

Overview

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This Report contains six performance audits on (i) Private Universities and Private Colleges; (ii) Working of Guru Nanak Dev University; (iii) Implementation of Drugs and Cosmetics Act, 1940; (iv) Mid Day Meal Scheme; (v) NABARD assisted projects for widening of plan and link roads and construction of bridges; and (vi) Implementation of National Rural Drinking Water Programme in Punjab; and 24 paragraphs involving money value of ₹ 145.36 crore. Some of the major findings are mentioned below:

The total expenditure¹ of the State increased by 41.45 *per cent* from ₹ 35,349 crore in 2010-11 to ₹ 50,002 crore in 2014-15. Revenue expenditure increased by 41.70 *per cent* from ₹ 32,897 crore to ₹ 46,614 crore; non-plan revenue expenditure increased by 36.38 *per cent* from ₹ 30,576 crore to ₹ 41,701 crore; and capital expenditure increased by 30.79 *per cent* from ₹ 2,384 crore to ₹ 3,118 crore during the period 2010-15.

Performance Audit

A performance audit of **‘Private Universities and Private Colleges’** was conducted. Some major findings are mentioned below:

- No regulatory mechanism for Private Universities was set up at State Government level to safeguard the interests of stakeholders.

(Paragraph 2.1.6.1)

- Deficiencies were noticed in the process of establishment of seven Private Universities in violation of Punjab Private University Policy, 2010.

(Paragraph 2.1.6.2)

- Five Private Universities (PUs) and 12 Private Colleges (PCs) were established without obtaining the permission for change of land use and seven PUs and six PCs were approved without the approval of building plans leading to non-recovery of external development charges and licence fee and thus extending undue financial favour of ₹ 7.95 crore to promoters/sponsoring bodies. Further, there was loss to the Government due to non-recovery of labour cess of ₹ 1.48 crore in four cases where building plans were not approved.

(Paragraph 2.1.6.3(ii & iii))

- Five PUs commenced academic operations without obtaining clearance from the University Grants Commission (UGC).

(Paragraph 2.1.7.1)

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

- Six PUs and 16 PCs had appointed 148 and 440 faculty members respectively without following eligibility criteria and State Universities were granting affiliation to the private colleges having inadequate infrastructure, facilities, etc.

(Paragraphs 2.1.8.1 (i & ii) and 2.1.8.4)

- No periodical inspection was conducted for any of the PUs by UGC. Punjab Technical University had conducted academic audit of 92 colleges out of 292 during 2010-14 whereas Punjabi University Patiala had not conducted periodic inspection of any of 194 PCs affiliated with it.

(Paragraphs 2.1.9.1 and 2.1.9.4(i&ii))

A performance audit of ‘**Working of Guru Nanak Dev University**’ was conducted. Some major findings are mentioned below:

- Budget estimates were not realistic as actual receipts were more than revised estimates and the expenditure was less than revised estimates. Variations in receipts ranged between 9 and 39 *per cent* while it was 11 and 25 *per cent* in expenditure.

(Paragraph 2.2.7.1)

- Technical Education Quality Improvement Programme-II could not be initiated due to non-release of Government of India grant of ₹ 2.25 crore by Government of Punjab and the University was denied the opportunity to strengthen its technical education programme.

(Paragraph 2.2.7.2)

- Temporary advances amounting to ₹ 4.78 crore pertaining to the period from 1972-73 to 2014-15 were not adjusted, in the absence of which the actual amount incurred from these advances and its authenticity could not be ascertained.

(Paragraph 2.2.7.6)

- Irregular grant of secretariat pay to the employees resulted in extra burden of ₹ 4.44 crore on the University during 2011-15. The University made excess payment of ₹ 6.34 crore on account of interest to its employees on GPF/CPF during 2010-15.

(Paragraphs 2.2.7.7 and 2.2.7.8)

- The University, two Regional Campuses and 73 affiliated colleges offered courses during 2010-15 which were not specified by UGC.

(Paragraph 2.2.8.1)

- The shortage of teaching staff ranged between 39 and 65 *per cent* while shortage of non-teaching staff ranged between 16 and 92 *per cent* during 2010-15.

(Paragraph 2.2.9.1(i & ii))

A performance audit of '**Implementation of Drugs and Cosmetics Act, 1940**' was conducted. Some major findings are mentioned below:

- Licences of 282 manufacturing/selling units were renewed after a delay ranging between 5 and 182 months after the expiry of licences.

(Paragraph 2.3.7.3)

- Shortfall in number of inspections ranged between 20 and 79 *per cent* during 2010-15 in the selected districts when compared to the norms under the Act.

(Paragraph 2.3.8.1)

- Samples were drawn at 23 *per cent* over and above the targets fixed by the Department in the selected districts. No samples were drawn from Homoeopathy units of the selected districts.

(Paragraph 2.3.8.2(i))

- The Department took final action (cancelled/suspended licences and launched prosecution orders) only after a delay of 85-146 months.

(Paragraph 2.3.8.4)

- Out of 18146 samples tested at two State drugs testing laboratories during 2010-15, test reports of 12971 samples were delivered between 30 days and one year and reports of 115 samples were delivered after one year.

(Paragraph 2.3.9.1)

- Against the requirement of 120 Drug Inspectors as per Institutional Development Plan (October 2012), only 52 Drug Inspectors were in position as of March 2015. No centralized database/master control registers were maintained at headquarters level for proper monitoring.

(Paragraphs 2.3.10.1 and 2.3.11.3)

A performance audit of '**Mid Day Meal Scheme**' was conducted. Some major findings are mentioned below:

- Due to non-implementation of Mid Day Meal Scheme (MDMS), MDM was not served to 50417 children in 32 Government aided schools of Amritsar and Ludhiana districts.

(Paragraph 2.4.6.1 (ii))

- Cooking cost was short released by ₹ 76.54 crore resulting into non-serving of MDM between 4 and 245 days in 40 schools. Short

allocation of food grains by 10.44 *per cent* and thereafter its short lifting by 5.11 to 18.23 *per cent* led to non-serving of MDM between 4 and 149 days in 49 schools.

(Paragraphs 2.4.7.2 and 2.4.9.4)

- Out of funds of ₹ 15.55 crore provided under Management, Monitoring and Evaluation, ₹ 7.77 crore were not allocated to schools. Funds were also utilized for the components not covered under MDMS.

(Paragraph 2.4.7.5 (i & ii))

- Decreasing trend of enrolment in primary and upper primary classes was noticed as against the decreasing trend of 6 *per cent* in 1994-99 it increased to 19.14 *per cent* in 119 out of 180 schools during 2010-15.

(Paragraph 2.4.8.1)

- Fair Average Quality of food grains was not ensured by a team consisting of a Food Corporation of India's representative and a nominee of the collector. Calorific value in MDM was not ensured as per the norms fixed by the Government of India (GOI).

(Paragraphs 2.4.9.1 and 2.4.9.3)

- Inspection reports were not prepared and discussed in Steering-cum-Monitoring Committee meetings for taking remedial measures. Computerized Management Information System was not established at Block level.

(Paragraphs 2.4.10.1 and 2.4.10.2)

A performance audit of **‘NABARD assisted projects for widening of plan and link roads and construction of bridges’** was conducted. Some major findings are mentioned below:

- The Finance Department did not release NABARD funds of ₹ 54.47 crore. Similarly the Agriculture Department did not release ₹ 17.89 crore to the Punjab Mandi Board (PMB).

(Paragraph 2.5.7.1 (i))

- Treasury Officers did not clear bills of ₹ 190.42 crore during the same financial year. Savings of ₹ 18.83 crore were irregularly utilised on unapproved works.

(Paragraphs 2.5.7.1 (ii) and 2.5.7.2)

- Instead of deducting cultural and cancer cess from the payments of the contractors, the Chief Engineer (PMB) deducted ₹ 9.82 crore out of the

project funds thereby not only diverting the project funds but also extending undue favour to the contractors.

(Paragraph 2.5.7.4 (i & ii))

- Instances of award of the works without tendering (₹ 10.43 crore), allotment of works on single tender (₹ 18.49 crore) and start of the works prior to technical sanctions (₹ 520.43 crore) were noticed.

(Paragraphs 2.5.8.6, 2.5.8.7 and 2.5.8.8(i&ii))

- Deviations from the laid down specifications resulted in avoidable expenditure of ₹ 0.78 crore.

(Paragraph 2.5.8.10)

- The contractors were favoured by not obtaining prescribed insurance covers of ₹ 5.12 crore, non/short obtaining of bank guarantees (BG) worth ₹ 3.80 crore and non-revalidation of BGs of ₹ 1.19 crore.

(Paragraph 2.5.8.12(iii & iv))

- Internal control mechanism was found deficient.

(Paragraphs 2.5.9.1 and 2.5.9.2)

A performance audit of **‘Implementation of National Rural Drinking Water Programme in Punjab’** was conducted. Some major findings are mentioned below:

- State Level Scheme Sanctioning Committee met only twice during 2010-15 against the requirement of 10 meetings. National Rural Drinking Water Programme (NRDWP) was implemented without preparation of five-year rolling plan and village and district water security plans.

(Paragraph 2.6.6.1)

- The GOI imposed a cut of ₹ 17.10 crore due to excess expenditure on O&M component and delay in submission of annual action plans. The Department diverted ₹ 2.30 crore to the works not covered under NRDWP.

(Paragraphs 2.6.7.3 and 2.6.7.5)

- There was shortfall in achieving the targets under coverage component ranging between 18 and 64 *per cent*. 45 schemes were completed with the delay ranging between 24 and 889 days.

(Paragraphs 2.6.8.1(i) and 2.6.8.2)

- Non-functioning of 15 completed water supply schemes and three Reverse Osmosis Plants, due to non-payment of electricity bills, rendered the expenditure of ₹ 5.05 crore ungainful.

(Paragraph 2.6.8.3)

- The State Government did not conduct any study to evaluate the implementation of the programme. The Integrated Management Information System, the chief mechanism for monitoring the programme, was unreliable.

(Paragraphs 2.6.9.1 and 2.6.9.3)

Compliance Audit

- A Performance Audit Report on ‘Secondary Education’ was incorporated in the Comptroller and Auditor General of India's Report (Civil) for the year ended 31 March 2010. A follow-up audit conducted to examine the corrective actions taken by the Education Department brought out that 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.

(Paragraph 3.3)

- 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 Thirteenth Finance Commission (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 utilisation certificates (UC) to GOI. Relief amounting to ₹ 10.43 crore was provided for the items/works not covered under the prevailing norms.

(Paragraph 3.4)

- 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.

(Paragraph 3.6)

- Against the target of 40 per cent reduction for new infections, reduction was only one per cent in the State under the National AIDS Control Programme. Daily client load (Injecting Drug Users) on Opioid Substitution Therapy (OST) centres remained up to 63 per cent over and above the maximum load of 200 clients. Injecting Drug Users

ranging between 41 and 48 *per cent* could not be retained in 17 OST centres thereby compromising the efficacy of their treatment. Shortfall in referral cases to detoxification/de-addiction centres by OST centres ranged between 41 and 100 *per cent* in the selected districts. There was shortfall up to 100 *per cent* in achievement of targets by Non-Governmental Organizations under National AIDS Control Programme during 2012-15.

(Paragraph 3.7)

- Failure to observe codal provisions by the Drawing and Disbursing Officer and resultant compromise of the internal control mechanism, facilitated misappropriation of user charges amounting to ₹ 19.88 lakh in Civil Hospital, Mansa.

(Paragraph 3.8)

- Facilitation charges amounting to ₹ 20.04 crore were retained by the Department outside Government account, of which, ₹ 12.03 crore were utilized in contravention of the Constitutional provisions. Service tax amounting to ₹ 0.59 crore had not been deposited. 37 *per cent* of the *Saanjh Kendras* had not been established even after five years of the recommendations of the Commission. An expenditure of ₹ 0.33 crore on construction of additional Police Station Outreach Centres was avoidable. Staff to *Saanjh Kendras* was provided on temporary basis by diverting personnel from the existing police force. A service provider for maintenance of software for central server was selected in a non-transparent manner and paid an amount of ₹ 1.59 crore.

(Paragraph 3.9)

- The Home Guards and Civil Defence Department could not utilise 46 *per cent* of the central assistance available under two centrally sponsored schemes due to non-passing of bills by treasury and release of funds at the end of the financial years. An amount of ₹ 1.34 crore was diverted to another work not covered under the Scheme; and rescue equipment valuing ₹ 0.53 crore were lying unutilized for want of multi-purpose hall and Instructors. Pilot project in disaster management and internal security was not initiated at all in Amritsar and Gurdaspur. Against the target of 4555, only 2474 civil defence volunteers were imparted training.

(Paragraph 3.10)

- An amount of ₹ 19 crore on account of deployment of Home Guard Volunteers for the period 2010-15 was not recovered from Food Corporation of India and banks.

(Paragraph 3.11)

- Perspective/strategic plan and baseline survey/feasibility studies were not prepared/conducted. Centralized database, HORTNET was not implemented. Instances of short release of funds, non-percolation of benefits to SCs, excess payment of financial assistance of ₹ 8.47 crore,

payment of ₹ 3.76 crore to ineligible persons were noticed. No monitoring mechanism was put in place.

(Paragraph 3.12)

- Irregular refund of External Development Charges and License Fee resulted in a loss of ₹ 13.40 crore to Greater Mohali Area Development Authority (GMADA).

(Paragraph 3.13)

- Injudicious decision by GMADA to allot the work without assessing the actual requirement of water and subsequently terminating the contract resulted into wasteful expenditure of ₹ 2.78 crore.

(Paragraph 3.14)

- The planning of the scheme for establishment of degree colleges in educationally backward districts was deficient as the State Government not only delayed the finalization of the proposal but also submitted proposals for ineligible colleges leading to rejection thereof by the University Grants Commission. Instances of execution of works without technical sanction, avoidable payment of cost escalation of ₹ 90.53 lakh, undue favour of ₹ 1.69 crore to the contractors, allotment of work to ineligible contractor and non-maintenance of inspection record of buildings after completion/during defect liability period were noticed.

(Paragraph 3.17)

- Allotment of rectification work to a new contractor instead of getting it done from the defaulting contractor and payment of price adjustment by the Public Works Department resulted in avoidable burden of ₹ 18.55 crore on the State exchequer.

(Paragraph 3.18)

- A division of the Public Works Department remained without work for more than five years, thereby rendering the expenditure of ₹ 7.33 crore on salaries and office expenses unproductive.

(Paragraph 3.19)