

## **OVERVIEW**

The Report includes three Chapters containing five reviews and 18 paragraphs. Chapter I deals with the findings of performance audit in various departments while Chapter II deals with the findings of audit of transactions in the various departments including Autonomous Bodies and departmentally run commercial undertakings. Chapter III deals with the comments on internal control mechanism existing in selected department in the State.

The audit has been conducted in accordance with the internationally accepted Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on judgement basis. Audit conclusions have been drawn and recommendations made taking into consideration the views of the Government/auditee organisations.

A summary of audit findings is given below:

### **1. National Rural Health Mission**

The National Rural Health Mission was launched in April 2005 with the main objective to bring about improvement in health status of the people, who live in rural areas. Performance audit of the Mission activities brought out deficiencies in completion of household and facility survey, non-preparation of perspective and annual plans and lack of planning as well as monitoring. Against the targets of construction of nine Community Health Centres (CHC), 79 Primary Health Centres (PHC) and 44 Sub Centres, no health centre was constructed during 2005-09. The services at CHCs and PHCs suffered for want of doctors, para-medical staff and other basic medical facilities. A large number of pregnant women did not show up for antenatal check ups. While there was shortfall of 17 *per cent* in targets of sterilisation, the shortfall in Vitamin A solution administration ranged between 17 and 67 *per cent*. Against detection of 36,487 cases of refractive errors, only 6,937 students were provided free spectacles in test checked districts. Annual Parasitic Incidence was higher than the stipulated rate of 0.5 per thousand. The achievement of targets, set for 2010 for infant mortality rate, maternal mortality rate, total fertility rate, sex ratio, etc. were far from satisfactory.

*(Paragraph 1.1)*

### **2. Modernisation of Police Force**

The modernisation of Police Force scheme was launched to meet the challenges to internal security effectively and to overcome the deficiencies in residential and non-residential buildings, mobility, weapons, training, scientific aids, equipments,

etc. A performance audit of the scheme in the State brought out several areas of concern. Police force was not equipped with sophisticated modern weapons and continued to depend on outdated weapons. Cases such as non-preparation of five year perspective plan, delay in approval of annual action plans, diversion of funds, parking of funds with implementing agencies, etc. were observed. Utilisation certificates for Rs 182.89 crore were furnished to Government of India, though a sum of Rs 48.91 crore was lying unspent with implementing agencies. Despite availability of sufficient funds, 49 *per cent* of staff quarters and 35 *per cent* of non-residential buildings were not completed. Modernisation of weapons was inadequate as expenditure on procurement of weapons was only 2.23 *per cent* of the total approved plan during 2004-09. Suppression blankets worth Rs 48.79 lakh were not supplied by HARTRON despite advance payment of required amount in May 2003. Water cannon vehicles had not been purchased for more than two years despite availability of funds of Rs 5.35 crore. Against the sanction of 53,708 posts, 41,683 police personnel were in position leaving a gap of 12,025 posts (22 *per cent*). Strength of women police was negligible. In Forensic Science Laboratory, against the sanctioned strength of 152 technical staff, only 86 were in position. Seventy eight *per cent* of police personnel were not trained in use of modern weapons.

(Paragraph 1.2)

### **3. Desert Development Programme**

The main objective of Desert Development Programme was to develop wastelands and degraded lands, drought prone areas and desert areas having preponderance of common lands for the overall development and improvement in socio-economic conditions of the poor populace inhabiting these areas. The programme was brought under watershed mode in 1987. The programme was implemented under new guidelines called '*Hariyali*' with effect from April 2003. Performance audit of the programme brought out issues like long term perspective plan by using the thematic maps generated by Haryana Space Application Centre not being used in any of the test checked districts. The implementation of the programme was slow as out of 441 watershed projects, only 118 were completed. This resulted in non-receipt of full financial assistance from Government of India. Programmes related to soil and moisture conservation works were not taken up to develop degraded land. On the other hand, Rs 46.25 lakh were spent on sewer *nullahs* instead of spending the funds on drainage line treatments. The scheme on formation of Self Help Groups to uplift rural poor was a non-functional in test checked watershed projects. A sum of Rs 10.75 crore was spent on distribution of HDPE pipes among farmers instead of laying underground pipelines. Areas identified for ponds were not proper as six ponds dug up at a cost of Rs 10.50 lakh were without water as catchment area, source of re-charging, etc. were not conceptualised. The mechanism for post project maintenance, monitoring and evaluation was either not evolved or was not working effectively.

(Paragraph 1.3)

#### **4. Functioning of Haryana Roadways**

The performance audit of the Haryana Roadways disclosed that the Roadways suffered a loss of Rs 637.99 crore in 2004-09. The fleet utilisation of Roadways (95.54) in 2008-09 was higher than all India average (AIA) of 92 *per cent*. Its vehicle productivity at 366 kilometres per bus per day was also above the AIA of 313 kilometres. Similarly, load factor of 73 *per cent* remained above the AIA of 63 *per cent*. Though the Roadways did well on operational parameters, its 99.80 *per cent* routes were unprofitable due to high incidence of passenger tax and non reimbursement of cost of free/concessional traveling facilities by the State Government. The Roadways made recruitment of conductors/drivers in anticipation of induction of new fleet and incurred excess staff cost of Rs 8.05 crore during July 2008 to March 2009. The Roadways did not attain its own fuel consumption targets resulting in excess consumption of fuel valued at Rs 31.30 crore during 2004-09. The Roadways earned a net profit of Rs 4.32 crore during October 2005 to February 2008 from ten hired Volvo buses. As this arrangement has the potential to cut down the cost substantially, the Roadways needs to explore possibility of hiring ordinary buses to increase its fleet. Though the Government approves the fare increase, there is no scientific basis for its calculation. The Roadways has also not formed norms for providing services on uneconomical schedules. Thus, it would be desirable to have an independent regulatory to fix the fares, specify operations on uneconomical routes. The monitoring by top management fell short as it did not fix targets for various operational parameters.

*(Paragraph 1.4)*

#### **5. Internal Controls in Higher Education Department**

Internal Control is an integral component of an organisation's management processes which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently. A review of Internal Control in Higher Education Department brought out significant deficiencies in financial, budget and expenditure controls, programme implementation, human resource management and non-compliance with established monitoring mechanism. There were cases of preparation of budget estimates without any input from colleges/other field functionaries/units, non-deposit of unspent funds, deficient maintenance of cash-book, non-reconciliation of drawals with treasury schedules, ineffective implementation of placement cell scheme, etc. Funds amounting to Rs 1.92 crore were not only drawn in advance/excess of requirement but also were deposited in the bank outside the Government account. Non-distribution of computers to scheduled caste students resulted in blocking of funds of Rs 0.91 crore. Rupees 1.62 crore was paid to scheduled caste students in cash instead of providing text books. Due to deficiencies in manpower planning there were cases wherein students were without teachers and teachers without students

and irregular deployment of staff on deputation. Besides, internal audit of Government colleges and Directorate was not being conducted.

*(Paragraph 3.1)*

## **6. Results of Transaction Audit**

Audit of financial transactions, subjected to test-check, in various departments of the Government and their field functionaries revealed instances of losses and wasteful spending of Rs 22.23 crore as mentioned below:

There were two cases of loss of Rs 1.40 crore due to suspected embezzlement in Health and Medical Education Department, fraudulent drawal of City Compensatory Allowance and House Rent Allowance by Police and Jail Departments.

There were three cases of loss of Rs 5.16 crore due to non-utilisation of central grant, less availing of central assistance and keeping funds outside the Government account.

There were eight cases of infructuous, injudicious, avoidable and extra expenditure of Rs 8.46 crore which includes payment to advocates without assigning any work and piecemeal purchase of Ductile Iron pipes.

There were two cases of undue benefit to contractors and avoidable expenditure of Rs 3.94 crore which includes non deduction of labour cess, non-maintenance of prescribed power factor and non-enhancement of contract deed.

In one case, funds of Rs 2.66 crore were blocked due to delay in setting up of Export Exhibit Centre without ensuring the availability of land.

In management of Calamity Relief Funds, regulatory issues involving Rs 0.61 crore were noticed during audit which includes diversion of funds, payment of gratuitous relief, fraudulent distribution and double payment of relief funds.

### **Some of the major findings are summarised below:**

City Compensatory Allowance and House Rent Allowance amounting to Rs 1.33 crore were drawn and disbursed to employees posted at Bhondsi on the basis of a fraudulent letter by the Police and Jail Departments.

*(Paragraph 2.1.2)*

Significant amount of funds were kept outside the Government account in contravention of codal provisions by Public Works Department (irrigation Branch), resulted in loss of interest of Rs 4.47 crore.

*(Paragraph 2.1.5)*

Empanelment/engagement of standing counsels without assessing and assigning the volume of work by Administration of Justice Department resulted in infructuous expenditure of Rs 55.56 lakh on payment of retention fee.

*(Paragraph 2.2.1)*

Failure of Haryana Urban Development Authority in maintaining the prescribed power factor and getting the sanctioned load enhanced resulted in avoidable expenditure of Rs 3.41 crore on account of penalty and surcharge.

*(Paragraph 2.3.1)*

Due to failure on the part of Public Works Department (Buildings and Roads Branch) in processing and finalising the tender of first contractor within validity period, the department had to incur an extra expenditure of Rs 64.17 lakh.

*(Paragraph 2.3.2)*

Due to delay in providing approved drawings and design of the bridge to the executing agency, Public Works Department (Buildings and Roads Branch) had to incur extra expenditure of Rs 45.47 lakh as the agency left the work midway.

*(Paragraph 2.3.3)*

In violation of the Cess Act, Public Works Department (Buildings and Roads Branch), Maharshi Dayanand University, Guru Jambheshwar University and Haryana State Agricultural Marketing Board had not deducted cess from the bills of on going construction works which resulted in undue benefit of Rs 52.84 lakh to the executing agencies.

*(Paragraph 2.3.4)*

Injudicious rejection of the proposal of the contractor by Public Works Department (Buildings and Roads Branch) when increase in rates was already in the notice of the department resulted in an extra expenditure of Rs 26.09 lakh besides creation of liabilities of Rs 34.14 lakh on the unexecuted work.

*(Paragraph 2.3.7)*

