OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I), MADHYA PRADESH, GWALIOR

No./APDAC/SAAB/ MoM- **Dated: 08 .12.2025**

Minutes of the meeting

Subject: Minutes of the meeting of Madhya Pradesh State Audit Advisory Board held on 25 September 2025 at Gwalior

1.0 The second meeting of the 7th State Audit Advisory Board (SAAB) of Madhya Pradesh was held on 25 September 2025 at Gwalior under the Chairmanship of Shri Vishal Bansal, Principal Accountant General (Audit-I). The details of ex-officio members and external members present in the meeting are given in **Annexure A.**

2.0 At the outset, Shri Vishal Bansal, Principal Accountant General (Audit I), welcomed the members and outlined the distribution of audit work between the Gwalior and Bhopal offices. External members were requested to introduce themselves and share their areas of work. Then the ex-officio members introduced themselves to the external members of the Board. PAG (Audit-I) provided an overview of the Annual Audit Plan, highlighting audit activities proposed for the next year in line with available resources. He explained the scope and distinctions between financial, compliance, and performance audits with examples and addressed queries from external members. He also highlighted the use of data analytics, surveys, third-party inputs, and proposed large-scale surveys. Emphasizing the growing role of technology in audits, he illustrated applications of satellites and drones in different audit areas.

3.0 Thereafter a presentation of office of PAG (Audit-I), Madhya Pradesh, Gwalior was made wherein an audio-visual about CAG and offices at Gwalior and Bhopal in Madhya Pradesh and their functions was played. The presentation was followed by the details of departments audited by Gwalior office, available resources, ongoing audits of Annual Audit Plan 2025-26 and topics identified for Annual Audit Plan 2026-27. The Board members discussed these topics and provided their suggestions and inputs. The discussions on topics of AAP 2025-26 is detailed below:

3.1 Compliance with Statutory Provisions in respect of engagement of Contractual Employees

PAG (Audit-I) informed that this topic covers compliance with five Acts – Employees' Provident Fund (EPF), Employees' State Insurance Corporation (ESIC), Contract Labour (Regulation & Abolition) Act, Building and Other Construction Workers Act, and the Inter-State Migrant Workers Act. He added that the topic is being covered in all the selected units under compliance audits, and an Audit Design Matrix is prepared before conducting the audit.

Dr. Gunjan Shrivastava asked about the parameters being studied under this topic. PAG (Audit-I) replied that the Audit Design Matrix is prepared in advance and a detailed discussion followed on compliance audits covering the five Acts. He emphasized the responsibilities of principal employers in outsourcing arrangements and highlighted the need for proper registration, licensing, and reporting. Concerns were raised about poor registration compliance despite large numbers of contracts.

Dr. Gunjan Shrivastava also enquired specifically about ESIC. PAG (Audit-I) explained that ESIC provides multiple benefits, including access to medicines, hospitals, and emergency medical care. He described it as one of the most beneficial schemes, noting that it ensures coverage throughout an employee's life. He further stated that ESIC hospitals are government-run, provide even expensive medicines, and are backed by a strong financial corpus. He pointed out that, unlike many international insurance schemes that are unfunded or partially funded, ESIC is adequately funded and sustainable and the audit of which is under the domain of Auditor of Union Government on behalf of C&AG of India.

Shri Yogesh Kumar asked about the Shop & Establishment Act. PAG (Audit I) informed that the government departments are not covered under it, but contractors and business premises are required to register. A distinction was also drawn between shop/establishment registration and PAN/GST registration.

Shri Yogesh Kumar enquired about *Inter-State Migrant Workers*. PAG (Audit-I) explained the provisions through examples, highlighting state-level variations in benefits and requirements, and their broader implications for social security and insurance coverage. He clarified that under the Inter-State Migrant Worker Act, workers coming from another state are entitled to additional benefits, unlike workers employed within their own state.

3.2 Procurement, Storage, Distribution, Maintenance and Utilization of Drugs and Medical Equipment

PAG (Audit-I) briefed about the topic.

Dr. Gunjan Shrivastava enquired about procurement process. PAG (Audit-I) explained the entire procurement cycle, covering indenting, specification determination, framing of tender conditions, bidding, contract formulation, contract management, utilization, quality assurance, testing, and monitoring.

During the discussion, participants emphasized three primary sources of opinion in medicine procurement - scientific evidence, laboratory/diagnostic inputs, and doctors' assessments - noting that clinical judgment must rest solely with doctors. Independent testing of medicines was considered essential, both through in-house and external laboratories. Concerns were raised regarding substandard supplies, unclear chemical contents, pricing disparities, and the need for confidential empanelment of testing agencies was underlined.

Shri Ram Hit, PAG (Audit-II) informed that during the COVID-19 period, many medicines failed quality testing, and concerns arose that medicines supplied to government institutions were substandard, with even the correctness of salt composition in doubt.

PAG (Audit-I) asked Shri Sumit Kumar, DAG/AMG-II about the selection of laboratories for testing samples and directed that the lab can't be finalized without a high consideration on price i.e. through QCBS. He emphasized that the selection should remain confidential, orders should be taken directly from PAG, and the lab's identity should not be disclosed.

Dr. Gunjan Shrivastava apprised about the medical procurement that at times inspection authorities exert pressure to procure particular items from specific sources. PAG (Audit-I) directed that this issue be noted under the caption "Procurement enabled through inspections." Dr. Gunjan Shrivastava also informed about the government's Meterio vigilance (for medical devices) and Pharmacovigilance (for drugs) programmes in which doctor can report any adverse impact of medical devices and adverse drug reaction in the patients which can be examined in audit. Shri P.K. Sharma added that medicines expired should also be checked.

Further issues were discussed relating to blood testing, haemoglobin levels, and adverse reactions. Reference was also made to availability of medicines in case of dog bite/snake bite which potentially have significant discrepancies as well as deficient reporting in hospitals.

3.3 Procurement of Goods and Services in Home (Police) Department

PAG (Audit-I) apprised about the ongoing audit and added that the audit of petrol pumps operated by the Police is also being attempted, though it is facing huge resistance.

3.4 Water Supply Component of Atal Mission of Rejuvenation and Urban Transformation (AMRUT)

PAG (Audit-I) has explained about the topic.

3.5 IT Audit of MP Bhulekh (webGIS)

PAG (Audit-I) explained the topic, including ADM and sampling approvals. Shri Yogesh Kumar said that he will be sharing some findings related to this topic, and PAG (Audit-I) directed Shri Harjinder Kumar, DAG (AMG-V) to take note of these findings.

Shri Rahul Naronha highlighted various issues in MPBhulekh, noting discrepancies between maps and actual land records, including instances where data from one tehsil was incorrectly recorded under another tehsil.

4.0 PAG (Audit-I) then briefed about the seven topics under examination for the Annual Audit Plan (AAP) 2026-27. The Board members discussed these topics and provided their suggestions and inputs as detailed below:

4.1 Ladli Behna Scheme

PAG (Audit-I) stated that the audit aims to identify areas with potential adverse impact. Dr. Parshuram Tiwari suggested topics such as MGNREGA social audits, SHGs, and Poshan Aahaar. PAG (Audit-I) directed the Deputy Accountants General to cover these topics through Compliance Audits.

Shri Sumit Kumar, DAG/AMG-II enquired about SHGs, SRLM, and NRLM. Dr. Parshuram Tiwari explained the various roles assigned to SHGs and the need to audit them. He highlighted complexities and gaps in vertical integration of schemes and suggested that a service study would be a better approach.

PAG (Audit-II) explained that verification is conducted through three types: physical, documentary, and verbal. He emphasized the need for careful validation of statistics and program implementation, noting challenges such as potential respondent bias. He also discussed methods like sampling and randomization to ensure reliability.

Shri Yogesh Kumar highlighted previous challenges in beneficiary surveys, where sampling criteria and substitution methods were used due to difficulties in reaching the intended sample. Shri M.P. Shrivastav, DAG/AMG-I informed that beneficiary survey is done in various audits and recently was done in the MANREGA audit. PAG (Audit-II) added that from the next year, independent agencies will be engaged under a CAG agreement to conduct surveys and report findings, ensuring a more neutral approach than relying solely on departmental staff.

4.2 Working of Public Relation Department and its registered society Madhya Pradesh Madhyam.

Shri Harjinder Kumar, DAG/AMG-V apprised the members about the topic, its audit objectives and the rationale for identifying it. Shri Rahul Naronha stated that there is a degree of adhocism in the allocation of advertisements. He explained that, unwritten rule is that those expressing positive views tend to receive ads, while others do not. He highlighted that websites and portals are a major area, as anyone can create a portal and receive ads, often influenced by top government officials. Shri Rahul further added that, to manage this process, private consultants were engaged, and DPR staff with high salaries are working on these tasks. Big PR companies and MNCs often lack clear deliverables, yet spend substantial amounts of money.

Shri P.K. Sharma stated that in the PR section, a new dimension involves content and event management. He enquired whether there is any correlation between the rates of PWD and the rates of local vendors selected by DPR, noting that fixed exorbitant rates are set to facilitate vendors, and that government departments cannot go beyond these rates.

Shri Harjinder Kumar, DAG/AMG-V agreed to look into these issues during audit.

PAG (Audit-II) explained that there are three types of audits in the state. The first is compliance audit, which involves regular audits examining adherence to rules, regulations, and budgets, ensuring that expenditure is used for its intended purpose. The second is SSCA (Subject-Specific Compliance Audit), which focuses on department-specific projects. In this audit, compliance is examined in detail, and criteria are set based on departmental rules, regulations, and identified gaps. When such criteria are unavailable, standards from other projects or jurisdictions are adopted. The third is performance audit, which evaluates the economic efficiency and effectiveness of projects or departmental activities.

PAG (Audit-II) emphasized that for both SSCA and performance audits, all criteria must be documented, acceptable, and supportable, as findings are ultimately reported to the legislature or Parliament and nothing is reported without proper verification. Any practice that is not verifiable or acceptable cannot be reported.

4.3 Working of Smart Classes in Schools run by the School Education Department

Shri Harjinder Kumar, DAG/AMG-III, briefed the Board about the topic. The Government has projected that all schools should have at least two classrooms converted into smart rooms, equipped with computers for digital learning. Over the last three years, an expenditure of around ₹38 crores has been identified. This aspect is targeting approximately 3,500 schools. The audit's social objective is to assess whether smart classes improve the quality of education for students.

Dr. Parshuram Tiwari referred to reports by the Pratham Education Foundation, stating that unless certain conditions are met, the quality of education may not improve. He asked whether these reports are shared with the Government and whether their findings are monitored. He added that impact evaluation by other agencies can be examined.

Shri Harjinder Kumar, DAG/AMG-III replied that such reports are considered. A pilot study is ongoing, which has shown improvements in students' Mathematics and Science learning. Evaluation includes student interviews, and outcomes are cross-checked against government guidelines and quality standards.

Shri P.K. Sharma asked if there is a specific focus on smart classes and whether CSR-funded Government schools (e.g., SBI Foundation, SCL) are compared with other government schools to benchmark performance.

Shri Sumit Kumar, DAG AMG II informed that third party reports are referred.

PAG (Audit-II) clarified that SSCA (Subject-Specific Compliance Audit) focuses on funding and implementation rather than educational impact. Performance audits assess the effect on students. Compliance audits check whether rules, schemes, and monitoring mechanisms are followed. Monitoring, reporting, and inspections are key components, and gaps between policy and practice are identified.

Dr. Gunjan Shrivastava enquired whether smart classes in interior areas are checked and whether trained personnel are present. Shri Harjinder Kumar, DAG/AMG-III replied that total selection will be done through sampling which will cover urban as well as interior and tribal areas.

PAG (Audit-II) explained that the Government smart classes initiative is intended to expose children to new technology, improving engagement, understanding, and potentially attendance. The objective is not only computer-based learning but also integrating digital tools with traditional teaching methods.

Shri P.K. Sharma noted that the core component is hardware, and sustainable technology is currently not adopted. Shri Rahul Naronha highlighted that teachers' capacity is limited, and videos are mostly in English or standard languages. Without teacher training, students may not benefit fully. However, in many villages, tribal women and students use digital resources (e.g., YouTube) to learn independently, demonstrating adaptation in local contexts.

Shri Sumit Kumar, DAG/AMG-II briefed the members on the current topic, stating that only YouTube content was being played on the digital boards.

Dr. Parshuram Tiwari observed that while democratization of knowledge had taken place on a large scale, the limited capacity of teachers highlighted the importance of training. He further pointed out that although videos were available in Hindi and English on YouTube, they were not accessible in local tribal languages.

Shri Harjinder Kumar, DAG/AMG-III, assured that the issue would be analyzed in detail, supported by surveys and feedback from students, along with examination of other related aspects.

The Board noted the importance of considering local language adaptation, teacher capacity, electricity and network issues, and solar backup provisions in tribal and remote areas.

Shri Harjinder Kumar, DAG/AMG-III, assured that surveys will be conducted to capture both student opinions and technological gaps, and the audit will consider these aspects along with policy implementation and funding.

4.4 Impact of private practice by Government Doctors on the beneficiaries in Government Medical Institutions

Shri Sumit Kumar, DAG/AMG-II stated that the government has laid down clear guidelines with 7–8 key parameters regarding private practice by doctors. As per rules, government doctors cannot open clinics or hospitals at home, nor can they keep diagnostic machines (beyond basic instruments like a stethoscope) without proper certification. Certificates with all guidelines are to be issued by government doctors, while monitoring and control is the responsibility of the Public Health and Family Welfare Department.

During compliance audits covering departments, significant findings emerged. No inspections have been carried out, and no certification records are available. This raises concerns about the overall delivery of health services. The audit will be conducted strictly as per government criteria, thereby assisting the department in its monitoring and control role. Additionally, Doctors who are availing Non-practising Allowance (NPA) benefits are not permitted to enrol anywhere.

Shri Rahul Naronha added that access to health services remains critical for lower income groups. However, in his experience, a major reason why even poor patients are often pushed towards the private sector is the lengthy and cumbersome processes followed in government medical colleges and hospitals, particularly for procedures and operations, where delays occur due to practices such as indenting.

PAG (Audit-I) shared practical experiences to highlight the challenges faced by patients in accessing government health services.

Dr. Gunjan Shrivastava highlighted that doctors face high risk and hospitals are under pressure from schemes such as Ayushman. She noted gaps in infrastructure, including endoscopes without necessary connectors, and observed that surgeries are constrained due to insufficient supporting staff for assistance and post-operative care. Government hospitals, meant for poorer sections, remain overburdened, with some patients dependent on them and others opting for private or insurance-based facilities. She also informed that nursing attendance can be monitored through the Nursing Portal, which shows the number of hospitals where a staff member is engaged.

PAG (Audit-I) directed Shri Sumit Kumar, DAG/AMG-II to take note of the Nursing Portal.

Shri Rahul Naronha apprised that successive governments are aware of the existing problems but, due to shortage of medical personnel, little has been done to address them. He observed that rules such as submission of declarations are not being followed, as the authorities are already overstretched. He added that while 20–22 new medical colleges have been announced with the intention of expanding to all districts of Madhya Pradesh, the shortage of staff has become a major constraint. The government is now exploring the PPP model and has entered into agreements with two companies, though these entities themselves lack qualified doctors.

PAG (Audit-I) explained that a pilot study is underway to provide clarity on reasonable outcomes. While a shortage of doctors is often perceived, the doctor–population ratio in India is closure to the recommended standard of 1:1000.

Shri P.K. Sharma informed that a Phillip machine has been installed in a government hospital and an advertisement has been issued for the contractual engagement of a doctor with a stipend of ₹80,000 per month. He suggested that the remuneration should be reviewed, noting that if a clerk can be given minimum pay, a contractually appointed doctor should receive a salary equivalent to that of a regular Doctor.

Dr. Gunjan Shrivastava informed that earlier, due to a shortage of radiotherapy staff, salary expectations were high, and now with a shortage in radiology staff, similar high demands are being observed. She stated that this is in conformity with the principle of demand and supply in staffing.

PAG (Audit-I) directed Shri Sumit Kumar, DAG/AMG-II to review of doctors' remuneration and recommended conducting a survey to track the number of IPD patients, including those who did not return.

Dr. Parshuram Tiwari asked whether IPHS standards are adopted in audit. PAG (Audit-I) replied that Madhya Pradesh Government has adopted IPHS 2012. However, IPHS 2022 are not yet adopted. He also requested all the members to suggest topics for Annual Audit Plan 2026-27.

Ms. Sakshi Bharadwaj suggested that audit of SDGs can be added, as Madhya Pradesh has adopted SDGs. The topics relates to SDGs and needs to be mapped.

PAG (Audit-I) explained that the Sustainable Development Goals (SDGs) are mapped with the budget, citing Haryana as an example, where international consultants assisted in the mapping. It was agreed to consider the aspect.

Shri P.K. Sharma suggested reviewing the investment of funds by universities under the Higher Education Department. He mentioned that a fraud of ₹158 crore was recently detected in this context.

PAG (Audit-I) explained that short-term funds should be retained in current accounts rather than invested in fixed deposits, as such investments may encourage unethical practices. Universities lack statutory provisions on this matter and that government instructions, if issued, should be formalized through statutes or governing bodies. The government has also issued directions to local bodies and universities in this regard.

Shri Rahul Naronha suggested that Cheetah reintroduction project at Kuno has international implications, with significant expenditure incurred by the government. Reference was made to ongoing discussions regarding the necessity of the project and reports of procurement of cheetahs from Botswana. It was noted that frequent visits to North African countries and Kenya are being undertaken in this context. The matter has generated considerable debate due to varying opinions on its implementation and associated costs.

Ms. Vaishali Choudhary informed that 25–30% of the cost of treatment under the Ayushman scheme is being collected from village patients. She suggested creating a Twitter handle to enable external members to share such information for audit purposes.

PAG (Audit-I) directed Shri Sumit Kumar, DAG/AMG-II, to create an official Twitter handle for the office, if permissible as per directions of the office of C&AG of India.

5.0 PAG (Audit-II) apprised the Board that in Bhopal, the audit jurisdiction includes the Revenue Sector (taxes), Public Sector Undertakings and government companies (including electricity and DISCOMs), and the Works Department. He informed that 14 topics have been proposed for inclusion in the Annual Audit Plan 2026-27, which are yet to be finalized. He sought suggestions and inputs from the members to help finalize the topics. He further stated that the office has been divided into four groups, and the respective Group Officers will present and brief the Board on their topics through the presentation.

5.1 Performance Audit on Prevention, Control and Abatement of Air Pollution in Madhya Pradesh

Shri Kevin Toms Skaria, DAG/ AMG-I briefed the Board on the proposed Performance Audit on Prevention, Control and Abatement of Air Pollution in Madhya Pradesh. He explained that the topic was selected considering its high social relevance and growing significance. Addressing air pollution at an early stage would help assess the adequacy of existing preventive measures. The audit aims to evaluate visibility, public utility, and inter-departmental coordination related to air quality management. He further stated that although Madhya Pradesh has significant forest cover and Indore has ranked first in cleanliness, certain industrial and urban pockets such as Gwalior continue to face high pollution pressure. The study intends to highlight such areas, enhance public awareness, and correlate data from departments such as Health and Pollution Control to understand the link between air pollution and related diseases.

Dr.Gunjan Shrivastava highlighted that air pollution impacts human health, and data from the Health Department on respiratory and cancer diseases can help assess this. She stated that genetic studies, such as telomere analysis, show links with poor air quality, though genome-wide studies will not be undertaken due to feasibility constraints. Relevant portions of data may be analyzed. She further mentioned the use of government non-communicable disease registries, while noting challenges in pooling data geographically.

Shri Rahul Naronha told that Bhopal has a comparatively high incidence of oral cancers, though not the worst compared to cities like Delhi.

Apart from urban air pollution caused by construction activities, industrial emissions and mining operations were identified as major contributors to poor air quality in Madhya Pradesh. Mining areas in particular report numerous cases of silicosis, a serious occupational lung disease that affects workers' productivity and livelihood.

Shri Rahul Naronha suggested that a cause-and-effect analysis be undertaken in consultation with the concerned medical departments, including pulmonologists and other specialists.

Shri P.K. Sharma added that the issue is also linked to solid waste accumulated on land. Citing examples, he mentioned that while Bhopal's rivers continue to carry large amounts of waste, Indore had successfully removed most of its waste within a year about 4–5 years ago. He referred to an international report highlighting Sweden's technology, where waste is treated to produce energy and bicarbonate, and the country even imports waste from abroad. He suggested exploring referential linkages with such practices, stating that waste causes pollution in two ways by contaminating air and through chemical percolation into water. He emphasized that addressing these aspects collectively would yield better results.

5.2 CA on Functioning of Horticulture and Food Processing Department

Shri Kevin Toms Skaria, DAG/ AMG-I briefed about the topic and mentioned about selecting 04 centrally sponsored schemes and non-state schemes.

Shri P.K. Sharma observed that there is no effective backward-forward linkage in the system while producers are engaged in production, there is inadequate infrastructure for marketing, and sellers lack direct contact with production centers. He recalled that earlier, under rural development initiatives like the Tricycle Project and Tribal Youth Self-Employment Scheme, such linkages were better established. He emphasized that if similar mechanisms are revived, Madhya Pradesh could emerge as one of the most successful models in the country. PAG (Audit-I) added that backward linkages require drivers such as training and capacity building, while forward linkages involve marketing, advertising, and branding. Dr. Sharma further added that Uttar Pradesh has performed commendably in this regard, and lessons could be drawn from their experience.

Ms. Vaishai Chaudhari stated an example of Badwani were production of tomatoes is huge but market is not available for sale due to which there is wastage.

PAG (Audit-II) directed Kevin Toms Skaria, DAG/ AMG-I to take note of the observations made and to explore the feasibility of incorporating backward and forward linkage aspects in the audit analysis.

5.3 CA Working of Madhya Pradesh State Mining Corporation Limited

Shri Pareekshit, DAG/AMG-IV briefed about the topic and highlighted that revenue from sand mining has increased nearly fifteen times over the last five years. The pilot study revealed undue benefits to contractors, instances of favouritism in awarding contracts. Compliance with the new mining rules introduced in 2023 will be seen in the audit. It was also observed that the Government has largely shifted the responsibility of monitoring illegal mining to local administrations.

Shri Yogesh Kumar suggested that the responsibility with the panchayats can also be examined during audit.

PAG (Audit-I) suggested referring to the Audit Report of Bihar and the unprinted Inspection Report of Mizoram (2008-10) on mining for relevant insights on the subject. He further informed that this office is undertaking a pilot study on area mapping through drones and assured that assistance would be provided through drone mapping if the identified mining areas fall within the mapped zones.

5.4 CA on Utilization of allotted water share as per NWDT award by Narmada Valley Development Authority

Shri Sunil Kumar Sharma, Sr. DAG/AMG-II, briefed about the topic and shared key findings, including significant delays in project management, weak monitoring mechanisms, poor maintenance, and lack of adequate focus on conservation and catchment area treatment by NVDA.

Shri Rahul Naronha stated that under the new concept of compensatory plantation, two sanctuaries and a national park were proposed to provide additional protection to forests affected by felling; however, except for the recent announcement of Omkareshwar National Park by the Chief Minister, these commitments have not been fulfilled. He further observed that the potential role of forests in improving water neutralization has not yet been realized.

Shri Sunil Kumar Sharma, Sr. DAG/AMG-II added that while the forest department focuses on tree cutting and plantation, there is limited consideration of the long-term impact on water availability. He mentioned that some studies and literature exist on the subject, though such references are generally not incorporated in routine audits.

Shri Rahul Naronha inquired about the possibility of conducting a multi-state evaluation. PAG (Audit-II) replied that such an analysis is feasible and derivations can be made, but obtaining data from other states or coordinating queries would be challenging due to time constraints and the division of work areas, noting that contacting offices in other states is time-consuming. Shri Sunil Kumar Sharma, Sr. DAG/AMG-II added that although data sharing with other states is possible, political and administrative complexities exist, particularly as the project was divided in 1979 and was subjected to review only after 45 years. He expressed that a redistribution of resources could potentially be undertaken over the next 2–3 years.

Ms Sakshi Bharadwaj suggested that Namami Narmada Project and Narmada Samagra project reports can be referred.

6.0 PAG (Audit-II) then briefed about the topics identified for the Annual Audit Plan (AAP) 2026-27 and informed that 6 to 7 out of these will be selected. The Board members discussed these topics and provided their suggestions and inputs as detailed below:

6.1 CA on Procurement, storage and release of commodity and fertilizer by MP State Cooperative Marketing Federation Limited

Shri Kevin Toms Skaria, DAG/AMG-I stated that this topic will focus on both procurement and distribution of fertilisers.

6.2 Seed procurement and distribution program in Madhya Pradesh

Shri Kevin Toms Skaria, DAG/AMG-I informed that farmers require quality certified seeds and proposed conducting an audit to examine the process of data seed collection, certification, and distribution through authorized agencies.

Shri P.K. Sharma highlighted that there is no functional government unit certified for seed production, which raises concerns over the authenticity of seed certification and distribution. He pointed out the absence of adequate laboratory facilities and certification mechanisms, resulting in challenges in ensuring quality seeds for enhanced agricultural productivity.

Shri Rahul Naronha added that the seed program involves agreements with farmers for sowing, but issues of transparency and seed mixing persist due to multiple varieties being distributed without proper control. He observed that the government's role in seed production is gradually diminishing, with the private sector emerging as the dominant player.

He further emphasized the importance of improving the seed replacement ratio, ensuring that farmers replace seeds regularly to maintain yield quality. Dr. Naronha also suggested auditing budget allocations for agricultural research in universities, as inadequate funding for R&D hampers innovation and quality enhancement in the agriculture sector, while government spending remains focused largely on procurement and subsidy-based incentives rather than capital investment.

6.3 CA on Management of Net Present Value Fund

Shri Kevin Toms Skaria, DAG/AMG-I briefed the Board about the topic and informed that it is a small topic which is a component of the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) scheme.

6.4 CA on Bargi Diversion Project

Shri Sunil Kumar Sharma, Sr. DAG/AMG-II briefed about the topic that this has 5 phases which will be covered in audit.

6.5 CA on Quality Assurance in construction of Roads by MPPWD

Shri Sunil Kumar Sharma, Sr. DAG/AMG-II briefed about the topic.

Shri P.K. Sharma observed that roads in Madhya Pradesh deteriorate more frequently compared to those in Himachal Pradesh and Uttarakhand, despite heavier rainfall in those states. He pointed out that the main reason is the absence of bitumen grading specifications in the Schedule of Rates (SOR) of municipal bodies, resulting in the use of ungraded bitumen and poor road quality that requires frequent repairs every six months.

6.6 CA on Construction of CM Rise School Building by MPPWD

Shri Sunil Kumar Sharma, Sr. DAG/AMG-II briefed about the topic.

Shri P.K. Sharma pointed out that there is a tendency to omit the construction of toilets during the building of schools, leading to additional expenditure when they are constructed later.

PAG (Audit-I) suggested referring to the audit paragraphs on CM Rise schools in the Police Housing Corporation report and the Haryana report, which also highlighted escalation in project costs due to exclusion of essential items at the planning stage. He further advised coordination with Shri Harjinder, DAG/AMG-III and recommended expanding the scope of audit on the construction of CM Rise schools.

6.7 CA of construction of Major Bridges by MPPWD

Shri Sunil Kumar Sharma, Sr. DAG/AMG-II briefed about the topic.

Shri P.K. Sharma emphasized that the expansion joints serve as an integral performance indicator of a bridge. He added that if proper attention is given to their design and quality at the review stage, it will serve a long way.

6.8 CA on Assessment Levy and collection of Stamp Duty and Registration Fees – SDRF

Shri Suresh Kumar, DAG/AMG-III briefed about the topic.

PAG (Audit-I) informed that the process is to be conducted online.

Shri P.K. Sharma highlighted that in some cases, fake information is entered, showing that certain amounts have been realized, but upon verification, the corresponding funds are not traceable. He further mentioned that fake challans are often used to manipulate records. He suggested that the Sampada software should be linked directly to the Treasury software to ensure authenticity and prevent such discrepancies.

PAG (Audit-I) cited a specific case related to AG Colony to illustrate the issue. He explained that the relevant data is maintained in Bhulekh, which records property ownership details. The problem pertains to under-valuation of land, as the registered value often does not reflect the actual market value. He further mentioned that in Haryana, the government follows a model where private parties acquire land, and the government provides it to the District Collector, who disburses the payment. Land is generally sold on a "no profit, no loss" basis, with the sale price determined by the government. However, issues have arisen as industrial land is often sold at concessional rates and frequently used for non-industrial purposes, leading to industrial development frauds. Reports indicate that 60–70% of allotted industrial land is not used for its intended purpose. The discussion highlighted the need for proper verification of land use and adherence to terms and conditions in schemes such as MPIDC, where land is allotted via auction or special investment projects.

6.9 CA on Implementation of Madhya Pradesh Karadhan Adhiniyam ke Purane bakaya ka Samadhan Vedheyak 2021 in Commercial Taxes Department (VAT)

Shri Suresh Kumar, DAG/AMG-III briefed about the topic.

6.10 CA on Procurement and Distribution of food grains by Madhya Pradesh State Civil Supplies Corporation Limited

Shri Pareekshit, DAG/AMG-IV briefed the Board on the topic, informing that their accounts have not been received for six years. PAG (Audit-I) suggested referring to the Performance Audit Report on Food Grains and recommended conducting a Performance Audit (PA) instead of a Subject-Specific Compliance Audit (SSCA). He further informed that in Telangana, and Andhra Pradesh, where a detailed audit design matrix has been prepared, with a focus on Fair Price Shops.

Shri P.K. Sharma told that metric tons of wheat and rice deteriorate due to rain and are then diverted to a nexus, allowing certain parties to benefit from free inputs, effectively supporting a "wine lobby." He emphasized that such infrastructure gaps should be highlighted in the audit. PAG (Audit-I) directed that off-budget borrowing by the Food and Civil Supply Corporation should also be examined.

6.11 CA on Execution of Building developmental works by Madhya Pradesh Building Development Corporation Limited

Shri Pareekshit, DAG/AMG-IV briefed the Board on the topic, stating that the Madhya Pradesh Building Development Corporation Limited was established in 2022 and will undertake projects such as Health, CM Rise. PAG (Audit-I) informed that a similar review was conducted for MP Housing Corporation, where questions were raised about the necessity of multiple construction bodies, but observed that every department prefers having its own construction agency.

7. At the end Shri Vishal Bansal, PAG (Audit-I) and Chairperson of the Board expressed his gratitude to all the members for sparing their valuable time for the meeting and for their suggestions and valuable inputs, which would help strengthen the audit process.

8. Meeting ended with a vote of thanks by Shri Yashwant Kumar, DAG/AMG-IV of O/o PAG (Audit-I) and Member Secretary-cum-Convener of the Board

(This issues with the approval of Pr. Accountant General)

Dy Accountant General/AMG IV
Member Secretary-cum-Convener of the
State Audit Advisory Board

No./APDAC/SAAB/STR-686to762 **Dated: 08 .12.2025**

Copy for information and necessary action:

1. Secretary to PAG (Audit-I), MP, Gwalior
2. Secretary to PAG (Audit-II), MP, Gwalior
3. Shri Sunil Kumar Sharma, Sr. DAG/AMG-II, O/o PAG (Audit-II), MP, Bhopal
4. Shri Yashwant Kumar, DAG/AMG-IV, O/o PAG (Audit-I), MP, Gwalior
5. Shri Sumit Kumar, DAG/AMG-II, O/o PAG (Audit-I), MP, Gwalior
6. Shri Kevin Toms Skaria, DAG/AMG-I, O/o PAG (Audit-II), MP, Bhopal
7. Shri Harjinder Kumar, DAG/AMG-III, O/o PAG (Audit-I), MP, Gwalior
8. Shri M.P. Srivastav, DAG/AMG-I O/o PAG (Audit-I), MP, Gwalior
9. Shri Suresh Kumar, DAG/AMG-III, O/o PAG (Audit-II), MP, Bhopal
10. Shri Pareekshit, DAG/AMG-IV, O/o PAG (Audit-II), MP, Bhopal
11. Dr.Gunjan Shrivastava, External Member
12. Shri Rahul Naronha, External Member
13. Shri Praveen Kumar Sharma, External Member
14. Dr. Parshuram Tiwari, External Member
15. Ms. Vaishali Chaudhary, External Member
16. Shri Yogesh Kumar, External Member
17. Dr. Sakshi Bharadwaj, External Member

Sr. Audit Officer/APDAC

Annexure-A

Details of the participants of 7th State Audit Advisory Board Meeting held on 25 September 2025

Sl. No.	Name of the Officer	Designation
1.	Shri Vishal Bansal	Principal Accountant General (Audit-I)
2.	Shri Ram Hit	Principal Accountant General (Audit-II)
3.	Shri Sunil Kumar Sharma	Sr. DAG/AMG-II, O/o PAG (Audit-II), MP, Bhopal
4.	Shri Yashwant Kumar	DAG/AMG-IV, O/o PAG (Audit-I), MP, Gwalior
5.	Shri Sumit Kumar	DAG/AMG-II, O/o PAG (Audit-I), MP, Gwalior
6.	Shri Kevin Toms Skaria	DAG/AMG-I, O/o PAG (Audit-II), MP, Bhopal
7.	Shri Harjinder Kumar	DAG/AMG-III, O/o PAG (Audit-I), MP, Gwalior
8.	Shri M.P. Srivastav	DAG/AMG-I O/o PAG (Audit-I), MP, Gwalior
9.	Shri Suresh Kumar	DAG/AMG-III, O/o PAG (Audit-II), MP, Bhopal
10.	Shri Pareekshit	DAG/AMG-IV, O/o PAG (Audit-II), MP, Bhopal
11.	Dr.Gunjan Shrivastava	External Member
12.	Shri Rahul Naronha	External Member
13.	Praveen Kumar Sharma	External Member
14.	Dr. Parshuram Tiwari	External Member
15.	Ms. Vaishali Chaudhary	External Member
16.	Shri Yogesh Kumar	External Member
17.	Dr. Sakshi Bharadwaj	External Member

Sr. AO/APDAC