

OVERVIEW

This Report comprises of three Chapters: the first Chapter contains the financial profile of the State, planning and conduct of audit and follow-up on Audit Reports, Chapter 2 of this Report deals with the findings of five Performance Audit reviews and four long paragraphs and Chapter 3 deals with compliance audit in the various departments. The audit findings included in Performance Audits and Compliance audit paragraphs in this report have total money value of ₹ 460.99 crore.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling as well as risk based judgemental sampling. The specific audit methodology adopted has been mentioned in each Performance Audit. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the Government. A summary of main audit findings is presented in this overview.

1 Performance Audit of programmes/activities/departments

(i) *Rashtriya Krishi Vikas Yojana*

Rashtriya Krishi Vikas Yojana (RKVY) was launched to incentivise states to draw up plans for their agriculture sector more comprehensively so as to achieve four *per cent* annual growth rate in agricultural sector during the XIth Five year Plan (2007-2012) by ensuring a holistic development of Agriculture and allied sectors. Although the State was able to achieve more than six per cent annual growth rate in the Agriculture sector during the period, there was delay in preparation and submission of District Agriculture Plans and State Agriculture Plan. Lack of planning in implementation of the projects was observed as many projects were not included in the State Agriculture Plan. There was delay in release of funds to implementing agencies and funds were not utilised efficiently resulting in non-release of subsequent funds from Government of India. There were instances of non-completion of construction works and under-utilisation of created infrastructure. Monitoring of the scheme activities was ineffective, frequency of State Level Sanctioning Committee meetings was very less and committee required to be constituted as per Scheme guidelines to review the implementation of RKVY was not constituted.

(Paragraph 2.1)

(ii) *Indira Awas Yojana*

The Performance Audit of *Indira Awas Yojana* (IAY) was carried out to examine the implementation of the scheme in the backdrop of its objectives to provide housing for rural BPL homeless population and facilitate them to have a complete functional dwelling unit with basic needs. Although the targets of IAY during the period of Performance audit was almost fully achieved by the

Department, there was lack of monitoring at the *Janpad Panchayat* level in the selection of beneficiaries by the *Gram Sabhas* leading to improper preparation of IAY waitlist. The IAY funds were not kept in separate bank accounts in JPs and the interest accumulated on IAY funds in *Zilla Panchayats* was not being utilised. There was delay in release of State share and also there was instances of inadmissible expenditure and diversion of funds. There was lack of convergence of IAY with other schemes. The monitoring and evaluation needed further strengthening.

(Paragraph 2.2)

(iii) Review of the creation of infrastructure for National e-Governance Plan and delivery of services to common citizens through Common Service Centers.

The National e-Governance Plan (NeGP) envisaged three pillar model for delivery of “web-enabled anytime, anywhere access” information and services in rural areas. Government of Chhattisgarh (GoCG) had identified 10 key services for providing Government to Citizen (G2C) services. The Performance Audit of NeGP was carried out to examine the creation of Information Technology (IT) and services delivery infrastructure by the State which is essential for effective and cost efficient functioning of e-Governance. Audit observed that establishment of pre-requisites like IT core infrastructure remained unaccomplished and the project could not be made operational. State Wide Area Network could not be utilised optimally in the absence of availability of G2C Services and incomplete rollout of Common Service Centers (CSCs) in rural areas. Interconnectivity between various departments for information sharing and service delivery also could not be achieved. There was lack of monitoring by High Level Committee. Overall, the objectives envisaged in the NeGP guidelines could not be achieved

(Paragraph 2.3)

(iv) Development of roads under Central Road Fund (CRF) and Minimum Needs Programme (MNP)

The Performance Audit of Central Road Fund (CRF) and Minimum Needs Programme (MNP) was carried out to examine whether selection of roads, planning, fund management and execution of projects was carried out economically, efficiently and effectively. Audit observed that due to inadequate planning and non prioritisation of road, there was overlapping of sanctions. The Public Works Department (PWD) failed to make detailed survey and investigation before execution of road works which led to significant variations in quantities and delay in completion of the works. Execution of road works without availability of required land and forest clearance delayed the works and increased the cost of the works. Failure of the PWD to adhere to the Government’s instructions and contractual conditions led to unauthorised diversion of MNP funds, non recovery of penalty, payment of inadmissible price escalation, irregular execution of works, superfluous expenditure, excess payment etc.

(Paragraph 2.4)

(v) Functioning of Sports and Youth Welfare Department.

The Sports and Youth Welfare Department is responsible for promoting and conducting sports activities in the State. Audit of the Department was conducted to examine the economy, efficiency and effectiveness of significant activities. Audit observed deficiencies in planning such as non adherence to Sports Policy 2001, preparation of incomplete Detailed Project Report (DPR) for implementation of *Panchayat Yuva Krida aur Khel Abhiyan* (PYKKA) etc. There were irregularities such as non-utilisation of funds, irregular purchases, non-appointment of required number of *Kridashree*, shortfall in coverage of village and block panchayat etc., in implementation of PYKKA. For hosting the 37th National Games in 2017, no concrete steps had been initiated by the State Government for creation of necessary infrastructure during the last three and half years. There were irregularities such as excess expenditure on escalation due to change in design and scope of work, undue aid to contractor on mobilisation advance, etc. Shortage of manpower at various levels resulted in ineffective implementation and monitoring of the activities.

(Paragraph 2.5)

(vi) Upgradation of Industrial Training Institutes through Public Private Partnership

Technical Education contributes substantially to the socio-economic development of the State and the Country as a whole. With the objective to augment the skilled work force through upgradation of existing trade and commencement of new trades in Industrial Training Institutes (ITIs) under Public-Private Partnership mode, Government of India decided (October 2007) to upgrade the ITI into Centers for Excellence. Out of 118 ITIs in Chhattisgarh, 42 ITIs were selected for upgradation. Audit observed that the infrastructure required for upgradation and commencement of the new trade were not developed and affiliation could not be obtained. There were instances of blockage of funds, shortfalls in infrastructure and absence of regular faculties. No steps were taken by the IMCs for revenue generation. The internal control was weak, monitoring was improper and there was absence of regular meeting by State Implementation Cell.

(Paragraph 2.6)

(vii) Provision of minimum basic infrastructure and other facilities at Pre-Matric Tribal Hostels and Ashrams

With an aim to bring the Scheduled Tribes and Schedule Caste children to schools from remote areas and to continue their studies, State Government formulated the Hostel and Ashram Rules 2010. Audit reviewed the implementation of the Rules to examine the adequacy of the basic infrastructure, proper security arrangements and other facilities at Hostels and Ashrams. The Hostels and Ashrams were running in private and rented building without having basic facilities like bath room, toilet, over head tanks, boundary wall, electricity, and alternative power. In the test checked districts, fortnightly health checkups could not be provided to 39 *per cent* students,

Computer training was not imparted to any of the students during last two years and special coaching on difficult subjects was not imparted to all hostellers except students of class 8th and 10th. Food stuff register in support of proper utilisation of stipend money were not maintained. Security arrangement for hostellers were not made and women police guards for girls hostels were not deployed. The maintenance of records like visitors register, complaints register etc. was very poor.

(Paragraph 2.7)

(viii) Non-disbursement of compensation to the family members of victims

The Jail Department is responsible for creation of a general fund to be kept in Personal Deposit Account (PD account) in each district to deposit 50 *per cent* of wages earned by convicted prisoners for disbursement to the victims or dependent family members of the victims. We noticed that fund amounting to ₹ 4.64 crore had accumulated in the PD account mainly due to non-identification of victims, refusal to accept the compensation by the victims, death, migration and wrong address of the victims resulting in non-achievement of the very objective of fund to provide compensation to the victims. Instances of non-reconciliation of account and parking of funds outside the PD Account were also noticed. Further, non-holding of quarterly meeting of the Committee resulted in the failure of the department to monitor distribution of compensation to the victims or dependent family members of the victims.

(Paragraph 2.8)

(ix) Working of Tourism Motels

The Chhattisgarh Tourism Board (CTB) was responsible for development of the basic tourism facility and to increase tourist inflow in Chhattisgarh. Despite lapse of more than eight years, the CTB had completed only 16 out of 18 motels as of November 2013. Audit observed that inadequate planning at initial stages and subsequent changes in scope of work at post tender stage led to delay, cost overrun and non-completion of the motels. Failure of the CTB to prepare a comprehensive plan for operation of these motels led to delay in invitation of tender, non-handing over the motels even after tender and idling of motels besides loss of revenue.

(Paragraph 2.9)

2 Significant observations of Compliance Audit

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of compliance audit (nine paragraphs) are featured in the Report. The major observations relate to non-compliance with rules and regulations, audit against propriety and cases of expenditure without adequate justification and failure of

oversight/governance amounting to ₹ 8.59 crore. Some of them are mentioned below:

Excess payment of ₹ 67.74 lakh was made to the contractor due to adoption of incorrect price indices for computation of price adjustment.

(Paragraph 3.1.1)

There were instances of excess payment and undue aid in construction of Haldimunda Diversion Scheme.

(Paragraph 3.2.1)

Non rectification of damaged work at the cost of contractor resulted in wasteful expenditure of ₹ 1.12 crore.

(Paragraph 3.3.2)

Failure of the Department to develop infrastructure for laboratory and to develop skilled manpower to operationalise the DNA testing laboratory immediately after procurement of machinery and equipment led to idle investment of ₹ 1.48 crore for more than three years.

(Paragraph 3.3.3)

Issue of work order without ensuring the availability of unencumbered land resulting in non-completion of work and wasteful expenditure of ₹ 92.08 lakh besides non-fulfilment of the objective of creating irrigation potential.

(Paragraph 3.3.5)

Non-procurement of cold cabinet for the chilling unit resulted in idle infrastructure valuing ₹ 63 lakh for two to three years besides non-achievement of objective of the scheme to maintain cold chain

(Paragraph 3.3.6)