

OVERVIEW

This Report contains 24 paragraphs, two performance reviews, one thematic review and one integrated audit of a Department. The draft audit paragraphs and performance reviews were sent to the concerned Secretaries to the State Government with a request to furnish replies within eight weeks. However, in respect of performance reviews, thematic review, integrated audit and 20 paragraphs included in the Report, no replies were received from the State. The audit findings relating to the performance reviews and integrated audit were also discussed with the Secretaries to the State Government and the views of the Government were incorporated wherever appropriate. A synopsis of the important findings contained in the Report is presented in the overview.

PERFORMANCE REVIEWS

Upgradation and improvement of State Highways and Major District Roads

The Public Works Department of the State is required to provide good quality roads and connectivity between towns and cities by taking up improvement/upgradation and periodic maintenance of State highways and Major District Roads. A performance review of upgradation and improvement of State Highways (SHs) and Major District Roads (MDRs) revealed that the Department had not formulated a State Road Policy for future plans and actions for development of an efficient road network in the State. Allotment of funds for maintenance was made by the Department based on yard stick rates which remained unrevised since June 1997 overlooking the escalation in costs of labour and material; as a result, funds provided at the unrevised rates were insufficient to meet the expenditure on maintenance thereby affecting the quality of the roads. Audit also noticed instances of diversion of funds meant for SHs/MDRs to other works. Roads were executed without technical sanctions. Poor contract management and inadequate monitoring of works contributed to instances of sub-standard road works, delay in completion of works and damages to roads due to improper drainage system.

(Paragraph 1.1)

Implementation of Mahatma Gandhi National Rural Employment Guarantee Act

The State Government started implementation of the Mahatma Gandhi National Rural Employment Guarantee Act from the date it came into force viz. 2 February 2006. The basic objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days' of guaranteed employment, besides generating productive assets, protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equity among others.

Performance Review of the implementation of the Act in the State highlights the areas of concern and issues which need to be addressed for successful achievement of the objective set out for implementation of the Act. The review revealed that there were deficiencies in the planning process, particularly in the preparation of five year District Perspective Plans (DPPs). While Audit did not notice any case of denial of 100 days employment in a year to any household in the test-checked districts, there were instances of delay in payment of wages to the workers. Absence of DPPs and

lack of inputs from the community at grass root level in the annual plans to ensure linkage between REGS works and long term employment development resulted in execution of developmental works in an unplanned manner. Implementing agencies ignored statutory priorities in execution of works which impacted upon non-strengthening of nature resource base of rural livelihood by not taking up works of highest priority such as water conservation, drought proofing, afforestation and minor irrigation to address the issue of poverty. Monitoring mechanism particularly at higher level was also found deficient.

(Paragraph 1.2)

Integrated Audit of Indian Systems of Medicines and Homeopathy Department

A separate Department of Indian Systems of Medicines and Homeopathy was created in the State in 1984 for according importance and to popularise the centuries old systems of drugs/treatment among the people. There are 1154 Ayurvedic health institutions including hospitals, dispensaries, health centres and clinics in the State but due to shortages in the cadres of Ayurvedic Medical Officers (AMOs) (14 per cent), paramedical staff (49 per cent) and supporting staff (40 per cent) coupled with non-provision of adequate infrastructure facilities like laboratories, operation theatres, separate male/female wards in hospitals, the quality of health care was adversely affected. Essential facilities like water and electricity were lacking in 189 Dispensaries. Indoor patient health care services were also not satisfactory as bed occupancy during 2005-10 remained low ranging between 36 and 40 per cent due to non-availability of staff, laboratories and operation theatre facilities. Besides, outdoor patient treatment in eight out of 25 hospitals also showed declining trend. Implementation of centrally sponsored schemes was tardy as substantial funds remained unspent. The Department failed to develop AYUSH institutions as Central assistance provided to start courses in B. Pharmacy, B.Sc. Nursing was not utilised. The goal of establishment of AYUSH institutions and mainstreaming them with Allopathic institutions under NRHM providing treatment under both systems of medicines also remained to be achieved.

(Paragraph 4.1)

THEMATIC REVIEW

Schemes involving Land Acquisition

Failure to ensure acquisition of Forest/Private land for execution of works as per provisions of Forest Conservation Act, 1980 and Land Acquisition Act, 1894 led to suspension of these works resulting in idle investment/infructuous expenditure of ₹15.21 crore.

(Paragraph 2.1)

AUDIT OF TRANSACTIONS

Excess/overpayment/wasteful/unfruitful/infructuous expenditure

Lack of Rain Water Harvesting Structures in the building for State Bio Control Laboratory at Mandi has rendered the expenditure of ₹45.40 lakh unfruitful due to non-clearance by Town and Country Planning Department.

(Paragraph 3.1)

Construction of Working Women Hostel at a cost of ₹1.33 crore by the Chaudhary Sarwan Kumar Himachal Pradesh Krishi Vishva Vidyalaya at Palampur without assessing requirement resulted in its non-usage for the intended purpose.

(Paragraph 3.3)

Inordinate delay by the Cooperation Department in appointing a consultancy firm for preparation of detailed project report and to raise finances for setting up of a Cold Storage resulted in wasteful expenditure of ₹16.18 lakh.

(Paragraph 3.4)

Failure of the Irrigation and Public Health Department to get the work of gravity main completed in time resulted in unfruitful expenditure of ₹4.48 crore on a Lift Water Supply Scheme from Behna Khad to Baragaon (Shimla district).

(Paragraph 3.6)

Failure of the Public Works Department to initiate action according to the various clauses of the contract agreement resulted in unfruitful expenditure of ₹69.49 lakh on a road from Wangtoo to Panvi and extension of undue benefit of ₹71.37 lakh to a contractor.

(Paragraph 3.7)

Construction of Gramin Himachal Bhandars in other than typical hill architecture as required at tourist places and on the sides of roads leading to tourist places and inability of the Department to motivate Self Help Groups/people of the area for marketing their products through them has rendered expenditure of ₹2.92 crore as largely unfruitful.

(Paragraph 3.9)

Undue favour to contractors/avoidable expenditure

Failure to finalise the lowest tender within validity period of first call resulted in award of work of sewerage scheme to Nadaun town (Hamirpur district) to the same contractor on the second call for an additional value of ₹29.85 lakh.

(Paragraph 3.10)

The Executive Engineer, Nirmand Division extended undue financial benefit of ₹1.05 crore to two contractors by way of non-recovery of Government dues.

(Paragraph 3.11)

Failure to ensure compliance of contractual provisions by the Executive Engineer, Sundernagar Division led to extension of undue financial benefit of ₹4.37 crore to a firm for construction of Government Engineering College (GEC) at Sundernagar (Mandi district).

(Paragraph 3.12)

Idle investment/blocking of funds/diversion of funds

Tardy execution of works by the Himachal Pradesh University had resulted in underutilisation of grant of ₹5 crore received by it from UGC for upgradation of infrastructure in the University and non-release of subsequent installments of ₹4 crore.

(Paragraph 3.14)

Delays in planning for setting up of trauma centre at Regional Hospital, Kullu for upgradation of emergency facilities resulted in blocking of ₹1.50 crore for the last four years besides denial of timely medical services to the accident victims.

(Paragraph 3.16)