

**Brief Note*****Organisation***

O/o Principal Accountant General (Audit), Himachal Pradesh is organised into three AMGs headed by Group Officers with jurisdiction over different clusters: AMG-I (Social Sector) – Clusters 1, 2, 4, 10, 15; AMG-II (Economic Sector) – Clusters 5, 7, 8, 9, 11; AMG-III (General and Revenue Sector) – Clusters 3, 6, 12, 13, 14, 16. In addition, the work of financial attest audit / SFAR is under the Group Officer in-charge of Administration.

***Risk Assessment Framework***

The office has audit jurisdiction over 47 apex entities, 2653 audit units, and 6659 implementing units.

A risk assessment framework has been devised for risk categorisation / profiling of apex entities and audit units, drawing upon the methodology prescribed in the Compliance Auditing Guidelines. Under this framework, apex entities (i.e. departments) and audit units are assessed on various parameters and assigned points, following which the apex entities and audit units are categorised as high risk, medium risk or low risk. In the Audit Plan, apex entities and audit units are selected based on their risk categorisation, while implementing units are selected based on factors such as geographical contiguity, period since last audit, etc. Accordingly, this office has selected 275 high risk units (Apex : 15, Auditable : 140 and Implementing : 120), 240 medium risk units (Apex : 8, Auditable : 166 and Implementing : 66) and 480 low risk units (Apex : 8, Auditable : 263 and Implementing : 209) for audit during Audit Plan 2023-24.

Framework for risk categorisation of departments (apex entities) and audit units is enclosed as **Annexure 'C'**.

***Use of data analytics***

To assess risk area of departments and units into High, Medium and Low, risk assessment model taking into consideration the component of expenditure incurred by the departments during the financial year 2021-22 obtained from VLC section of the Office of the Pr. Accountant General (A&E), H.P., Shimla was examined with reference to total figures of expenditure, SOE-wise expenditure, expenditure during last quarter of financial year, expenditure incurred against Grants-in-Aid, expenditure booked by DDOs, expenditure incurred under Charged and Voted, etc.

### ***Resource Assessment and Allocation***

Of the total resource availability worked out in terms of person-days, 74 *per cent* is allocated for field work and the remaining 26 *per cent* for HQ. Resource allocation for the HQ component includes provision for compiling and drafting of reports, vetting of inspection reports, planning & programme of audit assignments, general correspondence, and other work. Resource allocation within the field work component is further sub-divided for financial audit (11%) (certification assignments, audit of Finance and Appropriation Accounts, etc.) performance audit (23%), and compliance audit (including theme-based audits) (66%). Provision for desk reviews, departmental appreciation notes, trainings, leave, etc. has been built into the allocation for compliance audit.

### ***Summary of Audit Plan 2023-24***

Total manpower resources available for Audit Plan 2023-24 has been worked out on the basis of Persons-in-Position in Sr. AO, AAO / Supervisor and Sr. Adr. / Adr. cadres. The total person days available for field audit is 54860. A summary of the major areas of resource allocation for Audit Plan 2023-24 is as follows:

- *All-India Performance Audits* – A total of 5184 person-days (10 *per cent* of total person-days) has been allocated for all-India Performance Audits in terms of para 7 of HQ's letter dated 15<sup>TH</sup> November 2022.
- *State Performance Audits* – **Four** performance audits viz Pradhan Mantri Jan Awaas Yojana (Gramin), Regulation of Mines and Minerals, e-way bills and IT Audit on e-Procurement have been planned for Audit Plan 2023-24, for which a total of 7708 person-days (13 *per cent* of total person-days) has been allocated. Detailed justifications thereof are enclosed herewith as **Annexure 'D'**.
- *Theme-based Audits* – A total of **eight** theme-based audits have been proposed which will feature in the Compliance Audit Report on Social, General, Economic and Revenue Sectors – Working of Himachal Pradesh Scheduled Castes / Scheduled Tribes Development Corporation, Working of Himachal Pradesh University, Analysis of Utilisation Certificates, Implementation of National Mission on Extension & Technology (NMAET) in Himachal Pradesh, Allotment Monitoring of Execution and Recovery of various dues from the Hydro Electric Power Project above 5 MW, Management of State Disaster and receipt and utilization of State Disaster Response Fund (SDRF) / National Disaster Response Fund (NDRF), Minor Irrigation Schemes in Himachal Pradesh, and Department's oversight on GST payments and returns filing. Detailed justifications for each of the theme-based audits

are enclosed herewith as **Annexure 'E'** for reference. Resource allocation for these topics has been made within the overall provision for Compliance Audit.

***Status of Audit Plan 2022-23***

As of November 2022, 61 *per cent* of the units in the audit plan 2022-23 have been covered. All units shall be covered by March 2023. Detailed status of Audit Plan 2022-23 is attached as **Annexure 'F'**.

## Risk Categorisation

## AMG-I (Social)

## Parameters for Risk categorisation of departments

Sr. No.	Parameters	Criteria	Weightage points	Max points
1	Expenditure (₹ in crore)	Above 1000	25	25
		Between 400 and 999	20	
		Between 200 and 399	15	
		Between 100 and 199	10	
		Between 50 and 99	7	
		Less than 50	5	
2	Past Audit Findings (a) No. of PDPs (during last 3 years)	>10	7	7
		>5 < 10	4	
		>1 < 5	3	
		0	0	
	(b) Part-II A paras (during last 3 years)	20 and above	3	3
		> 10 < 20	2	
		>3 < 10	1	
		Less than 3	0	
3	Social Relevance	High	5	5
		Medium	3	
		Low	1	
4	Percentage of expenditure in last quarter of the financial year	> 50	5	5
		> 40 < 50	3	
		> 25 < 40	1	
		< 25	0	
5	No. of Significant Media reports/newspaper cuttings	>20	5	5
		> 10 < 20	3	
		< 10	1	
6	No. of Vidhan Sabha Questions (last one year)	>20	5	5
		> 15 < 20	4	
		> 10 < 15	3	
		> 5 < 10	2	
		< 5	1	

7	No. of Flagship Schemes/Mission Mode Programmes being implemented	5 and above	5	5
		4	4	
		3	3	
		2	2	
		1	1	
		0	0	
8	Percentage of Expenditure booked under SoE-Other Charges	>15	5	5
		> 10 < 15	3	
		> 5 < 10	1	
		< 5	0	
9	Internal Controls			10
	(a) Existence of Pre-Audit (ACF/FA)	Yes	0	
		No	1	
	(b) Preparation of Annual Reports	Yes	0	
		No	1	
(c) Preparation of Annual Plans/RFD	Yes	0		
	No	1		
(d) Audit Perception		7		
10	Nature of department	Regulatory & Implementing	5	5
		Regulatory only	2	
		Implementing only	2	
11	No. of Acts/Laws implemented by the departments	20 and above	5	5
		15 to 19	4	
		10 to 14	3	
		5 to 9	2	
		1 to 4	1	
		0	0	
12	Amount of GIA given to Autonomous bodies/Other Agencies	Above 500 crores	5	5
		250 crore to 499 crore	4	
		100 crore to 149 crore	3	
		50 crore to 99 crore	2	
		5 crore to 49 crore	1	
		Less than 5 crore	0	
13	Collection of Non-Tax Receipts	High	5	5
		Medium	3	

		Low	0	
14	Field Units/ Geographical spread	Upto GP level	5	5
		Upto Block level	3	
		Upto District level	2	
		Directorate level only	1	
Total Points				100

Risk Categorisation	
Points	Risk
60 and above	High
30 to 59	Medium
Below 30	Low

Parameters for Risk categorisation of Units				
Sr. No.	Parameters	Criteria	Weightage points	Max points
1	Expenditure (₹ in crore)	Above 400	30	30
		Between 200 and 399	25	
		Between 100 and 199	20	
		Between 50 and 99	15	
		Between 20 and 49	10	
		Between 10 and 19	7	
		Between 5 and 9	5	
		Below 5	2	
2	Past Audit Findings- (a)No. of PDPs (during last 3 years)	Above 5	10	10
		3 & 4	7	
		1 & 2	3	
		0	0	
	Past Audit Findings-	Above 5	7	7
	(b) No. of Part-II A paras (during last 3 years)	3 & 4	4	
		1 & 2	2	
		0	0	
3	Audit Perception		20	20
4	No. of Media reports	> 5	5	5

		> 2 < 5	3	
		< 2	0	
5	Treasury Control	Yes	0	5
		No	5	
6	Period not audited	More than 15 years	5	5
		Between 10 to 15 years	4	
		Between 5 to 10 years	3	
		Between 2 to 5 years	2	
		Less than 2 years	0	
7	No. of audit requests/Complaints	Yes	3	3
		No	0	
8	Nature of unit	Sanctioning	3	15
		Fund releasing	1	
		Supervisory/Monitoring	7	
		Implementing	4	
			<b>Total points</b>	<b>100</b>

<b>Risk Categorisation</b>	
<b>Points</b>	<b>Risk</b>
30 and above	High
Between 20 to 30	Medium
20 and below	Low

**AMG-II (Economic)**

Parameters for Risk categorisation of departments				
Sr. No.	Parameters	Criteria	Risk points	Max. Risk Points
1	Expenditure ( ` in crore)	> 500	25	25
		500 ≥ and > 200	15	
		200 ≥ and > 100	7	
		100 ≥ and ≥ 1	3	
		0	0	
2	No. Of PDPs (during last 3 years)	> 30	15	15
		30 ≥ and > 20	7	
		20 ≥ and > 10	6	
		10 ≥ and ≥ 1	2	
		0	0	
3	Part-II A paras (During last 3 years)	> 30	15	15
		30 ≥ and > 20	8	
		20 ≥ and > 10	5	
		10 ≥ and ≥ 1	2	
		0	0	
4	Social Relevance	High	2	2
		Medium	1	
		Low	0	
5	Percentage of expenditure in last quarter of the financial year	> 40	5	5
		40 ≥ and > 20	3	
		20 ≥ and ≥ 1	2	
		0	0	
6	No. Of Significant Media reports/newspaper cuttings	> 10	5	5
		10 ≥ and > 5	3	
		5 ≥ and ≥ 1	2	
		0	0	
7	No. Of Legislative assembly questions	> 10	5	5
		10 ≥ and > 5	4	
		5 ≥ and ≥ 1	1	
		0	0	
8	No. Of flagship Schemes/Mission mode Programmes being implemented	> 10	3	3
		10 ≥ and > 5	2	
		5 ≥ and ≥ 1	1	
		0	0	
9	Percentage of Expenditure booked under SoE- Other Charges	≥ 10	3	3
		10 > and > 5	2	
		5 ≥ and ≥ 1	1	
		0	0	
10	Internal Controls	yes	0	1



		No	1	
	(B) Preparation of Annual Reports	Yes	0	
		No	1	
	(C) Preparation of Annual Reports	yes	0	
		No	1	
	(D) Audit Perception	Yes	0	
		No	1	
11	Nature of department	Regulatory and implementing	1	2
		Regulatory only	1	
		implementing only	2	
12	No. Of Acts/Laws implemented by the departments	$\geq 5$	3	3
		$5 \geq$ and $> 3$	2	
		$3 \geq$ and $\geq 1$	1	
		0	0	
13	Amount of GIA given to Autonomous bodies/other agencies	$> 100$ crore	5	5
		$100$ crore $\geq$ and $> 50$ crore	4	
		$50$ crore $\geq$ and $\geq 1$ crore	1	
		0	0	
14	Collection of Non-Tax Receipts	High	5	5
		Medium	3	
		Low	2	
15	Field Units/Geographical spread	G P level	6	6
		Block level	3	
		District level	2	
		Directorate level	1	
<b>Total</b>				<b>100</b>

Risk categorisation of Department on the basis of Risk Parameters	
Point	Risk category
61 and above	High
31 to 60	Medium
30 and below	Low

<b>Parameters for Risk categorisation of Audit Units</b>				
<b>Sr. No.</b>	<b>Parameters</b>	<b>Criteria</b>	<b>Risk Points</b>	<b>Maxi Risk Point</b>
1	Expenditure (₹ in Crore)	> 30	35	35
		30 ≥ and > 20	20	
		20 ≥ and > 10	10	
		10 ≥ and ≥ 1	5	
		0	0	
2	Past Audit Findings (A) No. Of PDPs (during last 3 years)	> 4	15	15
		4 ≥ and ≥ 2	10	
		1	5	
	(B) No. Of Part-II A paras (during last 3 years)	> 8	15	15
		8 ≥ and > 4	10	
		4 ≥ and ≥ 1	5	
		0	0	
3	No. Of Media Reports	> 10	5	5
		10 ≥ and > 5	3	
		5 ≥ and ≥ 1	2	
		0	0	
4	Treasury Control	Yes	0	5
		No	5	
5	Period not audited	6 years and above	15	15
		3 to 5 years	8	
		1 to 3 years	6	
		1 year and below	1	
6	No. Of Audit Requests/Complaints	7 and above	5	5
		3 to 6	2	
		1 to 3	1	
		0	0	
7	Nature of Unit	Sanctioning	5	5
		Fund releasing	1	
		Supervisory /Monitoring	1	
		Implementing	2	
<b>Total Points</b>				<b>100</b>

Risk categorisation of units on the basis of Risk Parameters	
Total weightage of risk points	Risk category
35 < and	High
16 < and ≤ 34	Medium
0 < and ≤ 15	Low

### AMG-III (General)

#### Parameters fixed for categorisation of departments

Sr. No.	Parameters	Criteria	Risk points	Max points
1	Expenditure (₹ in crore)	Above 500	25	25
		Between 200 and 500	15	
		Between 100 and 200	10	
		Less than 100	5	
2	Past Audit Findings – No. of PDPs (during last 3 years)	>15	10	10
		>10 < 15	5	
		>5 < 10	3	
		<5	1	
3	Past Audit Findings – No. of Part IIA paras (during last 3 years)	>15	5	5
		>10 < 15	3	
		>5 < 10	2	
		<5	1	
4	Social Relevance	High	5	5
		Medium	3	
		Low	1	
5	Percentage of expenditure in last quarter of FY (Last three years)	> 50	5	5
		> 40 < 50	3	
		> 25 < 40	1	
		< 25	0	
6	No. of Significant Media reports/newspaper cuttings	>20	5	5
		> 10 < 20	3	
		< 10	1	
7	No. of Vidhan Sabha Questions (last one year)	>20	5	5
		> 15 < 20	4	
		> 10 < 15	3	
		> 5 < 10	2	
		< 5	1	
8	No. of Flagship Schemes/Mission Mode	5 and above	5	5

	Programmes being implemented	4	4	
		3	3	
		2	2	
		1	1	
		0	0	
9	Percentage of Expenditure booked under SoE-Other Charges (Last three years)	>15	5	5
		> 10 < 15	3	
		> 5 < 10	1	
		< 5	0	
10	Internal Controls			5
	(a) Existence of Pre-Audit (ACF/FA)	Yes	0	
		No	1	
	(b) Preparation of Annual Reports	Yes	0	
		No	1	
	(c) Preparation of Annual Plans/RFD	Yes	0	
No		1		
(d) Audit Perception		2		
11	Nature of department	Regulatory & Implementing	5	5
		Regulatory only	2	
		Implementing only	2	
12	No. of Acts/Laws implemented by the departments	5 and above	5	5
		4	4	
		3	3	
		2	2	
		1	1	
		0	0	
13	Amount of GIA given to Autonomous bodies/Other Agencies	Above 100 crore	5	5
		70 crore to 100 crore	4	
		40 crore to 70 crore	3	
		10 crore to 40 crore	2	
		1 crore to 10 crore	1	
		Less than 1 crore	0	
14	Collection of Non-Tax Receipts	High	5	5
		Medium	3	
		Low	0	
15	Field Units/ Geographical spread	Upto GP level	5	5
		Upto Block level	3	
		Upto District level	2	
		Directorate level only	1	
<b>Total Points</b>				<b>100</b>

<b>Risk categorisation of departments on the basis of Risk Parameters</b>	
Total Risk points	Risk category
≥ 50	High
≥ 30 and < 50	Medium
< 30	Low

**Parameters fixed for categorisation of units**

Sr. No	Parameters	Criteria	Risk points	Max points
1	Expenditure (INR in crore)	>50	50	50
		>20 and <50	30	
		>5 and <20	20	
		<5	10	
2	Past Audit Findings- (a)No. of PDP (during last 3 years)	> 5	10	10
		>2 < 5	5	
		1	3	
		0	0	
3	Past Audit Findings- (b) No. of Part-II A paras (during last 3 years)	> 5	5	5
		>2 < 5	3	
		1	2	
		0	0	
4	No. of Media reports	> 5	5	5
		>2 < 5	3	
		<2	0	
5	Treasury Control	Yes	0	10
		No	10	
6	Period Not Audited	More than 15 years	10	10
		Between 10 to 15 years	7	
		Between 5 to 10 years	5	
		Between 2 to 5 years	2	
		Less than 2 years	0	
7	No. of audit requests/ complaints	>15	5	5
		> 10 < 15	4	
		>5 < 10	3	
		>1 < 5	1	
		0	0	
8	Nature of unit	Sanctioning	1	5

		Fund releasing	1	
		Supervisory/ Monitoring	1	
		Implementing	2	
<b>Total points</b>				<b>100</b>

<b>Risk categorisation of Units on the basis of Risk Parameters</b>	
Total Risk points	Risk category
≥ 50	High
≥ 30 and < 50	Medium
< 30	Low

### AMG-III (Revenue)

#### Parameters fixed for categorisation of departments

Sr. No.	Criteria	Weightage criteria	Points	Max. Points
1	Financial/ Receipts	Below 1 Crore	10	50
		1 cr. - 5 cr.	20	
		5 cr. – 25 cr.	30	
		25 cr. – 100 cr.	40	
		Above 100 cr.	50	
2	Internal Control	Internal Audit	5	15
		Robust System of Computerization	5	
		Audit Perception	5	
3	Past Audit coverage	DPs printed in AR–Nil	0	20
		DPs printed in AR -1	4	
		DPs printed in AR -2-4	8	
		DPs printed in AR-5-6	12	
		DPs printed in AR – >6	20	
4	News Paper clippings / complaints	Nil	0	5
		Between 1-2	2	
		>3	5	

5	Arrear of Revenue	0-0.5%	0	10
		0.5-1%	2	
		1-2%	4	
		2-5%	6	
		5-10%	8	
		>10%	10	
		Total Points		100

<b>Risk classification based on their weightage points</b>	
Risk Points	Risk Category
Above 60	High Risk
45 to 60	Medium Risk
Below 45	Low Risk

**Parameters fixed for categorisation of units**

Sr. No.	Criteria	Weightage criteria	Points	Max. Points
1	Financial/ Receipts	Below 1 Crore	10	50
		1 cr. - 5 cr.	20	
		5 cr. – 25 cr.	30	
		25 cr. – 100 cr.	40	
		Above 100 cr.	50	
2	Internal Control	Internal Audit	5	15
		Robust System of Computerization	5	
		Audit Perception	5	
3	Past Audit coverage	PDP/omnibus para –Nil only routine paras	0	20
		PDP/omnibus para -1-2	4	
		PDP/omnibus para -3-4	8	

		PDP/omnibus para -5-6	12	
		PDP/omnibus para – above 6	20	
4	News Paper clippings / complaints	Nil	0	15
		Between 1-2	2	
		>3	5	
5	Arrear of Revenue	0-0.5%	0	10
		0.5-1%	2	
		1-2%	4	
		2-5%	6	
		5-10%	8	
		>10%	10	
		<b>Total Points</b>		<b>100</b>

<b>Risk classification based on their weightage points</b>	
Risk Points	Risk Category
Above 50	High Risk
35 to 50	Medium Risk
Below 35	Low Risk



## Justifications for Performance Audits

### AMG-I (Social)

#### 1. Implementation of Pradhan Mantri Awas Yojna (Gramin) in Himachal Pradesh

##### 1 Introduction

The Pradhan Mantri Gramin Awas Yojana is a flagship program of the Central Government in its mission to provide affordable housing for all. It is addressed to the rural poor under which it will provide *pucca* houses with all the basic facilities including a hygienic kitchen to those living in kutchra houses. It is the successor of the Indira Awas Yojana; a similar welfare measure initiated by the Government in force back in the year 1985 and is regarded as one of the most extensive social schemes.

Under PMAY-G during 2016-22, 15,483 houses have been sanctioned in Himachal Pradesh and 11210 houses have been completed as of December 2022. State is also implementing rural housing schemes like Swarn Jayanti Aashray Yojna and Mukhya Mantri Awas Yojna.

Objective of PMAY-G:

- Intended to provide financial assistance to people from the economically marginalized section to have access to housing infrastructure providers.
- All beneficiaries will also have additional amenities like electricity, LPG, and road connectivity.
- A 25-square meters *pucca* (permanent) house will be built, and the accompanying comforts will be provided under this ambitious 'Housing for All' program by 2022.

##### 2 Organisational Setup

- The Rural Development Department is headed by the Principal Secretary, who is assisted by Director (PMAY-G). At the district level, Chief Executive Officer and Deputy Director cum Project Officer at District Development Rural Agency (DRDA) is responsible for monitoring and supervision of implementation of the scheme. Similarly, the implementation of scheme is being carried out by Block Development Offices at Block Level and Gram Panchayats (GP) at village level. Fund Transfer Orders are being generated at Block Level.

### 3 Financial outlay

(₹ in crore)

Financial Year	Opening Balance	Funds received from GOI	Funds received from State Govt.	Interest/ Miscellaneous	Total funds	Expenditure
2017-18	24.95	52.42	5.75	0.40	83.62	45.96
2018-19	37.66	14.69	5.84	0.57	58.76	35.54
2019-20	23.22	0.00	0.00	1.61	24.83	12.56
2020-21	12.27	10.62	0.00	0.48	23.37	23.37
2021-22	0.00	32.97	10.30	0.14	43.41	39.40
<b>Total</b>	--	<b>110.70</b>	<b>21.89</b>	<b>3.20</b>	<b>233.89</b>	<b>156.83</b>

### 4 Audit Scope and methodology

The Performance audit will cover the period 2018-19 to 2022-23 through a sample check of records of the offices of the Director, Rural Development, 3 out of 12 districts and at least 25 *per cent* blocks of the selected districts and appropriate number of Gram Panchayats of the selected blocks selected through IDEA software. Audit will be conducted through test-check of records, joint physical inspection and beneficiary survey.

### 5 Audit objectives

The performance audit would examine that:

- Effectiveness in implementation of the scheme with respect to planning, identification and selection of beneficiaries and achievement of targets;
- Efficiency in financial management with respect to devolution of funds.
- Extent of convergence of PMAY-G with other schemes
- Effectiveness of internal control and monitoring mechanism

### 6 Audit Criteria

- Framework for the implementation of PMAY-G issued by the MoRD, GoI, November 2016
- Instructions, circulars, orders issued by the GoI and the State.

### 7 Risk/Focus Areas

- Preparations of the Annual Plans
- Selection of beneficiaries
- Operation of State Nodal Account
- Beneficiary Support Mechanism
- Funds allocation and utilization

- Convergence of other schemes
- Target and achievement of construction of houses
- Reporting in MIS
- State/ District Level Monitoring Committees
- Internal Control and Monitoring Mechanism
- Grievance Redressal Mechanism

**Risk Parameters:**

Parameters		Status	Score (as per weightage)
Materiality		₹ 156.73 crore in five years	15
Social Relevance		Not more than 2.5 lakh beneficiaries	10
Topicality		Flagship Programme/ PM/CM announcement	4
Past Audit	No. of PDPs	0 PDPs	0
	Part-II A paras	Around 10	1
Internal Control	Internal control	Yes	0
	Treasury control	No	3
Last Attempted		Never attempted	9
Medial Report		More than 5	3
<b>Total Score</b>			<b>45</b>

**AMG-II (Economic)**

**1. Regulation of Mines and Mineral in Himachal Pradesh**

**1. Introduction**

The mining sector in Himachal Pradesh is categorized as: mining activities relating to major minerals, primarily limestone; and mining activities relating to minor minerals like sand, stone, bajri, slate, shale, clay, etc. The regulation of major mineral (limestone) related mining activities is undertaken by the Indian Bureau of Mines. Mining concessions / leases for minor minerals can be granted both for private land and government land. For mining on private land, mining lease is granted upon an application by an interested party with concurrence of the land owner, and the leaseholder is required to pay royalty on monthly basis to the Government. For mining on government land, there is a process of auction following which a Letter of Intent is issued to a successful bidder, and mining lease is granted upon fulfilment of conditions prescribed in the Letter of Intent within a stipulated time-period; the leaseholder is required to pay annual contract money at the auctioned rate on a quarterly basis to the Government. In addition to the above, the

holder of a mining lease, in addition to royalty, is also required to pay a prescribed amount to the District Mineral Foundation Trust established in each district.

## 2. Organisational Set up

The regulation of minor mineral related activities is undertaken by the State Government through the Geological Wing of the Department of Industries, which is headed by the Director (Industries) who is assisted by the State Geologist (at Shimla) and 13 Mining Officers (MOs) in 12 districts. The organization chart is as given below:

## 3. Financial Outlay

The State received revenue of ₹ 1180.95 crore during 2017-18 to 2021-2022 from mineral concessions / rents / royalties arising out of mining activities (for both major and minor minerals) as shown below:

(₹ in crore)

Year	Royalty	Other <sup>1</sup>	Total Revenue
2017-18	403.84	2.64	406.48
2018-19	169.7	3.52	173.22
2019-20	190.15	4.33	194.48
2020-21	201.17	4.7	205.87
2021-22	199.84	1.06	200.9
<b>Total</b>	<b>1164.7</b>	<b>16.25</b>	<b>1180.95</b>

(Source: Information provided by the department)

## 4. Audit Scope & Methodology

Performance Audit on Regulation of Mines and Minerals in Himachal Pradesh will cover representative number of Mining Officers<sup>2</sup> selected through stratified random sampling on IDEA Software in view of risk score assigned on the basis of royalty and number of leases. It will cover a period of five years from 2017-18 to 2021-22. The focus areas of the compliance audit will include:

- I. Grant of mineral concessions/leases
- II. Regulation of mining activities of leaseholders; and detection and control of illegal/unauthorised mining using suitable methods.
- III. System of stacking, dispatch and quality inspection
- IV. Assessment and collection of mineral receipts on account of royalty / mineral concessions, receipts of
- V. Collection and utilisation of District Mineral Foundation Trust (DMFT) funds

<sup>1</sup> Drilling Operation, Recovery of over payment, auction of wastepaper & Stock articles, Misc. Receipt & Receipt from PWD.

<sup>2</sup> There are a total of 13 Mining Officers in 12 districts consisting of 2 Mos in Kangra District.

## **5. Audit Objectives**

Audit will be undertaken to ascertain whether:

- Systems, procedure for approval of mineral concessions and process for auction of mining contracts/quarrying leases were as per provisions contained in acts, rules and instructions issued by the Government from time to time;
- Provisions for the levy, assessment and collection of all the prescribed mineral receipts were properly enforced to safeguard the revenue of the State;
- Collection of District Mineral Foundation (DMF) Funds and National Mineral Exploration Trust (NMET) Funds as per instruction issued by Government;
- Monitoring mechanism of mining and quarrying was adequate and effective to control illegal mining;
- The steps taken by the Department were adequate and effective to ensure that mining activities were being carried out with due regard to the approved mining plan and with due consideration to the environmental aspect and
- Department were sufficient and effective to ensure an adequate degree of oversight and monitoring of the Department's activities.

## **6. Audit Criteria**

The Audit Criteria for benchmarking the audit finding would, inter-alia, be sourced from:

- Mines and Mineral (Development) Act 1957;
- Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015;
- Himachal Pradesh Mining Policy, 2013;
- Himachal Pradesh Minor Minerals (concession) and Minerals (Prevention of Illegal Mining Transportation and Storage) Second Amendment Rules, 2018 and
- Government notification and instructions issued from time to time.

## **7. Risk / Focus Areas**

- Irregular grant of mining leases in border areas
- Non-compliance with rules on grant of mining concessions / leases for government land
- Non-compliance with mining plan conditions
- Unauthorized mining by leaseholders in mining lease areas
- Non-utilization of DMFT funds
- Non-recovery of DMFT funds
- Non-assessment and recovery of Royalty
- Non-recovery of surface rent

- Illegal mining in areas not leased out
- Non-seizure / auction of illegally transported material
- Non-compliance with orders of National Green Tribunal regarding fine on vehicles engaged in illegal mining
- Illegal mining in areas not leased out

**Risk assessment (based on weightage parameters)**

Parameters		Status	Score (as per weightage)
Materiality (Total Revenue in five years)		₹ 1180.95 crore	30
Social Relevance		More than 10.00 lakh beneficiaries	30
Topicality		Mission Mode	2
Past Audit	No. of PDPs	More than 10 PDPs	5
	Part-II A paras	Below 20 and More than 10	3
Internal Control	Internal control	Yes	0
	Treasury control	No	3
Last Attempted		Never attempted	9
Medial Report		More than 5	5
<b>Total Score</b>			<b>87</b>

**AMG-III (General)**

**1. IT Audit on 'e-Procurement'**

**1. Introduction**

The State Government introduced (June 2011) electronic procurement (e-Procurement) project aimed at increasing the efficiency and transparency in procurement of goods, works and services.

E-Procurement is a collaborative procurement of goods, services as well as selection of bidder for award of works by using internet and related technologies for bringing efficiency and transparency. It provides equal access to all eligible and qualified bidders without discrimination to promote integrity, fairness, accountability and public confidence in the procurement process. E-Procurement process also results in competitiveness and saving of cost and time by shortening of procurement cycle. The e-Procurement has seven modules as shown below:

**(i) Modules of e-Procurement**

- e-Tendering;
- Indent Management;
- Vendor Management;
- e-Auction;
- Catalogue Management;
- e-Payment; and
- Contract Management.

The Government of India (GoI) under Mission Mode Project of National e-Governance Plan (NeGP) identified (June 2009) the State of Himachal Pradesh as pilot State for implementation of e-Procurement. The Government of Himachal Pradesh requested National Informatics Centre (NIC), Himachal Pradesh to submit a project proposal for implementation of the e-Procurement system of NIC called 'Government e-Procurement System of National Informatics Centre (GePNIC)'. After acceptance of the proposal, the GePNIC was implemented (June 2011) in three departments of the GoHP on pilot basis. The threshold limit for e- procurement was initially fixed (April 2011) at ₹ 40 lakh for Public Works Department (PWD) and Industries Department (ID), and ₹ 25 lakh for Irrigation and Public Health Department (IPH) which was subsequently reduced (January 2012) to ₹ 10 lakh for PWD and IPH and ₹ 20.00 lakh for ID. Thereafter the e-Procurement system was extended to 26 (out of 90) organisations up to February 2017. Although, threshold limit was only fixed for three pilot selected departments yet other organizations implementing e-Procurement were also following the threshold limit of ₹ 10 lakh. However, only one module i.e., e-tendering consisting of six sub- modules, as detailed in paragraph 2.4.7.2 was implemented (March 2017), partially, in 26 organizations of GoHP. Even in the e-tendering module crucial activities such as negotiation and award of the contract were being done manually. The PA/IS Audit of e-Procurement was attempted earlier and included in the State Audit Report 2016-17. The major audit findings include implementation of only one against seven modules on e-tendering, non- mapping of business rules in the application software' non- promotion of transparent bidding, non- designing of validation checks, non- segregation of critical functions, etc. The PA hasnot been discussed in the PAC of the State Legislature.

**(ii) Present status of e-procurement in the State:**

There are 132 Government organisations (Departments: 50 departments, Public Sector

Enterprises:29 and Autonomous Bodies: 53) in the State and overall, 62 organisations (Government Departments: 29, Public Sector Enterprises:12 and Autonomous Bodies: 19) had floated tenders through the e-Procurement System between 2017-18 and 2021-22.

As per data available in the official website of NIC, details of tenders floated and tenders awarded in Himachal Pradesh State through e-Procurement system during 2017-22 are given in the Table-1:

**Table 1**

<b>Year</b>	<b>Bids Received</b>	<b>Number of Tenders</b>	<b>Tenders Awarded</b>	<b>Tender Value (incrore)</b>	<b>Tenders Awarded in Value (in crore)</b>	<b>No. of Bidders</b>	<b>No. of Entities</b>
2017-18	18032	7214	3205	2793	1387.94	567	32
2018-19	32377	11611	5804	7054	3164.8	1395	48
2019-20	27357	12101	3715	8408	3080	1493	57
2020-21	38007	14568	4199	14524	1921.06	3371	62
2021-22	49164	18731	5624	13749	34.15	3549	60

## **2. Organisational Set up**

The e-Procurement in the State of Himachal Pradesh is managed by the Department of Information Technology (DIT), Government Himachal Pradesh which is designated (December 2009) as the nodal agency for implementation of e-Procurement. Further, as per decision taken (by December 2018), e-Procurement will be monitored by the State Finance Department (Directorate of Treasuries, Accounts & Lotteries). A Core Committee headed by the Principal Secretary (IT) and six other members was constituted (September 2011) for implementation of e-Procurement and taking policy decisions like revision of tendering rules, issue of executive instructions, vetting of standard bidding documents, drafting and signing of Memorandum of Understanding with Banks for e-Payment, etc. The Director, Information Technology is the Member Secretary of the core committee who is assisted by an Additional Director, Joint Director, Deputy Director and Assistant Controller (Finance and Accounts) for handling all the technical and financial tasks and acts as an interface between user organisations and NIC.

## **3. Audit Scope & Methodology**

The IT Audit of e-Procurement covering the period 2018-19 to 2022-23 will be conducted by scrutiny of documents and related computer operations in 15 (out of 62) organisations in which e-Procurement was implemented. The Organisation will be selected through appropriate method of sampling. The data of e-Procurement will be analysed by using a Computer Aided Audit Tool



“Interactive Data Extraction and Analysis” (IDEA).

#### **4. Audit Objectives:**

IT Audit on e-Procurement will be conducted with these objectives to review whether:

- Planning for e-Procurement is in place and implemented effectively;
- The business rules are mapped into the system and the designed system is efficient & effective;
- Integrity, accuracy, and reliability of data/information is being maintained.
- Intended objectives of transparency, monitoring, increase in efficiency have been achieved.

#### **5. Audit Criteria**

Audit criteria for conducting IT Audit on e-Procurement will be derived from the following sources:

- Guidelines issued by Central Vigilance Commission/ Competition Commission of India (CCI);
- Information Technology Act 2000 and amendment of 2008;
- e-Procurement guidelines issued by Standardisation Testing and Quality Certification (STQC) Directorate and e-Safe GD220 guidelines issued by the Ministry of Communications and Information Technology, GoI; and
- Himachal Pradesh Financial Rules (HPFR), 2009 and orders/ instructions issued by the State Government/ Departments for e-Procurement. The Audit Findings of e-Procurement are detailed in the succeeding paragraphs:

#### **6. Risk / Focus Areas**

- Formulation of e-Procurement Policy
- Framing of specific guidelines for e-Procurement
- Specific provisions of e-Procurement in Himachal Pradesh Financial Rules (HPFR) 2009.
- Constitution of Core Committee for implementation of e-Procurement in the State.
- Functioning of the Core Committee
- Mapping of business rules defined in HPFR 2009 in the e-Procurement application systems.
- Proper usage of Digital Signature Certificates
- Controls, to ensure timelines for various stages in tendering process are followed, are put in the application
- Presence of duplicate or inaccurate information about tenders and tenderers
- Password management controls to ensure safety and security of user information.

- Policies regarding proper segregation of duties
- Periodical monitoring of e-Procurement system by the Nodal Department and Core Committee.
- Presence of dummy bidders.
- Reduction in time involved in tender award from the date of tender publish.
- Running of all the Seven modules of e-procurement properly, etc.

**Scoring as per the Risk Parameter (Annexure-I):**

<b>Parameters</b>		<b>Status</b>	<b>Score (as per weightage)</b>
<b>Materiality</b>		Substantial financial implication of ₹9587.95 Crore (Tender Awarded Amount through e-Procurement) during the last five years.	30
<b>Social Relevance</b>		It has a larger social impact and interest whole State population (68.60 lakh- Census 2011)	30
<b>Topicality</b>		Mission Mode: 2	4
		Headquarters directions:2	
<b>Past Audit</b>	<b>No. of PDPs</b>	Nil	0
	<b>Part-II A paras</b>	Nil	0
<b>Internal Control</b>		<b>Internal Audit:</b> No	3
		<b>Treasury control:</b> Partial	0
<b>Last Attempted</b>		IS Audit on e-Procurement was conducted and included State Audit Report 2016-17.	3
<b>Media Reports (News cuttings)</b>		Nil	0
<b>Total:</b>			70

## Justifications for Subject Specific Compliance Audits

### AMG-I (Social)

#### 1. Working of Himachal Pradesh Scheduled Castes and Scheduled Tribes Development Corporation

##### 1. Introduction:

Himachal Pradesh Scheduled Castes and Scheduled Tribes Development Corporation (Corporation) was established on 14th November, 1979 with the enactment of an Act by Himachal Pradesh Legislative Assembly. Initially, the Corporation was established solely for providing financial assistance to scheduled castes families, however, in due course of time, Government of India and Himachal Pradesh decided to entrust the work of providing financial assistance to scheduled tribes' families during the year 1984. As such, the nomenclature of the Corporation was amended to H.P. Scheduled Castes and Scheduled Tribes Development Corporation by an amendment in the Act of the Corporation.

Schemes undertaken by the Corporation:

The Corporation raise loans through apex Corporation on the basis of State Block Guarantee scheme. State Block Guarantee is an agreement between the State Government and the three apex corporation due to which Corporation raise a loan upto Rs. 27.00 crore from the respective corporation. Every year the state block guarantee gets renewed automatically as per contract.

1. The detail of schemes operated and funds to be raised from these apex **corporation** is as under:

##### **A. National Scheduled Castes Finance and Development Corporation (NSFDC)**

- i. Himswavalamban Yojna
- ii. Small Business Yojna
- iii. Ambedkar Laghu Yojna (Micro Finance/Mahila Samridhi Yojna)
- iv. Education Loan Scheme

##### **B. National Scheduled Tribe Finance and Development Corporation (NSTFDC)**

- i. Himswavlamban Yojna
- ii. Small Business/ Adivasi Mahila Sashktikaran Yojna
- iii. Education Loan

##### **C. National Safai Karamcharis Finance and Development Corporation (NSKFDC)**

- i. Higher Cost Yojna
- ii. Laghu Rin Yojna (Micro Finance/Mahila Samridhi Yojna)
- iii. Education Loan

2. The detail of scheme operated from the funds drawn from **State** budget is as under:

- Swarojgar Yojana / Self Employment scheme (1<sup>st</sup> and 2<sup>nd</sup>)
- Hast Shilp Vikas Yojna
- Interest free study loan (IFSL)
- Laghu Vikray Kendra Yojna (Shop Shed)
- Dalit Varg Vyavsaik Prakshishan Yojna

**2. Organizational set up:**

- The Principal Secretary (SJ&E) is the Administrative Head of the Department. Overall responsibility for implementation of the schemes/ policies of the Corporation is vested with the Principal Secretary (SJ&E).
- The Managing Director, H.P. SC & ST Development Corporation is the Head of the Corporation working under Board of Directors and is assisted by the General Manager, Deputy General Manager, District Manager and Assistant Managers at Corporation level. At district level, the various schemes are being implemented/ monitored by 12 District Managers and five Assistant Managers in 12 districts.

**3. Financial outlay:**

The Corporation provides financial assistance for the upliftment of two communities and a group viz. Scheduled Caste, Scheduled Tribe and Safai Karmacharies/Manual Scavengers. The loan is mainly provided for self-employment, education loans and skill-based training. Every year funds were raised in the ratio 51:49 as state and centre share respectively under major head 4225-02-796-01 (Soon) and 2225-01-789 (Coon). In addition, the Corporation earns interest income on the fixed deposit and saving accounts on the funds deposited with different banks. The detail of sources and utilisation of funds for the last three years ending March 2022 is given below:

**Budget**

**(₹ in crore)**

Year	Opening Balance of Banks & FDRs	Interest received (FDR Interest accrued basis)	Other Income if any	SCSP Scheme		TSP Scheme		Total (I)
				Central	State	Central	State	
2019-20	32.95	2.94	0.00	2.00	2.00	0.25	0.48	<b>40.62</b>
2020-21	32.63	3.18	0.00	2.00	1.50	0.00	0.00	<b>39.31</b>
2021-22	31.98	2.38	0.00	1.48	3.99	0.00	0.00	<b>39.83</b>

**Expenditure**

(₹ in crore)

Year	Establishment expenditure	Non-Establishment expenditure	Interest on loan taken	Interest waived off during the year	Total (II)	Closing balance (I-II)
2019-20	7.46	0.44	0.09	-	<b>7.99</b>	32.63
2020-21	6.80	0.43	0.10	-	<b>7.33</b>	31.98
2021-22	6.10	0.42	0.09	4.52	<b>11.13</b>	28.70
Total					<b>26.45</b>	

**4. Audit scope & Methodology**

The thematic audit will cover the period 2020-21 to 2022-23. Scrutiny of the records will be done at the office of The Managing Director, Himachal Pradesh Scheduled Castes and Scheduled Tribe Development Corporation, Solan. Further, audit of twelve District offices and five Assistant Managers offices will be done. The thematic audit aims to examine the schemes (Centrally and State sponsored schemes) being implemented for economic upliftment of most vulnerable sections of the society i.e. Scheduled Caste and Scheduled Tribe. The Audit will examine weather efficient planning, adequate monitoring and internal control for the implementations of the various schemes exists in the corporation.

**5. Audit Objectives**

The Subject Specific Compliance Audit is to be conducted with a view to ascertain whether:

- i) the design of the corporation was consistent with the objectives and the schemes introduced by the corporation were identified, prioritised and planned properly.
- ii) the identified schemes were executed in an efficient, effective and coordinated manner, and
- iii) proper monitoring mechanisms were established towards impact assessment of the Scheme, in terms of achievement of stated objectives of the corporation.

**6. Audit Criteria**

The main sources of audit criteria for the Subject Specific Compliance Audit will be:

- Cabinet note/ Minutes of HPSCST BOD meeting.
- Scheme guidelines/instructions/circulars issued by the MD, HPSCST and HOD.
- Himachal Pradesh Schedule Castes (and Schedule Tribes) Development Corporation Act, 1979.
- General Regulations of the Himachal Pradesh Schedule Castes and Schedule Tribes Development Corporation, 1986
- Loan Regulations of the Himachal Pradesh Schedule Castes and Schedule Tribes Development Corporation.

- Financial Regulations of the Himachal Pradesh Schedule Castes and Schedule Tribes Development Corporation.

#### 7. Risk Area/Focus area

- Rules and regulations
- Planning for the implementation of the schemes
- Coverage of the beneficiaries
- Working mechanism
- Efficiency of the organisational structure

#### Risk assessment

Parameters		Status	Score
Materiality		Rs.26.45 crore for three years	10
Social Relevance		21,21,378 total SC ST	30
Topicality		Flagship scheme	02
Past Audit	No. of PDPs	19 PDPs	05
	Part-II A	More than 9	01
Internal	Internal	Yes	0
	Treasury	No	03
Last Attempted		Never attempted	09
Media Report		News 02	01
<b>Total Score</b>			<b>61</b>

## 2. Analysis of Utilisation Certificates

### 1. Introduction

In terms of Rule 157 of the Himachal Pradesh Financial Rules, 1971 (Revised in 2009), where grants are sanctioned for specific purpose, the departmental officers concerned should obtain Utilisation Certificates (UCs) from the grantee, which, after verification, should be forwarded to Principal Accountant General (Accounts and Entitlement) within the dates specified in the sanction. The departmental officers drawing the grants-in-aid would be primarily responsible for certifying to the PAG (A & E) the fulfilment of conditions attached to the grant. UCs outstanding beyond the specified periods indicate absence of assurance on utilisation of grants for indented purposes, and the expenditure shown in the accounts to that extent cannot be treated as final.

In Himachal Pradesh, a total number of 3,619 UCs amounting to ₹ 4,752.14 crore were pending as on 31 March 2022.

## 2. Organisational Set up

Every department of State Government is responsible to furnish UCs to the PAG (A&E) in stipulated time. However, major departments on the basis of pendency of UCs would be examined for the purpose. These departments are headed by the Secretary/Principal Secretary at the apex level and Director is the implementing officer.

## 3. Financial Outlay

Financial involvement on the UCs reflects the progress of all the department in the State in respect of utilisation of funds and is given below:

**Table-1: Age-wise arrears in submission of Utilisation Certificates**

(₹ in crore)

Year	Opening Balance		Clearance		Due for submission	
	No. of UCs	Amount	No. of UCs	Amount	No. of UCs	Amount
Up to 2019-20	1,487	1,587.06	526	537.09	961	1,049.97
2020-21	1,312	1,970.76	477	661.58	835	1,309.18
2021-22	15,605	4,563.10	13,782	2,170.11	1,823	2,392.99
<b>Total:</b>	<b>18,404</b>	<b>8,120.92</b>	<b>14,785</b>	<b>3,368.78</b>	<b>3,619</b>	<b>4,752.14</b>

**Table-2: Year-wise break-up of outstanding UCs**

Year in which GIA transferred	Number of outstanding UCs	Amount (₹ in crore)
2015-16	15	25.79
2016-17	111	65.54
2017-18	248	313.74
2018-19	587	644.90
2019-20	835	1,309.18
2020-21	1,823	2,392.99
<b>Total</b>	<b>3,619</b>	<b>4,752.14</b>

## 4. Audit Scope & Methodology

Audit will cover the period of 2020-21 to 2022-23. Data of VLC section of the Office of the Pr. Accountant General (A&E), Himachal Pradesh, Shimla will be analysed, based on that department will be categorised according to pendency of UCs in stratum viz. higher pendency, medium pendency and lower pendency. Thereafter sample selection will be undertaken for examination of records at State Level, district level and block level. Audit methodology will include scrutiny of records, issuing audit memo.

## 5. Audit objectives

The objective of the thematic audit is to assess whether:

- (i) A proper planning is in place to deal with the compliance of UC related guidelines

- (ii) Effective and efficient scrutiny mechanism of UCs in place
- (iii) Impact assessment of UCs on funds utilisation
- (iv) Effective system for monitoring and internal control.

## 6. Audit criteria

The audit findings are benchmarked against the following criteria

- (i) Respective scheme guidelines regarding UC
- (ii) The Himachal Pradesh Financial Rules 2009
- (iii) Himachal Pradesh Treasury Rules 2017
- (iii) General Financial Rules 2017
- (iv) Sanction orders issued by the departments
- (v) Circulars/Orders issued by the Government of India and State Government

## 7. Risk/Focus Areas

- Planning for implementation
- Cases of Misappropriation, cases of false UCs
- Cases of delayed submission of UCs and cases where grant was stopped
- Vouchers and related requisite documents
- Reporting and monitoring mechanism
- Verification process
- Impact analysis
- Fixing of responsibility

## Risk assessment

Parameters		Status	Score
Materiality		More than Rs. 750 crore	30
Social Relevance		High	30
Topicality		Requests/ Special Audit and Direction from the	04
Past Audit	No. of PDPs	05 PDPs	03
	Part-II A	More than 1	01
Internal Control	Internal	Yes	0
	Treasury	No	03
Last Attempted		Never Attempted	09
Media Report		More than one news	01
		Total Score	81



### Major Department wise Utilisation Certificates pending

(Rs. In crore)					
Sl. No.	Department	UCs due	Amount	UCs outstanding	Amount
1.	Panchayati Raj	780	1269.55	753	1580.03
2.	Women & Child Development & SC, OBC and Minorities	708	42.55	861	82.18
3.	Rural Development	269	454.98	243	517.42
4.	Urban Development	186	745.69	208	1134.45
5.	Ayurveda (Ayush)	174	349.92	293	637.98
6.	Language Art and Culture	103	7.03	181	16.00
7.	Education	99	340.99	54	215.50
8.	Sainik Welfare	31	4.23	15	6.24
9.	Tribal Development	13	2.29	9	1.73
10.	Tourism	12	3.53	27	72.27
11.	Youth Services and Sports	7	0.23	6	0.41
Total		2383	3220.99	2651	4264.21

### 3. Working of Himachal Pradesh University

#### 1. Introduction

Himachal Pradesh University was established by an Act of the Legislative Assembly of Himachal Pradesh on **22<sup>nd</sup> July 1970** as a response to the needs and aspirations of the Union Territory, poised for full statehood in the Union of India on **25<sup>th</sup> January 1971**. It is the only multi-faculty residential and affiliating university in the State that provides higher education to urban, rural and tribal areas through formal and distant modes. It is a grade 'A' accredited university by the National Assessment and Accreditation Council (NAAC).

Students of the University perform commendably at the national level in sports and cultural activities. Every year ample number of students qualify the **NET, SET, JRF**, and other competitive examinations. The University has garnered achievements in **NSS and Youth Welfare** Programmes at the national level. Tuition fee is waived for girl students and disabled students are given free education. Two supernumerary seats are reserved for the single girl child in all courses.

#### 2. Organisational Set up

The Governor of the State is the Chancellor of the university, and the Minister for Higher Education is the Pro-Chancellor. The Vice-Chancellor of the university is appointed by the Chancellor for a period of three years. The University Court is the apex body which determines

and regulates all policy matters of the university. The Registrar, appointed by the State Government, is in charge of administration. In addition, there are Deans/Heads for the 13 faculties/ 52 departments, a Finance Officer, and a Controller of Examinations.

### 3. Financial Outlay

Year-wise detail of financial outlay allocated by the State Government through budget and expenditure incurred thereagainst during 2019-20 and 2021-22 is shown below

(₹ in crore)

Year	Opening Balance	Total available Budget	Expenditure
2019-20	65.06	244.85	216.24
2020-21	28.61	236.42	177.96
2021-22	58.46	Under reconciliation	
Total			394.20

### 4. Audit Scope & Methodology

An audit of the working of Himachal Pradesh University covering the period of 2019-20 to 2022-23 will be conducted through test-check of records in different teaching and non-teaching departments under jurisdiction of Himachal Pradesh University and in the office of Director, ICDEOL.

### 5. Audit objectives

The objectives of the Subject Specific Compliance Audit to assess whether:

- (i) A proper planning system existed to provide facilities and opportunities for higher education in various faculties and to devise and implement a programme of education that is relevant to the current needs of the society;
- (ii) The preparation of budgets and annual accounts was in accordance with laid down procedures and the funds were utilised economically, efficiently and effectively;
- (iii) Policies relating to admission, affiliation, examination and distance education were framed in accordance with the relevant Acts, Rules and Regulations and the activities were carried out effectively;
- (iv) Creation and development of human resources and infrastructural facilities were as per the prescribed norms;
- (v) Research projects were taken up and their progress was monitored effectively; and
- (vi) An effective system for monitoring and internal control existed in the university; and
- (vii) Whether student interface with University was streamlined and provided a friendly interface.

### 6. Audit criteria

The audit findings are benchmarked against the following criteria.

- (i) The Himachal Pradesh University Act, 1970 and the Rules and Regulations made thereunder.
- (ii) Norms for faculty and facilities of the All-India Council for Technical Education (AICTE), the University Grants Commission (UGC) and the Distance Education Council of Government of India (GOI).
- (iii) Provisions of codes, manuals and various instructions/circulars issued by GOI, Government of Himachal Pradesh and the university and
- (iv) Rules/guidelines framed by the Court and other bodies of the university.

**7. Risk/Focus Areas**

- Construction works
- Hostel facilities
- Utilisation of student’s fund
- Amalgamated Funds
- Contingent Advances
- Utilisation of Grants
- Vehicles like Buses, staff car
- Other financial issues as per compliance audit
- Student interface.

**Risk assessment**

Parameters		Status	Score
Materiality		More than Rs. 394.20 crore	20
Social Relevance		Not more than 2.5 lakh	10
Topicality		Flagship schemes	02
Past Audit	No. of PDPs	06 PDPs	03
	Part-II A	More than 20	05
Internal Control	Internal	Yes	0
	Treasury	No	03
Last Attempted		Thematic audit on HPU was included in AR 2012-13,	03
Media Report		News 10 or more	05
		<b>Total Score</b>	<b>51</b>

**AMG-II (Economic)**

**1. Implementation of National Mission of Agricultural Extension and Technology (NMAET) in Himachal Pradesh**

**1. Introduction**

Himachal Pradesh is predominately an agricultural State where Agriculture provides direct employment to about 71 percent of the total population. The agriculture sector contributes nearly

30 percent of the total State domestic product. Being a hilly and rural State having smaller land holding, farmers are not capabilities to use costly agricultural machinery along with improved quality of seed and planting material rendering lessor per capita agricultural output. As aagriculture has always been labour intensive sector of the economy requiring continuously sophisticated seed technologies and machineries to meet the increasing demand of food item in the State, the Government of India introduced/launched National Mission of Agricultural Extension and Technology (NMAET) replacing the previously implemented scheme titled Agriculture Technology Management Agency (ATMA) thereby also fulfilling the Sustainable Development Goal no 02 - End Hunger, Achieve Food Security and Improved Nutrition and Promote Sustainable Agriculture . The NMAET is implemented through four sub schemes namely Sub Mission of Agricultural Extension (SMAE), Sub-Mission on Seed and Planting Material (SMSP), Sub Mission on Agricultural Mechanization (SMAM) and Sub Mission on Plant Protection and Plant Quarantine (SMPP).

## 2. Organisational Set up

The agriculture minister heads the Department of Agriculture. At the Secretariat level, Secretary (Agriculture) is the Administrative head of the department. The Director is the Departmental head of the Department of Agriculture in HP. The Director of Agriculture is assisted by Deputy Directors of Agriculture of 10 Districts and District Agriculture Officer (DAO) in Tribal Districts which are further assisted by Subject Matter Specialists (SMSs) working at block level offices.

## 3. Financial Outlay

The Budget allocation and expenditure of the National Mission on Agricultural Extension and Technology along with four sub-schemes for the period 2018-19 to 2021-22 is as follows:

(₹ in crores)

Year	Budget allotment	Expenditure
2019-20	82.80	80.51
2020-21	63.75	60.70
2021-22	35.21	25.78
<b>Total</b>	<b>181.77.</b>	<b>167.01</b>

(Source: ekosh)

## 4. Audit Scope & Methodology

Subject Specific Compliance Audit on “Implementation of National Mission of Agricultural Extension and Technology (NMAET) in Himachal Pradesh” will cover representative numbers of Deputy Directors selected through stratified random sampling on IDEA Software in view of

risk score assigned on the basis of budget outlay. Records maintained in the office of Directorate of Agriculture, Deputy Director of Agriculture and at the offices of Subject Matter Specialists (SMSs) will be scrutinized for period 2019-20, 2020-21 and 2021-22.

## **5. Audit Objectives**

Audit will be undertaken to ascertain whether:

- Adequate planning was done to achieve the objectives of the scheme;
- The Annual Plan was in consonance with the budget available with the department
- the required milestones were achieved/complete in time to avail the subsidy from Central Government;
- the schemes was implemented in accordance with the norms of the Operational Guidelines;
- internal control mechanism existed.

## **6. Audit Criteria**

1. Operational Guidelines of Sub Mission of Agricultural Extension (SMAE),
2. Operational Guidelines of Sub-Mission on Seed and Planting Material (SMSP),
3. Operational Guidelines of Sub Mission on Agricultural Mechanization (SMAM) and
4. Operational Guidelines of Sub Mission on Plant Protection and Plant Quarantine (SMPP).
5. Himachal Pradesh Financial Rules 2009.
6. Rules, Regulations and Notifications issued for the implementation of the Scheme.

## **7. Risk / Focus Areas**

- Excess payment of financial assistance to farmers due to non-adherence to the norms of subsidy by the department;
- Late/non receipt of funds from Government of India due to non-utilisation of available funds.
- Crop loss of farmers due to non-availability of plant protection material timely;
- Environmental loss due to non-encouragement to farmers for ecologically sustainable pest management approaches rather than relying only on chemical pesticides;
- Non- Conducting regular pest surveillance and monitoring to assess pest/disease situation;
- Non-imparting of training to farmers regarding types, quantity, time of use of pesticides for specific crops resulting loss of environment due to injudicious use of it.

- Non strengthening of Seed Testing Laboratory resulting in distribution of poor-quality seeds;
- Under utilisation of Seed testing laboratory due to non-deployment of technical staff;
- Non establishment of specialised seed health testing laboratory
- Non-availing of financial support for equipment for seed testing laboratory
- Non-organisation of training and demonstrations for the machines resulting in under utilisation of machine consequently wasteful expenditure on subsidy of various types of machinery
- Non-identification of beneficiaries holistically from all types/groups of farmers
- Non-organisation of awareness camps meant for sensitisation about the scheme to the farmers;
- Non-promotion of custom hiring centres resulting in non-coverage of weaker section of farmers who cannot afford personal agricultural machineries;
- Non-formation of autonomous body at district level;
- Non-appointment of specialists and functionary support at different level for smooth and effective implementation of scheme; etc.

#### **Risk assessment (based on weightage parameters)**

<b>Parameters</b>		<b>Status</b>	<b>Score</b>
Materiality (Expenditure during last five years)		Between 100 and 249 crore	15
Social Relevance (No. of Beneficiaries)		More than 10 lakh population	30
Topicality		Flagship Scheme	02
Past Audit	No. of PDPs	More than 10 PDPs	05
	Part-II A	Between 10 and 20	03
Internal Control	Internal	Yes	0
	Treasury	No	03
Last Attempted		Between 5 and 10 years	03
Media Report		More than ten news	05
		<b>Total Score</b>	<b>66</b>

## **2. Allotment, Monitoring of execution and recovery of various dues from the Hydro Electric Projects above five MW**

### **1. Introduction:**

#### ***Objectives of Organization:***

The Directorate of Energy (DoE) was created during 2009. The main objective of DoE relating to Hydro Electric Projects (HEP) was to look after the allotment of HEP above 5 MW to the stake holders for execution, Monitoring the execution of the HEP, Grant of Techno Economic Clearance (TEC), issues related to Hydro Power Safety, Environmental & Social issues, Monitoring of Local Area Development Fund (LADF) and Quality control.

Hydro Electric Power is the one of the major area of revenue generation for the State as such the development of Hydro Power is of utmost importance for sustainable development of the State.

#### ***Power Potential of the State***

Total identified hydro power potential of the State is 21000 MW out of which 10786.91 MW (State Sector 765.82 MW, Central Sector 5543.73 MW, Joint Sector 1912 MW, Private Sector 2231.11 MW and Micro projects 334.25 MW) has been harnessed till February 2022.

In view of the importance of the Hydro Power in the State of Himachal Pradesh the Allotment, monitoring of execution and recovery of various dues from the HEPs is proposed to be audited during the Audit Plan for 2023-24.

### **2. Organizational Set up**

The Directorate is headed by the Director (Energy) and is assisted by Superintending Engineers who heads various wings pertaining to Grant of Techno Economic Clearance (TEC), Issues related to Hydro Power Safety, Environmental Issues, Social Issues, Monitoring and Management of Local Area Development Fund, Quality Control, Management of Power Flow, Sale of GoHP Power share received from various Central, State & Private Hydro Electric Projects, Implementation of Energy Conservation activities in the state as per mandate given by BEE, MoP in the capacity of State Designate Agency (SDA), DAM Safety aspects for all Large Dams in the capacity of DAM Safety Organisation for State of Himachal Pradesh. Directorate of Energy is nodal office of Departments of MPP & Power GoHP, it works for effective and prompt coordination between all power utilities of power sector of the state of H.P.

### **3. Financial Outlay:**

**Nil** being an organization to provide conducive policy framework and directions to promote, develop and harness optimally, the huge hydro potential of the State besides nodal office of Department of MPP & Power GoHP, it works for effective and prompt coordination between all power utilities of power sector of the state of H.P.

#### **4. Audit scope and Methodology:**

Subject specific Compliance audit of “Allotment, Monitoring of execution and recovery of various dues from the Hydro Electric Projects (HEPs) above five MW” will cover scrutiny of records available at Directorate, pertaining to deposit of upfront premium, capacity addition charges, inspection reports of HEPs, contribution towards Local Area Development Fund, Sale of GoHP Power share received from various Central, State & Private Hydro Electric Projects, Implementation of Energy Conservation activities in the state as per mandate given by BEE, MoP in the capacity of State Designate Agency (SDA), DAM Safety aspects for all Large Dams in the capacity of DAM Safety Organisation for State of Himachal Pradesh. Field visits to HEPs to ascertain Hydro Power Safety, Environmental Issues, Social Issues, Management of Power Flow, will also be undertaken.

#### **5. Audit Objectives**

Audit will be undertaken to ascertain whether:

1. Recovery of various dues from the Hydro Electric Projects is done as per Hydro Power Policy at prevailing rates.
2. Inspection of HEPs is being planned yearly to ascertain issues related to Hydro Power Safety.
3. Sale of GoHP Power share received from various Central, State & Private Hydro Electric Projects is being made at competitive rates.
4. Monitoring of LADF Viz Pre-commissioning LADF as well as post-commissioning as per Policy Guidelines issued by GoHP
5. Implementation of Environmental & Social norms related to Hydro Power Development.

#### **6. Audit criteria**

- Clean Development Mechanism.
- Hydro Power Policy.
- Local Area Development Fund Policy.
- R & R Plans.
- Inspection reports of HEPs
- Environmental & Social norms related to Hydro Power Development.
- Dam safety guidelines
- Agreements for sale of free power with power exchanges/HPSEBL/others.
- Examination of DPRs
- Reports submitted to Central/State Government regarding performance/progress of work of IPPs.



## 7. Risk / Focus areas:

- Non forfeiture of Upfront premium due to Inordinate delay in submission of DPR by the Independent Power Producers.
- Grant of unreasonable extensions resulting into non-recovery of instalments of Upfront Premium amounting and accumulation of penal interest
- Non recovery of Capacity Addition Charges and Penal Interest thereon.
- Contribution towards Local Area Development Fund
- Inordinate delay in conducting required inspection for ensuring quality and safety aspects in Dam/Barrage
- According of frequent extensions despite of non-depositing of extension fee
- Non recovery of survey & investigation expenses from HEPs which were incurred by earlier allottees like HPSEBL/HPPCL/Others.

In view of above compliance audit on “Allotment, Monitoring of execution and recovery of various dues from the Hydro Electric Projects above five MW” is proposed for Audit Plan 2023-24.

## AMG-III (General)

### 1. Management of disaster and receipt and utilization of State Disaster Response Fund (SDRF)/ National Disaster Response Fund (NDRF)

#### 1 Introduction

Disaster means a catastrophe, mishap, calamity or grave occurrence in any area, arising from natural or manmade causes, or by accident or negligence which results in substantial loss of life or human suffering or damage to and destruction of property, or damage to, or degradation of, environment and is of such a nature or magnitude as to be beyond the coping capacity of the community of the affected area.

Himachal Pradesh is vulnerable to several risks, both natural and man-made. The main risks include things like earthquakes, landslides, flash floods, snowstorms and avalanches, draughts, dam failures, domestic and wildfires, accidents on the road, rail, and air, stampedes, boat capsizes, toxic chemicals, and more.

#### **Constitution of State Disaster Response Fund and National Disaster Response Fund**

Section 46 (I) and Section (48 (I) (a) of the Disaster Management Act, 2005 stipulates constitution of National Disaster Response Fund (SDRF) at the National level and State Disaster Response Fund (SDRF) at the State level respectively for meeting any threatening disaster situation or disaster. Accordingly, the Government of India (GOI) notified (September 2010) constitution of NDRF and Government of Himachal Pradesh constituted (January 2011) SDRF.

The GOI framed (September 2010) guidelines for NDRF and SDRF (revised in July 2015) which *inter alia* include:

- **State Disaster Response Fund**

The **SDRF** shall be used only for meeting the expenditure of providing immediate relief to the victims of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst and pest attack.

- **National Disaster Response Fund**

Natural calamities of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst, and pest attack considered to be of severe nature by GOI and requiring expenditure by a State Government in excess of balance available in its own SDRF, will qualify for immediate relief under **NDRF**.

## **2 Organisational set up**

The State Disaster Management Authority (SDMA) under the chairmanship of the Chief Minister is responsible for co-ordinating and implementing all disaster management affairs in the State. The SDMA is run through a State Executive Committee (SEC) with Chief Secretary as its chairman and four other members. Besides, the State Government had set up (January 2009) Disaster Management Cell (DMC) at State Level under Revenue Department for management of receipts and disbursement under SDRF and NDRF maintenance of accounts, etc. At district level, Deputy Commissioner (DC) as Chairman of District Disaster Management Authority is assisted by Additional District Magistrate in co-ordination with other line departments<sup>3</sup>. At Panchayat level, Village Disaster Management Committees function under the control of the Pradhan of Gram Panchayat.

## **3. Financial Outlay**

The State Disaster Response Fund (SDRF) comprising Central and State share in the ratio of 90:10 was set up for financing post calamity relief assistance as per SDRF guidelines framed by GOI. The National Disaster Response Fund (NDRF) was created at the national level with the objective of supplementing State's efforts in providing relief assistance during severe calamities as per NDRF guidelines framed by GOI.

The Details of availability of funds under SDRF/ NDRF and expenditure incurred thereagainst during the period 2017-22 are tabulated below:

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<sup>3</sup> Agriculture, Animal Husbandry, Education, Health, Home, Horticulture, Jal Shakti Vibhag, Multi Purpose Projects and Power, Public Works Department, Revenue, Rural Development Department, and Urban Development Department

**Table-1**  
**Details of availability and utilisation of SDRF during 2017-22 (₹ in crore)**

Year	Opening Balance	GOI share	State share	Interest	Total funds available	Expdr.	Closing Balance
2017-18	0.40	234.00	26.00	0	260.40	260.00	0.40
2018-19	0.40	245.70	27.30	7.54	280.94	280.54	0.40
2019-20	0.40	197.30	28.70	0	226.40	225.93	0.47
2020-21	0.47	409.00	45.00	0	454.47	454.00	0.47
2021-22	0.47	327.20	36.00	0	363.67	363.00	0.67
<b>Total:</b>		<b>1413.20</b>	<b>163.00</b>	<b>7.54</b>		<b>1583.47</b>	

**Table-2**  
**Details of availability and utilisation of SDRF during 2017-22 (In ₹ crore)**

Year	Opening Balance	GOI share	State share	Interest	Total funds available	Expdr.	Closing Balance
2017-18	0	0.63	0	0	0.63	0.63	0
2018-19	0	2.27	0	0	2.27	2.27	0
2019-20	0	5.18	0	0	5.18	5.18	0
2020-21	0	0	0	0	0	0	0
2021-22	0	0	0	0	0	0	0
<b>Total:</b>		<b>8.08</b>			<b>8.08</b>	<b>8.08</b>	0

#### **4. Audit Scope and Methodology**

The SSCA covering the period 2018-23 will be conducted through test-check of records in the State Disaster Management Cell (DMC) and four (out of 12 districts) in the State five (out of line Departments including implementing/ executing agencies at Sub-division/ Block/ Panchayat level in selected districts involved for providing of relief to the disaster victims and execution/ restoration of infrastructure damaged by natural calamities. Selection of districts and line Departments and executing agencies will be made on the basis of appropriate method of sampling. Joint physical inspection of restored infrastructure and beneficiary survey (reasonable numbers) in the selected districts will also be carried out on the basis of appropriate method of sampling.

#### **5. Audit Objectives**

The objectives of the SSCA will be to ascertain whether:

- Efficient institutional mechanism is in place for effective disaster preparedness/ post-disaster responses;

- Planning for disaster mitigation, restoration of immediate nature of the damaged infrastructure and rehabilitation activities is robust and effective;
- Efficient financial management exists for proper assessment, release and utilisation of assistance as per NDRF/ SDRF guidelines;
- Adequate and timely assistance is provided under NDRF/ SDRF for quick response, relief, and restoration of immediate nature of damaged infrastructure, and utilised efficiently and effectively;
- Works of disaster damaged infrastructure are executed properly in a timely manner; and
- Adequate internal control/ monitoring mechanism is in place.

## **6. Audit Criteria**

The audit criteria will be derived from the following sources:

- Disaster Management (DM) Act, 2005;
- National Policy on Disaster Management;
- Himachal Pradesh State Policy on Disaster Management, 2011;
- GOI Guidelines for administration of SDRF/NDRF-2010 revised in 2015;
- GOI Norms of assistance to the disaster related activities under SDRF/ NDRF;
- State Disaster Management Plan 2012 and State Disaster Management Plan 2017 (revised); and
- Departmental Manual/ Policies/ Circulars/ Rules and Regulations;

## **7. Risk / Focus Areas**

- Constitution of State Disaster Management Authority (SDMA) headed by the Chief Minister responsible for laying down policies and plans for disaster management in the State.
- Constitution of State Executive Committee (SEC) headed by the Chief Secretary to assist the SDMA in discharge of its functions
- Constitution of State Advisory Committee (SAC) consisting of experts in the field of disaster management to make recommendations on various aspects.
- Constitution of District Disaster Management Authorities (DDMAs) headed by the Deputy Commissioner to prepare District Disaster Management Plan and coordinate and monitor the implementation of the National/ State Policy and the National/State/ District Plan.
- Convening of regular meetings of the SDMA, SEC, SAC and DDMs.

- Formulation and implementation of State Disaster Management Policy in line with National Policy on Disaster Management.
- Establishment of State and District Disaster Mitigation Funds to meet expenditure on projects for mitigation, prevention and preparedness for disaster.
- Community participation ensuring local ownership, addresses local needs and promotes volunteerism and mutual help to prevent and minimise damage.
- Integration of community plans into the Panchayat, Block and District plans.
- Preparation of State Disaster Management Plan.
- Proper and timely Assessment of demand for assistance under SDRF/ NDRF from the district/ State.
- Timely submission of proposal for release of assistance from GOI.
- Adequacy of funds released by GOI.
- Timely and adequate released of funds received from GOI to the districts/ other related authorities.
- Timely release of matching share under SDRF by the State Government.
- Organise a quick survey in respect of crop damages, damage to houses and human & animal losses due to a disaster
- Timely action for providing of assistance to the disaster victims.
- Quick identification disaster victims.
- Prompt assessment of loss of life and property due to disaster.
- Providing of immediate relief to the disaster victims
- Proper planning for execution of works relating to infrastructure damaged by disaster.
- Execution of works after completion of all codal formalities
- Damaged infrastructure lying unexecuted for prolonged periods.
- Periodical monitoring of progress of utilisation of funds by SEC.
- Periodical monitoring of progress of providing of relief works by SDMA/ SEC/ DDMs through regular meetings.
- Periodical returns prescribed for monitoring at State level, etc.

## 8 Scoring as per Risk Parameters

Parameters	Status	Score (as per weightage)
<b>Materiality</b>	Expenditure of more than ₹2392 crore during the last five years	30
<b>Social Relevance</b>	It has a larger social impact and interest	30

		whole State population (68.60 lakh-Census 2011)	
<b>Topicality</b>		Major GOI scheme: 2	6
		Headquarters directions: 2	
		Request of the Ministry of Home Affairs: 2	
<b>Past Audit</b>	<b>No. of PDPs</b>	More than 20 PDPs	5
	<b>Part-II A paras</b>	More than 20 paras	5
<b>Internal Control</b>	<b>Internal Audit</b>	No	3
	<b>Treasury control</b>	Yes	0
<b>Last Attempted</b>		PA on SDRF/ NDRF was never attempted	9
<b>Media Reports</b>		None	0
		<b>Total Score</b>	<b>88</b>

## 2. Minor Irrigation schemes in Himachal Pradesh

### 1 Introduction

Himachal Pradesh has a total population of 68.65 lakh (as per 2011 Census), of which the rural population 61.76 lakh (90 per cent). Agriculture and Horticulture provide direct employment to about 70 per cent of total workers of the State; about 71 *per cent* of the farm holdings are marginal, i.e., size less than one hectare. The total geographical area of the State is 55.67 lakh hectares (ha), of which only 5.83 lakh ha is suitable for cultivation (culturable area). Out of the total culturable area, the area requiring irrigation (estimated culturable command area) is 3.35 lakh ha. As of March 2020, the total Irrigated area (created culturable command area) was 2.76 lakh ha. The total created culturable command area is categorized under major, medium and minor irrigation schemes.

The status of irrigation in the State is detailed in the table below:

**Table-1**

Total geographical Area (ha in Lakh)	Total Culturable area (ha in Lakh)	Estimated CCA (ha in lakh)		Irrigation Schemes			
				Major Irrigation Schemes	Medium Irrigation Schemes	Minor Irrigation Schemes	Total
55.67	5.83	3.35	Area	>20000 ha	Between ha 2,000 ha and 20,000 ha	< 2.000 ha	-
			Number	1	7	2664	2672

			<b>of Schemes</b>				
			<b>Total Created CCA (Ha in lakhs)</b>	0.15	0.20	2.41	2.76

Source: Records of Irrigation & Public Health Department

- **Minor Irrigation Schemes**

Irrigation schemes having culturable command area (CCA) less than 2,000 ha are classified as minor irrigation schemes. As can be seen from the table above, minor irrigation constitutes the mainstay of irrigation in the State: 2.41 lakh ha (87 per cent) out of the total CCA of 2.76 lakh ha is covered through 2,664 minor irrigation schemes. Minor Irrigation Schemes are categorized into Flow Irrigation Schemes (FIS), Lift Irrigation Schemes (LIS) and Tube well Schemes, as discussed in the table below:

**Table-2**

<b>Type of Scheme</b>	<b>Details</b>	<b>No. of Schemes</b>
Flow Irrigation Schemes (FIS)	Water at the source (river/nallah) is available at a higher elevation and is channelled by gravity flow to a network of pucca channels (traditionally called <b>kuhl</b> ) or <b>pipes</b> taking off from a head weir or check dam (where water is diverted and collected) and distributed to land/fields via <b>pucca</b> or <b>kutcha field channels</b> .	2664
Lift Irrigation Schemes (LIS)	Water at the source (river/nallah/ khud) is lifted with pumps via collection desilting tank to a main delivery tank situated at the top of the command area from where it is distributed through a network of pipes to outlets (traditionally called haudi) constructed on the lands/fields and further distributed to the field through pucca or kutcha field channels	
Tube well Schemes	Groundwater is lifted from the sub-soil level with submersible pumps to a main delivery tank situated at higher elevation within the command area from where it is distributed through a network of pipes to outlets (traditionally called haudi) constructed on the lands/fields and further distributed to the field further through pucca or kutcha field channels	

## **2. Organisational Set Up**

The Jal Shakti Vibhag (JSV) is responsible for planning, construction, operation and maintenance of minor irrigation schemes. Secretary (JSV) is the Administrative Head of the Department. Engineer-in Chief as Head of the Department is assisted by Chief Engineers of four Zones and Superintending Engineers of 13 Circles. The execution of the schemes is carried out by the Execution Engineers of 56 circles.

### 3. Financial Outlay

Position of budget and expenditure during 2019-22 is given in table below:

**Table-3**

(₹ in crore)

Year	Budget Allocated	Expenditure	Savings
2019-20	601.84	293.02	308.82
2020-21	685.50	342.39	343.11
2021-22	685.75	337.59	348.16
Total	1973.09	973.00	1000.09

### 4. Audit scope and Methodology

The SSCA on Minor Irrigation Schemes in Himachal Pradesh covering the period 2019-20 to 2022-23 will be conducted in JSV in the office the Engineer-in Chief, Chief Engineer of four Zones, Superintending Engineers of one Circle from each zones, Executive Engineers of three Divisions of each selected Circles. Overall, four Circles (out of 13) and 12 divisions (out of 56) will be covered. The selection of Circles and Divisions will be made on the basis of appropriate method of sampling. Besides, detailed scrutiny of five schemes in each selected division will also be conducted with joint physical verification of the selected schemes. Besides, beneficiaries' survey of the selected schemes (5-10 beneficiaries of each scheme) will also be covered.

### 5. Audit Objectives

Audit objectives for conducting the SSCA will be to ascertain whether:

- Planning, execution and maintenance of minor irrigation schemes/ projects is done efficiently;
- Budgeting is realistic and adequate funds are released and utilized optimally and water user charges were properly assessed, levied and collected and formation of water users' associations monitored;
- Execution and maintenance of the works under the schemes/ projects are done economically, efficiently and the targeted Irrigation Projects and water storage was created and utilized;
- Adequate monitoring and control mechanism were in place; and
- Internal controls and monitoring mechanism is in place and periodical evaluation of the schemes is done.



## **6 Audit criteria**

Audit criteria will be derived from the following sources:

- National Water Policy, 1987 and 2012 of GoM;
- The Himachal Pradesh Ground Water (Regulation and Control of Development and Management) Act, 2005;
- Himachal Pradesh Water Policy 2013;
- CPWD Accounts Code and CPWD Works Manual;
- Himachal Pradesh Office Procedure Manual;
- Detailed Project Reports of Minor Irrigation Schemes;
- Terms and conditions stipulated in administrative approvals/ expenditure sanctions, technical sanctions and working estimates;
- Himachal Pradesh Financial Rules, 2009; and
- Himachal Pradesh Treasury Rules, 2017.

## **7 Risk / Focus Areas**

- Assessment of demand for irrigation
- Any survey/investigation of site/source to check the feasibility for conceptualization of the schemes.
- Preparation of DPRs/ Project proposals
- Allocation of adequate funds
- Timely release of funds to the executing agencies
- Optimum utilisation of funds
- Unnecessary withdrawal of funds from treasury in anticipation of actual requirement and funds kept outside government account for prolonged period
- Diversion of funds towards other schemes
- Technical sanction including detailed estimates and design/ drawings of the scheme
- Tendering process and contract management
- Award of work successful bidders
- Signing of agreement with the contractor
- Timely execution of work as per the terms and condition of the contract
- Existence of Monitoring mechanism
- Follow up of safety measures and quality control measures
- Periodical inspection of execution of works under the scheme
- Monitoring of progress of works

- Existence of feedback mechanism, etc.

**8. Scoring as per Risk parameter**

**Table-4**

Parameters		Status	Score (as per weightage)
<b>Materiality</b>		Expenditure of more than ₹973 crore during the last five years	30
<b>Social Relevance</b>		It has a larger social impact as minor irrigation constitutes the mainstay of irrigation in the State as out of the total CCA of 2.76 lakh ha 2.41 lakh ha (87 <i>per cent</i> ) is covered through 2,664 minor irrigation schemes.	30
<b>Topicality</b>		Major GOI scheme: 0	0
		Mission Mode:0	
		Pm/ CM announcement:0	
		Headquarters directions: 0	
		Request for special audit: 0	
<b>Past Audit</b>	<b>No. of PDPs</b>	More than 20 PDPs	5
	<b>Part-II A paras</b>	More than 20 paras	5
<b>Internal Control</b>	<b>Internal Audit</b>	No	3
	<b>Treasury control</b>	Yes	0
<b>Last Attempted</b>		SSCA was attempted 8-10 years ago	3
<b>Media Reports</b>		None	0
		<b>Total Score</b>	<b>76</b>

**Status of Annual Audit Plan 2022-23**

**(A) Audit Reports (2020-21)**

<b>Audit Report</b>	<b>Status</b>
Compliance Audit Report (Social, General, Economic & Revenue Sectors)	Report has been handed over to Secy. to Governor of Himachal Pradesh and Additional Chief Secretary, Finance, Govt. of Himachal Pradesh on 16 <sup>th</sup> December 2022.
Standalone Performance Audits	
Public Health Infrastructure and Management of Health Services	<ul style="list-style-type: none"> <li>Draft Report has been sent on 12<sup>th</sup> December 2022.</li> </ul>
Conservation and Management of Forests	<ul style="list-style-type: none"> <li>Draft Report has been sent to Hqrs. Office on 15<sup>th</sup> December 2022.</li> </ul>
Drinking Water Services	Bound copy of report sent on 23 <sup>rd</sup> December 2022
IFMS Audit	<ul style="list-style-type: none"> <li>Complete data has been received from Directorate of Treasury on 16<sup>th</sup> August, 2022.</li> <li>Data analysis on e-Pension, e-Salary, e-bills and e-Vitran modules is in progress.</li> <li>Audit findings thereof have been sent to the respective treasuries / A&amp;E office and field work is in process.</li> </ul>
All India PA on 'Pre-Matric and Post-Matric Scholarship and National Social Assistance Programme'	<ul style="list-style-type: none"> <li>Draft report relating to National Social Assistance Programme sent to HQs on 19<sup>th</sup> July 2022.</li> <li>Exit conference of National Social Assistance Programme portion has been held on 26<sup>th</sup> September 2022.</li> <li>Draft report relating to Pre-matric and Post-matric Scholarship has been sent on 12<sup>th</sup> October 2022.</li> <li>Reply of HQ's observations on SC category has been sent on 10<sup>th</sup> November 2022, ST category on 5<sup>th</sup> December 2022 and Minorities category sent on 20<sup>th</sup> December 2022.</li> </ul>

**(B) Audit Reports (2021-22)**

<b>Topic</b>	<b>Status</b>
E-way Bills	Guidelines are awaited from HQs.
Building and Other Construction Workers Welfare Cess	<ul style="list-style-type: none"> <li>Sampling has been sent to HQs on 23<sup>rd</sup> November 2022.</li> <li>Field work is underway.</li> </ul>
Skill Development through Himachal Pradesh Kaushal Vikas Nigam	<ul style="list-style-type: none"> <li>Field work is underway</li> <li>Sampling has been approved by Statistical Advisor at HQs on 9<sup>th</sup> November 2022.</li> </ul>

Mukhyamantri Swavlamban Yojana	<ul style="list-style-type: none"> <li>Field work is underway</li> <li>Sampling has been sent to Statistical Advisor at HQs on 23<sup>rd</sup> September 2022. Approval awaited.</li> </ul>
Quality Management in procurement and storage of food items	<ul style="list-style-type: none"> <li>Field work is underway</li> <li>Sampling has been approved by Statistical Advisor at HQs on 29<sup>th</sup> October 2022.</li> </ul>
Working of Backward Area Sub Plan (BASP)	<ul style="list-style-type: none"> <li>Field work is underway</li> <li>Sampling has been approved by Statistical Advisor at HQs on 2<sup>nd</sup> November 2022.</li> </ul>
Department's oversight on GST payments and returns filing	<ul style="list-style-type: none"> <li>Field work has been completed</li> <li>Consolidation of report is under progress.</li> </ul>
Analysis of notifications of Revenue Department with respect of Land Registration	Draft report has been sent to Hqrs. on 14 <sup>th</sup> December, 2022.

**(C) Status of Annual Audit Plan (2022-23)**

Compliance Audit	Revised Units selected in AAP 2022-23				Cumulative total of units audited upto November, 2022			
	Apex	Auditabile	IUs	Total	Apex	Auditabile	IUs	Total
AMG-I (Social)	11	115	196	<b>322</b>	10	75	153	<b>238</b>
AMG-II (Economic)	10	176	232	<b>418</b>	10	89	141	<b>240</b>
AMG-III (General)	12	180	111	<b>303</b>	10	105	57	<b>172</b>
AMG-III (Revenue)	2	145	139	<b>286</b>	2	93	63	<b>158</b>
<b>Total</b>	<b>35</b>	<b>616</b>	<b>678</b>	<b>1329</b>	<b>32</b>	<b>362</b>	<b>414</b>	<b>808</b>

## Annexure 'G'

Statement showing details of Environment Audits attempted during preceding years		
Environment Audits		
1.	Sewage, Water and Drainage System related issues	Included in Audit Report 2017-18 as ' <i>Sewage Management in Urban Areas</i> '
2.	Forest and Wildlife Management	Being attempted for Audit Report 2020-21 as ' <i>Conservation and Management of Forests</i> '
3.	Flood Control and Drainage System related issues	Included in Audit Report 2016-17 as ' <i>Flood Protection and Flood Control</i> '
4.	Solid Waste	Included in Audit Report 2018-19 as ' <i>Solid Waste Management in Urban Areas</i> '
5.	Management of Garbage, sanitation and Bio-medical waste	
6.	Deterioration of water quality	Being attempted for Audit Report 2020-21 as ' <i>Drinking Water Management</i> '
7.	Water Management & Conservation (Surface and Ground Water)	
8.	Illegal Mining and its impact on environment	Deferred and to be taken up for Audit Report 2021-22 as ' <i>Regulation of Mines and Minerals</i> '

**Sr. Audit Officer**  
**Coordination Section**