June 2013 to February 2014 and disbursed/ credited to two[58] ineligible persons who did not figure in the list of payees as per cash-book or drawal register maintained by the Command. The irregularity resulted due to non-observance of prescribed control procedures, failure to check the correctness of the bills, bank advices and non-reconciliation of the bank statements.

On this being pointed out (July 2016), the Assistant Director Command stated (November 2016) that the then Cashier had been placed under suspension (September 2016) and the case has been referred to the Crime Branch Kashmir for investigation. It was also stated (May 2017) that the Departmental enquiry Committee confirmed improper and undue claims of ₹ 10.03 lakh made by inserting bogus names in the bills. The Committee found that certain official records were missing and recommended that a special Audit of the Command be conducted by the Director General Audit & Inspection of the State.

The matter was referred to the Government/ Department in June 2017 and in reply the Director Finance Home Department stated (August 2017) that the matter is under investigation with the Crime Department and a special Audit of the command is in progress. While admitting the serious lapse on the part of Drawing/ Disbursing Officer for non-observance of rules and regulations, it was stated that the conduct of the cashier who diverted Government money into his personal/ brother's account by unfair means was of criminal nature. It was also stated that the recovery could not be made as the cashier has approached the Court and got a stay order, but the Director, Fire & Emergency Services was directed to take steps for early vacation of stay order.

Information Technology Department

3.11 Infrastructure preparedness for implementation of National e-Governance Plan

Against the approved outlay of ₹212.10 crore for implementation of six schemes under the National e-Governance Plan (NeGP), ₹60.38 crore (28 *per cent*) were released by Government of India (GoI) to the State. Balance outlay of ₹151.72 crore (72 *per cent*) could not be received as the confirmation regarding contribution of 20 *per cent* State share had not been provided to GoI. Overall fund utilisation during 2012-17 was only 41 *per cent* as on 31 March 2017. Objective of providing connectivity under State Wide Area Network (SWAN) project could not be achieved as against the amount of ₹15.25 crore received for implementation of this project, ₹6.90 crore were surrendered and ₹7.92 crore remained blocked. Complete potential of State Data Centre (SDC) was not being utilised in absence of SWAN and backend computerisation of user Departments. Failure to firm up the requirements jeopardised the work on the State Service Delivery Gateway (SSDG) project. Implementation of the Common Service Centres project was impacted due to lack of coordinated efforts in ensuring availability of services, absence of a reliable connectivity, lack of awareness/ sensitisation and delays in rollout process. The objectives of making all the Government services accessible to the common man in his locality under NeGP could not be achieved in Jammu and Kashmir State over a period of around 10 years.

[58] Nisar Ahmed Dar: ₹ 8.91 lakh; Nazir Ahmed Dar: ₹ 1.12 lakh

3.11.1 Introduction

National e-Governance Plan (NeGP) was approved (May 2006) by the Government of India (GoI) to make all Government services accessible to the common people in their locality through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable costs. NeGP implementation involved setting up of common support IT infrastructure, such as State Wide Area Network (SWAN), State Data Centres (SDCs), Common Service Centres (CSCs) and Electronic Service Delivery Gateways (ESDGs).

The Department of Information Technology (DIT) of Jammu and Kashmir State headed by Commissioner Secretary has a consultative and guiding role relating to e-Governance in the State. The Jammu and Kashmir e-Governance Agency (JaKeGA) was registered (2009) under the Registration of Societies Act VI of 1998 with 28 objectives and functions. JaKeGA was to design, deliver and administer e-Governance projects and also to facilitate establishment of e-service centres throughout the State through suitable Public-Private Partnerships (PPPs). The management of JaKeGA is vested in a Board of Governors (BOGs) comprising 14 members[59] headed by the Chief Secretary.

Audit on Infrastructure preparedness for implementation of NeGP covering the period from 2012-13 to 2016-17 was conducted between April 2016 and July 2017 by test-check of records of JaKeGA, Department of Information Technology (DIT) and by visit/ survey of 116 CSCs (out of 1109 rolled out) in 10 Districts[60].

3.11.2 Financial Management

National e-Governance Action Plan (NeGAP) comprised six schemes namely, State Data Centres (SDCs), State Service Delivery Gateway (SSDG), State Wide Area Network (SWAN), e-District, Common Service Centre (CSC) and Capacity Building (CB) which were solely funded through Grant-in-aid and Additional Central Assistance from the GoI between 2009-10 and 2014-15. However, since 2015-16 the GoI made the schemes optional to the Jammu and Kashmir (J&K) State with Central and State funding in the ratio of 80:20. The Department of Electronics and Information Technology (DEIT), GoI, asked (November 2015) the J&K State to provide its confirmation regarding continuation of these schemes as well as contribution of 20 *per cent* State share. No confirmation has been given by the State Government.

As against the total outlay of ` 212.10 crore for six schemes, the GoI had released ` 60.38 crore (28 *per cent*) and the balance of ` 151.72 crore (72 *per cent*) had not been released (March 2017) by the GoI. Further, the State could not receive any funds from the GoI during 2015-16 and 2016-17, as the confirmation regarding continuation of the schemes and arranging 20 *per cent* State share had not been provided to the DEIT.

59 Ex-Officio members: Nine; Nominated members: Four; Co-opted member: One

60 Budgam, Baramulla, Ganderbal, Jammu, Samba, Udhampur, Kathua, Reasi, Bandipora and Anantnag

It was also noticed in Audit that against the amount of ₹60.38 crore[61] released by the GoI, only ₹55.92 crore were shown received by the State Government. Reasons for the difference of ₹4.46 crore released by the GoI but not accounted for by the State Government were not explained.

The year-wise position of funds, which were received and spent on the implementation of NeGP in the State during the period covered in current Audit from 2012-13 to 2016-17 is depicted below:

Table-3.11.1: Position of funds received and expenditure

(₹ in crore)

Year	Opening balance	Receipts	Total availability	Expenditure	Closing balance	Percentage utilisation
2012-13	35.83	(-) 5.75[62]	30.08	10.03	20.05	33
2013-14	20.05	10.42	30.47	3.33	27.14	11
2014-15	27.14	11.10	38.24	5.15	33.09	13
2015-16	33.09	--	33.09	2.27	30.82	7
2016-17	30.82	--	30.82	0.62	30.20	2
Total		**15.77**	**51.60[63]**	**21.40**		**41**

It was observed that against the total fund availability of ₹51.60 crore during 2012-17 only ₹21.40 crore (41 *per cent*) were spent and the remaining ₹30.20 crore (59 *per cent*) were unspent as of March 2017. The year wise utilisation of funds during 2012-13 to 2016-17 ranged between two and 33 *per cent*.

It was also observed (June 2016/ July 2017) that an amount of ₹0.69 crore meant for implementation of four projects[64] had been irregularly diverted for meeting the expenditure on items like repair of vehicles, office renovation, petrol oil lubricants, etc., (₹0.58 crore), Centralised Personal Information System (CPIS) and Community Information Centre (CIC) schemes (₹0.11 crore) not related to implementation of these projects. Further, an amount of ₹0.49 crore relating to CSC, SSDG and e-District schemes had been classified under suspense and was pending final settlement.

Thus, financial management in implementation of the NeGP was weak, as the Department/ JaKeGA has not taken up the implementation seriously and has not spent the funds of ₹30.20 crore as on March 2017 received from the GoI and for last two years (2015-16 and 2016-17) has not taken up the matter of implementation of the NeGP on sharing basis with the GoI. Further, an amount of ₹1.18 crore from NeGP has either been diverted or kept in suspense.

3.11.3 Implementation of State Wide Area Network (SWAN)

A State Wide Area Network (SWAN) to interconnect State Headquarters with District, Tehsil and Block headquarters was to be established for the purpose of

61 Includes amounts received prior to 2012-13

62 Amount surrendered ₹6.90 crore under SWAN to GoI less amount of ₹1.15 crore (e-District: ₹0.50 crore; SSDG: ₹0.65 crore) received

63 Opening balance of ₹35.83 crore as on 2012-13 plus ₹15.77 crore received during 2012-17 is equal to ₹51.60 crore

64 SWAN ₹36.94 lakh; SDC ₹21.29 lakh; SSDG ₹10.23 lakh; CSC ₹0.41 lakh

delivering Government to Government (G2G) and Government to Citizen (G2C) services. The State had an option either to involve the PPP model for outsourcing establishment, operation and maintenance of the network or designate National Informatics Centre (NIC) as the prime implementing agency for SWAN.

The Department initially designated (October 2005) the NIC as the implementing agency for establishment of JKSWAN and the project was Administratively Approved (January 2008) at an estimated outlay of ₹ 51.99 crore to be implemented over a period of five years. However, after the approval of Bill of Material (BoM) submitted (July 2009) by NIC, it was decided (September 2009) to select PPP model as implementing option. The revised project under PPP was approved (June 2010) at a cost of ₹ 58.71 crore, an increase of ₹ 6.72 crore, with GoI share of ₹ 33.09 crore and State share of ₹ 25.62 crore. A Request for Proposal (RFP) floated by JaKeGA for selection of system integrator for implementation of the SWAN (October 2011 and August 2012) failed to materialise and the Board of Governors (BoG) directed (January 2014) to re-tender the project. The lowest bid for ₹ 224 crore, among two bids received (March 2014), however, turned out to be almost four times the sanctioned cost of ₹ 58.71 crore, thereby stalling the whole process. The JaKeGA was advised (October 2015) to prepare fresh RFP by lowering down the cost to a realistic level and restricting the scope/ specifications at some locations. The JaKeGA reported (July 2017) that the fresh RFP has been prepared and the State Government has approached (April 2017), GoI, for extension of the project upto 2020; the approval was awaited (July 2017).

As against an amount of ₹ 15.25 crore received during 2009-10 for implementation of this project, an expenditure of ₹ 0.43 crore had been incurred on miscellaneous items of expenditure. To avoid blocking of further funds by GoI for other projects, the JaKeGA surrendered ₹ 6.90 crore to DEIT during 2012-13. However, the balance amount of ₹ 7.92 crore[65] was not surrendered to DEIT, GoI and remained held up due to non-taking up of the project.

Thus, the envisaged objective of providing connectivity under the project has not been achieved due to not rolling out of the SWAN for last eight years due to ill-planning and shifting policy of the Government.

3.11.4 Utilisation of State Data Centre (SDC)

The State Data Centre (SDC) project was sanctioned (March 2009) at an estimated outlay of ₹ 37.05 crore and was to be implemented by the JaKeGA over a period of five years. Funds of ₹ 13.14 crore[66] were received from the GoI during 2009-10 to 2014-15, against which an expenditure of ₹ 10.99 crore had been incurred. There was an unspent balance of ₹ 2.15 crore[67] under this project as of March 2017.

[65] Does not include interest if any earned on amount held in bank account

[66] 2009-10: ₹ 6.14 crore; 2013-14: ₹ 5.00 crore; 2014-15: ₹ 2.00 crore

[67] Does not include interest earned on the amount kept in the bank accounts

Audit observed that the complete potential of the SDC set up in 2013, with a total Storage Area Network (SAN) of 40 terabyte (TB) to host large scale Application and Data services, was not being utilised in absence of SWAN and the back-end computerisation of the user Departments, as only three TB out of 40 TB (eight *per cent*) of the SAN was being used. Further, despite utilisation of only eight *per cent*, the storage capacity was further augmented (April 2016) to 102.5 TB without immediate requirement, which has resulted in an unnecessary expenditure of ` 0.63 crore.

Audit further observed that in contravention to the Guidelines issued by the DEIT, GoI stipulating existence of a well-defined Disaster Recovery and Business Continuity Plan (DR&BCP) along with appropriate data backup and recovery infrastructure, the JaKeGA had not taken any initiative for Disaster Recovery Plan. Though data replicator had been procured (July 2015) at a cost of ` 0.32 crore, the same was not installed (July 2017).

Thus, not only the SDC scheme has unspent amount of ` 2.15 crore, even 37 TB of the SAN capacity created initially by the Department/ JaKeGA (out of 40 TB) was un-utilised and then an unnecessary expenditure of ` 0.63 crore was incurred to augment the storage capacity to 102.5 TB, resulting in further idle SAN storage capacity of 99.5 TB. Moreover, expenditure of ` 0.32 crore spent for data replicator is idle for the last one year.

3.11.5 Implementation of State Service Delivery Gateway (SSDG)

The project envisaged development of applications and infrastructure required for the deployment of State Portal (SP) and State Service Delivery Gateway (SSDG) for the State. This would enable citizens to download forms and submit their applications electronically with the help of "electronic forms" hosted on the State Portal (SP) and routed through a common SSDG. The SSDG project was sanctioned (March 2009) at a total cost of ` 9.69 crore for its implementation over a period of four years. A Memorandum of Undertaking (MoU) was signed (February 2011) with the Centre for Development of Advanced Computing (C-DAC) to implement the project in the J&K State at an agreed cost of ` 8.74 crore. As part of the project, the C-DAC was to develop the State portal, e-service portal, e-form application for 30 e-services identified by the Department and provide post implementation operation and maintenance support for three years. Deficiencies noted in the implementation of the project are discussed in following paragraphs:

3.11.5.1 Adhocism in selection of services

As per the implementation guidelines issued by the DEIT, GoI as a prerequisite for implementation of SSDG, the State Government was to identify services and departmental locations requiring connectivity/ computing infrastructure and was to prioritise Departments and services taking into account the high volume services, Mission Mode Projects (MMPs) already identified under NeGP, or any other service for citizens' relevance.

As per the MoU (February 2011) executed with the C-DAC, 30 e-Services of eight Departments[68]were identified by the IT Department of the State. However, the Department replaced (January 2012) a few low volume Services with high priority and high volume ones under the Public Services Guarantee Act (PSGA) 2011 and identified only 21 Services. In the process, the Services pertaining to six[69] new Departments were added in the identified list while as Services involving four Departments were deleted. Subsequently, the IT Department communicated (October 2015) a fresh set of 42 Services covering 13 user Departments to the implementing agency, which included those Departments which were deleted earlier (January 2012). Failure of the JaKeGA/ Department in firming up the requirements even after a lapse of more than six years jeopardised the work on the project and resulted in delay/ non-delivery of intended services to the Citizens under the programme.

While accepting the Audit contention (June 2016) of inconsistent changes in Services, it was attributed to some of the line Departments having initiated their own MMPs by the time the project proceeded further.

3.11.5.2 Non-formalisation of agreements with user Departments

The State was required to obtain the commitment of participating Departments through the Apex Committee headed by the Chief Secretary and formalise an agreement with those Departments who had agreed to offer their services electronically. This was a condition precedent to actual implementation.

Audit observed that the JaKeGA had not signed any MoU with the identified user Departments for providing G2C services through Common Service Centres (CSCs), resulting in lack of involvement and accountability of user Departments in delivery of its services in an integrated manner. Lack of coordination and accountability of user Departments can also be gauged from the fact that as per the feedback given by the C-DAC, (November 2015), four[70] out of eight Departments, had expressed reservations in switching over to e-form application through SSDG citing that the Departments had already initiated process for online services or were online or have some technical constraint in appointing a nodal officer for the same.

In reply (June 2016), it was stated by the Director Finance that the Department after finalising e-service for line Departments prepared a gap analysis document, which was sent to the identified Departments for approval after which Functional Requirement Specification/ System Requirement Specification and other work related to development of e-service was done. The reply is evasive, as in absence of any formal MoU with line Departments, the agency could not ensure their involvement and commitment. C-DAC in a communiqué (November 2014) attributed the delay in

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[68] Agriculture/ Horticulture, Consumer Affairs and Public Distribution, Health and Medical Education, Forest/ Fisheries, Election, Rural Development, Social Welfare and Employment Department

[69] Power Development Department, Public Health Engineering Department, Revenue, Housing and Urban Development Department, Information Department and Public Service Commission

[70] Power Development Department, Election Department, Rural Development Department and Revenue Department

project to lack of awareness among the line Departments, which in turn delayed the information gathering process.

3.11.5.3 Misutilisation of Gap Infrastructure

As per the MoU (February 2011), 191 units of gap infrastructure in the form of Computing and Connectivity infrastructure (comprising Computers, Printers, Scanners, UPS and Furniture) was to be provided by the C-DAC at the identified departmental locations across the State. However, as per the revised MoU executed (August 2015) with the C-DAC, the responsibility of procurement of hardware and software related to SSDG and State Portal, including hardware and connectivity infrastructure, at various departmental offices and locations was transferred to the JaKeGA.

Audit observed that the JaKeGA had effected purchases (January 2013) of 300 units (each of laptops, printers and scanners) by stipulating a particular brand (HP) for ` 1.68 crore from a local vendor[71] chosen arbitrarily in violation of Rule 9.2 read with 18 (i) of the J&K Financial Code and the CVC guidelines. In terms of the Memorandum of Association (MOA) of JaKeGA, procurements of ` one crore and above were to be made on the approval of Board of Governors (BoG). There was neither any justification on record to indicate the reasons advising the C-DAC to cancel the supply order, nor any agenda note for deliberations in the BoG for amendment in the MoA authorising the JaKeGA to make the said purchases involving more than ` one crore.

It was further observed that out of 300 units of Laptops, Scanners and Printers which were purchased, 160 units had been distributed to three Departments[72]. Balance 92 units were distributed to ineligible persons[73]and in 48 cases the names of recipients were not recorded by the JaKeGA.

On being pointed out, it was stated (June 2016) that the purchases were made because the C-DAC could not purchase despite placing order. The reply is to be seen in the light of the fact that the purchase of more than ` one crore had been made in advance of the revised MoU without the concurrence of BoG and in violation of financial rules/ the CVC guidelines. Besides, the units were purchased in excess of the project requirement and had been distributed to ineligible persons.

Thus, the JaKeGA/ Department lost four years in deciding the Services to be delivered electronically, which has adversely impacted the implementation of the NeGP and the benefits to the people. Further, due to lack of coordination and proper planning, the user Departments could not be brought on board for effective implementation of the NeGP and the implementation of SSDG including misutilisation of gap infrastructure.

71 Cyber Citi Technologies, Srinagar Kashmir

72 Social Welfare, Health & Medical Education, Forest

73 State e-Mission Team (SeMT) members (09), Secretaries (05), Project Managers of JaKeGA (03), Directors/ Assistant Directors (08), Minister of State (01), 14th Finance commission (03), newly recruited KAS Officers (15), Cyber Citi (15), Drivers (25), Security (08)

3.11.6 Operationalisation of Common Service Centres (CSCs)

The Common Service Centres (CSCs) project was administratively sanctioned (March 2009) at an estimated outlay of ₹ 39.92 crore, which was revised (March 2014) to ₹ 40.72 crore. As against the amount of ₹ 20.56 crore shown received from GoI for CSCs, an expenditure of ₹ 8.34 crore only had been incurred and there was an unspent balance of ₹ 12.22 crore lying with the State Government as of March 2017. The scheme envisaged a three tier implementation structure comprising the local Village Level Entrepreneur (VLE) to service the rural consumer in a cluster of 5-6 villages, Service Centre Agency (SCA) to operate, manage and build the VLE network and business in one or more Districts and a State Designated Agency (SDA) to facilitate implementation of the Scheme within the State and to provide requisite policy, content and other support to the SCAs.

The JaKeGA was appointed (June 2010) as the State Designated Agency (SDA) and the Jammu and Kashmir Bank Limited as the Service Centre Agency (SCA) for implementation of the scheme. A Master Service Agreement (MSA) was signed (February 2009) with the Jammu and Kashmir Bank Limited as the sole SCA for implementation/ rollout of 1,109 CSCs in the State for a period of four years.

3.11.6.1 Non-availability of Government to Citizen Services

In order to ensure the sustainability of the CSCs, a bouquet of Government to Citizen (G2C) services was to be launched for delivery through CSCs. Audit observed that though the matter regarding framing of a generic Service Level Agreement (SLA) for service delivery and a mutual agreement between the concerned line Departments and the J&K Bank Limited was deliberated (February 2010) upon in a high level meeting to discuss the roll out plans, the Bank had not signed MoU/ SLA with the identified user Departments for providing G2C services through CSCs resulting in lack of involvement and accountability of user Departments in delivery of G2C services. Due to the absence of core computerisation of user Departments, the identified 42 services were not available at any of the CSCs visited by Audit between May 2016 and July 2017. In the absence of rollout of all G2C services, the centres had been reduced to extension counters of the J&K Bank Limited providing off line services for loan documentation and account opening for the J&K Bank Limited.

In reply, it was stated (July 2017) that six services[74] have been launched, three more services are ready to be rolled out and 15 services have been sent (August 2016 to June 2017) for Standardisation Testing and Quality Certification (STQC), whereas five services are under development with the C-DAC Mumbai. The fact, however, remains that only Business to Citizen (B2C) services were presently being offered and keeping in view the pace of implementation of the schemes, launch of G2C services seems to be a far cry.

[74] Of Health & Medical Education Department, Employment Exchange and Social Welfare Department

3.11.6.2 Absence of Connectivity

As per the implementation guidelines, Common Service Centres (CSCs) were to be broad band internet enabled and the State was to formalise a plan for last mile connectivity to the CSCs. Since SWAN was not ready, the SDA was to select the right telecom provider(s) to connect the CSCs.

The work of supplying the VSATs required for the purpose of establishing connectivity, was awarded to M/s Bharti Airtel. There were three cost components of this work (1) Equipment Cost of 600 VSATs: ` 217.83 lakh (2) Installation charges per VSAT: ` 9,000 (3) Annual recurring cost for connectivity of 2 MBPS Bandwidth and Annual Maintenance Cost (AMC): ` 97.76 lakh per annum. VSATs were to be connected through pooled bandwidth of 2 MBPS purchased from vendor M/s Bharti Airtel.

Equipment cost and installation charges were to be borne by the Village Level Entrepreneurs (VLEs), either out of their own sources or as component of CSC Finance availed by the VLEs for establishing the centre. Annual recurring cost of connectivity and AMC cost was to be borne by J&K Bank Limited for period of four years from the date of establishment of the Common Service Centres.

Audit observed that VSATs were not functional in 113 out of 116 CSCs checked by Audit between May 2016 and July 2017. VLEs were using personal broadband, USB dongles, mobile hotspot or Wi-Max for internet connectivity.

In reply it was stated (July 2017) that a fresh RFP has been sent to higher authorities for approval.

The fact remains that the agency/ IT Department has failed to pursue the connectivity issue with the BSNL for over a period of about 10 years, which is corroborated by the fact that funds to the tune of ` 1.46 crore released by the GoI in the year 2012-13 for providing connectivity to CSCs continued in the General Account of the agency as of July 2017.

3.11.6.3 Sustainability of CSCs

As per the guidelines for disbursement of revenue support under CSCs scheme issued (October 2007) by the GoI, the CSCs were to be provided support in the form of a 'Guaranteed Provision of Revenue'. As per the Master Service Agreement (MSA) executed with the J&K Bank Limited, the Government was to pay a revenue support of ` 7,500 per CSC per month to the SCA out of which, a monthly assistance of ` 5,500 was to flow directly to the VLEs and the balance of ` 2,000, earmarked towards connectivity and maintenance charges was to be retained by the SCA.

Test-check/ survey of 116 CSCs by Audit revealed that no revenue support had been provided in respect of 22 CSCs rolled out between 2009 and 2016. Further, absence of connectivity and non-availability of G2C services rendered the CSCs non-viable. The average revenue generation from B2C services ranged between ` 1,000 and ` 50,000 per month in 93 test-checked CSCs, and nil revenue generation in 23 CSCs. The

Commissioner Secretary had suggested (January 2016) to extend support to the CSCs by allotting the work of data entry/ data digitisation of ration cards to CSCs to help them generate revenue adding to their viability. It was decided (February 2011, August 2013) that payment of utility bills of electricity would be made available through CSCs and the J&K Bank Limited was directed to collect electricity bills without any extra charge to the citizens through CSCs (August 2013). However, the service continued to be retained by the J&K Bank Limited as of July 2017.

3.11.6.4 Capacity building and awareness

As per the RFP, it was the responsibility of the SCA to train the VLEs on various aspects of the CSC business, particularly, the delivery of G2C services. The SCA was also to sensitise the villagers about the benefits from the CSC for promoting the use of CSCs through the State-level and local promotion campaigns. However, none of the 116 CSCs visited by Audit were imparted trainings on e-Government modules or entrepreneurship skills. Although, workshops on loan documentation and account opening for financial inclusion were conducted in 75 out of 116 CSCs visited by Audit, no awareness and sensitisation campaign was held and the users were not aware of the project.

Reasons for not holding awareness camps was attributed (June 2016) to non-provisioning of funds. It was also stated that awareness programmes would be done across the State under the SSDG and Digital India Programmes. Further, training would be provided to all VLEs under SSDG and e-District projects.

The fact, however, remains that only Business to Citizen (B2C) services are presently being offered under the SSDG and implementation of the e-District seems to be a far cry, as substantial funds (` 7.94 crore) received under e-District was lying unspent with JaKeGA as of March 2017.

3.11.6.5 Delay in rolling out of CSCs –non-levy of penalty

As per the MSA between the JaKeGA (SDA) and the J&K Bank Limited (SCA), the time frame fixed for 100 *per cent* roll out of 1,109 CSCs was 12 months from the effective date (19th February 2009) of the signing of MSA. The SCA was required to establish and operationalise the CSCs in phases by 12th month. In case of roll out being delayed by four weeks, no revenue support was to be granted during the delayed period, besides, liquidated damages of ` 200 per CSC that had been delayed, per additional day of delay from the schedule, was to be charged.

Audit observed that the SCA had failed to live up to the roll out schedule and only 216 CSCs (out of 1,109) were rolled out within the stipulated time of one year. Remaining 893 CSCs were rolled out (by December 2016) after delays ranging upto 82 months[75]. For violating the terms of the MSA, the SCA was liable to pay liquidated damages of ` 32.83 crore[76], which had not been levied.

[75] March 2010 to December 2016

[76] ` 21.97 crore as worked out by SDA upto June 2013 and ` 10.86 crore from July 2013 to December 2016

In reply, the CEO JaKeGA stated (July 2017) that the penalty, though calculated, could not be levied due to extension of the project deadlines by the DEIT.

The reply is not tenable as the penalties were to be levied as per the MSA between the JaKeGA and the J&K Bank Limited (SCA). Besides, the DEIT in an advisory (December 2013) had also directed the States to utilise the penalties recovered from the SCAs towards revitalising the CSC Scheme or implementation of e-Governance initiatives after approval from the State Apex Committee.

Thus, the implementation of the CSC project was impacted due to lack of coordinated efforts in ensuring availability of services, absence of a reliable connectivity, lack of awareness/ sensitisation and delays in rollout process.

3.11.7 Project monitoring

3.11.7.1 Monitoring of State Data Centre

A Third Party Audit Agency (TPA) was to Audit the implementation, operations and management, security and compliance with standards and processes of the data centre. The Audit report was to form the basis for quarterly payments to the Data Centre Operator (DCO) during the operation phase of five years.

The TPA[77] in its reports had raised observations on the Data Centre Operator (DCO)[78], which amongst others, included non-production of human resource availability reports, non-sharing of educational qualification, experience details of staff deployed for confirmation of deployment of eligible and required number of resources, non-creation of a formal change advisory board, non-establishment of a formal shift handover process for 24x7 support services, etc.

Audit observed (July 2017) that no follow up actions on the observations pointed out by the TPA were undertaken, which indicated lack of control and monitoring.

3.11.7.2 BoG meetings

As against 32 scheduled meetings, the BoG of the JaKeGA had met only 11 times (34 *per cent*) during the period 2009-10 to 2016-17. Consequently, the activities/ programmes undertaken by the JaKeGA could not be adequately monitored by the BoG and had the risk of adversely affecting the decision making ability and accountability of the JaKeGA. The risk could not be more pronounced than in the failure of the Department/ JaKeGA in implementing the NeGP so far.

3.11.8 Conclusion

The objectives of making all the Government services accessible to the common people in their locality under the NeGP could not be achieved in Jammu and Kashmir State after even 10 years. This has happened primarily due to failure of the Department/ JaKeGA in building the required infrastructure and platform such as the SWAN, SDCs, CSCs, ESDGs/ SSDGs, the pre-requisites for implementation of the

[77] Deloitte
[78] Trimax IT Infrastructure & Services Limited

NeGP. SDCs could not be optimally utilised in the absence of SWAN and availability of G2C services. Due to significant time lag in implementation of infrastructure projects and State Mission Mode projects involving computerisation of line Departments, the CSCs could not be made operational as envisaged. None of the identified 42 services was available at the CSCs surveyed by Audit. As such, despite a lapse of 10 years, NeGP has not been implemented successfully in the State.

The matter was referred to the Government in August 2017; reply was awaited (December 2017).

Irrigation and Flood Control Department

3.12 Blocking and diversion of funds

Departmental failure to acquire land for the lift irrigation scheme before taking up its execution, injudicious purchase of material that could not be utilised for the scheme works for over six years and improper designs of the pump house resulted in blocking of ` 17.17 crore, diversion of ` 0.53 crore and wasteful expenditure of ` 0.23 crore.

For providing irrigation to 1,950[79] hectares of crop area in orchard land at higher contours, the Executive Engineer Irrigation and Flood Control (EE, I&FC) Division Sopore took up (2009-10) the Checki Gugri-Naidhal Orchard lift irrigation scheme, Rafiabad at an estimated cost of ` 28.67 crore (Civil works: ` 15.19 crore; Mechanical works: ` 13.48 crore) under the Accelerated Irrigation Benefit Programme (AIBP) and was to be completed in three years. The scheme envisaged lifting 14 cusec of water from river Jehlum, through a rising main upto first stage delivery tank at RD[80] 3,076 metres and releasing four cusec of water to various storage and sub-storage tanks through network of pipes flowing under gravity. Remaining 10 cusec of water was to be lifted from second stage pump at RD 3,076 metres to main delivery tank at RD 5,513 metres and RL[81] 1,823.54 metres, where from water was to be released to various main storage and sub-storage tanks through network of pipes flowing under gravity. Each sub-main storage tank was to cater to the water demand of 0.45 cusec for every 50 hectares of orchard land.

Scrutiny of records of the EE, I&FC, Division Baramulla[82], with additional information obtained from EE, I&FC Division, Sopore and EE, Mechanical Irrigation Construction Division, Srinagar revealed that an expenditure of ` 17.93 crore[83] has been incurred during 2009-17[84], on procurement of pipe material, Mechanical

79 Kharif crop: 1,500 hectares; Rabi crop: 450 hectares

80 Reduced Distance

81 Reduced Level

82 Charge of the Sub-division executing the works of the scheme was transferred from EE, I&FC Division Sopore to EE, I&FC, Division Baramulla

83 Civil component: ` 8.44 crore; Mechanical component: ` 9.49 crore

84 2009-10: ` 114.08 lakh; 2010-11: ` 500.40 lakh; 2011-12: ` 451.69 lakh; 2012-13: ` 398.53 lakh; 2013-14: ` 187.06 lakh; 2014-15: ` 51.98 lakh; 2015-16: ` 45.04 lakh; 2016-17: ` 44.51 lakh