सत्यमेव जयते

Report of the

Comptroller and Auditor General of India

on

Social, General and Economic Sectors

(Non-Public Sector Undertakings)

for the year ended 31 March 2016

Government of Punjab

Report No. 1 of the year 2017

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Preface

This Report for the year ended 31 March 2016 has been prepared for submission to the Governor of the State of Punjab under Article 151 of the Constitution of India.

The Report contains significant results of the performance audit and compliance audit of the departments and autonomous bodies of the Government of Punjab under the Social, General and Economic Sectors (Non-Public Sector Undertakings).

The instances mentioned in this Report are those which came to notice in the course of test audit during the year 2015-16 as well as those which came to notice in earlier years but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2015-16 have also been included, wherever necessary.

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

Overview

OVERVIEW

This Report contains four performance audits *viz.* on (i) Implementation of Sarva Shiksha Abhiyan, (ii) Information Technology Audit of Integrated Financial Management System, (iii) National Rural Health Mission-Reproductive and Child Health and (iv) Punjab State Sports Council and 20 paragraphs involving money value of ₹ 226.23 crore.

The total expenditure of the State Government increased by 69.73 *per cent* from ₹ 34,820 crore in 2011-12 to ₹ 59,101 crore in 2015-16. The revenue expenditure increased by 51.53 *per cent* from ₹ 33,045 crore to ₹ 50,073 crore. The non-plan revenue expenditure increased by 44.20 *per cent* from ₹ 31,041 crore to ₹ 44,762 crore and capital expenditure increased by 91.43 *per cent* from ₹ 1,598 crore to ₹ 3,059 crore during the period 2011-16.

PERFORMANCE AUDIT

1. Implementation of Sarva Shiksha Abhiyan

Sarva Shiksha Abhiyan (SSA) is the primary vehicle for implementing the Right of Children to Free and Compulsory Education Act, 2009 (RTE Act) and to provide useful and relevant education to all children in the age group of 6-14 years by 2010. A performance audit of the implementation of Sarva Shiksha Abhiyan for the period 2011-16 brought out lack of planning and deficiencies in both financial management and execution of the programme which undermined achievement of its objectives. The implementation of the SSA in the State commenced late due to delay in notification of the Right to Education Rules and was hampered by delayed or short release of funds which adversely impacted the implementation of the programme as reflected in shortfalls in infrastructure required in the schools. Inadequate planning and implementation was also evidenced by lack of mapping of neighbourhood schools and data relating to children belonging to the weaker sections and disadvantaged groups. Finally, there were discrepancies in the distribution of uniforms and books with excess expenditure of ₹ 14.76 crore on their purchases. Some of the significant findings are summarized below:

Perspective Plan was not prepared at State and district level for the period covered under audit.

(Paragraph 2.1.6.1)

Sarva Shiksha Abhiyan funds were released short by ₹ 1,362.76 crore during 2011-16. Government of Punjab did not release central share of ₹ 48.48 crore during 2014-16.

(Paragraphs 2.1.7.1 and 2.1.7.1 (iii))

Deployment of resource teachers was not related to the number of Children with Special Needs and the nature of their disability. No norms were fixed by the State for deployment of resource teachers. No resource teacher was appointed in the State in cases of multiple disabilities, cerebral palsy, learning disability and autism spectrum disabilities resulting in deprival of resource support to 18,214 children suffering from these disabilities.

(Paragraph 2.1.8.5 (iii) (a & b))

Only one set of uniform was provided against required two sets of uniforms to the students during the years 2011-16.

(Paragraph 2.1.8.6 (ii))

Excess expenditure of ₹ 6.76 crore was incurred on purchase of books against the norms fixed by the Ministry of Human Resources and Development.

(Paragraph 2.1.8.7 (v))

1,170 primary schools were running with single teacher and 572 upper primary schools with less than three teachers.

(Paragraph 2.1.9.1)

2. Information Technology Audit of 'Integrated Financial Management System'

In October 2009, the Government of Punjab initiated the Integrated Financial Management System to bring transparency and responsiveness in public financial management by establishing a network between all stakeholders. An information technology audit of the 'Integrated Financial Management System' brought out shortcomings/deficiencies such as non-implementation of some of the modules, non-mapping of Punjab Treasury Rules for monitoring of Abstract/Detailed contingent bills and absence of various validation checks, system controls and third party audit in the implementation of the project. Some of the significant audit findings are summarised below:

Instead of availing services of Punjab State e-Governance Society, a designated agency of the State Government at no extra cost, services of Punjab Infotech were taken at four *per cent* of the project cost for implementation of the project resulting in avoidable expenditure of ₹ 1.59 crore.

(Paragraph 2.2.6.1)

Treasury operations and pension (management and monitoring) modules were not fully implemented.

(Paragraph 2.2.6.3)

Punjab Treasury Rules in respect of monitoring of Abstract/Detailed Contingent bills were not adequately mapped as a result of which the system was not depicting correct status of pending Abstract Contingent bills. Data analysis showed that 49,277 Abstract Contingent bills amounting to ₹ 7,400.91 crore were pending for adjustment against the actual pendency of only 976 Abstract Contingent bills amounting to ₹ 2,044.97 crore as of March 2016.

(Paragraph 2.2.7.2)

The requisite validation checks for processing of bills and unauthorised operation of heads of accounts by Drawing and Disbursing Officers were not available in the System to ensure adherence to the extant rules. There were 54 dummy active DDO codes in the database.

(Paragraphs 2.2.7.3 and 2.2.7.4)

Non-application of various controls and non-conducting of third party audit at the prescribed time indicated weak system control mechanism in the Integrated Financial Management System.

(*Paragraph 2.2.8)*

3. National Rural Health Mission - Reproductive and Child Health

Government of India launched the National Rural Health Mission (NRHM) in April 2005 with a view to providing accessible and affordable healthcare facilities in rural areas and to bridge gaps in healthcare facilities. The programme had been earlier reviewed in the Report (Civil) of the Comptroller and Auditor General relating to the Government of Punjab for the year ended 31 March 2010 which had highlighted shortcomings in infrastructure, manpower and implementation of various components of the programme. For the current Report, audit reviewed one of the components of NRHM *viz.* Reproductive and Child Health (RCH) programme which aims to reduce maternal mortality rate, infant mortality rate and total fertility rate. The performance audit covering the period 2011-16 brings out that many of the shortcomings that had been highlighted in the previous Report continued to persist despite recommendations of the Public Accounts Committee and assurances given by the Government to bring about improvements. Audit observed that though the facility survey at health centres had been conducted, a perspective roadmap to bridge gaps in infrastructure and manpower was yet to be prepared which impaired the planning process of the Mission. There were continuing shortages of Sub-Centres and Public Health Centres with reference to the stipulated norms as well as of essential infrastructural facilities like ultrasound, blood storage, safe abortion and prescribed drugs as well as of medical and paramedical staff while funds remained unutilized. Targets fixed for reproductive and child healthcare and with regard to maternal mortality rate could not be achieved though the targets for infant mortality rate and total fertility rate were largely achieved. Some of the significant findings are summarized below:

Twenty three *per cent* of the allocated funds under Reproductive and Child Health Programme were not utilized during 2011-16.

(Paragraph 2.3.7.1)

Shortage of Sub-Centres and Public Health Centres remained up to 15 and 26 *per cent* respectively during 2011-16. Seventeen to 92 *per cent* of the test-checked Community Health Centres and Public Health Centres were not equipped with essential infrastructural facilities like ultrasound, blood storage, safe abortion and prescribed drugs.

(Paragraphs 2.3.8.1 and 2.3.8.2)

There was an overall shortage up to 62 *per cent* of medical and paramedical staff against sanctioned strength as well as 100 *per cent* shortage in some cadres with reference to the Indian Public Health Standards as of March 2016.

(Paragraph 2.3.9.1)

Eleven to 21 *per cent* of pregnant women could not be covered for providing essential healthcare *viz.* ante-natal check-ups, iron and folic acid tablets and tetanus toxoid immunization. Domestic deliveries as against institutional deliveries continued to persist in the range of 8 and 22 *per cent* though the position had improved during 2011-16.

(Paragraphs 2.3.10.1 and 2.3.10.2)

There was shortfall in achievement of targets in administering doses of Vitamin 'A' (13 and 58 *per cent*) and family planning methods (15 and 82 *per cent*) during 2011-16.

(Paragraphs 2.3.10.4 and 2.3.10.5)

The State could not achieve the targeted maternal mortality rate. However, the target in respect of infant mortality rate was nearly achieved while that of total fertility rate was fully achieved during 2011-13.

(Paragraph 2.3.10.6)

4. Punjab State Sports Council

The Punjab State Sports Council was established in December 1971 as an autonomous body for development of sports in Punjab. A performance Audit of the Council for the period 2011-16 brought out that perspective and annual plans were not prepared and financial management was poor as evidenced by instances of unplanned expenditure and irregular release of grants. Implementation of the Panchayat Yuva Krida Khel Abhiyan was deficient as some village panchayats could not spend the available funds whereas expenditure incurred by some block panchayats was rendered unfruitful. Instances of payments against bogus bills were noticed during the World Cup Kabaddi Tournament. Some of the significant findings are summarised below:

No perspective and annual plans were prepared by the Punjab State Sports Council during the years 2011-16 to achieve its objectives and to provide direction to the promotion of sports in the State.

(Paragraph 2.4.6)

The Council suffered a loss of ₹ 1.50 crore due to non/short collection of membership fee and ground booking fee.

(Paragraph 2.4.7.4)

Expenditure of ₹ 1.78 crore was made during World Cup Kabaddi Tournament in contravention of the Financial Rules and ₹ 0.02 crore was disbursed on bogus bills for transport services during the tournament.

(Paragraph 2.4.12)

COMPLIANCE AUDIT

The Punjab State Agricultural Marketing Board suffered from weak financial management and failed to fully exploit opportunities for earning income through leasing out of surplus space. The Board had not evolved any mechanism to assess the exact recoverable amount on account of market contribution from Market Committees and recovery of ₹ 110.94 crore on account of sale of plots and loan of ₹ 6.05 crore was outstanding against the Committees. Further, undertaking works without a proper demand survey or ensuring all prior clearances from concerned authorities resulted in expenditure totaling ₹ 69.35 crore being rendered unfruitful and projects lying incomplete.

(Paragraph 3.1)

The functioning of the de-addiction centres and rehabilitative efforts of the State Government was hampered by failure to avail of central assistance of ₹ 0.36 crore due to non-submission of utilization certificates and shortages of manpower ranging between 25 and 100 *per cent* in the test-checked districts. Thirty five Drug De-addiction and Rehabilitation Centres were functioning without licenses while five Drug De-addiction and Rehabilitation Centres set up at a cost of ₹ 6.93 crore were not functional for want of staff and essential equipment. Excess expenditure of ₹ 2.40 crore was incurred on purchase of medicines.

(Paragraph 3.2)

The Home Affairs and Justice Department could not complete 78 *per cent* of works planned during 2013-16 due to lack of coordination and synchronization between availability of land, release of funds and commencement of works. While funds amounting to ₹ 27.95 crore were not released by the State Government, an amount of ₹ 32.42 crore was spent on works not covered under the Scheme. Further, failure to ensure encumbrance free site before award and commencement of work resulted in additional expenditure of ₹ 1.64 crore as well as work remaining incomplete for over six years from the initial allotment while poor site selection resulted in expenditure of ₹ 0.32 crore being rendered unfruitful. Non-adherence to provisions of agreement resulted in short recovery of ₹ 0.39 crore on account of quality control charges.

(Paragraph 3.5)

Commercially viable land was transferred to the Punjab Small Industries and Export Corporation Limited at rates lower than that determined by the Deputy

Commissioner resulting in loss of ₹ 21 crore that could have been used to upgrade jail infrastructure in the State.

(Paragraph 3.6)

Delayed declaration of award for land acquisition led to avoidable payment of appreciation price of ₹ 11.23 crore by the Housing and Urban Development Department.

(Paragraph 3.7)

An audit of the implementation of the Accelerated Irrigation Benefits Programme by the Irrigation Department for the period 2011-16 brought out creation of undue interest liability of ₹ 62.09 crore due to non-implementation of two projects despite availability of funds, loss of central assistance of ₹ 74.76 crore due to non-completion of work in time and short release of State share. Delay of 43 and 60 months in awarding works led to cost overrun of ₹ 1.81 crore while material worth ₹ 4.53 crore was procured more than seven years before requirement.

(Paragraph 3.8)

Inability of the Public Works Department to ensure adherence to contractual terms relating to payments for bitumen while working out dues payable to a contractor as well as to ensure availability of encumbrance free site and availability of financial resources before commencement of works resulted in additional expenditure of ₹ 7.73 crore.

(Paragraphs 3.11, 3.13 and 3.14)

Delay in initiating land acquisition process and thereafter delay in fixing market value of land and announcement of award beyond the stipulated period by the Revenue, Rehabilitation and Disaster Management Department resulted in an avoidable burden of ₹ 13.25 crore on the State Exchequer.

(Paragraph 3.17)

Institutional mechanisms to monitor and enforce compliance with Environmental Clearance Conditions were either lacking or weak and the Punjab Pollution Control Board failed to effectively monitor compliance of the conditions. Provisions relating to renewal of Consent to Operate/Consent to Establish/Environmental Clearance were not strictly enforced with the result that some projects were operating without valid environmental clearances. Statutory permissions for drawing ground water and disposal of hazardous waste were not obtained from the Central Ground Water Board and the Punjab Pollution Control Board respectively. Inadequacies were noticed in the implementation of activities falling under ambit of Corporate Social Responsibility. Green belts were not developed as required under environment clearance condition while fly ash was not being utilised as per Fly Ash notification.

(Paragraph 3.18)

The Technical Education and Industrial Training Department could not utilize available funds for creation and augmenting required infrastructure in Industrial Training Institutes (ITIs) and execution and completion of works were delayed leading to retention of funds in banks adversely affecting the upgradation of existing trades and starting of new trades. Only ₹ 32.25 crore were utilised out of ₹ 47.50 crore released to 19 test checked ITIs during 2008-11. Though all the ITIs except Nabha achieved the Key Performance Indicator of pass percentage, none of the ITIs achieved the employability target of 70 *per cent*.

(Paragraph 3.20)

Chapter-I

Introduction

Chapter-I

Introduction

1.1 Budget profile

There are 37 departments and 32 autonomous bodies in the State. The position of budget and expenditure incurred there against by the State Government during 2011-16 is given in **Table 1.1** below.

Table 1.1:Budget and actual expenditure during 2011-16

(₹ in crore)

Expenditure	2011-12		2012-13		2013-14		2014-15		2015-16	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
Revenue expenditure										
General Services	16434.11	16787.95	18818.97	18572.15	20093.58	20192.19	22781.77	23043.09	24324.90	24713.44
Social Services	11387.32	9246.50	13672.14	11189.97	13717.31	11319.09	15659.68	13729.05	16845.48	14897.86
Economic Services	7018.77	6264.07	10764.24	9152.09	10499.78	9599.73	10073.54	9237.32	11011.59	9756.04
Grants-in-aid and Contributions	1759.22	746.80	772.30	543.73	798.97	529.66	467.75	604.03	982.56	706.15
Total	**36599.42**	**33045.32**	**44027.65**	**39457.94**	**45109.64**	**41640.67**	**48982.74**	**46613.49**	**53164.53**	**50073.49**
Capital expenditure										
Capital Outlay	3959.66	1598.12	4527.53	1915.82	4232.54	2200.61	3948.28	3118.44	4353.57	3059.42
Loans and Advances disbursed	176.84	176.61	247.28	197.53	177.89	165.13	326.89	270.27	445.20	5968.59
Repayment of Public Debt (including Ways and Means Advances)	8624.92	8947.24	14661.91	15115.79	16544.35	16682.94	21673.04	23074.72	20636.48	22051.13
Contingency Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Account disbursements	29020.27	28771.75	27505.16	33531.20	34654.60	33994.60	40593.44	40526.50	46227.64	53446.58
Closing Cash Balance	--	-178.30	--	-303.61	--	630.42	--	-137.76	-	(-)14.63
Total	**41781.69**	**39315.42**	**46941.88**	**50456.73**	**55609.38**	**53673.70**	**66541.65**	**66852.17**	**71662.89**	**84511.09**
Grand Total	**78381.11**	**72360.74**	**90969.53**	**89914.67**	**100719.02**	**95314.37**	**115524.39**	**113465.66**	**124827.42**	**134584.58**

Source: Annual Financial Statements and Explanatory Memorandum of the Budget of the Government of Punjab

1.2 Application of resources of the State Government

During 2015-16, against the total budget outlay of ₹ 1,24,827 crore, the State Government incurred an expenditure of ₹ 1,34,585 crore. The total expenditure[1] of the State increased by 69.73 *per cent* from ₹ 34,820 crore in 2011-12 to ₹ 59,101 crore in 2015-16. The revenue expenditure increased by 51.53 *per cent* from ₹ 33,045 crore to ₹ 50,073 crore; non-plan revenue expenditure increased by 44.20 *per cent* from ₹ 31,041 crore to ₹ 44,762 crore and capital expenditure increased by 91.43 *per cent* from ₹ 1,598 crore to ₹ 3,059 crore during the period 2011-16.

Revenue expenditure constituted 85 to 95 *per cent* of the total expenditure during the years 2011-16 leaving only 5 to 15 *per cent* for capital expenditure. During this period, the revenue expenditure grew at an annual average rate of 8.95 *per cent* whereas revenue receipts grew at an annual average rate of 8.86 *per cent*.

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[1] This excludes repayment of public debt, contingency fund, public account disbursements and closing cash balance.

1.3 Persistent savings

During the last five years, there were persistent savings of ₹ 5 crore or more in two grants as detailed in **Table 1.2** below.

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

(₹ in crore)

Sr. No.	Number and Name of the grant/ Head of Account	Amount of savings (percentage of savings)				
		2011-12	2012-13	2013-14	2014-15	2015-16
Revenue-voted						
1	**15-Irrigation and Power** 2700-Major Irrigation 01-Sirhind Canal System (Commercial) 001-Direction and Administration 01-Direction	58.65 (16.94)	47.16 (12.72)	60.83 (14.62)	60.82 (13.94)	48.56 (10.71)
2	**15-Irrigation and Power** 2701-Medium Irrigation 80-General 001-Direction and Administration 01-Direction	131.61 (99.26)	148.81 (100.00)	64.19 (41.21)	67.65 (41.26)	65.62 (40.59)

Source: Appropriation Accounts

1.4 Grants-in-aid from Government of India

Grants-in-aid received from Government of India (GOI) during the years 2011-16 are given in **Table 1.3** below.

Table 1.3: Grants-in-aid from Government of India

(₹ in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Non-plan Grants	874.11	894.91	1064.11	2003.87	1274.64
Total non-plan grants	**874.11**	**894.91**	**1064.11**	**2003.87**	**1274.64**
Plan Grants *of which*					
Grants for State Plan Schemes	694.06	684.19	1058.26	3597.61	2320.12
Grants for Central Plan Schemes	5.68	60.63	7.67	80.06	341.76
Grants for Centrally Sponsored plan Schemes	866.79	1135.84	1271.34	188.41	237.20
Total plan grants	**1566.53**	**1880.66**	**2337.27**	**3866.08**	**2899.08**
Total grants	**2440.64**	**2775.57**	**3401.38**	**5869.95**	**4173.72**
Percentage increase in grants over previous year	1.73	13.72	22.55	72.58	(-)28.90
Revenue Receipts	26234.41	32051.15	35103.54	39022.85	41523.38
Percentage increase in revenue receipts over previous year	(-)4.98	22.17	9.52	11.16	6.41
Percentage of total grants to revenue receipts	9.30	8.66	9.69	15.04	10.05

Source: Finance Accounts

Total Grants-in-aid from GOI increased at an annual average rate of 16.34 *per cent* during the period 2011-12 to 2015-16. In 2015-16, it decreased by 28.90 *per cent* over the previous year. During 2011-16, contribution of Grants-in-aid towards revenue receipts ranged between 8.66 and 15.04 *per cent*.

1.5 Planning and conduct of audit

The audit process commences with risk assessment of various departments, autonomous bodies and schemes/projects based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, internal controls and concerns of stake holders. Previous audit findings are also considered in this exercise. Based on the risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

After completion of audit of each office, an Inspection Report containing audit findings is issued to the head of the office with a request to furnish replies to the audit findings within four weeks of its receipt. Important audit observations are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India which are submitted to the Governor of Punjab under Article 151 of the Constitution of India.

During 2015-16, compliance audit of 1,306 drawing and disbursing officers of the State, 300 Panchayati Raj Institutions/Urban Local Bodies and 31 autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Punjab. In addition, six performance audits[2] were also conducted.

1.6 Significant audit observations and response of Government to audit

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments which have impact on the success of the programmes and functioning of the departments. The focus was on offering suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens. The departments are required to send their response to draft performance audit reports/draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks of their receipt. Four performance audits and 20 draft paragraphs on compliance audit proposed for inclusion in this Audit Report were forwarded to the concerned Administrative Secretaries of Departments. Reply of the Government has been received in only two cases[3] (December 2016).

[2] (i) Implementation of Sarva Shiksha Abhiyan; (ii) Information Technology Audit of Integrated Financial Management System; (iii) National Rural Health Mission-Reproductive and Child Health; (iv) Punjab State Sports Council; (v) Accelerated Irrigation Benefits Programme; and (vi) Post clearance monitoring of environment clearances.

[3] (i) Information Technology Audit of Integrated Financial Management System; and (ii) Short realization of cost of land.

1.7 Recoveries at the instance of audit

The audit findings involving recoveries that came to notice during audit were referred to the departments/State Government through Inspection Reports for further investigation and recovery under intimation to Audit. An amount of ₹ 16.69 crore was recovered by various departments during 2015-16.

1.8 Lack of responsiveness of Government to Audit

The Principal Accountant General (Audit), Punjab conducts periodical inspection of Government departments by test-check of transactions and verifies the maintenance of important accounting and other records as per the prescribed rules and procedures. These inspections are followed by issue of Inspection Reports which are required to be replied to within four weeks of their receipt. Serious irregularities are also brought to the notice of the heads of the departments by the office of the Principal Accountant General (Audit), Punjab through a half yearly report of pending Inspection Reports sent to the Principal Secretary (Finance).

As of March 2016, 20,367 Inspection Reports containing 45,974 paragraphs were outstanding of which, 12,553 IRs containing 18,246 paragraphs pertained to the period prior to April 2011 i.e. were more than five years old. The year-wise position of outstanding Inspection Reports/paragraphs is given in **Table 1.4** below.

Table 1.4: Outstanding Inspection Reports/paragraphs

Particulars	Prior to April 2011	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Inspection Reports	12,553	1,506	1,644	1,565	1,558	1,541	**20,367**
Paragraphs	18,246	5,821	4,319	5,452	6,198	5,938	**45,974**

Source: Office records

Pendency of such large number of paragraphs indicated lack of responsiveness of the Government departments to Audit.

1.9 Follow-up action on Audit Reports

At the instance of the Public Accounts Committee (PAC), the Finance Department issued (August 1992) instructions to all administrative departments to initiate *suo moto* action on all paragraphs and reviews figuring in the Audit Reports irrespective of whether the cases were taken up for examination by the PAC or not. The administrative 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.

As regards the Audit Reports relating to the periods 2012-13, 2013-14 and 2014-15 which have been laid before the State Legislature, detailed notes in respect of 45 paragraphs and 8 performance audits had not been received in the Audit office as on 31 December 2016 ***(Appendix 1.1)*** even after lapse of the prescribed period of three months.

1.10 Status of placement of Separate Audit Reports of autonomous bodies in the State Legislature

Six Separate Audit Reports (SAR) in respect of three autonomous bodies, as detailed in **Table 1.5** below, issued between July 2015 and April 2016 were pending for placement before the Legislature.

Table 1.5: Details of SARs pending for placement before Legislature as on 31 March 2016

Sr. No.	Name of autonomous body	Years for which SARs were pending for placement before Legislature
1.	Punjab State Legal Services Authority	2011-12 to 2013-14
2.	Punjab State Human Rights Commission	2014-15
3.	Punjab Labour Welfare Board	2003-04 and 2004-05

Source: Departmental information

1.11 Year-wise details of performance audits and paragraphs appeared in Audit Reports

The year-wise details of performance audits and paragraphs that appeared in the Audit Report for the last two years along with their money value is given in **Table 1.6** below**.**

Table 1.6: Details of performance audits and paragraphs appeared in the Audit Reports during 2013-15

Year	Performance Audit		Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Paragraphs
2013-14	4	68.81	22	225.45	-	5
2014-15	6	58.98	24	86.38	2	2

Four performance audits (₹ 42.96 crore) and 20 paragraphs (₹ 183.27 crore) involving money value of ₹ 226.23 crore have been included in this Report for the year ended March 2016.

Chapter-II

Performance Audit

Chapter-II

Performance Audit

EDUCATION DEPARTMENT

2.1 Implementation of Sarva Shiksha Abhiyan

Sarva Shiksha Abhiyan (SSA) is the primary vehicle for implementing the Right of Children to Free and Compulsory Education Act, 2009 **(**RTE Act) and to provide useful and relevant education to all children in the age group of 6-14 years by 2010. A performance audit of the implementation of Sarva Shiksha Abhiyan for the period 2011-16 brought out lack of planning and deficiencies in both financial management and execution of programme which undermined the overall objective of Sarva Shiksha Abhiyan. The implementation of the SSA in the State commenced late due to delay in notification of the Right to Education Rules and was hampered by delayed or short release of funds which adversely impacted the implementation of the programme as reflected in shortfalls in infrastructure required in the schools. Inadequate planning and implementation was also evidenced by lack of mapping of neighbourhood schools and data relating to children belonging to the weaker sections and disadvantaged groups. Finally, there were discrepancies in the distribution of uniforms and books with excess expenditure of ₹ 14.76 crore on their purchases. Some of the significant findings are summarized below:

Highlights

- **Perspective Plan was not prepared at State and district level for the period covered under audit.**

  (Paragraph 2.1.6.1)

- **Sarva Shiksha Abhiyan funds were released short by ₹ 1,362.76 crore during 2011-16. Government of Punjab did not release central share of ₹ 48.48 crore during 2014-16.**

  (Paragraphs 2.1.7.1 and 2.1.7.1 (iii))

- **Deployment of resource teachers was not related to the number of Children with Special Needs and the nature of their disability. No norms were fixed by the State for deployment of resource teachers. No resource teacher was appointed in the State in cases of multiple disabilities, cerebral palsy, learning disability and autism spectrum disabilities resulting in deprival of resource support to 18,214 children suffering from these disabilities.**

  (Paragraph 2.1.8.5 (iii) (a &b))

- **Only one set of uniform was provided against required two sets of uniforms to the students during the years 2011-16.**

(Paragraph 2.1.8.6 (ii))

- **Excess expenditure of ₹ 6.76 crore was incurred on purchase of books against the norms fixed by the Ministry of Human Resources & Development.**

(Paragraph 2.1.8.7 (v))

- **1,170 primary schools were running with single teacher and 572 upper primary schools with less than three teachers.**

(Paragraph 2.1.9.1)

2.1.1 Introduction

Government of India (GOI) launched (2000-01) a comprehensive and integrated flagship programme titled Sarva Shiksha Abhiyan (SSA) in partnership with the State Governments to attain the goal of Universal Elementary Education (UEE) in the country in a mission mode and to provide useful and relevant education to all children in the age group of 6-14 years by 2010. The programme was launched in Punjab during the year 2001-02. The Kasturba Gandhi Balika Vidyalaya (KGBV) scheme launched in July 2004 for setting up residential schools at upper primary level for girls belonging predominantly to the Scheduled Caste (SC), Scheduled Tribe (ST), Other Backward Classes (OBC) and Minority Communities in educationally backward blocks was merged in April 2007 with SSA as a separate component of the programme.

The Right of Children to Free and Compulsory Education (RTE) Act, 2009, became operative with effect from 1 April 2010. Article 21-A of RTE Act provides for free and compulsory education to all children in the age group of 6-14 years as a Fundamental Right in such a manner as the State may, by law, determine. In Punjab, the RTE Act is being implemented since October 2011.

2.1.2 Organisational set up

The Sarva Shiksha Abhiyan programme is being run by the GOI, Ministry of Human Resource Development. At the national level, there is a General Council, an Executive Committee and a Project Approval Board (PAB) and at the State level, the programme is being implemented by the SSA State Mission Authority (Authority) registered in June 2000 as a Society under the Societies Registration, Act 1860). The Authority functions through an Executive Committee. The Director General School Education-cum-State Project Director SSA (SPD) is the Member Secretary of the mission and acts under the direction and guidance of the Principal Secretary who is the vice-chairman of the Executive Committee. At district level, the programme is implemented by District Education Officer designated under the programme as District Project Officer (DPO). A Block Education Development

Committee is set up for every block. At school level, School Management Committee (SMC) monitors the working of the school, utilization of grants and prepares and recommends School Development Plan.

2.1.3 Audit objectives

The performance audit was conducted to assess whether:

- The planning process was comprehensive and its operations were carried out efficiently and effectively;
- The allotment of funds was adequate and fund management was effective;
- The programme was implemented effectively, economically and efficiently;
- Human resource management was effective and efficient; and
- An adequate and effective monitoring and internal control mechanism was in place.

2.1.4 Scope of audit and methodology

Audit for the period 2011-16 was conducted from October 2015 to August 2016 by test check of the records relating to SSA Programme in the office of Principal Secretary (Education), SPD, District Project Officers (DPOs), Block Primary Education Officers (BPEOs), Upper Primary Schools (UPSs) and Primary Schools (PSs). Out of 22 DPOs of 22 districts in State, six DPOs[1], 25 out of 94 BPEOs under these selected DPOs and 200 schools (75 UPSs, 125 PSs) out of 2,218 schools under the selected BPEOs were selected by adopting Simple Random Sampling without Replacement (SRSWR) method. Besides, six District Institutes for Educational Training (DIETs) of the selected districts and six Kasturba Gandhi Balika Vidyalayas (KGBVs) were also test checked. Joint verification of test checked schools was also conducted along with the department's officials.

Mention had been made in the Comptroller and Auditor General of India's Report (Civil) for the year ended 31 March 2006 - Government of Punjab on the Implementation of Sarva Shiksha Abhiyan. The Public Accounts Committee had referred (December 2011) all the paragraphs of CAG's Reports upto 2007-08 to the concerned departments for taking appropriate action. References were made (April 2016, June 2016 and September 2016) to the Education Department to intimate the action taken on the said report; but no reply was received (December 2016).

An entry conference was held in December 2015 with the Education Department wherein the audit objectives, criteria, scope and methodology were discussed. The audit findings were discussed with the department in an exit conference held in August 2016 and replies have been suitably incorporated in the report.

[1] (i) Gurdaspur; (ii) Hoshiarpur; (iii) Jalandhar; (iv) Ludhiana; (v) Patiala; and (vi) Ropar.

2.1.5 Audit criteria

The audit criteria were derived from the following:

- SSA Manual on Financial Management and Procurement, Framework for Implementation of Strategies based on Right of Children to Free and Compulsory Education Act, 2009 (SSA Framework) and Manual for Planning and implementation of Inclusive Education in SSA for education of Children with Special Needs (CWSN);
- Right of Children to Free and Compulsory Education Act, 2009 (RTE Act, 2009), The Punjab Right of Children to Free and Compulsory Education Rules 2011 (Punjab RTE Rules, 2011); and
- Annual Work Plan and Budget approved by Project Approval Board, Ministry of Human Resources Development, (MHRD), GOI; and Persons With Disability (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (PwD Act, 1995).

Audit findings

2.1.6 Planning

2.1.6.1 Non-preparation of Perspective Plan

As per the SSA Manual, the Perspective Plan and the Annual Work Plan and Budget (AWP&B) was required to be prepared at the State and districts level for universalisation of elementary education within the stipulated time frame of SSA. Audit observed that no Perspective Plan was prepared either by the State or by the selected districts during the years 2011-16 as envisaged under SSA Manual.

The Department stated (August 2016) that the Perspective Plan would be prepared in future.

2.1.6.2 Delay in notification of Right to Education Rules

The Right of Children to Free and Compulsory Education Act, 2009, provided that the appropriate Government may, by notification, make rules for carrying out the provisions of this Act. Audit observed that the State Government took one and a half year to notify the State RTE Rules (October 2011). Resultantly, the Project Approval Board (PAB) did not approve funds of ₹ 114.36 crore for the year 2011-12. PAB approved the funds regularly after 2011-12.

2.1.6.3 Inadequate monitoring by State Commission for Protection of Child Rights

As per the RTE Act, the State Commission for Protection of Child Rights was constituted in April 2011. The Commission for Protection of Child Rights Act, 2005 provides that the Commission shall meet regularly at such time as the Chairperson thinks fit but three months shall not intervene between its last and the next meeting. The Commission had neither observed the schedule of meetings as no meeting was held during 2011-12 and 2012-13, only one meeting was held in 2013-14 against the requirement of four, three in 2014-15 and 11 in 2015-16, nor did it prepare any annual/special report during 2013-16 as required under the Act ibid.

Further, no follow-up action was initiated by the Commission on its instructions regarding (i) formation of steering committee on child labour at State Level to abolish child labour and provide education to children in the State, (ii) training and orientation programme on issues relating to child labour, and (iii) issue of instructions to Departments involved in children welfare and protection of their rights.

Audit further observed that the Commission could utilize only ₹ 12.97 lakh (42.55 *per cent)* against funds of ₹ 30.48 lakh released during 2012-16.

2.1.7 Financial management

The funding pattern between the GOI and State Government was 65:35 during 2010-15 and 60:40 during 2015-16. GOI released funds directly to the Authority during 2011-14 and through the State Government during 2014-16.

2.1.7.1 Fund-flow statement

Budget provision and expenditure incurred under the SSA during the years 2011-16 is given in **Table 2.1.1** below.

Table 2.1.1: Fund-flow statement under SSA

(*₹ in crore*)

Year	Approved Outlay				Opening Balance	Funds Released						Total funds available	Expendi-ture	Closing balance
	GOI	GOP	13th FC	Total		GOI	GOI share released to SSA society by GOP	GOP	13th FC	Total	Other receipt *			
1	2	3	4	5	6	7	8	9	10	11	12	13=6+11 +12	14	15
2011-12	657.12	353.84	41.00	1051.96	256.25	481.12	0	114.70	22.32	618.14	17.22	891.61	761.69	129.92
2012-13	663.99	357.54	45.00	1066.53	129.92	494.73	0	341.56	13.68	849.97	12.45	992.34	639.94	352.40
2013-14	448.20	241.34	50.00	739.54	352.40	383.24	0	376.93	50.00	810.17	12.11	1174.68	879.50	295.18
2014-15	519.30	279.62	52.00	850.92	295.18	362.16	360.61	109.40	52.00	523.56	14.33	833.07	638.77	194.30
2015-16	590.84	393.90	0.00	984.74	194.30	300.04	253.11	229.05	0.00	529.09	8.99	732.38	655.92	76.46
Total	**2879.45**	**1626.24**	**188.00**	**4693.69**		**2021.29**	**613.72**	**1171.64**	**138.00**	**3330.93**	**65.10**		**3575.82**	

Source: Departmental data ***Interest, RTI fee, etc.**

An analysis of the above table brought out the following:

(i) Against total allocation of ₹ 4,693.69 crore, ₹ 3,330.93 crore (70.96 *per cent*) was released during the years 2011-16. Against the total available funds of ₹ 3,652.28 crore[2], an expenditure of ₹ 3,575.82 crore was incurred. The unutilized funds ranged between ₹ 76.46 crore and ₹ 352.40 crore during this period.

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[2] ₹ 3330.93 crore + ₹ 65.10 crore + ₹ 256.25 crore.

(ii) Funds of ₹ 858.16 crore[3] (29.80 *per cent*), ₹ 454.60 crore[4] (27.95 *per cent*) and ₹ 50 crore[5] (26.60 *per cent*) were short released by GOI, State Government and 13th Finance Commission respectively against the approved outlay of ₹ 4,693.69 crore for the years 2011-16.

(iii) State Government released only ₹ 613.72 crore against the central share of ₹ 662.20 crore during 2014-16 thus holding back ₹ 48.48 crore.

(iv) Though the 13th Finance Commission released ₹ 36 crore in 2010-11, the State Government released ₹ 22.32 crore during 2011-12 and ₹ 13.68 crore during 2012-13 with delay ranging between one month and two years. However, during 2013-14 and 2014-15, the State Government released the full amount approved by the 13th Finance Commission.

(v) The 13th Finance Commission did not release ₹ 86 crore (approved in 2011-12:₹ 41 crore and 2012-13:₹ 45 crore).

The Department stated (August 2016) that some of the capital funds remained unutilized due to receipt of funds at the fag end of the financial years and delayed release of matching share by the State Government. The reply was not acceptable as the funds were released latest by January during 2011-16 and the unutilized funds ranged between ₹ 76.46 crore and ₹ 352.40 crore.

2.1.7.2 Early Childhood Care and Education

Verification of records in SPD office revealed that funds of ₹ 2.20 crore (₹ 10 lakh for each district) under Early Childhood Care and Education (ECCE) component were approved (March 2012) by GOI for implementing early intervention strategies for Children with Special Needs (CWSN) in the age group of 0-6 years. This amount was transferred to District Social Security Officers (DSOs) during the year 2012-13 for early identification/training to Anganwari Workers, Accredited Social Health Activists (ASHA) and Auxiliary Nurse Midwifery (ANM). These funds were further transferred (July 2013) by all the DSOs to Baba Farid University of Health Sciences, Faridkot, for conducting the training programmes. An expenditure of ₹ 1.43 crore was incurred by the University for training to Anganwari workers but utilization certificate had not been submitted as of December 2016.

Audit observed that un-utilised funds of ₹ 0.91 crore (including interest) were lying with the University (July 2016) and no steps had been taken by the Department to recover the same. Further, 25,288 out of 26,402 Anganwari workers were imparted training and no training was imparted to ASHAs and ANMs. Resultantly, the objective of the said component was not fully achieved.

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[3] ₹ 2879.45 crore–₹ 2021.29 crore = ₹ 858.16 crore.
[4] ₹ 1626.24 crore–₹ 1171.64 crore = ₹ 454.60 crore.
[5] ₹ 188.00 crore–₹ 138.00 crore= ₹ 50 crore.

2.1.8 Programme implementation

2.1.8.1 School mapping

The Punjab RTE Rules, 2011, define the limits of neighbourhood schools[6] as one kilometre and three kilometres for children in class 1 to 5 and 6 to 8 respectively. SSA Framework requires States to map neighbourhoods and link them to specific schools. Audit observed the following:

(i) As no mapping of neighbourhood schools was done during 2011-14, the PAB did not approve the proposal to open new primary schools during 2012-13. In the absence of data on un-served habitations, audit could not verify whether all habitations where new schools are required to be opened have been identified.

(ii) Out of a total 15,694 habitations identified during school mapping in 2014-15, 47 habitations having 170 out of school children (OoSC) did not have primary neighbourhood schools while 38 habitations having 44 OoSC did not have upper primary neighbourhood schools.

In 2015-16, it was proposed to provide transport facility to 476 children from 13 un-served habilitations. The PAB considered the proposal and subjected its approval to the issue of specific notification (area/limits for children eligible to avail this facility) as required by the SSA Framework within a month. As no such notification was issued by the State, this proposal was not approved by the PAB. Similar proposal for 4,315 children during 2014-15 had also been rejected by PAB on the same ground. This resulted in depriving the children of un-served habitations of transport facility making it difficult for them to reach their school.

The Department stated (August 2016) that efforts would be made to enroll all the OoSC.

2.1.8.2 Deprival of benefits of reservation to the children belonging to weaker sections and disadvantaged groups

Audit observed that the Department had not identified/collected any data of eligible children belonging to weaker sections and disadvantaged groups as required under the RTE Act. Further, while 12,30,940 children were admitted in Class I during 2012-16 in the schools, in the absence of data on eligible children, the admission of 25 *per cent* children belonging to weaker sections and disadvantaged groups as required under the RTE Act could not be verified in audit.

The Department stated (August 2016) that instructions were being issued to the field offices.

[6] Neighbourhood Schools are schools located within the defined limits or area of neighbourhood, which has been notified by the State Government under the State RTE Rules.

2.1.8.3 Decreasing trend of enrolment

A total of 40,40,463 students were enrolled during 2011-12 in Class I-VIII (Government Schools: 20,76,619, Private schools 19,63,844). However, the total number of students enrolled in the schools in these classes declined to 39,62,439 in 2015-16 (Government schools:18,79,126, Private schools 20,83,313) as shown in **Tables 2.1.2 and 2.1.3** below.

Table 2.1.2: Enrolment of Government/Government aided schools

Years	I	II	III	IV	V	VI	VII	VIII	Total
2011-12	249863	283875	261374	249277	245094	257982	284765	244389	2076619
2012-13	233573	244325	279729	260191	253553	259153	258639	286074	2075237
2013-14	207550	230369	243976	275174	263316	259691	259221	258686	1997983
2014-15	209544	211559	230995	241814	275769	261720	258708	257612	1947721
2015-16	201918	211177	211668	227846	240283	267616	261373	257245	1879126

Source: Departmental data

Table 2.1.3: Enrolment of other than Government/Government aided schools

Years	I	II	III	IV	V	VI	VII	VIII	Total
2011-12	313372	278895	262946	248904	245195	211529	202299	200704	1963844
2012-13	303568	272164	263304	248811	245506	220588	210324	203994	1968259
2013-14	305020	276287	267006	257301	249388	229341	217398	211165	2012906
2014-15	314176	284494	275577	264405	259723	236472	223274	215735	2073856
2015-16	308176	288209	274118	264649	260539	243206	227712	216704	2083313

Source: Departmental data

It was also observed that although the Department could not retain 9,580 students[7] up to Class V and 737 students[8] up to Class VIII as shown in **Table 2.1.2** above, it had no mechanism to check whether this decrease was due to students joining private schools or due to dropouts.

The Department stated (August 2016) that efforts would be made to increase the enrollment.

2.1.8.4 Non-establishing of pre-schools

Audit observed that there were 3,76,458 children (March 2016) in the age group of 3-6 years. However, the Department had not taken any steps to establish free pre-schools for these children and to provide early childhood care and education as required under the RTE Act thereby defeating the objective of the programme to that extent.

The Department stated (August 2016) that proposal for running Anganwari Centres in primary schools to serve as pre-schools was under consideration.

[7] Total enrolment in class I in 2011-12: 2,49,863 students (-)Total enrolment in class V in 2015-16: 2,40,283 students=9,580 students.

[8] Total enrolment in class VI in 2011-12: 2,57,982 students (-)Total enrolment in class VIII in 2015-16: 2,57,245 students=737 students.

2.1.8.5 Children with Special Needs

(i) Deprival of benefits to Children with Special Needs

As per the RTE Act, a child suffering from a disability like blindness, low vision, leprosy, hearing impairment, loco motor disability, mental retardation and mental illness defined in the PwD Act, 1995, shall have the right to pursue free and compulsory elementary education. Further, the State Governments and the local authority shall endeavor to equip the special schools for children with disabilities with vocational training facilities.

The details of funds planned, allocated, released and utilized and number of children with special needs identified and actually enrolled during 2011-16 is given in **Table 2.1.4** below.

Table 2.1.4: Funds planned, allocated, received and utilised and Children Enrolled

(₹ in crore)

Year	Funds planned	Funds allocated	Funds received	Funds utilized	No. of CWSN identified	No. of CWSN enrolled	Shortfall in enrolment
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8=6-7)**
2011-12	37.75	37.75	28.45	28.45	125828	123325	(-) 2503
2012-13	38.92	32.50	24.40	24.40	108350	107146	(-) 1204
2013-14	30.60	20.40	18.49	18.49	101984	104432	(+) 2448
2014-15	27.09	14.45	7.74	7.74	90295	88224	(-) 2071
2015-16	25.68	17.12	3.55	3.55	85604	85604	-
Total	**160.04**	**122.22**	**82.63**	**82.63**	**512061**	**508731**	**(-) 3330**

Source: Departmental data

Audit observed that during the period 2011-16, against the planned funds of ₹ 160.04 crore, ₹ 122.22 crore were allocated which was short by ₹ 37.82 crore (23.63 *per cent*). Against the allocated funds, only ₹ 82.63 crore was released and utilized. Against 5,12,061 identified Children With Special Needs, only 5,08,731 were enrolled leaving 3,330 un-enrolled CWSN during 2011-16.

Audit further observed that:

(a) As on March 2016, out of 85,604 enrolled CWSN, 12,060 CWSN were enrolled in about 1,200 resource centres and remaining were mainstreamed in schools. Out of the above CWSN enrolled in resource centres, vocational training was being provided to only 176 CWSN in two centres located at Amritsar and Patiala depriving 11,884 (98.54 *per cent*) CWSN of the intended benefits of the scheme.

(b) No special school in government/private sector was set up for those in need of special education.

(c) No teachers' training institution was set up in the State to develop teachers training programmes specializing in disabilities as defined in the PwD Act, 1995.

(d) No cell for redressal of grievances of parents for placement of their children with disabilities was established in the State.

(e) No research/study/evaluation was conducted by Government or non-Government agencies.

The Department stated (August 2016) that GOI released the funds on lump sum basis and not on activity basis. The priority of the State was to pay salary to the teachers and released funds were fully utilised for CWSN component. The reply is not tenable as short release of funds adversely affected the implementation of the programme and in any event, the primary purpose of the funds released was to augment children's education and not just to pay salaries of teachers.

(ii) Enrolment of Children with Special Needs without assessment

The Inclusive Education (IE) Manual, 2003, provides for adoption of standard tools for the purpose of identification of CWSN. Both formal and functional assessment is to be done by a competent team of doctors to specify the aids and appliances required by the child. The IE manual requires preparation of Individualised Education Plans (IEP) jointly by the special teacher as well as the general teacher and constant review by the district/block level functionaries to monitor the individual performance of each child.

Audit observed the following:

(a) Twenty five blocks in the selected districts could not produce case sheet/prescription (medical assessment records) of all identified CWSN. Hence, audit could not ensure that all the identified children were actually examined at assessment camps. Details of children reckoned as CWSN in test checked blocks and the number of CWSN for whom medical assessment records were available is given in ***Appendix 2.1***;

(b) The number of CWSN identified during 2011-16 ranged between 6,526 and 7,734 while the number of CWSN for whom medical assessment records were available ranged between 368 and 970 during the same period indicating that children were enrolled under CWSN component of SSA without proper medical assessment;

(c) In selected six districts, only 159[9] Resource Teachers were posted against 34,484[10] CWSN; and

(d) Inclusive Education Plans (IEPs) for only 1,004 to 1,310 CWSN constituting 13.34 to 18.59 *per cent* of the CWSN identified were prepared. As such, the correct position of number of CWSN could not be ascertained in audit. In the absence of IEPs for all CWSN the very purpose of the programme to review the progress and monitor the performance of each CWSN stood diluted.

The Department stated (July 2016) that CWSN identified through Unified District Information System for Education (U-DISE) were initially

9 Gurdaspur-23; Hoshiarpur-31; Jalandhar-31; Ludhiana-36; Patiala-23; and Rupnagar-15.

10 Gurdaspur-4595; Hoshiarpur-5843; Jalandhar-5521; Ludhiana-8412; Patiala-6448; and Rupnagar-3665.

assessed for their needs and divided into broad categories as per type of intervention required. Most of these CWSN required specialized teaching which was provided to them through follow-up in mainstream classes and spectacles were provided by Health Department. Very few children requiring provision of aids and assistive devices, surgical correction, etc., were being taken to assessment camp. Further, variation between CWSN identified and number of IEPs available was due to the reason that IEPs were being prepared only in respect of MR, MD, CP with MR CWSN[11] enrolled in resource room and Home Based Education. Children falling under OI, SI, LV and LD category were directly mainstreamed into the schools and there was no need of maintaining IEP for these categories.

(iii) Uneven deployment of Resource Teachers for CWSN

As per the Persons with Disability Act, 1995, the number of Resource Teachers (RTs)[12] needed in a block would depend on the size of the block and the number of CWSN enrolled. Audit observed that SSA Authority could not offer CWSN resource support as envisaged in the SSA Framework as discussed below.

(a) As of March 2016, 85,604 CWSN were provided resource support in 145 Block Resource Centers by 415 Resource Teachers. No norms were fixed by the State for deployment of Resource Teachers on the basis of size of block and the number of CWSN in the district resulting in irrational deployment of Resource Teachers. Further, in Amritsar, Faridkot and Fazilka district, on an average, one Resource Teacher was providing resource support to 324, 347 and 311 CWSN respectively whereas in Barnala, Sahid Bhagat Singh Nagar and Tarn Taran districts, it was only 118, 112 and 155 CWSN respectively.

The Department stated (August 2016) that Resource Teachers were deployed at the block level according to geographic area rather than the population of CWSN. The reply was not tenable as Resource Teachers were required to be deployed on the basis of size of the block and number of CWSN.

(b) No Resource Teacher was appointed in the State in case of four types[13] of disabilities resulting in deprival of resource support to 18,214 CWSN suffering from these disabilities.

The Department stated (August 2016) that Resource Teachers in the field of these disabilities were not readily available.

(c) Out of total 415 Resource Teachers, 255 Resource Teachers (61.45 *per cent*) were specialized in the field of mental retardation (MR) whereas CWSN suffering from mental retardation were 21,715 out of total 85,604 (25.37 *per cent*). This indicated that number of CWSN of various

[11] Mentally Retarded (MR), Multiple Disability (MD), Cerebral Palsy (CP), Ortho Impaired (OI), Speech Impaired (SI), Low Vision (LV), Learning Disability (LD).

[12] Resource Teachers are specially qualified teachers who have a degree or a diploma in teaching Children with Special Needs.

[13] (i) Ortho impairment:7,697; (ii) multiple disability:6,080; (iii) cerebral palsy:4,203; and (iv) autism spectrum disorder:234.

categories enrolled was not kept in mind while appointing RTs as no norms were fixed for posting of Resource Teachers.

The Department stated (August 2016) that CWSN suffering from mental retardation required the services of Resource Teachers and the number of Resource Teachers qualified in MR was the highest as they primarily had to deal with all cases of MR, MD and CP which required one to one involvement. The reply was not tenable as CWSN suffering from other disabilities also required resource support and special attention.

(d) There were 10 Resource Teachers for 22 blind students in Jalandhar district, 12 Resource Teachers for 60 blind students in Ludhiana district and four Resource Teachers for four blind students in Fatehgarh Sahib district, whereas in 10 districts[14] no service of qualified Resource Teacher was provided to 136 blind students.

The Department stated (August 2016) that with control over blindness, the requirement of Resource Teachers qualified in this field had become very limited and Resource Teachers were concentrated near a particular district which ran the course of Resource Teachers for the visually impaired.

(iv) In its 203rd meeting (February 2014), the Project Approval Board under the Union Ministry of Human Resources Development had pointed out that the State had also engaged 1,358 untrained persons as Inclusive Education (IE) volunteers in addition to 440 (at present 415) trained IE Resource Teachers and 22 physiotherapists and advised the Department to disengage the untrained education volunteers. Audit observed that 1,232 IE volunteers were still (August 2016) working in the State and no action was taken to disengage these untrained volunteers.

The Department stated (August 2016) that it had been decided (December 2014) not to discontinue the services of IE Volunteers in the interest of the programme and the CWSN.

2.1.8.6 Distribution of uniforms

The Sarva Shiksha Abhiyan Framework provides for supply of two sets of uniform with a ceiling of ₹ 400 per child per annum for all girls and boys belonging to SC/ST/BPL families in government schools. During test check of records of SPD for the period 2011-16, it was observed as follows:

(i) As per audited Annual Report (2013-14), expenditure of ₹ 65.88 crore for 16,46,949 students was claimed whereas as per progress report sent by DPOs of all the 22 districts to SPD, only 15,63,588 students were provided uniform. This resulted in excess expenditure of ₹ 3.33 crore for 83,361 students for the year 2013-14.

[14] (i) Bathinda-19; (ii) Fazilka-22; (iii) Ferozepur-14; (iv) Gurdaspur-27; (v) Hoshiarpur-07; (vi) Kapurthala-04; (vii) Pathankot-05; (viii) Ropar-08; (ix) SAS Nagar-11; and (x) SBS Nagar-19.

(ii) Only one set of uniform was provided against the required two sets of uniform to the students during the years 2011-16. Uniform was supplied to 915 students of five aided schools[15] in contravention of the provision contained in the SSA Framework resulting in irregular expenditure of ₹ 3.66 lakh.

2.1.8.7 Distribution of free text books

The SSA Manual provides for free text books to all children of Government/Government Aided/Local Body schools/Aided Madarsas. The upper ceiling of ₹ 150 per child at the primary level and ₹ 250 per child at upper primary level for supply of text books is fixed under the SSA. The State Government was supplying free text books through its Welfare Department to all SC students of Class 1 to 8 under State Plan whereas SSA Authority distributes free text books only to the non-SC students of class 1 to 8. Audit noticed the following:

(i) Expenditure of ₹ 0.75 crore incurred on distribution of computer books to SC students which was required to be borne by the State Welfare Department was un-authorisedly charged to SSA fund during the year 2011-12.

(ii) Books worth ₹ 25.06 crore were purchased from Punjab School Education Board against allocation of funds of ₹ 22.44 crore by the PAB during the year 2011-12 which resulted in excess purchase of books to the tune of ₹ 2.62 crore over and above the budget allocation. Excess amount is yet to be paid to the supplier.

(iii) Supplementary demand for text books for 1,51,532 students[16] was sent during April-July 2011(2011-12). This showed that requirement of books was not assessed properly.

(iv) Against the enrolment of 4,46,765 primary and 3,29,592 upper primary non-SC students, 4,94,786 and 3,50,965 sets of books respectively were purchased for ₹ 16.20 crore instead of ₹ 14.94 (cost of books for actual enrollment as per norms of SSA) crore during 2012-13 which resulted in extra expenditure of ₹ 1.26 crore[17].

(v) Similarly, excess expenditure of ₹ 6.76 crore was incurred on purchase of books for primary and upper primary students during the year 2013-16 against the norms fixed for the text books by the MHRD as detailed in **Table 2.1.5** below.

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[15] (i) Rajput Middle School, Pathankot:230; (ii) Rajput Primary School, Pathankot:268; (iii) Sant Ashram Sr. Secondary School, Pathankot:211; (iv) IDSD Sr. Secondary School, Pathankot:127; and (v) DAV Sr. Secondary School, Gurdaspur:79.

[16] April 2011:1,20,640; June 2011:22,708; and July 2011:8,184 students.

[17] Cost of books for actual enrollment as per norms of SSA:(446765x₹ 150) + (329592 x ₹ 250) = ₹ 14.94 crore. Excess expenditure = ₹ 16.20 crore - ₹ 14.94 crore= ₹ 1.26 crore.

Table 2.1.5:Excess expenditure on purchase of text books during 2013-14 to 2015-16

(₹ in crore)

Year	Total No. of Students			Cost of books as per approved norms			Expenditure incurred by the department	Excess expenditure
	PS	UPS	Total	PS @ ₹ 150 per set	UPS @ ₹ 250 per set	Total		
2013-14	458698	337695	796393	6.88	8.44	15.32	17.24	1.92
2014-15	452865	315553	768418	6.79	7.89	14.68	16.91	2.23
2015-16	454675	332757	787432	6.81	8.32	15.13	17.74	2.61
Total	**1366238**	**986005**	**2352243**	**20.48**	**24.65**	**45.13**	**51.89**	**6.76**

Source: Departmental data

The Department stated (March 2016) that text books were being provided to all non-SC students of class 1 to 8 and excess expenditure was due to extra cost of books which was more than the prescribed norms by MHRD. The order of printing books was given nine to ten months in advance of academic session and supplementary demand was sent due to new admission. The reply of the Department was not tenable as no justification for expenditure incurred over and above the norms on purchase of books was given by the Department.

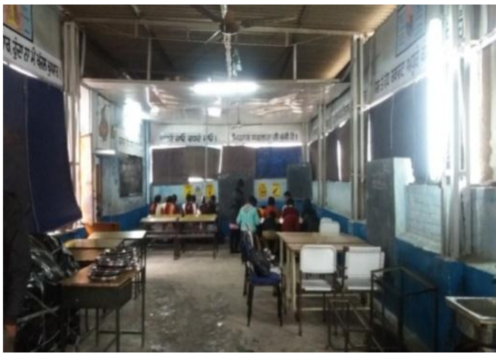
2.1.8.8 Shortage of infrastructure and basic amenities

The RTE Act provides norms and standards for infrastructure in primary and upper primary schools. Audit observed the following shortfall in infrastructure in the schools in the State as well as in test checked schools (during joint physical verification) as of September 2015 as shown in **Table 2.1.6** below.

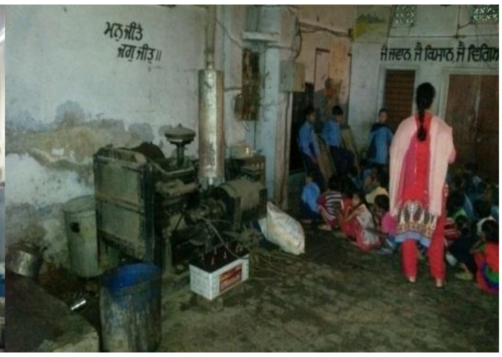
Table 2.1.6: Shortage of infrastructure

Deficiency/shortfall	State level (total schools 19962)	Test checked (200 Schools)
	Number of schools	Number of schools
No building/rented building/under construction building	69	4
Schools running in single classroom	405	5
Upper primary schools running with two classrooms	327	3
Schools having partial/broken boundary wall	296	27
Schools with no toilet for physically handicapped	8507	82
Schools with shortage of drinking water facilities	99	10
Schools with no playgrounds	286	46
Schools with no/short furniture	10341	53

Source: Departmental data



GPS, Kabir Nagar in district-Jalandhar, running in temporary shelter (20 January 2016)



GPS, New Janta Nagar, Block Ludhiana-1, 5 classes along with generator set and public toilet being run in a single hall (17 July 2016)

Further, school buildings of 26 schools in Patiala district had been declared (December 2012 to March 2016) unsafe by Public Works Department/ Panchayati Raj Department and 4,826 students of these schools were studying in open space.

The Department assured (August 2016) that efforts would be made to remove the deficiencies/shortfalls in the infrastructure.

2.1.8.9 Kasturba Gandhi Balika Vidyalaya hostels

Under the Kasturba Gandhi Balika Vidyalaya (KGBV) scheme, administrative approval was accorded (December 2011 and May 2012) for construction of 19 hostels at a cost of ₹ 13.49 crore at the rate of ₹ 71 lakh each. As per approved drawing, eight dormitories were to be constructed in each hostel along with boundary wall, approach road, water supply, sewerage and sanitation and electrical services.

Audit observed that the constructed buildings had only four dormitories each in 10 hostels and six dormitories each in four hostels resulting in non-construction of 48 dormitories out of total 152 dormitories. In the remaining five hostels eight dormitories in each hostel, as required, were constructed. The SSA Authority released an amount of ₹ 13.49 crore during March 2012 to March 2013 and took possession (November 2013) of the buildings without getting the requisite number of dormitories constructed. The UCs for full amount were furnished by the Panchayati Raj Department.

The Department stated (August 2016) that due to late release of funds and increase in cost of material, all the proposed dormitories could not be constructed.

2.1.9 Human resource management

2.1.9.1 Shortage of teaching staff

As per the RTE Act, there should be at least two teachers in a primary school and three teachers in an upper primary school. Audit observed that out of 13,251 primary schools in the State, 1,170 primary schools were running with single teacher and 572 upper primary schools out of 6,711 were running with less than three teachers during 2014-15.

The Department stated (August 2016) that action to meet the requirement of teachers was under process.

2.1.9.2 Irregular posting of District Resource Persons and Education providers

As per the SSA Manual, posts of resource persons in Block Resource Center (BRCs)/Cluster Resource Centers (CRCs) would be filled up by transferring existing senior and experienced teachers with temperament for this kind of job and the resultant vacancies in these schools would be filled up by trained primary teachers or para teachers. Further, as per instructions issued (December 2008) by SPD, three education providers were required to be appointed against one post of Block Resource Person/Cluster Resource Person.

Audit noticed that 6,575 education providers were working against 1,609 Block Resource Persons/Cluster Resource Persons. It was also noticed that 151 teachers were working as District Resource Persons (DRP) whereas there was no sanctioned post for DRP. This resulted in excess posting of 1,748[18] education providers and 151 DRPs in the State.

During field visit, it was noticed that 703 education providers were posted against 146 BRPs/CRCs sanctioned in the selected 25 blocks resulting into excess deployment of 265[19] education providers.

The Department stated (August 2016) that no teacher was deployed as DRP. Rather the teachers posted as Block Resource Persons were working as DRPs. The reply was not tenable as no approval of MHRD was obtained for deployment of these DRPs. So far as excess posting of EPs was concerned, it was stated that EPs were appointed as per State Government Policy. However, the fact remained that salary of 1,748 excess education providers was being paid from the SSA fund though they were not covered under its ambit.

2.1.10 Monitoring and internal control

2.1.10.1 Internal Audit

As per the SSA Manual, the State may consider the engagement of credible organizations or firms of chartered accountants to undertake internal audit of their accounts. Further, the report of internal audit shall also be placed before the Executive Committee (EC).

Audit observed that while an internal audit wing had been created that had carried out internal audit of the programme, the reports of the internal audit were not being placed before the EC.

The Department stated (July 2016) that it was not feasible to put up to the

[18] 1609x3=4827-6575=(-) 1748
[19] 146x3=438-703= (-) 265

Committee the report of 242 audit units. Hence, reports were not being placed before the EC. The reply was not tenable as placement of the reports of internal audit before EC was a requirement of the programme as per the SSA manual.

2.1.10.2 Non-monitoring of the implementation of RTE by State Advisory Council

Audit observed that although State Advisory Council consisting of 15 members was constituted in June 2010, no meeting of State Advisory Council was held during the period covered under audit. As a result, the effectiveness of the implementation of RTE Act in the State could not be assessed as envisaged under Section 34 (i) of RTE Act.

2.1.11 Conclusion

The implementation of the SSA in the State commenced late due to delay in notification of the Right to Education Rules and was hampered by the lack of a Perspective Plan at the State and district level which resulted in funds not being approved by the Project Approval Board. Funds were released short by 29 *per cent* during 2010-16 and the State Government released the Central share with delay ranging between one to 24 months. Delay and short release of funds adversely impacted the implementation of the programme as reflected in shortfalls in infrastructure required in the schools. Inadequate planning and implementation was also evidenced by lack of mapping of neighbourhood schools and data relating to children belonging to the weaker sections and disadvantaged groups. Non-implementation of provisions of 25 *per cent* reservation for children belonging to weaker section and disadvantaged groups in recognised schools was noticed. Children were enrolled under CWSN component without proper assessment and all identified CWSN were not covered under SSA programme. Finally, there were discrepancies in the distribution of uniforms and books with excess expenditure of ₹ 14.76 crore on their purchases.

2.1.12 Recommendations

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

(i) Timely release of funds as per budget outlay for effective implementation of the programme;

(ii) Mapping neighbourhood schools and linking them to specific schools for OoSC and to establish free pre-schools to provide early childhood care and education for all children to increase enrolment in the schools;

(iii) Taking necessary steps to conduct medical assessment of all CWSN for monitoring progress and insist on preparation of IEPs;

(iv) Setting norms for engagement of RTs based on number of CWSN and nature of their disability and deployment across the State as per norms; and

(v) Strengthening the internal control mechanism system.

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

FINANCE DEPARTMENT

2.2 Information Technology Audit of 'Integrated Financial Management System'

The Government of Punjab initiated (October 2009) the Integrated Financial `Management System to bring transparency and responsiveness in public financial management by establishing a network between all stakeholders. An information technology audit of the 'Integrated Financial Management System' brought out shortcomings/deficiencies in the implementation of the project that undermined the achievement of its objectives in the State. Some of the significant audit findings are summarised below:

Highlights

- **Instead of availing services of Punjab State e-Governance Society, a designated agency of the State Government at no extra cost, services of Punjab Infotech were taken at four *per cent* of the project cost for implementation of the project resulting into avoidable expenditure of ₹ 1.59 crore.**

  (Paragraph 2.2.6.1)

- **Treasury operations and pension (management and monitoring) modules were not fully implemented.**

  (Paragraph 2.2.6.3)

- **Punjab Treasury Rules in respect of monitoring of Abstract/Detailed Contingent bills were not adequately mapped as a result of which the System was not depicting correct status of pending Abstract Contingent bills. Data analysis showed that 49,277 Abstract Contingent bills amounting to ₹ 7,400.91 crore were pending for adjustment against the actual pendency of only 976 Abstract Contingent bills amounting to ₹ 2,044.97 crore as of March 2016.**

  (Paragraph 2.2.7.2)

- **The requisite validation checks for processing of bills and unauthorised operation of heads of accounts by Drawing and Disbursing Officers were not available in the System to ensure adherence to the extant rules. There were 54 dummy active DDO codes in the database.**

  (Paragraphs 2.2.7.3 and 2.2.7.4)

- **Non-application of various controls and non-conducting of third party audit at the prescribed time indicated weak system control mechanisms in the Integrated Financial Management System.**

  (Paragraph 2.2.8)

2.2.1 Introduction

The Government of Punjab (GOP) set up (June 2009) an Empowered Committee on Governance Reforms (EC) under the chairmanship of the Chief Secretary, Punjab to monitor and steer reform initiatives in various departments. The EC decided (October 2009) to implement the Integrated Workflow Document Management System (IWDMS) and Integrated Financial Management System (IFMS) projects in the State. The implementation objectives of IFMS were to bring transparency and high responsiveness in public financial management. IFMS also proposed to establish a network of all stakeholders[20] for sharing financial and performance information and for facilitating convergence of service delivery for better management of public finances through accountability as well as elimination of misuse/ misappropriation of public funds.

2.2.2 Organizational set-up

The Finance Department functions under the overall administrative control of the Additional Chief Secretary who is assisted by Secretary (Expenditure) and Special Secretary (Finance)-cum-Director (T&A). At field level, District Treasury Officers (DTO) are assisted by Treasury Officers (TO). The Drawing and Disbursing Officer in each Department prepares and submits bills to the district/sub-treasury.

The Finance and General Administration Departments were designated as the nodal departments for implementation of IFMS and IWDMS projects respectively while a Steering Committee[21] was constituted for review and monitoring of implementation of these projects. In order to streamline and make the governance mechanism of the projects more effective, a second level review mechanism under Steering Committee was formed by constituting a Project Review and Monitoring Committee[22]. The Punjab Information and Communication Technology Corporation[23] (Punjab Infotech) was designated as the implementing agency of IFMS and IWDMS projects which selected (April 2010) a professional Project Management Consultant for providing technical, functional and architectural inputs in selection of System Integrator and implementation of the projects. A System Integrator was selected in December 2010.

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[20] Finance Department; Directorate Treasury & Accounts; Treasuries and Sub-treasuries; Accountant General (Punjab); Reserve Bank of India; Government of India; financial market; Public Sector Undertakings and Local Bodies; Heads of Departments; Nationalised Banks; National Bank for Agriculture and Rural Development; Drawing and Disbursing Officers; Citizens; Pensioners; Employees; Tax and Revenue Officers; etc.

[21] Chief Secretary, Principal, Secretary (Finance), Secretary (General Administration), Principal Secretary (Planning), Secretary (Expenditure), Director (T&A), Nodal Officers (IWDMS and IFMS), Managing Director Punjab Infotech and representative of Project Management Consultant.

[22] Managing Director (Punjab Infotech) and Project Directors (IWDMS and IFMS).

[23] Punjab State Public Sector Undertaking.

2.2.3 Audit objectives

A performance audit was conducted to assess the efficiency and effectiveness of implementation of the 'Integrated Financial Management System'[24] project with regard to IT controls, mapping of business processes and functioning of the modules[25] of the system. The main objectives of the audit were to assess whether:

- the project management and implementation was effective;
- the Integrated Financial Management System met the envisaged requirements; and
- reliable controls were in place to ensure data security and the system control mechanism was adequate and effective.

2.2.4 Audit scope and methodology

The audit covered the period 2011-16 and was conducted between April and September 2016 by test check of the records of four[26] out of 21 treasuries by using a tool, namely, Interactive Data Extraction and Analysis (IDEA). The records of the Implementing Agency (IA) were also examined to assess the deliverables of System Integrator (SI) and Project Management Consultant (PMC) as per the agreements.

Audit proposed (May 2016) for holding an entry conference with the Finance Department to discuss the audit objectives, criteria and scope of audit. However, the Finance Department requested (May 2016) for the IT Audit to be directly started. The audit findings were discussed with the Secretary (Expenditure), Finance Department, Punjab and the Implementing Agency in the exit conference held in November 2016. The replies of the State Government (Finance Department) received in November 2016 have been suitably incorporated in the report.

2.2.5 Audit criteria

The audit criteria were derived from the following sources:

- Agreements entered with the Project Management Consultant and System Integrator;
- Punjab Budget Manual;
- Punjab Treasury Rules, 1985 and Standing Orders on Treasuries;
- Punjab Financial Rules; and
- Instructions/guidelines issued by Government of India and the State Government with regard to IT systems.

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[24] Since both the projects (IFMS and IWDMS) were taken up together as single RFP, the points which cannot be separated have been discussed in respect of both the projects jointly in the report.

[25] (i) Debt Management, (ii) Pension, (iii) Treasury Operations, (iv) Plan and Budgeting, (v) Off-budget Expenditure and (vi) Office Accounting.

[26] (i) Chandigarh, (ii) Fatehgarh Sahib, (iii) Mohali and (iv) Ropar (selected with Simple Radom Sampling method).

Audit findings

2.2.6 Project management and implementation

The Integrated Financial Management System (IFMS) project was designed and implemented as a web enabled application. The network back-bone of Punjab State Wide Area Network (PAWAN) was used and remote users were provided connectivity through Secure Sockets Layer of Virtual Private Network/internet. The IFMS and IWDMS projects were to be implemented in two stages[27]. Audit noticed the following:

2.2.6.1 Non-implementation of project through nodal agency

Government of Punjab (GOP) declared (January 2009) the Punjab State e-Governance Society[28] (PSeGS) under the Department of Information Technology (DoIT) [29] as the only nodal agency for all IT products, services and e-Governance activities. Accordingly, all administrative Secretaries were communicated (March 2009) to avail its technical and related services which *inter alia* included providing support in connection with any aspect of IT including hiring of professionals, consultancy services and procurement of hardware/software without any additional cost over and above the acquisition value for IT products and resources.

Audit observed that despite the instructions of GOP to avail IT related services from the nodal agency (PSeGS) without additional cost, Punjab Infotech was designated (November 2009) as implementing agency (IA) for implementation of IFMS and IWDMS projects on payment basis i.e. service charges[30] at the rate of four *per cent* of the project cost against which an amount of ₹ 1.59 crore had been paid as of June 2016.

The Finance Department stated (November 2016) that due to lack of capacity to deal with the project by PSeGS, the project was assigned to Punjab Infotech. It added that the payment of service charges was unavoidable as any organisation which would have undertaken execution of such a large scale and complex project would have to incur management and administrative costs. Further, PSeGS also levied service charges for all non-National e-Governance Plan (NeGP) projects and the charges had recently been revised to 10 *per cent*.

The reply of the Department was not tenable as at the time of execution of the project, PSeGS was executing various large scale IT infrastructural and Mission Mode projects[31]. Further, as per instructions (March 2009) of DoIT, technical and related services of PSeGS could be availed without any

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27 First stage : Design, development and implementation stage (to be implemented in further four phases); and Second stage: Managed IT/ Service Delivery stage.

28 A society registered under Societies Registration Act 1860 under Administrative Control of Department of Governance Reforms, Punjab.

29 Now Department of Governance Reforms (DoGR) w.e.f. March, 2012.

30 As per notification dated 03.12.2009 of the Department of Industries and Commerce.

31 (i) PAWAN, (ii) State Data Centre (SDC), (iii) Common Service Centres (CSC), (iv) State portal, State service delivery gateway (SSDG) and (iv) e-District.

additional cost over and above the acquisition value for IT products and resources.

Thus, selection of Punjab Infotech as IA instead of opting for the services of PSeGS (free of cost) for implementation of the projects resulted in avoidable expenditure of ₹ 1.59 crore.

2.2.6.2 Avoidable extra expenditure

As per the Request for Proposal (RFP), the System Integrator (SI) provided (February 2012) 8,500 licenses for five years (Proprietary Solution) in respect of Single Sign-On (SSO) to utilise username/password to authenticate multiple applications at a cost of ₹ 0.45 crore. The requirement of SSO solution had evidently not been thoroughly examined as the number of users increased during implementation to 14,700 i.e. by more than 50 *per cent*. Audit observed that the Technical Committee had recommended (March 2013) to have SSO solution either Proprietary (on payment basis) or Open Source (free of cost). However, the RFP did not include the option of considering Open Source SSO at all. Since SI had already procured (February 2012) 8,500 licenses of Proprietary SSO, IA had to procure (December 2014) additional 6,200 licenses of Proprietary SSO annually at a cost of ₹ 0.42 crore.

The Finance Department stated (November 2016) that RFP had allowed both proprietary solution and open source solution for SI to provide the best fit solution in terms of technology, scope, support and cost. It added adopting only open source solution would have been against the principle of competitive bidding. The reply of the Department was not tenable as the RFP did not include the option of Open Source SSO solution though the Technical Committee recommended (March 2013) to have either of the two solutions. Thus, adoption of Proprietary SSO solution (on payment basis) instead of Open Source solution (free of cost) resulted in an avoidable recurring expenditure of ₹ 0.87 crore towards licensing cost.

2.2.6.3 Partial implementation of modules by SI

As per RFP, the design, development and implementation stage of the IFMS project was to be effected in four phases which were signed off between April 2013 and June 2013. Audit noticed the following:

(i) Treasury operations

(a) In order to compensate banks for handling transactions for Government, Reserve Bank of India (RBI) fixed agency commission payable to banks (July 2012) at the rate of ₹ 50 and ₹ 12 per transaction for physical receipts and e-mode receipts respectively. As per RFP, IFMS would have one treasury receipt module to enable the depositors/tax payers to deposit money online through payment gateway/ Electronic Clearing System (ECS)/prepaid cards. The system for receipt of money through online mode was to save money paid to agency banks for various transactions.

Audit observed that receipts pertaining to two[32] major heads were being received in banks through their respective applications (e-mode). Though the payments to beneficiaries were being made through ECS under IFMS, 27,46,877 out of 1,22,82,116 transactions pertaining to Government receipts (barring above two major heads) were received (July 2013-March 2016) in physical mode i.e. through challans in banks thereby not achieving the objective of IFMS module to save money paid to agency banks for various transactions.

The Finance Department stated (November 2016) that a comprehensive approach to implement the Cyber Treasury Portal for all the departments was being deliberated with the SI and efforts would be made to switch over to online tax payment system by all the administrative departments in a time bound manner. However, no timeline in this regard was furnished (December 2016).

(b) Non-plan expenditure of the State Government mainly constitutes the salary of its employees. The pay bills of State Government employees were being prepared by the respective DDOs and details such as name, bank account number and also instances of salary amount of the employee were being entered at the time of preparation of pay bill as IFMS did not have any provision for capturing master data of employees.

An analysis of data (January 2013-March 2016) of 1,05,592 pay bills entered in IFMS in respect of four test-checked treasuries revealed 1,058[33] discrepancies of duplicate bank account numbers and instances of salary of two or more employees being credited to the bank account of one employee through a single pay bill. This indicated that IFMS did not have validation checks to ensure one to one mapping of salary with account number of employee which raises the risk of fraudulent/double drawl of pay.

The Finance Department stated (November 2016) that Human Resource Management System (HRMS) implementation was in progress and till then, validation for uniqueness of bank account in accordance with the bill type would be incorporated in IFMS so as to avoid system vulnerabilities.

(ii) Pension (management and monitoring) module

Audit noticed the following inconsistencies in pension (management and monitoring) module:

(a) One of the business functional requirements for Pension Payment Order (PPO) generation in respect of pension module was that the system should generate alert requesting the concerned employee to apply for pension. The PPO was to be generated online after processing of the application by Accountant General, Punjab (AG) so that Treasury Officer (TO) could ensure regular payment to pensioners apart from sending their payment details to the

32 (i) 0040-Transport Department and (ii) 0041-Excise and Taxation Department.

33 (i) Chandigarh (529); (ii) Fatehgarh Sahib (76); (iii) Mohali (150); and (iv) Ropar (303).

payee bank, generating reports and maintaining individual pensioner's ledger.

Audit observed that TOs were only entering the details of pensioners from the PPOs issued by AG due to non-integration of the system with the AG and banks. Further, the pension payments made by payee banks could not be reconciled electronically due to non-availability of pensioners' ledgers.

The Finance Department stated (November 2016) that PPOs were being manually uploaded in IFMS and efforts would be made for integration of IFMS with AG office and SI would provide necessary support for the same. As regards employees' data, it was stated that the Government had taken up implementation of Human Resource Management System (HRMS) which would be integrated with IFMS. It added that SI had developed a mechanism to update the data provided by the banks via Cyber Treasury Portal (CTP) and banks would provide treasury-wise monthly pension payment scroll which would be uploaded in IFMS for faster and error free treasury-bank reconciliation.

(b) The Punjab Treasury Rules (PTR) provides that the pension, not drawn for three years, ceases to be payable at treasury without prior sanction of AG. Further, the treasury officer shall sort out cases of pensions which have ceased to be payable at treasury by examining the files of civil PPOs every month and shall return halves of those PPOs to AG.

Audit observed that the system was not capturing any data pertaining to pensioners who had not submitted life certificate during the last three years so as to cease their pensionary benefits. The system also did not have any provision to capture details of PPOs which had ceased to be payable at treasury, reporting the date of death of the pensioner/family pensioner. Consequently, the actual number of active pensioners could not be ascertained.

The Finance Department stated (November 2016) that all the data of pensioners was being maintained by banks and relevant process for obtaining life certificate was being carried out by them. Since data pertaining to pensions not drawn for three years was not available in IFMS, the treasury officer could not sort out cases of pensions which had ceased to be payable. The reply of the Department was not convincing as the issue raised by audit was not addressed.

2.2.7 System design deficiencies

2.2.7.1 Inappropriate mapping of heads of accounts

Analysis of database in respect of four test-checked treasuries for the period 2011-16 exhibited 70 cases of misclassification of accounts in major heads 8009-State Provident Funds and 8011-Insurance and Pension Funds. Corroboration with manual records of two bills (2014-15 and 2015-16) pertaining to DTO Ropar showed that in the Statement of Expenditure (SOE) of Major Head 8011-Insurance and Pension Fund, 'pensionary benefits' was showing as 'GPF final payment'. This indicated that the six tier classification in a head of account had not been adequately mapped in the system up to

Statement of Expenditure (SOE) level.

The Finance Department stated (November 2016) that the said cases were the exempted heads for which no SOE level mappings had been defined and the same could be incorporated in the system.

2.2.7.2 Adjustment of Abstract Contingent bills

The PTR provides that every DDO is required to submit Detailed Contingent (DC) bills within one month after drawl of Abstract Contingent (AC) bills. Further, while submitting AC bills, a certificate shall be recorded by DDO that there is no DC bill pending for submission.

Audit noticed that IFMS was accepting AC bills without checking any details relating to pending DC bills. The rule was not adequately mapped in the system for effective monitoring of pending DC bills. Further, there was no provision in the system to select relevant AC bill before making entries in respect of the corresponding DC bill to rule out any input error. Due to this design deficiency, the treasury officer could not monitor the pendency of DC bills nor check the veracity of the certificate given by DDO with the AC bill. An analysis of data (2011-16) of IFMS showed huge difference in number of unadjusted AC bills with those depicted in the Finance Accounts (2015-16). As per IFMS, 49,277 AC bills amounting to ₹ 7,400.91 crore were pending for adjustment for want of DC bills whereas as per the Finance Accounts (2015-16), only 976 AC bills amounting to ₹ 2,044.97 crore remained unadjusted as of March 2016.

The Finance Department stated (November 2016) that one to one mapping of AC-DC bills would be monitored considering the impact on current functionalities. It added that necessary instructions to prepare DC bills only through the provision in IFMS had been issued to all the administrative departments and strict compliance in this regard would be monitored.

2.2.7.3 Absence of validation checks

(i) The PTR provides that Government employees declared as DDOs may draw money by bills on account of charges falling under the minor head/sub-heads in respect of which they are competent and have been placed in account with the treasury by the Accountant General.

Audit noticed that the requisite validation checks did not exist in the system between DDOs and the head of accounts which they were authorised to operate. For instance, DTO Fatehgarh Sahib (as DDO) could also operate the Major Heads 2202-General Education and 2055-Police whereas DDO was authorized to operate Major Head 2054-Treasury & Accounts Administration. Absence of validation check posed a risk of unauthorised operation of head of accounts by DDOs which could lead to fraudulent drawl of funds.

The Finance Department stated (November 2016) that the validation check was not envisaged during the implementation of the system but was subsequently incorporated in view of its requirement and that the suggested case must be related to the early period of system implementation. The reply was not acceptable as Audit observed the discrepancy in the system in July 2016.

(ii) The bills for payment are presented in treasury in the form of pay bill, travelling allowance (TA) bill, medical bill, contingent bill, General Provident Fund (GPF) bill, pension bill, PD/PLA Bill, etc. These types of bills have been assigned different codes in the application.

Audit observed that proper validation checks were not in-built in the application to restrict the transactions in a particular head of account to its respective bill type. Data analysis for the period 2011-16 in respect of four test-checked treasuries showed that:

- Major Head '8011-Insurance and Pension Fund' wrongly accepted contingent bill and refund bill;

- Major Head '2071-Pension and Other Retirement Benefits' wrongly accepted pay bill and GPF advance bill; and

- Major Head '8009-State Provident Fund' wrongly accepted gratuity bill and advance bill.

In the absence of proper validation checks in the application, there was risk of payments being drawn against unauthorised bills resulting in incorrect booking of expenditure/drawls in excess of budget provisions.

The Finance Department stated (November 2016) that additional checks would be incorporated in the system.

2.2.7.4 Data inconsistencies

Analysis of IFMS data for the period 2011-16 in four test-checked treasuries revealed the following inconsistencies:

- An integrity check was designed in the system for auto generation of voucher number of bills sequentially. It was, however, observed that voucher numbers were not in sequence and 1,45,854 number of gaps in voucher numbers were noticed in 3,516 instances. One of the reasons for gaps in voucher numbers was rectification of misclassification of the head of account at a subsequent date by SI on the request of treasury whereas this rectification should have been carried out through a transfer entry. The Finance Department stated (November 2016) that this issue existed till 2013 but was later resolved by revising certain checks and validations and no such incident was encountered after that. The reply was not acceptable as the case analysed (July 2016) by Audit pertained to the year 2015-16 and the issue was still persisting.

- The master data in the database should be complete and accurate as transaction data is validated against the master data. All 895 DDOs in four test-checked treasuries were flagged as active but the column for validity of

DDO powers was blank. There were 54 dummy DDO codes in the database which were also active. Existence of dummy records and non-deactivation of temporary DDOs was fraught with the risk of possible fraudulent payments by using dummy DDOs. The Finance Department stated (November 2016) that validity period of DDO would be incorporated in the system.

2.2.8 System control mechanism

2.2.8.1 Logical access control

Logical access control through computer hardware and software enables prevention or detection of unauthorised access. Logical access control is exercised through individual login-identifiers and passwords for authentication of users. User identification ensures accountability for user activities. Analysis of data and test check of records for the period 2011-16 in respect of three test-checked treasuries (Chandigarh, Fatehgarh Sahib and Ropar) brought out the following lapses in application of logical access controls:

➢ In three test-checked treasuries, transactions were carried out using IDs of eight users[34] who were on leave. There were also instances of sharing of user IDs and passwords amongst the staff which defeated the purpose of exercising logical access controls.

➢ Transactions were recorded/updated using IDs of seven users who had retired from service from the respective treasuries in three instances[35]. As a result, the system was devoid of correct login information as to who entered a particular data. Thus, responsibility for user activities performed with user IDs of retiree could not be enforced through the system.

The Finance Department stated (November 2016) that periodic awareness workshops and sessions would be organized for the users to educate them of the importance of security measures. It added that SI had devised a process to create or block the user in case of retirement or leave but the same needed to be revamped and enforced strictly and assured to do the needful.

2.2.8.2 Application controls

Application controls are specific to an application and may have a direct impact on the processing of individual transactions. These controls are used to provide an assurance that all transactions are valid, complete, authorised and recorded. Audit tests of these controls revealed the following:

(i) Revalidation of bills after expiry of currency period

The Punjab Treasury Rules relating to currency of payment orders provides that the payment orders are valid only for a time not exceeding ten days. In case bills are not presented for payment within the currency period of pay orders, these are to be re-validated by the treasury officer.

[34] (i) Chandigarh (3); (ii) Fatehgarh Sahib (3); and (iii) Ropar (2).
[35] (i) Chandigarh (4); (ii) Fatehgarh Sahib (1); and (iii) Ropar (2).

Analysis of data for the period 2011-16 in respect of four test-checked treasuries showed that cheques/ECS of 37,515 bills[36] amounting to ₹ 1,958.31 crore were prepared after the period of more than 10 days of their passing without re-validating the currency period as there was no provision in the software for this purpose. The Finance Department stated (November 2016) that the delay mentioned in the payment pertaining to certain cheques was due to financial exigencies. It added that SI would be asked to incorporate necessary checks in the system.

2.2.8.3 Third Party Audit

As per GOI's guidelines (January 2009) for Indian Government websites, each website/application must undergo a security audit from empanelled agencies and clearance prior to hosting and also after addition of new modules. Further, as per RFP, Third Party Audit (TPA) of project was to be performed for every phase and SI was responsible for conducting and getting the third party certification.

Audit observed that the Steering Committee decided (August 2011) to carry out third party testing at the end of all phases of the project. However, TPA was conducted only in December 2014 although the system was first made live in July 2011. The report of TPA (December 2014) pointed out eight vulnerabilities which were classified as High Risk in the web application and under OWASP[37] compliance. Four sensitive data exposure tests were carried out (July 2014-October 2014) on these vulnerable areas and the compliance was only 25 *per cent* though huge number of sensitive transactions had already been processed through the application between July 2011 and December 2014.

The Finance Department stated (November 2016) that it was decided that TPA would be carried out only once all the modules were completed for an effective and speedy implementation. The reply of the Department was not in accordance with RFP and GOI guidelines *ibid*.

2.2.9 Conclusion

The objective of the State Government to bring transparency and high responsiveness in public financial management through IFMS was not achieved in full measure. Instead of availing the services of Punjab State e-Governance Society, a designated agency of the State Government, at no extra cost, services of Punjab Infotech were taken for implementation of the project at four *per cent* of the project. Treasury operations and pension (management and monitoring) modules were not fully implemented. Punjab Treasury Rules in respect of monitoring of Abstract/Detailed Contingent bills were not adequately mapped. The requisite validation checks for processing of bills and unauthorised operation of heads of accounts by DDOs were not

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36 Cheques of 34,984 bills: ₹ 1912.86 crore and ECS of 2,531 bills: ₹ 45.45 crore.

37 Open Web Application Security Project is a non-profit organization dedicated to providing unbiased, practical information about application security.

available in IFMS to ensure adherence to the extant rules. Non-application of various controls and non-conducting of third party audit at the prescribed time, indicated weak system control mechanism in IFMS.

2.2.10 Recommendations

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

(i) Reviewing the management and implementation of IFMS project;

(ii) Ensuring implementation of all the modules of IFMS;

(iii) Ensuring mapping of requisite rules/provisions and availability of various validation checks to ensure adherence to the extant rules in IFMS; and

(iv) Strengthening of system control mechanism by applying various controls in the System and conducting third party audit at the prescribed time.

HEALTH AND FAMILY WELFARE DEPARTMENT

2.3 National Rural Health Mission - Reproductive and Child Health

Government of India launched National Rural Health Mission (NRHM) in April 2005 with a view to provide accessible and affordable healthcare facilities in rural areas and to bridge gaps in healthcare facilities in the health sector. Audit reviewed one of the components of NRHM *viz.* Reproductive and Child Health programme which aims to reduce maternal mortality rate, infant mortality rate and total fertility rate. The major components of this programme are maternal health, child health, immunization and family planning. A performance audit of National Rural Health Mission-Reproductive and Child Health during the period 2011-16 brought out deficiencies which impaired its ability to achieve its overall objective of providing accessible and affordable healthcare facilities in rural areas in the State. Some of the significant findings are summarized below:

Highlights

Twenty three *per cent* of the allocated funds under Reproductive and Child Health Programme were not utilized during 2011-16.

(Paragraph 2.3.7.1)

Shortage of Sub-Centres and Public Health Centres remained up to 15 and 26 *per cent* respectively during 2011-16. Seventeen to 92 *per cent* of the test-checked Community Health Centres and Public Health Centres were not equipped with essential infrastructural facilities like ultrasound, blood storage, safe abortion and prescribed drugs.

(Paragraphs 2.3.8.1 and 2.3.8.2)

There was an overall shortage up to 62 *per cent* of medical and paramedical staff against sanctioned strength as well as 100 *per cent* shortage in some cadres with reference to the Indian Public Health Standards as of March 2016.

(Paragraph 2.3.9.1)

Eleven to 21 *per cent* of pregnant women could not be covered for providing essential healthcare *viz.* ante-natal check-ups, iron and folic acid tablets and tetanus toxoid immunization. Domestic deliveries as against institutional deliveries continued to persist in the range of 8 and 22 *per cent* though the position had improved during 2011-16.

(Paragraphs 2.3.10.1 and 2.3.10.2)

There was shortfall in achievement of targets in administering doses of Vitamin 'A' (13 and 58 *per cent*) and family planning methods (15 and 82 *per cent*) during 2011-16.

(Paragraphs 2.3.10.4 and 2.3.10.5)

The State could not achieve the targeted maternal mortality rate. However, the target in respect of infant mortality rate was nearly achieved while that of total fertility rate was fully achieved during 2011-13.

(Paragraph 2.3.10.6)

2.3.1 Introduction

The National Rural Health Mission (NRHM) was launched by Government of India (GOI) in April 2005 with a view to bringing about improvement in the health system and health status of the people especially those living in the rural areas. The Mission seeks to provide universal access to equitable and quality healthcare through a system which is accountable and responsive to the needs of the people with special emphasis on reduction of child and maternal deaths as well as population stabilization, gender and demographic balance.

GOI has been implementing the Reproductive and Child Health (RCH) programme under the umbrella of NRHM for providing healthcare to women and children with a view to reducing maternal and infant mortality and total fertility rates as well as social and geographical disparities in access to and utilisation of quality reproductive and child health services.

2.3.2 Organisational set up

At State level, the Mission functions under the overall guidance of the State Health Mission (SHM) headed by the State Chief Minister. The Mission activities are carried out through the State Health Society, Punjab (SHS), headed by the Chief Secretary. The Governing Body of SHS ***(Appendix 2.2)*** approves the Annual State Action Plans for NRHM, reviews implementation of the plans, coordinates with all NRHM related sectors and carries out follow-up action on the decisions of SHM. An Executive Committee of SHS, headed by the Principal Secretary, Health and Family Welfare Department, exercises all the powers conferred by the Governing Body. The State Program Management Support Unit under the control of the Mission Director acts as the Secretariat to SHM as well as to SHS.

At the district level, the District Health Mission (DHM) headed by the Chairman, Zila Parishad, has been constituted to guide and manage all public health institutions in the district. District Health Society (DHS) headed by the Deputy Commissioner has been formed to support DHM in each district.

2.3.3 Audit objectives

The performance audit was aimed at assessing the efficiency, economy and effectiveness of implementation of RCH programme. Its primary objectives were to assess whether:

- planning was adequate and financial resources were utilised effectively;
- infrastructure and human resource were adequate and effective;

- targets fixed in respect of reproductive and child healthcare were achieved and the objective of reducing maternal mortality rate, infant mortality rate and total fertility rate was met; and
- internal control mechanism and monitoring system was effective and efficient.

2.3.4 Audit scope and methodology

The performance audit covered the period 2011-16 and was conducted[38] between March and August 2016 by test-check of the records of SHS, Director Health Services, Director (Health and Family Welfare), Punjab Health Systems Corporation (PHSC) and six[39] (out of 22) DHSs. Under these six DHSs, six District Hospitals (DH), 12 (out of 56) Community Health Centres (CHC), 18 (out of 145) Public Health Centres (PHC) and 27 (out of 1,104) Sub-Centres (SC) were also selected[40] for test-check ***(Appendix 2.3).***

Mention had been made in the Comptroller and Auditor General of India's Report (Civil) for the year ended 31 March 2010 - Government of Punjab, on implementation of NRHM in the State which included findings mainly on infrastructure, manpower, procurement, healthcare programme and disease control. The performance report was discussed in the Public Accounts Committee (PAC) in January 2014. Audit also examined the follow-up action of the Department on the recommendations of PAC.

An entry conference was held with the Principal Secretary to Government of Punjab, Department of Health and Family Welfare (PSH&FW) in April 2016 wherein audit objectives, scope, methodology and audit criteria were discussed. The findings of performance audit were discussed with the Mission Director, National Health Mission, Punjab in the exit conference held in September 2016 and the replies of the department have been suitably incorporated in the report.

2.3.5 Audit criteria

The audit criteria were derived from the following sources:

- NRHM guidelines and related instructions issued by Government of India and Government of Punjab ;
- State Programme Implementation Plans approved by Government of India;
- Indian Public Health Standards laid down by Government of India for District Hospitals, Sub Divisional Hospitals, Community Health Centres, Primary Health Centres and Sub-Centres in 2007, revised in 2012;

[38] The points on Infrastructure, Human Resource Management, Internal Control Mechanism, etc. included in the report pertain to whole NRHM, as these cannot be separated for RCH component.

[39] (i) Ferozepur; (ii) Jalandhar; (iii) Hoshiarpur; (iv) Ludhiana; (v) Moga; and (vi) Tarn Taran.

[40] Selected by Simple Random Sampling Without Replacement method of Statistical Sampling.

- Policy and guidelines for quality assurance in healthcare (December 2014) laid down by Government of Punjab; and
- Operational guidelines for quality assurance in public health facilities (2013) laid down by Government of India.

Audit findings

2.3.6 Planning

2.3.6.1 Facility survey

NRHM strives to ensure that need based district health action plans become the basis for intervention in the health sector. For preparation of these plans and to identify gaps at each health centre, facility surveys were to be conducted by engaging services of the Accredited Social Health Activists (ASHAs), Anganwari Workers (AWWs), community volunteers, panchayat members and village health sanitation and nutrition committee members using a pre-approved format specified in the Indian Public Health Standards (IPHS) prescribed by GOI.

Examination of records showed that facility surveys were conducted every year in respect of all the health centres (3,586 during 2011-12 and 3,590 during 2012-16) in the State. However, no roadmap to fill the gaps with respect to shortage of manpower and infrastructure was prepared as a follow up of the facility survey.

The Mission Director stated (September 2016) that the gaps were being identified and formed the basis for preparation of State programme implementation plans (PIP) sent to GOI every year for approval. However, the fact remained that no road map to bridge the gaps had been prepared and shortage of manpower and infrastructure facilities persisted as discussed in subsequent paragraphs.

2.3.7 Financial management

The State Health Society (SHS) reflected its requirement of funds through the programme implementation plans (PIP) for various activities under NRHM. GOI provided funds to SHS through State Government on the basis of the approved PIP. The SHS released funds to DHSs and PHSC in accordance with the approved district plans and additional requirements. The DHSs provided funds to the health centres in the field for implementation of various programmes/activities. The health centres submitted statements of expenditure to DHSs for consolidation and onward submission to SHS. In turn, SHS submitted the utilisation certificates to GOI along with concurrent audit reports prepared by Chartered Accountants.

2.3.7.1 Funding pattern

GOI and the State Government provided funds in the ratio of 85:15 (2011-12); 75:25 (2012-15); and 60:40 (2015-16) on the basis of approved PIP. Against the total available funds[41] of ₹ 2,450.51 crore, an expenditure of ₹ 2,276.51 crore (93 *per cent*) was incurred by State Health Society (SHS) under NRHM during 2011-16.

The position of receipt and the annual expenditure under RCH programme during 2011-16 is given in **Table 2.3.1** below.

Table 2.3.1: Receipt and expenditure under RCH during 2011-16

(₹ in crore)

Year	Allocation	Opening Balance	Funds received from		Other miscellan-eous receipts	Total funds available	Expenditure (percentage to allocation)	Closing Balance
			GOI	State				
1	2	3	4	5	6	7(3+4+5+6)	8	9 (7-8)
2011-12	95.10	44.19	65.01	-*	-	109.20	78.52 (83)	30.68
2012-13	133.01	30.68	88.38	-*	-	119.06	96.94 (73)	22.12
2013-14	142.15	22.12	76.61	25.54	10.87	135.14	101.84 (72)	33.30
2014-15	176.24	33.30	80.33	46.83	-	160.46	127.67 (72)	32.79
2015-16	178.84	32.79	61.40	40.88	15.00	150.07	150.19 (84)	(-)0.12
Total	**725.34**		**371.73**	**113.25**	**25.87**		**555.16 (77)**	

Source: Information supplied by State Health Society

**** While approving PIPs for the years 2011-12 and 2012-13, GOI allocated 100 per cent resource from central funds towards RCH programme.***

Audit observed that against the total allocation of ₹ 725.34 crore under RCH, SHS could utilise only ₹ 555.16 crore (77 *per cent*) and the annual expenditure ranged between 72 and 84 *per cent* during 2011-16.

The Mission Director attributed the reasons for short utilization of funds to late receipt of funds from GOI/the State Government.

2.3.7.2 Non-accounting of interest on NRHM funds

The Operational Guidelines for Financial Management (January 2012) of NRHM provides that NRHM funds would be kept in separate interest bearing bank accounts. Further, the interest earned on the funds would be utilized for the same purpose for which the State PIP was approved. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding non-accounting of interest on NRHM funds by PHSC during 2005-10. The PAC had recommended (January 2014) that the Department ensure utilization of interest earned on NRHM funds only for the progammes under NRHM.

Examination of records of SHS showed that interest amounting to ₹ 17.82 crore earned on NRHM funds by SHS and DHSs during 2011-16 had been shown in the income and expenditure statements of the respective years. However, interest earned by PHSC on NRHM funds (₹ 334.62 crore) released by SHS during 2011-16 was neither intimated to SHS nor shown in the accounts of NRHM.

The Mission Director assured (September 2016) that an appropriate system would be evolved to account for the interest earned on NRHM funds by PHSC. The fact, however, remains that despite recommendations (January 2014) of PAC, the flaw has not been resolved.

[41] Opening balance, GOI/State share as per approved PIP and other miscellaneous receipts.

2.3.8 Infrastructure

GOI formulated (2007 and 2012) the Indian Public Health Standards (IPHS) for providing certain essential/desirable services at SCs, PHCs and CHCs so as to ensure availability of uniform standards of infrastructure and services to the public. Audit noticed the following:

2.3.8.1 Availability of health centres

(i) As per IPHS and Rural Health Statistics (RHS) Report of GOI (NRHM), one SC per 5,000, one PHC per 30,000 and one CHC per 1,20,000 of rural population was to be established by the State Government to cater to the healthcare needs of the rural masses. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding shortage of health centres *viz.* SCs (8 *per cent*), PHCs (26 *per cent*) and CHCs (4 *per cent*) as of March 2010. While discussing (January 2014) the report in the PAC, the Department showed improvement in shortfall in availability of PHCs from 26 to 17 *per cent* whereas shortage in respect of SCs and CHCs remained unchanged.

The number of health centres required in the State taking into account the rural population of 1,73,44,192 as per Census 2011 and actually available during 2011-16 are given in **Table 2.3.2** below**.**

Table 2.3.2: Number of health centres required and actually available as of March 2016

Health Centre (HC)	Number of HCs required	Number of HCs as on 31st March									
		2012		2013		2014		2015		2016	
		Actual	Short-fall (%)	Actual	Short-fall (%)	Actual	Short-fall (%)	Actual	Short-fall (%)	Actual	Short-fall (%)
SCs	3468	2950	518 (15)	2950	518 (15)	2950	518 (15)	2950	518 (15)	2950	518 (15)
PHC	578	449	129 (22)	435	143 (25)	427	151 (26)	427	151 (26)	427	151 (26)
CHC	144	132	12 (8)	142	02 (1)	150	- (0)	150	- (0)	150	- (0)

Source: IPHS, RHS Report and data provided by SHS

As evident from above, though the number of CHCs was adequate, shortage in the case of SCs and PHCs was up to 15 and 26 *per cent* respectively during 2011-16 and no new SCs and PHCs had been established during this period.

The Mission Director stated (September 2016) that the State had decided to strengthen the existing health infrastructure including SCs instead of creating new infrastructure/SCs. The reply did not however spell out measures to achieve quantitative targets of setting-up health centres as per norms corresponding to the rural population. Thus, the availability SCs and PHCs in the State had actually decreased to 15 and 26 *per cent* respectively as of March 2016, vis-à-vis the norms *ibid*.

(ii) GOI while approving State PIPs for the years 2012-13 and 2013-14, directed the State Government to make functional 25 *per cent* of the SCs (Type-A non-delivery points) as delivery points (Type-B) in high priority districts. Audit observed that there were 759 SCs (Type A non-delivery points) functional in six high priority districts[42] of the State as of March 2016, but no efforts had been made to make 190 of these SCs (25 *per cent*) functional as delivery points (Type-B) as required under NRHM.

The Mission Director stated (September 2016) that as a matter of policy, no SC had been upgraded to delivery points but all efforts were being made to ensure institutional deliveries by reducing home deliveries. It was added that the Emergency Response Services i.e. '108 Ambulance' being made available to the population in the rural and urban areas was working efficiently to take the patients to the nearest health institution where the deliveries were conducted at least by a Medical Officer, if not, a Gynecologist. The reply was not convincing as upgradation of Type-A SCs (non-delivery points) to Type-B SCs (delivery points) as per PIPs approved by GOI would have benefitted the rural masses to have the deliveries conducted at accessible SCs and would have also further improved the position of institutional deliveries.

2.3.8.2 Inadequate infrastructural facilities

As per IPHS (2012), health centres (CHCs and PHCs) should have facilities like own building, separate wards for male and female, operation theatre, labour room, vehicles, blood storage, ultrasound, prescribed drugs, safe abortion service, etc. Mention had been made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding health centres functioning in other than Government buildings (37 *per cent*), without labour room (69 *per cent*), without operation theatre (32 *per cent*) and without separate male/female wards (7 *per cent*) in the test-checked health centres as of March 2010. While discussing (January 2014) the report in the PAC, the Department had showed slight improvement in respect of PHCs running in Government buildings and having operation theatres in the State and assured to provide other infrastructural facilities in PHCs/CHCs.

During test-check of records in the selected districts, it was noticed that there was shortfall ranging between 17 and 92 *per cent* in infrastructural facilities in the test-checked health centres (CHCs/PHCs) as of March 2016 as detailed in ***Appendix 2.4***. Major inadequacy was noticed in respect of CHCs without ultrasound facilities (92 *per cent*); blood storage facilities (83 *per cent*); safe abortion service (66 *per cent*); CHCs/PHCs without prescribed drugs as per IPHS norms (80 *per cent*); vehicles (70 *per cent*); separate wards for male and female (60 *per cent*) and standby generator (40 *per cent*).

The Mission Director stated (September 2016) that the ultrasound, blood storage, safe abortion, services were not provided at PHC level and attributed the reasons for inadequate infrastructural facilities at CHC level to shortage of medical staff *viz.* Radiologist, Gynecologist, Pediatricians, Surgeons, etc. the recruitment for which was under process. As regards non-availability of prescribed drugs as per IPHS, the Mission Director stated that the State had not adopted these standards. Instead medicines as per Essential Drug List identified by Health Department were made available to each health

[42] (i) Barnala (71 SCs); (ii) Gurdaspur (222 SCs); (iii) Mansa (103 SCs); (iv) Sangrur (192 SCs); (v) Sri Muktsar Sahib (102 SCs); and (vi) Pathankot (69 SCs).

institution. The Department attributed the reasons for PHCs without separate ward for male and female to the absence of indoor facilities in most of them. However, in case of CHCs, the Department assured to look into the matter.

2.3.9 Human resource management

2.3.9.1 Shortage of manpower

NRHM aims at providing adequate qualified/trained manpower at all levels of health centres as per the Indian Public Health Standards (IPHS) 2012. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding shortage of clinical manpower in test-checked health centres as of March 2010. While discussing (January 2014) the matter, the Department had apprised the PAC that necessary steps were being taken to overcome the shortage of manpower.

(i) Audit observed that there was an overall shortage up to 62 *per cent* of medical and paramedical staff against the sanctioned strength and 100 *per cent* shortage was noticed in some cadres in the Department with reference to the Indian Public Health Standards as of March 2016. Besides, additional manpower (Auxiliary Nurse Midwifery (ANMs): 1,384; Medical Officers: 133; Staff Nurses: 1,245; and Administrative staff: 329) had been deployed on contract basis under NRHM as of March 2016 which was exclusively for NRHM purposes and not to be treated against vacancies in regular staff ***(Appendix 2.5)***. The shortage of manpower impaired the ability of the centers to provide the requisite facilities at PHC/CHC level.

(ii) Audit further noticed that:

- Although 4,065 ANMs (2,681 out of sanctioned strength and 1,384 under NRHM) were in position as of March 2016 for existing 2,950 SCs in the State, yet 138 SCs were functioning without ANMs indicating injudicious deployment of ANMs by the Department.

- Many of the existing 427 PHCs were functioning without Allopathic Doctors (37 PHCs), Pharmacists (94 PHCs), Lady Health Visitors[43] (99 PHCs), Laboratory Technician (143 PHCs) and Accountant-cum-Data Entry Operators (397 PHCs) as of March 2016. In test-checked PHCs, shortage of staff under these cadres ranged between six and 100 *per cent*.

- Only 15 posts of Public Health Nurses (PHN) had been sanctioned against requirement of 150 PHN for the existing 150 CHCs as per IPHS. No PHN was actually in position in any of the CHCs in the State as of March 2016. Besides, no post of Dental Surgeon, General Duty Medical Officer, Dental Assistant, Cold Chain and Vaccine Logistic Assistant, Counsellor, OT Technician, Registration Clerk, Statistical Assistant, Account Assistant, Administrative Assistant and Ward Boys was sanctioned for any of the existing CHCs in the State, as prescribed under IPHS.

[43] As of March 2015 as figures of March 2016 were not supplied to Audit.

The Department attributed (September 2016) the shortage of medical staff and paramedical staff to lack of interest to serve in remote areas but added that the process of recruitment of requisite staff was under process. As regards the shortage of staff against IPHS, it was stated that the State had not adopted these standards.

The contention of the Department regarding non-adoption of IPHS was not acceptable as the framework for implementation of National Health Mission (2012-2017) stipulated that it provided support to States to develop a comprehensive strategy for human resource in health sector to help achieve IPHS. Further, Government of Punjab had notified (December 2014) a policy and guidelines for quality assurance in healthcare which *inter alia* included the objective of meeting the laid down IPHS as per standard technical protocols. Thus, despite assurance given (January 2014) by the Department to PAC to overcome the shortage of manpower, the shortage of staff in the Department was still persisting as of March 2016.

2.3.9.2 Accredited Social Health Activists

One of the key components of the National Rural Health Mission is to provide every village (with a population of 1,000) with a trained female community health activist *viz.* Accredited Social Health Activist (ASHA) who would work as an interface between the community and the public health system. Audit acknowledged that 17,097 ASHAs had been engaged against the requirement of 17,360 ASHAs (98 *per cent*) as of March 2016.

2.3.9.3 Training

The State Institute of Health and Family Welfare, (SIHFW) Punjab, has been designated as the Collaborating Training Institute (CTI) to impart training under NRHM. The targets vis-à-vis achievement of training programmes organized at SIHFW during 2011-16 are given in **Table 2.3.3** below**.**

Table 2.3.3: Targets and achievement in training programmes at SIHFW

Year	ASHA		ANM		Staff Nurse		Medical Officer (MO)	
	Target	Achiev-ement	Target	Achiev-ement	Target	Achiev-ement	Target	Achiev-ement
2011-12	16500	16403	3240	2509	1480	1260	3853	2580
2012-13	16800	16243	2680	1795	1491	1096	2529	1852
2013-14	16800	16319	3720	3547	1468	1673	2690	2625
2014-15	16800	16416	1592	1416	1414	844	2137	1737
2015-16	17360	16324	1594	1376	1431	1158	1946	1562
Total	**84260**	**81705**	**12826**	**10643**	**7284**	**6031**	**13155**	**10356**
Shortfall (%)	**2555 (3)**		**2183 (17)**		**1253 (17)**		**2799 (21)**	

Source: Data supplied by SIHFW

Audit observed that:

- The shortfall in imparting training to staff under different cadres ranged between three and 21 *per cent* despite availability of funds for the purpose *ibid* ranging between ₹ 1.73 crore and ₹ 2.80 crore as SIHFW could utilize only ₹ 4.08 crore (56 *per cent*) out of the available ₹ 7.30 crore during 2011-16.

- SIHFW imparted training to 1,001 medical personnel/staff (54 *per cent*) against the target of 1,843. In individual areas, there was shortfall in training of Medical Termination of Pregnancy (136 out of 186 MOs); Non-Scalpel Vasectomy (15 out of 121 MOs) and Integrated Management of Neo-Natal and Childhood Illness (850 out of 1,536 MOs) during 2015-16. The training on these topics was imparted in only one (DH Jalandhar) out of six test-checked DHs and in six (out of 12) selected CHCs.

The Department attributed (September 2016) the reasons for shortfall in imparting training to inability of the health centres to spare staff as their absence hampered the healthcare services being provided to the masses. The reply of the Department was not convincing as the targets should have been fixed taking into account the staff position. Moreover, the constraints imposed by paucity of staff could have been alleviated by improving the quality of the existing staff through capacity building.

2.3.10 Programme implementation

The Reproductive and Child Health (RCH) programme under NRHM aims to reduce maternal mortality rate (MMR), infant mortality rate (IMR) and total fertility rate (IFR). The major components of RCH programme are maternal health, child health and family planning. During the course of audit, the following points were noticed:

2.3.10.1 Healthcare of pregnant women

As per IPHS (2007) and approved PIPs of the respective years under NRHM, pregnant women are to be registered and provided with the services of at least three ante-natal check-ups (ANC). Further, anemia being considered as the major cause of maternal mortality, prophylaxis against anemia require administration of a daily dose of iron and folic acid (IFA) tablets for a period of 100 days to a pregnant woman. Two dosages of tetanus toxoid (TT) are also prescribed to immunize the mother and neonate from tetanus. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding shortfall in providing/administering ANCs (14 *per cent*), IFA tablets (39 *per cent*) and TT immunization (5 *per cent* in 2008-09 only) in the State during 2005-09. The PAC recommended (January 2014) that awareness campaigns be conducted for TT immunization programmes and necessary steps be taken so that more people could get its benefit.

The status of registered pregnant women who received the required services/medicines during 2011-16 is given in **Table 2.3.4** below**.**

Table 2.3.4: Health services provided to pregnant women during 2011-16

Year	Number of pregnant women registered at health centres	No. of registered pregnant women who received					
		Three antenatal check-ups	Shortfall (Percentage)	IFA tablets for 100 days	Shortfall (Percentage)	TT immune-zation (Second dose)	Shortfall (Percentage)
2011-12	488816	421859	66957 (14)	416882	71934 (17)	417753	71063 (15)
2012-13	489106	439218	49888 (10)	328999	160107 (33)	430457	58649 (12)
2013-14	482522	437613	44909 (09)	436907	45615 (09)	436374	46148 (10)
2014-15	476417	438554	37863 (09)	392691	83726 (18)	442737	33680 (07)
2015-16	489071	429797	59274 (12)	423189	65882 (13)	439096	49975 (10)
Total	**2425932**	**2167041**	**258891 (11)**	**1998668**	**427264 (21)**	**2166417**	**259515 (11)**

Source: Data provided by SHS

Analysis of data in respect of 24.26 lakh pregnant women registered with health centres during 2011-16 brought out the following:

➢ As many as 21.67 lakh (89 *per cent*) pregnant women received three ANCs. In six test-checked districts, the shortfall in providing at least three ANCs to the registered pregnant women ranged between eight and 13 *per cent*.

➢ Required number/dose of IFA tablets was provided to 19.99 lakh pregnant women leaving 4.27 lakh (21 *per cent)* pregnant women uncovered. In six test-checked districts, shortfall in administering required number of IFA tablets to pregnant women ranged between 11 and 28 *per cent*.

➢ TT immunization was administered to 21.66 lakh pregnant women leaving 2.60 lakh (11 *per cent*) pregnant women uncovered. In six test-checked districts, shortfall in administration of TT immunization ranged between eight and 13 *per cent*[44] during 2011-16.

The Mission Director stated (September 2016) that some beneficiaries would have got themselves vaccinated in private health institutions and thus might not have been recorded in public healthcare system. He also attributed the reasons for shortfall in providing ANCs and IFA tablets to presence of migratory population in Punjab. The reply was not acceptable as it was based on surmises and no evidence in this regard was made available to audit. Thus, despite recommendations of PAC (January 2014), the Department did not keep track of uncovered pregnant women for providing requisite healthcare to ensure their safe motherhood.

2.3.10.2 Institutional deliveries

In order to reduce MMR and IMR, Janani Shishu Suraksha Karyakaram (JSSK) under NRHM stresses upon promotion of institutional deliveries and proper care of newborn. As per the JSSK guidelines, the first 48 hours after delivery are vital for detecting any complications and their management. Care of mother and baby, including immunization, are also essential immediately after delivery and at least up to 48 hours.

[44] Shortfall in respect of Ludhiana and Jalandhar districts has been worked out taking into account administration of first dose of TT as the data in respect of second dose was not available.

The position of institutional deliveries vis-à-vis domestic deliveries and women discharged before 48 hours from public health centres are given in **Table 2.3.5** below**.**

Table 2.3.5: Position of institutional deliveries vis-à-vis domestic deliveries and women discharged before 48 hours from public health centres during 2011-16

Year	Total deliveries	No. of institutional deliveries in Government health centres	No. of institutional deliveries in private institutions	No. of domestic deliveries	Women discharged before 48 hours from Government health centres
2011-12	419601	157231 (38)	168411 (40)	93959 (22)	112764 (72)
2012-13	423118	167712 (40)	181699 (43)	73707 (17)	139071 (83)
2013-14	419990	186143 (44)	177036 (42)	56811(14)	132650 (71)
2014-15	412692	201797 (49)	169825 (41)	41070 (10)	110870 (55)
2015-16	392655	194151 (49)	168060 (43)	30444 (08)	74229 (39)
Total	**2068056**	**907034 (44)**	**865031 (42)**	**295991 (14)**	**569584 (63)**

Source: Information generated from Health Management Information Systems (HMIS)
Figures in brackets indicate percentage

Audit analysis of 20.68 lakh deliveries in the State during 2011-16 showed that:

➢ Out of total 17.72 lakh institutional deliveries during 2011-16, 9.07 lakh (51 *per cent*) deliveries were conducted in Government health centres which were slightly more than the institutional deliveries in private institutions (49 *per cent*). One of the positive outcomes of NRHM in the State was the decrease in domestic deliveries from 22 *per cent* in 2011-12 to 8 *per cent* in 2015-16. In the six test-checked districts, deliveries in Government health centres remained at 40 *per cent* as compared to 43 *per cent* in private health institutions while the domestic deliveries declined from 26 *per cent* to 11 *per cent* during 2011-16.

➢ Thirty nine to 83 *per cent* women were discharged within 48 hours after delivery in contravention of JSSK guidelines. In six test-checked districts, early discharge of women patients before 48 hours ranged between 3 and 98 *per cent*[45]. In one PHC in district Moga, no patient was kept for 48 hours after delivery in all the 104 deliveries conducted during 2015-16. The Mission Director stated (September 2016) that the patients preferred to go home as early as possible after the delivery rather than staying in the hospital. However, the patients were being apprised about the benefits of staying for at least 48 hours post-delivery in the hospital.

2.3.10.3 Post-natal care

IPHS (2007) for SCs provide for minimum of two post-partum home visits (first within 48 hours and second within seven days of delivery) by SC staff.

[45] (i) Ferozepur (45 and 63 *per cent*), (ii) Hoshiarpur (8 and 63 *per cent*), (iii) Jalandhar (3 and 27 *per cent*), (iv) Ludhiana (7 and 90 *per cent*), (v) Moga (66 and 88 *per cent*) and (vi) Tarn Taran (72 and 98 *per cent*).

Test-check of records in the selected SCs showed that in 546 (24 *per cent*) home deliveries out of 2,274 home deliveries during 2011-16, SC staff did not make the required two postpartum home visits in contravention of the guidelines *ibid*.

2.3.10.4 Administration of Vitamin 'A'

IPHS (2012) prescribes an immunization schedule which includes administration of Vitamin 'A' solution to all children up to five years of age. Vitamin 'A' requires administration of first dose at nine months, second dose at 16 months and third to ninth doses at intervals of six months up to the age of five years. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding shortfall in achievement of targets for administration of Vitamin 'A' solution in respect of first dose (ranging between 5 and 99 *per cent*) and second to fifth doses (ranging between 13 and 99 *per cent*) during 2005-10.

The position of target vis-à-vis achievement in respect of first, fifth and ninth doses of Vitamin A solution during 2011-16 is given in **Table 2.3.6** below**.**

Table 2.3.6: Targets vis-à-vis achievement for administration of Vitamin 'A' solution during 2011-16

Year	Target for first and fifth doses each	First dose		Fifth dose		Ninth dose		
		Achieve-ment	Shortfall	Achieve -ment	Shortfall	Target	Achieve -ment	Shortfall
2011-12	462000	328252	133748(29)	315814	146186(32)	461000	300574	160426 (35)
2012-13	449000	228288	220712(49)	189765	259235(58)	462000	198464	263536 (57)
2013-14	456000	394552	61448(13)	320096	135904(30)	471000	324887	146113 (31)
2014-15	461000	397491	63509(14)	298551	162449(35)	475000	331792	143208 (30)
2015-16	465000	370767	94233(20)	292823	172177(37)	480000	322782	157218(33)

Source: Data provided by DHS ***Figures in brackets indicate percentage***

Analysis of the above data brought out the following:

➢ During 2011-16, there was a shortfall of 13 to 49 *per cent* in providing first dose of Vitamin 'A' to children below one year of age while the shortfall ranged between 30 and 58 *per cent* in providing fifth and ninth doses.

➢ In six test-checked districts (except for Jalandhar district in which no targets were fixed), the shortfall in achievement of targets in administering first dose of Vitamin 'A' ranged between 4 and 56 *per cent* whereas it ranged between 8 and 77 *per cent* with regard to the ninth dose. No targets were fixed by the Civil Surgeon, Jalandhar for administering Vitamin 'A' doses though 1.32 lakh (first dose) and 1.09 lakh (fifth dose) doses of Vitamin 'A' were administered there during 2011-16.

The Mission Director stated (September 2016) that the targets set were tentative and the achievement should be assessed with regard to actual number of deliveries taking place during the year. However, there was still a shortfall ranging up to 46 *per cent* in administering the first dose of Vitamin 'A' to the children born in the respective years (2011-16 as per Table 2.3.5). The fact thus remained that shortfall in administration of Vitamin 'A' was continuing during 2011-16.

2.3.10.5 Family planning

The SHS in its PIPs during 2011-16 had set targets in respect of male/female sterilization and Intra Uterine Device (IUD) insertions for population stabilization. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 highlighting shortfall in achievement of targets in tubectomy (seven *per cent*) whereas targets under vasectomy were satisfactorily achieved during 2005-10. While discussing (January 2014) the report, the Department had apprised the PAC that the birth rate of Punjab had continuously reduced and the coverage of eligible couples had increased.

The details of targets vis-à-vis achievement for population stabilization during 2011-16 are given in **Table 2.3.7** below**.**

Table 2.3.7: Targets vis-à-vis achievement for population stabilization during 2011-16

Year	Terminal methods						Spacing method		
	Vasectomy			Tubectomy			IUD insertion		
	Target	Achiev-ement	Short fall	Target	Achiev-ement	Short fall	Target	Achiev-ement	Short fall
2011-12	17000	8239	8761 (52)	88000	62770	25230 (29)	287394	226146	61248 (21)
2012-13	20000	5851	14149 (71)	80000	61690	18310 (23)	275000	228562	46438 (17)
2013-14	22000	4010	17990 (82)	85000	60110	24890 (29)	290000	216340	73660 (25)
2014-15	10000	3302	6698 (67)	65000	55021	9979 (15)	200000	211065	-
2015-16	6000	1985	4015 (67)	65000	46528	18472 (28)	200000	208203	-

Source: Data provided by SHS ***Figures in brackets indicate percentage***

Analysis of table showed that the shortfall in achievement of targets under terminal methods and spacing methods ranged between 15 and 82 *per cent* during 2011-16 though there was more than 100 *per cent* achievement in spacing method (IUD insertion) during 2014-16. In six test-checked districts, the shortfall under terminal methods ranged up to 79 *per cent* during 2011-16 though there was more than 100 *per cent* achievement in vasectomy during 2011-13. The shortfall under spacing method ranged up to 20 *per cent* during the period of five years.

The Mission Director stated (September 2016) that the targets were set by GOI. Since the Total Fertility Rate (1.7) in the State was much below the replacement level (targeted TFR) of 2.1, the State had decided not to counsel the beneficiaries for adopting terminal methods for family planning. However, the counseling of eligible couples was being done regularly to make them aware of the benefits of spacing for family planning.

Audit observed that the Department itself had proposed the targets in PIPs of the respective years and despite apprising (January 2014) the PAC about reduction in birth rate and increase in coverage of eligible couples, the targets for population stabilization (except for spacing method during 2014-16) could not be achieved during 2011-16.

2.3.10.6 Impact assessment

The targets *vis-à-vis* achievement in respect of major health indicators *viz.* maternal mortality rate (MMR), infant mortality rate (IMR) and total fertility rate (TFR) in the State are given in **Table 2.3.8** below**.**

Table 2.3.8: Targets and achievement in respect of major health indicators

Sr. No.	Health indicators	Target under NRHM-RCH to be achieved by		Status during		
		2012	2017	2011-12	2012-13	2013 to 2016
1.	MMR (per one lakh births)	100	100	155	141	NA
2.	IMR (per one thousand births)	30	25	NA	26	NA
3.	TFR (children per woman)	2.1	2.1	1.7	1.7	NA

Source: *Information supplied by State Health Society and Statistical Survey Report 2013 and 2014*
NA = Not available

It is evident from the above table that State could not achieve the targeted rate (100) of MMR during 2011-12 and 2012-13 as prescribed in the NRHM framework. Though the MMR decreased from 155 (2011-12) to 141 (2012-13), it was still far behind the target to be achieved during 2012-2017. The target in respect of IMR was nearly achieved (26) while that of TFR was fully achieved. The data with regard to achievement of targets for MMR, IMR and TFR during 2013-16 was not available.

The Mission Director stated (September 2016) that efforts were being made to achieve the targets.

2.3.11 Internal control mechanism

2.3.11.1 Non-submission of certified reports by field formations

Health Management Information Systems **(**HMIS) launched (2011) by NRHM, Ministry of Health and Family Welfare, GOI, is an information system that has been designed to assist health department at all levels in gathering, aggregating, analyzing and then using the information generated for taking action to improve performance of health system. The Manual of HMIS provides that the block will send the hard copy to districts duly verified by the person designated by CMO along with the entry of the data on HMIS software. Further, district after receiving the hard copies from all the blocks of the district will consolidate the data received at district level and forward it to the State along with the entry of the data on the web portal. The State after confirming the reports will upload the same on the National level web portal and will keep the copy in the State records.

Examination of records of SHS and six test-checked districts showed that though the data was received at State/district level through HMIS software, no hard copy duly signed by the authorized person was received at the State/district level, in the absence of which the authenticity of data entered on the HMIS software could not be ascertained.

The Director, National Health Mission, Punjab stated (October 2016) that necessary instructions had been issued to send the hardcopy of HMIS report duly signed by the Civil Surgeons to the State.

2.3.11.2 Quality assurance monitoring

With a view to bringing about an overall improvement in delivery of healthcare services in the State, Government of Punjab notified (December 2014) policy and guidelines for quality assurance in healthcare. The policy initiative was to ensure an effective implementing and monitoring mechanism at State, district and hospital levels to meet the laid down IPHS as per standard technical protocols which would ultimately lead to more error-free, patient-friendly healthcare services. Subsequently, the State Government notified (January 2015) the framework for various committees[46].

Audit observed (June-August 2016) that:

- SQAC, DQACs, HQACs (at district level only) had been formed at the respective levels. However, SQAB, SQAU, DQAUs (except for Moga and Ferozepur districts) and HQACs at CHC/PHC level were not formed. The Mission Director stated (September 2016) that since it was a new programme, in the first instance, all the district hospitals in the State were assessed with regard to quality assurance parameters. Now, the quality assurance activities had been extended to the SCs/CHCs/PHCs and each institution was being monitored on Key Performance Indicators.

- SQAC met (May 2016) only once since its inception (March 2015), against the prescribed norms of meeting at least once in six months (i.e. twice a year). Further, information supplied by test-checked districts showed that against the requirement of 24 meetings, 10 meetings[47] were held by DQAC during 2015-16. However, no records (minutes of meetings) in support of the meetings were made available to Audit.

- GOI provided funds of ₹ 2.51 crore in State PIP (under Mission flexipool head) for recruitment of 20-22 Assistant Hospital Administrators (AHA) (2011-16) for promoting quality assurance in the health institutions. However, only eight posts of AHAs were filled under NRHM as of March 2016.

- GOI approved ₹ 0.59 crore in the State PIP (under Mission flexipool head) for 2015-16 for various quality assurance activities[48]. However, no expenditure on these activities was incurred which indicated that the

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[46] (i) State/District Quality Assurance Board (SQAB/DQAB) for providing accreditation to the health care institutions; (ii) State Quality Assurance Committee (SQAC) for overseeing the implementation of policy across the State in accordance with the National and State level guidelines at State level; (iii) District Quality Assurance Committee (DQAC) at district level; (iv) State/District Quality Assurance Unit (SQAU/DQAU) as a working division under SQAC/DQAC to provide support for implementation of quality assurance activities in the State; and (iv) Hospital Quality Assurance Committee (HQAC).

[47] (i) Hoshiarpur (6); (ii) Ludhiana (2); and (iii) Moga (2).

[48] (i) Monitoring and Supportive Supervision for State Quality Assurance Team (₹ 0.04 crore); (ii) Monitoring and Supportive Supervision for District Quality Assurance Team (₹ 0.16 crore); (iii) One day workshop (₹ 0.01 crore); (iv) Two days training for service providers (₹ 0.11 crore); (v) Deployment of 28 Office Assistants (₹ 0.27 crore).

Department did not prioritize the quality assurance activities in the health sector. The Department attributed (September 2016) the reasons for nil expenditure against the approved funds of ₹ 0.59 crore on quality assurance activities to wrong/non-booking of expenditure. However, the Department did not reconcile the omission.

Thus, the institutional mechanism for monitoring of NRHM activities remained inadequate.

2.3.12 Conclusion

The performance audit brings out that many of the shortcomings in the implementation of NHRM that had been highlighted in the Report of the Comptroller and Auditor General for the year ended 31 March 2010 continued to persist despite recommendations of the PAC and the assurances given by the Department to bring about improvements. Though the facility survey at health centres was conducted, a perspective roadmap to bridge gaps in infrastructure and manpower was not prepared which impaired the planning process of the Mission. Twenty three *per cent* of the allocated funds under RCH programme were not utilized. Number of SCs/PHCs to the extent of 26 *per cent* were less than the norms and 17 to 92 *per cent* of the test-checked PHCs/CHCs in the rural areas were not equipped with essential infrastructural facilities *viz.* ultrasound, blood storage, safe abortion and prescribed drugs. There was shortage of medical and paramedical staff up to 100 *per cent* as per IPHS and 62 *per cent* of the sanctioned strength. The targets fixed for reproductive and child healthcare had not been fully achieved. The targets fixed by GOI with regard to maternal mortality rate could not be achieved though the targets for infant mortality rate and total fertility rate were largely achieved. Non-prioritizing the quality assurance monitoring/activities showed weak internal control mechanism in the Department.

2.3.13 Recommendations

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

(i) Strengthening the planning process by preparing requisite roadmap to bridge gaps in infrastructure and manpower and ensuring optimum utilisation of allocated funds for effective implementation of the programme;

(ii) Establishment of adequate number of health centres equipped with essential infrastructural facilities as per IPHS;

(iii) Providing adequate manpower for effective implementation of the programme; and

(iv) Strengthening of internal control mechanism by prioritizing quality assurance monitoring/activities.

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

SPORTS AND YOUTH AFFAIRS DEPARTMENT

2.4 Punjab State Sports Council

Sports and physical education play a crucial role in the all-round development of children, adolescents and the youth. A major constraint in taking sports activity to the grassroots level is the limited availability of basic sports infrastructure/facilities in the country. The Punjab State Sports Council was established in December 1971 as an autonomous body for development of sports in Punjab. A performance Audit of the Council for the period 2011-16 brought out lack of planning and deficiencies in both financial management and programme implementation which undermined the objectives of the Council. Some of the significant findings of the performance audit are summarised below:

Highlights

- **No perspective and annual plans were prepared by the Punjab State Sports Council during the years 2011-16 to achieve its objectives and to provide direction to the promotion of sports in the State.**

  (Paragraph 2.4.6)

- **The Punjab State Sports Council suffered a loss of ₹ 1.50 crore due to non/short collection of membership fee and ground booking fee.**

  (Paragraph 2.4.7.4)

- **Expenditure of ₹ 1.78 crore was incurred during the World Cup Kabaddi Tournament in contravention of the Financial Rules and ₹ 0.02 crore was disbursed on bogus bills for transport services during the tournament.**

  (Paragraph 2.4.12)

2.4.1 Introduction

The Punjab State Sports Council was established in December 1971 as an autonomous body and registered as a society under the Societies Registration Act, 1860, for development of sports in Punjab. It was re-constituted in January 1984 to work as an advisory body on matters connected with the development of sports. The over-arching objective[49] of the Council is to promote sports activities in the State.

[49] (i) To grant recognition to sports associations/tournament committees and sports clubs and to extend to them financial and other assistance as per rules framed from time to time for the purpose; (ii) To act as liaison between the Directorate of Sports and the local bodies and gram panchayats for the construction of stadia; (iii) To avail of financial assistance on behalf of Government of Punjab (GOP) in the Sports Department from the Government of India (GOI) under various schemes as promulgated from time to time; (iv) to run such schemes on behalf of the Directorate of Sports as may be entrusted to the Punjab State Sports Council from time to time; (v) to arrange matches/tournaments/competitions for the foreign teams visiting the State; (vi) to look after the welfare of the players to provide necessary monetary assistance and other incentives to them; (vii) to regulate activities pertaining to school games and rural sports; and (viii) to constitute sports Secretaries at district level (DSCs).

2.4.2 Organisational set-up

The Executive Committee of the Punjab State Sports Council (PSSC) consists of a President (Chief Minister), Senior Vice President (Sports Minister), Vice President (Secretary to Department of Sports), Secretary, Punjab State Sports Council (Director, Sports)[50], Joint Secretary, Punjab State Sports Council (Deputy Director, Sports) and seven members[51]. The PSSC implements its sports promotional activities through 22 Districts Sports Councils.

2.4.3 Audit objectives

The objectives of the performance audit were to assess whether:

- the annual plan was formulated and implemented effectively;
- allotment of funds was adequate and the funds were utilized for effective implementation of the schemes/development of infrastructure facilities for sports in the State;
- the implementation of programmes and conduct of tournaments were in a manner to achieve the desired results; and
- adequate internal control and monitoring system was in place.

2.4.4 Scope and methodology of audit

The audit covered the period 2011-16 and was conducted from April 2016 to August 2016 by test check of the records of the Punjab State Sports Council and six[52] out of 22 District Sports Council selected by adopting the Probability Proportional to Size with Replacement method of sampling. Records of Centrally Sponsored Scheme 'Punchayat Yuva Krida Aur Khel Abhiyan' (renamed as Rajiv Gandhi Khel Abhiyan in April 2014) for the period January 2009 to March 2016 were also test checked as grants for this scheme were received from 2009. An entry conference was held in April 2016 in which the objectives and audit methodology were discussed and an exit conference was held in September 2016 with the Secretary, Punjab State Sports Council to discuss the audit findings. The responses of the department have been suitably incorporated in the report.

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[50] Director Sports also holds the charge of Secretary Punjab State Sports Council and Deputy Director that of Joint Secretary.

[51] (i) Finance Minister or his nominee, (ii) Education Minister or his nominee, (iii) Minister of Rural Development and Panchayats or his nominee, (iv) Principal Secretary of Chief Minister, Punjab, (v) Executive Director, Sports Authority of India, North Centre Patiala, (vi) Regional Director, Sports Authority of India, Northern Centre, Chandigarh and (vii) Secretary General, Punjab Olympic Association.

[52] (i) Bathinda; (ii) Gurdaspur; (iii) Jalandhar; (iv) Ludhiana; (v) Mohali; and (vi) Patiala.

2.4.5 Audit criteria

The audit criteria were derived from the following:

- The guidelines of Centrally Sponsored Schemes namely Panchayat Yuva Krida aur Khel Abhiyan/Rajiv Gandhi Khel Abhiyan;
- The Central/State Government guidelines, directions, sanctions for creation and maintenance of infrastructure for promoting excellence in sports; and
- Financial Rules and Service Rules of PSSC, General Financial Rules and Punjab Financial Rules.

Audit findings

2.4.6 Planning

Planning plays a crucial role in the proper implementation of any scheme/programme. Test check of records revealed that no perspective plan was ever prepared by PSSC to pursue its objectives. Only annual sports calendar for organization of tournaments was prepared**.** In the absence of medium and short term planning, activities were being carried out in an ad hoc manner with funds ranging between 37 and 57 *per cent* remaining un-utilized during 2011-16.

2.4.7 Financial Management

The sources of funding of the PSSC include grants-in-aid from Government of India (GOI) and the Government of Punjab, one component of Panchayat Yuva Krida aur Khel Abhiyan (One Time Capital Grant) funded by GOI and State Government in the ratio of 75:25 and Dedicated Sports Fund levied by State Excise Department and transferred to the Council. The position of funds received and expenditure thereagainst during 2011-16 is given in **Table 2.4.1** below.

Table 2.4.1: Funds received by PSSC and Expenditure

(₹ in crore)

Year	Opening Balance	Receipt				Total funds available	Expenditure (Percentage in bracket)	Closing Balance
		GOI	GOP	DSF[53] Fund	Interest			
2011-12	27.30	0.09	70.33	0.00	2.63	100.35	62.99 (63)	37.36
2012-13	37.36	0.25	42.32	36.85	3.26	120.04	66.19 (55)	53.85
2013-14	53.85	3.15	42.08	69.23	4.37	172.68	89.95 (52)	82.73
2014-15	82.73	3.51	32.43	79.70	8.32	206.69	88.25 (43)	118.44
2015-16	118.44	3.17	7.54	55.98	2.65	187.78	102.37 (55)	85.41
Total	**319.68**	**10.17**	**194.70**	**241.76**	**21.23**	**787.54**	**409.75 (52)**	

Source: *Departmental* ***Data*.**

[53] Dedicated Sports Fund (As per State Excise Policy DSF was levied on sale of liquor and collected by the State Excise Department and transferred the same to the PSSC.

As is evident from above, the expenditure during 2011-16 ranged between 43 and 63 *per cent* resulting in an increasing unspent balance year after year. The Council could utilize only 52 *per cent* of the available funds which indicated absence of fund management for creation of infrastructure/ development of games.

2.4.7.1 Unplanned expenditure of Dedicated Sports Fund

Since April 2012, Department of Excise and Taxation (DET) made provision in the State Excise Policy for levy of an additional license fee to be credited to a Dedicated Sports Fund (DSF) at the rate of ₹ 5 to ₹ 8 on the sale of per proof litre of Punjab Medium Liquor for the development of sports in the State. During 2012-16, an amount of ₹ 241.76 crore was transferred by DET to PSSC, out of which ₹ 180.29 crore was utilized on construction of stadia and distribution of multi-purpose gymnasiums during 2012-16. Further, neither was any specific plan prepared by PSSC for utilization of the Dedicated Sports Fund nor was it included in the Annual Plan of the Department.

PSSC stated (September 2016) that Results Framework Document (RFD) and sports calendar were prepared on yearly basis wherein project wise detailed planning was depicted. Reply of the Department was not tenable as the RFD is prepared by the Sports Department Punjab and not by PSSC for the implementation of centrally sponsored schemes and development of sports infrastructure in the State but no plan for the expenditure out of DSF has been prepared in the RFD.

2.4.7.2 Diversion of dedicated sports fund

(i) A grant of ₹ 4.51 crore was released (April 2010) by GOI for upgradation of the Dashmesh Academy at Anandpur Sahib in District Roopnagar. Administrative approval for the project was accorded in October 2012 by the State Department of Cultural Affairs, Archaeology and Museum for ₹ 5.75 crore. The work was allotted (November 2012) to Greater Mohali Area Development Authority (GMADA) and ₹ 5 crore was to be released by the Department of Cultural Affairs, Archaeology and Museum and the remaining amount of ₹ 0.75 crore was to be provided by GMADA from the sale proceeds of developed urban estate at Anandpur Sahib.

Audit observed that the Department of Cultural Affairs, Archaeology and Museum released (February 2013) only ₹ 2 crore to GMADA and the balance amount of ₹ 3 crore was released by the PSSC to GMADA in July 2014 out of the Dedicated Sports Fund instead of the funds received from GOI.

PSSC assured (September 2016) to recover the amount from Department of Cultural Affairs, Archeology and Museum.

(ii) Similarly, ₹ 0.25 crore was diverted (August 2013) by PSSC and released to Executive Engineer, Building Division Public Works Department (Building and Roads), Batala (Gurdaspur) for the construction of a stadium at Sekhwan village (Gurdaspur) which was actually a project of Education Department approved in May 2012.

PSSC stated (September 2016) that the matter would be pursued with the Education department.

2.4.7.3 Irregular release of grants

Though there was no provision in the Financial Rules of PSSC for granting aid for construction of building, PSSC had released (September 2015) ₹ 0.25 crore to the Punjab Olympic Association (POA) for construction of Punjab Olympic Building from the DSF. Further, the financial rules of the PSSC provide for assistance of ₹ 1.50 lakh each to the recognized State Sports Associations for meeting their expenditure. Audit observed that a grant of ₹ 0.50 crore was released (September 2015) from the DSF to POA for disbursement to 25 State Sports Associations at the rate of ₹ 2 lakh each. This resulted in excess expenditure of ₹ 12.50 lakh.

2.4.7.4 Loss due to less charging of ground/stadia booking/ membership fee

(i) PSSC fixed (June 2006) the rates for booking of stadia/grounds at ₹ 5,000 per day for the conduct of the game for which the stadia/grounds were maintained, ₹ 50,000 for game other than that game and ₹ 1 lakh for any type of entertainment along with games. Scrutiny of available records of ground booking of three[54] DSCs revealed that the stadia were booked for different purposes and ₹ 0.05 crore were collected against the chargeable amount of ₹ 0.39 crore. This resulted in loss of ₹ 0.34 crore to PSSC.

(ii) PSSC had fixed (June 2006) different rates for admission and monthly charges for providing coaching to the students and non-students. Scrutiny of available records and information collected from the six selected districts revealed that though coaching had been imparted to the students/non-students, prescribed fee was not collected resulting in loss of ₹ 1.16 crore to PSSC.

PSSC stated (September 2016) that they would look into the matter and seek reports from the DSCs.

2.4.7.5 Suspected misappropriation of funds

Districts Sports Council, Mohali, collected ₹ 1.23 lakh by sale of membership forms for coaching for swimming in PSSCs swimming pool during 2014-16. However, as per cash book, only ₹ 0.37 lakh (November 2014 to November 2015) was deposited in DSC's account. Similarly, in Districts Sports Council, Jalandhar, out of the total receipt of ₹ 5,100 (June 2015) by the swimming coach, only ₹ 2,800 (June 2015) was deposited in Districts Sports Councils' account. Thus, possibility of misappropriation of fund of ₹ 0.88 lakh could not be ruled out.

PSSC stated (September 2016) that strict action would be taken against the concerned officials.

[54] (i) Gurdaspur; (ii) Ludhiana; and (iii) Patiala.

2.4.7.6 Unutilized fund

DSC Patiala had a fixed deposit of ₹ 2.34 crore (April 2011) which was en-cashed in May 2013. Being a very old transaction, the purpose for which the amount was transferred by PSSC was not known to the Districts Sports Council. It was also noticed that out of these funds, DSC transferred ₹ 0.97 crore (May 2013) to PSSC for construction of a badminton hall and expenditure of ₹ 12.5 lakh was incurred by DSC Patiala on the repair of badminton hall/gymnastic hall at Polo Ground, Patiala. The balance amount of ₹ 1.24 crore still lying with the DSC and not returned to the PSSC.

PSSC stated (September 2016) that action would be taken to recover the amount.

Thus, ₹ 3.25 crore were diverted for projects that were to be funded from other State sources. In addition, the Council suffered a loss of ₹ 1.5 crore due to less recovery of charges for use of ground and stadia.

Implementation of programmes/schemes

PSSC was running various programmes/schemes like Panchayat Yuva Krida aur Khel Abhiyan (PYKKA)/Rajiv Gandhi Khel Abhiyan (RGKA), Speed Fund, Maharaja Ranjit Singh Award, World Cup Kabaddi and Pension Scheme for eminent sports persons.

2.4.8 Panchayat Yuva Krida aur Khel Abhiyan/Rajiv Gandhi Khel Abhiyan scheme

GOI introduced (2007-08) a programme/mission 'PYKKA', which was implemented through the State Government as a Centrally Sponsored Scheme (75:25). One of its components was One Time Capital Grant (OTCG) for the purpose of development of playgrounds/sports infrastructure at Village Panchayats (VPs) and Block Panchayats (BPs) level. As per the scheme, ten *per cent* of village panchayats and block panchayats i.e. 1,233 village panchayats and 14 block panchayats were to be covered every year within a period of ten years beginning from 2008-09 and ₹ 1 lakh and ₹ 5 lakh were to be released annually to VPs and BPs respectively in rural areas for development of play grounds. Apart from OTCG component, funds were also released for other components *viz*. Annual Acquisition and Operation, Annual Rural Competition and for Kridashree Training by GOI.

2.4.8.1 Deprival of benefits of sports infrastructure due to poor planning

GOI and the State Government released grants in aid of ₹ 39.09 crore[55] between January 2009 and February 2013 for the period 2008-09 to 2010-11

[55] Government of India (₹ 29.32 crore) and Government of Punjab (₹ 9.77 crore).

towards One Time Capital Grant. PSSC released the grants to the DSCs for further disbursement to the village panchayats/block panchayats. Due to non-availability of land with the village panchayats/block panchayats and repetition of name of the village in the list of subsequent years grant, ₹ 1.02 crore transferred by the PSSC to the Districts Sports Councils during 2011-14 remained unutilized. During 2014-15, PSSC refunded ₹ 0.95 crore[56] to the GOI and the State Government. Further, due to non-submission of complete project reports and late submission of utilization certificates, the Central grant could not be released after 2010-11.

Similarly, as per PYKKA notification, 100 *per cent* grant for the annual acquisition of sports material and annual operational component was to be provided by GOI for the first five years after which it would be the responsibility of the State Government to provide funds for these components. GOI released ₹ 9.89 crore during 2008-09 to 2010-11. Due to non-submission of complete project reports and non-settlement of utilization certificates, GOI did not release the grants after 2010-11. Thereafter, the State Government also did not provide funds for these components resulting in non-acquisition of sports material and non-maintenance of playgrounds and infrastructure.

2.4.8.2 Irregular retention and utilization of interest earned on grants

PSSC earned interest amounting to ₹ 2.15 crore[57] during 2011-14. Although PSSC had balance amount under PYKKA, the amount of interest was not calculated and credited in interest account during 2008-2011 and 2014-16. It was also noticed that PSSC had not shown the interest amount in the utilization certificates submitted to GOI as required and retained the same in PSSC's account. Further, out of earned interest of ₹ 0.36 crore[58] during 2008-16, ₹ 0.06 crore[59] were spent by the DSCs of selected districts. This resulted in retention and utilization of interest in contravention of the directions of GOI (January 2010).

2.4.8.3 Submission of Utilization Certificate without utilization of funds

Scrutiny of the records of PSSC and selected DSCs revealed that utilization certificates for the fund received by PSSC during 2009-15 under various components of PYKKA were sent to GOI though the funds remained unutilized as shown in the **Table 2.4.2** below.

[56] Government of India (₹ 0.71 crore) and Government of Punjab (₹ 0.24 crore).
[57] 2011-12 (₹ 1,01,55,640); 2012-13 (₹ 91,47,380); 2013-14 (₹ 21,87,500).
[58] Bathinda (₹ 3,10,021); Gurdaspur (₹ 7,45,217); Jalandhar (₹ 5,92,023); Ludhiana (₹ 7,72,387); Patiala (₹ 10,22,365); and Mohali (₹ 1,95,413).
[59] Bathinda (₹ 97,585); Jalandhar (₹ 3,51,875); and Ludhiana (₹ 1,11,484).

Table 2.4.2: Utilization Certificate without utilization of funds

(₹in crore)

Name of component	Purpose	Funds received	Amount Refunded	Balance and UCs sent	Funds Utilized	UC submitted for Unutilized funds as of March 2016
1	**2**	**3**	**4**	**5=3-4**	**6**	**7=5-6**
One Time Capital Grant (Centre) 75:25	Maintenance of play grounds/infrastructure	29.32	0.71	28.61	28.32	0.29
One Time Capital Grant (State)		9.77	0.24	9.53	9.44	0.09
Annual Acquisition Grant (Central)	Purchase and distribution of sports material in the selected VPs/BPs	4.50	0	4.50	4.46	0.04
Annual Operational Grant (Central)	Honorarium to the Kridashree (Trainer), maintenance of play grounds and Administrative Expenses	5.39	2.95	2.44	2.37	0.07
Annual Rural Competition Grant (Central)	Conduct of tournament of both men and women block, district and state level	6.40	0	6.38	5.87	0.51*
Annual Women Competition Grant (Central)	Conduct of tournament of women block, district and state level	1.50	0	1.43	1.39	0.04**
Kridashree Training (Central)	Training of the Kridashree (Trainer)	0.38	0.07	0.31	0.28	0.03
Total		**57.26**	**3.97**	**53.20**	**52.13**	**1.07**

Source: Departmental data

****Actual unutilized ledger balance of PSSC was ₹ 53.40 lakh against the balance of ₹ 2.24 lakh shown in the UC submitted to the GOI.***

***** Actual unutilized ledger balance of PSSC was ₹ 11.24 lakh against the balance of ₹7.10 lakh shown in the UC submitted to the GOI***

Analysis of the above revealed that ₹ 57.26 crore was received during the years 2008-13 out of which ₹ 52.13 crore were actually utilized whereas utilization certificates for ₹ 53.20 crore were sent to the concerned Governments and an amount of ₹ 1.07 crore was retained by PSSC/DSCs.

Scrutiny of the selected six DSCs revealed that sports equipment/accessories (₹ 0.35 crore) purchased (2009-12) out of the annual acquisition grant (₹ 4.50 crore) were not distributed to the village panchayats/block panchayats (August 2016). An amount of ₹ 0.50 crore was diverted from annual operational grant (₹ 2.44 crore) which was to be utilized for honorarium to trainers, etc. to annual acquisition grant by PSSC. An amount of ₹ 2.68 lakh remained unutilized (August 2016) with the DSC, Bathinda from the annual rural competition grant (₹ 6.38 crore).

Similarly out of jointly inspected 34 Village Panchayats, ten Village Panchayats[60] (25 *per cent*) had not spent (August 2016) the grant of ₹ 9.65 lakh for the purpose for which it was sanctioned. Still, utilization certificates were submitted by these village panchayats.

[60] Jodhpur Pakhar (Bathinda); Bhaini Paswal, Bhagtupur, Sekhwan (Gurdaspur); Chaura, Sermajra, Mehmood pur Rurki, Akal pur (Patiala); Sahoran (Mohali); and Spria (Jalandhar).

PSSC stated (September 2016) that all the utilisation certificates were issued after incurring the expenditure. The reply was not tenable as the funds were found lying unutilized during scrutiny of records.

2.4.8.4 Non-organization of tournaments

Test check of the records of tournaments conducted by PSSC during the period 2011-16 revealed that under PYKKA/RGKA Mission, PSSC organized the Annual Rural Competition and Annual Women's Competition as detailed in **Table 2.4.3** below.

Table 2.4.3:Details of tournaments held during 2011-2016

Sr. No.	Name of the Tournament	Periodicity	Organised during the years	Year in which tournament not conducted
1	Annual rural men competition under PYKKA/ RGKA Mission.			
1.1	Block level Rural Tournament	Annual	2011-12, 2014-15 and 2015-16	2012-13 and 2013-14
1.2	District level Rural Tournament	Annual	2011-12, 2014-15 and 2015-16	2012-13 and 2013-14
1.3	State level Rural Competition	Annual	2011 to 2016	
2	Annual Women competition under PYKKA/RGKA Mission.			
2.1	District level Rural Tournament	Annual	2011-12, 2012-13, 2014-15 and 2015-16	2013-14
2.2	State level Rural Competition	Annual	2011-16	

***Source**: Departmental data*

During the years 2012-13 and 2013-14, block level and district level 'Annual Rural Competition' and 'Annual Women Competition' at district level for the year 2013-14 could not be organized by the PSSC due to non-receipt of grants from GOI. Scrutiny of records further revealed that PSSC organized the State level tournaments without having organized the block level and district levels tournaments in some of the years.

It was also noticed that prize money of ₹ 2.43 crore was not disbursed to the winners of block and district level tournaments held under RGKA Mission during 2014-16 due to non-receipt of funds from GOI as State Government had not submitted complete project reports and had not settled the pending utilization certificates. Thus, winning players were deprived of their prize money.

2.4.8.5 Shortcomings noticed during joint inspection of the implementation of PYKKA/RGKA Mission

With a view to assess the actual implementation of One Time Capital Grant (OTCG) under PYKKA, a joint inspection along with officials of department was carried out (May-August 2016) in respect of grounds and stadia of

34 village panchayats[61] and 11 block panchayats[62] of selected Districts. Under OTCG, ₹ 1 lakh to each village panchayat and ₹ 5 lakh to each block panchayat was released (2010-2013) for the development of playgrounds, leveling of land and athletics tracks. The joint inspection revealed the following:

(i) Joint inspection of Village Panchayats

- Ten[63] out of 34 (29 *per cent*) jointly inspected village panchayats had not spent the available funds and hence not created the requisite sports infrastructure.
- Four village panchayats[64] had stored their multi-purpose gymnasiums in the private rooms/Gurdwaras of the villages instead of using these for sports activities.
- Two village panchayats[65] spent ₹ 1 lakh each on leveling of ground but the same was not being utilized for sports activities as the ground were found overgrown with grass.
- Three village panchayats[66] incurred expenditure on construction of gymnasium rooms, out of which one[67] was being used for medical staff and two were lying incomplete.
- Village Panchayat Rathian (Patiala) constructed cemented pillars around the paddy planted in panchayat field though the utilization certificate submitted was for construction of gymnasium room.

(ii) Joint inspection of Block Panchayats

Out of 11 test checked block panchayats, six block panchayats[68] incurred an expenditure of ₹ 0.30 crore on construction of stadia, which remained unfruitful as discussed below:

- Two block panchayats[69] built (2013) rooms at isolated places away from the village and grounds developed were also bumpy which could not be utilized for any game.

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61 Teona pujarian, Kalalwala, Malwal, Bangiruldu, Jodhpur Pakhar (Bathinda); Bharath, Dhirowal, Bhagtupur, Gunupur, Chacksarif, Bhaini Paswal, Sekhwan (Gurdaspur); Majri village, Niholka, Sahoran, Durali, Malakpur, Dharmgarh (Mohali); Saprai, Dheena, Akal Pur, Shala Nagar, Udesian, Arjanwal (Jalandhar); Dehlon, Rannian (Ludhiana); Sermajra, Fatehgarh Rajputan, Rathian, Chaura, Shadipur, Mehmoodpur Rurki, Roshanpura and Binjal (Patiala).

62 Kot Shamir (Bathinda); Langiyawali (Gurdaspur); Qadianwali, Malsian, Haripur (Jalandhar); Kila Raipur, Dulhe (Ludhiana); Khijarabad, Barampur, Barouli (Mohali); and Bhunarheri (Patiala).

63 Jodhpur Pakhar (Bathinda); Bhaini Paswal, Bhagtupur, Sekhwan (Gurdaspur); Chaura, Sermajra, Mehmoodpur Rurki, Akal pur (Patiala); Sahoran (Mohali); and Spria (Jalandhar).

64 Dhirowal (Gurdaspur); Durrali, Niholka (Mohali); and Roshanpura (Patiala).

65 (i) Chaksarif (Gurdaspur); and (ii) Malikpur (Mohali).

66 (i) Malakpur; (ii) Majri (Mohali); and (iii) Fatehpur Jatan (Patiala).

67 Malakpur (Mohali).

68 Kot Shamir (Bathinda); Langiyawali (Gurdaspur); Barampur, Barouli (Mohali); Malsian and Quadianwali (Jalandhar).

69 (i) Barouli (Mohali); and (ii) Langiyawali (Gurdaspur).

- Block Panchayat Kot Shamir (Bathinda) incurred expenditure (2011) on the construction of pillars for the shed of stadia from the entire grant of ₹ 5 lakh and new stadia had been built in the adjoining area by the newly constituted Nagar Panchayat with another grant. Thus, the expenditure incurred on pillars remained wasteful.

- Block Panchayat Quadianwali (Jalandhar) had constructed a cemented basketball court but no game was being played on the court and area surrounding the court was found overgrown with grass.

- Two block panchayats[70] had constructed gymnasium rooms and seating structures in the school premises which were not being utilized for game/gymnasium activities.

PSSC stated (September 2016) that it had directed the EE to form an inspection team for verification.

2.4.9 Speed Fund Scheme

In order to groom the youth as international level players, an amount of ₹ 1 crore was released by the Finance Department Punjab to PSSC which was to be kept in the bank. Under its directions, a 'Speed Fund' was created by PSSC (1990-91) and 'Speed Fund Rules' were framed for utilization of interest earned on the corpus amount of ₹ 1 crore. The principal amount was not to be utilized.

As per amendment (April 2005) of the Speed Fund Rules, 50 *per cent* of total interest earned on this fund was to be utilized for various purposes[71]. However, out of interest of ₹ 3.59 crore (2011-16), expenditure of only ₹ 34.84 lakh (10 *per cent*) had been incurred on 92 players during 2011-2016 and that too only for a single purpose i.e. 'financial assistance to the selected players'.

2.4.10 Pension scheme for eminent sports persons

Under the Sports Policy, 2010, of the State Government, a provision was made for pension for eminent sports persons to give an unambiguous message to all talented sportspersons who aspired to become international champions, that the Government would back their achievements with tangible and meaningful life time assistance in the form of a pension. For this purpose, the State Government was to provide the funds to the PSSC.

[70] (i) Barampur (Mohali); and (ii) Malsian (Jalandhar).

[71] (i) To provide specialized coaching in special disciplines to the players in India and abroad; (ii) To provide competition and training to players in India/abroad. Selected sports persons may put in residential sports hostels for all purposes; (iii) To provide financial cover to the expert committee for spotting and selecting the talent; (iv) To provide relief and assistance to sports persons who brought honour to Punjab; (v) To provide the financial assistance to the sports persons; and (vi) Any special case of assistance which committee deem fit.

2.4.10.1 Outstanding disbursement of pension

Test check of records for the period 2011-16 revealed that pension amounting to ₹ 0.03 crore to all the 123 veteran players had not been disbursed for the year 2015-16 due to non-release of funds by the State Government. This resulted in depriving eminent sports persons of intended benefit of the scheme.

2.4.11 Shortcomings noticed during joint inspection of stadia

With a view to assess the actual position of sports infrastructure, a joint inspection of 10 stadia, six indoor halls (badminton, gymnastic, judo and boxing), nine hockey synthetic turfs and four swimming pools was carried out with departmental officials. The results of the joint inspection were as under:

(i) Two[72] out of four[73] swimming pools were non-functional due to damaged underground water pipelines. Patiala pool was functioning without a working filtration plant and chowkidar was not posted to take care of the pool.

(ii) Two[74] squash courts in the selected districts were not functioning due to non-availability of coaches.

(iii) Synthetic hockey turfs in four out of nine inspected grounds were damaged. One synthetic hockey turf was laid in a private institute[75] where moss had gathered on it and was not being utilized.

(iv) Two out of six indoor halls (Gurdaspur and Bathinda), where 20 national gymnastic/judo players were practicing were in poor condition with poor drinking water facility, poor sanitation, broken taps in washroom, broken roof sheets, broken window panes and cracked floor. At Gurdaspur, practice mats and runway for the vault for gymnastics were in bad condition.

(v) Residential wings of two private academies (hockey wing at Cheema Hockey Academy Sahabad, Gurdaspur and wrestling wing at Kesar Akhara, Patiala) were running without coaches.

(vi) Deficiency of coaches (apart from those mentioned above) was noticed in six out of eight stadia. There was no coach for athletics, gymnastics, volleyball and kabaddi at the multi-purpose Stadia, Bathinda. No hockey (men), volleyball, basket ball and football coach was available at multi-purpose stadia, Government College, Gurdaspur. Coaches for hockey (women), volleyball, basket ball were not available at Rajindra Government College, Bathinda. No boxing (female), football coaches were available at Raja Bhalender Singh Open stadium, Patiala. In the absence of coach, table tennis court was not functional at Mohali.

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[72] (i) Multipurpose hall Sector 63, Mohali; and (ii) Swimming pool Balton Park, Jalandhar.

[73] (i) Multipurpose hall Sector 63, Mohali; (ii) Swimming pool, Balton Park, Jalandhar; (iii) Swimming pool at Sector 78 Stadium; and (iv) Swimming pool 25 mtrs Patiala.

[74] Patiala and Mohali stadia.

[75] Mehta Gurukul Public Senior Secondary School, Doraha, Ludhiana.

2.4.12 World Cup Kabaddi Tournaments

With a view to promoting kabaddi, World Cup Kabaddi (WCK) was being organized annually by PSSC since 2010. Audit noticed the following:

(i) During 2nd WCK held in November, 2011 at Bathinda, DSC had paid ₹ 3,500 per bus to six private transporters for using their 227 buses on 01 November 2011 and 18 November 2011. Verification of the records of the District Transport Officer, Bathinda (DTO), revealed that the bills of 47 buses out of 227 were bogus as the registration numbers shown in the bills were of scooters, motorcycles, cars and trucks. Further, a transporter was paid for the services of seven Innova cars (₹ 1,500 per Innova car per day) out of which two registration numbers were of an Indigo car and a tractor. Thus, payment of ₹ 1.68 lakh was made on bogus bills.

(ii) Similarly, DSC, Sri Muktsar Sahib paid ₹ 1.50 lakh to DTO, Sri Muktsar Sahib for making payments to private transporters for 58 buses, 25 Innova cars and 15 Tavera cars during an event of 5th WCK held on 20 December 2014 at Badal village (Sri Muktsar Sahib). The DSO office paid ₹ 1.50 lakh at the rate of ₹ 2,000, ₹ 750 and ₹ 600 per bus, per Innova car and per Tavera car respectively. Verification of records of 40 vehicles at DTO, Sri Muktsar Sahib office revealed that 22 vehicles (seven-scooters, two-tractors, three-trucks and 10 were small cars) were registered instead of the claimed category of vehicles. It was also noticed that DTO, Sri Muktsar Sahib had submitted claims of 58 buses without mentioning the registration numbers. As such, the authenticity of claims of 58 buses for ₹ 1.16 lakh could not be verified in audit. Thus, payment of ₹ 1.50 lakh claimed by DTO Sri Muktsar Sahib appeared to be fictitious.

(iii) As per Punjab Financial Rules, purchases are to be made in the most economical manner in accordance with the definite requirements of the public service. When purchases are made from the open market, the system of open competitive tender should, as far possible, be adopted and the purchase should be made from the lowest tender unless there are any special reasons for not doing so. Test check of records of DSCs Bathinda and Ludhiana of 2nd and 4th World Cup held in November 2011 and December 2013 respectively revealed that expenditure of ₹ 1.78 crore was incurred (November 2011 and December 2013) for making various arrangements[76] without calling quotations/tenders as required under the rules. Reasons for not calling quotations/tenders were not on record. Audit observed that the activities could easily have been done well in time following the stipulated procedure.

PSSC assured (September 2016) to follow the financial rules in the coming tournaments.

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[76] Boarding and lodging arrangements (₹ 1.25 crore); sports kits (₹ 0.04 crore); installation of LED screen (₹ 0.04 crore); light and sound (₹ 0.02 crore); preparation of grounds and barricades (₹ 0.50 lakh); tent (₹ 0.08 crore); transportation (₹ 0.17 crore); miscellaneous expenditure (₹ 0.02 crore); and catering for dinner arrangement including transportation chargers and taxes (₹ 0.15 crore).

2.4.13 Non-deduction of Work Charged Tax and Labour Cess

Punjab Value Added Tax Act, 2005, provided for deduction of Work Charged Tax (WCT) at four *per cent* (upto November 2011), five *per cent* upto April 2013 and six *per cent* thereafter from the amount payable to the contractor. The Department of Labour vide notification (November 2008) issued instructions regarding levy of labour cess at the rate of one *per cent* of the cost of construction.

Scrutiny of records of the DSCs, Jalandhar and Patiala revealed that DSCs made a payment of ₹ 3.51 crore to four contractors for six works[77] without deducting WCT of ₹ 0.14 crore and labour cess of ₹ 0.03 crore at prescribed rates resulting in loss to the Government to the extent of ₹ 0.17 crore.

PSSC stated (September 2016) that DSCs were not aware that such deductions were to be made from the payments of the contractors.

2.4.14 Internal Control Mechanism

2.4.14.1 Non-existence of monitoring system

Scrutiny of the record of PSSC revealed that no periodical monitoring of the stadia/schemes/regional offices was carried out by PSSC. Non-existence of monitoring system resulted into short recovery of ground booking fee and membership fee from the players.

PSSC assured (September 2016) that it would set up a monitoring system at headquarters level as well as at district level.

2.4.15 Conclusion

The Punjab State Sports Council is a nodal agency for implementing the sports agenda of the State. However, its implementation lacked any perspective or annual work plan. Financial management was poor as instances of unplanned expenditure and irregular release of grant were noticed. Implementation of the Panchayat Yuva Krida Khel Abhiyan was deficient as the targeted number of village panchayats and block panchayats could not be covered under the scheme in a time bound manner. Further, 29 *per cent* of village panchayats had not spent the available funds while expenditure incurred by 55 *per cent* of the block panchayats was rendered unfruitful. There were also instances of payment against bogus bills during of the World Cup Kabaddi Tournament.

[77] (i) Construction of hostels, Jalandhar: ₹ 1.61 crore; (ii) Construction of laying sub-base of six a side, Jalandhar: ₹ 0.57 crore; (iii) Repair of Surjit Hockey stadium, Jalandhar: ₹ 0.85 crore (iv) Supply and affixing of furniture, Jalandhar: ₹ 0.28 crore; (v) Supply and affixing of air conditioners, Jalandhar: ₹ 0.05 crore; and (vi) Boxing ring shed at Polo ground, Patiala: ₹ 0.15 crore.

2.4.16 Recommendations

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

(i) Preparation of perspective plans and annual plans for effective implementation of scheme/project;

(ii) Fixing of physical and financial targets for creation and timely completion of sports infrastructure;

(iii) Adequate number of coaches for imparting training to the players for national/international participation; and

(iv) Strengthening internal controls and checks as well as fixing accountability for misutilisation of funds meant for the development of sports in the State.

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

Chapter-III

Compliance Audit

Chapter-III

Compliance Audit

AGRICULTURE DEPARTMENT

3.1 Functioning of Punjab State Agricultural Marketing Board

The Board suffered from weak financial management and failed to fully exploit opportunities for earning income through leasing out of surplus space. The Board had not evolved any mechanism to assess the exact recoverable amount on account of market contribution from the Market Committees and recovery of ₹ 110.94 crore on account of sale of plots and loan of ₹ 6.05 crore was outstanding against the Committees. Further, undertaking works without a proper demand survey or ensuring all prior clearances from concerned authorities resulted in expenditure totaling ₹ 69.35 crore being rendered unfruitful and projects lying incomplete.

3.1.1 Introduction

The Punjab State Agricultural Marketing Board (Board) was established in May 1961 under the Punjab Agricultural Produce Markets Act, 1961 (Act), with the objective of controlling and supervising the marketing network for sale, purchase, storage and processing of processed or non-processed agricultural, horticulture, animal husbandry and forest produce besides providing infrastructure to farmers for marketing of their agriculture produce in a given area through the 153 Market Committees (MCs) established in the State.

According to the Act, all receipts of the Board are credited into a Marketing Development Fund (MDF) and all expenditure is met out of this fund. The major sources of revenue of the Board are (i) contribution from MCs, (ii) license fee from MCs, and (iii) recovery of loans and other miscellaneous recoveries/receipts[1].

An audit of fund management of the Board was conducted during November 2015 to May 2016 to assess the efficiency of financial management of the Board as reflected in its resource mobilization and utilization by test check of the records of the Secretary, Punjab Mandi Board (PMB), two District Mandi Officers (DMOs)[2] and 10 Executive Engineers(EE)[3] out of 19 DMOs and 21 EEs respectively for the last three years i.e. 2013-16.

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1 It includes interest from banks, miscellaneous receipts, sale of plots, assistance from GOI, GOP and NABARD under various schemes.

2 DMOs: SBS Nagar and Bathinda.

3 (i) EEs, PMB, Amritsar; (ii) Bathinda; (iii) Faridkot; (iv) Fazilka;(v) Ferozepur; (vi) Ludhiana; (vii) SAS Nagar (PH); (viii) SAS Nagar (Electrical); (ix) SBS Nagar; and (x) Tarn Taran.

3.1.2 Fund management

The position of income and expenditure during the period 2013-14 to 2015-16 is given in **Table 3.1** below.

Table 3.1: Income and expenditure of the Board during 2013-2016

(₹ in crore)

Year	Income					Total Income	Expenditure	Excess/ Deficit	Capital Fund
	Contribution from Market Committees	Sale of plots in Mandis	License fee from Market Committees	Subsidy/ grant from Central/ State Government	Miscellaneous Receipts				
1	2	3	4	5	6	7	8	9	10
2013-14	330.77	88.89	0.55	92.77	12.11	525.09	465.79	59.30	(-) 35.57
2014-15	340.23	86.75	0.61	245.98	22.20	695.77	754.79	(-) 59.02	(-) 94.59
2015-16	401.41	80.59	0.66	104.44	14.99	602.09	490.32	111.77	17.19
Total	**1072.41**	**256.23**	**1.82**	**443.19**	**49.30**	**1822.95**	**1710.90**		

Source: Balance sheets of the Board.

As brought out above, receipt from sale of plots declined from ₹ 88.89 crore to ₹ 80.59 crore (9.34 *per cent*) during 2013-16. Subsidy/grant from GOI/GOP increased from ₹ 92.77 crore in 2013-14 to ₹ 245.98 crore[4] in 2014-15 and was ₹ 104.44 crore in 2015-16. The Board suffered a deficit of ₹ 59.02 crore in 2014-15 after having a surplus of ₹ 59.30 crore in the previous year 2013-14 and had an excess of ₹ 111.77 crore in 2015-16.

Audit observed that the Board was becoming dependent on Government funds while its own resources were shrinking.

The Board stated (July 2016) that the capital fund declined in 2013-15 due to excess of expenditure and fall in receipt from market fee and sale of plots. This was a reflection of the poor management of funds by the Board.

3.1.2.1 Fall in market fee contribution and sale of plots

As per clause 27(2) (a) of the Act, every MC has to pay the Board a contribution at a prescribed percentage[5] out of its income derived from license fee, market fee and the fines levied to defray expenses of the office establishment of the Board and such other expenses incurred by it in the interest of the MCs.

Audit observed the following in respect of collection of market fee contribution and recovery from sale of plots:

[4] Subsidy for Direct Marketing Infrastructure Scheme by Directorate of Agriculture Punjab, ₹ 42.15 crore, grant in aid for special repair of link roads ₹ 202.19 crore, grant for fish market ₹ 0.03 crore, grant from Animal Husbandry/Panchayat department ₹ 1.52 crore, grant for plant protection ₹ 0.09 crore.

[5] (a) On the first of ₹ 20,00,000:20 *per cent;* (b) On the next ₹ 20,00,000:40 *per cent;* (c) On the remaining income:50 *per cent.*

(i) Test check of records of two District Mandi Officers (DMO) revealed that contribution of market fee amounting to ₹ 9.65 crore[6] was outstanding as of November 2015 against the 10 MCs under their jurisdiction. No mechanism was established to ascertain the market committee fee due, collected and outstanding against various MCs. No information about pending market fee was furnished to audit (December 2016).

The Board stated (July 2016) that the fall in income was due to grant of exemption of market fee by the Government and failure on part of MCs to deposit market fee contribution with the Board.

(ii) Similarly, receipt from sale of plots had also declined by 9.34 *per cent*[7] during 2013-16. An amount of ₹ 110.94 crore was outstanding against various plot owners up to March 2016. Non-recovery of outstanding installments had resulted in fall in income of the Board thereby adversely affecting its financial health.

3.1.2.2 Non-recovery of loans from Market Committees

Audit observed that an amount of ₹ 6.05 crore granted as loan to MCs upto 2015-16 had not been recovered (April 2016). Further, neither any prior approval of the State Government as required under Rule 26 (vii) of the Act nor details of loan against the MCs were shown to audit.

The Board stated (July 2016) that the loans were very old and no record was available. Audit observed that non-maintenance of details of loans made the chances of recovery of the loans very bleak.

3.1.3 Miscellaneous Issues

3.1.3.1 Loss of income due to non-leasing out of building

Audit observed that the office of the Board, which was functioning in its own building located at Chandigarh, was shifted (July 2014) to a newly constructed complex at SAS Nagar. Out of 29,712 sq. ft of the building, 20,470 sq. ft. was leased out (July 2016) to different departments of Punjab Government while the remaining portion 9,242 sq. ft. was yet to be allotted. The rental value of the space yet to be leased out had been assessed as ₹ 6.47 lakh per month at the rate of ₹ 70 per sq. ft. Non-leasing out of the building even after lapse of twenty months resulted in loss of income of ₹ 1.29 crore[8] to the Board.

The Board stated (July 2016) that efforts would be made to lease out the remaining area of the building.

3.1.3.2 Utilisation of departmental receipts for petty expenditure

Rule 25 of the Act stipulates that all receipts of the Board shall be credited into the Marketing Development Fund. Audit observed that

[6] DMO:(i) Bathinda:₹ 9.03 crore (9 MCs) (ii) SBS Nagar:₹ 0.62 crore (one MC).
[7] ₹ 88.89 crore – ₹ 80.59 crore.
[8] ₹ 6.47 lakh x 20 months (up to March 2016)=₹ 1.29 crore.

₹ 7.70 crore[9] received in eight test checked offices of Executive Engineers (EE) on account of sale of tender forms, tender fee, enlistment fee, fines, deduction on account of liquidated damages, etc. upto March 2016 were utilised for petty payments instead of depositing with the Board.

The Board assured (July 2016) that due amount would be recovered from the field offices.

3.1.3.3 Retention of funds collected for flood relief

Audit observed that an amount of ₹ 0.23 crore was collected from the staff for the purpose of providing relief to people affected by the floods in Uttarakhand in 2013. Though more than three years had lapsed, the funds so collected were not remitted (March 2016) to the concerned authorities for utilization as flood relief in Uttarakhand.

The Board stated (July 2016) that the funds would be treated as miscellaneous receipts of the Board as per rules. The reply was not tenable because the contributions were not meant for Board's use and it was separately collected for the specific purpose of contributing to the relief efforts in Uttarakhand.

3.1.3.4 Deposit of funds in banks in contravention of rules

Rule 3 of the Punjab Investment of Surplus Marketing Development Fund and Market Committee Fund Rules, 1988, states that the surplus of the Marketing Development Fund and the Market Committee Fund should be invested in the Punjab State Co-operative Bank Limited. Audit observed that ₹ 129.58 crore out of ₹ 129.59 crore was deposited in various branches of 21 non-cooperative banks in contravention of the above provision.

The Board stated (July 2016) that the surplus funds were retained in bank accounts on Government instructions. However, the fact remained that deposit of the funds in these banks was against the stipulated rules.

3.1.4 Project implementation

The poor financial position of the Board was aggravated by deficiencies in project implementation as discussed below.

3.1.4.1 Unfruitful expenditure due to commencement of works without demand survey or requisite clearances

Before according administrative approval for any project, it is necessary to establish its techno-commercial viability in terms of rate of return and other intended benefits as well as ensure all prior clearances so as to enable unimpeded and timely execution. Audit observed the following:

9 (i) Amritsar:₹ 0.23 crore; (ii) Bathinda:₹ 4.58 crore; (iii) Faridkot:₹ 0.04 crore; (iv) Fazilka:₹ 0.13; crore; (v) Ferozepur:₹ 0.99 Crore; (vi) Ludhiana:₹ 1.02 crore; (vii) SAS Nagar (PH): ₹ 0.46 crore; and (viii)Tarn Taran:₹ 0.25 crore.

(i) Construction of fish markets at Amritsar, Bathinda and Ludhiana was completed with an expenditure of ₹ 17.24 crore[10] by the respective EEs during July 2015 to March 2016 without conducting any survey for assessing the need for whole-sale fish markets. Consequently, not a single booth/shop in any of the three markets could be auctioned as of April 2016 resulting in unfruitful expenditure of ₹ 17.24 crore.

(ii) Similarly, construction of a fruits and vegetables market at S.A.S. Nagar was completed in February 2014 at a cost of ₹ 47.21 crore without conducting any demand survey. Audit observed that the shops in the market were lying idle and not put to use till July 2016 despite lapse of more than two years from the date of completion leading to blocking of funds. The Board stated (July 2016) that the auction was held twice but the shops could not be auctioned due to higher reserve price and the request for reducing the reserve price was under correspondence with the Government.

(iii) A pack house at Abohar was constructed (September 2013) by the Board at a cost of ₹ 0.73 crore without any demand survey to be utilized for the purpose of storing fruits and vegetables. This had not been leased out till date. The Board stated (July 2016) that the pack house could not be leased out due to poor response.

(iv) Work of a canal based water supply scheme and lavatory block at Mandi Bhagta Bhaika,[11] district Bathinda was taken up (December 2006) by the Executive Engineer, Public Health, Mohali, at an estimated cost of ₹ 0.79 crore for completion by May 2007. After incurring an expenditure of ₹ 0.71 crore up to March 2016 on providing and laying of water supply scheme, the department was not able to complete the work of laying of inlet channels due to non-clearance from the irrigation and forest departments. This resulted in unfruitful expenditure besides defeating the purpose of providing water facility to the villagers for the last nine years.

The EE stated (April 2016) that the clearance from Forest Department was being obtained. The reply was not acceptable as the clearance from forest department should have been obtained prior to start of the project in the year 2006. The reply was also silent about the clearance from irrigation department.

(v) Similarly, the work for construction of pucca sheds, auction platforms, roads and parking space inside timber market at Khassi Kalan (Ludhiana) was started (January 2014) by Executive Engineer, PMB, Ludhiana with an estimated cost of ₹ 6.19 crore and allotment cost of ₹ 5.59 crore to be completed by July 2014. However, the work was yet to be completed though an expenditure of ₹ 3.46 crore had been incurred (December 2016).

[10] (i) Amritsar:₹ 5.09 crore; (ii) Bathinda:₹ 5.71 crore; and (iii) Ludhiana: ₹ 6.44 crore.

[11] Including inlet channel, s/s tank, scour well, high level tank filter beds, clear water tank, pump chamber.

The Executive Engineer PMB (Civil) Ludhiana stated (December 2016) that the work got delayed due to non-shifting of LT power lines and re planning of drawings of impugned work.

Thus, undertaking works without a proper demand survey or ensuring all prior clearances from concerned authorities resulted in expenditure totaling ₹ 69.35 crore being rendered unfruitful and projects lying incomplete.

3.1.5 Conclusion

The Board suffered from weak financial management and failed to fully exploit opportunities for earning income through leasing out of surplus space. The Board had not evolved any mechanism to assess the exact recoverable amount on account of market contribution from the Market Committees. Recovery of ₹ 110.94 crore on account of sale of plots and loan of ₹ 6.05 crore was outstanding against Market Committees. Further, there was unfruitful expenditure of ₹ 69.35 crore on works undertaken without demand survey or obtaining all requisite clearances.

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

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2 Working of Drug De-addiction and Rehabilitation Centres

The functioning of the de-addiction centers and rehabilitative efforts of the State Government was hampered by failure to avail of central assistance of ₹ 0.36 crore due to non-submission of utilization certificates and shortages of manpower ranging between 25 and 100 *per cent* in the test-checked districts. Thirty five Drug De-addiction and Rehabilitation Centres were functioning without licenses while five Drug De-addiction and Rehabilitation Centres set up at a cost of ₹ 6.93 crore were not functional for want of staff and essential equipment. Excess expenditure of ₹ 2.40 crore was incurred on purchase of medicines. Lastly, non-formation of State Level Committee and not undertaking prescribed activities by district Societies indicated weak monitoring mechanism in the Department.

3.2.1 Introduction

In order to identify and provide treatment and aftercare to substance users, Government of Punjab (GOP) framed (January 2011) the Punjab Substance Use Disorder Treatment and Counseling and Rehabilitation Centres Rules, 2011 (Rules), and set up four (out of five planned) Model Drug De-addiction Centres (MDDC) and 31 Drug De-addiction Centres (DDC) during September 2007 to July 2015. GOP also set up (as of August 2016) 22 Rehabilitation Centres (RC), one in each district, to provide comprehensive rehabilitation to each and every affected person.

Prior to June 2014, MDDCs were attached to the Government Medical Colleges, Amritsar, Faridkot and Patiala while DDCs were working with the district level and sub-divisional hospitals under the administrative control of the Department of Research and Medical Education and Department of Health and Family Welfare respectively. Subsequently, MDDCs/DDCs/RCs were being managed by Drug De-addiction and Rehabilitation Societies formed in each district under the administrative control of the Department of Health and Family Welfare, Punjab.

With a view to assessing the efficiency and effectiveness of the MDDCs/DDCs/RCs, an audit covering the period 2013-16 was conducted (April-June 2016) by test-checking the records of four MDDCs, five DDCs and six RCs set up in six[12] (out of 22) districts. Relevant information was also obtained from Secretary, Health and Family Welfare, Director, Health Services (DHS), Director, Research and Medical Education and Punjab Health Systems Corporation (PHSC).

Audit findings

3.2.2 Financial management

The MDDCs/DDCs/RCs were being run in the State out of user charges collected by these Centres and funds received from the Punjab State Cancer and Drug Addiction Treatment Infrastructure Fund established under the Punjab State Cancer and Drug Addiction Treatment Infrastructure Fund Act, 2013 (CADA), enacted by GOP in April 2013. The funds out of CADA were being released to the District Societies for salary and operational expenses keeping in view the staff deployed in DDCs/RCs with the approval of CADA Board. In the six test-checked districts, MDDCs/DDCs/RCs incurred an expenditure of ₹ 16.49 crore[13] against the receipts of ₹ 17.96 crore during 2013-16.

3.2.2.1 Non-availing of central assistance

The Ministry of Finance, Government of India (GOI) sanctioned (April 2010) ₹ 54.04 lakh to the Indian Red Cross Society (IRCS) district branch under the control of Deputy Commissioner-cum-President, Kapurthala, to meet 75 *per cent* of the cost of construction (₹ 72.05 lakh) of new building of DDC, Kapurthala. The amount was to be released in three equal instalments of ₹ 18.01 lakh each. While the first instalment of ₹ 18.01 lakh was released by GOI in April 2010, the second and third instalments were to be released after completion of one fourth and half of the work respectively. Remaining

[12] (i) Amritsar (one MDDC and one RC); (ii) Bathinda (one MDDC, one RC and one DDC); (iii) Faridkot (one MDDC and one RC); (iv) Gurdaspur (Two DDCs at Gurdaspur and Batala and one RC); (v) Jalandhar (one MDDC and one RC); and (vi) Kapurthala (two DDCs at Kapurthala and Phagwara and one RC), selected by adopting probability proportion to size with replacement method of Statistical Sampling.

[13] (i) Amritsar (₹ 8.60 crore against ₹ 9.01 crore); (ii) Bathinda (₹ 2.37 crore against ₹ 2.52 crore); (iii) Faridkot (₹ 0.42 crore against ₹ 0.67 crore); (iv) Gurdaspur (₹ 3.45 crore against ₹ 3.87 crore); (v) Jalandhar (₹ 0.40 crore against ₹ 0.55 crore); and (vi) Kapurthala (₹ 1.25 crore against ₹ 1.34 crore).

25 *per cent* of the cost of the project was to be borne by IRCS/State Government.

Audit of records of DDC, Kapurthala showed that IRCS, after a delay of two years, transferred (May 2012) ₹ 18.01 lakh to PHSC (being the executing agency) for construction of the building of DDC, Kapurthala. Subsequently, PSHC, after another three years, allotted (May 2015) the work to a contractor for ₹ 143.75 lakh which was completed (March 2016) with an expenditure of ₹ 142.09 lakh[14] by meeting balance expenditure from CADA Fund. It was noticed that despite repeated reminders (May 2011-July 2015) from GOI, IRCS/State Government did not furnish the Annual Report/Utilization Certificate (UC) of ₹ 18.01 lakh and other requisite information[15] to enable GOI to release the balance funds (June 2016) resulting in non-availing of central assistance of ₹ 36.03 lakh[16].

3.2.2.2 Excess expenditure on purchase of medicine

PHSC entered into (October 2014) a rate contract (effective from 7 October 2014 to 6 October 2016) with a firm for supply of de-addiction medicines (Buprenorphine/Naloxone combination sublingual 2/0.5 mg) at the rate of ₹ 73.40 per 10 tablets.

Test-check of records of MDDC, Amritsar and DDC, Batala revealed that these Centres had purchased the said medicines at higher rates from three other firms which were not on the rate contract with PHSC resulting in excess expenditure of ₹ 2.40 crore as detailed in **Table 3.2** below.

Table 3.2: Details of excess expenditure on purchase of medicine

Period	Name of firm	No. of strips purchased (1 x 10 tablets)	Rate per strip (1 x 10 tablets) (in ₹)		Paid in excess per strip (in ₹)	Amount (in ₹)
			Paid	Rate contract		
1	2	3	4	5	6 (4-5)	7 (6 x 3)
MDDC, Amritsar						
07.10.2014 to 31.03.2016	Firm 'A'	50900	190.00	73.40	116.60	59,34,940
07.10.2014 to 31.12.2014	Firm 'B'	3000	148.00	73.40	74.60	2,23,800
01.01.2015 to 31.12.2015		15000	140.00	73.40	66.60	9,99,000
01.01.2016 to 31.03.2016		4000	200.00	73.40	126.60	5,06,400
07.10.2014 to 31.12.2015	Firm 'C'	20100	179.00	73.40	105.60	21,22,560
01.01.2016 to 31.03.2016		3000	200.00	73.40	126.60	3,79,800
DDC, Batala						
07.10.2014 to 06.04.2015	Firm 'C'	35000	225.30	73.40	151.90	53,16,500
27.04.2015 to 03.06.2016		40480	284.00	73.40	210.60	85,25,088
Total						**2,40,08,088**

Source: Departmental records

[14] Final bill of the work was pending as of September 2016.

[15] Letter of commitment to meet escalated cost of the project either by the State Government or other permissible source.

[16] ₹ 54.04 lakh *minus* ₹ 18.01 lakh.

MDDC, Amritsar (May 2016) and DDC, Batala (June 2016) stated that they were not aware of such instructions. The replies were not tenable as PHSC had circulated (October 2014) the said instructions to all the Civil Surgeons as well as to the Deputy Medical Commissioners of the State who were also the members and conveners of the District De-Addiction and Rehabilitation Societies in each district which were managing MDDCs/DDCs.

3.2.3 Functioning of Drug De-addiction and Rehabilitation Centres

The State Government had established four MDDCs, 31 DDCs and 22 RCs between September 2007 and August 2016. Some of the shortcomings noticed in the working of MDDCs/DDCs/RCs are discussed as under:

3.2.3.1 Centre functioning without obtaining license/non-renewal of license

As per Rule 7 of the Punjab Substance Use Disorder Treatment and Counseling and Rehabilitation Centre Rules, 2011 (Rules), no Centre shall be allowed to operate without obtaining license from the Licensing Authority[17] (LA). Rule 10(4) provides that a license shall be issued by LA within a period of three months from the date of submission of the application. Further, Rule 10(11) provides that the Centres established by the State Government shall be exempted from the payment of license fee. However, such Centres shall have to get themselves registered with the LA within a period of three months from the date of commencement of these Rules.

Audit observed that 35 Centres (MDDCs:03, DDCs:18 and RCs:14) were functioning without obtaining license/non-renewal of license as of August 2016 in contravention of the Rules *ibid*. The Department attributed (July 2016) the reasons for non-issue of licenses to non-receipt of inspection reports from Civil Surgeons and non-receipt of applications. The reply was not tenable as eight functional MDDCs/DDCs/RCs which had applied for licenses between September 2012 and April 2016 had not been issued licenses even after delay of five months to four years. Further, 27 MDDCs/DDCs/RCs which were functional between January 2011 and June 2016 had not applied for issue of licenses. Thus, the Department had failed to ensure that all MDDCs/DDCs/RCs had valid license/registration in accordance with the Rules.

3.2.3.2 Non-functional Drug De-Addiction and Rehabilitation Centres

Audit observed that five DDCs/RCs which were completed/set-up between May 2014 and December 2015 at a cost of ₹ 6.93 crore were not functional due to non-availability of Psychiatrist/Medical Officer, other staff and essential equipment as detailed in **Table 3.3** below.

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[17] Licensing Authority consists of (i) Director, Health and Family Welfare, Punjab; and (ii) Director, Social Security, Women and Child Development, Punjab.

Table 3.3: Details of non-functional DDCs and RCs

Sr. No.	Name of the Centre	Cost of construction (₹ in crore)	Date of handing over of Centre (No. of months since non-functional)	Reasons for non-functional DDCs/RCs
1.	DDC, Malerkotla	0.61	29.05.2014 (28)	Due to non-availability of Psychiatrist.
2.	DDC, Anandpur Sahib	0.64	01.07.2014 (27)	
3.	DDC, Narot Jaimal Singh	0.56	16.06.2014 (27)	
4.	DDC, Talwandi Sabo	1.51	25.05.2010 (11)	Non-functional since November 2015 due to non-posting of Psychiatrist
5.	RC, Jalandhar	3.61	12.12.2015 (9)	Due to non-availability of Medical Officer, adequate staff and essential equipment *viz.* oxygen cylinder, suction machine and conveyance, etc.
	Total	**6.93**		

Source: Departmental records

Thus, five DDCs/RCs were not functional even after 9-28 months from their completion/setting up (September 2016) thereby not only resulting in idle expenditure of ₹ 6.93 crore but also depriving the drug addicts of the benefits of these Centres.

The Department stated (May and September 2016) that it conducted walk-in interviews every two months for recruitment of Psychiatrists which was under process.

3.2.3.3 Treatment in drugs de-addiction and rehabilitation centres

(i) Test-check of records in the selected districts showed that against 1,75,108 drug addiction patients registered in OPD, only 11,186 patients were taken to Indoor Patients Department (IPD) which ranged between 01 and 19 *per cent* in the eight MDDCs/DDCs during 2013-16 while the percentage of unutilised bed capacity in these Centres[18] ranged between 17 and 60 *per cent* during the same period.

On this being pointed out, MDDC, Jalandhar stated (April 2016) that the patients were not fully aware of the newly established 50-bedded MDDC in Civil Hospital, Jalandhar. The reply was not tenable as it was incumbent upon the Center under Rule 14(B)(vi) of Punjab Substance Use Disorder Treatment and Counseling and Rehabilitation Centre Rules, 2011, to make the patients aware by displaying the arrangements on the notice board.

(ii) As per guidelines for Rehabilitation Centre, since substance use is a multi-dimensional disorder and rehabilitative services cannot be limited to

[18] Percentage of IPD to OPD and unutilized bed capacity in MDDCs (i) Amritsar (19 and 34 *per cent*); (ii) Jalandhar (10 and 60 *per cent*); (ii) Bathinda (5 and 26 *per cent*); (iv) Faridkot (10 and 40 *per cent*); DDCs (v) Talwnadi Sabo (5 and 58 *per cent*); (vi) Gurdaspur (10 and 42 *per cent*); (vii) Batala (1 and 27 *per cent*); and (viii) Phagwara (5 and 17 *per cent*), respectively.

only detoxification, the State Government should set up Rehabilitation Centres (RC) in each district to provide comprehensive rehabilitation to each and every addict.

Examination of records showed that in four (out of six) test-checked districts, 984 out of 2,658 registered drug addicts were detoxified in the MDDCs/DDCs between July 2015 (i.e. from the date of functioning of RC) and March 2016. However, only 23 to 28 *per cent* of these patients were admitted to RCs[19]. Thus, the objective of setting up of RCs for providing comprehensive rehabilitation to each and every person could not be fully achieved as envisaged in the guidelines *ibid*. Further, records/information relating to the number of addicts who were successfully detoxified, number of drop outs and number of those who were relapsed after undergoing treatment in OPD/IPD was not available in the five selected Centres[20]. In the absence such details, the success rate of de-addiction of drug addicts in these Centres could not be ascertained.

DDC, Kapurthala stated (May 2016) that the public would be sensitized in this regard while MDDC, Bathinda attributed (June 2016) the reasons for low admission of detoxified patients in RC to the remote location of the Centre where transport facility was limited.

3.2.4 Manpower management

Audit observed the following inconsistencies in manpower management:

(i) Rule 14(C)(1) of the Punjab Substance Use Disorder Treatment and Counseling and Rehabilitation Centre Rules, 2011, and instructions (July 2014) of the Department of Health and Family Welfare, GOP, provide minimum standards for staff requirement for MDDCs/DDCs/RCs. Audit noticed shortage of staff ranging between 25 and 100 *per cent* in different cadres as on 31 March 2016 in seven (out of 15) test-checked MDDCs/DDCs/ RCs which impaired their ability to effectively discharge their functions.

(ii) Rule 14(C)1(iv) of the Rules *ibid* stipulates that ward attendants would be provided with orientation to handle Substance Use Disorder patients at the Centre within three months of their deployment. Audit noticed that no such training/orientation was provided to the ward attendants in any of the test-checked MDDCs/DDCs.

3.2.5 Monitoring mechanism

Audit noticed the following shortcomings in the monitoring mechanism in the Department:

(i) Rule 3 of the Rules provides that a State Level Committee (SLC) shall be constituted to act as a supervisory and policy making body to ensure

19 (i) Amritsar (161 against 689 patients); (ii) Faridkot (11 against 40 patients); (iii) Bathinda (45 against 173 patients); and (iv) Kapurthala (20 against 82 patients).

20 MDDCs (i) Bathinda (OPD only); (ii) Jalandhar; DDCs (iii) Batala; (iv) Gurdaspur; and (v) Phagwara.

effective implementation of minimum standards of care in the Centres. Despite lapse of more than five years from enactment of the Rules in January 2011, no SLC had been constituted by the State Government.

(ii) The Department of Health and Family Welfare, Punjab circulated (June 2014) a Memorandum of Association (MoA) for District De-addiction and Rehabilitation Society (Society) which *inter alia* included various activities/functions to be performed by the Society in each district for effectively running of Drug De-addiction and Rehabilitation Centres. Audit observed that out of various activities/functions specified in the MoA, 5-9 activities/functions were not being performed by six test-checked Societies ***(Appendix 3.1)*** thereby compromising the objective of effective running of the centres.

(iii) Para 3.3.1.8 of the guidelines of "Scheme of Assistance for Prevention of Alcoholism and Substance (Drugs) Abuse and for Social Defence Services" issued (January 2015) by Government of India provides that a period of one month would be required for an addict to undergo various phases of counseling, detoxification, de-addiction and psychological recovery and the period of stay, in no circumstances, should exceed two months. However, if a necessity for keeping the addict for more than one month arises, then the Centre was required to obtain consent to this effect from a District Level Committee consisting of Civil Surgeon, District Welfare Officer and a representative of the Non-Government Organisation.

Examination of records of MDDC, Bathinda, DDCs, Kapurthala and Phagwara showed that 10 patients were detoxified or were undergoing the process of detoxification (June 2015-May 2016) for periods ranging from 39 and 61 days. However, consent of the District Level Committee for their stay exceeding one month was not obtained. MDDC, Bathinda and DDCs, Kapurthala and Phagwara assured (June 2016) compliance in future.

3.2.6 Conclusion

Thus, the functioning of the de-addiction centers and rehabilitative efforts of the State Government was hampered by failure to avail of central assistance of ₹ 0.36 crore due to non-submission of utilization certificates and shortages of manpower ranging between 25 and 100 *per cent* in the test-checked districts. Thirty five Drug De-addiction and Rehabilitation Centres were functioning without licenses while five Drug De-addiction and Rehabilitation Centres set up at a cost of ₹ 6.93 crore were not functional for want of staff and other essential equipment. Only 23 and 28 *per cent* of detoxified addicts were admitted to Rehabilitation Centres of four test-checked districts. There was shortage of staff ranging between 25 and 100 *per cent* in the test-checked districts. Lastly, non-formation of State Level Committee and not undertaking prescribed activities by district Societies indicated weak monitoring mechanism in the Department.

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

3.3 Misappropriation of user charges

Failure of the Drawing and Disbursing Officer to observe codal provisions and resultant compromise of the internal control mechanism facilitated misappropriation of user charges amounting to ₹ 3.89 lakh in Civil Hospital Fatehgarh Sahib of which ₹ 3.75 lakh was subsequently deposited with the Punjab Health Systems Corporation.

Rules 98 (1) of the Punjab Treasury Rules provides that the head of an office or the person so authorised, before signing the receipt and initialling the counterfoil, shall satisfy himself that the amount has been properly entered in the cash book. Rule 2.4 of the Punjab Financial Rules stipulates that at the close of the day while signing the cash book, the head of the office should see that the departmental receipts collected during the day are credited into the Government account on the same day or on the morning of the next day.

Government of Punjab had allowed (February 1997) the Punjab Health System Corporation (PHSC) to retain user charges collected from patients at the point of collection and use the same for meeting non-salary expenditure. PHSC instructed (February 2013) that user charges collected by the field offices should be deposited on a daily basis in a separate savings bank account. It further directed that no expenditure should be made out of the cash collections and the expenditure should be incurred after depositing the collections in the bank. Mention was made in the Comptroller and Auditor General of India's Report on Social, General and Economic Sectors (Non-Public Sector Undertakings) for the year ended 31 March 2015 – Government of Punjab (paragraph 3.8), regarding misappropriation of user charges of ₹ 19.88 lakh in Civil Hospital, Mansa.

Test-check of records in Civil Hospital, Fatehgarh Sahib, under the jurisdiction of PHSC showed that out of the user charges of ₹ 42.26 lakh collected by a Computer Operator deployed in central receipt section from patients between April 2015 and April 2016, an amount of ₹ 3.89 lakh was not deposited with the cashier for posting in the cash book. The cashier and the Senior Medical Officer holding the charge of Drawing and Disbursing Officer also did not ensure that all the user charges so collected by the Computer Operator had been accounted for in the cash book and remitted into the bank account of the Civil Hospital.

On this being pointed out (May 2016) in Audit, PHSC stated (October 2016) that the delinquent official had deposited (May 2016-September 2016) ₹ 3.75 lakh and the Director Health Services had been asked to hold departmental enquiry/disciplinary proceedings against the concerned persons.

Thus, failure by the Drawing and Disbursing Officer to observe codal provisions compromised the internal control mechanism and facilitated misappropriation of user charges amounting to ₹ 3.89 lakh.

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

3.4 Idle expenditure arising from delay in submission of utilisation certificates under scheme for 'Establishment of Multi-Disciplinary Research Units'

Non-submission of Utilization Certificate for first instalment of ₹ 1.25 crore released for setting up of a Multi-Disciplinary Research Unit in Government Medical College Amritsar even after lapse of more than two years led to subsequent funds necessary to make equipment procured operational not being released by Government of India. This resulted in idle expenditure of ₹ 0.79 crore on equipment procured as well as non-achievement of the objective of the scheme even after more than three years of its commencement.

Government of India (GOI) approved (July 2013) a scheme for 'Establishment of Multi-Disciplinary Research Units (MRUs) in Government Medical Colleges/Research Institutions' (Scheme) during the 12th Plan period for setting up of MRUs during 2013-15. The main objective of the scheme was to improve the overall health status of the population by creating evidence-based application of diagnostic procedures/processes/methods. Under the scheme, one time financial assistance of ₹ 5.25 crore[21] was to be provided to the selected Government Medical college for setting up a modern biological laboratory/multi-disciplinary research unit.

Audit of records of the Government Medical College, Amritsar (GMC), showed that GOI released (September 2013) first instalment of ₹ 1.25 crore[22] to GMC under the scheme with a condition to submit the utilization certificate (UC) along with the audited statement of accounts by June 2014. Subsequent two instalments of ₹ 2 crore each were to be released on achievement of the laid down markers/milestones[23] of the Scheme.

Audit observed that GMC, after a delay of up to two years, procured (April-October 2015) machinery and equipment worth ₹ 0.79 crore and spent ₹ 0.23 crore on civil works thereby incurring a total expenditure of ₹ 1.02 crore. GMC also recruited (July-August 2015) contractual staff[24] and constituted (December 2013) the Local Research Advisory Committee as required under the scheme. However, GMC did not complete the procurement of some equipment[25] and could not submit the UC for the entire amount of first instalment of ₹ 1.25 crore despite GOI directive (June-December 2015) to

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21 ₹ 5.00 crore for purchase of equipment; and ₹ 0.25 crore for minor civil works.

22 ₹ 1.00 crore for purchase of equipment and ₹ 0.25 crore for minor civil works.

23 Release of second instalment on (i) completion of civil work; (ii) constitution of Local Research Advisory Committee and development of research projects; (iii) placement of orders for procurement of equipment with clear delivery scheme; and (iv) completion of the process for selection of contractual staff whereas third instalment was to be released on (i) holding of at least two meetings of Research Committees; (ii) certification of appointment of contractual staff after release of second instalment; and (iii) review of performance by ICMR Evaluation Committee.

24 One Research Scientist-II, one Research Scientist-I, two Laboratory Technicians and one Data Entry Operator, who were paid (July-November 2015) salary of ₹ 0.07 crore out of interest earned on the funds received under the Scheme.

25 Auto analyser, centrifuge, deep freezer, refrigerator, microtome, etc.

speed up the implementation and operationalization of MRU. As a result, GOI denied (December 2015) the second instalment of ₹ 2 crore. Consequently, equipment procured at a cost of ₹ 0.79 crore could not be made operational even after 10-16 months for want of funds for contingency/consumables (August 2016).

GMC stated (August 2016) that the pending machinery would be purchased very soon and UC of full amount (₹ 1.25 crore) would be sent to get the second instalment released from GOI. The reply of GMC was not acceptable as non-submission of UC for the entire amount of first instalment even after more than two years resulted in non-release of funds of the subsequent installments that were necessary to make the equipment operational. This has not only resulted in idle expenditure of ₹ 0.79 crore but also non-achievement of objective of the scheme even after more than three years of its commencement.

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

HOME AFFAIRS AND JUSTICE DEPARTMENT

3.5 Development of judicial infrastructure

The Department could not complete 78 *per cent* of works planned during 2013-16 due to lack of coordination and synchronization between availability of land, release of funds and commencement of works. While funds amounting to ₹ 27.95 crore were not released by the State Government, an amount of ₹ 32.42 crore was spent on works not covered under the Scheme. Further, failure to ensure encumbrance free site before award and commencement of work resulted in additional expenditure of ₹ 1.64 crore as of June 2016 as well as the work remaining incomplete for over six years from the initial allotment of the work while poor site selection resulted in expenditure of ₹ 0.32 crore being rendered unfruitful. Non-adherence to provisions of agreement resulted in short recovery of ₹ 0.39 crore on account of quality control charges.

3.5.1 Introduction

In order to improve the physical infrastructure of the courts and the housing needs of judicial officers, Government of India (GOI) has been implementing a Centrally Sponsored Scheme (CSS) of 'Development of infrastructure facilities for the Judiciary' (Scheme) since 1993-94. As per the guidelines (May 1999), the Scheme would cover construction of district and subordinate court buildings and residential accommodation for judicial officers/judges. The expenditure under the Scheme is to be shared between the Centre and the State in the prescribed ratio[26]. The Department of Home Affairs and Justice, Government of Punjab (Department), headed by the Additional Chief Secretary is responsible for implementation of the Scheme and Public Works

[26] 75:25 (15 July 2011 to March 2015); and 60:40 (2015-16).

Department (PWD) is the executing agency for construction works under the Scheme.

With a view to assessing the efficiency and effectiveness of implementation of the Scheme, an audit covering the period 2013-16[27] was conducted by test-check of the records of 11 Public Works Divisions[28] of the selected six[29] out of 19 judicial districts. Related information was also collected from the Home Department, District and Session Judges and the Chief Engineer.

Audit findings

3.5.2 Planning

The position of implementation of annual plans for construction of Court Complexes and residential quarters during 2013-16 is given in **Table 3.4** below.

Table 3.4: Construction of Court Complexes and Residential Quarters during 2013-16

Year	Planned			Completed			Under progress		
	Works	No. of JCC	No. of RQs	Works	No. of JCC	No. of RQs	Works	No. of JCC	No. of RQs
2013-14	13[$]	12	42	5	4	19	8	8	23
2014-15	5	5	13	0	0	0	5	5	13
2015-16	5	3	36	0	0	0	5	3	36
Total	**23**	**20**	**91**	**5**	**4**	**19**	**18**	**16**	**72**

Source: Departmental data ***JCC = Judicial Court Complex***

[$] Include 11 incomplete works of previous years. **RQ = residential quarters**

Audit observed that 78 *per cent* of works planned during 2013-16 could not be completed due to failure of the department and the executing agency to ensure encumbrance free land, timely finalization of drawings and adequate funds as summarized below:

➢ Out of 13 works (12 court complexes and 42 residential quarters) planned during 2013-14, only five works (4 court complexes and 19 residential quarters)[30] were completed (December 2013-July 2014) after 10-31 months from the stipulated dates of completion due to non-clearance of site, non-transferring of ownership of land and non-release of funds by the State Government. The remaining eight works (8 court complexes and 23 residential quarters) were under progress (December 2016) of which five[31] test-checked works (5 courts complexes and 9 residential quarters) which were

[27] Relevant records prior to April 2013 were also consulted, wherever required and commented accordingly.

[28] Construction Divisions (i) Batala; (ii) Fazilka; (iii) Ferozepur; (iv) Mohali at Fatehgarh Sahib; (v) Sri Muktsar Sahib; (vi) Patiala; (vii) Sirhind; Provincial Divisions (viii) Ferozepur; (ix) Gurdaspur; (x) Mohali; and (xi) Patiala.

[29] (i) Fatehgarh Sahib; (ii) Ferozepur; (iii) Gurdaspur; (iv) Sri Muktsar Sahib; (v) Patiala; and (vi) Rupnagar (*selected by using simple random sampling method*).

[30] JCC (i) Batala (1 JCC and 12 RQs); (ii) Rampura Phool (3 RQs); (iii) Sardulgarh (1 JCC and 2 RQs); (iv) Zira (1 JCC and 2 RQs); and (v) JCC Kapurthala (date of completion was not available).

[31] JCC (i) Fazilka (65 *per cent*); (ii) Ferozepur (66 *per cent*); (iii) Khamano (final bill yet to be paid); (iv) Mohali (60 *per cent*); and (v) Patiala (85 *per cent*).

to be completed between December 2012 and October 2015 were under progress (December 2016) due to not providing clear sites to the contractors, paucity of funds and delayed approval of structural drawings.

- None of the 10 works planned during 2014-15 and 2015-16 could be taken up as the estimates for these works had not been finalized due to non-finalization/acquisition of site and non-finalization of drawings.

On the other hand, judges/judicial officers were residing in rented accommodation for which the Department had been paying rent despite the Scheme being in operation since 1993-94. In two selected judicial districts, rent amounting to ₹ 1.98 crore in respect of 22 judicial officers/judges had been paid during 2013-16.

3.5.3 Financial management

3.5.3.1 Budget and expenditure

As per revised norms (July 2011 and December 2015) under the Scheme, the expenditure was to be shared between Centre and the State Government in the ratio of 75:25 and 60:40 during 2011-15 and 2015-16 respectively. However, the State Government was free to spend additional funds. The position of funds released and expenditure incurred under the Scheme during 2013-16 is given in **Table 3.5** below**.**

Table 3.5: Details of funds released and expenditure incurred during 2013-16

(₹ in crore)

Year	Funds released by			Expenditure	Savings
	GOI	GOP	Total		
2013-14	100.00	34.31	134.31	128.66	5.65
2014-15	118.05	32.79	150.84	130.16	20.68
2015-16	50.00	50.00	100.00	98.29	1.71
Total	**268.05**	**117.10**	**385.15**	**357.11**	**28.04**

Source: Departmental data

During 2014-15, the State Government released only ₹ 32.79 crore against its share of ₹ 39.35 crore (25 *per cent*) which was short by ₹ 6.56 crore. Further, out of total funds of ₹ 385.15 crore available under the Scheme, ₹ 28.04 crore could not be utilised during 2013-16. The Chief Engineer attributed (May 2016) the reasons for short utilisation to non-passing of bills by the treasury (₹ 21.39 crore) and non-submission of bills by the contractors.

Thus, funds to the tune of ₹ 27.95 crore[32] were not released which adversely affected the construction works planned under the Scheme.

3.5.3.2 Inadmissible expenditure

As per guidelines (May 1999), the Scheme did not include construction of residential quarters for staff and repair and maintenance of court buildings/residential quarters the expenditure on which was to be met by the State Government from its own resources. However, the Department incurred

[32] ₹ 6.56 crore *plus* ₹ 21.39 crore = ₹ 27.95 crore.

an expenditure of ₹ 32.42 crore on works not covered under the Scheme as detailed in **Table 3.6** below**.**

Table 3.6: Details of expenditure incurred on works not covered under the Scheme

Sr. No.	Name of Division	Name of work	Expenditure (₹ in crore)	Period
1.	Provincial Division, Mohali	Purchase of land for construction of JCC, Mohali	23.02	July 2011 to June 2015
2.	Provincial Division, Ferozepur	Construction of 48 quarters for staff	4.59	June 2014
3.	Seven Divisions[33]	Repair and maintenance of JCCs and houses	4.43	May 2013 to February 2016
4.	Provincial Division, Ferozepur	Construction of lawyers' chambers	0.18	May 2012 to February 2014
5.	Two Divisions[34]	Preparation of bidding documents/detailed estimates and purchase of computers	0.20	September 2013 to July 2015)
Total			**32.42**	

Source: Departmental records

The Chief Engineer stated (August 2016) that the works of the courts in Patiala and Ferozepur were executed after approval of the Home Affairs and Justice Department. As regards Fazilka, the work was executed from the private agency to avoid delay in execution of work and cost escalation. The reply was not tenable as the expenditure of ₹ 32.42 crore (July 2011-February 2016) on this account was not allowed under the Scheme.

3.5.4 Programme implementation

The Department planned 23 works (20 court complexes and 91 residential quarters) during 2013-16 of which only five works (4 court complexes and 19 residential quarters) were completed (December 2013-July 2014) and the remaining 18 works (16 court complexes and 72 residential quarters) were under progress (April 2016).

3.5.4.1 Extra expenditure due to award of work without ensuring availability of site

Paragraph 2.92 of the PWD code provides that no work shall be commenced on land which has not been made over by the responsible civil officers. Examination of records of Provincial Division, Ferozepur showed that a work of construction of Court Complex Ferozepur was allotted (December 2010) to a contractor for ₹ 35.93 crore to be completed within 18 months but the site was not cleared by the Department. The contractor kept requesting the Executive Engineer (EE) up to February 2014 to provide clear site to complete the work. When the Department did not handover the clear site to the

[33] Provincial Divisions (i) Patiala (₹ 0.41 crore at JCC Patiala); (ii) Mohali (₹ 3.06 crore for Punjab State Legal Service Authority and JCC Mohali); (iii) Ferozepur (₹ 0.46 crore at JCC Ferozepur); Construction Divisions (iv) Ferozepur (₹ 0.26 crore at JCC Guru Harsahai); (v) Sirhind (₹ 0.15 crore at JCC Sirhind), (vi) Electrical Division-1, Patiala (₹ 0.01 crore at JCC Patiala); and (vii) Public Health Division, Patiala (₹ 0.08 crore at JCC Patiala).

[34] (i) Construction Division, Fazilka (₹ 0.13 crore: JCC Fazilka; and (ii) Provincial Division, Mohali (₹ 0.07 crore JCC Mohali).

contractor even after four years from allotment of the work, he refused (April 2014) to continue the work as the construction cost had increased in the intervening period. The EE rescinded (April 2014) the contract after completion of work valuing ₹ 11.72 crore[35] (33 *per cent*). To complete the balance work, the EE again without ensuring availability of clear site[36], called (May 2014) fresh tenders and awarded (August 2014) the balance work (₹ 24.21 crore) for ₹ 35.69 crore to another contractor to be completed within 18 months i.e. by 21 February 2016. Non-providing of clear site to the first contractor led to re-tendering which would result in extra expenditure of ₹ 11.48 crore[37] and the re-allotted work which was to be completed by February 2016 had not been completed (December 2016). As of June 2016, ₹ 17.39 crore had been spent on the re-allotted work involving an extra expenditure of ₹ 1.64 crore.

The Chief Engineer stated (August 2016) that after site clearance the old contractor was not ready to execute the work on allotted rates as the prices had increased due to revision of premium/rates as compared to 2010. Therefore, the Department had decided not to get the work executed from the old contractor. The reply was not tenable as it was incumbent upon the departmental authorities to ensure encumbrance free site before award and commencement of work. Thus, failure to ensure encumbrance free site before award and commencement of work resulted in additional expenditure of ₹ 1.64 crore as well as the work remaining incomplete for over six years from the initial allotment of the work.

3.5.4.2 Unfruitful expenditure due to poor site selection

Provincial Division, Ferozepur allotted (February 2012) construction work of court complex and residential houses for judges/staff at Zira at a site provided by Home Affairs and Justice Department. Audit observed (February 2016) that after completion of work up to roof level with an expenditure of ₹ 0.32 crore, the work of construction of three residential houses for judges was stopped (April 2013) as the site was not considered suitable for the judges' houses. Subsequently, the site for construction of these houses was changed (August 2014) and three judicial residences were under construction at new site on which an amount of ₹ 0.56 crore had been incurred as of July 2015.

The Chief Engineer stated (August 2016) that the work was stopped as per instructions of the Hon'ble Judge as the residences were very close to the court complex which would have created disturbance. The reply was not acceptable as the unfruitful expenditure of ₹ 0.32 crore was attributable to lack of prior consultation with user authorities resulting in poor site selection that necessitated the subsequent change.

3.5.4.3 Short-recovery of quality control charges

Standard Clause 31 of the agreement entered into between the contractor and the Construction Division, Fazilika provides that the contractor shall employ a

35 As per 23rd running bill paid in August 2014.
36 Old building of Malkhana and lawyer chambers were not shifted.
37 Cost of re-allotted (₹ 35.69 crore) *minus* balance work (₹ 24.21 crore).

quality control consultant or set up a laboratory to ensure the quality of the work. Otherwise, a deduction of 1.5 *per cent* of the total cost of the work or actual expenditure incurred, whichever is more, shall be made from the payments of the contractor.

Audit observed that the work of construction of JCC, Fazilka was executed by the Construction Division, Fazilka at a cost of ₹ 39.54 crore up to September 2015. But the contractor did not employ/set-up consultant/laboratory for this work, as required under the provisions *ibid*. As against the quality control charges of ₹ 0.59 crore due from the contractor, only ₹ 0.20 crore (at the rate of 0.5 *per cent* instead of 1.5 *per cent*) was deducted from the bills. Thus, non-compliance to the provisions of the agreement resulted in short-recovery of quality control charges of ₹ 0.39 crore.

3.5.5 Conclusion

Thus, the Department could not complete 78 *per cent* of works planned during 2013-16 due to lack of due coordination and synchronization between availability of land, release of funds and commencement of works. While funds amounting to ₹ 27.95 crore were not released by the State Government, an amount of ₹ 32.42 crore was spent on works not covered under the Scheme. Further, failure to ensure encumbrance free site before award and commencement of work and resulted in additional expenditure of ₹ 1.64 crore as of June 2016 as well as the work remaining incomplete for over six years from the initial allotment of the work while poor site selection resulted in expenditure of ₹ 0.32 crore being rendered unfruitful. Non-adherence to provisions of agreement resulted in short recovery of ₹ 0.39 crore on account of quality control charges.

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

3.6 Short realisation of cost of land

Commercially viable land was transferred to the Punjab Small Industries and Export Corporation Limited at rates lower than that determined by the Deputy Commissioner resulting in loss of ₹ 21 crore that could have been used to upgrade jail infrastructure in the State.

The Managing Director, Punjab Small Industries and Export Corporation Limited (PSIEC) requested the State Government in January 2014 to transfer 11 acres of land belonging to Jails Department to PSIEC for resettlement of dyeing industry. At a meeting held in the same month on modernization of jails, it was decided to transfer commercially viable land belonging to the Jails Department at Ludhiana to PSIEC for commercial/industrial exploitation and that immediate steps should be taken to finalize the valuation of the land to be transferred to PSIEC. The resources generated were to be used to upgrade/expand various jails in Punjab. In pursuance of this decision, a Price Fixation Committee set up by the Deputy Commissioner fixed (February 2014) ₹ 3.50 crore per acre as the price of the land of Central Jail, Ludhiana.

The State Government thereafter approved (28 February 2014) transfer of the land to PSIEC after fixation of rate by Deputy Commissioner, Ludhiana. Subsequently, in a meeting held in March 2014 under the chairmanship of Principal Secretary to Chief Minister, it was decided to transfer 15 acre 1 marla land to PSIEC at a cost of ₹ 31.50 crore instead of at ₹ 52.50 crore[38] as fixed by the Price Fixation Committee set up by the Deputy Commissioner. This was done on the plea of PSIEC that only 60 *per cent* area of the land was saleable as remaining 40 *per cent* area was required to be left for roads, parks and drainage of water. Accordingly, PSIEC made the payment of ₹ 31.50 crore to the Jails Department in May 2014 and took possession of the entire land (15 acre 1 marla) in April 2015.

Audit observed that in any development project, some area has to be kept aside for development of common utilities/facilities. However, the cost of acquisition of the entire area along with the cost of development of common utilities/facilities is loaded on to the price of saleable area or plots. It was noticed that PSIEC had also fixed the unit price of the area available for sale by including development cost of total area of land. Therefore, the argument that only 60 *per cent* of the area was saleable and the cost of the remaining land would not be recoverable by PSIEC was untenable. The State Government should have recovered the cost of entire land transferred to PSIEC.

The State Government stated (June 2016) that the land was transferred to PSIEC in accordance with the approval accorded (February 2014) by the Government. The reply was not correct since the State Government's approval accorded on 28 February 2014 specifically stated that the land was to be transferred at rates to be fixed by the Deputy Commissioner, Ludhiana and the approval of the Government did not envisage transfer of land to PSIEC at the rate of 60 *per cent* of its actual cost.

Thus, transfer of commercially viable land to PSIEC at rates lower than that fixed by the Deputy Commissioner, Ludhiana resulted in loss of ₹ 21 crore that could have been used to upgrade jail infrastructure in the State.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.7 Avoidable payment due to delay in award for land acquisition

Delayed declaration of award for land acquisition led to avoidable payment of appreciation price of ₹ 11.23 crore.

In order to eliminate delay in providing for payment of adequate compensation to the land owners, the Government of Punjab, (Department of Revenue and Rehabilitation) formulated (December 2006) a policy for acquisition of land under the Land Acquisition Act, 1894 (Act). The policy stipulates that the time period between notification under Section 4 and declaration under Section 6 and thereafter between the declaration and announcement of award

[38] 15 acre 1 marla x ₹ 3.50 crore per acre.

shall be six months at each stage respectively. The District Land Price Fixation Committee (DLPFC) is to determine the market value of land as on the date of publication of the notification under Section 4 within three months of its issue which is to be incorporated in the declaration under Section 6 of the Act. Further, Section 23 (1-A) of the Act stipulates that in addition to the market value of the land, the court shall in every case award an amount calculated at the rate of 12 *per centum* per annum on such market value for the period commencing on and from the date of publication of the notification under Section 4 in respect of such land to the date of the award of the collector or the date of taking possession of the land whichever is earlier.

Test check of records in the office of the Land Acquisition Controller, Greater Mohali Area Development Authority, Mohali (LAC), brought out instances of non-adherence to the timelines stipulated in the policy which ultimately resulted in extra expenditure of ₹ 11.23 crore as below:

(a) The Government of Punjab issued notification on 16 October 2008 under Section 4 of the Act for acquisition of 269.52 acres of land from Sector 74 to Kharar National Highway-21 for construction of a 200 feet wide road and earmarked 200 meters for mix land use alongside the road in district Mohali. However, the department failed to fix the market value of land within three months of the notification under Section 4 i.e. by 15 January 2009. The Land Acquisition Controller, after hearing the objections of the land owners with regard to notification under Section 4, issued the declaration under Section 6 of the Act for acquisition of 200 acres land on 11 September 2009 without incorporating the market value of land as required under the policy. The process of land acquisition was challenged by the land owners in the Hon'ble Punjab and Haryana High Court during the years 2009 and 2010. The case was decided on 14 November 2011 with the High Court quashing the proposal of acquiring land for mix land use alongside the road. Accordingly, after withdrawing 154 acres of land for mix land use alongside the road, the draft award was announced on 12 February 2013 for ₹ 109.64 crore which includes ₹ 18.58 crore as appreciation price from the date of publication of the notification under Section 4 (19 October 2008) for 46 acres of land i.e. 456 days after the decision of the court. As a result, an extra payment of ₹ 9.35 crore[39] was made to the land owners as appreciation price.

The Department stated (October 2016) that before announcement of award it was mandatory to check all the notifications and reference of court cases. The court case was decided on 14 November 2011. In the meanwhile, the reference for fixing the market value of the acquired land was made to DLPFC. The DLPFC also had to collect the market rate of all the surrounding villages as well as the affected villages under acquisition to arrive at the

[39] Total appreciation price for 906 days: ₹ 18.58 crore paid by LAC between 4 March 2013 and 25 May 2016; appreciation price for 456 days for the period from date of decision of the court to announcement of award (15.11.2011 to 12.02.2013)= ₹ 18.58 x 456/906= ₹ 9.35 crore.

reasonable rates for acquisition. Hence, the time taken by the committee as well as Department was within the required limit. The reply was not acceptable since as per Land Acquisition Policy, DLPFC had to determine the market value of land within three months i.e. by 15 January 2009 of the issue of Notification under Section 4 (16 October 2008). But this was determined on 8 November 2012 i.e. after a delay of 46 months and court case was not for enhancing the market value of land but was against the proposal of acquiring land for mix land use alongside the road.

(b) Government of Punjab issued notification on 25 August 2011 under Section 4 of the Act for acquisition of 32.15 acres land for construction of 100 feet wide road from MDR-B at village Parol to road No.PR-4 in district Mohali. Land Acquisition Controller, after hearing the objections of the land owners with regard to notification under Section 4, issued the declaration under Section 6 of the Act for acquisition of 26.69 acres land on 27 April 2012 without incorporating the market value of land as required under the policy. The Cabinet Sub-Committee, on the recommendation of DLPFC, approved the rate of land on 9 August 2012, which should have been approved within three months of the issue of the Notification under Section 4 i.e. by 24 November 2011. The draft award was announced for ₹ 34.32 crore which included ₹ 5.96 crore as appreciation price from the date of publication of the notification under Section 4 (25 August 2011). The award, which should have been announced by 24 August 2012, was actually announced on 8 February 2013, i.e. after a delay of more than five months. As a result, an extra payment of ₹ 1.88 crore[40] was made to the land owners as appreciation price.

The Department stated (July 2016) that there were many aspects that the DLPFC had to keep in view while fixing the rate. As the rates were not finalized by the DLPFC at the time of notification, rates could not be notified under Section 6 of the Act. The reply was not acceptable as DLPFC had to determine the market value of land within three months i.e. by 24 November 2011 of the issue of Notification under Section 4 (25 August 2011) as required under the policy, which was determined on 9 August 2012.

Thus**,** due to delayed announcement of award, an extra payment of ₹ 11.23 crore had to be made to the land owners on account of 12 *per cent* appreciation price, which could have been avoided had the award been announced as per procedure laid down in the policy.

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

[40] Total appreciation price for 528 days: ₹ 5.96 crore paid by LAC between 9 February 2012 and 25 May 2016; appreciation price for 167 days for the period from 25.8.2012 to 8.02.2013 = ₹ 5.96 x167/528=₹ 1.88 crore.

IRRIGATION DEPARTMENT

3.8 Accelerated Irrigation Benefits Programme

An audit of the Accelerated Irrigation Benefits Programme for the period 2011-16 brought out creation of undue interest liability of ₹ 62.09 crore due to non-implementation of two projects despite availability of funds, loss of central assistance of ₹ 74.76 crore due to non-completion of work in time and short release of State share. Cost overrun of ₹ 1.81 crore due to delay of 43 and 60 months in awarding the works and procurement of material worth ₹ 4.53 crore more than seven years in advance were also noticed.

3.8.1 Introduction

Government of India (GOI) launched an Accelerated Irrigation Benefits Programme (AIBP) in 1996-97 to provide Central Loan Assistance to major/medium irrigation projects in the country. Since December 2006, the central assistance was given in the form of central grant to major, medium and extension, renovation and modernization of irrigation projects which had clearance from Planning Commission and were in advanced stage of construction and were also not receiving any financial assistance under AIBP. Five projects[41] were covered under AIBP in the State.

An audit of the implementation of the Accelerated Irrigation Benefits Programme during the period 2011-2016 brought out the following:

3.8.2 Delay in release of central assistance and State share

After release of grant by GOI, the Finance Department was to release the funds including State share within fifteen days to the Department of Irrigation. It was however noticed that:

- Out of ₹ 235.16 crore released by the GOI for all five projects during 2011-16, the State Government released only ₹ 78.27 crore to the Department leaving a balance of ₹ 156.89 crore (66.72 *per cent*) un-released which adversely affected the progress of the works.

- Against the total release of ₹ 319.12 crore by the State Government for all the five projects during 2011-16, the Executing Divisions could utilise only ₹ 260.53 crore leaving ₹ 58.59 crore un-utilised which showed weak financial management in utilising the available funds.

[41] (i) Extension of Kandi Canal from Hoshiarpur to Balachaur Phase-II (25:75) between GOI:GOP; (ii) Construction of Shahpur Kandi Dam (90:10) between GOI:GOP; (iii) Rehabilitation of channels of First Patiala Feeder and Kotla Branch (25:75) between GOI:GOP; (iv) Project for Relining of Rajasthan Feeder from RD 179000-496000 (90:10) between GOI:Government of Rajasthan (GOR); and (v) Project for Relining of Sirhind Feeder from RD 119700-447927 (45.85 contribution arranged by GOR {90:10} GOI:GOR :54:15 contribution arranged by GOP {25:75}GOI:GOP.

- In case of Kandi Canal Stage-II, GOI released ₹ 58.17 crore between January 2011 and March 2012 while the State Government released the same after a delay ranging between four and 45 months. Further, out of State share of ₹ 130.89 crore (75 *per cent* State share against GOI release of ₹ 43.63 crore during 2012-16), funds amounting to ₹ 105.54 crore were released by the State Government after a delay ranging between three to four years. Further, against the total release of ₹ 236.47 crore[42] by Irrigation Department during 2011-16, Executing Divisions could utilise only ₹ 232.04 crore leaving ₹ 4.43 crore un-utilised under the project.

- In case of Rehabilitation of 1st Patiala Feeder, GOI released (March 2011) ₹ 4.86 crore against which the State Government released (March 2016) only ₹ 10.19 crore out of ₹ 14.58 crore as its share after a delay of about five years. Delay in releasing the State share coupled with short release of ₹ 4.39 crore resulted in no progress of work after November 2010.

- In case of relining of Rajasthan Feeder, while releasing ₹ 105.84 crore, GOI had clearly mentioned in the sanction letter that the funds should be released to the implementing agency without any delay failing which the amount would be recovered from the State with interest for the period of default. Audit observed that despite the lapse of more than five years from the receipt of funds of ₹ 105.84 crore from GOI, these funds had not yet been released (July 2016) to the implementing agency. Therefore, GOP was liable to refund the central assistance along with interest amounting to ₹ 50.46 crore[43]. Non-release of funds by GOP had not only denied the irrigation facilities to the people of the area due to non-implementation of the project but also created undue liability of ₹ 50.46 crore on account of interest.

In case of relining of Sirhind Feeder, despite availability of ₹ 54.36 crore (₹ 50 crore released by GOI in March 2014 and ₹ 4.36 crore by Government of Rajasthan in 2012-13), work was not taken up by the Punjab Government. Moreover, the State Government arranged a loan of ₹ 42.70 crore for this project from the National Bank for Agriculture and Rural Development (NABARD) during 2012-13 but did not release the funds to the Department (July 2016). This had not only resulted in blocking of funds but also created an interest liability of ₹ 11.63 crore from January 2013 to March 2016.

- In case of construction of Shahpur Kandi Dam, though GOI had released (March 2011) ₹ 15.24 crore, no matching share was released by the State Government during 2011-16.

Thus, short release of share/delay in release of GOI share by the State Government resulted in delay in completion of projects. While in the case of Rajasthan Feeder and Sirhind Feeder, the work had not yet been taken up despite availability of funds, in case of Shahpur Kandi Dam, no matching share by the State Government had been released thereby affecting the progress of project.

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42 GOI share:₹ 58.17 crore + GOP share:₹ 178.30 crore=₹ 236.47 crore.

43 Calculated at the rate of 7.94 *per cent* per annum from 03/11 to 03/16.

3.8.3 Loss of central assistance due to non-completion of work in time

The project Kandi Canal Stage-II was approved (September 2010) by the Advisory Committee of the Central Water Commission attached with the Ministry of Water Resources, GOI for ₹ 540.24 crore with the condition that the project would be completed by March 2012 and no further time and cost overrun would be accepted. Accordingly central assistance of ₹ 119.14 crore was approved by GOI.

Audit observed that out of ₹ 119.14 crore, GOI released ₹ 58.17 crore[44] during 2010-11 and 2011-12. Though the State Government had released its share of ₹ 178.30 crore (2011-16), the Department failed to adhere to the scheduled date (March 2012) of completion and the work remained incomplete (May 2016). As a result, out of the balance central assistance of ₹ 60.97 crore, only ₹ 1.05 crore were released in March 2016. Thus, delay in completion of project denied the State Government of central assistance of ₹ 59.92 crore.

The Department stated (September 2016) that GOI had tied up the funds and the work would be completed shortly.

3.8.4 Loss of central assistance due to short release of State share

GOI released ₹ 29.61 crore[45] (October 2007-March 2011) out of its total share of ₹ 44.45 crore under 'Rehabilitation of 1st Patiala Feeder and Kotla Branch'. However, the State Government released only ₹ 102.64 crore (₹ 92.45 crore between January 2008 and April 2010 and ₹ 10.19 crore in March 2016) as its matching share (75 *per cent*) against the required ₹ 133.35 crore. Due to short release of ₹ 30.71 crore by the State Government, the State was denied the balance central assistance of ₹ 14.84 crore which adversely affected the progress of work.

3.8.5 Programme implementation

Audit observed that all five projects covered under AIBP remained incomplete till date as detailed in **Table 3.7** below.

Table 3.7: Projects taken up but not yet completed as of September 2016

Name of Project	Original Proposal			Present status	Delay (in years)	Impact of delay and Revised Cost
	Year	Cost (₹ in Crore)	Scheduled Year of completion			
1	2	3	4	5	6	7
Extension of Kandi Canal from Hoshiarpur to Balachaur RD 59.500 to 130.000 km) Stage–II	1999-2000	147.13	03/2011	Some components of KCS-II from RD 59.500 to 115.800 were completed whereas canal beyond RD 115.800 meter to tail was under progress. Project was not completed.	5	Project cost increased from ₹ 147.13 to ₹ 540.24 crore in the year 2009-10.

44 ₹ 14.54 crore + ₹ 43.63 crore.

45 ₹ 13.50 crore + ₹ 11.25 crore + ₹ 4.86 crore = ₹ 29.61 crore.

Name of Project	Original Proposal			Present status	Delay (in years)	Impact of delay and Revised Cost
	Year	Cost (₹ in Crore)	Scheduled Year of completion			
1	2	3	4	5	6	7
Shahpur Kandi Dam	2001-02	166.98	03/2007	Execution of work held up from 30.08.2014 due to intervention of Jammu & Kashmir Government. The work was still held up.	9	Project cost increased from ₹ 166.98 to ₹ 588.42 crore in the year 2009-10.
First Patiala Feeder and Kotla Branch	2005-06	123.30	03/2009	No work executed after November 2010. The project is still held up.	7	Project cost increased from ₹ 123.30 to ₹ 199.39 crore in the year 2012.13.
Relining of Rajasthan Feeder from RD 179000 to 496000	2009-10	952.10	03/2014	Project not yet started (June 2016). The revised estimate is pending for approval of CWC.	2	Project cost increased from ₹ 952.10 to ₹ 1421.69 crore in the year 2015-16.
Relining of Sirhind Feeder from RD 119700 to 447927 Km	2009-10	489.16	03/2013	Project not yet started (June 2016). Revised estimate is pending for approval of CWC.	3	Project cost increased from ₹ 489.16 to ₹ 703.90 crore in the year 2015-16.
Total		**1878.67**				**3453.64**

Source: Departmental data

Thus, delays ranging from two to nine years due to reasons ranging from need for revised estimates that were pending approvals to an inter-State dispute resulted in 84 *per cent* cost overrun of ₹ 1,574.97 crore from ₹ 1,878.67 crore to ₹ 3,453.64 crore.

The five projects under the AIBP was to create irrigation potential of 2,56,788 Ha of Culturable Command Area (CCA). Against this, the Department was able to create only 80,328 Ha (average 31 *per cent*) of CCA during the period 2011-16 as detailed in **Table 3.8** below.

Table 3.8: Achievement of physical targets

(in Ha)

Name of Project	Target* for Irrigation potential	Achievement of Irrigation potential as on 31 March 2016	Shortfall in achievement	Shortfall (Percentage)	Utilisation of irrigation potential
1	2	3	4	5	6
Extension of Kandi Canal from Hoshiarpur to Balachaur Stage-II	23326 revised to 29527 in September 2010	18728	4598	20	Nil
Construction of Shahpur Kandi Dam	37173	0	37173	100	Nil
Rehabilitation of channels of First Patiala Feeder and Kotla Branch	68624	61600	7024	10	Nil
Relining of Rajasthan Feeder from RD 179000-496000 Km	93117	0	93117	100	Nil
Relining of Sirhind Feeder from RD 119700-447927 Km	34548	0	34548	100	Nil
Total	**256788**	**80328**	**176460**		

Source: Data collected from Central Water Commission

*** The targets of irrigation potential except KCS II remained static.**

Audit observed that though irrigation potential of 18,728 Ha was created in case of Kandi Canal Stage-II, it could not be utilized as ancillary works such as cross drainage work, railway bridge and the construction of outlets were delayed because the earlier works of outlets had been damaged (2007-08). Further, no irrigation potential was created under three projects.

Project-wise implementation of the programme is discussed in the following paragraphs:

3.8.5.1 Extension of Kandi Canal Stage-II

The project Kandi Canal Stage-II was technically sanctioned (August 1999) by the Technical Advisory Committee (TAC) of the Central Water Commission (CWC) for ₹ 147.13 crore which was revised (September 2010) to ₹ 540.24 crore with the condition that the project would be completed by March 2012 and no further time and cost overrun would be accepted. Out of the targeted development of irrigation potential of 29,527 Ha lying in Kandi Area**,** 20,008 Ha were proposed to be covered under flow irrigation and balance 9,519 Ha by lift irrigation on left side of the Kandi canal. The project comprising construction/execution of various[46] components was to be completed by March 2012.

(i) Improper survey

Though the project was started during 1999-2000, the execution of the project was delayed initially due to non-completion of survey necessitating a change in execution plan from open canal work to the laying of an underground pipe line in the cultivated land of farmers and payment of compensation of ₹ 20.02 lakh to the farmers for damage of crops and thereafter due to the existence of a pipeline of the Gas Authority of India Limited (GAIL) in the alignment of this portion of canal which was obstructing the completion of the work. Both these impediments could have been avoided had there been a proper survey.

The Department stated (September 2016) that the issues of clearances from GAIL and Forest Department had been settled and the project would be completed by March 2017.

(ii) Delay in awarding the works

Two works[47] of KCS-II were technically sanctioned in February 2009 and October 2010 for an estimated cost of ₹ 5.25 crore and ₹ 11.21 crore respectively. The estimates included ₹ 0.21 crore and ₹ 0.43 crore respectively as cost of laying the pipes. The work of laying the pipes in case of Pojewal Lift Irrigation Scheme (LIS) was allotted (September 2010) for ₹ 0.22 crore after the lapse of tender validity period i.e. after one and a half year from the

[46] Head Regulators (6), Cross Regulators (3), Cross Regulators-cum-Escape channel (2), Direct Outlets (31), Cross Drainage work (85), V.R. Bridge (72), D.R. Bridge (8), Foot Bridge (32), Railway Bridge (1), Earth Work (2179378 cum), Lining (70.5 Km), Service and Boundary roads (70.5 km), Distributary (161 Km) and Water Course (680 Km) besides acquisition of 293.66 Ha land for the project.

[47] (i) Constructing Pojewal lift irrigation scheme rising main Stage I and II off taking RD 112.526 km; and (ii) laying ACP pipes of Gangowal lift irrigation scheme at RD 88.731 km.

date of opening the tenders due to which the agency refused (July 2013) to execute the work. Thereafter, the work was allotted in February 2014 i.e. after a delay of 60 months for ₹ 1.03 crore. In case of Gangowal LIS, the work was not initiated for more than three and a half years. Thereafter, the work was allotted in May 2014 i.e. after a delay of 43 months for ₹ 1.42 crore. Thus, inordinate delay in allotting the work of laying the pipes resulted in an extra cost of ₹ 1.81 crore[48].

The Department stated (September 2016) that delay was due to damage of canal in 2008 and the focus was shifted to repair of Bhangi *Choe*.

(iii) Ill-planning in procurement of material

Though material worth ₹ 20.15 crore was purchased by the Department during July 2009 and December 2010 for three works of two LIS under KCS-II project, two works[49] of laying pipes were allotted in February 2014 and May 2014 i.e. after a delay of 54 months and 40 months respectively. As a result, out of 24,990.06 meter pipes procured, 7,299.06 meter pipes (29 *per cent*) worth ₹ 4.53 crore were yet to be utilised even after a lapse of more than seven years from the date of procurement.

The Department stated (September 2016) that delay was due to damage of canal during heavy rains/floods of 2008 and that they would be utilized shortly. The reply was not tenable because material was purchased during July 2009-December 2010 whereas heavy rains had caused damage to the canal in 2008.

3.8.5.2 Short recovery of mobilization advance

The Agreement relating to the work of "Construction of Shahpur Kandi dam" provided that the contractor was entitled for mobilization advance at the rate of five *per cent* of the initial contract price against bank guarantee. The recovery of the advance was to be at the rate of 20 *per cent* and was to commence from the next interim payment certificates when such payments reached not less than 15 *per cent* of contract price or 12 months from the date of payments of first instalment of mobilization advance whichever is earlier.

Audit observed that after allotting (January 2013) the work for ₹ 687.51 crore, mobilization advance of ₹ 34 crore[50] was paid to the contractor. The recovery of mobilization advance was started on 30 July 2014 from the 5th running bill after the expiry of 12 months from the date of start**.** Up to March 2015, a recovery of only ₹ 9.64 crore (principal ₹ 8.72 crore+interest ₹ 0.92 crore) had been made from the agency against the required recovery of ₹ 12.94 crore including interest leading to short recovery of ₹ 3.30 crore. The work had been held up since August 2014 and no recovery of mobilization advance was made since then.

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48 ₹ 0.82 crore + ₹ 0.99 crore.

49 (i) Laying of ACP pipes Lift Irrigation Scheme for Gangowal; and (ii) Constructing Pojewal Lift Scheme rising main Stage I and II.

50 ₹ 15 crore on 17 May 2013; ₹ 5 crore on 26 July 2013; and ₹ 14 crore on 20 December 2013.

The Department stated (September 2016) that agreement was still alive so the recovery would be made shortly. The reply was not acceptable because the work was held up for more than two years and moreover the bank guarantees received against mobilization advance had expired in September 2016.

3.8.6 Conclusion

Poor management of funds and release of State share coupled with weak programme implementation resulted in loss of central assistance due to non-completion of project/short release of State share and creation of avoidable interest liability of ₹ 62.09 crore. Procurement of material was made much in advance of requirement and there was delay upto five years in awarding the works even after approval as well as short recovery of mobilization advance. The Department failed to create projected irrigation facility despite spending ₹ 260.53 crore during the last five years. Though irrigation potential of 80,328 Ha was created against the target of 2,56,788 Ha during the period covered under audit, its utilization was not possible due to non-completion of any of the projects.

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

3.9 Avoidable payment of interest due to delay in payment of land compensation

Delay of 41 months in payment of enhanced compensation awarded by the Court resulted in avoidable burden of interest of ₹ 0.93 crore on State Exchequer and also created a liability of ₹ 0.43 crore on this account.

As per the Standing Order[51] No. 28 issued under the Land Acquisition Act, 1894 (Act), when a court has awarded any compensation in excess of the acquiring officer's award, further payment due should be made into the Court. Section 28 of the Act *ibid*, provides that if the Court awards compensation in excess over that awarded by the collector, the collector shall pay interest on such excess at the rate of nine *per cent* per annum from the date of taking possession of the land to the date of payment of such excess into Court. Where such excess or any part thereof is paid into Court after expiry of a period of one year from the date on which possession is taken, interest at the rate of fifteen *per cent* per annum shall be payable from the date of expiry of the said period of one year on the amount of such excess or part thereof which has not been paid into Court.

Test check of the records of the Chief Engineer (CE), Ranjit Sagar Dam (RSD), Shahpurkandi Township revealed that the Land Acquisition Officer, RSD Project, Shahpurkandi Township, district Pathankot acquired[52] land for the purpose of reservoir area of RSD in September 1998. The land owners

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[51] Dealing with the acquisition of land for public purposes.

[52] At the market price between ₹ 12,000 and ₹ 48,000 per acre (i.e. between ₹ 75 and ₹ 300 per marla).

filed (June 2010) reference petition under Section 18 of the Act before the Reference Court of Gurdaspur which enhanced (29 August 2011) the market price of the land to ₹ 1,600 per *marla* and directed the Department to make payment of the enhanced compensation within three months. However, no action was taken to deposit the amount in the Court for making payment of enhanced compensation to the land owners till June 2014 when CE demanded the requisite funds from the Department of Irrigation who sanctioned the same in December 2014. The Finance Department released the funds of ₹ 8.71 crore on 22 April 2015 and it was deposited with the Additional District Judge, Pathankot on 30 April 2015 i.e. 44 months after the decision of the Court.

Audit noticed that the amount of ₹ 8.71 crore included interest of ₹ 5.80 crore at the rate of 15 *per cent* from 01 October 1999[53] to 31 March 2014 (174 months). Had the Department paid the enhanced compensation in the Court within three months of the decision of August 2011, it would have saved interest of ₹ 0.93 crore[54] paid for 28 months from December 2011 to March 2014. Besides, the Department had rendered itself liable for payment of further interest of ₹ 0.43 crore[55] to the land owners for 13 months from 01 April 2014 to 30 April 2015 i.e. actual date of payment in the Court.

The CE attributed (May 2016) the delay in payment to pending appeals in identical cases of the same award in Supreme Court of India. It added that the funds for payment in the cases as per Court's decision of August 2011 were demanded during the year 2014 after the Court pressed for payment on the Execution applications of the land owners. The reply was not tenable as the list of the pending cases supplied (September 2016) by the Project and Reservoir Maintenance Division related to decisions of the Additional District Judge, Gurdaspur, between the years 2000 and 2008 and these did not relate to the Court cases decided on 29 August 2011. Therefore, pending appeals in other cases was no justification for not depositing enhanced compensation with the Court. The delay of 41 months in payment of the enhanced compensation awarded by the Court resulted in an avoidable interest burden of ₹ 0.93 crore on the State Exchequer and also created a liability of ₹ 0.43 crore on this account.

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

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[53] After expiry of one year from the date of award (date of taking possession) *viz.* 30 September 1998.

[54] ₹ 5.80 crore/174 months (October 1999 to March 2014) x 28 months (December 2011 to March 2014) = ₹ 0.93 crore (relaxing the period of three months within which the funds were to be deposited in the Court).

[55] ₹ 5.80 crore/174 months x 13 months (April 2014 to April 2015) = ₹ 0.43 crore.

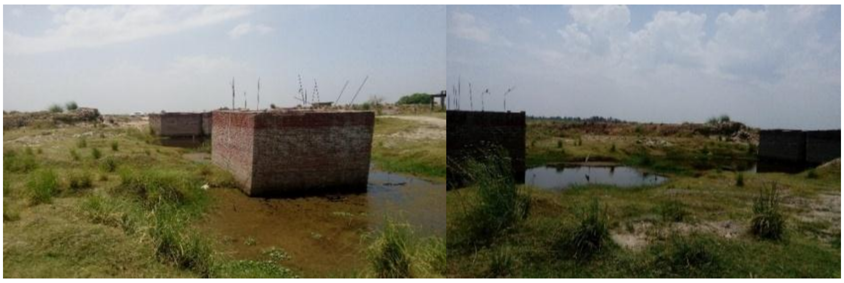
IRRIGATION AND FINANCE DEPARTMENTS

3.10 Commencement of work without assurance of funds

Commencement of a work of a bridge without availability of required funds resulted in stoppage of the work after expenditure of ₹ 1 crore which was rendered unfruitful as the objective of providing connectivity to the villagers was not achieved even after lapse of more than five years since allotment of the work.

In order to provide connectivity to villages Hardochhani and Balgan to enable their residents to carry their agricultural produce and transport heavy machinery *viz.* tractor trolley, etc. to the fields, the Chief Engineer (Drainage), Irrigation Works, Punjab technically sanctioned (June 2011) the work of construction of a bridge[56] at Sakki/Kiran Nallah[57] in district Gurdaspur for ₹ 1.43 crore under the Flood Management Programme[58]. As per condition mentioned in the technically sanctioned estimate, the work was not to be started at site till the funds were released, made available and no liability of any kind was to be created.

Scrutiny of the records of the Executive Engineer, Drainage Division, Gurdaspur, revealed that the EE allotted (November 2011) the work to a contractor for ₹ 1.69 crore on work order basis[59]. The contractor abandoned the work in March 2013 due to non-payment of his bills for the work executed and thereafter re-started it in September 2014 on the request of the EE. However in October 2014, the EE directed the contractor to stop the work due to non-availability of funds. As of March 2016, sixty *per cent* of the work stood completed after incurring an expenditure of ₹ 1 crore and the work was lying abandoned.



Photographs taken on 06 May 2016

Thus, allotment of work in disregard of the condition of the technical sanction and without ensuring the availability of funds rendered the expenditure of ₹ 1 crore unfruitful as the connectivity to the villages could not be provided due to non-completion of the bridge even after more than five years.

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56 RD 406800/RD 420214.

57 Originating from Swailpur Kohlian near Dina Nagar in district Gurdaspur and out falling in river Ravi near village Lodhi Gujjar in district Amritsar.

58 A centrally sponsored scheme where 75 *per cent* funds were provided by the Government of India and the balance 25 *per cent* by the State Government.

59 In which no time limit for completion of the work was prescribed.

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

PUBLIC WORKS (BUILDINGS & ROADS) DEPARTMENT

3.11 Over payment of price escalation

The Department made an overpayment of ₹ 2.39 crore to the contractor due to inclusion of cost of bitumen at base rate in the value of work done while calculating price escalation on components other than bitumen.

The Ministry of Road Transport and Highways, Government of India (MORTH), accorded (February 2011) administrative approval to the work of widening and strengthening of Phagwara-Hoshiarpur road (kms 2.20 to kms 37.54) under Central Road Fund (CRF) for ₹ 44.58 crore.

Test check of records of the Executive Engineer (EE), Provincial Division, PWD (B&R Branch), Hoshiarpur (EE), brought out that the EE allotted (May 2011) the work to a contractor for ₹ 35.75 crore for completion within 15 months i.e. by 06 September 2012 reckoned with effect from 07 June 2011. The work could not be completed within the stipulated period due to non-release of payments to the contractor who subsequently approached (January 2013) the Dispute Review Expert (DRE). The DRE held (February 2013) that the contractor was entitled to price escalation of all commodities and labour. In respect of bitumen, the DRE held that the contractor be allowed the payment for difference in rates on which the bitumen was actually procured for consumption on the work during the period beyond the stipulated date of completion and the rates prevailing 28 days prior to receipt of the tenders (base rate). The Chief Engineer (NH), Patiala (CE) initially rejected (March 2013) the decision of the DRE and directed for re-tendering. However, the EE submitted (June 2013) that re-tendering would not be a financially viable option and recommended continuing with the current contractor and allowing price escalation as suggested by DRE. EE also proposed that the price escalation for non-bitumen component would be paid after deducting the cost of bitumen from the value of the work done for the month under consideration. This proposal was accepted (June 2013) by CE. The work was completed in June 2015 and the EE paid (September 2015) final bill of ₹ 47.26 crore to the contractor which included interest amount of ₹ 0.75 crore.

Audit observed that for price escalation of non-bitumen components, the bitumen component was to be excluded from the total value of work done during the respective months as actual price difference of bitumen was paid separately. However, the value of bitumen at base rate was not subtracted from the value of work done after the stipulated date of completion for calculating price escalation of non-bitumen components. Inclusion of the value of the bitumen in the total value of work done considered for price escalation resulted in over payment of ₹ 2.39 crore on account of price escalation on non-bitumen components.

The EE stated (November 2015) that interest was paid as per the agreement and added (August 2016) that value of bitumen at base rate was not subtracted from the value of work done as per the contract agreement and DRE's decision. The plea of the EE regarding non-subtraction of value of bitumen at base rate from the value of work done was not acceptable since DRE had directed to pay the difference of actual purchase price of bitumen and base rate. As such, the entire cost of bitumen including base rate should have been subtracted from the value of work done while calculating price escalation for other components other than bitumen.

Thus, inclusion of value of bitumen at base rate in the value of work done while calculating price escalation on components other than bitumen resulted in an over-payment of ₹ 2.39 crore to the contractor.

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

3.12 Extra expenditure due to change in scope of work

Change in scope after award of the work coupled with delayed action by the Department for non-completion of the work by the contractor delayed the work by 22 months and inflicted extra burden of ₹ 0.79 crore on State Exchequer.

The Public Works Department instructed (August 2011) all Chief Engineers/Superintending Engineers/Executive Engineers to ensure that no change in scope of work or specifications involving major increase in cost of the work is allowed after award of the tender. Para 6.11(vi) of Public Works Department (Buildings and Roads) Manual of Orders provides for most careful preliminary investigation prior to the framing of a project so as to ensure that the estimate is made, as complete as possible, to avoid excesses over the original and to dispense with the necessity of revising the estimate.

Test check of records of the Executive Engineer, Construction Division No. 1, PWD (B&R Branch), Jalandhar (EE), showed that the EE allotted (December 2011) a work[60] of road maintenance for ₹ 2.87 crore for completion within five months i.e. by 19 May 2012. To expedite the work, the Chief Engineer (Plan Roads), Punjab (CE) ordered (March 2012) that the specification of the work of two layers of stone metal be replaced with one layer of 50 mm Bituminous Macadam (BM). The CE approved (12 April 2012) the enhancement of the awarded cost to ₹ 3.85 crore from ₹ 2.87 crore (34 *per cent*) which was intimated to the contractor on 27 April 2012 i.e. twenty three days before the stipulated date of completion.

In September 2012, the contractor informed the EE that he would execute the work of BM at the current rates and not on the rates prevailing at the time of the original tender. He further requested the Department to enter into a sub-agreement for the work of BM because it involved a change in scope of the

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[60] Maintenance of Gorayan to Bara Pind–Masani Road upto Banga Phillaur Road, Phagwara–Dosanjh–Mukandpur Road in km 0.00 to km 16.00.

work. He added that he had already laid BM in about two kilometers length after assurance given by the EE that a fresh agreement or a sub agreement for BM would be made. In case this was not acceptable, the EE could get the work of BM done from some other agency. The EE intimated (04 December 2012) the contractor that there was no need to make a fresh agreement or sub-agreement and requested him to execute the work with the changed specifications. The contractor reiterated (18 December 2012) his earlier request of September 2012.

Time extensions were granted up to 30 September 2013 by the EE but neither a fresh/sub-agreement was made by the EE nor was the work completed by the contractor. The EE rescinded the agreement (30 September 2013) and paid his final bill of ₹ 1.51 crore in December 2013. After re-tendering, the EE allotted (14 January 2014) the balance work to another contractor for ₹ 3.10 crore for completion by 13 May 2014. The work was completed on 31 March 2014 and ₹ 3 crore was paid (April 2015) to the subsequent contractor. The Department had to incur ₹ 0.79 crore extra on the executed work due to increase in tendered rates.

The Chief Engineer, PWD (B&R Branch) Punjab, Patiala (CE) stated (August 2016) that extra expenditure was due to time span of almost two years between initial tendering and re-tendering during which rates of most of the items had increased and the re-tendering was unavoidable as the contractor had not completed the work.

Thus, change in scope of the work after award of the tender just one month prior to the stipulated date of completion coupled with inaction on the part of the Department in taking timely action for non-completion of the work by the contractor delayed the work by 22 months and inflicted an extra burden of ₹ 0.79 crore on the State Exchequer.

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

3.13 Additional cost due to delay in handing over encumbrance free site for execution of work

Delay of 37 months in handing over of the site for Jalandhar-Hoshiarpur road work and delay in obtaining forest clearance in work of widening of Kartarpur-Kapurthala Road resulted in avoidable payment of ₹ 2.73 crore to the contractor.

The PWD Code provides that no work should be commenced on land which has not been duly made over by the competent authority. As per agreements executed by the department with contractors, it is incumbent upon the department to hand over possession of encumbrance free site to the contractors to enable them to execute the work and any delay could be treated as a compensation event. Audit noted two instances where the department failed to hand over possession of encumbrance free site that resulted in payment of ₹ 2.73 crores as compensation to the contractors as discussed below:

(a) The Executive Engineer, Central Works Division, Hoshiarpur (EE), allotted (December 2009) the work of four laning (kms 1.74 to 6.00) of National Highway 70 Jalandhar-Hoshiarpur road to a contractor at a cost of ₹ 8.44 crore for completion within 11 months i.e. up to 01 November 2010. As per the agreement, the Department had to give possession of all parts of the site to the contractor on the date of award of the contract. If possession of a part was not given by the date of award of contract, the employer was deemed to have delayed the start of the relevant activities and this was to be treated as a compensation event. Further, the agreement provided that if a compensation event caused additional cost or prevented the work being completed before the intended completion date, the contract price was to be increased and/or intended completion date extended.

Scrutiny of records of the Public Works Department showed that the pace of the work was hampered from the very beginning due to non-handing over of clear site[61] to the contractor. The site was finally cleared on 25 February 2013 and works was completed on 30 November 2013 after 37 months beyond scheduled date of completion. The EE paid final bill for the work amounting to ₹ 8.61 crore in March 2014. Thereafter, the contractor approached (July 2014) the Superintending Engineer-cum-Dispute Review Expert, Central Works Circle, Punjab, PWD (B&R Branch), Chandigarh (DRE) for payment of compensation on account of delay in handing over the clear site as stipulated in the agreement. DRE while admitting his claims stated (October 2014) that the contractor incurred extra expenditure on procurement of bitumen over the rates prevailing on the original date of completion and escalation for other items and ordered compensation for the same. Accordingly, an amount of ₹ 1.41 crore was paid (₹ 1.12 crore in December 2014 and ₹ 0.29 crore in January 2015) to the contractor on account of compensation[62].

Thus, delay in removal of encumbrances of electric poles and transformers and obtaining clearance for cutting of trees and handing over of site delayed Jalandhar-Hoshiarpur road work by 37 months and resulted in payment of compensation of ₹ 1.41 crore to the contractor.

(b) The work of widening/strengthening of Kartarpur–Kapurthala Road (0.00 to 13.00 kms) in Jalandhar and Kapurthala districts under Central Road Fund was allotted (20 February 2010) to a contractor for ₹ 7.13 crore for completion within eight months i.e. by 19 October 2010 on the same terms as brought out above.

Test check of records of the Executive Engineer, Central Works Division, PWD (B&R Branch), Jalandhar (EE), revealed that action to seek permission for diverting forest land and electric lines falling within the site was started in August 2010 i.e. after six months from the date of allotment and just two months prior to the scheduled date of completion. As such, the completion of work was delayed as the clear site was not provided to the contractor till October 2012 i.e. even after lapse of two years beyond its date of completion. Due to failure to fulfill the contractual obligations of providing the clear site to

[61] Which was occupied by trees, electric poles and electric transformers.
[62] ₹ 0.47 crore for bitumen; and ₹ 0.94 crore for other items except bitumen.

him, the contractor invoked the agreement and demanded (October 2012) increase in contract price on the basis of rates prevailing in September 2012. The Department had to accept (October 2012) the contractor's claims and enhanced the amount of contract from ₹ 7.13 crore to ₹ 8.61 crore (October 2012) when the work was re-started. This also included the work of providing and laying of Semi Dense Bituminous Concrete in central portion of the road in km 0.00 to 6.00 km, which had not been included in the original work at the revised rates for ₹ 0.75 crore. The work was completed in April 2013 and the contractor was paid ₹ 8.69 crore in January 2014. Comparison of the work executed after October 2012 at the revised rates with the original allotted rates revealed that cost of work had increased by ₹ 0.95 crore. Besides, the department also paid interest of ₹ 0.37 crore due to delayed payments to the contractor as per the agreement.

The Chief Engineer (NH), Punjab PWD (B&R Branch) stated (November 2016) that no provision of forest clearance was made in the estimate and NOC from Forest Department was necessitated due to increase in the scope of work. The CE added that delay in the execution of the work deteriorated the central portion of km 0.00 to 6.00 and thus semi dense bituminous concrete was required to be laid. As regards payment of interest, the CE stated that the payments were delayed due to late receipt of funds from the Finance Department. The reply was not tenable as the estimate of the work submitted by the EE had provision of forest clearance. Thus, delay in providing the clear site and delay in making payment to the contractor increased the avoidable cost of work by ₹ 1.32 crore[63].

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

3.14 Unfruitful expenditure due to inadequate allotment of funds after administrative approval and commencement of works

Inability of the Department to ensure adequate allotment of funds while according administrative approval and commencing works for construction of a Science Block in a college and a multi-purpose stadium resulted in unfruitful expenditure of ₹ 2.61 crore incurred on its construction and the works remaining abandoned for period upto six years.

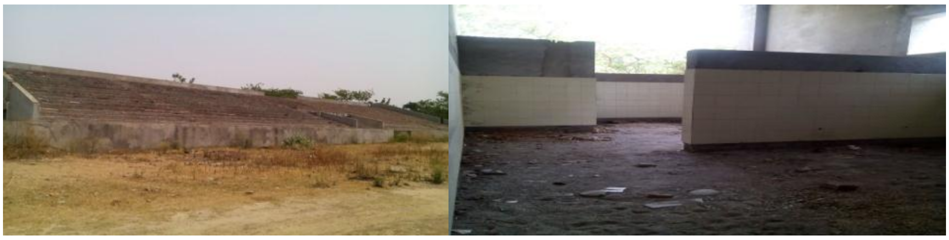
The Public Works Department Code provides that no work shall be commenced unless a properly detailed design and estimate has been sanctioned, allotment of funds made and orders for its commencement issued by the competent authority. The intention of the provision is to ensure a synchronization between availability of funds and execution of works. Once works are awarded and execution commenced, it is necessary that requisite flow of funds are ensured so as to avoid delay, unfruitful expenditure and cost escalation. Audit noticed instances where works awarded and commenced had subsequently to be abandoned after part execution due to paucity of funds resulting in unfruitful expenditure as well as denial of the intended benefits as discussed below.

63 Increase in cost of work:₹ 0.95 crore; interest:₹ 0.37 crore = ₹ 1.32 crore.

(a) The Department of Higher Education and Languages accorded (February 2009) administrative approval for the construction of Government College (Science, Arts and Administrative blocks) at Talwara for ₹ 17.35 crore. Test check of records of the Executive Engineer, Construction Division, PWD (B&R Branch), Mukerian (EE) showed that the EE allotted (26 February 2009) the work to a contractor at a cost of ₹ 12.11 crore for completion within 12 months i.e. by 25 February 2010. However, the EE received (between April 2009 and July 2012) only ₹ 8.50 crore against the allotted cost of ₹ 12.11 crore for this work. While the work of Arts and Administrative blocks had been completed and handed over to the College authorities in September 2012 with total expenditure of ₹ 8.61 crore (January 2016) including ₹ 0.92 crore (thirty *per cent* of ₹ 3.08 crore, the estimated cost of the Science block). The remaining work of Science block had been held up since January 2013 for want of balance funds and the block could not be put to any use by the College authorities. The agreement with the contractor was finally rescinded in May 2014. The EE stated (May 2014) that funds for the balance work had not been received despite persistent efforts and added (February 2016) that the agreement had been rescinded for want of funds and the balance work would be completed by the client department at their own level.

Abandoned Science block
(17 February 2016)

(b) The Department of School Education accorded (December 2011) administrative approval for ₹ 3 crore for the construction of a multi-purpose sports stadium at village *Sekhwan* in district Gurdaspur. The Chief Engineer (Buildings), Punjab Public Works Department (Buildings and Roads Branch), gave technical sanction (December 2011) to the detailed estimate of the work. Test check of the records of the Executive Engineer, Construction Division, Gurdaspur at Batala (EE) showed that the EE allotted (March 2012) the work to a contractor at a cost of ₹ 2.92 crore for completion within six months i.e. by September 2012. However, the contractor stopped (June 2013) the work after completing 61 *per cent* of it due to non-payment for the executed work and filed a writ petition in Hon'ble Punjab and Haryana High Court. Based on the decision of the High Court (February 2014), the EE paid (October 2014) ₹ 1.62 crore to the contractor. Total expenditure incurred on the work so far was ₹ 1.69 crore. As of September 2016, the balance work was lying abandoned for want of funds required for its completion. The EE stated (May 2016) that the work had been held up for want of balance funds.



Photographs taken on 16 June 2016

Thus, the failure of the department to ensure adequate flow of funds for projects that had been accorded administrative approval and works awarded for execution resulted in unfruitful expenditure of ₹ 2.61 crore and depriving the users of the benefits of the works.

The matter was referred to the Government in May and July 2016 respectively; reply was awaited (December 2016).

REVENUE, REHABILITATION AND DISASTER MANAGEMENT DEPARTMENT

3.15 Excess payment of compensation to landowners

Payment of additional compensation on solatium in contravention of the provisions of Land Acquisition Act and National Highways Act led to excess payment of ₹ 0.96 crore to land owners.

On behalf of the National Highways Authority of India, the Competent Authority-cum-Sub Divisional Magistrate, SAS Nagar, announced[64] (August 2013) an award of ₹ 29.06 crore for acquisition of land measuring 27,552.40 Biswasi[65] for widening/four-laning of NH-64 on the Zirakpur-Patiala section in district SAS Nagar. The award was announced in accordance with Section 23(1A & 2) of the Land Acquisition Act, 1894 (LA Act) together with Section 3G of National Highways Act, 1956 (NH Act) which provided for payment of solatium of 30 *per cent* and additional compensation at the rate of 12 *per cent* per annum on such determined market value for the period commencing on and from the date of publication of the notification under Section 4 (Section 3 (A) under NH Act) in respect of such land, to the date of award or the date of taking possession of the land, whichever was earlier. Accordingly, the Union Ministry of Road Transport and Highways transferred (May 2014) ₹ 29.06 crore to the Competent Authority-cum-Sub Divisional Magistrate, SAS Nagar for disbursing the compensation to the land owners/interested persons.

During test-check of records in the office of Sub Divisional Magistrate, SAS Nagar, it was noticed that instead of disbursing the compensation to the land owners as per the award announced in August 2013, the Competent Authority-cum-Sub Divisional Magistrate forwarded (January 2015) a revised award in

64 Notification under Section 3(A) of National Highways Act, 1956 was issued on 30.01.2012.

65 Villages (i) Banur (34 Bigha 10 Biswa and 12 Biswasi i.e. 13,812 Biswasi); and (ii) Gobindpura (34 Bigha 7 Biswa and 0.4 Biswasi i.e. 13,740.40 Biswasi).
1 Bigha = 20 Biswa ; and 1 Biswa=20 Biswasi.

respect of land measuring 23,288 Biswasi[66] for ₹ 25.80 crore after rectifying excess land inadvertently included in the earlier award (notification) to the Chief Engineer (National Highways), Punjab PWD (B&R), Patiala (CE-NH). The amount of the revised award (₹ 25.80 crore) included additional payment at the rate of 12 *per cent* per annum (₹ 0.99 crore) on solatium over and above that provided for in the award of the Competent Authority-cum-Sub Divisional Magistrate and the LA Act and NH Act. Without waiting for approval of NHAI to the revised award, the Competent Authority-cum-Sub Divisional Magistrate had disbursed (as on 17 January 2017) the compensation of ₹ 25.04 crore[67] (out of ₹ 25.80 crore) to the land owners as per the revised award which included the excess additional payment on solatium amounting to ₹ 0.96 crore.

The Competent Authority-cum-Sub Divisional Magistrate stated (October 2015) that the Department had correctly awarded the compensation as per decision (October 2004) of the Hon'ble Punjab and Haryana High Court in another case[68] in which the Hon'ble High Court had also allowed additional compensation at the rate of 12 *per cent* per annum on the solatium component.

The reply was not tenable as the judgement on the basis of which additional payment was made pertained to an entirely different case of the State of Haryana in which the notification under Section 4 was made after 10 years of taking possession of the land. Since as per the LA Act, interest for the period prior to the award was not payable, the Hon'ble Court had ordered the additional compensation at the rate of 12 *per cent* per annum on the amount of solatium in order to compensate the claimants. However, in the award announced in August 2013, there was no such delay in issuance of notification under Section 4 (Section 3-A of NH Act). Therefore, the said decision of the Hon'ble High Court was based on the specific circumstances of that case and applicable to the parties involved in that case only and could not be generalised for application to all other land acquisition cases.

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

3.16 Non-utilisation of satellite imagery for hazard vulnerability analysis for disaster management

Indecision on the part of the Department in selecting an executing agency resulted in High Resolution Satellite Imagery worth ₹ 0.83 crore not being used for preparation of Hazard Risk Vulnerability Analysis even after more than five years of its procurement.

The guidelines on District Disaster Management Plan issued (February 2005) by the National Institute of Disaster Management (NIDM), Government of

[66] Villages (i) Banur (24 Bigha 13 Biswa and 18 Biswasi i.e. 9,878 Biswasi; and (ii) Gobindpura:(33 Bigha 10 Biswa and 10 Biswasi i.e. 13,410 Biswasi).

[67] ₹ 23.60 crore up to 31.12.2014 and ₹ 1.44 crore from 1.1.2015 to 12.05.2016.

[68] RFA No. 1804 of 1989 decided on 01-10-2004 (Yudhbir Singh Lamba and Othrs Vs. State of Haryana and Others).

India (GOI), stipulated that there should be a proper assessment of the vulnerable areas of disaster, preparedness, response, mitigation and reduction of impact of disaster. Accordingly, with a view to generating a Hazard Risk Vulnerability Analysis (HRVA) and a database for Geographical Information System (GIS) for disaster management, the Department of Revenue, Rehabilitation and Disaster Management (Department) placed (July 2010) an order for procurement of High Resolution Satellite Imagery (HRSI) for the entire State of Punjab from the Department of Science and Technology (DoST), Government of India, at a cost of ₹ 0.83 crore[69]. The expenditure on preparation of HRVA was to be met from funds of ₹ 5 crore provided by GOI each year during 2010-11 to 2011-15 for capacity building for disaster response.

Audit of records of the Financial Commissioner (Revenue), Punjab, showed that the Department recruited (December 2011) 29 Response Centre Professionals (RCP) for carrying out HRVA[70] using HRSI procured between December 2010 and July 2011. However, this sophisticated imagery could not be put to use for preparation of HRVA as the Department could not decide about getting the work done either from Response Centre Professionals recruited for the purpose or by outsourcing it to one of the Universities[71].

The Department stated (January 2017) that due to expiry of the scheme on 31 March 2015 and non-validation of funds thereafter, the services of the employees recruited for the purpose were terminated and the work was not allotted to any agency. As such, the work could not be processed further. It added that HRSI were now being used for other purposes[72]. The reply of the Department was not tenable as despite availability of funds during 2010-15 and manpower (RCPs), the Department could not use HRSI worth ₹ 0.83 crore for intended purpose related to disaster management even after more than five years of its procurement thereby causing an important objective under disaster management to remain unachieved.

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

69 The purchase was funded out of the Calamity Relief Fund (now State Disaster Response Fund).

70 In addition to other duties, as per Terms of Reference.

71 (i) Guru Nanak Dev University, Amritsar, (ii) Punjabi University, Patiala; and (iii) Panjab University, Chandigarh.

72 (i) Punjab Land Record Society for imparting training to the employees of Revenue Department and for geo-referencing with digitized records; (ii) Punjab Remote Sensing Department for database of Punjab; and (iii) Forest Department for forest mapping.

REVENUE, REHABILITATION & DISASTER MANAGEMENT AND IRRIGATION DEPARTMENTS

3.17 Avoidable burden on State Exchequer due to undue delay in announcement of award for land compensation

Delay in initiating land acquisition process and thereafter delay in fixing market value of land and announcement of award beyond the stipulated period resulted in avoidable burden of ₹ 13.25 crore on the State exchequer.

With a view to eliminating delay in land acquisition proceedings, the Department of Revenue and Rehabilitation formulated (December 2006) a new policy for acquisition of land under the Land Acquisition Act, 1894 (Act). The policy stipulates that the time period between the notification under section 4 and declaration under section 6 and thereafter between the declaration and announcement of award shall be six months at each stage respectively. The District Land Price Fixation Committee (DLPFC) is to determine the market value of land as on the date of publication of the notification under section 4, within three months of its issue which is to be incorporated in the declaration under section 6 of the Act.

Test check of records of the Executive Engineer, Patiala Drainage Division, Patiala (EE), showed that Irrigation Department constructed[73] embankments from RD 0 to 13000 on both sides of Sagrapara drain[74] by taking possession of 34.53 acres land on 22 May 1999 with the consent of the villagers of three villages[75] of district Patiala. Though the possession of land was taken in May 1999, the Irrigation Department began formal acquisition proceedings only 12 years later and issued notification under section 4 on 11 August 2011. There was neither any justification/reason on record nor were any reasons intimated by the department for delayed initiation of the acquisition process. Declaration was issued under section 6 on 02 September 2011 without incorporating therein market value of the land as required under the policy. The market value of this land was first fixed at ₹ 13 lakh per acre by DLPFC on 11 June 2013 i.e. after almost two years of the issue of declaration. However, the award was not announced for which no justification was found on record. Thereafter, DLPFC met again on 27 May 2014 and fixed the same rate of ₹ 13 lakh per acre**.** The LAO finally announced the award on 14 November 2014 for ₹ 19.07 crore[76] including solatium @ 100 *per cent* and interest for more than three years after the issue of notification under section 4.

In the meantime, 'Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013' (New Act) had come into force with effect from 01 January 2014. The award announced was worked out after considering the provisions of the New Act and included

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73 To save agricultural land and crops of the farmers from damage during rainy season.
74 Out falling into river Ghaggar near village Sagra in Tehsil Samana, district Patiala.
75 Arno-2.06 acre; Chichharwal-11.51 acre; and Sagra-20.84 acre.
76 Arno-₹ 1.14 crore; Chichharwal-₹ 6.38 crore; and Sagra-₹ 11.55 crore.

Solatium of ₹ 4.47 crore at the rate of 100 *per cent* on the cost of ₹ 4.47 crore which was payable at the rate of 30 *per cent* (which works out to ₹ 1.34 crore on the cost of ₹ 4.47 crore in the instant cases) prior to coming into force of the New Act. Thus, the State could have saved ₹ 3.13 crore[77] on account of payment of *Solatium* had the land acquisition proceedings been completed by 10 August 2012 i.e. within the prescribed period of one year of issue of the notification.

It was further observed that the awarded compensation included interest of ₹ 10.12 crore[78] from May 1999 i.e. the date of possession to November 2014 which was injudicious as the award itself was announced in November 2014 and that too on the basis of current market rates. Hence payment of interest from May 1999 was not warranted.

The Land Acquisition Officer, (LAO) did not furnish (December 2016) reasons for not completing the land acquisition proceedings within one year of the issue of notification. With regard to award of interest of ₹ 10.12 crore from 23 May 1999, the LAO stated (September 2015) that the land owners were eligible for the same under the Act.

The reply of LAO regarding payment of interest from 23 May 1999 to 13 November 2014 is not acceptable as Section 34 of the Act provides for payment of interest if the awarded compensation is delayed whereas in the instant case, compensation was awarded in November 2014 itself and on the basis of current market rates and not at the rates prevailing in May 1999. Hence, payment of interest from 1999 was not correct.

Thus, delay in initiating land acquisition process and thereafter, delay in fixing market value of land and announcement of award beyond the stipulated period, resulted in avoidable burden of ₹ 13.25 crore[79] on the State exchequer.

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

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(in ₹)

Name of the village	**Tehsil**	**Compensation as per market rate approved in the award**	**Solatium paid at the rate of 100 *per cent* of compensation as per Section 30 of 2013 Act**	**Solatium as per the Land Acquisition Act, 1894, payable at the rate of 30 *per cent* before 01/01/2014**	**Avoidable payment of Solatium**
Arno	Patran	26,81,250.00	26,81,250.00	8,04,375.00	18,76,875.00
Chichharwal	Patran	1,49,66,250.00	1,49,66,250.00	44,89,875.00	1,04,76,375.00
Sagra	Patran	2,70,96,875.00	2,70,96,875.00	81,29,062.50	1,89,67,812.50
Total		**4,47,44,375.00**	**4,47,44,375.00**	**1,34,23,312.50**	**3,13,21,062.50**

78 Arno-₹ 0.61 crore; Chichharwal-₹ 3.38 crore; and Sagra-₹ 6.13 crore at the rate of nine *per cent* from 23 May 1999 to 22 May 2000 and thereafter upto 13 November 2014 at the rate of 15 *per cent*.

79 ₹ 3.13 crore on account of extra *Solatium* and ₹ 10.12 crore on account of interest paid between November 2014 and January 2016.

SCIENCE, TECHNOLOGY AND ENVIRONMENT DEPARTMENT

3.18 Post clearance monitoring of environment clearances

The Punjab Pollution Control Board failed to carry out monitoring of compliance of Environmental Clearance conditions. Provisions related to renewal of Consent to Operate/Consent to Establish/Environmental Clearance were not strictly enforced with the result that some projects were operating without valid environmental clearances. Statutory permissions for drawing ground water and disposal of hazardous waste were not obtained from the Central Ground Water Board and the Punjab Pollution Control Board respectively. Inadequacies were noticed in the implementation of activities falling under the ambit of Corporate Social Responsibility. Green belt was not developed as required under environment clearance condition while fly ash was not being utilised as per Fly Ash notification.

3.18.1 Introduction

The Union Ministry of Environment, Forest and Climate Change (MoEF&CC) vide Environment Impact Assessment (EIA)[80] Notification (September 2006) made Environment Clearance (EC) mandatory for eight sectors[81] comprising 39 different activities falling under category 'A' and 'B'. MoEF&CC and State Level Environment Impact Assessment Authority (SEIAA)[82] are the designated authorities for issuing EC for category 'A' and 'B' projects respectively.

An audit was conducted to assess whether an adequate post environmental clearance monitoring mechanism was in place and to ascertain whether the Project Authority (PA) complied with all the conditions of EC and commitments made in the EIA report. The audit was conducted with reference to the criteria contained in the EIA Notification of September, 2006, as amended from time to time.

In Punjab, 456 category 'A' projects[83] and 121 category 'B' projects[84] of various sectors were granted EC by MoEF&CC and SEIAA respectively during 2008-2012[85] out of which nine projects of category 'A' and 16 projects of category 'B' were selected for audit verification by covering the period 2012-16. While MoEF&CC had not visited any selected projects with audit

80 Environment Impact Assessment is a process for identifying the environmental impacts of a project prior to its approval.

81 (i) Mining, extraction of natural resources and power generation; (ii) Primary Processing; (iii) Materials Production; (iv) Materials Processing; (v) Manufacturing/Fabrication; (vi) Service Sectors; (vii) Physical Infrastructure including Environmental Services; and (viii) Building /Construction projects/Area Development projects and Townships.

82 Constituted by Central Government.

83 Construction:142, Industries:75, Infrastructure:13, Non-coal mining:215, and Thermal:11.

84 Construction:66, Industries:2; Infrastructure :23; and Non-coal mining:30.

85 The validity of EC was five years, thus those projects were selected for which EC was issued during 2008-12.

party, PPCB had participated in physical verification of the nine selected category-A projects but signed only four of the nine joint inspection reports. Out of the 16 category-B projects selected for audit, physical verification of only six projects could be carried out with the help of the Regional Office of MoEF&CC, Chandigarh (RO).

Audit findings

3.18.2 Lack of oversight over compliance with EC conditions

As per the Punjab Science, Technology and Environment Department directions of September 2014, PPCB would monitor the compliance of EC conditions in respect of category-B projects which were issued by SEIAA.

Scrutiny of records of PPCB revealed that PPCB had not inspected any of the selected projects to verify compliance of EC conditions. Audit observed that out of 15 test-checked projects, in five projects (Category-A:2 and Category-B:3), the condition of compliance of EC conditions was incorporated in the Consent to Operate (CTO) which was issued by PPCB and PPCB was required to verify for compliance.

PPCB stated (May 2016) that as per EIA Notification, 2006, the Board neither had any responsibility to verify the compliance of EC conditions nor any power to take action against the violator. However, the Department stated (October 2016) that as far as the State Government was concerned, it stood by its instructions contained in its letter dated 8 September 2014 which directed PPCB to provide assistance to SEIAA in monitoring compliance with EC conditions in respect of category-B projects.

Evidently there was lack of clear demarcation of responsibilities between the PPCB and the State Government with regard to the monitoring of compliance of key environmental parameters set out in the EC conditions by the proponents of major projects in the State. As a result, the State was bereft of an institutional mechanism to ensure effective oversight on matters related to an important area of environmental protection.

3.18.3 Non-renewal of consent to operate, consent to establish and environment clearance

The Consent to Establish (CTE) and Consent to Operate (CTO) was to be obtained from the PPCB under the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981. The EC/CTE/CTO were required to be renewed after lapse of the validity period. Further, as per Clause 9 of EIA notification, 2006, the validity of EC would be for a period of five years.

Scrutiny of records of RO, MoEF, Chandigarh revealed that the CTO obtained by two Project Authorities had lapsed in April 2013 and March 2013 respectively. Of these, only one had applied for renewal of CTO as of February 2016. Apart from the above two Project Authorities, the CTE of another project had also lapsed as of February 2013. Of the three projects with lapsed CTO/CTE, in two of them construction work were being carried out without renewing EC which had expired in February 2014. Thus, these projects were running without obtaining the required environmental clearances.

3.18.4 Non-creation of Environment Management Cell

As per EC condition, a separate Environment Management Cell (EMC) with suitable staff to carry out various environment related functions[86] would be set-up under the charge of a Senior Executive.

Scrutiny of records of RO, MoEF, Chandigarh and physical verification (November 2015 to August 2016) of selected projects revealed that Environment Management Cell (EMC) had not been set-up in three projects. Resultantly, the requisite monitoring tests which were to be carried out by the EMCs could not be conducted by these Project Authorities.

3.18.5 Non-obtaining of statutory permissions

As per EC condition, it was mandatory to obtain 'No Objection Certificate' from the Central Ground Water Board (CGWB) to draw ground water and authorization for disposal of hazardous waste from PPCB.

Scrutiny of records of RO, MoEF, Chandigarh and physical verification (November 2015 to July 2016) of selected projects revealed that in one project the requisite permission was not obtained from the CGWB as of May 2016 while in three projects although the validity period of permission from CGWB had lapsed during 2004, February 2014 and October 2015, they had not been re-validated (July 2016).

In three other projects, though hazardous waste like oil and grease were being generated from diesel generator sets, the requisite authorisation had not been obtained from PPCB.

3.18.6 Inadequate implementation of Corporate Social Responsibility

MOEF&CC issued an Office Memorandum in August 2014 on Corporate Social Responsibility (CSR) invoking Section 135 of the Companies Act, 2013, and CSR notification in February 2014 which directed that every company having net worth of ₹ 500 crore or more or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year shall constitute a CSR Committee to formulate CSR policy. Two *per cent* of net profit was to be spent under CSR on social welfare of society preferably residing in the region where the project was running. The activities that are eligible for being covered under CSR are listed in Schedule VII of the Companies Act, 2013.

Scrutiny of records of RO, MoEF, Chandigarh and physical verification (November 2015 to August 2016) of the projects revealed that only four out of 15 projects of category-A were covered under CSR. Out of these four projects, one project was in a loss since the last two years. In the remaining

[86] Monitoring at regular intervals for the parameters, including air quality, water quality, ambient noise and occupational safety and health.

three projects, ₹ 9.67 crore was incurred on CSR activities by the Project Authorities out of which ₹ 1.05 crore[87] did not fall under the category of CSR activities as listed in Schedule VII of the Act *ibid*. Further, in one project, ₹ 1.15 crore to be incurred on various CSR activities[88] (EC condition xvi) were not incurred.

3.18.7 Shortfall in development of green belt

As per EC conditions, a green belt of adequate width and density was to be developed around the project/plant periphery covering about 33 *per cent* of the project area preferably with local species.

It was observed during physical verification (November 2015 to August 2016) of selected projects that only seven out of 15 Project Authorities had developed the requisite green belt. Of the remaining eight, three Project Authorities developed green belt with shortfall ranging between 14 and 66 *per cent*, one maintained only a park without any plantation as committed in the Environment Management Plan, one developed the requisite green belt outside the project area and that too without consultation with forest department, one was running without EC while the development of green belt could not be verified in two mining projects since the site had become overgrown with bushes. Thus, adverse effect on the environment due to non-development of green belt cannot be ruled out.

3.18.8 Shortfall in implementation of emergency preparedness plans

Environment Clearance condition and EIA reports require the Project Authorities to prepare and implement an Emergency Preparedness Plan (EPP) after assessing the risks of the project site.

Scrutiny of ECs and physical verification (November 2015 and August 2016) showed that in seven projects, the condition of preparation of EPP was not mentioned in the EC while in four projects, the plans were prepared and implemented. However, in one project, although the Project Authority had committed to provide medical facilities for the employees at project site, this had not been done. In two projects, the disaster management plan was also not prepared as required under EC condition.

3.18.9 Non-submission of compliance reports

As per Clause 10 (i) and (ii) of notification (September 2006) of MoEF&CC regarding EIA and issue of EC, it was mandatory for the Project Authority to submit half-yearly EC compliance reports to the regularity authority concerned on 1st June and 1st December of each calendar year.

[87] ₹ 10 lakh:donation to Punjab Sports Council for Kabaddi and ₹ 90,000:donation to Vyakti Vikas Kendra of Bangalore; and ₹ 94 lakh: donation to religious trust.

[88] (i) Purchase of ambulance : ₹ 15 lakh; (ii) Environment awareness programme in local school : ₹ 20 lakh; (iii) Funding for rain water harvesting in five villages: ₹ 25 lakh; (iv) Adoption of five primary school for repair and maintenance: ₹ 20 lakh; (v) Distribution of free medicines to needy persons: ₹ 10 lakh; and (vi) Plantation of 5000 saplings in Mohali : ₹ 25 lakh.

Scrutiny of records of RO, MoEF, Chandigarh revealed that only eight Project Authorities submitted half yearly compliance reports regularly to RO, Chandigarh/PPCB. Four Project Authorities had shortfall ranging between two and four reports whereas two Project Authorities had not submitted any report. Non-submission of compliance reports not only contravened the clause but also indicated a lack of oversight on environmental issues in the State.

3.18.10 Non-following the provision of Fly Ash Notification

As per Fly Ash Notification of September, 1999, as amended on 27 August, 2003, the Project Authorities were required to utilize the fly ash generated.

Scrutiny of records of RO, MoEF, Chandigarh revealed that only three projects were generating fly ash (one-coal ash and two-rice husk ash) out of which one Project Authority had stored fly ash behind the project site whereas it should have been stored in a lined ash pond. Further, 11,77,589.57 MT fly ash was generated in three projects. But, only one project supplied 20 *per cent* (15457.88 MT and 208160.49 MT during 2014-15 and 2015-16 respectively) of its total generated fly ash to cement and brick manufacturers. Non-utilisation of fly ash was not only a contravention of notification but the incorrect method of dumping huge quantity of fly ash would have an adverse effect on the environment.

3.18.11 Non-submission of annual 'environmental audit report'/ 'environmental statement'

As per clause 14 of Environment (Protection) Act, 1986, an Environmental Audit Report/Environmental Statement (EAR/ES) would be submitted to the concerned State Pollution Control Board every year by the Project Authorities.

Scrutiny of records of PPCB and data supplied by Project Authorities revealed that while EAR/ES was prepared in ten projects, one Project Authority submitted the EAR for three years (2012-2015) while in four projects, the EARs/ESs were not prepared.

3.18.12 Conclusion

The institutional mechanism to monitor and enforce compliance with EC conditions was either lacking or was inadequate and the Punjab Pollution Control Board failed to carry out monitoring of compliance of Environmental Clearance conditions. Provisions related to renewal of Consent to Operate/Consent to Establish/ Environmental Clearance and creation of Environment Monitoring Cell were not followed with the result that projects were operating without a valid EC. Statutory permissions for drawing ground water and disposal of hazardous waste were not obtained from the Central Ground Water Board and the Punjab Pollution Control Board respectively and there were gross inadequacies in implementation of Corporate Social Responsibility, development of green belt, management of fly ash and submission of compliance reports and environmental audit reports.

The matter was referred to Government/Department in September 2016; reply was awaited (December 2016).

SOCIAL SECURITY AND WOMEN AND CHILD DEVELOPMENT DEPARTMENT

3.19 Beti Bachao Beti Padhao Scheme

Out of ₹ 6.36 crore released by Government of India to the State Government during 2014-16, only ₹ 0.91 crore was utilized up to March 2016. Infrequent task force meetings adversely affected the implementation of scheme in 11 districts while the scheme could not be started in nine districts.

In January 2015, the Government of India (GOI) had launched the Beti Bachao Beti Padhao (BBBP) scheme as a 100 *per cent* Central Sector Scheme to address the issue of decline in Child Sex Ratio (CSR) in 100 gender critical districts of India. Initially, 11 districts[89] of Punjab were included (April 2015) under the scheme. Subsequently nine other districts[90] were added (January 2016) by GOI. The scheme was implemented by Government of Punjab (GOP) through its Department of Social Security and Women & Child Development (DSSWCD) and District Administration in convergence with the Departments of Health, Education and Panchayati Raj.

Test check of records for the period 2014-15 and 2015-16 of Director (DSSWCD) and District Programme Officers (DPOs) of all the 11 districts brought out the following:

(i) GOI released ₹ 6.36 crore[91] to the State Government out of which ₹ 2.36 crore was disbursed (October 2015) to DCs/District Programme officers (DPOs) of 11 districts and balance amount of ₹ 0.15 crore was retained at Directorate for District/State level activities respectively. However, DSSWCD submitted consolidated UC of ₹ 1.18 crore for expenditure upto March 2016 to GOI (May 2016) against actual expenditure of ₹ 0.91 crore incurred by Directorate/11 Districts as of March 2016.

The Department stated (November 2016) that UCs had been furnished to GOI on the basis of UCs received from districts wherein the concerned DPOs stated that amount transferred to other departments had been debited to their accounts and hence was shown as utilised.

(ii) The Union Ministry of Women and Child Development had invited the attention (March 2016) of the State to one of the targets of the scheme i.e. improvement in Sex Ratio at Birth (SRB) indicating that there was decrease in SRB in six districts[92] of Punjab during 2015 in comparison to the baseline

[89] (i) Amritsar; (ii) Barnala; (iii) Fatehgarh Sahib; (iv) Ferozepur; (v) Gurdaspur; (vi) Mansa; (vii) Patiala; (viii) Sahibzada Ajit Singh Nagar, Mohali; (ix) Sangrur; (x) Sri Muktsar Sahib; and (xi) Tarn Taran.

[90] Districts not selected by audit as the bills were not cleared by treasury (i) Bathinda; (ii) Faridkot; (iii) Hoshiarpur; (iv) Jalandhar; (v) Kapurthala; (vi) Ludhiana; (vii) Moga; (viii) Rupnagar; and (ix) Shahid Bhagat Singh Nagar.

[91] ₹ 2.51 crore in February 2015 and ₹ 3.85 crore in 2015-16=₹ 6.36 crore (₹ 3.85 crore remained with treasury).

[92] (i) Barnala; (ii) Ferozepur; (iii) Gurdaspur; (iv) Sangrur; (v) Sahibzada Ajit Singh Nagar, Mohali; and (vi) Sri Muktsar Sahib.

values of SRB in the year 2014 as detailed in **Table 3.9** below**.** Audit also noticed that in four of these districts[93], the SRB was not only declining but was also less than overall SRB of State (892 as in March 2016).

Table 3.9: District wise SRB as per report of GOI-State of Punjab for 2014 and 2015

Sr. No	District	Sex Ratio at Birth		Progress made
		2014	2015	
1	Amritsar	887	896	9
2	Barnala	836	821	-15
3	Fatehgarh Sahib	859	905	46
4	Ferozepur	895	871	-24
5	Gurdaspur	889	851	-38
6	Mansa	891	927	36
7	Patiala	830	864	34
8	Sangrur	863	832	-31
9	SAS Nagar Mohali	956	923	-33
10	Sri Muktsar Sahib	908	900	-8
11	Tarn Taran	879	895	16

Source: Departmental data

The Department stated (November 2016) that suitable directions/instructions had been issued to concerned DCs for improving the SRB.

(iii) DPO/District Administration, Mansa, deposited ₹ 1 lakh (₹ 1,000 for each girl child) in the bank accounts of 100 girls covered under the Sukanya Samriddhi Yojana (SSY). This was irregular as the financial benefit of other schemes was not to be met out of the funds of the BBBP scheme.

The Department stated (November 2016) that BBBP and SSY schemes had same objectives and were started in the same year. The reply was not acceptable as both schemes are different and funds should not be utilized for other scheme.

(iv) Although the State Task Force (STF) was constituted as per notification issued in September 2015 for monitoring the activities of BBBP, no quarterly meetings of STF were conducted for convergence and coordination between concerned departments as required under the guidelines. It was also noticed that against the required 44/308 quarterly meetings of District Task Force (DTF)/Block Task Force (BTF), only 22/10 meetings were held respectively during 2015-16.

The Department stated (November 2016) that the meeting of STF had been proposed twice but could not be held due to non-receipt of monthly progress reports (MPRs), UCs and Statement of Expenditure (SOE) from the districts etc. and the report of DTF/BTF would be sought from the district authorities.

Thus, delayed release of funds, short utilization of funds, non-compliance of guidelines, non/short conducting of required Task Force meetings indicated lack of monitoring of the scheme which could further adversely affect the implementation of the scheme.

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

[93] (i) Barnala; (ii) Ferozepur; (iii) Gurdaspur; and (iv) Sangrur.

TECHNICAL EDUCATION & INDUSTRIAL TRAINING DEPARTMENT

3.20 Upgradation of Government ITIs through Public Private Partnership

The department could not utilize available funds for creation and augmenting required infrastructure in ITIs and execution and completion of works were delayed leading to retention of funds in banks adversely affecting the upgradation of existing trades and starting of new trades. Only ₹ 32.25 crore were utilised out of ₹ 47.50 crore released to 19 test checked ITIs during 2008-11. Though all the ITIs except Nabha achieved the Key Performance Indicator of pass percentage, none of the ITIs achieved employability target of 70 *per cent.*

3.20.1 Introduction

Government of India (GOI) Ministry of Labour and Employment, Director General of Employment and Training (DGET) launched (November 2007) a scheme for up-gradation of Government Industrial Training Institutes (ITIs) in the State into Centers of Excellence (COE) through Public Private Partnership (PPP). Salient features of the scheme included constitution of Institute Management Committee[94] (IMC) led by an Industry Partner, entering into Memorandum of Agreement (MOA) with GOI, release of interest free loan by GOI to IMC for management of ITIs and improving quality of vocational training leading to better employability. Under the scheme, funds totaling ₹ 190 crore at the rate of ₹ 2.5 crore per ITI were provided as interest free loan to 76 out of 112 Government ITIs in the State. The scheme was implemented through the Director of Technical Education and Industrial Training (DTE&IT), Punjab.

The audit of the scheme for the period April 2013 to March 2016 was conducted during February-May 2016 by test check of records of DTE&IT and of 19[95] out of 76 ITIs were selected by adopting probability proportional to size without replacement method to assess whether up-gradation of institutions/trades was done as per Institute Development Plan (IDP).

Audit findings

3.20.2 Planning

As per the scheme guidelines (November 2007), the Institute Management Committee prepares and submits Institute Development Plan (IDP) to the State

94 Industry Partner or its representative as Chairperson; four members from local Industry to be nominated by the Industry Partner; five members nominated by the State Government and Principal of ITI, as ex-officio member secretary of the IMC.

95 Government ITI, (i) Barnala; (ii) Fatehgarh Churian (W); (iii) Hoshiarpur (W); (iv) Jassowal Kular; (v) Kartarpur (W); (vi) Kapurthala (W); (vii) Kharar; (viii) Lopoke; (ix) Manuke (W); (x) Maqsoodpur; (xi) Mansa (SC); (xii) Moonak; (xiii) Nabha (W); (xiv) Pathankot (SC); (xv) Phagwara; (xvi) Sultanpur lodhi (W); (xvii) Sangrur (W); (xviii) Talwandi Chaudhriyan; and (xix) Tarn Taran.

Steering Committee who in turn forwards the IDP to GOI for release of loan amount. As per the IDPs approved (March 2008-August 2011) by the Director General of Employment and Training, New Delhi (DGET) in respect of the selected 19 ITIs, up-gradation of existing 73 trades and introduction of 80 new trades was planned during 2008-16 as detailed in ***Appendix 3.2.***

Audit observed that only 48 trades were upgraded while only 43 trades were introduced during 2013-16 indicating a shortfall of 34 and 46 *per cent* respectively.

The Department stated (August 2016) that out of selected 19 ITIs, nine ITIs were covered at the end of the year 2009-10 or thereafter during 2010-11 and 2011-12. The up-gradation was to be done in ten years. The reply was not acceptable as period of 10 years was a moratorium period for the repayment of the loan and not for the up-gradation of ITIs.

3.20.3 Financial management

DGET released (March 2008-August 2011) an interest free loan of ₹ 47.50 crore directly to 19 IMCs at the rate of ₹ 2.50 crore each as per the guidelines. Out of these, 25 *per cent* were for civil works, 25 *per cent* for equipment and 50 *per cent* was to be kept as corpus fund to be deposited in a public sector bank. DGET enhanced (July 2014) the ceiling from 25 to 40 *per cent* i.e. upto Rupees one crore for civil works and the limit of corpus fund was fixed at 20 *per cent* instead of 50 *per cent.* However, the balance funds including seed money which is kept in a corpus fund and interest available after making all required expenditure at the end of the financial year 2015-16 was not to exceed Rupees one crore and any balance beyond the limit was to be transferred to GOI.

Audit noticed that 19 selected ITIs had utilized only ₹ 32.25 crore[96] (68 *per cent*) till March 2016 due to non-commencement/delayed/partial execution of civil works. An amount ₹ 34.95 crore[97] was lying with 16 IMCs in banks ranging between ₹ 1.03 crore and ₹ 3.72 crore as of March 2016.

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[96] Government ITI, (i) Barnala:₹ 0.99 crore; (ii) Fatehgarh Churian (W):₹ 1.99 crore; (iii) Hoshiarpur:₹ 1.40 crore (W); (iv) Jassowal Kular:₹ 2.30 crore; (v) Kartarpur (W): ₹ 0.40 crore; (vi) Kapurthala (W):₹ 1.43 crore; (vii) Kharar:₹ 1.42 crore; (viii) Lopoke:₹ 1.96 crore; (ix) Manuke (W):₹ 1.66 crore; (x) Maqsoodpur:₹ 1.92 crore; (xi) Mansa (SC):₹ 1.74 crore; (xii) Moonak:₹ 1.51 crore; (xiii) Nabha (W): ₹ 1.27 crore; (xiv) Pathankot (SC):₹ 3.13 crore; (xv) Phagwara:₹ 1.77 crore; (xvi) Sultanpur lodhi (W):₹ 1.61 crore; (xvii) Sangrur (w):₹ one crore; (xviii) Talwandi Chaudhriyan:₹ 2.23 crore; and (xix) Tarn Taran:₹ 2.52 crore.

[97] Government ITI, (i) Barnala:₹ 3.61 crore; (ii) Fatehgarh Churian (W):₹ 2.38 crore; (iii) Hoshiarpur (W): ₹ 2.29 crore; (iv) Jassowal Kular: ₹ 1.39 crore; (v) Kartarpur (W): ₹ 3.72 crore;(vi) Kapurthala (W):₹ 1.87 crore; (vii) Kharar: ₹ 2.53 crore; (viii) Manuke (W):₹ 2.19 crore; (ix) Maqsoodpur:₹ 1.18 crore; (x) Mansa (SC): ₹ 1.75 crore; (xi) Moonak:₹ 2.05 crore; (xii) Nabha (W):₹ 2.83 crore; (xiii) Pathankot (SC): ₹ 1.03 crore;(xiv) Phagwara: ₹ 2.26 crore; (xv) Sultanpur lodhi (W): ₹ 1.53 crore; (xvi) Sangrur (w): ₹ 2.34 crore.

The Department attributed (August 2016) the slow pace of expenditure to absence of clear instructions regarding utilisation of interest amount from GOI and delay in construction/renovation of buildings which led to retention of funds more than the prescribed limit.

Implementation

3.20.4 Civil works

DGET directed (July 2008) the IMCs to make efforts to develop infrastructure in ITIs in the first two years from the receipt of loan. However, Audit noticed instances of non-construction, delayed construction/renovation and partial construction of buildings which led to non-commencement of new trades thereby defeating the purpose of the scheme as detailed below.

3.20.4.1 Non-construction of buildings

(i) The building of Government ITI (Women), Kartarpur could not be constructed as the IMC failed to arrange land even though the loan was received in 2007-08. The land had now been arranged (March 2016) but the construction work was yet to commence (May 2016).

The Department stated (August 2016) that the land has been arranged free of cost and the Department was busy with other formalities such as preparation of estimate, appointing executing agency, preparation of building plan, etc.

(ii) ITI, Manuke transferred (February 2011) ₹ 15 lakh to the Executive Engineer, Construction Division No. 1, Ludhiana (EE) for construction of a new building. The funds were refunded by EE to the department in March 2012 since IMC decided to construct the building itself.

3.20.4.2 Delay in construction/renovation of buildings

(i) Despite receiving ₹ 2.50 crore in March 2008, IMC Barnala decided only in June 2010 to carry out special repair of the existing building. The Executive Engineer, Construction Division, PWD (B&R)**,** Barnala furnished (October 2010) an estimate of ₹ 30 lakh for civil works and the Executive Engineer PWD, Electrical Division, Sangrur submitted (June 2010) an estimate of ₹ 11.25 lakh for electrical works. The Department decided (November 2014) to get the civil work executed from PWD and transferred funds of ₹ 52.25 lakh to PWD. An expenditure of ₹ 44.95 lakh had been incurred on the work as of March 2016. The balance work was in progress (December 2016). Thus, the delayed decision of the IMC to finalise the executing agency led to delay of four years in renovation of the building.

The Department stated (August 2016) that due to frequent transfers of the DDOs, renovation work could not be completed. However, as of August 2016 civil work of workshop (95 *per cent*), boundary wall (100 *per cent*) and administrative block (75 *per cent*) had been completed. The fact, however, remained that the building had not been completed even after six years from the receipt of the funds.

(ii) ITI (Women), Kharar was shifted (November 2008) from rented building to the primary school building at village Radiala given by the village panchayat for running the ITI. GOI released ₹ 2.50 crore during 2007-08 for various activities including civil works. The IMC decided (February 2009) to construct four rooms to start new trades and incurred an expenditure of ₹ 18.19 lakh (September 2015) by laying iron sheet roofs. Thereafter, the IMC diverted (February 2011) ₹ 40 lakh for completion of another building at other location being constructed for running the hospitality trades in the ITI for which funds of ₹ 1 crore was provided by the Tourism Department. Diversion of funds of ₹ 40 lakh to another scheme resulted in non-construction of the building.

The Department stated (August 2016) that funds to other scheme were diverted to upgrade the infrastructure of ITI as GOI provides funds to open new courses in ITI through other schemes.

(iii) The work of construction of new building for ITI (Women), Sangrur was started only in March 2014 despite availability of funds in 2009 i.e. after five years for which no justification was on record. PWD allotted (March 2014) the work to a contractor at a cost of ₹ 47.03 lakh with time limit of one month. The work was still in progress (March 2016). The Department stated (August 2016) that the work was delayed by PWD.

(iv) IMC, Mansa transferred (July 2011) funds of ₹ 60 lakh to Executive Engineer, Provincial PWD (B&R) Division, Mansa (EE) for construction of first floor of the existing building, roads and internal public health and water supply works. PWD allotted (November 2011) the work of the building to a contractor at a cost of ₹ 62.32 lakh. But due to vigilance enquiry against the then EE, the work was stopped (February 2012). The Department stated (August 2016) that the work could not be restarted as of August 2016.

Thus, civil works at various ITIs were delayed due to non-availability of land, non-finalisation of executing agency, and delay on the part of the PWD thereby hampering the up gradation of those ITIs.

3.20.5 Achievement of academic and employability targets

As per revised guidelines (July 2014) of the scheme, DGE&IT had set Key Performance Indicator of 70 *per cent* of candidates passing out vis-à-vis candidates appearing in the examination. The KPI for employability of passed out students within one year of pass out was set at 70 *per cent* which was to be raised to 95 *per cent* in the next few years. During audit, it was noticed that:

(i) Eighteen ITIs achieved the targeted pass percentage of 70 *per cent* vis-à-vis candidates appearing in the examination. However, in ITI, Nabha, pass percentage was 64 *per cent.*

(ii) Employability of passed out students in the test checked ITIs ranged between four to 67 *per cent.*

The Department stated (August 2016) that the Principal, ITI, Nabha had been instructed to achieve the targeted pass percentage and attributed the low employability to various factors such as the girls being normally not interested in working in other cities and opportunities being lesser in rural areas.

3.20.6 Affiliation and re-affiliation of trades

(i) As per minutes of 2nd Meeting of National Steering Committee of the scheme held on June 2008, the National Council for Vocational Training affiliation (NCVT) is mandatory before starting new trades. It was noticed that 43 new trades were started (March 2016) in 19 test checked ITIs without NCVT affiliation[98]. The main reason for non-affiliation of trades with NCVT was non-creation of required infrastructure like machinery and equipment and building. Consequently, 1,304 trainees who passed out during 2015-16 from these ITIs were deprived of NCVT certificates which would have impaired their employability and business opportunities.

The Department stated (August 2016) that in cases where buildings had been renovated/constructed, 80 *per cent* trades had been affiliated. In other cases, where the buildings had not been renovated/constructed, the work was likely to be completed by March 2017 after which the trades would get affiliation.

(ii) As per the revised guidelines (July 2014), affiliation of trades with National Council for Vocational Training is valid for a period of five years from the date of affiliation. During test check of records of selected 19 ITIs, it was noticed that ITI (Women), Kapurthala ITI, Maqsoodpur and Talwandi Chaudharian got re-affiliated two, three and four trades respectively after implementation of the PPP scheme whereas the remaining 16 ITIs failed to get 45 trades re-affiliated with NCVT depriving the trainees of better employability opportunities outside the State.

The Department attributed (August 2016) the reasons for non-re-affiliation of the existing trades to non/delayed construction of building and shortage of staff and further stated that every possible effort was being made to remove the above deficiencies.

3.20.7 Manpower

As per scheme guidelines, the State Government was to ensure that the posts of instructors were filled up as per sanctioned strength and in no case vacancies were to exceed more than 10 *per cent* of sanctioned posts at any point of time.

Audit noticed that against the total regular sanctioned posts of 100 instructors in the selected 19 ITIs, 48 instructors (short by 52 *per cent*) were in position and the shortage in twelve ITIs[99] ranged between eight and 75 *per cent.*

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[98] The trades being run by 19 selected ITIs were affiliated with SCVT.

[99] Government ITI, (i) Jassowal Kular:8 *per cent*; (ii) Kapurthala (W):17 *per cent*; (iii) Kharar:33 *per cent*; (iv) Lopoke:41 *per cent*; (v) Manuke:53 *per cent*; (vi) Maqsoodpur:10 *per cent*; (vii) Moonak:18 *per cent*; (viii) Nabha (W):57 *per cent*; (ix) Phagwara (W):40 *per cent*; (x) Sangrur (w):40 *per cent*; (xi) Talwandi Chaudhriyan:13 *per cent*; and (xii) Tarn Taran:75 *per cent*.

The Department stated (August 2016) that the case for filling up of posts had been sent to the Government.

3.20.8 Miscellaneous points

(i) Irregular payment of salary to guest faculty

As per scheme guidelines, in no case shall the loan amount be used for paying salary to guest faculty for existing trades i.e. trades existing prior to introduction of PPP Scheme. It was, however, noticed that 10 ITIs[100] had paid salary of ₹ 1.03 crore out of the loan amount to guest faculty appointed against 49 existing trades.

The Department stated (August 2016) that due to non-posting of regular instructors against existing trades, they were compelled to appoint guest faculties to avoid loss of study of the trainees.

(ii) Unplanned classes

Audit observed that the IMCs, Maqsoodpur, Talwandi Chaudhrian and Sultanpur Lodhi organized coaching for IELTS, spoken English, personality development of students enrolled in the ITIs and incurred an expenditure of ₹ 32.29 lakh (between January 2012 and November 2014) on account of payment made to the faculty. Audit observed (April 2016) that such classes were not proposed in the IDP of these ITIs. No records of the students taking these classes and tests of the students held to ascertain the knowledge gained by them were maintained.

The Department stated (August 2016) that to raise the level of the enrolled students, some ITIs had conducted IELTS, spoken English and personality development, etc. courses for which the provision of expenditure was got approved from the GOI under the head study and tour. The reply of the Department was not acceptable as neither separate funds were provided by Director of Technical Education and Industrial Training nor any record of students was shown to audit (April 2016).

3.20.9 Monitoring and internal control

The Institute Management Committee constituted for each ITI was required to submit quarterly progress report (QPR) on implementation of the scheme to State Steering Committee (SSC) through State Implementation Cell which in turn was to submit a consolidated report to National Steering Committee. Audit noticed that out of selected 19 ITIs, 14 ITIs submitted the QPRs with a delay ranging between 2 to 180 days. Resultantly, performance of the ITIs could not be watched for timely remedial action.

The Department stated (August 2016) that the QPRs would be sent to the DGET within stipulated period.

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[100] (i) Fatehgarh Churian; (ii) Hoshiarpur; (iii) Jassowal Kular; (iv) Kapurthala; (v) Mansa; (vi) Manuke; (vii) Moonak; (viii) Nabha; (ix) Phagwara; and (x) Sangrur.

3.20.10 Conclusion

Thus, the Department could not utilize available funds for creation and augmenting required infrastructure in ITIs and execution and completion of works were delayed leading to retention of funds in banks adversely affecting the upgradation of existing trades and starting of new trades. Though all the ITIs except Nabha achieved the Key Performance Indicator of pass percentage, none of the ITIs achieved employability target of 70 *per cent.*

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

CHANDIGARH **(JAGBANS SINGH)**
The 9 March 2017 **Pr. Accountant General (Audit), Punjab**

Countersigned

NEW DELHI **(SHASHI KANT SHARMA)**
The 10 March 2017 **Comptroller and Auditor General of India**

Appendices

Appendix 1.1

(Referred to in paragraph 1.9, page 5)

Details of performance audits/paragraphs of the Reports of the Comptroller and Auditor General of India for which departmental replies were not received up to 31 December 2016

Sr. No.	Name of the Department	2012-13		2013-14		2014-15		Total number of	
		Perfor-mance audit	Para No.	Perfor-mance audit	Para No.	Perfor-mance audit	Para No.	Perfor-mance audit	Para No.
1.	Agriculture, Dairy Development & Fisheries and Soil & Water Conservation	-	-	2.1	-	2.5*	3.1, 3.2	02	02
2.	Finance	-	-	-	-	-	3.15*, 3.16*	-	02
3.	Forest & Wild Life	-	3.4	-	-	-	-	-	01
4.	General Administration	-	3.5	-	-	-	-	-	01
5.	Governance Reforms and Food, Civil Supplies and Consumer Affairs	-	-	-	-	-	3.4, 3.5	-	02
6.	Health & Family Welfare	-	3.6, 3.7, 3.8, 3.9	-	3.5, 3.6, 3.22*	2.3	3.6, 3.7, 3.8	01	10
7.	Higher Education	-	-	-	-	2.1, 2.2	3.17*	02	01
8.	Home Affairs and Justice	-	-	-	-	-	3.9, 3.10, 3.11	-	03
9.	Horticulture	-	-	-	-	-	3.12	-	01
10.	Housing and Urban Development	-	-	-	-	-	3.13, 3.14	-	02
11.	Irrigation	2.3	3.12	-	3.10	-	3.15*	01	02
12.	Public Works (B&R)	-	3.13, 3.14, 3.15		3.16	2.5*	3.16*, 3.17*, 3.18, 3.19, 3.20, 3.21, 3.22, 3.24*	-	09
13.	Revenue, Rehabilitation & Disaster Management	-	-	-	3.17	-	3.23	-	02
14.	Rural Development & Panchayats	-	3.16*	-	3.18, 3.19	-	-	-	03
15.	School Education	-	-	-	-	2.4	3.3	01	01
16.	Social Security and Women and Child Development	-	-	-	3.22*	-	-	-	-
17.	Technical Education and Industrial Training	-	-	-	-	-	3.24*	-	01
18.	Water Supply & Sanitation	-	3.16*	-	3.20, 3.21	2.6	-	01	02
19.	Welfare of SC & BC and Education	-	-	-	3.22*	-	-	-	-
	Total	**01**	**11**	**01**	**10**	**06**	**24**	**08**	**45**

Source: Office records

Note: **Para No. 3.16 of 2012-13 though pertains to two departments (Sr. Nos. 14 & 18), has been counted once.**
Para No. 3.22 of 2013-14 though pertains to three departments (Sr. Nos. 6, 16 & 19) has been counted once.
Para Nos. 2.5, 3.15, 3.16, 3.17 and 3.24 of 2014-15 though pertains to different departments (Sr. Nos. 1, 2, 7, 11, 12, & 17) have been counted once for each.

Appendix 2.1

(Referred to in paragraph 2.1.8.5 (ii)(a), page 16)

Details of Children With Special Needs identified and availability of medical assessment records and Individualized Education Plan

Name of district	Number of test-checked blocks	2011-12			2012-13			2013-14			2014-15			2015-16		
		Number of CWSN	Assessment camp record available	IEP available	Number of CWSN	Assessment camp record available	IEP available	Number of CWSN	Assessment camp record available	IEP available	Number of CWSN	Assessment camp record available	IEP available	No. of CWSN	Assessment camp record available	IEP available
Gurdaspur	4	1342	49	109	1255	33	117	1624	59	252	1351	89	232	1117	87	322
Hoshiarpur	5	621	138	138	683	107	83	623	122	80	565	126	70	531	283	70
Jalandhar	5	1544	98	222	1301	84	145	769	40	152	664	55	149	805	174	174
Ludhiana	5	1330	30	97	1298	83	0	1326	36	0	1318	57	0	1254	153	0
Patiala	4	2008	38	442	2114	211	459	2244	150	585	2177	173	583	2162	233	540
Ropar	2	889	15	227	878	35	200	899	40	241	711	**0**	123	657	40	107
Total	**25**	**7734**	**368**	**1235**	**7529**	**553**	**1004**	**7485**	**447**	**1310**	**6786**	**500**	**1157**	**6526**	**970**	**1213**

Source: Departmental data

Appendix 2.2

(Referred to in paragraph 2.3.2, page 37)

Office bearers of the Governing Body of State Health Society

1.	Chief Secretary	Chairperson
2.	Principal Secretary/Secretary Department of Health and Family Welfare	Vice Chairperson
3.	Principal Secretary/Secretary, Department of Rural Development & Panchayats	Member
4.	Principal Secretary/Secretary, Department of Finance	Member
5.	Principal Secretary/Secretary, Department of Water Supply & Sanitation	Member
6.	Principal Secretary/Secretary, Department of School Education	Member
7.	Principal Secretary/Secretary, Department of Planning	Member
8.	Principal Secretary/Secretary, Department of Medical Education & Research	Member
9.	Principal Secretary/Secretary, Department of Housing & Urban Development	Member
10.	Principal Secretary/Secretary, Department of Welfare of SCs and BCs	Member
11.	Principal Secretary/Secretary, Department of Social Security and Women & Child Development	Member
12.	Principal Secretary/Secretary, Department of Local Bodies	Member
13.	Managing Director, Punjab Health Systems Corporation	Member
14.	Director, Health Services (FW)	Member
15.	Director, Health Services (ESI)	Member
16.	Director, Health Services Director Research & Medical Education	Member
17.	Director, AYUSH	Member
18.	Representative (s) of Government of India, Ministry of Health and Family Welfare	Member (s)
19.	Regional Director, Ministry of Health and Family Welfare. Government of India	Member
20.	Representative (s) of Development Partners supporting the NRHM in the State	Members
21.	Director, PGIMER, Chandigarh	Member
22.	Representative of SOSVA	Member
23.	Representative of Family Planning Association of India, Mohali Branch.	Member
24.	Representative of State Branch of Indian Medical Association	Member
25.	Representative of State Unit of FOGSI	Member
26.	Director, Health and Family Welfare/Mission Director of the State Health Mission	Convener

Source: State Health Society

Appendix 2.3

(Referred to in paragraph 2.3.4, page 38)

Details of units selected for test-check

District (6)	DH (6)	CHC (12)	PHC (18)	Sub-Centre (27)
Ferozepur	Ferozepur	Guru Har Sahai	Panje Ke Uttar Sohangarh	Kohar Singh Wala Khere Ke Uttar Amir Khas
Hoshiarpur	Hoshiarpur	Budha Bar	Tanda Ram Sahai Behbalmanj	Dhamian Ferozepur Parika
		Mandmandher	Ghogra Khun Khun Kalan	Bisso Chak Budho Barkat Jhingar Kalan
Jalandhar	Jalandhar	Bara Pind Apra	Dayalpura Nagara	Landhrqa Virk Kot Garewal
Ludhiana	Ludhiana	Sidhwan Bet	Sabadi Kalan Talwandi Kalan	Jandi Hambran Walipur Kalan
Moga	Moga	KotIse Khan	Dharmkot Khosa Randhir	Badduwal Fatehgarh Panjtoor Randiala
		Dhudike	Bhuttar Kalan Malianwala	Bauhana Budh Singh Wala Dhudike
Tarn Taran	Tarn Taran	Ghariala Harikepattan	Kirtowal Sabrai	Barwala Harike KachaPacca
		Sirhali	Dera Sahib	Bheil Chola Sahib Gandiwind
		Brahampura	Fatehbad	

Source: Selected on the basis information supplied by SHS

Appendix 2.4

(Referred to in paragraph 2.3.8.2, page 42)

Details of infrastructural facilities not available at test-checked Public Health Centres (PHC)/Community Health Centres (CHC) as of March 2016

Infrastructural facility	**PHCs**	**CHCs**	**Total**
	18	**12**	**30**
Health centres running in other than Government building	6 (33)	1 (8)	7 (23)
Health centres without/non-functional operation theatre	NA	2 (17)	2 (17)
Health centres without/non-functional labour room	11 (61)	1 (8)	12 (40)
Health centres near by garbage collection area and cattle shed	5 (27)	5 (42)	10 (33)
Health centres without/non-functional vehicle	18 (100)	3 (25)	21 (70)
Health centres without standby generator	11 (61)	1 (8)	12 (40)
Health centres without blood storage facilities	NA	10 (83)	10 (83)
Health centres functioning without RTI/STI management	8 (44)	6 (50)	14 (47)
Health centres without/non-functional X-RAY facilities	NA	4 (33)	4 (33)
Health centres without emergency/essential obstetric care drug kit	NA	4 (33)	4 (33)
Health centres functioning without ultrasound facilities	NA	11 (92)	11 (92)
Health centres where medical/paramedical staff was not available on emergency	9 (50)	4 (33)	13 (43)
Health centres where citizen charter not displayed at the OPD and entrance	9 (50)	2 (16)	11 (37)
Health centres without functional cold chain logistics	12 (67)	-	12 (40)
Health centres without separate male/female wards	15 (83)	3 (25)	18 (60)
Health centres without consultation room for AYUSH	NA	3 (25)	3 (25)
Health centres functioning without prescribed drugs as per IPHS	15 (83)	9 (75)	24 (80)
Health centres functioning without newborn care corners	9 (50)	1 (8)	10 (33)
Health centres not providing safe abortion service	NA	8 (66)	8 (66)

Source: Information supplied by SHS and DHS ***NA=Not applicable***

Figures in bracket denote percentage.

Appendix 2.5

(Referred to in paragraph 2.3.9.1 (i), page 43)

Position of staff at health centres as on 31 March 2016

Name of post	Number of health centres	Require-ment as per IPHS	Sanctioned strength	Persons in position *	Shortfall(-)/ Excess(+)	
					IPHS (percentage)	Sanctioned (percentage)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sub centre/ANM	2950	2950	3982	2681	(-)269 (9)	(-)1301(33)
Sub centre/HW(M)	2950	2950	2958	1537	(-) 1413(48)	(-) 1421(48)
PHC/Medical Officer	427	427	478	454	(+)27 (0)	(-) 24(5)
PHC Pharmacist	427	427	427	268	(-)159(37)	(-) 159(37)
PHC/Lady Health Visitor	427	427	758	678	(+)251(59)	(-) 80(11)
PHC/Laboratory technician	427	427	484	430	(+) 3 (1)	(-) 54(11)
PHC/Staff nurse	427	1281	270	132	(-) 1149(90)	(-) 138(51)
CHC/Specialists MO	150	900	600	236	(-) 664 (74)	(-) 364(61)
CHC/Staff nurse	150	1500	879	556	(-) 944 (63)	(-) 323(37)
CHC/Radiographer	150	150	111	78	(-)72 (48)	(-)33(30)
CHC/Lab Technician	150	300	390	279	(-)21 (7)	(-)111(28)
District Hospital/MO	22	638	313	241	(-) 397 (62)	(-)72(23)
DH/Staff Nurse	22	990	1190	813	(+)177(18)	(-) 377(32)
Laboratory Technician	22	132	147	124	(-) 8 (6)	(-) 23(16)
Pharmacist	22	88	82	82	(-6) (7)	0
Radiographer	22	44	103	78	(+) 34 (77)	(+25)(0)
ECG Technician Echo	22	22	13	11	(-)11 (50)	(-) 2(15)
Ophthalmic Assistant (Now Ophthalmic Office)	22	22	217	187	(+)165 (750)	(-)30(14)
Dietician	22	22	3	2	(-) 20(91)	(-) 1(33)
Physiotherapist	22	22	50	19	(-) 3(14)	(-) 31 (62)
O.T. Technician	22	88	41	36	(-) 52(59)	(-) 5 (12)
Dental Technician	22	22	18	16	(-) 6 (27)	(-) 2 (11)
Dark Room Assistant	22	44	21	16	(-) 28 (64)	(-) 5 (24)
Rehabilitation Therapist	22	22	0	0	(-)22(100)	0
Bio Medical Engineer	22	22	0	0	(-)22 (100)	0
Hospital Administrator	22	22	0	0	(-)22 (100)	0
Housekeeper Manager	22	22	0	0	(-)22 (100)	0
Medical record officer	22	22	0	0	(-)22 (100)	0
Medical record assistant	22	22	0	0	(-)22 (100)	0
Accounts/Finance assistant	22	44	0	0	(-)44 (100)	0
Administrative Officer	22	22	0	0	(-)22 (100)	0
Office assistant Gr. 1	22	22	0	0	(-)22 (100)	0
Office assistant Gr. 2	22	22	0	0	(-)22 (100)	0
Ambulance service (1 driver+ 2 Technician)	22	66	0	0	(-)66(100)	0
Male/Female nursing attendant	22	22	0	0	(-)22 (100)	0
Blood bank technician	22	22	0	0	(-)22 (100)	0
Sweeper	22	22	0	0	(-)22 (100)	0

Source: Data supplied by DHS

*** Additionally, 1384 ANMs, 133 MOs, 1245 Staff Nurses and 329 Administrative Staff had also been deployed on contract basis under NRHM, which was exclusively for NRHM purposes and not to be treated against vacancies in regular staff .**

Appendix 3.1

(Referred to in paragraph 3.2.5 (ii); page 80)

Details of activities/functions performed by District Drug De-Addiction and Rehabilitation Societies

Sr. No.	Nature of activity	DD&RS, Amritsar	DD&RS, Bathinda	DD&RS, Faridkot	DD&RS, Gurdaspur	DD&RS, Kapurthala	DD&RS, Jalandhar
1.	To identify the families at risk and persons with substance use disorder through effective networking and linkages with NGOs and local bodies, *viz* PRIs, Urban Local Bodies, etc.	Conducted seminars with Legal and Education Departments to sensitize staff and private schools	No	No	No	No	With assistance of Nehru Yuva Kendra 40 outreach arranged at different places in the district
2.	Assessment regarding number of persons with substance use disorder and district-specific database to monitor trends and patterns of persons with substance use disorder	Relevant reply not furnished	No	No	No	No	No
3.	To set up block and village level committees for effective implementation of programmes for discharging of its functions	Relevant reply not furnished	No	No	No	No	Relevant reply not furnished
4.	Establishment of network for coordinating with all government departments to build inter-sectoral linkages on drug issue, including Departments of Health, Education, Social Security, Urban Basic Services, Backward Classes & Minorities, Youth Services, Police, Judiciary, Labour, State AIDS Control Society	Relevant reply not furnished	No	No	No	No	Monthly meetings are being conducted with different departments
5.	To provide training and capacity building programmes for all personnel (Government and Non-Government) for effective services to persons with substance use disorder	Relevant reply not furnished	No	No	No	No	Training provided to 37 Medical Officers
6.	Activities to encourage voluntary youth participation in de-addiction and rehabilitation programmes at district, block and community levels	Government and private school authorities were asked to include at least one item to create awareness	Activities in collaboration with OST centre carried out.	No	No	No	With assistance of Nehru Yuva Kendra 40 outreach arranged at different places in the district
7.	To create database of all persons with substance use disorder at the district level	Reply not furnished	Yes	No	No	No	Relevant reply not furnished
8.	Annual action plan	No	No	No	No	No	No
9.	Annual budget and research work for next year	No	No	No	No	No	No

Source: Departmental information

Appendix 3.2

(Referred to in paragraph 3.20.2, page 120)

Statement showing shortfall in upgradation and introduction of trades

Name of ITI	Upgradation of Trades proposed	No. of existing trades upgraded	Shortfall in upgradation of existing trades	No. of new trades proposed to be introduced	No. of new trades introduced	Shortfall in introduction of new trades
Government ITI, Barnala	6	3	3	3	3	0
Government ITI (W), Fatehgarh Churian	2	2	0	5	2	3
Government ITI (W), Hoshiarpur	5	0	5	4	3	1
Government ITI, Jassowal Kular	6	5	1	4	2	2
Government ITI, (W), Kartarpur	2	2	0	6	1	5
Government ITI, (W), Kapurthala	2	2	0	6	1	5
Government ITI, Kharar	4	2	2	2	2	0
Government ITI, Lopoke	6	3	3	6	4	2
Government ITI, (W), Manuke	8	7	1	4	4	0
Government ITI, Maqsoodpur	3	3	0	5	3	2
Government ITI, Mansa(SC)	4	2	2	5	4	1
Government ITI, Moonak	5	2	3	4	1	3
Government ITI (W), Nabha	3	2	1	4	2	2
Government ITI, Pathankot (SC)	2	2	0	3	3	0
Government ITI, Phagwara	4	2	2	2	2	0
Government ITI (W), Sultanpur Lodhi	2	2	0	5	2	3
Government ITI (W), Sangrur	2	2	0	3	1	2
Government ITI, Talwandi Chaudhriyan	4	4	0	6	1	5
Government ITI, Tarn Taran	3	1	2	3	2	1
Total	**73**	**48**	**25**	**80**	**43**	**37**

Source: Departmental records