

Overview

This Report of the Comptroller and Auditor General of India for period ended March 2022 contains following chapters:

Chapter-I: Introduction

Chapter-II: Performance Audits of -

- (i) Working of State Agricultural Produce Market Board and Market Committees
- (ii) Activities of Sports Department
- (iii) Implementation of Deen Dayal Upadhyaya Grameen Kaushalya Yojna in Uttar Pradesh

Chapter-III: Compliance Audit Paragraphs related to various Government Departments.

Chapter-I: Introduction

The audit of 55 Departments of Government of Uttar Pradesh along with 384 Public Sector Undertakings (PSUs) and 776 other entities (Autonomous Bodies/Authorities, etc.) including Urban Local Bodies, Panchayati Raj Institutions thereunder comes under audit jurisdiction of the Principal Accountant General (Audit-I), Uttar Pradesh. During the year 2021-22, compliance audit of 249 units out of total 6,537 auditable units was conducted. This Report contains results of performance audits of 'Working of State Agricultural Produce Market Board and Market Committees', 'Activities of Sports Department' and 'Implementation of Deen Dayal Upadhyaya Gramin Kaushalya Yojana in Uttar Pradesh' and 12 compliance audit paragraphs pertaining to 12 Departments.

Chapter-II: Performance Audits

2.1 Working of State Agricultural Produce Market Board and Market Committees

Under *Uttar Pradesh Krishi Utpadan Mandi Adhiniyam*, 1964 (the Act), the State Government notifies any area as a market area for regulation of sale and purchase of agriculture produce. There are 251 regulated market areas (*Viniyamit Mandi*) in the State. For every market area, there is a Committee called Market Committee of that market area. To oversee and manage the functioning of these Market Committees and related affairs, the State

Government constituted the State Agricultural Produce Market Board (the Board).

This Performance Audit assessed the functioning of the State Agricultural Produce Market Board and the Market Committees during the period 2017-18 to 2021-22. Replies of the State Government (September 2023) and further information received from the Board upto August 2024 have been suitably included in the Report. Significant audit findings are detailed below:

The Act provides for functioning of Market Committees through their members nominated by State Government from various stakeholders and Chairman/Vice Chairman elected by nominated members from representatives of producers in the Market Committee. However, the Board could not implement the provision of the Act resulting in the continued governance of the Market Committees by the State Government officers.

Out of the total receipts (₹ 7,654.78 crore) during 2017-18 to 2021-22, the Board incurred an expenditure of ₹ 4,173.17 crore and 251 Market Committees incurred an expenditure of ₹ 3,124.19 crore. The receipts of Board and Market Committees had declining trend after 2019-20, as a result their expenditure exceeded receipts during 2020-22. The Board transferred ₹ 392.28 crore of interest earned under UP State Marketing Development Fund and Central Mandi Fund to the Board's Fund during 2016-2021, which was in violation of the Act under which these funds were established to carry out specific activities. Further, premium of ₹ 81.96 crore on allotment of shops, ₹ 11.78 crore of rent and user charges of ₹ 1.33 crore were outstanding as of March 2022 from shops/godown allotted by Market Committees in the State. Even after a lapse of more than five years, the advance payments of ₹ 5.61 crore to various agencies for the supply of cement and maxphalt were yet to be adjusted by six Deputy Director (Construction) offices (DDC) of the Board as of March 2022.

Market Board received ₹ 138.94 crore from the Government of India during 2017-18 to 2021-22 for implementation of three centrally sponsored schemes, viz., Electronic National Agriculture Market (e-NAM), Rashtriya Krishi Vikas Yojna (RKVY) and Bundelkhand Package (BKP). However, the utilisation of the total funds available for the e-NAM and RKVY schemes from 2017-18 to 2021-22 was only 49.14 *per cent* and 9.62 *per cent* respectively. There was minimal activity in both Inter-State and Intra-State trade on the e-NAM platform as a result intended outcomes of the e-NAM have not been achieved even after six years of its implementation in the State.

Principal Market Yards were not constructed in 12 *per cent* Market Committees in the State. Only 20 *per cent* of 133 Rural Infrastructure Nuclei (RINs) constructed to provide facility of selling the local farmers produce locally in Bundelkhand region were operational as of August 2023. Further, out of 1,643 Agricultural Marketing Hubs (AMHs) constructed during 2011-12 to 2014-15 with the aim of providing farmers with a local market to sell their agricultural produce, 29 *per cent* AMHs remained unoperational as of January 2024. Moreover, 309 shops in the market yards of 21 test checked Market Committees were vacant as of December 2023 of which 223 shops were never allotted since their handing over to the respective Market Committees.

The Board undertook projects without conducting proper feasibility studies resulting in idle infrastructure, viz., expenditure of ₹ 39.60 crore on the flower market in NOIDA remained unoperational even after 15 years of its completion and a potato processing unit in market yard at Thathiya, Kannauj was abandoned (March 2017) midway after incurring expenditure of ₹ 11.71 crore.

Recommendations

- *State Government should nominate members in Market Committees among producers, traders, commission agents, palledars and take measures for election of their Chairman and Vice Chairman by the members.*
- *Effective mechanism should be devised and closely monitored for better utilization of funds.*
- *To ensure the proper functioning of Market Committees and the Board timely and appropriate recruitment in all categories of employees should be carried out.*
- *Weighing of each consignment brought into the closed premises of market yards should be ensured, and the payable and paid amounts of market fees should be reconciled. The realization of receipts should be ensured through systemic reforms in the functioning of the market yards.*
- *A long-term policy should be made for the development of new infrastructure in the market yard/market area. The requirement for new infrastructure should be generated in a bottom-up approach from the user Market Committee.*

- *For better utilisation of facilities created for purchase and sale of agriculture produce, unutilised infrastructure should be maintained and put to use on priority.*

2.2 Activities of Sports Department

The Department of Sports (DoS), Government of Uttar Pradesh, is responsible for promotion of sports in the State. Performance Audit on ‘Activities of Sports Department’ was conducted covering the period 2016-22. The replies (July 2023 and July 2024) of the State Government and Sports Directorate and further information received from the Sports Directorate upto August 2024 have been suitably included in the Report. Significant audit findings are discussed below:

State Government approved a sports policy in March 2023. In the absence of state specific sports policy during 2016-22, the measures taken for promotion and development of sports in the State were largely *ad hoc*. DoS was providing training in various sports without prioritising sports disciplines for development to achieve excellence in identified sports as envisaged in the national policy. Sports facilities were created without assessing district-wise requirements. Budgetary resources were not allocated rationally leading to huge savings while facilities suffered due to lack of funds.

DoS implemented 56 works for augmentation of sports infrastructure during 2016-22. In violation of State Government’s order (September 2013), these works were awarded to executing agencies on nomination basis without obtaining estimates from at least three executing agencies to ensure reasonableness of rates. MoUs were not executed with construction agencies due to which DoS lacked mandate to impose liquidated damage in case of delays in construction. Further, projects were sanctioned without feasibility reports. Multiple sports facilities in test checked districts created after substantial investments were lying unutilised, with many in need of repairs and maintenance. DoS did not formulate any policy regarding repair and maintenance of sports infrastructure.

There are three sports colleges in the State which are fully funded by DoS and impart education from class six to class 12 (Humanities stream) under Uttar Pradesh Board of Secondary Education. Audit noticed underutilisation of capacity by 26 to 46 *per cent* in these colleges during 2016-22. Faculties for teaching academic subjects were not available as per the sanctioned strength of these colleges. DoS attributed the inadequate faculty in sports colleges to the Education Department’s failure to provide teachers on deputation basis. Further, the post of medical officer was vacant in two sports colleges.

DoS provides coaching to the emerging sportspersons through sports hostels, sports colleges and coaching camps by utilising the services of departmental coaches and part-time coaches. However, the Department could not properly address the shortage of coaches. Vacancies in permanent and part-time coaches was 33 to 38 *per cent* and 13 to 60 *per cent* respectively during 2016-22. Further, a compiled database regarding sportspersons being trained by the Department was not being maintained, thereby not allowing need-based allocation of resources.

DoS did not develop any mechanism to evaluate nutritional level of the sportspersons. The State Government implemented (October 2020) the diet chart without considering the sports specific requirement of calories. Further, DoS did not take any measure for awareness among coaches and sportspersons in respect of doping.

National Sports Policy 2001 stipulates that efforts will be made to promote and encourage female participation in sports. However, there were poor participation of female's sportspersons in training camp, besides shortage of female coaches.

There was inadequate coordination between DoS and Sports Associations. There were disputes in four state sports associations (Uttar Pradesh Power Lifting Federation Lucknow/Kanpur, Uttar Pradesh Netball Federation Ghaziabad, Uttar Pradesh Taekwondo Federation Lucknow, Uttar Pradesh Shooting Ball Federation Meerut). Due to their disputes, they were not organising competitions and sending no teams at national level competition.

Recommendations

- *The State Government should ensure that sports facilities are created in the State after detailed survey and assessment of need. Responsibility should be fixed where projects are taken up without these leading to unfruitful expenditure.*
- *Maintenance and repair of sports facilities and equipment should be taken up timely and budget provided at beginning of year itself after proper assessment. Action needs to be taken against the concerned and the agencies where these facilities are lying damaged and neglected.*
- *The State Government should ensure that rights and obligations should be clearly laid down in agreement with construction agencies with penalty clauses for default and the works are executed in a transparent, accountable and timely manner.*

- *Vacancies in coaching staff should be filled up. Also, the State Government should employ services of required number of physiotherapists.*
- *The State Government should prepare a database of all the sports trainees for adequate follow-up of their progress.*
- *A responsive complaint redressal mechanism needs to be enforced in all districts to deal with complaints of female sportspersons.*
- *Concrete measures should be taken to increase awareness against doping to promote fair play and a healthy lifestyle among sportspersons /sports trainees.*
- *A better coordination between DoS and Sports Association should be ensured to promote competitive sports in the State.*

2.3 Implementation of Deen Dayal Upadhyaya Grameen Kaushalya Yojna in Uttar Pradesh

Deen Dayal Upadhyaya Grameen Kaushalya Yojna (DDU-GKY), a Centrally Sponsored Scheme, was launched on 25 September 2014 as a placement linked skill development programme for rural youth in the age group of 15 to 35 years. A Performance Audit (PA) on 'Implementation of DDU-GKY in Uttar Pradesh' was conducted covering the period from April 2016 to March 2022 to ascertain whether DDU-GKY was implemented effectively and in accordance with the guidelines. Uttar Pradesh Skill Development Mission (UPSDM) under Vocational Education and Skill Development Department was entrusted with the implementation of the scheme in the State. Replies of the State Government (July 2023) and further information received from UPSDM up to January 2024 have been suitably incorporated in the Report.

Activities for effective planning such as skill gap assessment and study of labour market, preparation of State Perspective Implementation Plan and creation of youth level data base were not carried out during the six year period covered by audit. The scheme was implemented throughout the period without appointment of a dedicated staff for implementation of DDU-GKY both at State and district level, though it had been envisaged under the scheme and administrative cost had also been made available (March 2016) by GoI to the State for the purpose. There was shortfalls in achievement of training and placement targets in the range of 15 *per cent* to 76 *per cent* in the six year covered by Audit.

Audit noticed delays in notifications for invitation of request for proposals (RFPs) from Project Implementing Agencies (PIAs) for training of rural youths and delays in execution of Memorandum of Understandings (MoUs)

with PIAs. Further, there was undue benefit to PIAs by not taking timely action against them in accordance with guidelines for Nil placement in respective projects. Suspicious/doubtful placements and use of suspected doubtful bank statements in support of placement by the PIAs raised concern over the placements claimed by the PIAs under the scheme.

There were shortfall in inspections by UPSDM ranging from 57 *per cent* to 100 *per cent* and by Technical Support Agency ranging from 22 *per cent* to 100 *per cent* in bi-monthly inspections of 19 out of 28 test-checked PIAs for which data were furnished by UPSDM.

Recommendations

The State Government should:

- *ensure preparation of State Perspective Implementation Plan based on skill gap assessment and study of labour market. Further, state level youth data base for comprehensive planning and implementation of the scheme should be prepared.*
- *ensure close co-ordination between UPSDM and Rural Development Department for timely release/utilisation of funds and to avoid creation of interest liability.*
- *assess the performance of PIA and validate the claim of training and placement in previous projects before award of the projects.*
- *take immediate action for speedy recovery of released amount along with penal interest in case of defaulter PIAs.*
- *review the placement documents including bank statements submitted by the PIAs to assure genuineness of claims of the PIAs regarding placements and trainings and fix responsibility of false claims.*
- *ensure deployment of dedicated skill team at state, district and sub-district level for smooth implementation and monitoring of skill development scheme.*

Chapter-III: Compliance Audits

Audit Paragraphs

Agriculture Education and Research Department

Due to laxity in firming up the scope of work, delay in release of fund at department level as well as failure of executing agency to obtain Technical Sanction before commencement of construction resulted in unfruitful expenditure of ₹ 54.80 crore on incomplete construction of College of Agriculture Engineering and Technology due to which intended objective of the project was not achieved.

(Paragraph 3.1)

Housing and Urban Planning Department

Due to an injudicious decision of Uttar Pradesh Awas and Vikas Parishad to construct 680 flats under the Self-Financed Yojana without demand survey, construction of 488 flats was left incomplete at the stilt level resulting in unfruitful expenditure of ₹ 42.02 crore on abandoned incomplete structure.

(Paragraph 3.2)

Medical Education and Training Department

Avoidable payment of ₹ 81.30 lakh was made by Baba Raghav Das Medical College, Gorakhpur on account of interest on arrears of house tax.

(Paragraph 3.3)

Medical Health and Family Welfare Department

State Government could not provide human resources for operationalisation of plastic surgery and burn unit in Dr. Ram Manohar Lohia Male Hospital, Farrukhabad despite construction of its building in December 2016, which resulted in unfruitful expenditure of ₹ 1.96 crore incurred on construction of building and purchase of equipment/furnishings.

(Paragraph 3.4)

Prisons Administration and Reform Services Department

Due to laxity on the part of Department and inaction by executing agency, the solar energy based power back up system remained non-functional even after five years of its installation defeating its objective of providing power backup to mobile phone jammers installed in Central Jail, Bareilly. Thus, expenditure of ₹ 1.95 crore incurred on installation of the equipment was rendered unfruitful.

(Paragraph 3.5)

Technical Education Department

Seven women's hostels in Government polytechnics could not be made operational even after a lapse of two to four years of handing over of these hostels. Besides, after a lapse of more than seven years of their sanction, three hostels though completed are still not handed over and construction of one hostel is still incomplete due to which an expenditure of ₹ 21.22 crore incurred on their construction remains unfruitful.

(Paragraph 3.6)

Expenditure of ₹ 8.37 crore incurred on construction work of building for the Electronics Engineering Department of the Harcourt Butler Technical University, Kanpur (HBTU) remained unfruitful due to delay in release of adequate fund resulting in stoppage of work since December 2021.

(Paragraph 3.7)

Urban Development Department

Nagar Panchayat, Uska Bazar, Siddharthnagar (NP) started construction of commercial shops on the land not duly owned by the NP due to which dispute arose with Zila Panchayat, Siddharthnagar and construction could not be completed even after lapse of more than seven years resulting in unfruitful expenditure of ₹ 1.36 crore on incomplete commercial shops.

(Paragraph 3.8)

In violation of the Financial Rules and the guidelines of the Kanha Animal Shelter scheme, Nagar Palika Parishad, Siswa Bazar, Maharajganj and Nagar Panchayat, Uska Bazar, Siddharthnagar commenced construction of animal shelter homes without ensuring availability of undisputed land due to which construction works were stopped after incurring expenditure of ₹ 96.63 lakh resulting in unfruitful expenditure on these constructions for more than six years.

(Paragraph 3.9)

Expenditure of ₹ 4.91 crore was incurred on incomplete construction of *Bhavya Pandal* in Mohammad Ali Jauhar University which was lying abandoned for more than six years rendering the entire expenditure unfruitful.

(Paragraph 3.10)

Nagar Nigam Lucknow failed to complete construction works of a shooting range commenced in the year 2008, resulting in unfruitful expenditure of ₹ 18.61 crore on the incomplete shooting range.

(Paragraph 3.11)

Vocational Education and Skill Development Department and Minority Welfare and Waqf Department

The construction work of ITIs at Katra Shankar Nagar, Tulsipur and Sriduttganj in district Balrampur could not be completed even after a lapse of more than eleven years of its sanction due to delay in providing land and commencement of work without ensuring approval of estimated fund required for the construction. Thus, expenditure of ₹ 10.76 crore incurred on incomplete ITI buildings was rendered unfruitful.

(Paragraph 3.12)