

## OVERVIEW

The Report includes three Chapters containing five reviews and 16 paragraphs dealing with the results of performance audit of selected programmes and schemes as well as audit of the financial transactions of the Government.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn on statistical sampling methods as well as on judgement basis. The specific audit methodology adopted for programmes and schemes has been mentioned in the reviews. The audit conclusions have been drawn and recommendations made, taking into consideration the views of the Government.

A summary of the important findings is given below:

### 1. Working of Haryana State Agricultural Marketing Board

The Haryana State Agricultural Marketing Board was set up with the main objective of providing facilities for better regulation of purchase, sale, storage and processing of agricultural produce. A performance audit of the Board brought out non-utilisation of 22 *per cent* of the budget provision of ₹ 1,733 crore for capital expenditure. An amount of ₹ 6.38 crore was spent on items which did not fall within the purview of the Punjab Agricultural Produce Markets Act. There were wide gaps (25.52 to 31.62 *per cent*) between agricultural production and arrival of produce in *mandis*, thereby increasing the risk of leakage of revenue. Surplus funds were kept in savings bank accounts which led to earning of less interest of ₹ 2.08 crore. Adequate infrastructural facilities such as covered platforms, service roads, boundary walls, dormitories with toilets, drinking water, etc. were not provided in principal yards, sub-yards and purchase centres of 16 Market Committees. Farmers' marketing assistance schemes for post-harvest management, though approved by the Board, were not implemented. Agri-Business Information Centres were set up only in five districts against the target of setting them up in all the 21 districts in the State as of July 2010.

*(Paragraph 1.1)*

### 2. Integrated Child Development Services Scheme

The Integrated Child Development Services (ICDS), a Centrally sponsored scheme was launched in 1975-76 with the main objective of improving nutritional standard and health status of children in the age group of zero to six years. The Performance audit brought out that the coverage of population under ICDS increased by only two *per cent*, despite a 29 *per cent* increase in Anganwadi Centres during 2005-10. Out of 17,444 Anganwadi Centres, drinking water facilities in 12,760 Anganwadi Centres and toilet facilities in 9,922 Anganwadi

Centres were not available. Against the target of constructing 1,179 Anganwadi buildings, only 965 buildings were constructed during 2005-10, as a result of which funds amounting to ₹ 7.10 crore remained unspent. The coverage of children under the Supplementary Nutritional Programme ranged between 43 and 54 *per cent* while coverage of mothers ranged between 70 and 75 *per cent*. Ready-to-eat food costing ₹ 5.01 crore was served to beneficiaries in 16 districts during 2005-07 although the same was declared sub-standard in three other districts. Gur/Sugar coated *chana* not suitable for consumption of children was purchased at a cost of ₹ 11.55 crore. Enrolment of children for non-formal pre-school education declined from 84 to 58 *per cent* during 2005-10. Funds amounting to ₹ 10.62 crore were drawn in advance of requirement, of which ₹ 4.54 crore remained unspent for 12 to 24 months of their drawal.

*(Paragraph 1.2)*

### **3. Indira Gandhi Drinking Water Scheme**

The Indira Gandhi Drinking Water Scheme was introduced with the aim of providing private water connections to 30 lakh households, thereby avoiding wastage of water supplied through public standposts. Performance audit of the scheme revealed that the targets of providing water connections to Scheduled Caste (SC) households were achieved but achievements in respect of General Category (GC) households was negligible. A total of 22,649 water supply connections were released to SC households where sufficient raw water was not available, leading to unfruitful expenditure of ₹ 6.34 crore. Public Health Engineering Division, Sirsa II incurred an expenditure of ₹ 94.94 lakh on providing water supply connections to 17,180 GC households, contrary to scheme guidelines. Water distribution networks of only 37 out of 2,504 villages in the test-checked divisions was handed over to Gram Panchayats for operation and maintenance. Non-levy of water charges in the test-checked divisions resulted in loss of revenue of ₹ 8.50 crore to the Government. Polyvinyl chloride tanks worth ₹ 17.52 crore were purchased in excess of requirement and GI pipes of ₹ 6.68 crore were lying unused in stock in 17 test-checked divisions.

*(Paragraph 1.3)*

### **4. Information Technology Audit of Computerisation of Haryana Urban Development Authority**

The Haryana Urban Development Authority (HUDA) is engaged in planned development of urban areas in the State. It undertakes the development of land after it is acquired for specific use in accordance with the development plans of the areas. In October 2005, HUDA entered into an agreement with Tata Consultancy Services for designing and developing a web-enabled application

software. In 1,148 cases, against the actual total receipt of ₹ 8.24 crore, ₹ 17.45 crore had been posted in allottee ledgers due to inadequate validation checks, resulting in excess credit of ₹ 9.21 crore to the allottees. Uploading of receipts in the allottee ledgers by using files furnished by banks without proper validation led to uploading of the same drafts more than once in the allottee ledgers in 74 cases. A fictitious name of a bank was created to adjust an unreconciled difference of ₹ 3.57 crore between withdrawals amounting to ₹ 19.93 crore and deposits amounting to ₹ 16.37 crore, appearing in various savings/current bank accounts of HUDA. Suspected embezzlement of ₹ 2.10 lakh was detected in the Horticulture Division due to non-reconciliation of computerised accounts/non-segregation of duties. Slow progress of implementation resulted in delays in achieving the intended objectives as well as cost overrun.

*(Paragraph 1.4)*

## **5. Results of Transaction Audit**

Audit of financial transactions in various departments of the Government and their field offices revealed cases of loss, extra and wasteful expenditure, unfruitful expenditure, blockage of funds and other irregularities aggregating ₹ 47.76 crore as mentioned below:

Embezzlement of ₹ 4.22 lakh in District Red Cross Society, Narnaul due to non-deposit of service charges collected by the Data Entry Operator was noticed.

*(Paragraph 2.1.1)*

Extra expenditure of ₹ 25.48 crore was noticed in the Public Works Department (Building and Roads) (₹ 24.46 crore), Irrigation Department (₹ 34.12 lakh), Home Department (₹ 49.01 lakh) and Transport Department (₹ 19.05 lakh).

*(Paragraphs 2.2.1, 2.2.3, 2.2.6 and 2.3.2)*

Unfruitful/avoidable expenditure ₹ 5.77 crore was noticed in the Irrigation Department (₹ 1.79 crore), Public Health Engineering Department (₹ 49.29 lakh) and Town and Country Planning Department (₹ 3.49 crore).

*(Paragraphs 2.2.2, 2.2.4, 2.2.5 and 2.3.1)*

Parking of funds/blocking of funds of ₹ 6.40 crore was noticed in the Education Department (₹ 1.58 crore), Public Works Department (Building and Roads) (₹ 2.14 crore) and Public Health Engineering Department (₹ 2.68 crore).

*(Paragraphs 2.4.1 to 2.4.4)*

In District Red Cross Societies, ₹ 2.86 crore was spent on items not covered under their aims and objectives. Donations of ₹ 3.96 crore collected for specific purposes remained unutilised and interest-free loans and advances of ₹ 2.97 crore were not recovered.

*(Paragraph 2.5.1)*

There was a case of execution of inadmissible works under the Member of Parliament Local Area Development Scheme, involving an amount of ₹ 27.94 lakh in the Rural Development Department.

*(Paragraph 2.5.2)*

## **6. Integrated Audit of Fisheries Department**

The main aim of the Fisheries Department is to develop fish culture in the State as it is a potential source of income, an employment generator and a source of low-cost animal protein. Integrated audit of the department revealed non-achievement of physical targets, substantial savings under the Plan section and rush of expenditure in the last quarter of the year. Working of six Government Fish Seed Farms was not economically viable as against the expenditure of ₹ 5.97 crore, fish seed of ₹ 0.87 crore was produced during 2006-10. In three Government Fish Seed Farms, only 48 *per cent* of the available water area was utilised for fish seed production. Funds of ₹ 61.18 lakh meant for development of new ponds and renovation of old ponds remained unutilized in savings bank accounts for 12 to 24 months with the implementing agencies. Shortfall in imparting training to staff and fish farmers was 13 *per cent* and 19 *per cent* respectively. No data to assess the impact of training of fish farmers was maintained. No system of internal audit was in place in the department.

*(Paragraph 3.1)*