

## OVERVIEW

This Report comprises three chapters containing audit findings pertaining to Social, General and Economic Sectors (Non-PSUs); Revenue Sector; and Social & Economic Sector (PSUs). There are three Performance audits on Nirmal Bharat Abhiyan, Receipts of Minor Minerals and Levy and Collection of Motor Vehicle Taxes and 24 compliance audit paragraphs involving ₹ 282.49 crore. Some of the major findings are mentioned below:

### SOCIAL, GENERAL AND ECONOMIC SECTORS (NON-PSUs)

The total expenditure of the State increased from ₹ 12,334 crore to ₹ 20,206 crore during 2009-10 to 2013-14, the revenue expenditure of the State Government increased by 52 *per cent* from ₹ 10,657 crore in 2009-10 to ₹ 16,216 crore in 2013-14. Non-Plan revenue expenditure increased by 61 *per cent* from ₹ 8,358 crore to ₹ 13,449 crore and capital expenditure increased by 125 *per cent* from ₹ 1,647 crore to ₹ 3,712 crore during the period 2009-10 to 2013-14.

## PERFORMANCE AUDIT

### Implementation of Nirmal Bharat Abhiyan

- Bottom up approach was not adopted for preparation of Annual Implementation Plan due to non-establishment of Block Resource Centres to provide inputs from GP to District level.

*[Paragraph 1.2.6.2]*

- Funds to the districts were being released in lump sum basis by the SWSM without giving any component-wise breakups as well as the sharing by the State Government and GoI. Resultantly, the districts did not maintain any records of actual sharing of release under the scheme between GoI and the State Government.

*[Paragraph 1.2.7.1]*

- Acknowledgement of funds amounting to ₹ 20.92 crore released to GPs were not obtained in the test-checked districts.

*[Paragraph 1.2.7.6]*

- There was an overall shortfall of 40 to 52 *per cent* in achievement of individual household latrines for below poverty line families in the sampled districts.

*[Paragraph 1.2.8.1]*

- Eighty one *per cent* applications of Gram Panchayats were rejected by the GoI for Nirmal Gram Puraskar during the period 2009-11 on the grounds of open defecation, waste garbage on streets, choked drains, open urination near schools etc. which showed that proper verification, as per guidelines, was not being conducted before processing respective applications for NGP award.

*[Paragraph 1.2.9.1]*

- In the test-checked districts, there was a shortfall of 33 to 81 *per cent* in achievement of physical targets under various Information, Education and Communication (IEC) activities and no detailed plans were prepared.

*[Paragraph 1.2.10]*

## **COMPLIANCE AUDIT**

### **Facilities provided to Prisoners**

Six out of 13 districts in the State do not have any functional jail. An amount of ₹ 88.05 lakh was incurred during the last three years to transport under-trials to the Courts located in these six districts. Out of 3,583 prisoners accommodated in the ten test-checked jails, 2,810 (78.43 *per cent*) were accommodated in just three jails. Out of sanctioned strength of 1,061 posts, only 294 posts were filled up. In the absence of medical facilities, the Jail administration had to incur an expenditure of ₹ 38.88 lakh on medical treatment and transportation of the sick prisoners in the last three years.

*[Paragraph 1.7]*

### **Collection of Water Charges by Uttarakhand Jal Sansthan**

Arrears amounting to ₹ 77.23 crore were outstanding as on 31 March 2014. Of this, ₹ 1.07 crore were against 1,768 connections provided in now abandoned houses, ₹ 3.33 crore against 1,730 connections of various Government departments and ₹ 1.24 crore due against 1,180 connections of various government colonies. The Sansthan suffered a loss of ₹ 1.36 crore due to non-raising the demand against 1,557 consumers. The Sansthan also suffered a loss of ₹ 16 lakh due to non-disconnection of water supplies of the defaulters.

*[Paragraph 1.11]*

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

Under Nanda Devi Kanya Yojna, expenditure in the year 2013-14 was over reported by ₹ 46.80 lakh and was kept in a PLA account instead of surrendering it and an irregular payment of ₹ 18.25 lakh was made to 365 girls born at home. In Gaura Devi Kanyadhan Yojna, 1,266 sanctioned cases were pending for payment despite availability of funds at the end of 2013-14. The State Government had to bear an extra burden of ₹ 2.57 crore for getting construction works of Kasturba Gandhi Balika Vidyalaya hostels completed due to time and cost overrun.

*[Paragraph 1.14]*

### **Financial management of Nagar Nigam, Haridwar**

Nagar Nigam could not utilize funds ranging from ₹ 10 crore to ₹ 17 crore during 2010-14 due to unrealistically higher budget estimates of expenditure. An amount of ₹ 82 lakh, meant for undertaking works which would generate recurring income, could not be utilized since 2001. Rates of advertisement tax were not revised since 2001 in absence of approval of new

advertisement policy. Revenue of ₹ 2.16 crore was forgone due to Department's failure to collect *tehbazaari* from vendors and charges of *phool pharoshi* from florists.

[Paragraph 1.15]

### Implementation of Solar Energy Programme

The Agency irregularly collected ₹ 66.71 lakh as service charges from beneficiaries of Solar Photo Voltaic Programme. Expenditure of ₹ 10.61 lakh on solar streetlights was rendered unfruitful as the lights got defective within warranty period and not rectified. Solar equipment worth ₹ 10.63 lakh remained undistributed since 2009. Solar batteries worth ₹ 13.15 lakh were lying idle since their procurement in January 2011.

[Paragraph 1.16]

### Undue benefit to service providers

Non-provision of deduction in payments to service providers for deficiencies in service standards resulted in undue benefit amounting to ₹ 4.54 crore to the service providers.

[Paragraph 1.10]

### Avoidable expenditure

Execution of Bituminous Macadam (BM) work without taking into consideration the equivalency factor of 25 mm thickness of the recently executed SDBC work, resulted in an avoidable expenditure of ₹ 55.50 lakh.

[Paragraph 1.12]

## REVENUE SECTOR

### COMPLIANCE AUDIT

#### Short levy of tax due to incorrect application of rate of VAT

Incorrect application of rate of tax by the Assessing Authority resulted in short levy of tax of ₹ 16.32 lakh.

[Paragraph 2.3]

#### Utilisation of unauthorised declaration form

Utilisation of unauthorised declaration of Form XI for the transaction prior to the effective date of recognition certificate resulted in loss of revenue of ₹ 8.62 lakh and penalty of ₹ 55.68 lakh.

[Paragraph 2.4]

### PERFORMANCE AUDIT

#### Performance Audit of Levy and Collection of Motor Vehicle Taxes

➤ State Urban Transport Fund was not established even after recovery of ₹ 4.09 crore from vehicle owners as green cess.

[Paragraph 2.6.7.1(ii)]

- Trade tax worth ₹ 43.88 lakh and penalty to the tune of ₹ 16.27 lakh was not realised in case of 1,14,225 vehicles sold by 136 dealers during the years 2012, 2013 and 2014.

*[Paragraph 2.6.7.2(i)]*

- Non-renewal of permits resulted in non-realization of fees to the tune of ₹ 13.96 lakh.

*[Paragraph 2.6.7.3(ii)]*

- Penalty of ₹ 1.13 crore was not levied against concessionaire for delays in providing High Security Registration Plates.

*[Paragraphs 2.6.8.2]*

### **Performance Audit on Receipts of Minor Minerals**

- There was no control mechanism in the Department over receipt, issue and utilisation of forms required for ensuring proper collection of revenue.

*[Paragraph 2.7.8.1]*

- Non-detection of short payment of royalty and incorrect application of rates resulted in short realization of revenue amounting to ₹ 6.38 crore in 14 cases.

*[Paragraphs 2.7.9.1 & 2.7.9.2]*

- Failure of the Department to identify the brick kilns, which had not obtained permit, resulted in loss of revenue amounting to ₹ 5.88 crore in 782 cases.

*[Paragraph 2.7.9.3]*

- Delayed / non-registration of lease deeds resulted in non-levy of Stamp Duty of ₹ 4.08 crore in 14 cases.

*[Paragraph 2.7.10.1]*

## **ECONOMIC SECTOR (PSUs)**

### **COMPLIANCE AUDIT**

#### **Marketing of Certified Wheat Seeds by the Uttarakhand Seeds and Tarai Development Corporation Ltd., Pantnagar**

Actual intake of wheat seeds from growers was 15.45 lakh quintals only against the target production of 19.95 lakh quintals. By considering distributors' commission as a part of purchase price instead of selling and distribution expenses, Company paid excess commission of ₹ 0.73 crore to the dealers and further, due to adopting higher rate of commission, Company incurred additional expenditure of ₹ 0.30 crore. Company suffered a loss of ₹ 1.37 crore due to non-forfeiture of advance deposited by the defaulting distributors.

*[Paragraph 3.2]*

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### **Management of Transformers by Uttarakhand Power Corporation Limited**

Uttarakhand Power Corporation Limited has no documented policy in respect of procedure to be adopted for assessing the requirement of transformers. During 2011-12 to 2013-14, 13,319 transformers of various capacity valuing ₹ 121.99 crore got damaged in excess of internal target and 151 transformers amounting to ₹ 1.03 crore were damaged due to non-installation of Lightning Arrester. UPCL incurred an additional expenditure of ₹ 63.23 lakh due to under utilisation of its workshops and 509.31 KL transformer oil amounting to ₹ 76.40 lakh were short received from damaged transformers.

*[Paragraph 3.3]*

### **Non-claiming of 12 per cent royalty**

Lack of efforts on part of UPCL to charge royalty in the shape of free power deprived the State of 12 per cent free power (17.32 MUs) amounting to ₹ 3.91 crore.

*[Paragraph 3.4]*

### **Undue benefit to consumer**

UPCL extended undue benefit of ₹ 2.12 crore to a consumer by non-levy of 15 per cent additional surcharge for continuous power supply.

*[Paragraph 3.5]*