

# OVERVIEW

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This Report of the Comptroller and Auditor General of India on General and Social Sector for the year ending 31 March 2015 includes three performance audits, one IT audit, four long paragraphs, one follow-up audit and 30 paragraphs dealing with the results of performance audit of selected programmes and departments as well as audit of the financial transactions of the Government departments/autonomous bodies, societies, etc. A summary of the important audit findings is given below.

### 1 Performance Audits

Performance audit is undertaken to ensure whether the Government programmes have achieved the desired objectives at the minimum cost and the intended benefits have accrued to the targeted beneficiaries.

#### 1.1 Pradhan Mantri Gram Sadak Yojna

Government of India (GoI) launched 100 per cent centrally sponsored 'Pradhan Mantri Gram Sadak Yojana' (PMGSY) in December 2000 for providing all-weather road connectivity to all eligible unconnected habitations in rural areas with population of 500 and above (population of 250 persons and above in Hill States, Desert areas and selected Tribal and Backward districts). Besides, upgradation of existing rural roads was also to be carried out under PMGSY. A total expenditure of ₹ 3,557.25 crore was incurred during 2010-15 on construction, upgradation and maintenance of rural roads under PMGSY.

Performance audit of PMGSY was conducted covering the period 2010-15 which revealed shortcomings in funds management, planning, programme implementation, quality assurance and monitoring, as discussed below:

The State Government did not ensure speedy execution of works due to which 40 to 74 per cent of GoI funds remained unspent at the end of each financial year during 2010-13. During 2013-15 also, the State Government could not spend the PMGSY funds fully.

*(Paragraph 2.1.6.1)*

Due to lack of co-ordination amongst various executing departments, construction of 502 rural roads costing ₹ 302.14 crore, proposed under PMGSY, were executed by other than designated departments, which has resulted in deprival of GoI's assistance to that extent.

*(Paragraph 2.1.6.2 (i))*

Planning for implementation of PMGSY in the State was deficient as District Rural Road Plan was not prepared, core network did not cover all the eligible habitations and the comprehensive upgradation priority lists of roads did not cover all the roads.

*(Paragraphs 2.1.7.1, 2.1.7.2 & 2.1.7.3)*

During 2010-15, against the targets of 1,723 roads for new construction and 1,888 roads for upgradation, 978 new roads (57 per cent) were constructed and 1,209 (64 per cent) roads were upgraded, resulting in shortfall of 745 roads (43 per cent) in new construction and 679 roads (36 per cent) in upgradation work.

**(Paragraph 2.1.8.1)**

Ignoring the specifications of Indian Road Congress, 46 per cent of the test-checked roads costing ₹ 137.01 crore were constructed with lesser thickness of pavement which led to execution of sub-standard works, affecting sustainability of the roads for the designed life of 10 years.

**(Paragraph 2.1.8.2(ii) (a))**

Inadmissible roads were upgraded by spending ₹ 163.59 crore of central funds in test-checked districts.

**(Paragraph 2.1.8.2(iv))**

In the sampled districts 67 per cent works were delayed by 03 to 36 months but liquidated damages were not levied in any case against the contractors.

**(Paragraph 2.1.8.4(i))**

Sixty per cent of the selected works, valuing ₹ 143.15 crore were declared complete without constructing drainage structures, thus defeating the primary objective of PMGSY to provide all-weather road connectivity to all eligible habitations.

**(Paragraph 2.1. 8.4(iii)(b))**

PMGSY roads were devoid of proper maintenance. Concerned engineering authorities did not carry out periodic inspections of roads for prompt defect rectification by the contractors. Seventy seven per cent of the roads were not provided periodic renewal for periods upto 50 months.

**(Paragraph 2.1.8.5)**

Quality testing of materials and workmanship were not carried out as per norms. The State Quality Monitors also did not perform required inspections of the work as per norms. Online Management, Monitoring and Accounting System for online monitoring of scheme was not properly maintained and utilised.

**(Paragraphs 2.1.9.1 & 2.1.9.2)**

## **1.2 Mid-Day Meal Scheme**

The National Programme of Nutritional Support to Primary Education (Mid-Day Meal Scheme) was launched (1995) as a centrally sponsored scheme to boost universalisation of primary education by increasing enrolment, retention and attendance; and improving nutritional levels of children in government/government aided schools. The revised guidelines (2004/2006) laid main emphasis on nutritional support to these children by providing cooked Mid-Day Meals to them. An expenditure of ₹ 7,226.65 crore was incurred on the scheme during 2010-15 in the State.

Important findings of the Performance Audit are given below:

There was lack of proper management of funds. The unspent balances at the end of financial years increased significantly from ₹ 336.58 crore in 2010-11 to ₹ 598.96 crore in 2014-15.

***(Paragraph 2.2.6.1)***

Despite improving nutritional level of children being one of the main objectives of the scheme, State Government did not conduct any baseline study to ascertain nutritional level of children in Primary Schools and Upper Primary Schools and area specific nutritional deficiencies prevalent among them. Micronutrient supplementation were not provided to children in schools as per norms.

***(Paragraphs 2.2.7.1 & 2.2.8.6(ii))***

Against the total allocation of 16.95 lakh MTs of foodgrain during 2010-15, Government of Uttar Pradesh lifted only 13.83 lakh MTs of foodgrain despite non-availability of buffer stock of foodgrains in schools resulting in frequent disruption in supply of meals or local purchase of foodgrains.

***(Paragraph 2.2.8.1 (i))***

Audit in test-checked districts revealed excess payments made to transportation agencies on account of transportation cost of foodgrains and profit margin to *kotedars* amounting to ₹ 12.74 crore and ₹ 3.19 crore respectively. Further, large number of empty gunny bags valuing ₹ 56.47 crore remained unaccounted for.

***(Paragraphs 2.2.8.2 (ii) & (iii))***

Government of Uttar Pradesh incurred total expenditure of ₹ 724.23 crore during 2006-15 on construction of 1.13 lakh kitchen-cum-stores having inferior specifications in terms of plinth area. Physical verification of 630 test-checked schools revealed that 18, 16, 21 and 34 *per cent* kitchen-cum-stores respectively did not have proper doors, adequate light, proper ventilation and proper facilities for drainage and waste disposal.

***(Paragraph 2.2.8.3(i)(a))***

Twenty one *per cent* of the schools still did not have kitchen-cum-stores and 42 *per cent* did not have LPG connections for cooking of mid-day meals despite availability of funds.

***(Paragraphs 2.2.8.3 (i)(c) & (ii))***

Against the directives (November 2001) of Hon'ble Supreme Court to provide mid-day meals for minimum 200 days in a year, 56,257 schools provided mid-day meal for average 102 days during 2010-15. 802 schools still remained to be covered under the Mid-Day Meal Scheme.

***(Paragraphs 2.2.8.4 (i) & (ii))***

In 48 *per cent* schools, cooks were not imparted trainings in hygienic habits as required and community members and voluntary organisations were not involved in

ensuring taste and quality of meals, safety and hygiene in preparation and adequacy of meals served.

*(Paragraphs 2.2.8.5(i) & (ii))*

Adequate health support was not provided to children. Physical verification of 630 selected schools in 21 test-checked districts revealed that health check-ups were not conducted and health registers/cards of children were not maintained in 203 (32 *per cent*) and 392 (62 *per cent*) schools respectively. Weighing machines were not available in 272 schools (43 *per cent*). Body Mass Index was not recorded in 400 (64 *per cent*) schools.

*(Paragraph 2.2.8.6(i))*

Monitoring of the scheme was not effective as meetings of Steering-cum-Monitoring Committees at district and block levels and District Vigilance and Monitoring Committees were not held at prescribed intervals.

*(Paragraph 2.2.9.1)*

Despite implementation of Mid-Day Meals scheme, the enrolment of students in Primary Schools decreased from 1.59 crore in 2010-11 to 1.34 crore in 2014-15. The decrease in enrolment during the period ranged between 1.55 *per cent* and 7.03 *per cent* per year.

*(Paragraph 2.2.11.1)*

### **1.3 Swarna Jayanti Shahri RojgarYojna**

Government of India launched (December 1997) *Swarna Jayanti Shahari Rozgar Yojana* (SJSRY) to provide gainful employment to urban poor living Below Poverty Line. The scheme was subsequently revamped (September 2013) as National Urban Livelihood Mission (NULM). An expenditure of ₹ 402.10 crore was incurred on SJSRY during 2010-14. The schemes are funded on 75:25 basis by Centre and State Governments. Performance audit of SJSRY (Period: 2010-14) and NULM (Period: 2014-15) was conducted covering 19 districts. Our findings are as follows:

Against the total allocation of ₹ 620.42 crore under SJSRY, only 70 *per cent* funds were released by the Government of India and Government of Uttar Pradesh with State Government providing merely 45 *per cent* of its share of allocation during 2010-14.

*(Paragraph 2.3.6.1)*

State Urban Development Agency (SUDA) allocated funds to district level agencies based on 'total urban population' instead of 'population of urban poor' resulting in higher allocation of funds to districts with less population of urban poor and lower allocation of funds to districts with higher number of urban poor.

*(Paragraph 2.3.6.1)*

Only 33 to 56 *per cent* of the available funds were utilised under SJSRY during 2010-14 indicating inadequate performance of the Department in implementing programmes. No expenditure was incurred under NULM during 2014-15 despite

availability of funds of ₹ 206.50 crore as the scheme was still at planning stage defeating the prime objective of providing gainful employment to urban poor.

***(Paragraph 2.3.6.2)***

SUDA also did not maintain component intervention-wise details of unspent funds and incurred excess expenditure under Skill Training for Employment Promotion amongst Urban Poor (STEP-UP), Urban Self Employment Programme (USEP) and Urban Women Self-Help Programme (UWSP) schemes by diverting funds from Urban Wage Employment Programme (UWEP) and Urban Community Development Network (UCDN) without obtaining approval, which adversely impacted the implementation of SJSRY and NULM.

***(Paragraph 2.3.6.3)***

Planning in SJSRY was almost non-existent as no Slum survey for identification of beneficiaries was conducted, and Slum Development Plan and Urban Poverty Reduction Strategy were also not prepared. There was no comprehensive database of beneficiaries. Urban Poverty Alleviation cells in Urban Local Bodies were also not setup for ensuring convergence and rendering assistance in identification of beneficiaries.

***(Paragraph 2.3.7.1 to 2.3.7.3)***

Community structures such as Neighbourhood Groups and Neighbourhood Committees, and Community Organisers, who had to play important roles in organising the urban poor for tackling urban poverty and helping in the implementation of SJSRY at grass root level, were not established/engaged in large number of districts test-checked. This affected the scheme implementation adversely.

***(Paragraph 2.3.8.1)***

Against the target of 1.42 lakh, skill training was imparted to only 60 *per cent* beneficiaries under STEP-UP scheme in the test-checked districts despite availability of unspent funds of ₹10.18 crore during 2010-14.

***(Paragraph 2.3.8.2(ii))***

The tool-kits could have helped the beneficiaries in establishing their own self-employment ventures. However, in violation of scheme guidelines, in 14 test-checked districts, 24,832 beneficiaries (46 *per cent*) were not provided tool-kits after skill training. Stipend of ₹ 1.69 crore was not disbursed to 7,053 successful trainees in four test-checked districts.

***(Paragraph 2.3.8.2(v))***

Rupees 59.08 crore was spent on imparting training to 85,109 beneficiaries through private Institutes in test-checked districts but only 12 *per cent* of them could get placement/self-employment.

***(Paragraph 2.3.8.2(vi))***

There was a shortfall of 15 *per cent* in achieving the targets under USEP for providing subsidised loans; only 10 *per cent* women beneficiaries were given loan against the norm of 30 *per cent*.

***(Paragraph 2.3.8.3)***

Only 29 *per cent* beneficiaries of self-help groups of urban poor women were provided subsidised loan for setting up gainful self-employment venture under UWSP scheme against the target of 1.07 lakh beneficiaries. Cases of sanction of loan to ineligible beneficiaries were also noticed.

***(Paragraphs 2.3.8.4(i)&(ii))***

Against the target of providing 5.31 lakh man-days of wage employment during 2010-14, only 3.91 lakh man-days of wage employment could be provided resulting in shortfall of 26 *per cent*, primarily due to non-adherence to material: labour ratio of 60:40 *per cent* in construction works under UWEP scheme.

***(Paragraph 2.3.8.5 (i))***

#### **1.4 IT audit of Crime and Criminal Tracking Network and Systems**

Crime and Criminal Tracking Network and Systems (CCTNS) Project was envisaged by Ministry of Home Affairs (MHA), Government of India (GoI) to modernise police force for enhancing outcomes in the areas of crime investigation and criminals' detection, information gathering and its dissemination among various police organisations and units across the country through creation of a nationwide network under the National e-Governance Plan (NeGP). While MHA was responsible for providing necessary funds and basic Core Application Software (CAS), States were to implement the project by engaging a System Integrator (SI) and suitably customising the software to suit their requirement. MHA in February 2011, approved the project at a cost of ₹ 113.78 crore for various components against which GoI released ₹ 84.86 crore during 2009-15. A total expenditure of ₹ 59.31 crore has been incurred on the project as of March 2015. However, the project was yet to be Go-Live as of September 2015.

Information Technology system audit of the project revealed the following:

The CCTNS Project initiated during 2009-10 with the approval of ₹ 113.78 crore by MHA, GoI could not be completed within timelines set, as a result Go-Live status remained un-achieved even after 19 months of the schedule date of completion (February 2014).

***(Paragraphs 2.4.1, 2.4.6.1 & 2.4.6.2)***

Project planning suffered from delays and deficiencies due to non-performance of State Project Management Consultant. Implementation of the project was considerably delayed due to non-observance of contractual obligations by project implementing agency *viz.*, System Integrator but no action was taken against the firm.

***(Paragraphs 2.4.6.2 & 2.4.6.3)***

There were irregularities and deviations in procurement of hardware items and software licenses. Excess/irregular expenditure of ₹ 25.10 crore was incurred on procurement of diesel generator sets (₹ 17.27 crore), software licenses (₹ 6.67 crore) and coverage of Reporting out posts (₹ 1.16 crore).

*(Paragraphs 2.4.6.4 (i) to (v))*

SI and Bharat Sanchar Nigam Limited (BSNL) failed to provide network connectivity to all the locations as only 85 *per cent* locations were covered as of March 2015. Out of 2,116 locations connected, only seven *per cent* of the locations had uptime connectivity of over 80 *per cent*, indicating inadequate network performance.

*(Paragraph 2.4.6.5)*

SI also failed to complete data digitisation and migration of legacy data to CAS. Despite digitisation of 78 *per cent* of the legacy records, no records could be migrated to CAS due to poor quality of digitisation by SI and non/improper verification by police stations/authorities.

*(Paragraph 2.4.6.6)*

The customisation and operationalisation of CAS had not yet fully stabilised. Except for registration of FIRs, no other functionalities of CAS such as investigation, prosecution, search and reporting etc., were being used by police stations and higher offices. Citizen interface services through Police portal and *via* SMS were yet to be made fully functional.

*(Paragraphs 2.4.6.8 (i)&(ii))*

Despite facility in CAS for auto generation of date, time and serial number of FIR registration, Department decided to manually record this information in CAS defeating the very objective of CCTNS to make police citizen friendly, transparent and accountable. The CAS database was lacking in consistency, quality and effectiveness of access controls.

*(Paragraph 2.4.7)*

Uttar Pradesh Police Technical Services has not engaged any third party agency for audit and certification of CAS security and controls. Monitoring of the project was ineffective as prescribed meetings of the Governance Structure were not held regularly.

*(Paragraphs 2.4.8.4 & 2.4.8.5)*

## **1.5 Post-Matric Fee-reimbursement scheme**

Post-Matric Fee-reimbursement is given to the students of the State for study in recognised post-matriculation or post-secondary courses. Fee-reimbursement was sanctioned and disbursed manually till 2009-10 and thereafter, the process was automated. The audit of the scheme was taken up in five selected districts *viz.* Banda, Barabanki, Deoria, Ghaziabad and Kanpur Nagar to cover the transactions of computerised database which disclosed the following:

Reimbursement of fee of ₹ 10.24 crore was claimed by different students in 20,198 cases by using same income/caste/high school certificates. For example: (i) 36 income certificates were used by 1,242 students for 10 to 236 times in Kanpur Nagar district in 2010-11 to claim ₹ 32.30 lakh; and (ii) 44 caste certificates were used by 2,158 students for 10 to 550 times in Deoria district during 2012-13 to claim ₹ 83.47 lakh.

*(Paragraphs 2.5.7.1 (i) & 2.5.7.2 (iii))*

Income details of 34 students were verified by audit on test-check basis from the income certificates available on the website of Board of Revenue and it was found that in all the cases, the fee reimbursement was claimed based on incorrect income detail, thus extending benefit to ineligible students.

*(Paragraph 2.5.7.1 (ii)(a))*

6,313 eligible students were denied reimbursement of fee in Barabanki, Deoria, Ghaziabad and Kanpur Nagar districts.

*(Paragraph 2.5.7.2 (i))*

In 638 cases, reimbursement of fee of ₹ 16.41 lakh was made without any claim being processed and approved in Barabanki and Ghaziabad districts.

*(Paragraph 2.5.7.2 (ii))*

1,792 students claimed reimbursement of fee of ₹ 4.80 crore by submitting false declaration and submitting claims simultaneously for two courses.

*(Paragraph 2.5.7.3 (i))*

Fee was irregularly reimbursed to 2,309 students amounting to ₹ 5.13 crore who changed their course of study.

*(Paragraph 2.5.7.3 (ii))*

In 241 cases, children of same parents were sanctioned reimbursement of fee under different categories (SC, OBC, General and Minority) amounting to ₹ 16.84 lakh.

*(Paragraph 2.5.7.3 (iv))*

Reimbursement of fee was made at different rates for the same course and category.

*(Paragraph 2.5.7.3 (v))*

## **1.6 Implementation of Uttar Pradesh Janhit Guarantee Adhiniyam, 2011**

*Uttar Pradesh Janhit Guarantee Adhiniyam, 2011 (Adhiniyam)* was enacted in March 2011 in the State to ensure delivery of public services in stipulated timeframe. Audit of implementation of the *Adhiniyam* was conducted in five Departments by selecting 42 notified services to verify as to all important services had been notified, and the respective Departments were delivering notified public services within the stipulated time frame as per provisions of the *Adhiniyam*. Our important findings are as follows:

The services of 31 out of 93 Departments under the State Government remained uncovered under the *Adhiniyam* even after a lapse of four years of the enactment of the *Adhiniyam* (March 2011).

**(Paragraph 2.6.6)**

Due to lack of coordination between *Lok Seva Prabandhan Vibhag* and the Administrative Departments, the designated, first appellate and second appellate officers were not notified in 37 (88 *per cent*) out of 42 test-checked services, even after two years of notification of services under the *Adhiniyam*.

**(Paragraph 2.6.7.1)**

The concerned Departments/offices took 46 to 675 days for delivery of uncontested mutation of property; failed to take decision on payment of compensation of unsuccessful family planning in 49 out of 57 cases; took delayed decision in 51 cases ranging between 46 and 300 days and failed to provide services in 76 cases despite the lapse of 3 to 14 months out of 236 cases relating to payments under National Family Benefit Scheme; and took 17 to 384 days in 125 cases for issue of Character Verification Certificate though it was required to provide within 45, 45, 45 and 15 days respectively.

**(Paragraph 2.6.8.1 to 2.6.8.4)**

Due to lack of training, concerned officials were not aware of the procedures for implementation of provisions of the Act and the prescribed timelines for delivery of services.

**(Paragraph 2.6.9)**

28 out of 31 test-checked offices failed to exhibit the relevant information on the notice board for awareness to the public due to which people were not aware about their rights provided under this *Adhiniyam* for obtaining services in stipulated time period.

**(Paragraph 2.6.10.1)**

The monitoring was lax and ineffective as the Administrative Departments did not make serious efforts to get the Monthly Progress Reports from their field offices.

**(Paragraph 2.6.11)**

## **1.7 Volunteers in Home Guards**

The Government established a force of volunteers in Home Guards in the State in 1963, under the Uttar Pradesh Home Guards Act, 1963, as an auxiliary to the police to assist them in maintaining law and order and internal security and help the community in the event of air raids, fires, floods, epidemics and other emergencies. Audit of “Volunteers in Home Guards” was conducted covering the period 2010-15. The findings are as follows:

The Department failed to collect ₹ 9.38 crore on account of Service Tax, during 2010-15, from Organisations/Institutions where Home Guard Volunteers were engaged on commercial duty.

**(Paragraph 2.7.6.3)**

The Government had to bear an expenditure of ₹ 5.08 crore by way of duty allowance on deployment of Home Guard volunteers in security of Very Important Persons and at the Offices/*Kendras* of political parties in violation of Government orders.

*(Paragraph 2.7.7.1)*

Commandant General, Home Guards failed to procure most of the items of the uniforms, resulting in non-issue of uniforms to Home Guard volunteers during 2010-15 although, ₹ 3.84 crore out of the allotment of ₹ seven crore for purchase of uniforms was surrendered by the Department during 2010-15.

*(Paragraph 2.7.7.4)*

Training of Home Guard volunteers also did not receive adequate attention as there were shortfalls ranging between 37 *per cent* and 100 *per cent* in achievements against targets fixed for training by Central Training Institute during 2010-15.

Capacities of Divisional Training Centres were not utilised optimally despite incurring an expenditure of ₹ 19.56 crore on account of salary and allowances of idle staff in 10 test-checked DTCs.

*(Paragraph 2.7.7.5)*

### **1.8 Procurement of paddy and delivery of Customed Milled Rice for Central Pool by Regional Food Controller, Gorakhpur**

With a view to provide profitable price to farmers for their produce, State Government procures paddy on Minimum Support Price (MSP) as declared by Government of India (GoI) in each year for Central Pool. The office of Regional Food Controller (RFC) was established to monitor and control the marketing activities of rice in the Gorakhpur region. Review of procurement of paddy in Gorakhpur region during 2010-15 revealed the following:

RFC failed to achieve targets for procurement of paddy during 2012-15 with shortfall ranging between 12 and 70 *per cent* and there was less contribution of 96,981 MT paddy to Central Pool.

*(Paragraph 2.8.6)*

Due to lack of monitoring and supervision by RFC, Customed Milled Rice (CMR) of Food Department amounting to ₹ 7.23 crore remained unrecovered from the private millers. Further, holding charges of ₹ 6.30 crore were also not levied from them.

*(Paragraph 2.8.7.1)*

CMR of State Government Agencies amounting to ₹ 16.11 crore was also not delivered by the millers. No effective action was taken against the defaulting millers.

*(Paragraph 2.8.7.2)*

There were cases of loss of ₹ 1.59 crore to the Government due to delivery of rice of lower quality/specification and loss in transit by the millers and non-recovery of CMR amounting to ₹ 2.84 crore from the defaulting millers due to irregular re-attachment.

*(Paragraph 2.8.7.3 to 2.8.7.5)*

Transportation of paddy between December, 2010 to January, 2015 weighing 3,525.60 quintals costing ₹ 43.51 lakh was doubtful as the vehicle stated to have been used in transportation were found to be registered as motorcycle(s), auto rickshaw(s) and jeeps etc.

*(Paragraph 2.8.7.7)*

RFC supplied gunny bags amounting to ₹ 85.17 crore to the procuring agencies during 2010-14. However, cost of supplied bags valuing ₹ 39.32 crore remained unrecovered till October, 2015.

*(Paragraph 2.8.7.8)*

### **1.9 Follow-up audit of Sanjay Gandhi Post Graduate Institute of Medical Sciences, Lucknow**

The Sanjay Gandhi Post Graduate Institute of Medical Sciences (SGPGI) was established at Lucknow to create a centre of excellence for providing medical care, educational and research facilities. The follow-up Audit of SGPGI was taken up to examine the level of compliance by the State Government and SGPGI on the recommendations of the previous Performance Audit featured in Comptroller and Auditor General's Report for the period ending 31 March 2005. Follow-up Audit of the Institute for the period 2010-15 revealed the deficiencies in the operation and management of the Institute pointed out earlier continue to persist even after ten years. Detailed findings of the follow-up audit are as follows-

Annual Accounts of the Institute were prepared and submitted to the Government after delay of one to eight years.

*(Paragraph 2.9.8.1)*

Critical shortages of medical and para-medical staff adversely impacted the quality of medical treatment and patient care.

*(Paragraph 2.9.8.3)*

Institute did not maintain a centralised waitlist for patients and also did not introduce any feed-back mechanism to identify critical gaps in its capability and available infrastructure so as to take corrective actions to improve the hospital services.

*(Paragraph 2.9.8.4)*

E-procurement system was yet to be implemented.

*(Paragraph 2.9.8.7)*

## **2 Significant observations of Compliance Audit**

Audit observed significant deficiencies in critical areas which impact the effectiveness of the State Government. Audit of financial transactions, test-checked in some departments of the Government and their field functionaries showed instances of non-compliance with rules and regulations, expenditure without adequate justification and failure of oversight and administrative control. The major audit observations are discussed below:

Inaction on the part of Department/Government led to unfruitful expenditure of ₹ 5.40 crore on the construction of 17 new Veterinary Hospital buildings.

***(Paragraph 3.2)***

Government revenue of ₹ 1.66 crore, deducted on account of Income Tax, Trade Tax and Royalty from the contractor's bills and departmental receipts, was misutilised.

***(Paragraph 3.8)***

Unauthorised increase in the quantum of work and cost, against the sanction of Government and IRC norms, resulted in unjustified expenditure of ₹ 5.74 crore.

***(Paragraph 3.13)***

Delay in installation of Linear Accelerator Machine even after five years of its procurement, led to unfruitful expenditure of ₹ 9.69 crore.

***(Paragraph 3.16)***

Failure of the department in ensuring deposit of interest earned by executing agencies on Government funds, led to loss of ₹ 9.08 crore.

***(Paragraph 3.19)***

Procedural delay in sanction of revised cost and slow progress of work, led to unfruitful expenditure of ₹ 12.38 crore on incomplete 100 bedded hospital building.

***(Paragraph 3.20)***

Acceptance of Fixed Deposit Receipts and Bank Guarantees from a non-Scheduled/Nationalised bank and failure to revalidate them timely, resulted in non-recovery of ₹ 12.48 crore on termination of the contract midway.

***(Paragraph 3.22)***