Overview

OVERVIEW

This Report of the Comptroller and Auditor General of India (C&AG) covers matters arising out of the Performance Audit and Compliance Audit of Government Departments of the Government of Haryana. The Report contains one Performance Audit, one Subject Specific Compliance Audit and nine paragraphs.

Chapter 1: Introduction

As against the total budget outlay of ₹ 2,73,305 crore, the application of resources was ₹ 2,71,841 crore during 2023-24. The total expenditure of the State increased by 28 *per cent* from ₹ 1,03,823 crore to ₹ 1,33,172 crore during the period 2019-20 to 2023-24 while revenue expenditure increased by 33 *per cent* from ₹ 84,848 crore to ₹ 1,13,196 crore and capital expenditure decreased by 10 *per cent* from ₹ 17,666 crore to ₹ 15,921 crore during the same period. Revenue expenditure ranged between 82 to 93 *per cent* of the total expenditure while capital expenditure was between six to 17 *per cent* during the period from 2019-20 to 2023-24.

(Paragraph 1.3)

During 2023-24, compliance audit of 999 auditee units of departments under Section 13 and 38 auditee units of autonomous bodies under Sections 14, 19(2), 19(3) and 20(1) of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, was conducted by the office of the Principal Accountant General (Audit), Haryana as a field formation of the Comptroller and Auditor General of India.

(Paragraph 1.4)

Performance Audit

Chapter 2: Mahatma Gandhi National Rural Employment Guarantee Scheme

The Performance Audit on “Mahatma Gandhi National Rural Employment Guarantee Scheme” was conducted covering the period from 2019-20 to 2023-24, by test check of records/documents at the State, District, Block and Gram Panchayat (GP) levels, to ascertain whether the planning process and financial management practices were adequately geared towards achieving the goals of the Act; fair access to employment opportunities was achieved, employment was adequately generated, leading to social protection and livelihood security; durable and useful assets were created and maintained in compliance with rules and regulations, while ensuring convergence with other programmes/schemes; and appropriate and adequate monitoring, Social Audit and grievance redressal systems were in place and functioning to achieve greater transparency and accountability.

Some significant findings and recommendations are as under:

- The Development Plans and District Perspective Plans, to identify needs and gaps in all sectors, were not prepared, the selected GPs were only submitting list of works to the BDPO. The inclusion/non-inclusion of the works in the Labour Budget was done at the Block level without participation of the concerned GPs indicating non-adherence to the bottom up participatory planning process as envisaged in the guidelines *ibid*. IEC plan was not prepared at the State, District and Block level. Though some IEC activities were conducted in the selected districts, however, 43 *per cent* and 31 *per cent* beneficiaries were not aware of the entitlement of the wages and minimum 100 days of employment in a financial year respectively.

- There were instances of delayed release of funds by the State Government to the implementing agencies. Wages amounting to ₹ 2.69 crore for 794 muster rolls pertaining to 120 works under 34 GPs were paid with delays ranging between one to 552 days. Basic records viz. application registers, job card registers, etc. in respect of registration of eligible HHs were not found maintained in the test checked GPs.

- Shortfall in achievement of projected Person Days ranging between 2.05 lakh and 21.07 lakh during 2019-2024 was noticed in the selected districts except Hisar. Further, the HHs completing employment of 100 days or more were only one to three *per cent*, whereas 68 to 79 *per cent* of households got employment for less than 50 days.

- Analysis of MIS data available on NREGA Soft and conduct of Joint Physical Verification of 22 selected ongoing works in nine Gram Panchayats across four blocks of Mewat district for the period 2021-22 to 2022-23 indicated instances of non-creation of assets, execution of works with insignificant labour component, non-payment of wages despite generation of person-days and lapses in documentation of works.

- The envisaged monitoring and steering of the Scheme at the highest level of State Employment Guarantee Council was not done as prescribed. Manpower provided was absolutely abysmal for social audit with 100 *per cent* vacancies at district and block level. Further, there was no follow up for settlement of objections raised in Social Audit Reports. As such, the envisaged monitoring and grievance redressal mechanism was not robust enough to meet the expectation of the Scheme Guidelines.

Recommendations:

- *The State Government may ensure adoption of bottom to top approach in preparation of Labour Budget and ensure maintenance of records like application register, job card register, work demand register/payment of wages register, complaint register etc. at GP, block and district level.*
- *The State Government may ensure monitoring of the work execution at GP, block and district level as per the guidelines to ensure that the primary objective of timely payment of wages, creation of durable assets and strengthening the livelihood resource base of the rural poor is achieved.*
- *The State Government may ensure stepping up of the IEC activities as MGNREGS, being a demand driven programme, requires the beneficiaries to be aware of their rights.*
- *The State Government may ensure strengthening post-completion assessment of MGNREGA assets by effectively leveraging the statutory social audit process by deployment of adequate manpower at District and Block levels.*

Subject Specific Compliance Audit

Chapter 3: Sewage and Sewerage Management System in Urban Areas of Haryana

The Subject Specific Audit titled 'Sewage and Sewerage Management System in Urban Areas of Haryana' covered sewerage management activities in the eight selected districts during the period 2019-20 to 2023-24. Audit was undertaken to assess whether sewerage management system was as per requirements; execution of work for sewerage was economic and efficient and monitoring mechanism was adequate. The audit of sewage and sewerage management system in urban areas of Haryana revealed significant gaps between sewage generated and treatment capacity. The selected eight districts generated 1,522.83 MLD domestic sewage, of which only 51.03 *per cent* was treated as per discharge standards before reuse/discharge in water bodies. There was a significant gap in domestic sewage generated and treatment capacity in Ambala, Yamunanagar, Panchkula and Faridabad. Further, the installed treatment capacity could not be fully utilized in Panipat and Sonepat districts due to connectivity issues. Inadequate planning, lack of coordination between different Government agencies and delays in completing projects further affected the environment protection efforts.

Some significant findings and recommendation are as under:

- Faridabad town has 97.5 MLD (34.57 *per cent*) of installed sewage treatment capacity against 282 MLD domestic sewage generation while as 92 MLD sewage was reaching the STPs thereby leaving a gap of 190 MLD. Four STPs out of the five STPs were meeting the wastewater discharge norm. It was seen that the wastewater discharge of Faridabad District through its main drain (Budhiya Nala) into River Yamuna recorded (2024) the average BOD level of 139 mg/L (against the norm of 10mg/L) and average Faecal Coliform level of 7,891 MPN/100ML (against the norms of 100 MPN/ML).

- Municipal Corporation Faridabad (MCF) did not take timely action to obtain forest clearance for construction of connecting sewer line leading to delay of more than five years in execution/completion of the work for augmentation of sewerage system in Faridabad. Besides, the associated infrastructure of two MPS (₹ 79.49 crore) and two STPs (₹ 196.55 crore) constructed at Mirzapur and Pratapgarh constructed for the purpose remained idle since 2021 and 2024.

- The work of augmentation of sewerage system at Shiva Durga Vihar, Lakkarpur and Dayalpur in Faridabad scheduled for completion by July 2018 was not completed as the site for STP was not finalized by MCF even as of October 2025. Resultantly, the objective of augmentation of sewerage system was not achieved despite incurring an expenditure of ₹ 16.35 crore.

- In Gurugram, 550 MLD domestic sewage was generated in the areas under Gurugram Metropolitan Development Authority (GMDA) as of March 2024, of which 90 MLD was treated/reused by colonisers. GMDA had an installed sewage treatment capacity of 415 MLD (in 12 STPs) against a requirement of 460 MLD. The average daily sewage received at these STPs was only 397 MLD leaving a gap of 63 MLD (14 *per cent*). 12 out of 16 STPs in the Gurugram district were meeting wastewater discharge norms.

- The wastewater discharge of Gurugram, through its three main drains into River Yamuna recorded average BOD in the range of 88 and 106 mg/L and Faecal Coliform levels in the range of 1,816 and 3,310 MPN/100 ml much higher than the prescribed norms of 10 mg/L and 100 MPN/ML.

- Four year delay in tendering process as well as in completion of construction of STP of 25 MLD capacity at Manesar by GMDA led to prolonged discharge of untreated waste water of Naharpur-Kasan and Manesar town into drains/open land thereby posing environmental concerns.

- The objective of construction of STP at Jahajgarh with sewage treatment capacity of 20 MLD approved by GMDA in March 2020 could not be achieved as of July 2025 as only 5 MLD sewage discharge was reaching the STP due to incomplete sewer infrastructure. Lack of co-ordination between GMDA and Municipal Corporation Gurugram (MCG) led to delay in completion of the project.

- MCG's inadequate management of contract to install 21 micro Sewage Treatment Plants in city parks resulted in inordinate project delay and non-achievement of the objective of reusing the waste water for horticulture purposes. Despite the contractor missing the March 2021 deadline, MCG did not terminate the contract/ re-award the work for over three years. Consequently, after five years, 12 STPs remain incomplete, while the completed infrastructure suffered from theft and operational neglect as of October 2025.

- Sonepat has seven STPs of 85.3 MLD capacity for the 78.42 MLD generated domestic sewage whereas actual sewage reaching these STPs was only 60.50 MLD. Six out of seven STPs were meeting wastewater discharge norm, the discharge of Sonepat District, through two main drains (i.e. Drain no. 6 and Drain no. 8) into River Yamuna recorded the average BOD (96 mg/L and 18 mg/L) and Faecal Coliform levels (3,233 MPN/100ml and 35,373 MPN/100ml) much higher than the prescribed norms of 10 mg/L and 100 MPN/ML respectively.

- The STP at Kakroi with an installed capacity of 25 MLD could not be operated at full capacity for six years due to deficiencies in laying of master sewer line and delay in its restoration, thereby resulting in continued discharge of untreated sewage into the drain no. 6.

- The work of remodelling of Drain no. 6 in Sonepat, for tapping sewage disposal points and to prevent disposal of solid waste in the open drain, could not be completed (October 2025) despite six years of execution and incurring an expenditure of ₹ 36.63 crore.

- There were 10 STPs with capacity of 168.80 MLD for treatment of 101.84 MLD domestic sewage generated in urban areas of Panipat. The actual domestic sewage reaching these STPs was only 75 MLD, the remaining 26.84 MLD sewage was not tapped for treatment. Nine out of 10 STPs were meeting wastewater discharge norms, the discharge of Panipat District through Drain no. 2 into River Yamuna recorded (2024) the average BOD level of 85 mg/L (against the norm of 10mg/L) and average Faecal Coliform level of 4,000 MPN/100ML (against the norms of 100 MPN/ML).

- Municipal Corporation Panipat got constructed two STPs of 25 MLD and 15 MLD capacities for treatment of sewage discharge of 76 colonies for which construction of sewerage infrastructure was executed/

completed at a cost of ₹ 202.44 crore under AMRUT. These STPs were not operating on full capacity as discharge of only 2.1 MLD was reaching the STPs for want of end user connections as of May 2024.

- NGT directions in August 2019 stipulated 100 *per cent* treatment of generated sewage failing which the State Government was to recover compensation from the defaulting departments with effect from 01 April 2020. Audit observed in selected districts the extent of untreated domestic sewage was ranging between 10.89 *per cent* and 67.38 *per cent*. Haryana State Pollution Control Board (HSPCB) did not take cognizance of these violations to impose/recover the applicable environmental compensation amounting to ₹ 902.97 crore from the defaulting department/agencies.

- The State could not achieve the timeline set for purposeful reuse of treated wastewater. Moreover, HSPCB collected only ₹ 50.50 crore from 334 units of the imposed environmental compensation of ₹ 264.76 crore on 650 commercial/industrial units across selected eight districts during 2019-2024. In Gurugram North, Ballabgarh and Sonepat, 92.52 *per cent*, 81.50 *per cent* and 78.83 *per cent* of compensation was pending for collection.

Recommendation:

To achieve effective sewage and sewerage management, the State may formulate the Standard Operating Procedure in co-ordination with the line departments for implementation and timely completion of sewerage infrastructure projects and get clearances in time for land/forest, etc.

Chapter 4: Compliance Audit Observations

Suspected embezzlement of ₹ 40.51 lakh occured in the office of the District Information and Public Relation Officer, Mewat at Nuh by creating fake unique IDs of fictitious employees and transferring the amount to their bank accounts on account of salary arrear of seventh pay commission and leave encashment.

(Paragraph 4.1)

Chaudhary Charan Singh Haryana Agricultural University, Hisar/Committee relaxed the bank guarantee requirement, enabling the agency to walk away from the project without facing any financial consequences/loss. Resultantly, expenditure of ₹ 5.60 crore incurred on incomplete biogas plant remained idle as the agency had abandoned the project since February 2020 after receiving more than 90 *per cent* agreement amount.

(Paragraph 4.2)

The Chaudhary Charan Singh Haryana Agricultural University suffered a loss of ₹ 6.37 crore due to release of payment through letter of credit to a contractor without receipt of mandatory shipping and inspection documents. Lapse occurred due to faulty terms and conditions in letter of credit. The contractor did not supply material after receiving the payment. Further, recovery efforts remained ineffective

(Paragraph 4.3)

The Directorate of Higher Education Department violated the prescribed Rules/Instructions while procuring goods/services for Government Colleges, moreover, inability to install and utilise the equipment/services resulted in wasteful expenditure amounting to ₹ 8.72 crore.

(Paragraph 4.5)

The Higher Education Department, Government of Haryana released ₹ 17.43 crore for start-up incubators in five Government colleges without verifying outcomes against measurable deliverables and Key Performance Indicators. Similarly, ₹ 13.68 crore spent on training of 4,649 candidates under the e-Karma project was largely unfruitful, as a miniscule number could start their earnings.

(Paragraph 4.6)

Kurukshetra University could utilize only ₹ 19.62 crore out of the first instalment of ₹ 41.67 crore under RUSA which resulted in reallocation of the remaining funds by State Project Director, RUSA to other institutions. It not only deprived the university of further RUSA grants but all sanctioned projects also remained incomplete, leading to denial of upgraded facilities to students and faculty of the university.

(Paragraph 4.7)

Six depots of Haryana Roadways of the Transport Department had not availed the benefit of concessional rates of user fee that was applicable for plying buses on national highways within boundaries of the districts of registration, resulting in avoidable excess expenditure of ₹ 4.65 crore on user fee.

(Paragraph 4.8)

Suspected embezzlement of ₹ 57.46 crore occured in the Director General, Development & Panchayat Department through unauthorized budget allocations and withdrawals using a fraudulent sanction letter and misused official login credentials. Payments were made without work orders or supporting documents, indicating serious control failures across Directorate Office (Director General, Development & Panchayat Department), District Development Panchayat Officer, Palwal, Block Development Panchayat Officer, Hassanpur and Treasury levels.

(Paragraph 4.9)