

# Overview

## OVERVIEW

This Report contains four Performance Audits on Sarva Shiksha Abhiyan, Working of Industries Department, Implementation of National Rural Drinking Water Programme and Working of Municipal Corporation, Shimla and 23 paragraphs involving ₹ 2049.77 crore relating to excess/ unfruitful/ avoidable/ unproductive expenditure, undue favour to contractors, blocking of funds, idle investment, diversion of funds, etc. Some of the major findings are mentioned below:

The total expenditure of the State increased from ₹ 13164 crore to ₹ 19739 crore during 2009-14, the revenue expenditure of the State Government increased by 56 *per cent* from ₹ 11151 crore in 2009-10 to ₹ 17352 crore in 2013-14 while capital expenditure decreased by four *per cent* from ₹ 1943 crore to ₹ 1856 crore during the period 2009-14.

## PERFORMANCE AUDIT

Major findings of **Sarva Shiksha Abhiyan** are given below:

- Participation of community and grass root level functionaries for preparation of district level Annual Work Plan was not ensured.  
*(Paragraph 2.1.7.1)*
- 454 primary and upper primary schools (Rural area: 429 and Urban area: 25) in the State did not have their own buildings.  
*(Paragraph 2.1.10.2)*
- Out of 78950 civil works costing ₹ 467.52 crore sanctioned upto 2012-13, 5696 works worth ₹ 44.48 crore remained incomplete as of June 2014. Work wise details of amount sanctioned, expenditure incurred, date of completion etc. were not maintained.  
*(Paragraph 2.1.11.1)*
- There was only one teacher against the minimum requirement of two teachers in primary schools ranging between 877 and 1252 during 2009-14. Similarly upper primary schools ranging between 50 and 113 had one teacher against the norms of minimum three teachers during the above period.  
*(Paragraph 2.1.12)*
- Local authority for grievance redressal of children and implementation of RTE Act was not designated/ constituted as of August 2014. Administrative mechanism for expression of right under RTE Act, 2009 had also not been put in place by the State Government as of August 2014.  
*(Paragraph 2.1.17)*

Major findings of **Working of Industries Department** are given below:

- Department had not conducted any survey for assessing the industrial potential including availability of human resources, raw materials, marketing avenues, etc.  
*(Paragraph 2.2.6.1)*

- There was no mechanism in place to monitor the turnover, value of output, profitability, extent and quality of employment generation, etc. to see whether these were commensurate with the burden of tax concessions and subsidies on the public exchequer.  
*(Paragraphs 2.2.6.2 and 2.2.6.3)*
- Revenue receipts of ₹ 40.53 crore on account of lease money were irregularly diverted towards the corpus fund of Industrial Area Development Authority, Baddi instead of depositing the same in Government account and ₹ 14.03 crore were irregularly utilized towards departmental expenditure.  
*(Paragraph 2.2.7.5)*
- Due to non-execution/ completion of 151 works relating to infrastructural development of industrial areas/ industrial estates, ₹ 62.46 crore remained blocked with executing agencies for 12 to 60 months.  
*(Paragraphs 2.2.8.6 and 2.2.9.2(ii))*
- Non-utilisation of industrial plots and other infrastructure facilities in the industrial areas rendered the expenditure of ₹ 21.02 crore largely unfruitful.  
*(Paragraphs 2.2.8.2 and 2.2.9.2(i))*
- Prescribed internal control mechanism for effective implementation of various schemes and activities of the Department was weak.  
*(Paragraph 2.2.13)*

Major findings of **Implementation of National Rural Drinking Water Programme** are given below:

- Comprehensive water security plans taking inputs from Village and District Water Security Plans comprising demographic, physical features, water sources, available drinking water infrastructure, etc. were not formulated.  
*(Paragraph 2.3.6.1)*
- Non-utilisation and diversion of GOI funds ranging between ₹ 11.50 crore and ₹ 82.17 crore during 2009-14 resulted in short release of ₹ 87.42 crore against the approved allocations from the GOI.  
*(Paragraphs 2.3.8.2 and 2.3.8.4)*
- Non-transfer of functions of operation and maintenance of water supply schemes to the Gram Panchayats/ Village Water and Sanitation Committees deprived the State of the incentive of ₹ 59.27 crore from GOI during 2009-14.  
*(Paragraph 2.3.8.7)*
- The target of coverage of all rural habitations with availability of adequate safe drinking water by the year 2012 had not been achieved in the State as of March 2014.  
*(Paragraph 2.3.9.1)*
- Of 509 rural water supply schemes stipulated to be completed during 2009-14, 197 schemes on which ₹ 88.46 crore had been spent were lying incomplete as of August 2014.  
*(Paragraph 2.3.9.2)*
- During 2009-14, only 14 laboratories have been set up as against the target of 48 water quality testing laboratories and as against the required number of 21.02 lakh chemical and bacteriological contamination tests, a target of only 1.66 lakh tests was fixed against which 0.72 lakh tests were conducted.  
*(Paragraphs 2.3.11.1 and 2.3.11.2)*

- Internal control mechanism was weak. Monitoring and investigation unit for review of periodical progress reports of schemes, conducting of social audit by community based organisations, etc. were not put in place during 2009-14.

*(Paragraphs 2.3.12.2 and 2.3.12.3)*

Major findings of **Working of Municipal Corporation, Shimla** are given below:

- The Corporation had not constituted Ward Sabhas and Ward Committees to ensure participation of public in preparation of plan. Annual Action Plans and Development Plans were also not prepared during 2009-14.

*(Paragraphs 2.4.6.2 and 2.4.6.3)*

- Against total availability of funds of ₹ 271.38 crore during 2009-14, MC incurred an expenditure of ₹ 242.53 crore resulting in savings of ₹ 28.85 crore.

*(Paragraph 2.4.7.1)*

- There was a gap of ₹ 55.24 crore between cost and recovery charges of water distributed by the MC and outstanding liabilities of ₹ 161.74 crore on account of water supplied by the IPH Department. Arrears of ₹ 8.84 crore were due for recovery on account of rent, rates and taxes on land, buildings, mobile towers and parking lots as of March 2014.

*(Paragraphs 2.4.9.2, 2.4.14.1, 2.4.14.3 to 2.4.14.5)*

- Despite spending ₹ 74 crore for installation of six STPs (installed capacity 35.63 MLD) the actual utilisation was 4.8 MLD (13 *per cent*), resulting in untreated sewage remaining untapped and left in open.

*(Paragraph 2.4.10.1)*

- The system of preventing and detecting unauthorised construction was not adequate. Even the cases detected were not acted upon (73 *per cent* pending) as per rules.

*(Paragraph 2.4.14.2)*

- Out of 636 dwelling units sanctioned for ₹ 24 crore under JNNURM, only 40 units have been completed, 136 were in progress and work for remaining 460 units was not started due to non-availability of land.

*(Paragraph 2.4.17.1)*

- Periodical system for monitoring and inspections of projects/ schemes, etc., had not been put in place in accordance with the HPMC Act, 1994 as of July 2014.

*(Paragraph 2.4.18.1)*

## COMPLIANCE AUDIT

### Implementation of Intensification of Forest Management Scheme

Non-utilisation of ₹ 1.74 crore and non-submission of utilisation certificates of ₹ 1.02 crore deprived the State of Central funds of ₹ 3.27 crore during 2011-14. Shortfall in achievement of targets under fire control activities during above period ranged between 10 and 33 *per cent*. Construction of three buildings (sanctioned cost ₹ 0.43 crore) taken up for execution between February 2011 and November 2012 was lying incomplete even after incurring an expenditure ₹ 0.36 crore.

*(Paragraph 3.3)*

**Unfruitful expenditure on construction of hostels and residential accommodation**

Construction of hostels and residential quarters at unsuitable places, without assessing the requirements resulted in their under/ non-utilisation and rendered the expenditure of ₹ 1.72 crore as largely unfruitful.

*(Paragraph 3.7)*

**Excess payment to Hospital Services Consultancy Corporation and loss of interest on funds kept outside government accounts**

Failure of Medical Education and Research Department in releasing funds to consultancy agency without verifying the actual expenditure on construction of hospital resulted in excess payment of ₹ 1.56 crore and non-observance of financial rules led to parking of ₹ one crore outside Government account besides interest loss of ₹ 51.60 lakh.

*(Paragraph 3.11)*

**Implementation of Backward Area Sub-Plan**

Funds ranging between ₹ 0.24 crore and ₹ 1.23 crore were withdrawn from treasury by the Deputy Commissioners (DCs) of the test-checked districts during 2010-14 in advance of actual requirement and kept in banks in contravention of the scheme guidelines. 592 works for ₹ 10.31 crore were sanctioned under roads and bridges sectors without obtaining prior technical approval during 2011-14. 168 works sanctioned (2008-14) for ₹ 3.95 crore were not taken up as of July 2014 by 11 executing agencies entailing a delay of four to 72 months.

*(Paragraph 3.12)*

**Undue financial benefit to a firm**

Failure to ensure compliance of contractual provisions by the Public Works Department led to extension of undue financial benefits of ₹ 8.01 crore to a firm besides rendering the expenditure of ₹ 12.66 crore largely unfruitful.

*(Paragraph 3.13)*

**Unproductive expenditure on construction of road and bridge**

Failure of the Public Works Department to ensure timely completion of construction of road and bridge work resulted in unproductive expenditure of ₹ 1.46 crore.

*(Paragraph 3.18)*

**Execution of schemes under Tribal Area Sub Plan**

552 works were sanctioned for ₹ 13.35 crore during 2011-14 by the Project Officers of the two Integrated Tribal Developmental Projects without obtaining prior technical sanctions. Contrary to the schemes guidelines, 124 inadmissible works were also sanctioned for ₹ 2.15 crore during above period. Due to non-completion of bridge works the expenditure of ₹ 10.21 crore on construction of three bridges and two link roads remained unfruitful.

*(Paragraph 3.21)*

**Implementation of Schemes for Welfare and Protection of Girl Child**

Under Kishori Shakti Yojana and Rajiv Gandhi Scheme for Empowerment of Adolescent Girls 40 to 49 *per cent* identified girls (11-18 years of age) remained uncovered during 2011-14. Out of 98,776 beneficiaries identified in the Beti Hai Anmol Yojna, 77,213 were covered and thus 21,563 deprived of the intended benefits during above period. The Balika Ashrams constructed under the scheme Mukhya Mantri Bal Udhhar Yojana were understaffed and lacked basic infrastructure facilities.

*(Paragraph 3.23)*