Chapter-3

Compliance Audit

AGRICULTURE DEPARTMENT

3.1 Non-functional Pesticide Residue Testing Laboratory

The Department failed to make the Pesticide Residue Testing Laboratory, constructed at a cost of ₹ 2.84 crore, functional even after lapse of four years from its completion.

Adoption of rice-wheat monoculture and loss of biodiversity has led to emergence of new pests and diseases of crops and consequently increased use of pesticides for their control. To monitor pesticides residues in food items, the Agriculture Department proposed (2007-08) to set up a Pesticide Residue Testing Laboratory at Jalandhar (PRTL). The proposal was approved (January 2008) by the State Level Sanctioning Committee (SLSC) under the Rashtriya Krishi Vikas Yojana (RKVY) at a cost of ₹ 5.70 crore (₹ 1.75 crore cost of construction and ₹ 3.95 crore for equipment).

Audit scrutiny of records (February-March 2010) of the Director Agriculture, Punjab and information collected subsequently (January-April 2015) showed that out of ₹ 43.76 crore released to Agriculture Department by the State treasury on 27 March 2009 under RKVY, ₹ four crore were allocated (2009-10) for PRTL. The construction work of PRTL was entrusted[1] (September 2009) to Punjab Mandi Board (PMB), which was completed at a cost of ₹ 2.84 crore and the building was handed over to Chief Agriculture Officer, Jalandhar in December 2011.

Audit observed that proposals for posting of requisite staff and purchase of necessary equipment were moved after a gap of three years only in September and November 2014 respectively, indicating that no steps were taken in these regards at the time of allotment of work. Consequently, the PRTL had still not become operational (January 2016) even after more than four years of the completion of the building. On being asked (December 2014–January 2016) the Director stated that neither the staff had been posted nor equipment have been procured as of February 2016.

Thus, due to delay in positioning the required staff and purchasing equipment by the Department, the Pesticide Residue Testing Laboratory could not be made functional even after lapse of four years from its completion, thereby resulting into idle investment of ₹ 2.84 crore.

The matter was referred to Government in April 2015; reply was awaited (January 2016).

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[1] Without preparation of Detailed Project Report.

3.2 Excess payment due to incorrect categorization of electricity connection

Acceptance of electricity connection at Non-Residential Supply tariff by Punjab Agricultural University despite being eligible for Domestic Supply tariff resulted into excess payment of ₹ 77.29 lakh during April 2009 to March 2015.

As per schedule SVI 1.2 of Electricity Supply Instructions Manual, supply of electricity to all the Government/Government aided Universities shall be classified under Domestic Supply (DS) category.

Examination of records (November 2014) of the Comptroller, Punjab Agricultural University, Ludhiana, (University) showed that Executive Engineer (Electrical) of the University (EE) took up (June 2007) the matter with the then Punjab State Electricity Board[2] (PSEB) to provide 'Hotline'[3] on University's feeder to speed up its Research, Extension and Teaching work. PSEB agreed (November 2008) to release the connection under the category 'Non-Residential Supply' (NRS) after clubbing the load of all the 88 existing connections of the University, which was agreed to by the EE without insistence on application of Domestic Supply (DS) tariff for which the University was eligible. Accordingly, PSEB provided a single connection[4] under NRS category with effect from 24 February 2009. Since then billing of electricity consumption on that connection was being done under NRS tariff.

Thus, acceptance of electricity connection at NRS tariff by the University authorities despite being eligible for DS tariff resulted into excess payment of ₹ 77.29 lakh on account of difference in rates of NRS and DS tariff, besides other incidental charges viz. octroi, electricity duty, etc. during April 2009 to March 2015. This excess payment would accumulate until the matter is resolved with PSPCL.

The Executive Engineer (Electrical) of the University stated (May 2015) that in order to settle the matter, Chief Engineer (Commercial), PSPCL had been requested (February-October 2015) to clarify about the category (NRS/DS) on which the consumption of the University be billed. Subsequent action of the University/PSPCL was awaited (January 2016).

The matter was referred to Government in May 2015; reply was awaited (January 2016).

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2 Now Punjab State Power Corporation Limited (PSPCL).
3 Single point metering connection (11KV independent feeder).
4 Having account No. W51-CS01-00323.

EDUCATION DEPARTMENT

3.3 Follow-up Audit on Education Department (Secondary Education)

Out of 19 recommendations of Public Accounts Committee on the Performance Audit, two recommendations have been fully implemented; substantial progress was made in 12 cases; and in 5 cases, the Department had not taken significant steps.

3.3.1 Introduction

A Performance Audit on Secondary Education featured in the Audit Report (Civil) Government of Punjab for the year ended 31 March 2010 (Paragraph 2.2) and was presented in the State Legislature on 11 March 2011. The Public Accounts Committee (PAC) reviewed all paragraphs of the Performance Audit of "Secondary Education" in its 183 Report (2012-13) and in other proceedings during July 2012 to November 2015. The Performance Audit highlighted issues relating to financial management, denial of benefit to SC girl students for pursuing 10+2 education, manpower management, non-disbursement of stipend to the students, incorrect deployment of lecturers, etc.

3.3.2 Follow-up Audit

In order to examine the corrective actions taken by the department as per recommendations of the PAC on the issues raised in the Performance Audit on "Secondary Education", a follow up audit was conducted between July and August 2015.

There were 19 observations and PAC gave its recommendations in all 19 paragraphs. The replies to the follow-up audit/PAC recommendations were kept in view while finalizing this Follow up Report. The status of action taken by the Department on recommendations has been categorised as follows:

- Insignificant/no progress.
- Substantial implementation/progress.
- Full progress in all intended areas and in system improvement.

3.3.3 Status of Recommendations

Audit observed from the records of Director Public Instructions (DPI)/Director General of School Education (DGSE) (Secondary Education) (SE)and their replies that the PAC gave its recommendations against all 19 paragraphs of which the department had fully implemented two recommendations of PAC relating to incorrect deployment of lecturers and performance of students in test-checked schools. Substantial progress was noticed in 12 cases while in five cases, insignificant progress was noticed, as detailed in the following paragraphs:

3.3.3.1 Insignificant/no progress

Recommendations

(i) *The Finance Department should improve its system of financial management so that grants provided for Central/State schemes are released in time and there is ample time for Department to utilize the grants for the prescribed purposes, and settled the paragraph.*

Financial Management (Paragraph 2.2.6)

The paragraph pointed out gross under utilization of budget provisions during 2005-10. As against the budget provisions of ₹ 1177.43 crore, ₹ 544.65 crore were released, out of which, only ₹ 313.68 crore (58 *per cent*) were utilized.

During follow up audit (July-August 2015), it was observed that the budget allotments under the State Plan schemes/Centrally sponsored schemes/Shared schemes continued to be inconsistent during the years 2013-14 and 2014-15. As against the allocation of ₹ 1177.61 crore, an expenditure of ₹ 669.93 crore (57 *per cent*) was incurred, leaving funds of ₹ 507.68 crore (43 *per cent*) unutilized during 2013-15 under the plan schemes mainly due to non-release of funds by Centre/State Government/treasury as intimated by the Department. Reply of the Finance Department was awaited (December 2015).

(ii) The *Government may fill vacant posts and strengthen the department.*

Non-posting of Chowkidars in the schools (Paragraph 2.2.9)

The paragraph pointed out that out of 1040 High and Senior Secondary schools, 533 (51 *per cent*) schools did not have *Chowkidars* in the six test checked districts.

During follow up audit, it was observed that proposal for filling up 2360 vacant posts of *Chowkidars* was sent to Government (May 2015) approval of which was awaited (December 2015). At present against 4689 sanctioned posts of *Chowkidars,* 2711 (58 *per cent*) posts are vacant as of July 2015.

(iii) *Since the paragraph related to the Department of Welfare of Scheduled Castes and Backward Classes, Education Department requested to delete it from the list of Education Department. The Committee was not satisfied with the reply of the Education Department.*

Denial of benefit to SC Girl students for pursuing 10+2 education (Paragraph 2.2.17)

The paragraph pointed out that in order to check the high drop out rate, to encourage higher education and increase literacy among Scheduled Caste girl students at the senior secondary level, a scheme for providing encouragement award to the SC girls students who take admission in Class 11 was framed (2007-08) by Government of Punjab, Department of Welfare of Scheduled Castes and Backward Classes. However, against the approved outlay of

₹ 3 crore during 2007-10, an amount of ₹ 1.50 crore was released during 2008-10, out of which ₹ 0.38 crore was utilized during 2008-09 by giving ₹ 1500 instead of ₹ 3000 per student, resulting in denial of the balance benefit of ₹ 1500 to each student.

During follow up audit, it was observed that the funds of ₹ 6 crore were allotted during 2014-15 for disbursement of stipend to the 19863 beneficiaries but bills were not cleared by the treasury denying benefit to the SC girl students despite allocation of funds by the planning department. Finance Department's reply was awaited (December 2015).

(iv) *Since the paragraph related to the Department of Welfare of Scheduled Castes and Backward Classes, Education Department requested to delete it from the list of Education Department. The Committee was not satisfied with the reply of the Education Department.*

Denial of benefits of free text books (Paragraph 2.2.18)

The paragraph pointed out that under the scheme of free text books launched in 2003-04, free text books were to be given to the SC girl students in classes 11 and 12 and belonging to the below poverty line category so as to relieve the parents/guardians of these students from the financial burden. However, against the approved outlay of ₹ 3.20 crore during 2005-10, an amount of ₹ 69.03 lakh was released during 2007-2009. Out of this, ₹ 4.29 lakh only were utilized during 2007-08 thereby depriving SC girl students of the facility of free text books and defeating the very purpose of the scheme.

During follow up audit, it was observed that the matter was taken up (July and December 2015) with the Director, Welfare of Scheduled Castes & Backward Classes Punjab. In reply (January 2016) it was stated that token provision of ₹ 0.01 lakh was made in each year during 2013-14 and 2014-15 but no funds released by the GOP.

(v) *The stipend be disbursed immediately and to fix the responsibility of the delinquent officers.*

Non-disbursement of stipend to the students (Paragraph 2.2.16)

Against the total demand of ₹ 60.29 crore during 2008-10, only ₹ 25.02 crore (41 *per cent)* were allotted, of which, the DPI (SE) could utilize ₹ 23.53 crore. In case of four schemes,[5] the coverage of students during 2008-09 was very low ranging from 7.17 to 19.33 *per cent* only resulting in denial of incentives to the needy students in spite of availability of funds.

During follow up audit, it was observed that there was slight improvement in the disbursement of stipend in respect of only two schemes[6] where stipend amounting to ₹ 11.20 lakh was disbursed (August 2015) to 7712 beneficiaries. There was no improvement in coverage of beneficiaries in other schemes.

5 (i) Special grant to SC; (ii) SC Brilliant students Post Matric exam fee; (iii) Post matric stipend Scheme OBC; and (iv) Stipend to denotified castes.

6 (i) Special grant to SC; and (ii) Raj Vidyak Bhalai scheme.

Finance department did not release funds during previous years. Further, it was also intimated that even if the department again requests the Government for allocation of funds, it would not be feasible for the department to disburse the funds to those students who had passed out from schools. However, efforts would be made in future for timely release of funds from the Finance Department.

3.3.3.2 Substantial implementation/progress

(vi) The cases pending for promotion be examined and if there was any delay on the part of department that may immediately be removed. PAC settled the paragraph.

Manpower Management (Paragraph 2.2.7)

Against 74198 sanctioned posts of teachers, 17366 posts (23.40 *per cent*) were vacant. Further, in the six test checked districts against 16010 sanctioned posts of Masters, 2246 posts were vacant and against 3656 posts of lecturers, 1250 posts were vacant.

During follow up audit, it was observed that against 78360 sanctioned posts of teachers, 10897 posts were vacant as of September 2014 in the department. The shortfall had come down to 13.91 *per cent* as compared to 23.40 *per cent* in 2009-10. Further, against 19781 sanctioned posts of Masters, 1364 (6.90 *per cent*) posts were vacant and against 4474 sanctioned posts of lecturers 970 (21.68 *per cent*) posts were vacant in test checked districts which shows improvement in vacancy position. The action taken with regard to the cases pending for promotion has been called for from the department. Further outcome of the same is awaited (February 2016).

(vii) The Education Department replied that efforts had been made to increase the pass percentage, especially of the students belonging to the SC category. The committee considered the reply of the department and settled the paragraph.

Performance of students at the State level (Paragraph 2.2.10)

The paragraph pointed out that the pass percentage of students of class 10 increased from 60.30 *per cent* (2005-06) to 81.33 *per cent* (2009-10). The pass percentage of the class 12 was stagnant around 72 *per cent* during the period 2005-10 implying scope for improvement in performance. The pass percentage of SC boys and girls of class 12 increased from 49.20 to 53.74 *per cent* and 61.23 to 66.26 *per cent*, respectively during the period 2006-10.

During follow up audit, the Department intimated that the pass percentage of class 10 had decreased by 15.56 *per cent* and class 12 increased by 4.14 *per cent* during the year 2014-15 in comparison to 2009-10. Further, the pass percentage of SC students had also increased to the extent of 14.35 and 11.90 *per cent* in respect of boys and girls respectively during 2014-15 in comparison to year 2009-10.

(viii) The committee directed the department to make more efforts and take necessary steps for increasing enrolment of students in Government

Schools. The committee decided to consider the paragraph for settlement.

Enrolment of students in the test checked schools (Paragraph 2.2.12)

The paragraph pointed out a decrease in enrolment of students of classes 6 to 12, which ranged between 16.02 to 25.48 *per cent* during 2005-10 in 54 out of 148 test checked schools.

During follow up audit, it was observed that there was an increase in enrolment to the extent of 10.79 to 36.18 *per cent* in 49 schools[7] out of 54 schools and decrease in enrolment to the extent of 7.70 *per cent* in 5 schools[8] in one district in 2014-15 in comparison to the year 2009-10. The Department assured (July 2015) of further improvement in enrolment of students.

(ix) The world class education environment may be provided for removing shortage of infrastructure on priority basis.

Infrastructure (Paragraph 2.2.13)

In the six test checked districts there was a shortage of infrastructure (desks: 226 schools; class rooms : 276 schools; play grounds: 154 schools; and no/or improper toilets :118 schools).

During follow up audit, it was observed that as of August 2015 there was shortage of class rooms in 137 schools, furniture in 104 schools and playgrounds in 22 schools in the six test checked districts. Further, out of 148 test checked schools in six districts, there was still shortage of infrastructure (desks: 40 schools, class rooms: 24 schools and additional rooms for unsafe buildings: 12 schools).

(x) The repair of unsafe building be done on priority basis or the schools be shifted to other buildings.

Functioning of schools in unsafe buildings (Paragraph 2.2.14)

The paragraph pointed out that 150 school buildings were declared unsafe by the PWD authorities but schools/classes continued to run in these buildings.

During follow up audit, it was observed that out of 150 unsafe buildings of schools, 113 schools had been provided with additional rooms whereas in 37 schools, infrastructural facilities would be provided in a phased manner.

(xi) There was some shortcomings in Government School system due to which the students preferred to enroll in vocational trades with private institutions in spite of high cost of education and PAC recommended to find out the reasons for the same.

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7 Amritsar:6; Fatehgarh Sahib: 12; Gurdaspur: 18; Ludhiana: 12; and Mansa: 1.
8 Ropar: 5.

Non-achievement of targets of vocational education (Paragraph 2.2.15)

The paragraph pointed out that against the target of 453993 students to be trained in vocational trades during 2005-10, only 90705 students were trained resulting in 80 *per cent* shortfall.

During follow up audit, it was observed that against the total 329361 students enrolled (in Government Schools) at Secondary (11 and 12) level classes during 2014-15, 82340 students (25 *per cent*) were to be trained in vocational trades. However, only 26027 students were trained resulting in 68 *per cent* shortfall. The Department attributed (July 2015) the reasons for the above shortfall to shortage of raw material/machinery/funds for the schools where vocational trades were being run and stated that efforts would be made to get the funds from the Government during 2016-17.

(xii) The *Committee was not satisfied with the reply submitted by the department that the grant of ₹7.47 crore for appointment of 1168 Hindi teachers were utilized for appointment of 730 teachers which indicated that the funds for the rest of teachers were diverted and recommended that independent enquiry be made.*

Non-utilization of grant due to non-appointment of Hindi and Urdu teachers (Paragraph 2.2.19)

It was pointed out that GOI sanctioned (November 2009) ₹ 7.47 crore for appointment of 1168 Hindi teachers and ₹ 10.38 lakh for appointment of 42 Urdu teachers in the State. The amount was drawn by the DGSE, Punjab during February and March 2010 and kept in the bank but was not utilized (July 2010).

During follow up audit, it was noticed that against the recruitment of 730 teachers only 677 teachers had joined duty and the funds of ₹ 7.47 crore were utilized on account of payment of salary during 2010-12 which was released by the Government of India for 1168 Hindi Teachers under the Centrally Sponsored Scheme of Appointment of Language Teachers. The grant which was to be utilized by 31 March 2010, was actually utilized after March 2010. The above scheme was shifted under the control of DPI(SE), Punjab from 2012 onwards. So far as Financial Assistance to Government of Punjab for appointment of 42 Urdu Teachers under the Centrally Sponsored Scheme of Financial Assistance for Appointment of Language Teachers was concerned, it was stated that the Scheme was being managed separately.

(xiii) Responsibility of the delinquent officers/officials be fixed for withdrawing excess money from Government account and also to recover the amount of interest on the amount retained outside the Government account.

Keeping of Government Money outside the Government account (Paragraph 2.2.20)

The paragraph pointed out that an amount of ₹ 84.46 lakh was released to the Land Acquisition Officer (LAO) in April 2005 for the payment of land acquired for school at Putlighar, Amritsar. Of this, an amount of ₹ 34.74 lakh was returned by the LAO (December 2005) to the District Education Officer(SE), Amritsar which was kept in the shape of a demand draft in contravention of financial rules.

During follow up audit, it was observed that funds of ₹ 34.74 lakh were deposited in the treasury in July 2012 by the DPI (SE), Punjab. So for as disciplinary action against the delinquent officer was concerned, it was stated by the department that concerned employee had retired before finalisation of audit para. The reply did not justify depositing of funds into Government Accounts after more than six years of its drawal.

(xiv) The Department replied that the unserviceable articles had been disposed of and the amount deposited into the Government account. The committee settled the paragraph.

Non-disposal of unserviceable store articles (Paragarph 2.2.21)

The paragraph pointed out that unserviceable store articles valuing ₹ 6.10 lakh were awaiting disposal since 1988 in 23[9] out of the 148 test-checked schools in the six districts.

During follow up audit, it was observed that unserviceable items lying in six schools valuing to ₹ 1.77 lakh were disposed of and proceeds of ₹ 0.89 lakh were deposited in the Government Account (May 2012-August 2015). However, disposal of remaining unserviceable articles of 17 schools valuing to ₹ 4.33 lakh was still pending.

(xv) Guidelines framed on the basis of audit observations be strictly adhered to in toto and physical verification of store/stock be ensured on yearly basis. PAC settled the paragraph.

Failure to conduct physical verification of store/stock (Paragraph 2.2.22)

The paragraph pointed out that in 60[10] out of the 148 test-checked schools in six districts, physical verification of store/stock was not conducted since 1998.

During follow up audit, it was observed that 18 out of the 60 schools had not yet conducted physical verification of store/stock (August 2015).

(xvi) The committee recommended that the monthly reconciliation of receipt and withdrawal be ensured in all the schools. *PAC settled the paragraph.*

Non-reconciliation of deposits and withdrawals (Paragraph 2.2.23)

The paragraph pointed out that no reconciliation of deposits of ₹ 70.67 lakh was done by 71 schools during 2005-10. Similarly, reconciliation of withdrawals of ₹ 291.84 crore by 88 schools in the six test checked districts was not carried out since 2005-06.

During follow up audit, it was observed that the reconciliation of deposits for the period 2005-10 had been carried out by 22 out of 71 schools, whereas

[9] Amritsar:3; Fatehgarh Sahib:3; Gurdaspur: 5; Ludhiana: 7; Mansa :1; and Ropar:4.

[10] Amritsar:8; Fatehgarh Sahib: 1; Gurdaspur:20; Ludhiana: 14; Mansa:6; and Ropar: 11.

reconciliation of withdrawals had been carried out since 2005-06 by 30 schools out of 88 schools.

(xvii) The reply of the department that Jan Sampark Abhiyan was started in 2004 was considered by PAC and asked that the programme be monitored by the Administrative Secretary.

Monitoring and Evaluation (Paragraph 2.2.24)

The paragraph pointed out that no Jan Sampark Abhiyan was held by the department during 2005-10 for on the spot evaluation of existing facilities, redressal of students/teachers problems and to meet community leaders for their assessment of school education and suggestions.

During follow up audit, it was observed that as per information received (July 2015) from the department, a team of officials had been constituted by the department for visiting the schools, parent-teacher meetings were being held to address the issues relating to academic growth and to assess infrastructure, etc. during the current year (2014-15) for monitoring and evaluation. The matter was taken up with DGSE (July2015), Punjab for supply of copies of comprehensive report on the outcome of "Jan Samparak Abhiyan" but no such report had been prepared till date (August 2015).

3.3.3.3 Full progress in all intended areas and in system improvement

(xviii) PAC found the system of the department defective and recommended that it needs to be stream lined and settled the paragraph.

Incorrect deployment of lecturers (Paragraph 2.2.8)

The paragraph pointed out that in four[11] out of six test-checked districts, 15 lecturers were deployed in the streams of commerce and mathematics in 11 schools in which there was no student in these streams during 2005-06 to 2008-09.

During follow up audit, it was noticed (August 2015) that DPI (SE), through the process of rationalisation of staff during 2009 to 2012, shifted all the lecturers to such schools where there was a shortage.

(xix) All out efforts be made by the department to increase the pass percentage of students. PAC settled the paragraph.

Performance of Students in the test checked schools (Paragarph 2.2.11)

The paragraph pointed out that in 48 out of 148 test checked schools in the six districts, pass percentage was less than 40 *per cent* in one or more years in classes 8, 10 and 12 during the years 2005-09.

[11] (i) Amritsar:6; (ii) Gurdaspur: 1; (iii) Ludhiana: 1; and (iv) Mansa: 7.

During follow up audit, it was observed that the pass percentage during 2014-15 improved in the test checked schools and it ranged between 45 and 100 *per cent,* showing overall improvement in the result.

The follow up shows that the Government and department did not initiate concrete action on the recommendations/observations of PAC in a time bound manner. The progress in accepted cases was very slow and even after lapse of five years, compliance of 17 audit observations/findings included in the earlier review were still pending.

Thus, it is evident that while the Department had taken remedial action in some areas, concrete actions is still to be taken in other areas. The Department should, therefore, develop a well formulated plan for taking prompt action on the audit observations for further improving its performance.

The matter was referred to Government in August 2015; reply was awaited (January 2016).

FINANCE DEPARTMENT

3.4 Optimization of grants under Thirteenth Finance Commission

Funds amounting to ₹719.50 crore (21 per cent) were not availed of under eight selected grants due to delayed submission of utilisation certificates to GOI and non-fulfilment of the prescribed conditions under TFC. The State Government did not release ₹255.96 crore to the Administrative Departments/implementing agencies. In order to avail subsequent grants under TFC, the State Government submitted inflated UCs to GOI. Relief amounting to ₹10.43 crore was provided for the items/works not covered under the prevailing norms.

In order to define financial relations between the Centre and State Governments and to make recommendations for the period 2010-15, Thirteenth Finance Commission (TFC) of India was constituted in November 2007. The TFC submitted its report on 29 December 2009 recommending release of ₹ 5510.27 crore under 22 grants[12] for various schemes/purposes in the State of Punjab.

With a view to assess the optimization of grants under TFC received by Government of Punjab (GOP) during 2010-15, an audit was conducted

[12] 1) Border Areas; 2) Development of *kandi* areas; 3) Heritage; 4) Measures to improve adverse sex ratio; 5) Police training; 6) Problem of water logging; 7) Upgradation of irrigation infrastructure; 8) Capacity building; 9) Disaster relief; 10) District Innovation Fund; 11) Elementary education; 12) Employees and pension database; 13) Improvement in justice delivery; 14) Improvement of statistical system; 15) Incentive for issuing UIDs; 16) Urban Local Bodies; 17) Maintenance of roads and bridges; 18) Panchayati Raj Institutions; 19) Protection of forests; 20) Reduction in infant mortality rate; 21) Renewable energy; and 22) Water Sector Management.

(May-August 2015) by test checking the records of the Finance Department and the concerned Administrative Departments in respect of eight[13] (out of 22) grants (36 *per cent*) under TFC, which were selected by adopting probability proportional to size method of statistical sampling.

Audit findings

3.4.1 Non-availing of TFC grants

Against the total allocation of ₹ 5510.27 crore under 22 grants recommended by TFC, GOP could avail only ₹ 4886.95 crore (89 *per cent*) during 2010-15. As regards selected eight grants, against the allocation of ₹ 3466.80 crore recommended by TFC, GOP availed only ₹ 2747.30 crore during 2010-15 and 21 *per cent* grant (₹ 719.50 crore) could not be availed of due to delayed utilization of funds and submission of utilization certificates (UC) to Government of India (GOI); and non-fulfillment of prescribed conditions for availing subsequent grants under TFC, as detailed in ***Appendix 3.1.***

Due to non-availment of full proportion of TFC grants, the objectives under the respective schemes could not be achieved fully.

3.4.2. Shortcomings in utilisation of TFC grants

Test-check of records of selected eight grants showed that out of ₹ 2747.30 crore received from GOI, the State Government utilized ₹ 2217.92 crore[14]. Shortcomings noticed with regard to utilisation of five TFC grants during 2010-15 are discussed as under:

Home Affairs and Justice Department

3.4.2.1 Police training

Examination of records (July 2015) of the Director General of Police (DGP) showed that:

(i) The first instalment of ₹ 50.00 crore released (December 2011) by GOI was further released by the State Government to Punjab Police Housing Corporation (PPHC) – an executing agency of the Police Department. The amount was released for executing various works in piecemeal between December 2012 and September 2014 i.e. after a delay of more than one year, which delayed the utilization of funds. Further, out of the third instalment of ₹ 50.00 crore received from GOI in February 2015, ₹ 35.00 crore were released (February-March 2015) to PPHC leaving ₹ 15.00 crore unreleased, which adversely affected the works for upgrading training facilities for police personnel. The DGP attributed (July 2015) the reasons for delayed/non-release of funds to non-clearance of bills by treasury.

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[13] 1) Police training; 2) Development of *kandi* areas; 3) Measures to improve adverse sex ratio; 4) Elementary education; 5) Water Sector Management; 6) Urban Local Bodies; 7) Maintenance of roads and bridges; and 8) Disaster relief.

[14] Inclusive of expenditure of ₹ 604.25 crore incurred out of the accumulation under SDRF in the ratio of 75:25 between GOI and GOP.

(ii) In order to get fourth instalment released from GOI, the State Government submitted (September 2014-March 2015) inflated UC of ₹ 135.00 crore to GOI, whereas only ₹ 50.24 crore[15] were actually utilized as of July 2015. The DGP stated (September 2015) that once the work plans were prepared and approved, the funds were considered to be utilized. The reply was contrary to the TFC guidelines requiring submission of UC for the money actually utilized as per General Financial Rules.

Planning Department

3.4.2.2 Development of *kandi* areas

Test-check of records of the Planning Department showed that out of total funds of ₹ 187.50 crore received from GOI during 2011-15, the Department depicted an inflated expenditure of ₹ 182.02 crore, leaving unspent balance of ₹ 5.48 crore as of June 2015. Whereas, examination of records (July-August 2015) of 36 (out of 79) units[16] of five districts showed that against the receipt of ₹ 129.51 crore (out of ₹ 187.50 crore), ₹ 21.90 crore were still lying unspent with them. The test checked units stated (July-August 2015) that the balance funds would be utilized shortly.

Local Government Department

3.4.2.3 Urban Local Bodies

Examination of records of the Director, Local Government (Director) showed the following shortcomings in utilisation of grants under TFC:

(i) Submission of UCs before utilisation of grants

Test-check of records of 33 selected ULBs showed that eight[17] ULBs submitted (March 2011-December 2014) the utilisation certificates (UC) of ₹ 15.53 crore before actually utilizing the grants between March 2011 and July 2015, on the basis of which GOP submitted (March 2011-December 2014) the consolidated UCs to GOI. Of this, an amount of ₹ 1.67 crore[18] was lying unspent with Municipal Corporation, Jalandhar as of 31 July 2015, for which UC had already been submitted to GOI.

The Secretary, Local Government stated (December 2015) that due to

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[15] ₹ 40.72 crore (2013-15); and ₹ 9.52 crore (2014-15).

[16] Five divisions of Public Works Department (Building and Roads), Drainage Division Hoshiarpur, Punjab Mandi Board division, Pathankot, 20 Block Development and Panchayat Officers, five Panchayati Raj Divisions, three Civil Surgeons and Punjab Health Systems Corporation.

[17] (i) Jalandhar; (ii) Patiala; (iii) Ludhiana; (iv) Gobindgarh; (v) Dhuri; (vi) Barnala; (vii) Longowal; and (viii) Malout.

[18] Unspent balance included ₹ 0.15 crore of 1st instalment and ₹ 1.52 crore of 2nd instalment of general basic grants of 2010-11.

involvement of different ULBs having different local conditions and circumstances, a considerable time was required for submission of UCs. Non-submission of full UC would have deprived the State from accessing the further release of grants from GOI. The reply was not acceptable as submission of UC without actual utilization of funds was not in line with TFC guidelines.

(ii) Avoidable payment of interest on non/delayed release of grants

As per guidelines (para 4.2), the grants received from GOI were required to be transferred to ULBs within five days of its receipt in case of States with easily accessible banking infrastructure and ten days in case of States with inaccessible banking infrastructure. Any delay would require the State Government to release the instalment with interest at the bank rate of RBI for the delayed number of days.

(a) Non-release of grant

Out of ₹ 38.71 crore received by GOP on 24 March 2015 as forfeited share of non-performing States for the year 2013-14, an amount of ₹ 11.74 crore due to be released by 29 March 2015, was not released to ULBs. Non-release of grant to ULBs rendered GOP liable to pay interest amounting to ₹ 0.50 crore[19] as of September 2015. The Secretary, Local Government stated (December 2015) that the matter to release ₹ 11.74 crore to ULBs had been taken up with the Finance Department and proposal for sanction of interest amount on delayed release of grant would be submitted as soon as the grant was released to ULBs.

(b) Delayed release of grant

GOP released grants to the ULBs during 2010-14 with a delay ranging between 4 and 208 days while it was released within the stipulated time during 2014-15. Delayed release of grant attracted payment of interest to ULBs. Against the interest of ₹ 6.62 crore becoming due to be paid to the ULBs, GOP paid ₹ 5.94 crore only as on 24 September 2014 and that too with a delay ranging between 89 and 443 days. This resulted into short payment of interest of ₹ 0.68 crore.

The Secretary, Local Government stated (December 2015) that the period of five days to release the grants to ULBs was indicative and was not mandatory; and GOI too had never pressed the State for the release of interest beyond five days. The reply was not acceptable as Punjab State having accessible banking infrastructure was required to release the grants to ULBs within five days from their receipt from GOI as per the guidelines *ibid,* as was done during 2014-15.

[19] Calculated on ₹ 11.74 crore at the rate of 8.50 *per cent* for the period 30 March 2015 to 1 June 2015; 8.25 *per cent* from 2 June 2015 to 28 September 2015; and 7.75 *per cent* from 29 to 30 September 2015.

Public Works Department (Buildings & Roads)

3.4.2.4 Maintenance of roads and bridges

Examination of records (June-July 2015) of the Chief Engineer, PWD (B&R), Punjab (CE) and four[20] (out of 20) circles of PWD (B&R) to whom the TFC grant was released showed that out of total grant of ₹ 1225.81 crore (GOI share: ₹ 612.00 crore and State Share: ₹ 613.81 crore), only ₹ 994.58 crore (GOI share: ₹ 444.00 crore and State Share: ₹ 550.58 crore) were released by the State Government (Finance Department) to PWD during 2011-15, which was utilized by the Department. Audit observed the following shortcomings in utilisation of grants under TFC:

(i) GOI share of ₹ 444 crore was released to PWD with a delay ranging between 42 and 175 days and the same was utilized for periodical renewal[21] of roads, in contravention of the guidelines, which provided for the grant to be utilized only for ordinary repairs[22]. The CE stated (December 2015) that the roads were maintained by periodical or ordinary renewal as per the site condition after getting approval of work programme from the competent authority. The reply of CE was not acceptable as had the grant been utilized only for ordinary repairs, as required under the guidelines, more reparable roads could have been restored.

(ii) The PWD made a provision of ₹ 332.86 crore (GOI share: ₹ 168.00 crore and State share: ₹ 164.86 crore) for maintenance of roads during 2014-15 covering 38 *per cent* of the roads due for periodical renewal. However, GOP did not release funds amounting to ₹ 229.22 crore (GOI share: ₹ 168.00 crore and State share: ₹ 61.22 crore) thereby restricting the allocation for the work plan to State share of ₹ 103.64 crore only.

The Department attributed (June and December 2015) the reasons for non-release of funds to financial constraints in the State and non-passing of bills by the treasuries. The reply was not acceptable as funds under TFC were meant for specific purpose i.e. for repair of roads which were already suffering due to shortage of finances as was evident from the coverage of only 38 *per cent* of roads due for repair during 2014-15 and non-release of funds (₹ 229.22 crore) by the State Government further reduced the coverage of reparable roads to 12 *per cent*.

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[20] PWD (B&R) Circles (i) Amritsar; (ii) Chandigarh; (iii) Ludhiana; and (iv) Pathankot.

[21] Periodical renewal involves provision of renewal coat to the wearing surface at a predetermined frequency in continuous stretch to at least 5 to 10 kms.

[22] Ordinary repairs involve maintenance of culverts, patch repairs, crack sealing, roadside drainage, repairing of shoulders, painting of highway signs, replacement of damaged retro reflective signs, km stones, etc.; and Bridges: attendance to bearings, joints, wearing coat, railings, minor repairs to sub-structure, super structure, etc. (*As per report of the Committee on norms for maintenance of roads in India issued by Ministry of Road Transport & Highways*).

Revenue, Rehabilitation and Disaster Management Department

3.4.2.5 Disaster Relief

As per recommendations of TFC and instructions of Government of India (GOI), Ministry of Home Affairs (September 2010), a State Disaster Response Fund (SDRF) was constituted at State level for providing immediate relief to the victims of natural calamities[23]. The GOI and the State Government were to contribute to SDRF in the ratio of 75:25 of the total annual allocation recommended by TFC in the form of non-plan grants in two instalments (June and December) each year. Examination of records (June-July 2015) of the Financial Commissioner, Revenue, Rehabilitation and Disaster Management Department (FCR) showed the following irregularities in utilization from SDRF:

(i) Non-investment of State Disaster Response Fund

Audit noticed that funds ranging between ₹ 3140.95 crore and ₹ 4113.61 crore were at balance in SDRF during 2012-15, but the same were not invested in any of the prescribed instruments[24], as required under the SDRF guidelines (September 2010) and in spite of being pointed out in the Comptroller and Auditor General of India's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 (Paragraph 3.1.3.2). Rather, the State Government credited interest of ₹ 940.01 crore to SDRF during 2012-15 on Overdraft Regulations Guidelines of Reserve Bank of India (RBI) by way of book adjustment, as per SDRF guidelines. The FCR stated (August 2015) that as and when the funds were placed at the disposal of the Department by the Finance Department, these would be invested in conformity with the guidelines.

(ii) Loss of interest to SDRF

Audit observed that due to late submission of the requisite certificates/ reports[25], as required under the SDRF guidelines (September 2010), GOP could not get the GOI's share released on due dates during 2012-15, in spite of being pointed out in the Comptroller and Auditor General of India's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 (Paragraph 3.1.3.1). Resultantly, SDRF was credited with GOI and GOP share after delays ranging between 11 and 130 days, thereby causing loss of interest of ₹ 9.38 crore to SDRF during 2012-15.

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[23] Cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloudburst and pest attack.

[24] (a) Central Government dated Securities; (b) Auctioned Treasury Bills; and (c) Interest earning deposits and certificates of deposits with Scheduled Commercial Banks.

[25] (i) Certificate in April and October indicating that the amount received earlier had been credited to SDRF along with State's share accompanied by a statement giving up-to-date expenditure and balance amount available in the SDRF; and (ii) An annual report on natural calamities faced in the previous year, by September of every year.

The FCR stated (September 2015) that delay in submission of reports to GOI was due to late receipt of information from DCs. The reply of FCR was not acceptable as the Department should have made strict mechanism to obtain requisite UCs/information timely from DCs for onward submission to GOI within the prescribed time.

(iii) Unauthorized expenditure

(a) As per guidelines (July 2009) prescribing norms for assistance from SDRF, the input subsidy to farmers was to be provided at the rate of ₹ 4000 per hectare (₹1600 per acre), if crop loss was 50 *per cent* and above for areas under assured irrigation.

Audit of records (July 2015) in the office of FCR showed that against the admissible amount of ₹ 5.60 crore[26] under the norms, an amount of ₹ 7.97 crore was disbursed from SDRF to the farmers of districts Tarn Taran and Sangrur, whose crops got damaged exceeding 50 *per cent* due to heavy rains and flood in July 2010, thereby making excess payment of ₹ 2.37 crore from SDRF.

(b) The CRF (now SDRF) guidelines (July 2009) prescribe the items and norms for assistance to be provided to the victims of natural calamities from SDRF. Audit, however, noticed that an expenditure of ₹ 8.06 crore[27] was incurred from SDRF during 2010-12 for the purposes not covered under the norms for providing relief from SDRF.

The FCR referred the audit observation to the respective DCs for obtaining their replies. The reply of the FCR was awaited (December 2015).

(iv) Denial of relief from SDRF

DC, Tarn Taran demanded a relief of ₹ 8.67 crore on 12 August 2010 for restoration of roads and drains damaged due to heavy rains on 22 to 24 July 2010. The details of damaged roads and drains could only be provided by the DC on 12 November 2010 despite it being sought twice by FCR on 15 October 2010 and 3 November 2010. Since the complete proposal was furnished after 110 days (against the norms of 45 days for undertaking the work) from the date of the calamity, the Finance Department declined to sanction (28 December 2010) the relief.

Thus, non-submission of complete proposal by the DC, Tarn Taran denied the relief amounting to ₹ 8.67 crore from SDRF to restore damaged roads and

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26 Sangrur: 33048 acre x ₹ 1600 = ₹ 5.29 crore; and Tarn Taran: 1923 acre x ₹ 1600 = ₹ 0.31 crore.

27 ₹ 0.03 crore on recharging of rainwater through bore wells by DC Sangrur (September 2010); ₹ 7.75 crore on strengthening/premix carpet on roads by DC Ferozepur (November 2011); and ₹ 0.28 crore for purchase of fogging machine by Director Health and Family Welfare (December 2011).

drains despite availability of funds.

The FCR referred the matter to the concerned DC for obtaining reply. The reply of the FCR was awaited (December 2015).

Thus, Government did not optimize the grants under TFC to the fullest extent, as in the eight selected grants, an amount of ₹ 719.50 crore (21 *per cent*) was not availed of due to delayed submission of utilisation certificate to GOI and non-fulfilment of the prescribed conditions under TFC. The State Government did not release ₹ 255.96 crore to the administrative departments/implementing agencies. In order to avail subsequent grants under TFC, the State Government submitted inflated UCs to GOI. The State Government had to pay interest of ₹ 5.94 crore on account of delayed release of grants to ULBs. Available funds ranging between ₹ 3140.95 crore and ₹ 4113.61 crore in SDRF during 2012-15 were not invested in any of the prescribed instruments. Rather, the State Government credited interest of ₹ 940.01 crore on Overdraft Regulations Guidelines of RBI to SDRF during this period. Late credit of funds to SDRF caused loss of interest of ₹ 9.38 crore. Relief amounting to ₹ 10.43 crore was provided for the items/works not covered under the prevailing norms.

The matter was referred to Government in September 2015; reply (except for Urban Local Bodies portion) was awaited (January 2016).

GOVERNANCE REFORMS AND FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENTS

3.5 Non-availing of central assistance

Delay in initiating project led to abandonment of project on 'e-Governance in FCSD and even the available central assistance of ₹ 1.16 crore was not availed of while implementing another project on Grain Management System in PUNGRAIN, thus, blocking the grant-in-aid for about seven years.

The Ministry of Communication and Information Technology, Government of India (GOI) accorded (April 2006) administrative approval of ₹ 2.32 crore to a project proposal on 'e-Governance in Food and Civil Supplies Department in the pilot district Ludhiana' submitted (February 2006) by the Department of Information Technology, Punjab (DIT), to be implemented over a period of eleven months. The objective of the project was to computerize the activities of the Food, Civil Supplies and Consumer Affairs Department (FCSD) so as to improve effectiveness and to bring transparency in its operations and services. The first instalment of grant-in-aid (GIA) of ₹ 1.16 crore received (August 2006) by FCSD from GOI was transferred (November 2006) to Punjab State e-Governance Society (PSeGS) for implementing the project.

Examination of records (January 2015) of PSeGS showed that the matter regarding selection of a consultant for implementation of the project remained under consideration till February 2009, when after about three years DIT, on behalf of FCSD, requested GOI for closure of the said project and forwarded a new project proposal on the Grain Management System (GMS) for procurement, storage and management of wheat in one of the State procurement agencies - Punjab State Grains Procurement Corporation, (PUNGRAIN) - on pilot basis at a total cost of ₹ 2.35 crore. DIT also sought transfer of available funds of ₹ 1.16 crore (out of earlier approved project cost of ₹ 2.32 crore) to PUNGRAIN for its utilization towards GMS project. GOI could not consider (March 2009) the request of the State Government due to imposition of model code of conduct by Election Commission of India at that time.

In February 2010, GOI requested DIT to make a presentation on GMS project before considering it for approval and for transferring the funds of ₹ 1.16 crore from PSeGS to GMS. Since DIT/FCSD did not respond for over three years, GOI asked (May 2013) PSeGS either to submit UC or refund the unutilized amount. Accordingly, PSeGS refunded (June 2013) ₹ 1.86 crore (including interest of ₹ 0.70 crore earned between November 2006 and May 2013) without incurring any expenditure.

The FCSD attributed the reasons for non-finalization of the earlier project to lack of clarity on procedure, technicalities and legalities; and stated (October 2015) that in the meantime, the Department had developed an in-house portal for food grains management which was working satisfactorily. The reply of the Department was not acceptable as delay in initiating project led to abandonment of the first project on e-Governance in FCSD. Even the available central assistance of ₹ 1.16 crore was not availed of while implementing the project on GMS in PUNGRAIN from its own sources[28], thus, blocking the GIA for about seven years.

The matter was referred to Government in May 2015; reply was awaited (January 2016).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.6 Implementation of centrally sponsored schemes relating to strengthening of AYUSH infrastructure

Due to non-release of second instalment of ₹6.05 crore by GOI owing to non-submission of utilization certificate for the entire first instalment of grant by the State Government, 67 speciality clinics could not be constructed/established. Clinics constructed/established and machinery and equipment purchased at a cost of ₹1.80 crore could not be made fully functional or utilized for want of requisite staff.

The main objectives of the Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) were the upgradation of AYUSH

28 An expenditure of ₹ 10.89 crore was borne by PUNGRAIN on the maintenance of in-house portal on GMS developed by FCSD during 2009-13.

educational standards, quality control and standardization of drugs, improving the far outreach health care through preventive and curative intervention, affordable and efficacious services, etc. and for this purpose five[29] schemes were implemented in the State of Punjab. At State level, Principal Secretary, Health and Family Welfare Department is the administrative head of the Department assisted by Commissioner AYUSH, Director Ayurveda and Director Homoeopathy.

With a view to assess the efficiency and effectiveness in strengthening the AYUSH infrastructure, an audit of four (out of five) 100 *per cent* centrally sponsored schemes[30] covering the period 2012-15 was conducted (October 2014-March 2015) by test-checking the records of Director Ayurveda; Director Homoeopathy; Managing Director (MD), National Rural Health Mission (NRHM); MD, Punjab Health System Corporation (PHSC) along with six district[31] level offices of Ayurveda and Homoeopathy.

Audit findings

3.6.1 Financial management

3.6.1.1 Funding pattern

Against the allocation of ₹ 17.37 crore (August 2006-October 2009) under four selected CSSs, ₹ 11.32 crore were released by GOI. Of this, the Department utilized ₹ 9.45 crore as of March 2015 and ₹ 0.87 crore were refunded (March-August 2013) to GOI owing to savings under the components viz. machinery and equipment and civil work of the respective schemes. However, the unspent amount of ₹ 1.00 crore was neither utilized even after the lapse of period ranging between four and eight years nor were refunded to GOI.

The Homeopathy Department attributed the reasons for non-utilisation of funds of ₹ 0.23 crore[32] to non-clearance/sanction of the scheme/funds by the Administrative/Finance Department. The reasons for non-utilization of funds of ₹ 0.77 crore[33] have been discussed in paragraphs 3.6.1.3 and 3.6.2.1.

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[29] (i) Establishment of speciality clinics of Ayurveda in 121 Primary Health Centres; (ii) Establishment of 12 speciality clinics in Community Health Centre/Sub District Hospital; (iii) Establishment of seven ISM Wings in District Allopathic Hospitals; (iv) Establishment of four ISM&H Wings and one Specialized Therapy Centre (Homoeopathy); and (v) Upgradation of five AYUSH hospitals.

[30] (i) Establishment of speciality clinics of Ayurveda in 121 Primary Health Centres; (ii) Establishment of 12 speciality clinics in Community Health Centre/Sub District Hospital; (iii) Establishment of seven ISM Wings in District Allopathic Hospitals; and (iv) Establishment of four ISM&H Wings and one Specialized Therapy Centre (Homoeopathy) sanctioned between August 2006 and October 2009.

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

[32] Establishment of four ESM&H wings and one Specialized Therapy Centre (Homeopathy).

[33] (i)Establishment of 12 speciality clinics in CHC/SDH (₹ 0.56 crore); and (ii)Establishment of Speciality Clinics of Ayurveda in 121 PHCs (₹ 0.21 crore).

3.6.1.2 Non-availment of second instalment for establishment of speciality clinics in Ayurveda in 121 PHCs

The Government of India, Ministry of Health and Family Welfare, Department of AYUSH (GOI), against the allocation of ₹ 12.10 crore[34], released (October 2009) ₹ 6.05 crore as first instalment to the State Government for establishment of speciality clinics of Ayurveda in 121 PHCs. The second instalment was to be released on receipt of Utilisation Certificate (UC) to be submitted within 12 months of the closure of the financial year. However, the Department submitted UC for ₹ 5.58 crore to GOI in November 2014 though it utilized ₹ 5.61 crore up to March 2015. Due to non-submission of UC of the entire grant (₹ 6.05 crore) even after four years of its becoming due i.e. by March 2011, the second instalment of ₹ 6.05 crore was not released by GOI, which adversely affected the implementation of the Scheme, as discussed in paragraph 3.6.2.1.

In reply, Director Ayurveda stated (June 2015) that efforts were being made to utilize the balance funds.

3.6.1.3 Lapsed budget provisions

With a view to promote Panchkarma, Ksharshutra, Yoga and Naturopathy, GOI released (August 2006) ₹ 1.20 crore for establishment of speciality clinics in 12 allopathic hospitals[35]. It was only after a lapse of seven years that the Department of Health and Family Welfare (DHFW) Punjab, with the concurrence of Department of Finance, released (June 2013) funds of ₹ 1.20 crore to the Director Ayurveda, who utilized only ₹ 0.64 crore[36] during 2013-14 and allowed ₹ 0.56 crore to lapse. The funds of ₹ 0.56 crore meant for minor works and office expenses (i.e. purchase of examination table, instrument trolleys, ENT diagnostic kits, foetal doppler, etc.) sanctioned in January 2015 were not spent and lapsed again during 2014-15, thereby denying intended benefits to the masses.

The Director Ayurveda stated (June 2015) that due to lengthy process of procurement and receipt of funds at the end of financial years, the funds remained unutilized. However, efforts were being made to get the funds sanctioned during the current year (2015-16).

Programme implementation

3.6.2 Civil works

3.6.2.1 Incomplete construction work of Ayurveda speciality clinics in 121 PHCs

Out of the funds of ₹ 6.05 crore[37] (50 *per cent* of the total allocation of

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[34] ₹ 10 lakh each for 121 PHCs.

[35] (i) Batala; (ii) Dasuya; (iii) Garhshankar; (iv) Kartarpur; (v) Khanna; (vi) Maur Mandi; (vii) Nakodar; (viii) Pathankot; (ix) Rama Mandi; (x) Ropar; (xi) Shahkot; and (xii) Tarn Taran at a cost of ₹ 10 lakh each.

[36] Civil works (₹ 0.27 crore); Machinery & Equipment (₹ 0.01 crore); and Medicines (₹ 0.36 crore).

[37] Civil Work (₹ 181.50 lakh); Machinery and Equipment (₹ 181.50 lakh); Medicines (₹ 181.50 lakh); and Contingency (₹ 60.50 lakh).

₹ 12.10 crore) released (October 2009) by GOI for establishment of speciality clinics of Ayurveda in 121 PHCs, the Director Ayurveda transferred (April 2010) ₹ 1.82 crore to Punjab Health System Corporation (PHSC) as first instalment for construction of these clinics at the rate of ₹ three lakh per clinic.

Audit of records of PHSC showed that 54 (out of 121) Ayurvedic speciality clinics were constructed at a cost of ₹ 1.57 crore between September 2010 and February 2012. Due to non-utlisation of balance funds ₹ 0.25 crore and non-availment of second instalment of ₹ 6.05 crore (inclusive of ₹ 1.82 crore for civil works), as discussed in paragraph 3.6.1.2, remaining 67 speciality clinics had not been constructed/established under the Scheme (May 2015). In reply, PHSC stated (January 2015) that due to revision of premium it was not possible to complete the said work with ₹ three lakh per PHC. The reply was not acceptable as PHSC failed to execute the work timely as 54 works executed between September 2010 and February 2012 were completed within ₹ three lakh per PHC.

In six test-checked districts, 16 (out of 50) Ayurvedic speciality clinics had been constructed between November 2010 and February 2012. Of these, four[38] speciality clinics constructed at a cost of ₹ 0.12 crore were not functional for want of posting of Ayurvedic Medical Officer (AMO) despite an undertaking given by the Commissioner AYUSH to GOI to provide requisite staff. In reply, the Director Ayurveda stated (June 2015) that proposals for providing required manpower had been sent to NRHM Punjab, the approval to which was still awaited.

Thus, the Scheme launched more than five years ago could not be implemented extensively, thereby depriving the public of the intended benefits.

3.6.2.2 Non-functional ISM Wings in allopathic hospitals

The GOI released (August 2006) ₹ 2.45 crore to the State Government for establishment of seven Indian System of Medicine (ISM) Wings (Ayurveda) in District Allopathic Hospitals[39] at the cost of ₹ 0.35 crore[40] each.

Examination of records of Director Ayurveda showed that out of seven ISM Wings, the work of construction of ISM Wing in District Hospital, Amritsar was completed at a cost of ₹ 0.06 crore and was handed over to the District Ayurveda and Unani Officer Amritsar in July 2010. After about three years, the Deputy Medical Commissioner, PPHC ordered (May 2013) the vacation of this space on the ground that the Mother and Child Care Hospital was to be constructed on the same site. The ISM Wing was temporarily shifted to Civil Hospital, Verka (Amritsar), where only Outdoor Patient Department (OPD) was functional and Indoor Patient Department (IPD) was not functional due to

[38] PHCs (i) Dhianpur; (ii) Kala Afgana; (iii) Kanjala; and (iv) Manvi.

[39] (i) Amritsar; (ii) Bathinda; (iii) Gurdaspur; (iv) Hoshiarpur; (v) Jalandhar; (vi) Ludhiana; and (vii)Sangrur.

[40] Civil Work (₹ 10.00 lakh); Machinery and Equipment (₹ 15.00 lakh); Medicines (₹ 7.00 lakh); Contingency (₹ 2.00 lakh); and Training (₹ 1.00 lakh).

shortage of space and staff. It was further noticed that despite the fact that MCH building had been completed and functioning since January 2015, the ISM Wing had not been shifted back to MCH building as of September 2015, thereby denying the intended benefits to the masses under the Scheme as the ISM Wing at Amritsar had been functioning partially for more than two years.

The Director Ayurveda stated (April 2015) that the matter had been taken up with the Civil Surgeon, Amritsar to provide space for ISM Wing in the hospital premises so that intended benefits could be provided to the public.

3.6.2.3 Ungainful expenditure on ISM&H Wing

The GOI released (August 2006 and September 2007) ₹ 1.62 crore for establishment of Indian System of Medicine and Homoeopathy (ISM&H) Wings in the District Allopathic Hospitals at Amritsar, Faridkot, Kapurthala and Moga at the rate of ₹ 0.35 crore[41] each and a Specialised Therapy Centre at Sangrur at a cost of ₹ 0.22 crore[42] with the objective of establishing an Indoor Patient Department (IPD) (10 bedded) to provide hospitalization facilities to the patients.

Audit noticed that while submitting the proposal (June 2006) to GOI, the Director Homoeopathy, without the concurrence of the Finance Department, had given an undertaking to GOI that they would depute the required staff to make the ISM&H Wings functional. Although Director Homoeopathy incurred an expenditure of ₹ 1.39 crore (out of ₹ 1.62 crore) on various components[43] as of March 2015, yet the indoor facilities to the patients were not provided even after lapse of more than seven years of receipt of funds from GOI due to non-provision of requisite medical staff.

The Director Homoeopathy stated (June and September 2015) that the matter was under consideration with the State Government for creation/sanction of required staff. The reply was not acceptable as the ISM&H Wings and Specialized Therapy Centre could not be made functional even after eight years from the inception of the Scheme, thereby resulting into ungainful expenditure of ₹ 1.39 crore, besides denial of intended benefits to the public.

3.6.3 Machinery and equipment

3.6.3.1 Purchase of computers and printers for 121 PHCs

The funds of ₹ 6.05 crore (against the allocation of ₹ 12.10 crore) released by GOI for establishment of Ayurvedic speciality clinics in 121 PHCs included an amount of ₹ 1.82 crore (₹ 1.50 lakh per PHC) for procurement of machinery and equipment.

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41 Minor Work (₹ 10.00 lakh); Machinery and Equipment (₹ 15.00 lakh); Medicines (₹ 7.00 lakh); Office Expenses (₹ 2.00 lakh); and Training (₹ 1.00 lakh).

42 Minor Work (₹ 5.00 lakh); Machinery and Equipment (₹ 10.00 lakh); Medicines (₹ 5.00 lakh); Office Expenses (₹ 1.50 lakh); and Training (₹ 0.50 lakh).

43 Minor Works (₹ 0.45 crore); Machinery & Equipment: (₹ 0.50 crore); Material Supply (₹ 0.33 crore); Training (₹ 0.04 crore); and Office expenses (₹ 0.07 crore).

Audit noticed that Director Ayurveda procured (August 2013) 121 computers and printers at a cost of ₹ 0.50 crore and all the supplies were shown to have been made to 121 PHCs between August and December 2013, whereas only 54 speciality clinics had actually been constructed as of March 2015, as discussed in paragraph 3.6.2.1.

In six test-checked districts (February-March 2015), examination of records showed that 48 computers and printers amounting to ₹ 0.20 crore were received by the District Ayurvedic and Unani Officers (DAUO) in 48 PHCs under their jurisdiction, whereas only 16 speciality clinics had actually been built. Out of 48, 13 computers and printers were retained in the District/Head office and remaining 35 computers and printers amounting to ₹ 0.14 crore issued to 35 PHCs (including 11 PHCs constructed under the Scheme where computers and printers were provided) were lying idle due to lack of space, non-receipt of proper instructions/guidelines from Head Office, shortage of staff, etc.

The Director Ayurveda stated (June 2015) that the computers and printers were supplied on the basis of demand raised by DAUOs and as regards shortage of staff, it was stated (September 2015) that Ayurvedic Medical Officers (AMO) in remaining 51 PHCs would be posted shortly. The fact remained that computers/printers were lying idle in 35 PHCs of the test-checked districts for the reasons discussed above.

3.6.3.2 Idle equipment in ISM Wings

The funds of ₹ 2.45 crore released (August 2006) by GOI for establishment of seven ISM Wings in District Hospitals included an amount of ₹ 1.05 crore (₹ 15 lakh per ISM Wing) for procurement of machinery and equipment.

Audit observed in three test-checked districts[44] that although the construction work of ISM was completed (November 2009-September 2010), yet the machinery and equipment for panchkarma therapy valuing ₹ 15.48 lakh (₹ 5.16 lakh each) received through the Director Ayurveda during January-March 2013 was lying unutilized due to proper staff not being appointed in the ISM Wing. Moreover, the buildings of ISM Wing of Gurdaspur and Sangrur had not been constructed as per norms[45] fixed by GOI under the Scheme, which would also create obstacles in proper utilization of equipment. The PHSC, Patiala stated (February 2015) that the construction was made as per availability of land in the hospital premises.

The Director Ayurveda stated (September 2015) that the staff for IPD in ISM wings had not been sanctioned by the Government. The fact remains that due to non-provision of requisite staff, the machinery and equipment valuing ₹ 15.48 lakh have been lying unutilized for more than two years.

[44] (i) Gurdaspur; (ii) Jalandhar; and (iii) Sangrur.

[45] ISM wing was constructed in 1271 square feet (Gurdaspur) and 1080 square feet (Sangrur) as against 2400 square feet.