

Overview

This Report contains four performance audits on Water pollution in Punjab, Implementation of Indira Awaas Yojana, Remodelling/Construction of distributaries and minors and Working of Co-operation Department; and 16 paragraphs relating to time and cost overrun, avoidable expenditure, irregular retention and utilization of funds, etc. involving money value of ₹ 106.79 crore. Some of the major findings are mentioned below:

Performance Audit

A performance audit of **‘Water pollution in Punjab’** was conducted. Some major findings are mentioned below:

- Punjab Pollution Control Board had neither formulated environmental standards based on local considerations nor prepared any comprehensive programme for the prevention, control or abatement of water pollution.

(Paragraph 2.1.6.1)

- Deficient execution of Sutlej Action Plan led not only to putting avoidable burden of cost escalation of ₹ 86.46 crore on State exchequer but also delayed accrual of the intended benefits of the project.

(Paragraph 2.1.8.1)

- The work of installation of Common Effluent Treatment Plant identified for cleaning of Budha Nallah was not executed due to non-provision of funds by Punjab Dyers Association leading to discharge of untreated industrial effluents affecting the quality of water of river Sutlej.

(Paragraphs 2.1.8.3 and 2.1.8.4)

- Due to non-segregation of industrial effluents and dairy wastes from domestic sewage in Ludhiana, Sewage Treatment Plants installed at a cost of ₹ 57.23 crore under Sutlej Action Plan were not treating sewage as per the prescribed standards.

(Paragraph 2.1.9)

- The resource recovery of ₹ 1.78 crore per annum from biogas, treated water and sludge from Sewage Treatment Plants installed in Ludhiana was not made as projected in the DPRs under Sutlej Action Plan.

(Paragraph 2.1.9.2)

- Quality of water of river Sutlej did not improve even after implementation of Sutlej Action Plan and degraded to Class ‘D’¹ at the confluence point of Budha Nallah with the Sutlej despite installation of five (three under Sutlej Action Plan and two under Jawahar Lal Nehru National Urban Renewal Mission) Sewage Treatment Plants in Ludhiana.

(Paragraph 2.1.12)

- Punjab Pollution Control Board failed to conduct periodical inspection of industries as well as monitor the quality of ground water as per the targets and 1022 industries were operating without its consent.

(Paragraphs 2.1.13.1, 2.1.13.2 and 2.1.13.5)

A performance audit of **‘Implementation of Indira Awaas Yojana’** was conducted. Some major findings are mentioned below:

- IAY assistance of ₹ 3.51 crore was disbursed to 1129 ineligible persons in three out of six selected districts.

(Paragraph 2.2.6.1)

- Homestead sites scheme was not implemented in the State.

(Paragraph 2.2.6.5)

- Shortfall in utilization of available funds ranged between 21 and 66 per cent during 2008-13. Government of India deducted ₹ 7.48 crore due to delay in release of State share and excess carry over of unspent balances of previous years.

(Paragraph 2.2.7.1 (i&ii))

- An amount of ₹ 21.13 crore was released to Sarpanches of 228 Gram Panchayats in four out of six test checked districts instead of crediting directly into beneficiaries’ accounts.

(Paragraph 2.2.7.2)

- In six test checked districts, shortfall for last five years (2008-13) under construction of new houses and upgradation of *kutcha* houses against the number of houses sanctioned was 21 and 22 per cent respectively.

(Paragraph 2.2.8.1)

- Convergence of IAY was not made with other rural development schemes in six selected districts.

(Paragraph 2.2.9)

- Vigilance and Monitoring Committee at the State level met only once against the prescribed norms of at least once in a quarter.

(Paragraph 2.2.11.1)

¹ ‘D’-Propagation of wildlife and fisheries.

A performance audit of ‘**Remodelling/Construction of distributaries and minors**’ was conducted. Some major findings are mentioned below:

- Improper budgeting and its re-appropriation resulted in savings ranging between ₹ 8.46 crore and ₹ 77.89 crore during 2008-13.

(Paragraph 2.3.7.1)

- *Abiana* and *Tawan* of ₹ 80.34 crore were recoverable from canal water users.

(Paragraph 2.3.7.2)

- Expenditure of ₹ 12.44 crore was rendered ungainful due to slippage of the existing lining.

(Paragraph 2.3.8.1)

- Ungainful expenditure of ₹ 6.67 crore was done on construction of a cross regulator without ensuring the availability of water.

(Paragraph 2.3.8.2)

- Abnormal delay in completion of projects due to poor planning led to delay in achievement of envisaged irrigation potential and cost overrun of ₹ 23.33 crore.

(Paragraph 2.3.8.4)

- Completion reports of 44 projects executed between April 2008 and March 2013 by incurring an expenditure of ₹ 120.34 crore were not prepared.

(Paragraph 2.3.8.5)

A performance audit of ‘**Working of Co-operation Department**’ was conducted. Some major findings are mentioned below:

- The Department did not maintain any records pertaining to the loans disbursed, installments due along with interest and penal interest and amount recovered thereagainst in respect of Apex Co-operative Institutions and Co-operative Societies.

(Paragraph 2.4.8.1)

- In two schemes, the State Government released ₹ 50.36 crore over and above the budget provision, regularisation of which was pending as of December 2013.

(Paragraphs 2.4.8.1 and 2.4.8.4 (vi))

- Despite budget provision, the State Government did not release ₹ 91.38 crore for implementation of eight schemes during 2008-13 thereby depriving the beneficiaries of the intended benefits of the schemes.

(Paragraphs 2.4.8.1 to 2.4.8.4)

- Withdrawal of ₹ 7.71 crore from treasury meant for revival of Short Term Rural Co-operative Credit Structure and not putting them to use in contravention of Punjab Financial Rules led to avoidable burden of interest of ₹ 0.41 crore on the State exchequer.

(Paragraph 2.4.8.3(ii)(b))

- 2519 Special Audit Reports involving irregularities of ₹ 698.63 crore were pending for recovery/compliance as of 31 March 2013.

(Paragraph 2.4.9.2)

- Monitoring mechanism and internal control for implementation of various schemes and activities of the Department were deficient.

(Paragraph 2.4.11)

Compliance Audit

- Deficient project management led to time overrun and cost overrun of ₹ 11.18 crore, creation of infrastructure without requirement, failure to provide the requisite furniture to schools and non-procurement of laboratory equipment, denying intended benefits of the project to the rural students.

(Paragraph 3.1)

- Non-adherence to the guidelines resulted in irregular retention of ₹ 53.95 crore of CAMPA funds and blockade of material valuing ₹ 1.09 crore.

(Paragraph 3.4)

- 70 out of 99 blood banks in the State were functioning without valid licences. State Blood Transfusion Council did not adhere entirely to the objectives of National Blood Policy. Equipment costing ₹ 0.22 crore for establishing Blood Component Separation Unit were lying idle since September 2009. Monitoring and quality assurance mechanism was inadequate.

(Paragraph 3.6)

- Expenditure of ₹ 6.40 crore incurred on construction/renovation of seven hospitals rendered unproductive as the intended purpose to enhance the bed capacity remained unfulfilled for want of manpower and other infrastructure.

(Paragraph 3.7)

- Conditions associated with purchase of vehicles were not adhered to. Allocation of available vehicles was uneven. Global Positioning System created at a cost of ₹ 8.57 crore was non-functional for want of funds. Highway vehicles lacked functional equipment. Uneconomical departmental fuel pumps and unequipped workshops were never reviewed for their operational viability.

(Paragraph 3.10)

- Department's failure to adhere to codal provisions and to coordinate with Railways led to delay in completion of rail over/under bridges and avoidable payment of escalation of ₹ 6.22 crore.

(Paragraph 3.13)

- Non-submission of claims for expenditure incurred on repair and maintenance of National Highways, as per prescribed procedure, resulted in extra burden of ₹ 3.93 crore on State exchequer.

(Paragraph 3.14)

- Lack of control over maintenance of suspense head 'Miscellaneous Public Works Advances' led to accumulation of ₹ 168.36 crore and irregular debit of items related to Cash Settlement Suspense Account, unsanctioned estimates and funds received for deposit works under the head.

(Paragraph 3.16)