report of the Anomaly Committee.

The Director General of Police (DGP) stated (May 2011) that all the Commandants of the respective Battalions had been asked to fix the pay of the constables as per instructions of the Finance Department and effect recovery. Further, the Finance Department revised (June 2011) the pay scales[19] of Constables w.e.f. 1.9.2011. However, an amount of ₹ 26.85 lakh has been recovered by the Commandants, 7th IRB, Kapurthala (₹ 12.07 lakh) and 80th Battalion (PAP), Jalandhar (₹ 14.78 lakh) from the salary of the concerned officials (July 2011). The Commandant, 5th IRB, Amritsar intimated that the recovery would be started from the salary for the month of July 2011 onwards. Hence, the balance amount of ₹ 54.79 lakh was still to be recovered (July 2011). Incidentally, the Commandant of 27th Battalion PAP, Jalandhar fixed the pay of its constables correctly at ₹ 7810 as per the revised pay rules.

The matter was referred to Government (March 2011); the reply is awaited (December 2011).

3.2 Failure of oversight/governance

Government has an obligation to improve the quality of the life of the people in the area of health, education, development and upgradation of infrastructure, public services etc. Audit noticed instances where the funds released by the Government for creating public assets remained unutilized/blocked or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. Some important audit findings about failure of oversight/governance are as under:

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2.1 Incomplete Health Facilities

Money value=₹ 6.64 crore
Matrix identity =D

Score =0.50
Weighted value =₹ 3.32 crore

A number of health facilities viz. Hospitals, Community Health Centres, Primary Health Centres, three of which were announced by the Chief Minister in public meetings seven to four years ago, did not materialize which also resulted in blockage of ₹ 6.64 crore

An audit was conducted during December 2010 and May 2011 covering the period April 2009 to March 2011 to study the status of hospital building

19

Pre-revised scale	Revised scale of pay w.e.f. 1.1.2006			Revised scale w.e.f. 1.9.2011		
3120-5160	Pay Band	Grade Pay	Initial Pay	Pay Band	Grade Pay	Initial Pay
	5910-20200	1900	7810	5910-20200	2000	8240

projects taken up by the Department of Health and Family Welfare by test checking the records in the offices of the Director, Health and Family Welfare, Punjab, (DHFW) and the Managing Director, Punjab Health Systems Corporation, Mohali (PHSC). Our findings are discussed below:

Despite announcements made by the Chief Minister, hospital buildings lay incomplete

a) Mother and Child Specialty Hospital, Peerjain, Fatehgarh Sahib

Based on an announcement by the Chief Minister in December 2004 to construct a Super Specialty Hospital at Peerjain, Fatehgarh Sahib, Punjab Infrastructure Development Board (PIDB) was directed to hire a consultant to assess the feasibility of the project on Public-Private Partnership (PPP) mode. The consultant declared the project as non-feasible in May 2005. Thereafter, the Chief Secretary, put forward an alternative proposal in May 2005 to construct a secondary level 60 bedded Mother and Child Specialty Hospital (MCSH), which was also examined by the consultant in January 2006 and found to be commercially unviable. The consultant suggested that a demand and market assessment study be conducted before the project is taken up.

Scrutiny of the records in the offices of DHFW (October 2008) and PHSC (November 2008) and further study (between September 2009 and July 2010) disclosed that the Administrative Secretaries[20], in a meeting, in departure from the recommendations of the consultant, decided (May 2006) to get the MCSH building constructed by the Government through PHSC and to operate it in PPP mode through PIDB. In tune with this decision, the project, estimated for ₹ 7.74 crore[21] was included in State Annual Plan and funds of ₹ 2.50 crore were released (November 2006) to PHSC. The PHSC, after calling tenders (July 2006), awarded (October 2006) the work of construction of MCSH to a contractor at a cost of ₹ 6.78 crore to be completed by October 2007. Since no further funds were released, the work was stopped (January 2008) after spending ₹ 2.22 crore. The project is lying incomplete as depicted in the pictures below:

Incomplete Mother and Child Specialty Hospital building at Peerjain, Fatehgarh Sahib

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20 Financial Commissioner Revenue, Principal Secretary Finance, Secretary Health and Family Welfare, Secretary, Public Works, Special Secretary Social Welfare, Special Secretary Cooperation under the chairmanship of Chief Secretary

21 ₹ 6.78 crore for construction and ₹ 0.96 crore for lift, electricity connection, landscaping, etc.

b) Civil Hospital, Nangal

In another instance, the Chief Minister proposed (November 2005) the setting up a hospital at Nangal in a public meeting, which was included in State Annual Plan and the Principal Secretary, Department of Health and Family Welfare (PSHFW) entrusted (February 2006) the work of construction to the PHSC. The hospital estimated (July 2006) for ₹ 5.58 crore, after calling tenders (November 2006) was awarded (January 2007) to a contractor at a cost of ₹ 5.48 crore to be completed by December 2007. Against receipt of ₹ one crore (September 2006), an expenditure of ₹ 1.24 crore was incurred and the construction was stopped (September 2007) for want of further funds.

Incomplete building of Hospital at Nangal

Subsequently, the State Government released ₹ 5.00 crore[22] in January 2009 for completion of both the above mentioned hospital buildings against the requirement of ₹ 10.69 crore[23]. As these funds were insufficient, therefore, on the recommendations of the PHSC (April 2009), the PSHFW, after obtaining orders (May 2009) from the Chief Minister, handed over (August 2009) the incomplete buildings to PIDB on as is where basis for its completion and operation on PPP mode. The existing agreements of both the works with the contractors were rescinded.

On being asked (between August 2010 and January 2011) about the reasons for taking up the construction of MCSH in departure of the recommendations of the consultant, the PSHFW instead of furnishing the reply, instructed the PHSC to furnish reply. The PHSC stated in May 2011 that the tendering for PPP mode for both the above hospitals was underway with PIDB and further information may be sought from PIDB. These responses reflect the lack of seriousness and coordination among the agencies involved in the project.

Thus, despite announcements made by the CM, the department did not provide sufficient funds and the projects were left incomplete. The vision of the CM to provide specialized health care to the masses was not materialized. Further, this resulted in blockage of funds to the tune of ₹ 3.46 crore on projects that are still awaiting revival in PPP mode (December 2011).

22 ₹ 3.00 crore for MCSH and ₹ 2.00 crore for hospital at Nangal

23 ₹ 5.66 crore for MCSH and ₹ 5.03 crore for hospital at Nangal including price escalation of ₹ 1.79 crore

c) Community Health Centre, Tripuri, Patiala

The Chief Minister, Punjab made an announcement in July 2007 for the upgradation of Civil Dispensary, Tripuri Town, Patiala, to a 30 bedded Community Health Centre (CHC) by arranging funds from the Pepsu Township Development Board, Rajpura that functions under the chairmanship of Chief Minister itself.

Scrutiny of the records (May 2011) of the Punjab Health Systems Corporation (PHSC) disclosed that the work of construction of CHC was completed at a cost of ₹ 1.85 crore in August 2009. The building was handed over to the Senior Medical Officer, Kauli in December 2009. Further, machinery and equipment valuing ₹ 42.98 lakh was supplied to the CHC. Despite a timely appraisal (June 2009 and August 2009) having been conducted by the PHSC, the posting of requisite manpower, to be made by the Director, Health and Family Welfare, to make the CHC functional was awaited.

We found that this building was lying non-functional as no manpower was posted to the hospital by the DHFW.

d) Primary Health Centre, Kaller Khera, Ferozepur

Government of India provided (2007-08) ₹ 90.00 lakh under the Border Area Development Programme for the construction of a Primary Health Centre (PHC) village Kaller Khera in Ferozepur district.

Scrutiny of the records (December 2010) in the office of the Civil Surgeon, Ferozepur disclosed that the hospital building was completed in March 2009 at a cost of ₹ 90 lakh. The building was handed over to the Senior Medical Officer, CHC, Khuikhera in August 2009. The proposal to recruit manpower for the PHC was presented by the Civil Surgeon to PSHFW in September 2009 and to DHFW in November 2009. However, we found that manpower had not been posted by the DHFW to the PHC. As a result of which, the PHC building was lying non-functional.

On being inquired by Audit, the DHFW intimated (June 2011) that the posts for CHC, Tripuri and PHC, Kaller Khera had been sanctioned in November 2010 and the recruitment was underway. The reply of the DHFW is not acceptable as the recruitment process ought to have been undertaken and completed in synchronization with the completion of both the buildings.

Thus, lack of timely action on the part of DHFW has led to blockage of expenditure to the tune of ₹ 3.18 crore for a period of more than two years.

Conclusion

We observed that improper planning and lack of coordination among different agencies of the Department of Health and Family Welfare led to hospital buildings lying incomplete/unused in the State thereby depriving the masses of the much needed access to health services.

3.2.2 Insufficient creation and mis-management of residential accommodation for medical and para-medical personnel

Insufficient creation and mis-management of residential accommodation affected the availability of medical and paramedical personnel in the health institutions and also resulted in avoidable payment of house rent allowance to them

With a view to ascertain the availability of residential accommodation to the medical and paramedical staff in the Department of Health and Family Welfare, an audit was conducted during December 2010 and May 2011 covering the period from April 2009 to March 2011 by test checking the records in all the 446 Primary Health Centres (PHCs), 129 Community Health Centres (CHCs), 35 Sub Divisional Hospitals (SDHs) and 20 District Hospitals (DHs) in the State.

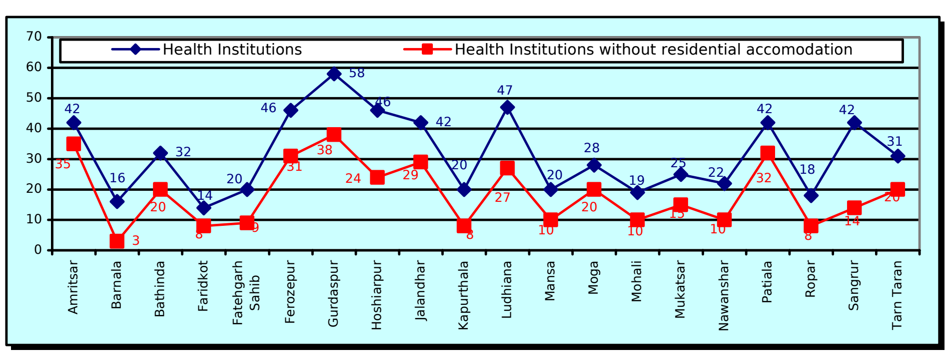
Money value=₹ 3.43 crore
Matrix identity =E
Score =0.35
Weighted value =₹ 1.20 crore

a) Non-availability of residential accommodation

The National Rural Health Mission (NRHM) was launched in Punjab in April 2005 with the objective of bridging the gaps in healthcare facilities. The activities of the NRHM are carried out through a registered society called the "State Health Society, Punjab" (SHS) headed by the Chief Secretary. The SHS reflects its requirement of funds through the Programme Implementation Plans (PIPs) for various activities under NRHM. The Government of India (GOI) provides funds to the SHS on the basis of approved PIP. As per the Indian Public Health Standards (IPHS), adopted under the NRHM, health institutions at each level are required to be equipped with the facility of residential accommodation for the essential medical and paramedical personnel, by March 2012. Further, as per the Punjab Civil Services Rules Volume-I, Part-II, medical and para-medical personnel are to be granted rent free quarters. When no rent-free accommodation is provided, a reasonable house-rent allowance is granted.

Scrutiny of the records disclosed that as much as 59 *per cent* of the health institutions in the State were not offering residential accommodation to the medical and paramedical personnel. Out of the 630 health institutions, 371 had no residential accommodation. The district-wise position of health institutions without the facility of residential accommodation in the State, is depicted in the chart below:

Chart : District-wise position of health institutions without residential accommodation



Among the districts, non-availability of residential accommodation at Amritsar was worst (83 *per cent*) followed by Patiala (76 *per cent*) and Moga (71 *per cent*).

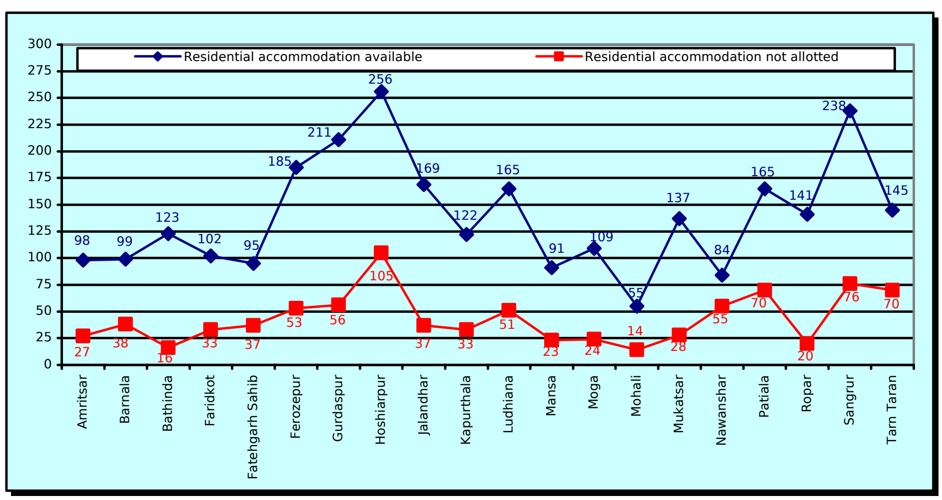
In the State Action Plan of NRHM for the period 2008-12, the SHS recognized the lack of residential facilities in the health institutions for medical and para-medical staff. The SHS also acknowledged its impact on 24 hours delivery services under Reproductive Child Health Programme. But the SHS did not project the budgetary requirement in the PIP for bridging the gap in requirement and availability of residential accommodation in the health institutions.

Further, to mitigate shortage of residential accommodation, the Managing Director, Punjab Health Systems Corporation (PHSC), since its very inception in 1996, neither planned the construction of houses nor approached the SHS for obtaining necessary funds under NRHM despite having been assigned the responsibility of construction and maintenance of residential accommodation for the medical personnel of the State.

b) Failure to allot available residential accommodation

In the remaining 259 health institutions, 2790 units of residential accommodation were available, but despite availability of staff those were drawing house rent allowance and hence could be allotted residential accommodation, 866 (31 *per cent*) units remained un-allotted to the staff for want of repairs of the buildings. The district-wise position of un-allotted residential accommodation is given in the following chart:

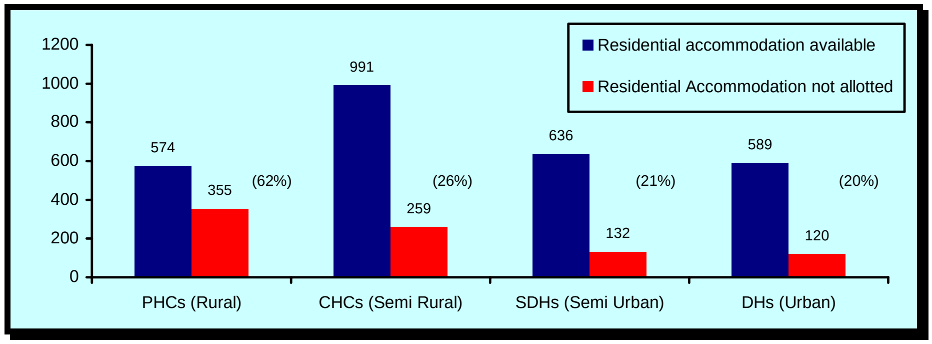
Chart : District-wise position of residential accommodation available but not allotted



As is evident from the above chart, the position of idle residential accommodation was worst in Nawanshahar (65 *per cent*) followed by Tarn Taran (48 *per cent*) and Patiala (42 *per cent*).

The detail of non-allotment of residential accommodation in the PHCs, CHCs, SDHs and DHs against availability is indicated by the bar chart below:

Chart : Health Institution-wise position of non-allotment of residential accommodation

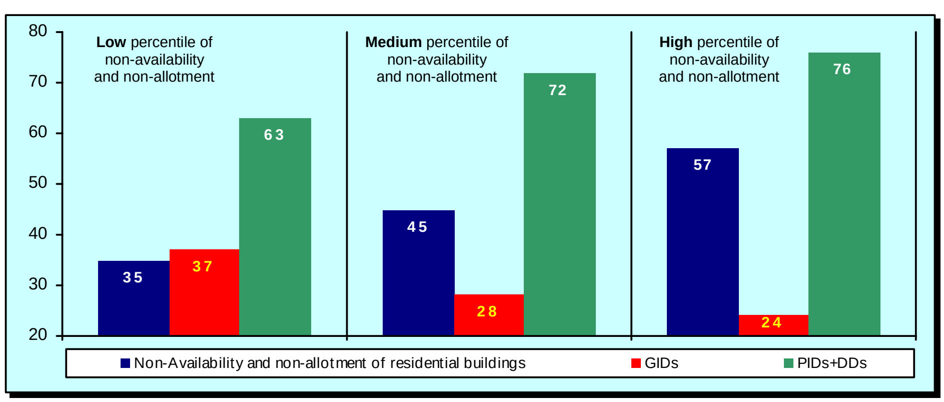


With a low occupancy of 38 *per cent*, the position of allotment of residential accommodation to the medical and para-medical personnel attached to the PHCs in the rural area was dismal. Occupancy of residential units was increasingly better in health institutions located in semi-rural, semi-urban and urban areas.

Reacting to a question in the legislative assembly, the PHSC, responsible for maintenance of the houses attached to the health institutions, prepared (October 2010) a rough estimate of ₹ 20.26 crore for renovation and major repairs of residential buildings attached to health institutions. But despite having unspent balance of user charges amounting to ₹ 21.14 crore at the close of March 2010, the much needed renovation and repair of the residential accommodation was not carried out. The Government had to pay avoidable house rent allowance amounting to ₹ 3.44 crore to the staff during the period from April 2009 to March 2011.

As per State Action Plan of the SHS, non-availability of residential accommodation was among the major causes affecting availability of 24 hours delivery services under Reproductive Child Health–II Programme under NRHM. The trend emerging from statistics of Government Institutional Deliveries (GIDs), Private Institutional Deliveries (PIDs) and Domestic Deliveries (DDs) furnished by the department is presented in the chart below:

Chart : Trend of Government Institutional Deliveries, Private Institutional Deliveries and Domestic Deliveries as compared to the extent of non-availability and non-allotment of residential accommodation



As is evident from the chart above, a clear pattern emerged which indicates that GIDs are less as compared to PIDs and DDs in districts having lesser residential accommodation for medical and para-medical staff.

On being pointed out (April 2011), the Managing Director, NRHM admitted in April 2011 that provision for construction and repair of the houses was not included in the Project Implementation Plan (PIP) that formed the basis of funds to be released under NRHM by GOI to the State. Reasons for this failure, though specifically ascertained by us (August 2011 and January 2012), were not intimated. The PHSC, in May 2011, showed its inability to construct the residential accommodation for medical and paramedical personnel for want of funds. The reply was not tenable, as the PHSC had neither planned for the repair or construction of residential accommodation nor demanded funds.

c) Avoidable expenditure due to inordinate delay in completion

Director, Health and Family Welfare (DHFW) accorded the administrative approval in March 1992, for construction of residential accommodation estimated at ₹ 42.44 lakh for 18 medical and paramedical staff at the Sub-Divisional Hospital, Jagraon under the scheme of revamping of emergency medical services in the State.

Scrutiny of records (September 2007 and October 2009) and further information collected (December 2010) disclosed that the construction started in 1991-92 was stopped in June 2000, after incurring an expenditure of ₹ 37.40 lakh, due to paucity of funds. With the available funds, 90 *per cent* of the work was completed and to complete the balance work, only ₹ 10.50 lakh was required (December 2004). Despite the fact that Senior Medical Officer, Sub-Divisional Hospital, Jagraon (SMO) requested the DHFW and PHSC repeatedly to make arrangements for completion of the residential accommodation, no funds were provided. At the instance of Audit, the PHSC prepared an estimate for ₹ 54.50 lakh (including ₹ 1.82 lakh for repair of hospital building) and obtained (December 2009) the requisite administrative approval of NRHM to complete the balance work. The PHSC awarded (January 2011) the balance work at a cost of ₹ 48.80 lakh which was completed in July 2011 by incurring an expenditure of ₹ 47.07 lakh[24].

Thus, due to non-serious approach of the department, it took 11 years to get the work completed and the Government incurred additional expenditure of ₹ 38.30 lakh and had to pay ₹ 42.43 lakh as house rent allowance in the intervening period.

Conclusion

Lack of priority in construction and repair of the residential accommodation led to non-construction and non-allotment of accommodation to the medical and paramedical personnel. This, in turn had affected round the clock availability of medical and paramedical staff in the health institutions especially in rural areas. It also resulted in avoidable payment of house rent allowance to the health personnel.

[24] Expenditure on account of final bill was yet to be booked.

IRRIGATION DEPARTMENT

3.2.3 Wasteful expenditure

Failure of the department to ensure availability of the required quantity of water in the Sangatpura distributary and its minors before taking up the restoration work rendered the expenditure of ₹ 1.98 crore as wasteful

Money value= ₹1.98 crore

Matrix identity =B

Score =0.65
Weighted value=₹ 1.28 crore

The Sangatpura distributary branching off from the Saraswati feeder in Haryana is an interstate distributary constructed in 1960s. The water was not reaching the tail ends of the distributary and its minors in Punjab for the last 10 years as the head reaches were falling in Haryana and sufficient water was not left in the Punjab portion of the distributary. On 24 March 2008, a joint inspection was carried out at the point of entry of the distributary in Punjab (at RD 72400) by Executive Engineer, Bhakra Main Line Division, Patiala and Executive Engineer, Kaithal Water Supply Division, Kaithal and tail gauge was recorded at 1.5 feet. During joint inspection, it was decided that all out efforts would be made to maintain this supply in future also. To have smooth flow of water up to the tail ends of Sangatpura distributary and its minors, the Planning and the Finance Departments of the Government of Punjab approved (November 2008) the project for restoration of Sangatpura distributary system at an estimated cost of ₹ 2.02 crore. The Irrigation Department released (December 2008) ₹2.02 crore for the restoration work subject to the condition that the Chief Engineer (CE), Canals, Punjab should ensure availability of water in the distributary/minors. The administrative approval accorded by the Irrigation Department (Works Branch) in January 2009 was also subject to the same condition.

During December 2008 and February 2009, CE technically sanctioned five estimates of ₹ 1.97 crore[25] for restoration of the Sangatpura distributary system and its minors without ensuring the availability of water. The work of restoration of the distributary/minors started in January 2009, was completed in March 2010 by incurring an expenditure of ₹ 1.98 crore. However, the water was still not reaching the tails of the distributary/minors because the water level as committed in the joint inspection was not maintained by the Haryana State.

Thus, failure of the department to ensure availability of the required quantity of water in the distributary as laid down in the administrative approval before taking up the work had rendered the expenditure of ₹1.98 crore as wasteful.

On being pointed out (May 2010), the EE stated (June 2011) that the Haryana officers were denying the Punjab share and the matter was pursued regularly by the Punjab authorities with Haryana State. The reply is not acceptable as the restoration work was taken up only on the basis of joint inspection held at

[25] 1. Restoration of Sangatpura distributary system RD 72400 to 113000-₹ 81.56 lakh: 2. Restoration of Sangatpura distributary system,Taipura minor RD 0 to 20500-₹ 46.42 lakh: 3 Restoration of Sangatpura distributary system, Khanauri minor from RD 89700 to 96300- ₹ 11.83 lakh: 4. Laying underground pipe line for escape channel of Taipura minor out falling into river Ghaggar-₹ 23.84 lakh: 5.Laying underground pipe line for escape channel of Sangatpura distributary out falling into Kaithal drain-₹ 33.24 lakh.

the level of Executive Engineers on 24 March 2008 without obtaining firm commitment at higher level/ Haryana Government.

The matter was referred to the Government (May 2011); reply has not been received (December 2011).

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.2.4 Idling of houses

Money value=₹ 1.42 crore
Matrix identity =D
Score =0.45
Weighted value =₹ 0.64 crore

Construction of houses without conducting any demand survey and subsequent encroachments resulted in idling of 203 houses constructed at a cost of ₹ 1.42 crore

The Punjab Housing Development Board (now Punjab Urban Planning and Development Authority (PUDA)) established by the Punjab Government in 1972 to provide shelter to its people of different sections by constructing houses under different schemes. The administrative approval committee of the Board in its meeting held on 9th March 1995 gave approval to set up a social housing colony consisting 1160 houses for the economically weaker sections under the Board's own scheme at Bathinda at a cost of ₹ 8.02 crore. The estimate was technically sanctioned by the Chief Engineer in June 1995 for ₹ 5.71 crore. But no demand survey was conducted before taking up the construction of these houses on the plea that no demand survey was required as scheme was floated on the proposal of the Government.

During test check of records (March 2010), it was noticed that the Divisional Engineer (Civil), PUDA (now Bathinda Development Authority (BDA)) Bathinda, invited tenders in September 1995 for the work of 'Construction of only 203 Economically Weaker Section (EWS) houses at Bathinda' at an estimated cost of ₹ 86.37 lakh. The work was allotted to a contractor at ₹ 86.50 lakh in February 1996 fixing a time limit of 12 months. The civil works were completed in 1996-97 by incurring an expenditure of ₹ 1.20 crore, besides ₹ 14.39 lakh and ₹ 7.29 lakh incurred on internal public health and electrical works, respectively.

As the evidential cost per house was ought to be higher than that valid for an EWS category house, it was decided by the Chief Administrator, PUDA (June 1997) to invite applications treating these houses as LIG houses. Accordingly, applications for these houses were invited in February 1998 fixing the cost of ₹ 1,18,800 per unit. Only four applications were received which were also taken back by the applicants. Even after reducing the cost to ₹ 95,800 in August 1998, the houses could not be sold as the external basic amenities like water supply, sewerage, electricity and other public health services could not be provided in these houses due to encroachments and unauthorized possessions. In July 2003, the Estate Officer, PUDA, Bathinda stated that the unauthorized possessions and encroachments had been removed and further action to dispose of these houses would be taken up after providing basic amenities/facilities.

We noticed (March 2010) that neither the basic facilities had been provided in these houses nor the unauthorized possessions and encroachments had been got removed and allotment of the houses was pending as of May 2011. Thus, due to construction of the houses without conducting demand survey coupled with unauthorized encroachments, the houses could not be sold even after more than 14 years resulting in unfruitful expenditure of ₹ 1.42 crore. The Divisional Engineer (Civil) PUDA, Bathinda while admitting the facts stated (June 2011) that the construction was complete in all respects and the allotment was pending due to encroachments.

The matter was referred to the Government (May 2011); reply has not been received (December 2011).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2.5 Ineffective implementation of the Rashtriya Arogya Nidhi Scheme instituted for health care of below poverty line people

Money value=Nil
Matrix identity =Nil
Score = 0.00
Weighted value=Nil

Due to ineffective implementation of the scheme by not making wide publicity, ₹ 2.95 crore remained unutilized over three years, besides foregoing the scope to avail possible matching contribution of ₹ 62.50 lakh from Government of India

The Punjab Financial Rules[26] regulating grant-in-aid (grant) to educational and other institutions, local bodies and cooperative societies lay down that only so much of the grant should be paid during any financial year as is likely to be spent during the year. The Rules further provide that before grant is paid, the sanctioning authority should, as far as possible, insist on obtaining an audited statement of accounts of the body or institution to see that grant is justified and to ensure that previous grant, if any given, was spent for the purpose for which it was intended.

Scrutiny of records in the office of Director, Health and Family Welfare, Punjab, (Director) disclosed that the Government of India (GoI) set up (January 1997) a “National Illness Assistance Fund” renamed in April 2003 as “Rashtriya Arogya Nidhi” (RAN) to provide financial assistance to the Below Poverty Line (BPL) patients to get medical treatment in specified Government hospitals for life threatening diseases/injuries. The scheme was to be funded by the GoI to the extent of 50 *per cent* of the contributions made by the State. To implement the scheme, wide publicity of the scheme was required to be made through print and electronic media so that maximum number of BPL patients could avail the benefits.

It was seen in audit that after a lapse of four years since April 2003 and on receipt of a reminder (June 2007) from GoI, the State Government set up (August 2007) the Punjab Nirogi Society (Society) and released its contribution of ₹ one crore to the Society in January 2008. However, GoI’s contributions of ₹ 50.00 lakh received in March 2008 and May 2008 were

26 Rule 8.14 Punjab Financial Rules Volume-I, Part-I

released to the Society only in July 2008 and January 2009 respectively. The State Government without ensuring the utilization of earlier grant by the Society further released an amount of ₹ one crore in September 2008 and other installment totaling to ₹ 25.00 lakh in December 2010 and February 2011 to the Society. But, GoI did not release its share in the subsequent years due to non-submission of utilization certificate, audit certificate and the list of beneficiaries in respect of its earlier grant. It was observed in audit that only 41 BPL patients could avail the financial benefits to the tune of ₹ 36.48 lakh out of the total grant of ₹ 2.75 crore available with the Society during the period 2007-08 to 2010-11. The balance amount of ₹ 2.95 crore including interest of ₹ 56.40 lakh earned during the years 2007-08 to 2010-11 remained unutilized for over three years with the Society outside the Government account without percolation of the intended benefits to the BPL families. The State also had to forego the matching contribution of ₹ 62.50 lakh[27] from GoI due to poor implementation and non-submission of the required documents by the State Government to GoI.

On being pointed out in audit, the Society stated (May 2011) that only specific diseases were covered under the scheme; the funds would be utilized for the eligible BPL families; and whatever the best publicity efforts required had been initiated. The reply is not convincing and based on facts as only meagre amount of ₹ 12000 was spent on publicity (2000 posters) during 2010-11 and wide publicity of the scheme through print and electronic media, as envisaged in the scheme, was not provided.

Thus, due to delay in taking decision with regard to formation of the Society and failure to popularize the scheme, an important scheme for the under privileged has not been effectively implemented in the State despite availability of funds.

The matter was referred to the Government (February 2010); the reply has not been received (December 2011).

3.3 Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It is deemed pervasive when prevalent in the entire system. Recurrence of irregularities, despite being pointed out in earlier audits, is indicative of slackness on the part of the executive and lack of effective monitoring. This in turn encourages willful deviations from observance of rules/regulations and results in weakening of administrative structure. Some important audit findings of persistant irregularities are as follows:

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27 ₹ 50 lakh for the year 2008-09 and ₹ 12.50 lakh for the year 2010-11.

INDUSTRIES AND COMMERCE DEPARTMENT

3.3.1 Inadmissible payment of investment incentive

There were payments of investment incentive of ₹ 2.45 crore to ineligible industrial units

With a view to promoting growth of industry in the State, the Government of Punjab notified the Industrial Policy, 1996 which provided for the grant of various incentives to the new industrial units. The 'Punjab Industrial Incentive Code' (Code) framed under the Industrial Policy, 1996 envisaged that the new industrial units that started commercial production on or after 1 April 1996 in the specified areas were eligible for investment incentive at the rate of 30 *per cent* or 20 *per cent* of their fixed capital investment, subject to the maximum of ₹ 50 lakh or ₹ 30 lakh depending upon the area in which the units were set up. Rule 5.2 of the code provided that in respect of the industrial units which did not have their own land and building, incentive would be allowed, if they had lease/rent deed for the land/building occupied by them for a period of ten years.

Inadmissible payment of investment incentive made to few units which neither had land in their name nor any lease deed executed in their favour was pointed out in paragraph 3.1 (c) (i) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997. On examination of this paragraph, the Public Accounts Committee observed (March 2004) that the investment incentive had been given incorrectly and desired to know the person responsible for not scrutinizing the papers thoroughly before sanctioning the incentive. Mention was also made in paragraph 3.3.1 of the Report of the Comptroller and Auditor General of India - Government of Punjab - for the year ended 31 March 2010 regarding payment of investment incentive to ineligible units. But the irregularity continues to persist and a few more instances of payment of inadmissible investment incentive are given below:

Money value= ₹ 1.83 crore
Matrix identity =B
Score =0.80
Weighted value =₹ 1.46lakh

a) Audit scrutiny (December 2010 to January 2011) of records in the office of Director of Industries and Commerce, Punjab, (Director) disclosed that, in contravention of provisions of the code, investment incentive of ₹ 1.83 crore was given during March 2010 to December 2010 to 12 industrial units ***(Appendix 3.4)***, which neither had land in their name nor any lease deeds executed in their favour for the prescribed period of ten years.

The reply of the department in respect of the above mentioned cases was not acceptable as in none of the cases, the land was in the name of the units and payment of incentive was made in violation of the Rule 5.2 of the Industrial Incentive Code, 1996.

b) As per the Industrial Policy and Industrial Code 1996, Export Oriented Unit (EOU) means an industrial unit exporting at least 25 *per cent* of the annual production for a minimum period of five years from the date of production in the markets outside India with minimum value addition of 33 *per cent* against direct receipt of foreign exchange or receipt through merchant exporters including Punjab Small Industries and Export Corporation or any other trading house and registered as such with the Department of Industries, Punjab.

Scrutiny of records revealed that an industrial unit of Mukatsar was registered as EOU with the department on 25 January 2002. While processing the case for grant of investment incentive to this unit, before a meeting of Committee in which the investment incentive to export oriented units was to be decided, the Director sought (June 2009) confirmation from the Branch Manager, State Bank of India, Mukatsar as to whether the unit was exporting the required minimum 25 *per cent* of its annual production. The bank, however, altogether omitted to reply this specific point. In spite of this, the unit was paid (March 2011) investment incentive of ₹ 25.63 lakh without fulfilling the basic condition.

Thus, payment of investment incentive of ₹ 25.63 lakh to the unit without any evidence/confirmation of export of at least 25 *per cent* of the annual production was inadmissible.

Money value= ₹ 62.20 lakh

Matrix identity =B

Score =0.65
Weighted value =₹ 40.43 lakh

c) We found that another unit located at Village Mubarikpur, Dear Bassi falling in category 'B'[28] was allowed (July 2010) investment incentive of ₹ 47.26 lakh calculated at the rate of 30 *per cent* of the fixed capital investment of ₹ 157.55 lakh instead of 20 *per cent* subject to maximum of ₹ 30 lakh as the unit was located in category 'B' area. This resulted in excess payment of investment incentive of ₹ 17.26 lakh. On this being pointed out (November 2010), no reply was furnished by the Director.

d) As per the Code, commercial production means commencement of commercial sale of product for which the unit was set up. It was noticed that a cold storage unit was allowed investment incentive of ₹ 19.31 lakh in March 2011 on its fixed capital investment of ₹ 96.54 lakh, which was inadmissible as this unit was not a manufacturing/production unit and was only providing storage facilities for preserving the food articles. As such, payment of ₹ 19.31 lakh of incentive to the cold storage unit was violative of the provisions of the industrial code.

Thus, the persistent non-adherence of the provisions of the code resulted in inadmissible payment of investment incentive of ₹ 2.45 crore.

The matter was referred to the Government (May 2011and July 2011); reply has not been received (December 2011).

[28] For the purpose of incentives, the State has been divided in three categories viz. A, B and C. Investment incentive is granted at the rate of 30 *per cent* to the eligible units falling in 'A' category area and at the rate of 20 *per cent* in 'B' category area.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.3.2 Idle medical equipment

Money value= ₹ 1.59 crore

Matrix identity =D

Score =0.45

Weighted value=₹ 0.72 lakh

Poor planning to procure the equipment without ensuring availability of the skilled manpower and failure to get them repaired resulted in idling of the equipment worth ₹ 1.59 crore for seven to 87 months

Rule 15.2 (b) of the Punjab Financial Rule Volume-I provides that purchases must be made in most economical manner in accordance with the definite requirement of the public service. Mention regarding idling of equipments in the Health and Family Welfare Department was made in the Civil Audit Reports for the year ended 2006-07 (paragraphs 4.2.3 and 4.4.5) and for the year ended 2008-09 (paragraph 2.3.2 and 2.3.3).

Few more instances of medical equipments which remained idle since their installation at various health institutions for want of skilled manpower noticed during test check of records (September-December 2010) of 20 District Hospitals, 35 Sub-divisional Hospitals, 129 Community Health Centres and 446 Primary Health Centres and subsequent information collected up to June 2011, are given below:-

a) The Punjab Health Systems Corporation, (PHSC) purchased X-ray machine and CAD Pneumatic drill in December 2009 and June 2010 respectively at a cost of ₹ 23.04 lakh and supplied the same to the Trauma Centre, Civil Hospital, Pathankot.

The Government of India supplied Intensive Care Unit (ICU) ventilator and two Anesthesia machines with monitor costing ₹ 43.16 lakh to the Trauma Centre, Pathankot in May 2009 and November 2009 and one ICU ventilator costing ₹ 12.79 lakh to the Trauma Centre, Amritsar in July 2009.

It was, noticed by us that all these equipments costing ₹ 78.99 lakh were lying idle for the period ranging from 12 to 25 months (June 2011) for want of skilled staff to operate these machines.

On being pointed out, the Senior Medical Officer, Civil Hospital, Pathankot stated (June 2011) that the machinery had been installed between September 2009 and April 2011 and that the matter had been taken up with the higher authorities for posting of skilled staff. The PHSC intimated (June 2011) that the ICU ventilator was lying idle at the Trauma Centre, Amritsar for want of posting of Anesthetist.

b) In Civil Hospital, Gurdaspur machinery and equipments costing ₹ 44.63 lakh purchased during July 2008 to September 2008 for the special scheme for border area and supplied to various health institutions, were lying idle for want of skilled manpower for the last 33 months.

On being asked, the Civil Surgeon, Gurdaspur stated (June 2011) that the matter would be taken up with the higher authorities for posting of skilled staff.

c) The machinery and equipments costing ₹ 34.95 lakh supplied by PHSC to the various health centres between May 2002 and October 2010 were lying idle for want of skilled staff or non-repair for the period ranging from seven to 87 months.

On being pointed out, the Assistant Director, PHSC stated (June 2011) that the equipments were non-functional temporarily due to non-availability of appropriate staff and the Principal Secretary, Health and Family Welfare and Director, Health Services had been requested time and again to depute the required staff as PHSC did not handle the posting and transfer of Doctors and paramedical staff.

Replies furnished in all the above mentioned cases are not acceptable as it was for the department to ensure availability of the staff required to operate the equipment and get the machinery repaired in time. Thus, due to poor planning to procure the equipment without ensuring availability of the skilled manpower and failure to get the equipment repaired in time resulted in idling of equipment worth ₹ 1.59 crore for the period ranging from seven months to 87 months, besides denial of benefits to the patients.

The matter was referred to Government (July 2011), reply is awaited (December 2011).

Chapter 4 Chief Controlling Officer based Audit

ANIMAL HUSBANDRY, FISHERIES AND DAIRY DEVELOPMENT DEPARTMENT

4.1 Chief Controlling Officer based audit of Animal Husbandry Department

4.1.1 Introduction

The Chief Controlling Officer (CCO) centric audit is a comprehensive appraisal of the functioning of a department, identifying systemic issues that need to be addressed at various appropriate levels. The audit focuses on the risks that have an impact on the internal controls and the achievement of objectives for which the department was established/demands for grants were sanctioned by the Legislature. Apart from the regularity and compliance issues all the important aspects of functioning of the department viz. financial management, planning and project management, monitoring, internal controls and human resource management etc. are covered in this appraisal.

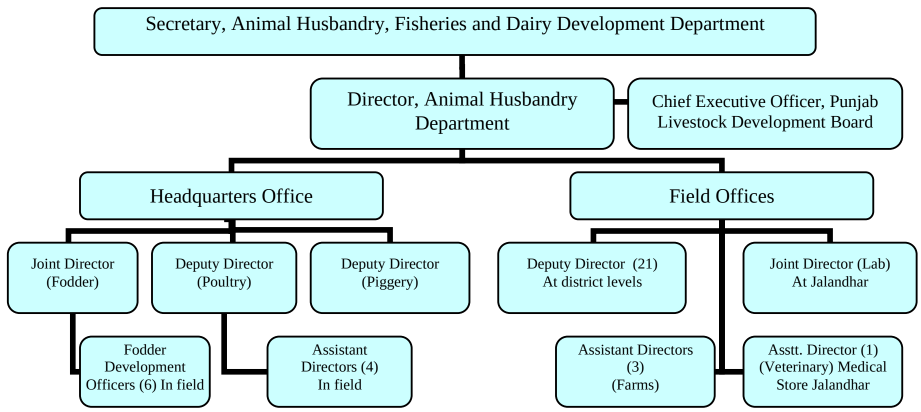
The Animal Husbandry Department (AHD) was selected for CCO based audit. It has 40 Drawing and Disbursing Officers (DDOs) and the funds are provided under one grant for paying focused attention to animal welfare. As per the livestock census (2007-08), the livestock population in the State was 262.39 lakh, which included 17.61 lakh cattle, 50.02 lakh buffaloes, 1.89 crore poultry birds and 5.76 lakh other animals (sheep, goats, pigs and others).

The Animal Husbandry Department is responsible for all round development of the livestock in the State. The department implements various programmes to improve the genetic potential of livestock, to provide effective health care to the livestock and to provide improved feeding management practices and carries out extension services in the field of Animal Husbandry. The main health activities undertaken by the department are clinical treatment, regular vaccination and artificial insemination.

For undertaking the various activities, the State Government has established 10 veterinary polyclinics for diagnosis and treatment of complicated diseases of animals; 785 veterinary hospitals and 1485 veterinary dispensaries; four livestock breeding farms for the production and regular supply of exotic and crossbred breed; two semen banks for the production of frozen semen and semen supply; two poultry and turkey birds farms and 26 mobile health care units to provide veterinary aid facilities at the door steps of farmers.

4.1.2 Organizational set up

The organizational set up of the Animal Husbandry Department is given below:



Figures in bracket indicates the number of offices

Apart from above, the Punjab Livestock Development Board (PLDB) was established (June 2001) to perform the functions of the principal implementing agency for the implementation of Cattle and Buffalo Breeding Project and to act as a nodal agency to supplement the efforts of Animal Husbandry Department in the all round development of livestock in Punjab on modern, scientific and commercial lines and to implement central sector/centrally sponsored schemes.

Punjab State Veterinary Council, a regulatory body responsible for registration of veterinary graduates and regulation of veterinary education in the State, was formed under the Punjab Veterinary Council Act, 1981 and came into existence during the year 1983.

4.1.3 Scope of Audit

The records of all the 40 drawing and disbursing officers (DDOs) indicated in the above organizational chart who are managing 10 polyclinics[29], 785 hospitals, 1485 dispensaries, six farms[30], two semen banks[31], one medical store (Jalandhar) and 26 mobile units through which AHD operates were test checked during April 2010 to July 2010 and April 2011 to June 2011 covering the transactions of the Department for the year 2009-10 and 2010-11. In addition, the records of the 'Punjab Livestock Development Board' which is a nodal agency for implementation of Cattle and Buffalo Breeding Programme was also test checked during this period. The audit process involved collection of data and its analysis, issue of questionnaires to the departmental

29 Bathinda, Ferozepur, Faridkot, Gurdaspur, Hoshiarpur, Mansa, Muktsar, Ropar, Sangrur and Patiala.

30 Kapurthala, Kulemajra, Mattewara, Nabha, Patiala and Ropar.

31 Nabha and Ropar

officials as well as to the beneficiaries and discussions with officials at various levels.

An entry conference was held (April 2010) with the Secretary to the Government of Punjab, Department of Animal Husbandry, Fisheries & Dairy Development during which the purpose of CCO based audit, audit objectives, scope and methodology of audit etc. were explained, besides seeking suggestions of the department.

An exit conference was held on 20 October 2011 wherein the audit findings were discussed with the Financial Commissioner and Secretary to Government of Punjab, Department of Animal Husbandry, Fisheries and Dairy Development and Director, Animal Husbandry, Punjab, Chandigarh. The views of the departmental officers have been incorporated in the report after due consideration.

4.1.4 Audit criteria

Procedure and norms laid down in the Punjab Budget Manual and Subsidiary Treasury Rules; Government of India's (GoI) guidelines and the Punjab Government notifications and instructions issued from time to time for implementation of the State/Centrally sponsored schemes; provisions contained in the Punjab Financial Rules, departmental Acts, Rules, policies and regulations were used as the main sources of audit criteria in evaluating the functioning and performance of the department.

4.1.5 Audit Objectives

The audit objectives were to ascertain whether: -

- the infrastructural facilities including the farms, polyclinics, hospitals and dispensaries were utilized to the full extent in achieving effective health care for the livestock;
- the budgetary and financial management were carried out adhering to the rules and procedures and the principles of economy and efficiency; the various schemes were carried out efficiently, economically and effectively;
- the human resources was adequate and used effectively; and
- the internal control including monitoring mechanism was adequate and effective in achieving the objectives of the department.

I. Performance of activities

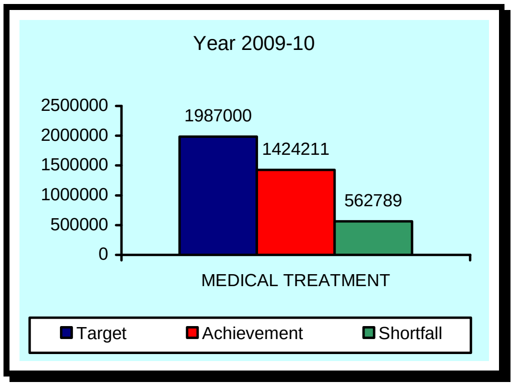
4.1.6 To achieve complete health care of the animals, the department carried out regular activities like medical treatment of livestock, artificial insemination (AI) and vaccination against diseases in the veterinary hospitals, dispensaries and polyclinics. The targets and achievements in respect of medical treatment, vaccination and AIs performed by the department during 2009-11 in the State as a whole are as given in **Table 4.1.**

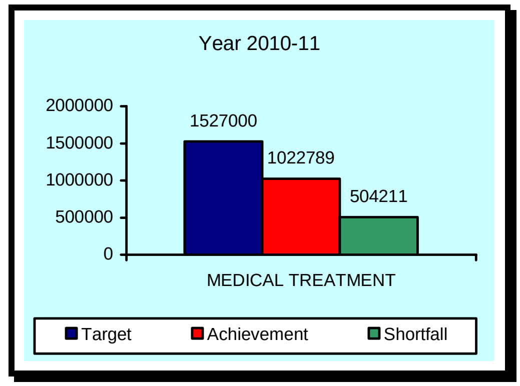
Table 4.1: Position of targets fixed and achieved

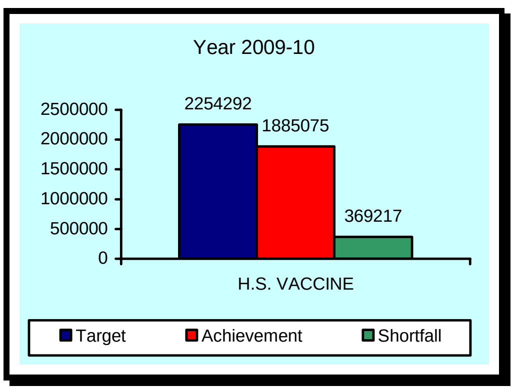
(Number of cases in lakh)

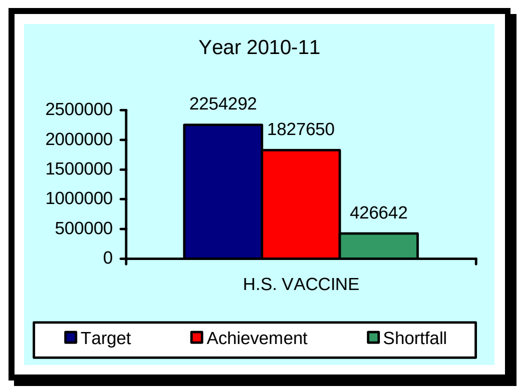
Sr. No.	Name of activity	2009-10			2010-11		
		Target fixed	Achievement	Percentage	Target fixed	Achievement	Percentage
1	Medical treatment	50.00	43.80	87.59	50.00	47.09	94.19
2	H.S. Vaccine	67.62	60.15	88.55	67.62	60.61	89.63
3	A.I. buffalo	14.75	14.65	99.32	17.45	15.48	92.29
4	A.I. cow	19.25	19.82	106.44	19.25	20.29	108.99

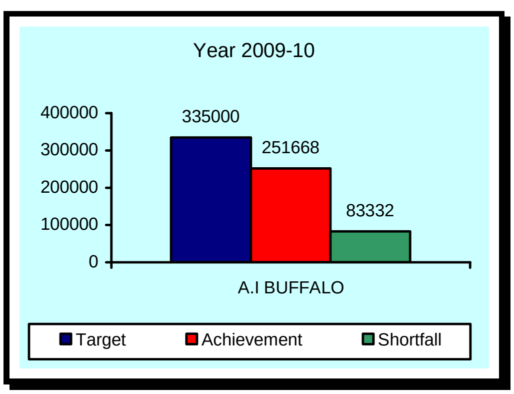
However, in seven[32] out of 20 districts where there was significant shortfall, are given in the graphs below:-

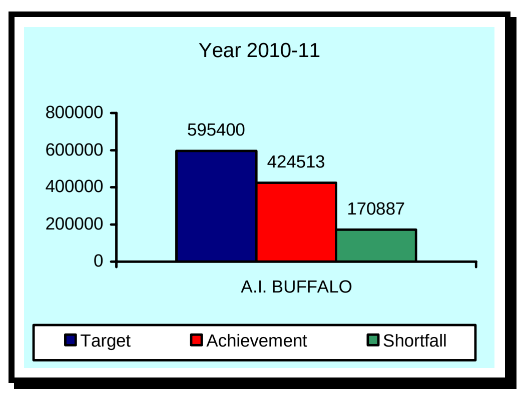




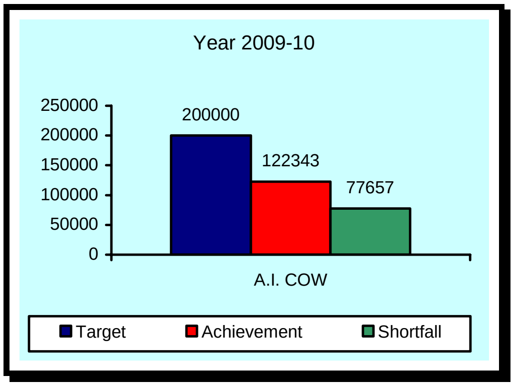


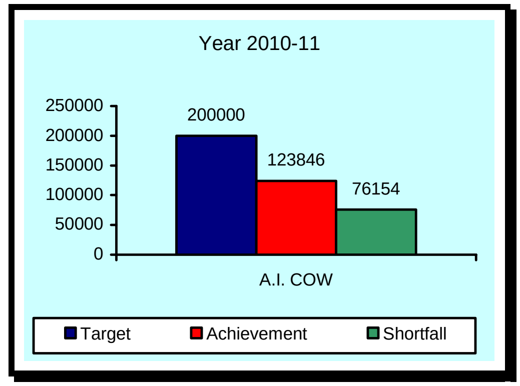






[32] Fatehgarh Sahib, Ferozepur, Gurdaspur, Ludhiana, Patiala, Sangrur and Tarn Taran.





Although, the department stated that the targets were fixed on the basis of number of animals in the State and the manpower capacity of the department yet the department attributed the shortfall in all the four activities (in seven districts) which ranged between 12 and 53 *per cent*, to the shortage of manpower. This shows that the available manpower was not kept in view by the department while fixing targets.

II. Functioning of the breeding farms

4.1.7 To improve the genetic potential of animals and to make available the high yielding breeds for cross breeding etc, the department has established four breeding farms. Audit scrutiny of performance of these farms disclosed that they are not run effectively and economically as discussed below:-

i) Pig breeding farms

For bringing genetic improvement in the indigenous breed of pigs, cross breeding programme in pigs had been taken up in the State. Six pig breeding farms have been established at Chhajju Majra, Nabha, Jalandhar, Mallwal, Mattewara and Gurdaspur. At these pig breeding farms, pig of exotic breed namely 'large white Yorkshire' are reared and used for cross breeding. These farms supply exotic piglets of superior germ plasm to the pig breeders for cross breeding. The farms had staff strength of 34 and 33 officers/officials during 2009-10 and 2010-11 respectively. Details of the targets fixed for breeding piglets and the actual number of piglets bred during the period 2009-10 to 2010-11 were as given in **Table 4.2.**

Table 4.2: Position of targets fixed and achieved

Year	Target	Number of piglets born	Shortfall	Percentage of shortfall
2009-10	1900	1164	736	39
2010-11	1955	1615	340	17

The shortfall in production of piglets was 17 and 39 *per cent* during the years 2009-10 and 2010-11 respectively.

ii) Buffalo breeding farm

The department maintains a buffalo breeding farm over 105 acres at Mattewara with a view to produce potential bulls for cross breeding and for generating supply of semen to the semen banks. Murrah and Nili Ravi breeds of buffaloes were to be reared in this farm.

Scrutiny of records in the office of the Deputy Director, Mattewara revealed that while the farm employs 18 officials, no specific targets were fixed for breeding bulls on a year to year basis. We observed that no bulls were actually supplied to the semen banks in 2007-08. During the years 2008-09 to 2010-11, seven, 20 and nine bulls were supplied to the semen bank, Nabha. Of these, 12 bulls were purchased from Bhiwani. Thus, the total number of bulls produced in the farm having a herd strength of 172 Murrah calves during a period of four years averaged less than nine. The maintenance of Nili Ravi breed was stopped at this farm since 2006 for which no reasons were intimated.

It is apparent that the buffalo breeding farm is functioning sub-optimally without any ameliorative action on the part of the department.

iii) Sheep breeding farm

In order to increase the wool yield of local sheep and to improve the mutton type sheep, the department, in 1960, launched the sheep cross breeding programme. The first Government Sheep Breeding Farm was set up at Mattewara, (District Ludhiana) over 103.5 acres of land in 1968-69 with imported Australian breeds of sheep. The farm has staff strength of 14[33].

The main objective of the farm was to provide exotic and cross breeded rams (adult male sheep) to the sheep breeders at subsidized rates and to supply rams to the Government Sheep Breeding Centres in the State for providing free cross breeding services. As of March 2011, the farm had accumulated a stock of 587 corriedale, 293 ram-bouillet and 125 poldorset breeds of Australian sheep in the farm at Mattewara.

It was noticed that no rams were either demanded or supplied to the Government Sheep Breeding Centres during 2009-10 and 2010-11 which were required to provide cross breeding services to sheep breeders free of cost. Only 59 rams of poldorset, 248 of corriedale and 116 rams of ram-bouillet breeds were sold to the sheep breeders during 2008-09 to 2010-11. Thus, the very purpose of establishing and operate this farm stood defeated at an average annual cost of ₹ 36.30 lakh.

iv) Rabbit breeding farm

The department set up a Rabbit Breeding Farm at Dhar (District Gurdaspur) in the year 1994-95 over 112.62 acres. In October 1996, 100 German Angoora rabbits were imported for production of meat, fine quality of wool and for

[33] One Veterinary Officer, one Veterinary Inspector and 12 Class-IV.

promoting rearing rabbits as pet animals. The farm has staff strength of nine[34]. Audit scrutiny revealed that this farm was maintained at an annual cost of ₹ 59.26 lakh during 2009-10 to 2010-11 whereas the revenue of ₹ 0.70 lakh by sale of rabbits, wool and fodder which was abysmally low. The sale of rabbits during these two years had fetched merely ₹ 450 as is evident from the details given in **Table 4.3** which shows that the objective of the farm was not fulfilled.

Table 4.3: Position showing expenditure incurred and income accrued

(₹in lakh))

Year	Expenditure	Income (by sale of rabbit, wool & fodder)	Loss
2009-10	26.11	0.38	25.73
2010-11	33.15	0.32	32.83
Total	**59.26**	**0.70**	**58.56**

Deputy Director, Rabbit Breeding Farm, Dhar stated that the farm had been running uneconomically due to increasing cost of inputs, less infrastructure for rabbits as the farm was being run in sheep sharing shed instead of separate shed constructed for rabbit rearing, shortage of water supply and local people not being interested in rabbit rearing.

During the exit conference held on 20th October 2011, the Financial Commissioner directed the Director to initiate steps/ corrective measures to improve the functioning of these farms or alternatively consider closure all the four farms which do not yield good results and change the objectives of farms for some other purpose keeping in view the current social requirements.

III. Functioning of the polyclinics

4.1.8 For providing specialized and multi-disciplinary services for diagnosis and treatment of the complicated livestock diseases, 10 Polyclinics were functioning in the State during 2009-10 and 2010-11.

Even as specialized doctors such as Surgeons, Pathologists, Gynecologists and Microbiologists were required to be posted in the polyclinics, audit scrutiny revealed that availability of specialist doctors in other 3 districts viz. Gurdaspur, Hoshiarpur and Ropar was satisfactory. However, no specialized services were provided in the polyclinics at Ferozepur due to non-posting of any specialist doctor whereas in six other polyclinics[35], against the required norms of four specialists, only one or two specialists were working. This resulted in shortfall in providing specialized treatment viz. surgical operations/gynecology treatment and microbiology/pathology tests in four districts as per details given in **Table 4.4.**

[34] One Veterinary Officer, one Veterinary Inspector and 7 Class-IV.

[35] Bathinda, Faridkot, Muktsar, Mansa, Patiala and Sangrur.

Table 4.4: Position showing targets fixed and achieved by Polyclinics

(in number)

Sr. No	Name of the district	Name of activity	2009-10			2010-11		
			Target	Achievement	Shortfall *(percentage)*	Target	Achievement	Shortfall *(percentage)*
1	Ferozepur	Surgical Operation	900	15	98	75	Nil	100
		Microbiology	1000	Nil	100	1000	Nil	100
		Pathology	2400	82	97	600	85	86
2	Faridkot	Surgical Operation	900	486	46	900	234	74
		Pathology	2500	1323	47	-	-	-
		Gynecology	-	-	----	2500	1299	48
3	Mansa	Surgical Operation	900	72	92	900	676	25
		Gynecology	-	-	-	2100	1643	22
		Pathology	2500	1808	28	-	-	-
4	Sangrur	Surgical Operation	900	135	85	900	515	43

The shortfall in the performance of above polyclinics ranged between 25 and 100 *per cent* in surgical operations, 100 *per cent* in microbiology, 28 and 97 *per cent* in pathology, and 22 and 48 *per cent* in gynecology during 2009-10 and 2010-11 respectively. Consequently, the animals in these districts suffering with complicated diseases had to be taken to polyclinics of other districts for treatment.

The department while admitting the facts stated (October 2011) that shortfall was attributable to non availability of specialist staff in polyclinics.

IV. Functioning of mobile vans

4.1.9 To provide veterinary services at the doorstep of farmers, the department introduced (1992) 26 mobile veterinary units at tehsil level in the State. It was noticed that there was shortfall in achievement of targets in terms of clinical treatment and artificial inseminations (AIs) performed by these units during 2009-11 as per details given in **Table 4.5**.

Table 4.5: Position showing targets fixed and achieved by mobile vans

(Number of cases)

Sr. No	2009-10				2010-11		
	Name of the activity	Targets	Achieved	Shortfall *(percentage)*	Targets	Achieved	Shortfall *(percentage)*
1.	Medical treatment	65,000	19,361	70	60000	23689	61
2.	A.I. Performed	39,000	777	98	36000	1012	97

Our scrutiny of these shortfalls revealed that these mobile units had conducted only 1048 and 1361 visits during 2009-10 and 2010-11 respectively which worked out to be less than eight visits per van per month even though more or less only one van was available in district. In three districts viz. Gurdaspur, Amritsar and Taran Taran, not a single visit was conducted during these years.

Mobile van without any required equipment and apparatus in the office of the Deputy Director, Animal Husbandry, Sangrur

It was noted that in these three districts, the vans were being used for transportation of liquid nitrogen gas, semen and medicines. Moreover, out of 26 mobile units, 16 units were not fitted with the required equipment and apparatus and not supplied with sufficient medicine. Thus, the purpose for which the mobile veterinary units were introduced was largely not achieved.

During exit conference, the department admitted (October 2011) that these mobile units were very old and were no longer in a road worthy condition.

V. Disease control

4.1.10 Manufacture of vaccine without valid license

The Punjab Veterinary Vaccine Institute (PVVI), Ludhiana was set up for manufacturing of various biological products required for control of different diseases affecting the livestock including poultry. Government of India enforced the Good Management Practices (GMP) Standard with effect from 1st July 2005 which was further extended to 31 December 2006. During 2006-07, the Haemorrhagic Septicemia laboratory of the institute was brought under the GMP standards. Broadly, GMP standards include renovation/modification in building and civil works, Air handling units (central A.C), production area, warehouse area, quality control lab, environmental monitoring, standard animal house, sanitation, equipment, water disposal and steam systems, qualified personnel, latest manufacturing process, documentation and assuring the quality of finished product.

Audit scrutiny revealed that the manufacturing license of PVVI had not been renewed since January 2007 due to non fulfillment of the conditions/standards of GMP. The Drug Inspector, Ludhiana directed the PVVI to stop manufacture of the vaccine and issued show cause notice (June 2008) for initiating legal action against it. No progress has been made since then in meeting with GMP standards. The proposal for renovation and up-gradation of the PVVI at an estimated cost of ₹ 20 crore so as to implement the GMP Standards was sent to the Director, in January 2009. No funds have been provided for the purpose so far by the State Government. In the meanwhile, vaccine to the extent of 6.88 crore units costing ₹ 5.34 crore were manufactured since January 2007 without obtaining valid license in violation of the Drugs and Cosmetic Act.

Audit observed that on the one hand, the department had reported budgetary savings and on the other hand it had failed to provide funds for up-gradation of an important vaccine producing unit, thus, exposing the entire population of livestock in the State to the risk of sub-standard vaccines.

The department admitted the facts and stated (October 2011) that efforts would be made to get the license renewed by adopting GMP standards.

VI. Infrastructure development

4.1.11 To achieve the objectives of providing effective health care to the livestock wealth of the State, existence of civil veterinary hospitals (CVHs)/ civil veterinary dispensaries (CVDs) having safe buildings with at least two/three rooms with electricity connections is essential.

Scrutiny of records/information relating to these facilities in 10 districts[36] revealed that out of 534 CVHs, in these districts, 214 CVHs were working without electricity connection and 204 needed major repairs. Similarly, out of 707 CVDs, 53 CVDs were working in one room, buildings of 305 CVDs needed major repairs and 350 CVDs were working without electricity connection. The funds under the scheme "Renovation and up-gradation of veterinary institutions" amounting to ₹ 20crore were not released by the Government of Punjab as discussed in the paragraph 4.1.12.5.

Civil Veterinary Hospital, Dher, District Ropar

Civil Veterinary Dispensary Bajroor, District Ropar

36 Bathinda, Ferozepur, Faridkot, Gurdaspur, Hoshiarpur, Kapurthala, Muktsar, Patiala, Ropar and Sangrur

The Director stated (October 2011) that up-gradation of infrastructure of CVHs/ CVDs was in process under various schemes.

VII. Financial management and implementation of schemes

The budget allocation and expenditure under non plan and plan head and implementation of various schemes were scrutinized and discussed in the following paragraphs.

4.1.12 Budgetary and financial control

Funds are provided by the State Government to the Animal Husbandry Department through the annual budget under the "Grant number 2-Animal Husbandry and Fisheries". This includes the funds received from Government of India (GoI) for implementing the various Centrally Sponsored Schemes (CCS) and the State's own funds meant for implementing the schemes/programmes of the State. The provisions made in the budget vis-à-vis expenditure incurred by the department during 2009-11 are discussed below:

4.1.12.1 Non-Plan expenditure

The budgetary provisions under the Non-plan head as indicated in the table below relate to pay and allowances, procurement of material and equipment etc.

Table 4.6: Budget allotment and expenditure under Non plan

(₹in crore)

Year	Budget allotment	Expenditure	Saving
2009-10	165.08	162.39	2.69
2010-11	196.16	193.18	2.98

The major portion (98 *per cent*) of expenditure was incurred on pay and allowances of the staff.

4.1.12.2 Plan expenditure

The Plan expenditure, being the expenditure on implementation of programmes and schemes, is the indicator of development. The department had implemented 30 schemes **(*Appendix-4.1*)**, out of which, audit observations in respect of 15 schemes have been made in this report and in respect of remaining 15 schemes, no audit observation was found to be reported. Out of 30 schemes, 15 schemes were centrally sponsored schemes and were fully funded by GoI, four schemes were funded by GoI and Government of Punjab (GoP) on shared basis and the remaining 11 schemes being State's own schemes were funded by State Government. The overall details of funds released by GoI/GoP during 2009-10 and 2010-11 for various schemes and expenditure there against are given in **Table 4.7.**

Table-4.7: Details of funds released and expenditure under Plan schemes

Nature of the scheme/ (Number of schemes)	Year	Planned outlay (percentage of share of GoP)	Funds to be released	Funds actually released		Expenditure	Short release of funds (percentage)	
				GoI	GoP		GoI	GoP
Centrally Sponsored Schemes (15)	2009-10	7.58(Nil)	7.58	3.11	2.74	1.58	4.47(59)	0.37(12)
			13.20	9.19	6.48	4.25		
	2010-11	13.20(Nil)					4.01(30)	2.71(30)
	Total (A)	**20.78**	**20.78**	**12.30**[37]	**9.22**	**5.83**	**8.41(41)**	**3.08(37)**
State Funded Schemes (11)	2009-10	29.85(100)	29.85	3.11	15.72	9.60		14.13(47)
	2010-11	56.85(100)	56.85		36.65	29.20		20.20(36)
	Total (B)	**86.70**	**86.70**		**52.37**	**38.80**		
Shared Central/State Schemes[38] (4)	2009-10	4.41 (GoI)	4.41	3.04	2.81	2.81	1.37	0.23 (08)
		1.91 (GoP	1.91		1.00	0.82	(31)	0.91 (48)
	2010-11	7.39 (GoI)	7.39	6.80	6.57	6.07	0.59	0.23 (03)
		2.72 (GoP)	2.72		2.24	1.55	(8)	0.48 (18)
	Total	**11.80 (GoI)**	**11.80**	**9.84(GoI)**	**9.38**	**11.23**	**1.96**	**0.46**
		4.63 (GoP)	**4.63**	**Nil (GoP)**	**3.24**		**(17)**	**(30)**
	Total (C)	**16.43**	**16.43**	**9.84**	**12.62**	**-**		
Grand Total (A+B+C)		**123.91**	**123.91**	**22.14**	**74.21**	**55.88**		

a) Centrally Sponsored Schemes

During the year 2009-11, against the planned outlay of ₹ 20.78 crore for the centrally sponsored schemes, GoI released ₹ 12.30 crore (59 *per cent)* resulting in short release of ₹ 8.48 crore.

- Out of ₹ 12.30 crore released by GoI, the State Government released ₹ 9.22 crore (75 *per cent)* resulting in short release of ₹ 3.08 crore by State Government. No reasons for short release were intimated.

- Out of ₹ 9.22 crore, an expenditure of ₹ 5.83 crore (63 *per cent)* was incurred and the balance of amount of ₹ 3.39 crore was not utilized by the department due to non/late release of funds by the Finance Department and non passing the bills by the treasuries.

37 *Including ₹1.27 crore released by Government. of India directly to the Regional Disease Diagnostic Laboratory, Jalandhar (2009-10 = ₹0.86 crore; 2010-11 = ₹0.41 core).*

38 *These schemes were in the ratio of 50:50 and 75:25*

b) State Plan Schemes

The expenditure under State Plan schemes included mainly plan assistance to Guru Angad Dev Veterinary and Animal Science University (2009-10: ₹ 8 crore and 2010-11:₹ 15 crore), up-gradation and construction of new veterinary polyclinics under RIDF-XIII project assistance by NABARD (2009-10: ₹ 1.40 crore and 2010-11:₹ 3.75 crore), and strengthening of the veterinary institutions in the State under RIDF-XIV project financed by NABARD (2009-10: ₹ 1.00 crore and 2010-11:₹ 9.92 crore), Audit analysis revealed that:-

- During 2009-11, against the total planned outlay of ₹ 86.70 crore, the State Government released ₹ 52.37 crore only (60 *per cent*) resulting in short release of ₹ 34.33 crore. Due to short release of funds by the State Government, construction and up-gradation of the polyclinics and renovation of the veterinary institutions could not be completed. The reasons for short release of the funds by the State Government were not intimated.

- Out of ₹ 52.37 crore, an expenditure of ₹ 38.80 crore (74 *per cent*) was incurred and the balance of amount of ₹ 13.57 crore was not utilized due to non/late release of funds by the Finance Department and non-passing the bills by the treasuries.

c) Shared schemes between GoI and State Government

During the year 2009-11 against the planned outlay of ₹ 11.80 crore for the shared schemes, GoI released ₹ 9.84 crore (83 *per cent*) resulting in short release ₹ 1.96 crore.

- Out of ₹ 9.84 crore released by GoI, the State Government released ₹ 9.38 crore resulting in short release of ₹ 0.46 crore. No reasons for short release were intimated.

- Against the planned outlay of ₹ 4.63 crore for shared schemes, the GoP released ₹ 3.24 crore (70 *per cent*) resulting in short release of ₹ 1.39 crore. No reasons for short release of its own share were intimated.

The above mentioned facts bring out poor state of budgetary and financial control of the State. Impact of non release/utilization of funds has been discussed in the paragraphs no.4.1.12.3 to 4.1.16.

4.1.12.3 Failure to release entire budgeted outlay

Audit scrutiny revealed that in respect of five schemes, no funds were released at all for implementation of the schemes during 2009-10 as details given in **Table 4.8**.

Table 4.8: Schemes where funds were not released as per budgeted outlay

(₹ in crore)

S. No.	Name of scheme	Proposed outlay	Amount released
1.	Punjab State Animal Health Institute & Mobile Health Care Units	1.00	Nil
2.	Development of Piggery Sector in the State	0.75	Nil
3.	Development of other livestock like poultry, goat, sheep & turkey etc.	2.10	Nil
4.	Animal Husbandry Extension & Training Programme	0.20	Nil
5.	Grant-in-aid to registered Gaushalas in the State	1.00	Nil
	Total	**5.05**	**Nil**

Scrutiny of records revealed that schemes at Sr. No. 4 and 5 having outlay of ₹ 1.20 crore were not implemented on the plea of financial crunch in the State, whereas funds amounting to ₹ 3.85 crore for the schemes at Sr. No. 1, 2 and 3 were not released due to piece meal objections being raised by the Finance Department. The plea of financial crunch was not convincing as there were huge savings in some other schemes[39]. The non-release of the entire budgeted allocation of ₹ 5.05 crore reflects the casual approach in budgetary process by the State Government.

4.1.12.4 Denial of benefits to the Scheduled Caste beneficiaries

The scheme titled "Special Central Assistance (A.H.)-I-100 *percent* Centrally Sponsored Scheme Female Buffalo Calf Rearing" was sanctioned (July 2009) by GoI with the objective of providing subsidy to the below poverty line Scheduled Caste families at the rate of ₹ 10,000 for setting up of 300 units of three buffalo calves each (including insurance of calves).

During the years 2009-10 and 2010-11, an amount of ₹ 60 lakh (₹ 30 lakh for each year) was released by the Finance Department for the implementation of above scheme to the Director, of which, only ₹ 0.98 lakh and ₹ 16.87 lakh were actually spent by respective DDOs[40] during the first and second year respectively.

The balance amount of ₹ 42.15 lakh remained unutilized due to inordinate delay in release of funds and non-passing of bills by the treasury offices. Thus, inefficiency in releasing the funds deprived the intended benefits to 421 (290:2009-10 and 131:2010-11) Scheduled Castes beneficiaries as only 179 out of the targeted 600 beneficiaries were given the benefits.

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39 Setting up of new and strengthening of existing veterinary polyclinics in the State : ₹ 24.36 lakh, Plan assistance to (GADVASU) at Ludhiana : ₹ 80.00 lakh, Upgradation and construction of veterinary polyclinics under RIDF XIII Project (NABARD): ₹ 332.60 lakh and setting up of new polyclinics and strengthening of veterinary institutions in the State under RIDF XIV Project (NABARD) : ₹ 174.68 lakh

40 Amritsar , Bathinda, Gurdaspur, Fatehgarh Sahib, Ferozepur, Kapurthala, Ludhiana, Moga, Nawanshahar, Patiala and Sangrur.

4.1.12.5 Release of the Central Assistance

Additional Central Assistance of ₹ 20 crore was available for up-gradation of veterinary institutions in the State through a GoI scheme which involved release of 30 *per cent (₹ 6 crore)* assistance as grant provided the balance 70 *per cent* (₹ 14 crore is arranged by the State through market borrowings. To take advantage of the scheme, the Director moved a proposal (July 2010) stating that the funds could be utilized for repair of existing buildings of veterinary institutions in the State which were in poor condition. The Government, through the Financial Commissioner cum-Secretary, Animal Husbandry Department, moved the Finance Department for securing central assistance. Consequently, a provision was made in the revised budget for the year 2010-11 based on which a sum of ₹ 6 crore was released (February 2011) by the GoI, Ministry of Finance to the State. Despite this, the State Finance Department without assigning the reasons withheld the funds from the Animal Husbandry Department during the year 2010-11.

The Director stated (October 2011) that Finance Department has released (June 2011) the Additional Central Assistance during 2011-12 and the scheme would be implemented during 2011-12.

4.1.13 Implementation of the schemes

GoI provided central assistance of ₹ 2.97 crore for implementation of the three schemes for development of the livestock in the State as given in **Table 4.9.**

Table 4.9: Details of schemes not implemented

(₹ in lakh)

Sr.No	Name of the scheme	Year	Month of release	Amount released by GoI	Funds released by GoP	Sharing basis
1	2	3	5	4	6	7
1	Integrated sample survey and cost of production of milk and egg	2009-10	May 2009	5.00	Nil	50:50
			August 2009	17.98	Nil	
		2010-11	June 2010	22.98	Nil	
2	Fodder and Feed Development Scheme	2010-11	December 2010	189.37	Nil	100 CS
3	Foot and Mouth Disease Control programme (FMD)	2010-11	March 2011	62.00	Nil	
	Total			**297.33**	**Nil**	

Scrutiny of records revealed that funds to the tune of ₹ 2.97 crore were released/revalidated by GoI during 2009-10 and 2010-11, but the Government of Punjab not only failed to release its own share of funds but also withheld release of central funds to the implementing department without assigning any reasons. Consequently, these schemes for which funds were earmarked have remained unimplemented.

4.1.14 Failure to draw GoI funds in time

The Director submitted (September 2010) a proposal to the Ministry of Agriculture, GoI for implementation of scheme for strengthening of the existing veterinary hospitals and dispensaries for control of Brucellosis disease of animals. Though GoI released ` 98.18 lakh in September 2010 for this schemes, Finance Department in the absence of a suitable provision in the budget, did not accord the sanction for the scheme. The Director was asked to resubmit the proposal after inclusion of the scheme in the Revised Budget Estimates. The case remained under correspondence between the Finance Department and the Director from December 2010 to February 2011. Government of Punjab ultimately accorded administrative approval and sanction for release of funds on 21 March 2011. The scheme could not be implemented in 2010-11. The department stated that bills were submitted (28 March 2011) by the Director, but the District Treasury Officer, Chandigarh did not pass the bills. The GoI revalidated (May 2011) the sanctioned amount for implementation of the scheme during 2011-12. Thus, due to inaction/laxity on the part of the department/State Government, funds released by GoI could not be utilized (November 2011).

4.1.15 Under-utilization of funds under the Livestock Insurance Scheme

For promotion of the livestock, it was felt that besides effective disease control measures and improvement of genetic make up of the animals, mechanism of assured protection against losses of animals was essential. The GoI approved a centrally sponsored scheme on livestock insurance for implementation during the 11th Five Year Plan.

Under this scheme, all female cattle/buffaloes yielding at least 1500 litres of milk per lactation were considered high yielding and could be insured for minimum of their current market value limited to two animals per beneficiary. The beneficiaries were to be given one time insurance of animals upto a maximum period of three years. The expenditure on premium to the tune of 50 *per cent* was to the borne by GoI as subsidy and the balance 50 *per cent* of the insurance premium was to be borne by the beneficiary.

Scrutiny of records in the office of the Chief Executive Officer, Punjab Livestock Development Board (CEO, PLDB), revealed that the financial targets were not achieved since start of the scheme i.e. 2006-07 to 2011-12 as detailed in **Table 4.10.**

Table 4.10: Position of funds released and utilized under Livestock Insurance Scheme

(₹ in crore)

Year	Amount released	Numbers of animals insured	Amount utilized	Balance
2005-06	1.25	-	-	1.25
2006-07	3.02	13701	0.69	3.58
2007-08	-	1276	0.29	3.29
2008-09	-	8572	0.50	2.79
2009-10	-	1588	0.30	2.49
2010-11	-	6658	0.38	2.11
2011-12	-	19259	1.22 (upto 12-1-2012)	0.89
Total	**4.27**	**51054**	**3.38**	

Central assistance of ₹ 4.27 crore received during 2005-06 and 2006-07 was not fully utilized till January 2012. The CEO, PLDB stated that remaining amount of ₹ 0.89 crore (kept in bank) would be spent by March 2012.

4.1.16 Failure to utilize funds

With a view to provide training at government poultry farms/ poultry service centres to interested persons, the State Government approved (August 2010) a plan scheme "Development of other livestock like poultry, goats, sheep and turkey farming in the State" for ₹ 2.10 crore. As per instructions of the Finance Department, the funds were to be released in a graded manner over the year subject to submission of utilization certificates for the previous releases. The Finance Department released an amount of ₹ 52.50 lakh in August 2010 and another sum of ₹ 52.50 lakh in October 2010. Out of ₹ 1.05 crore, the department could utilize ₹ 8.28 lakh only. As the department failed to utilize the funds, on the advice of the Planning Department, the budget allotment was reduced to ₹ 25.73 lakh in December 2010 but this amount was also not released by the Finance Department.

On being enquired, the Director stated that the bills were not cleared by the treasury (October 2011).

4.1.17 Submission of Detailed Contingent Bills

Note 5 of Rule 275 (2) of the Punjab Treasury Rules read with Rule 8.8. of the Punjab Financial Rules Volume-I provides that Detailed Contingent (DC) bills should be prepared for the amount drawn on Abstract Contingent (AC) bills in any month and should be headed as pertaining to the month in which payment was actually made from the treasury.

Scrutiny of records in the office of the Director revealed that six AC bills for ₹ 8.03 crore were drawn during 2010-11 (July 2010 to March 2011) but no records had been maintained to watch timely submission of the DC bills. DC bills for this amount have not been submitted to the Accountant General (A&E) Punjab as of January 2012 even though during the exit conference (October 2011) the Financial Commissioner had directed the department to submit the DC bills to the Accountant General (A&E) Punjab.

4.1.18 Reconciliation of the General Provident Fund (GPF) withdrawals

To ensure that withdrawals of GPF advances are correctly debited in the respective GPF accounts of the employees, the Punjab Government issued instructions (August 1995) that every Drawing and Disbursing Officer (DDO) should reconcile the withdrawal of GPF advances taken by their employees with the accounts of the authority maintaining GPF of the employees.

It was noticed that during 2009-10 and 2010-11 reconciliation of the GPF withdrawals of ₹ 8.67 crore made by 16[41] DDOs was not carried out with the GPF accounts maintaining authority i.e. Director. This poses risk of non-posting of debits in the GPF accounts of the concerned employees and may lead to excess payment to them at the time of final payment.

4.1.19 Reconciliation of the deposits into the treasury

Financial Rules provide that every DDO is required to reconcile the amount of deposit with the treasury by 15th of the next month. It was however, noticed that an amount of ₹ 31 lakh was deposited into treasuries by six out of 22 DDOs between 2007-08 and 2010-11, but no-reconciliation was carried out with the treasuries as required under the rules. Such non-reconciliation carries with it the risk of misappropriation/ embezzlement of the Government money.

4.1.20 Failure to transfer of Group Insurance Scheme (GIS) amount to the Insurance Fund

Under the provisions of Group Insurance Scheme, 1982 (GIS), the DDOs were required to prepare a contingent bill in October every year transferring an appropriate amount from the Group Insurance Saving Fund to the Insurance Fund in respect of the employees who have been members of the scheme.

Scrutiny of records revealed that an amount of ₹ 7.50 lakh (30 *per cent* of the GIS subscription of ₹ 25 lakh) was not transferred to the Insurance Fund by 12 DDOs for the period January 2005 to December 2010. This reflected not only non-observance of the codal provisions, but would also create problems at the time of making payments to the legal heirs of the deceased employees.

On this being pointed out (June/July 2011), while admitting the above facts, the Director stated (October 2011) that all the DDOs have been directed to carryout the reconciliation of GPF/deposit and prepare BT bills of GIS to transfer the amount to Insurance Fund.

VIII. Human resources management

To ascertain whether human resources were adequate and effective, the sanctioned strength and men in position in various institutions of the department were scrutinized and discussed as follows:-

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41 Deputy Directors, Bathinda, Faridkot, Ferozepur, Gurdaspur, Hoshiarpur, Jalandhar, Kapurthala, Ludhiana, Mattewara, Muktsar, Patiala, Ropar and Sangrur.
Assistant Directors, Nabha and Patiala.
Fodder Development Officer, Patiala.

4.1.21 Shortage of staff

The Veterinary Officers and Veterinary Inspectors are the key personnel responsible for running the hospitals and dispensaries and implementation of various schemes in the field. The position of sanctioned strength vis-à-vis men-in-position in the State during 2009-11 was as given in **Table 4.11**.

Table 4.11: Position showing posts sanctioned and men-in-position

(Number of posts)

Sr. No	Name of post	Year	Sanctioned posts	Men-in-position	Vacancy	Percentage
1.	Sr. Veterinary Officer	2009-10	53	32	21	40
		2010-11	53	27	26	49
2.	Veterinary Officer	2009-10	862	691	171	20
		2010-11	862	649	213	25
3.	Veterinary Inspector	2009-10	1995	1725	270	14
		2010-11	1995	1690	305	15
4.	Others (Sr. Assistant, Jr. Assistant, Clerks etc.)	2009-10	3613	2851	762	21
		2010-11	3613	2896	717	20

The vacancies of staff in the four categories mentioned above ranged between 14 and 40 *per cent* during 2009-10 and 15 and 49 *per cent* during 2010-11. The vacancies were chronic in the case of Veterinary Officers. Shortage of staff had effected schemes like AI, HS vaccination, medical treatment etc. as pointed out in paragraph 4.1.

After being pointed out in audit (May 2010), that department intimated (October 2011) that 125 Veterinary Officers and 300 Veterinary Inspectors have been recruited. However, there was still over all shortage of staff in the department.

IX. Monitoring and Internal Control

4.1.22 Inadequate Internal Control

The Director was responsible for monitoring and effective control on the implementation of various schemes/activities of the department. The scrutiny of records in the office of the Director revealed the following:-

We tested existence and adequacy of internal controls, with reference to:

a) internal audit;
b) management information systems and
c) supervisory control

It was found that no internal audit wing was functioning at the Directorate/district level. Considering the size and functions of the department, Government need to put in place a mechanism for internal audit.

The department had been ineffective in responding to the audit observations of Accountant General. The position of outstanding inspections reports (IRs) issued by the Accountant General to the department is given in **Table 4.12.**

Table 4.12: Position showing outstanding inspection reports and paragraphs

Outstanding in April 2010		Additions during the year 2010-11		Settled during the year 2010-11		Outstanding at the end of March 2011	
IRs	Para	IRs	Paras	IRs	Para	IRs	Para
169	321	41	144	44	120	166	345

At the close of March 2011, 166 audit inspection reports involving 345 paragraphs were pending for settlement. Lack of effective response to audit resulted in recurrence of irregularities reported by audit.

4.1.23 Inspection of sub offices

As per the instructions of Administrative Reforms Department, periodical inspections of the sub-offices were to be carried out by the Head of Department (HOD). The periodicity of such inspections and procedure to be followed for the purpose was to be framed by the HOD under advice to the Government. It was, however, noticed that no such inspections were conducted by the respective officers.

On being pointed out by Audit (May 2010), the State Government issued (June 2010) instructions and allotted specific district offices to the Secretary, Director, Joint Director, Deputy Director, Registrar of Punjab State Veterinary Council, Chandigarh for inspections at least 4 days in each month and to submit reports to the higher authorities. However, the number of inspections conducted and reports submitted were not furnished to audit.

Conclusion

Though improvement of genetic potential of the livestock through scientific breeding was one of the objectives of the department, it was not largely achieved as performance of all the four breeding farms (Buffalo breeding farm, Rabbit breeding farm, Pig breeding farm and Sheep breeding farm) were far from satisfactory in terms of targets set and achieved, in spite of existence of appropriate infrastructural facilities. Out of the 10 polyclinics functioning in the State, seven were found to be deficient in specialist doctors leading to denial of specialized services for the health of animals. To provide veterinary facilities at the doorsteps of farmers, the department had established 26 mobile veterinary units at the tehsil level, of which, 16 were not fitted with requisite equipments and medicines. Scrutiny of their performance disclosed severe shortfall in the number of health cases treated and artificial inseminations performed. Though the outlay of money planned for spending on various schemes (central and state) in the year 2009-10 and 2010-11 were ₹ 123.91 crore, GoI did not release ₹ 10.44 crore to the State and the State Government did not release ₹ 39.26 crore to the department. Out of the amount of ₹74.21 crore actually released, ₹18.33 crore was not spent during the period 2009-11.

Recommendations

- As there was a huge gap between the policy intent and delivery of benefits by the breeding farms, the declining performance of all the farms needs to be reviewed by the Government and efforts should be made to improve their functioning to avoid under utilization of invested resources in terms of land buildings, equipment, livestock and manpower.

- The Government needs to undertake recruitment of specialist doctors for the polyclinics to ensure their effective functioning.
- The mobile vans which have outlived their life may be replaced so that the veterinary facilities could be provided at the door steps of farmers.
- The funds may be released for implementation of various Central and State schemes as per projected outlay.

CHANDIGARH **(MOHINDER SINGH)**
The **Pr. Accountant General (Audit), Punjab**

Countersigned

NEW DELHI **(VINOD RAI)**
The **Comptroller and Auditor General of India**

APPENDICES

Appendix-1.1

(Refers to paragraph 1.8, page-9)

List of Paragraphs/Performance Audits for which departmental replies have not been received till 30 November 2011

Year	No of Pending Performance Audit	No of Pending Paras	Total Pending Performance	
			Audit	Paras
2008-09	1.2	2.1.2, 2.3.1, 2.3.4, 2.3.6	1	04
2009-10	2.1, 2.2	3.1.1, 3.1.2, 3.1.3, 3.1.4, 3.1.5, 3.1.6, 3.1.7, 3.2.1, 3.2.2, 3.2.4, 3.3.1	2	11
Total			03	15

Appendix-1.2

(Refers to paragraph 1.8, page-9)

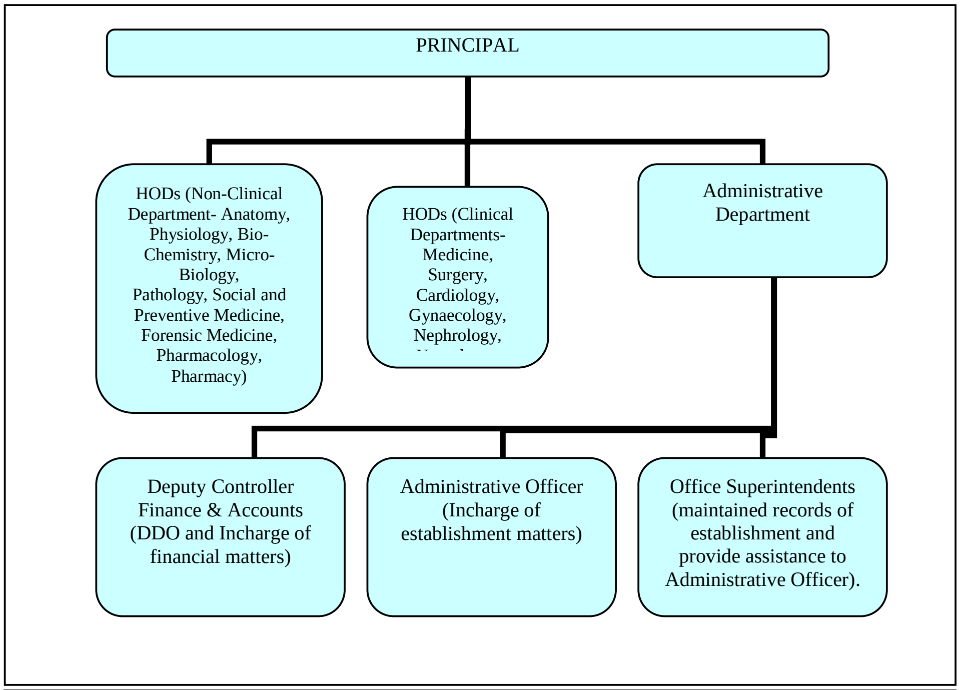
List of Paragraphs and Performance Audits of the Reports of the CAG of India for which departmental replies have not been received upto 30 November 2011

Sr. No.	Name of the Department	Year of the Audit Report	Para Numbers	Total number of paras	Grand Total
1.	Civil Aviation	2009-10	3.1.2	1	1
2	Education	2008-09 2009-10	1.2 ***(Performance Audit)*** 2.2 ***(Performance Audit)***	1 1	2
3.	Forest and Wildlife	2008-09	2.3.6	1	1
4.	Finance	2008-09	2.3.4	1	1
5.	Health & Family Welfare	2009-10	2.1 ***(Performance Audit)*** 3.1.1 and 3.2.4	3	3
6.	Home Affairs and Justice	2009-10	3.1.7	1	1
7.	Industries and Commerce	2009-10	3.3.1	1	1
8.	Irrigation and Power	2008-09 2009-10	2.1.2 3.1.3, 3.1.5, 3.2.1	1 3	4
9.	Local Government	2009-10	3.2.2	1	1
10.	Public Works (Buildings and Roads Branch)	2009-10	3.1.6	1	1
11	Planning	2008-09	2.3.1	1	1
12	Rural Development and Panchayats and Local Government	2009-10	3.1.4	1	1
	Total				**18**

Appendix-2.1

(Refers to paragraph 2.1.2, page 11)

Typical Organisational Chart of a Medical College



Appendix-2.2

(Refers to paragraph 2.1.6.2(a), page 14)

Statement showing shortage of post graduate courses in Government Medical Colleges

Year	No. of seats available in Government Medical Colleges			No. of applications received	No. of students admitted (per cent)
	MD	MS	Total		
2006-07	115	59	174	557	169 (30)
2007-08	108	55	164	468	164 (35)
2008-09	110	55	165	595	158 (27)
2009-10	96	54	169	555	163 (29)
2010-11	87	148	235	535	216 (40)

Appendix-2.3

(Refers to paragraph 2.1.8.1, page 15)

Staff position in Medical Colleges during the year 2010-11

Cadre	Government Medical College at	2010-11			Shortfall
		Sanctioned	Filled	Vacant	per cent
Professor	Patiala	45	32	13	
	Amritsar	52	33	19	
Total		**97**	**65**	**32**	**33**
Addl. Professor	Patiala	8	3	5	
	Amritsar	7	2	5	
Total		**15**	**5**	**10**	**67**
Associate Professor	Patiala	62	52	10	
	Amritsar	58	38	20	
Total		**120**	**90**	**30**	**25**
Asst Professor	Patiala	86	51	35	
	Amritsar	83	59	24	
Total		**169**	**110**	**59**	**35**
Sr Resident	Patiala	48	25	23	
	Amritsar	55	30	25	
Total		**103**	**55**	**48**	**47**
Grant Total		**504**	**325**	**179**	**36**

Appendix-2.4

(Refers to paragraph 2.1.8.3, page 17)

Staff position in Dental Colleges

Cadre	Government Dental College at	DCI Norms	2006-07		2007-08		2008-09		2009-10		2010-11	
			S	F	S	F	S	F	S	F	S	F
Professor	Amritsar	9	6	2	6	4	6	4	6	5	6	6
	Patiala		5	4	5	3	5	3	5	3	5	2
Associate Professor	Amritsar	18	7	5	7	3	7	3	7	3	7	1
	Patiala		7	7	7	5	7	5	7	5	7	5
Asstt Professor	Amritsar	18	3	1	3	0	3	0	3	2	3	0
	Patiala		5	0	5	0	5	0	5	0	5	3
Demonstrator	Amritsar		10	5	10	2	10	2	10	2	10	7
	Patiala		5	5	5	5	5	5	5	5	5	5
			48	**29**	**48**	**22**	**48**	**22**	**48**	**25**	**48**	**29**

S – Sanctioned and F - Filled

Appendix-2.5

(Refers to paragraph 2.1.11.1, page 20)

Detail of idle machinery and equipment

Sr. no	Name of department	Particular of equipment	Date of installation	Month since idling	Cost of machine (in lakh)	Reasons for idling	Impact of the idle machinery	Efforts made by the authorities
1	Bio chemistry (GMC, Amritsar/ SGTB Hospital)	Complete auto analyzer with computer disc players and printer	June 2007	March 2010	16.00	For want of repair	Manual testing which is more time consuming	Efforts were made by the authority, but the firm did not respond since September 2010.
2	Radio diagnosis Department (GMC, Amritsar/ SGTB Hospital)	Digital x-ray machine (single plate)	May 2009	May 2010	27.08	For want of digital x-ray films since May 2010	Only conventional x-ray are carried out	The Medical Supdt. requested the Principal to supply the films (July 2010), but purchase of films was awaited (June 2011).
3	Medicine Department (GMC, Amritsar/ SGTB Hospital)	Advance ICU ventilator	March 2009	March 2009	6.95	Lying in the store and awaiting issuance due to infrastructure problem	Intended benefits not given to general public	No efforts were made by the department to issue the equipment.
4	Gynaecology Department (GMC, Amritsar/ SGTB Hospital)	Laproscopic Gynaecology set	November 2007	November 2007	18.21	Non availability of trained Laproscopic operative surgeon	Major surgeries are not conducted	Requests were made by the Head of the Department for providing training to faculty members, but no training imparted.
5	Neurology Department (GMC, Amritsar/ SGTB Hospital)	EMG/ MNCV /EP machine	July 2007	August 2007	6.80	Non posting of EMG technician	Muscle strength test not carried out	Requests were made by the Head of the Department for posting of EMG but posting is still awaited.
6	Cardiology Department (GMC, Amritsar/ SGTB Hospital)	Imported MP-50 Modular Monitoring System (ICU Multi Parameter Monitor)	November 2010	November 2010	71.51	Cardio Cath Lab under construction as on February 2011	Intended services could not be extended to the general public	The Head of the department requested the higher authorities for early completion of ICCU and Cardiac Cath Lab installation. But the completion is still awaited (February 2011).

7	Gynaecology Department (GMC, Patiala / Rajindra Hospital)	Imported Harmonic Scalpel for open and laparoscopic surgery	December 2010	January 2011	24.30	Lack of demons-tration by supplier	Open and laparoscopic surgery, ultra sonic cutting not done	The hospital requested the supplier for providing demonstration. But the demonstration is still awaited.
8	Anaesthesia Department (GMC, Patiala / Rajindra Hospital)	Imported Anaesthesia Machine (Work station) and Anaesthesia Monitor)	March 2009	March 2009	146.39	Lack of soda lime which is used in the work stations	Anaes-thesia facilities suffered	The Head of the Department has requested the Medical Supdt. For purchase of soda lime (March 2011) but the same is still awaited.
9	GMC, Patiala / Rajindra Hospital	EMG/MNCV/EP machine	2007	2008	6.80	Non posting of EMG technician	Muscle strength test not carried out	Efforts made by the department to post EMG technician.
10	GMC, Patiala / Rajindra Hospital	Fully automatic Blood Component Extractor	March 2006	March 2006	10.17	Not working satis-factorily since installation	Patients are exposed to reaction during blood transfusion	Department requested the firm to rectify the problem, but the firm is not responding.
11	GMC, Patiala / Rajindra Hospital, Patiala	Imported neuro muscular monitor (4 no.)	March 2008	March 2008	6.93	Not working satis-factorily	Intended services could not be obtained	HOD requested (December 2009) to repair the machine, but the machine was not yet repaired.
12	Govt. TB Hospital, Patiala	Machinery and equipment for establishment of an Intermediate Reference Laboratory (IRL)	Yet not installed	Since receipt between June 2009 and August 2010	45.79	Non establishment of IRL in the hospital for want of electric connection and minor civil works	96 to 105 cultural and sensitive tests had to be referred to private hospitals for examination during the year 2010	Meetings have been conducted with the Principal, GMC, Patiala and the Engineers to get the work done at the earliest.
13.	Dental College, Amritsar	Dentistry Van	August 2007	Since purchase (8/2007)	5.00	Non-posting of driver	Difficulty in carrying dental students for imparting awareness	The Principal requested (June 2010) the DRME to sanction the post of Driver.
Total					**391.93**			

Appendix-2.6

(Refers to paragraph 2.1.16, page 27)

Comparison of Budget allocated to DRME with annual budget of the State Government

(₹ in crore)

Year	Total State budget allotment	Budget allocation to Medical and Public Health (per cent)	Budget allocation to DRME (per cent)
2006-07	28729.24	934.69 (3.25)	136.26 (0.47)
2007-08	31743.24	876.51 (2.76)	156.73 (0.49)
2008-09	34699.17	1214.86 (3.50)	163.77 (0.47)
2009-10	41945.89	1266.65 (3.02)	177.71 (0.42)
2010-11	36467.21	1354.40 (3.71)	225.80 (0.62

Source: For annual budget of the State Government: 'Appropriation Accounts' for the years 2006-07 to 2009-10 and 'Annual Financial Statement' for 2010-11. For Budget allocation to Medical and Education Research Department: Departmental figures.

Note: Figures in brackets indicate percentage of allocation to total State budget allotment.

Appendix 3.1

(Refers to paragraph 3.1.2, page 36, 37 and 38)

Total number of units checked

(I)(A) Senior Superintendents of Police:

(1) Amritsar (Rural) (2) Bathinda (3) Batala, (4) Barnala, (5) Faridkot (6) Ferozepur (7) Fatehgarh Sahib (8) Gurdaspur (9) Hoshiarpur (10) Kapurthala (11) Khanna (12) Ludhiana (Rural) (13) Moga (14) Mukatsar (15) Mansa, (16) Nawanshahr (17) Patiala (18) Ropar (19) Sangrur (20) S.A.S. Nagar (Mohali) and (21) Taran Taran

(I)(B) Commissioner of Police:

(1) Amritsar (2) Jalandhar (3) Ludhiana

(II) Punjab Armed Police Battalions:

(1) 7th Bn, PAP Jalandhar (2) 9th Bn, PAP Amritsar (3) 13th Bn, PAP Chandigarh (4) 27th Bn, PAP Jalandhar (5) 36th Bn, PAP Bahadurgarh (6) 75th Bn, PAP Jalandhar (7) 80th Bn, PAP Jalandhar and (8) 82nd Bn, PAP Chandigarh.

(III) Indian Reserve Battalions:

(1) Ist IRB Patiala (2) 2nd IRB Lada Kothi Sangrur (3) 3rd IRB Ludhiana (4) 5th IRB Amritsar (5) 6th IRB Ladda Kothi Sangrur and (6)7th IRB Kapurthala

(IV) Commondo Battalions:

(1) Ist Commando Bn Bahadurgarh (2) 2nd Commando Bn Bahadurgarh (3) 3rd Commando Bn SAS Nagar (Mohali) (4) 4th Commando Bn SAS Nagar (Mohali) and (5) 5th Commando Bn, Bahadurgarh

(V) Superintendents of Police (CID):-

(1) Amritsar (2) Jalandhar (3) Ludhiana and (4) New Delhi (Punjab)

Details of Punjab Police offices which are yet to recover the outstanding amount within State

(1) SSP, Bathinda;
(2) SSP, Ropar;
(3) SP, CID Amritsar ;
(4) Commandant, 9th Batalian PAP, Amritsar;
(5) Commandant, 27th BN, PAP Jalandhar;
(6) Commandant, 75th BN,PAP Jalandhar ;
(7) Commandant, 80th BN, PAP Jalandhar;
(8) Commandant, 3rd Commando BN, Mohali;
(9) Commandant, 6th IRB, Ladda Kothi ,Sangrur.

Details of corporate bodies from whom the recovery is outstanding

(1) Air Port Authority;
(2) Banks;
(3) Bhakhra Beas Management Board;
(4) Doordarshan and All India Radio;
(5) Punjab State Electricity Board.

Details of Punjab Police offices which are yet to recover the outstanding amount from other States

(1) SSP, Ferozepur (2) SSP, Hoshiarpur (3) Commandant, 7th Bn, PAP Jalandhar (4) Commandant, 9th Bn, PAP Amritsar (5) Commandant, 13th Bn, PAP Chandigarh (6) Commandant, 27th Bn, PAP Jalandhar (7) Commandant, 36th Bn, PAP Bahadurgarh (8) Commandant, 75th Bn, PAP Jalandhar (9) Commandant, 80th Bn, PAP Jalandhar (10) Commandant, 82nd Bn, PAP Chandigarh (11) Commandant, Ist IRB, Patiala (12) Commandant, 2nd IRB, Ladda Kothi, Sangrur (13) Commandant, 5th IRB, Amritsar (14) Commandant, 6th IRB, Ladda Kothi Sangrur (15) Commandant, 7th IRB ,Kapurthala (16) Commandant, Ist Commando, Bn Bahadurgarh (17) Commandant, 2nd Commando Bn, Bahadurgarh (18) Commandant, 3rd Commando Bn, SAS Nagar (Mohali) (19) Commandant, 4th Commando Bn, SAS Nagar (Mohali) and (20) 5th Commando Bn, Bahadurgarh.

Appendix 3.2

(Refers to paragraph 3.1.8, page 45)

Statement showing division wise details of labour cess not deducted

(₹ in lakh)

Sr. No.	Name of division	Amount
1.	Construction Division No.1 Amritsar	7.27
2.	Construction Division, Barnala :	18.09
3.	Provincial Division, Gurdaspur :	5.38
4.	Construction Division No.-I, Ludhiana	41.73
5.	Construction Division No.-II, Ludhiana	5.47
6.	Construction Division No.-III, Ludhiana	18.44
7.	Central Works Divisions, Mohali	25.21
8.	Provincial Division, Sangrur	41.38
9.	Canal Division, Bathinda	23.86
10.	Harike Canal Division, Ferozepur	11.44
11.	Drainage Construction Division, Sangrur	32.91
	Total	**231.18**

Statement showing division wise details of labour cess recovered after pointed out by audit

Sr. No.	Name of division	Amount
1.	Construction Division No.1 Amritsar	7.27
2.	Canal Division, Bathinda	23.86
3.	Central Works Divisions, Mohali	25.21
4.	Provincial Division, Sangrur	41.38
5.	Construction Division No.-I, Ludhiana	5.42
6.	Construction Division No.-II, Ludhiana	5.47
7.	Construction Division No.-III, Ludhiana	6.27
8.	Construction Division, Barnala	18.09
9.	Provincial Division, Gurdaspur	0.49
10	Harike Canal Division, Ferozepur	6.23
	Total	**139.69**

Statement showing division wise details of labour cess still recoverable

Sr. No.	Name of division	Amount
1.	Provincial Division, Gurdaspur	4.89
2.	Construction Division No.-I, Ludhiana	36.31
3.	Construction Division No.-III, Ludhiana	12.17
4.	Harike Canal Division, Ferozepur	5.21
5.	Drainage Construction Division, Sangrur	32.91
	Total	**91.49**

Appendix-3.3

(Refers to paragraph 3.1.9, page 47)

Statement showing detail of amount of employers' share of contribution

Sr. No.	Name of the District	Date of Registration of Society	Date of allotment of EPF Code	Month from which EPF deduction made from the salary	Arrear of employer's contribution (₹) (No. of Employees)		
					2008-09	2009-10	Total
1	State Health Society	26.02.07	12.01.10	December 2009	75,000 (13)	61,764 (12)	1,36,764 (25)
2	Amritsar	21.12.05	25.03.10	February 2010	2,62,440 (81)	2,43,000 (85)	5,05,440 (166)
3	Bathinda	16.01.06	08.04.10	April 2010	1,88,201 (84)	3,84,312 (125)	5,72,513 (209)
4	Fatehgarh Sahib	02.03.06	20.05.10	May 2010	55,654 (12)	79,195 (18)	1,34,849 (30)
5	Ferozepur	30.11.05	31.03.10	April 2010	2,70,544 (68)	2,89,939 (71)	5,60,483 (139)
6	Gurdaspur	07.12.05	05.04.10	January 2010	2,07,240 (58)	2,19,819 (48)	4,27,059 (106)
7	Hoshiarpur	27.12.05	17.05.10	April 2010	2,64,019 (82)	2,65,497 (83)	5,29,516 (165)
8	Jalandhar	13.01.06	28.04.10	April 2010	2,40,000 (80)	2,21,040 (80)	4,61,040 (160)
9	Kapurthala	10.11.05	16.04.10	April 2010	1,41,720 (51)	1,74,000 (52)	3,15,720 (103)
10	Ludhiana	23.12.05	16.03.10	March 2010	3,39,090 (87)	4,08,437 (113)	7,47,527 (200)
11	Mansa	26.12.05	12.03.10	March 2010	1,94,880 (52)	1,39,920 (51)	3,34,800 (103)
12	Moga	29.08.05	18.08.10	January 2010	3,55,376 (117)	4,03,685 (104)	7,59,061 (221)
13	Mukatsar	10.10.05	26.04.10	April 2010	2,83,508 (69)	3,30,959 (73)	6,14,467 (142)
14	Nawanshahar	16.01.06	19.01.10	December 2009	1,93,646 (56)	2,20,251 (65)	4,13,897 (121)
15	Patiala	05.12.05	30.04.10	April 2010	3,41,498 (122)	5,95,139 (125)	9,36,637 (247)
16	Roopnagar	09.05.06	30.04.10	December 2009	1,80,129 (46)	1,35,082 (45)	3,15,211 (91)
17	Sangrur	23.01.06	24.08.10	August 2010	1,20,041 (36)	1,29,712 (37)	2,49,753 (73)
18	SAS Nagar	26.03.07	15.05.10	May 2010	1,67,040 (46)	3,84,456 (55)	5,51,496 (101)
19	Tarn Taran	22.10.07	10.02.10	February 2010	NA -	45,867 (10)	45,867 (10)
	Total				**38,80,026 (1160)**	**47,32,074 (1252)**	**86,12,100 (2412)**

Employees Contribution : 86,12,100
Employer's Contribution : 86,12,100

Note: DHSs, Barnala and Faridkot have not been included as they have already paid arrears for the years 2008-09 and 2009-10. Figures of arrear for the year 2007-08 are not available.

Appendix-3.4

(Refers to paragraph 3.3.1 (a), page 60)

Statement showing details of inadmissible payments of investment incentive

Sr. No.	Name of the Unit	Amount (` in lakh)	Nature of objection
1	M/s SP Steels, V&PO Nasrala, Distt. Hoshiarpur	11.76	These units were granted investment incentive without having either land in their name or any lease deeds executed in their favour for the prescribed period of ten years.
2	M/s Ispat Profiles, C-21, Focal Point, Industrial Area, Mandi Gobindgarh.	5.90	
3	M/s Hotel Maharaja Palace, Sutheri Road, Hoshiarpur.	25.00	
4	M/s Rajan Enterprises, Kacha Buraj, Muhar Road, Abohar, Distt. Ferozepur.	5.80	
5	M/s Nanda Industries, C-16, Focal Point, Jalandhar.	6.44	
6	M/s Surya Pipe Industries,Village Jiwan Arain, Jalalabad, Distt. Ferozepur.	5.70	
7	M/s Hotel Venice, Dhangu Road, Pathankot, Distt. Gurdaspur.	15.84	
8	M/s Harpreet Cryogenics Pvt. Limited, Vill. Tibba Sahnewal, Distt. Ludhiana.	24.82	
9	M/s Hotel Land Mark, Bank Street, Bathinda.	5.14	
10	M/s Nimbus Fashions, 207, Nishat Bagh Colony, Vill. Bhattian, Distt. Ludhiana.	11.37	
11	M/s Hotel Giorgio, College Road, Abohar, Distt. Ferozepur.	15.53	
12	M/S JCT Limited (Steel Division), Wire Rope Unit, Village Chohal (Hoshiarpur).	50.00	
	Total	**183.30**	

Say ₹ 1.83 crore

Appendix-4.1

(Refers to paragraph 4.1.12.2, page 75)

Detail of Schemes implemented in Animal Husbandry Department during the period 2009-11

Centrally Sponsored Scheme (100%) 2009-10 and 2010-11

Sr. No.	Name of scheme
1.	National Project on Rinderpest Eradication
2.	Livestock Census
3.	Foot & Mouth Disease Control Programme
4.	Assistance to State Poultry Farms strengthening of Government Poultry Farms.
5.	Conservation of threatened breeds of small ruminants, pigs, pack animals etc.
6.	Birth control and immunization of stray dogs
7.	Construction of animal shelter (Gaushala)
8.	Animal disease management to RDDL, Jalandhar (Direct release)
9.	Scheme for female buffalos calf rearing
10.	Establishment of backyard poultry units
11.	Upgradation of low grade roughages through Ammonia treatment
12.	Establishment of Turkey unit for BPL (SC)
13.	Strengthening and development of fodder resources in the State
14.	National Control programme on brucellosis (NCBP)
15.	Training in artificial insemination to BPL SC Youth

Shared Schemes between GOI/GoP

Sr. No.	Name of scheme
16.	Assistance to States for Control of Animal Disease (ASCAD) (75:25)
17.	Professional Efficiency Development through strengthening of Punjab Veterinary Council
18.	Integrated Sample Survey and cost of production of milk and egg (50:50)
19.	Establishment and Strengthening of existing Vety. Hospitals and Dispensaries

State Plan Schemes

Sr. No.	Name of scheme
20	Setting up of new and strengthening of existing Vety. Polyclinics in the State
21	Plan Assistance to (GADVASU) at Ludhiana
22	Punjab State Animal Health Institute & Mobile Animal Health Care Units
23	Development of Piggery Sector in the State
24	Upgradation & construction of new Vety. Polyclinics under RIDF XIII Project (NABARD)
25	Setting up new Polyclinics & strengthening of Vety. Institutions in the State under RIDF XIV Project (NABARD)
26	Animal Health Extension & Training Programme
27	Development of other livestock like poultry, goat, sheep & turkey (AH-21 & AH16 merged)
28	Grant-in-aid to registered Gaushalas in the State
29	Development of fodder resources and its processing
30	Renovation and upgradation of Vety. Institution (ACA 2010-11)