

CHAPTER-III

CIVIL DEPARTMENTS

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CHAPTER – III

CIVIL DEPARTMENTS

Section – A- Audit Review

Welfare of Scheduled Castes and Backward Classes Department

3.1 Liberation and Rehabilitation of Scavengers

Highlights

Management and implementation of Liberation and Rehabilitation of Scavengers Scheme, sought to liberate scavengers from the existing hereditary and inhuman occupation, was largely ineffective. Proper survey for identification of scavengers was not conducted. Several components of the scheme were fractionally implemented, while huge funds remained unutilized. Despite this, exaggerated projections for the future were made to the Government of India (GOI). Very small number of identified scavengers were rehabilitated. Adequate financial assistance was not provided to the beneficiaries and the level of awareness about the schemes was not raised. There was lack of co-ordination between departments and implementing agencies and resultantly various components of the scheme did not work harmoniously. Significant points noticed during audit were as under:

Rs 11.49 crore was the balance of grant in April 1997. Out of this only Rs 6.21 crore (54 per cent) was spent during 1997-2002. The unspent funds by March 2002 was Rs 5.28 crore. This was not surrendered to GOI nor permission to utilise the grants in subsequent years was obtained. Interest of Rs 4.03 crore earned on unspent balances was irregularly utilised on pay and allowances of staff and other office expenses.

(Paragraph 3.1.4(a))

Although grants of Rs 3.55 crore were lying with Haryana Scheduled Castes Finance and Development Corporation Limited (SCDC) as unspent in February 1997, further grants of Rs 7.97 crore were obtained during 1996-97 from GOI by sending inflated proposals.

(Paragraph 3.1.4(b))

Proper survey for identification of scavengers was not conducted in 1992 and the list had to be revised in 1995 and 1997.

(Paragraph 3.1.5)

Of the 32,227 untrained scavengers, only 1,589 (5 per cent) were imparted training. No training in Piggery and Dairy Farming was conducted, though 6,483 (53 per cent) out of the 12,279 beneficiaries had shown aptitude for these trades.

(Paragraph 3.1.6)

Against the target of rehabilitating 15,500 beneficiaries, only 6,327 (41 per cent) were rehabilitated, though 12,609 applications were received for financial assistance. Against the norm of Rs 50,000 assistance per scavenger, average assistance provided was Rs 20,985. No group projects were formed in the State for obtaining the financial assistance.

(Paragraph 3.1.7)

There was decreasing trend in recovery of margin money loan, which declined from 56 per cent in 1997-98 to 30 per cent in 2001-2002.

(Paragraph 3.1.8)

Loans of Rs 1.57 crore sanctioned for opening of 90 Sanitary Marts were not availed of and this scheme was not operated in the State.

(Paragraph 3.1.9)

There was lack of co-ordination between Urban Development Department, Welfare of Scheduled Castes and Backward Classes Department and SCDC. Conversion of dry latrines into water-borne flush latrines was not attempted by Urban Development Department.

(Paragraph 3.1.11)

3.1.1 Introduction

Government of India (GOI) launched the National Scheme for Liberation and Rehabilitation of Scavengers (NSLRS) and their dependents in 1980-81 as a Centrally sponsored scheme to liberate scavengers from the existing hereditary and inhuman occupation of manually removing night soil and filth and to provide for and engage them in alternative and dignified occupations. The

scheme was bifurcated in March 1992 and the component of conversion of dry latrines into water-borne flush latrines was entrusted to the Ministry of Urban and Rural Development while Rehabilitation of Scavengers was entrusted to the Ministry of Social Justice and Empowerment (Ministry). The scheme was modified from April 1996 with the following main components:

- (i) Time bound programme for identification through a survey of scavengers and their dependents and their aptitude for alternative trade.
- (ii) Training in identified trades for scavengers and their dependents keeping in view the local requirements at the local training institutions/centres of various departments of the State Government, Central Government and other Semi-Government and Non-Government Organisations.
- (iii) Rehabilitation of scavengers in various trades and occupations by providing subsidy, margin money loan and bank loan.

3.1.2 Organisational set up

Financial Commissioner and Secretary, Welfare of Scheduled Castes and Backward Classes Department (FCS) was the administrative head in the Government. The Director, Welfare of Scheduled Castes and Backward Classes was responsible for implementation of the policies, programme, etc. The Scheme was implemented through Haryana Harijan Kalyan Nigam Limited now renamed (July 2000) as Haryana Scheduled Castes Finance and Development Corporation Limited, Chandigarh (SCDC) through its District Managers in each district supported by field officers, etc.

3.1.3 Audit coverage

The implementation of the scheme for the period 1997-2002 was reviewed in audit during December 2001-January 2002, based on test-check of records of SCDC, Chandigarh and its 5¹ district offices. Of the total expenditure of Rs 13.73 crore and 36,362 scavengers/dependants identified in the State, Rs 5.06 crore (37 per cent) covering population of 12,279 scavengers (34 per cent) was covered in test-check.

3.1.4 Financial arrangement

- (a) The financial assistance for training of scavengers was to be provided wholly by GOI while assistance for rehabilitation of scavengers was to be shared between GOI, State Government/SCDC and nationalized banks. GOI

¹ Gurgaon, Hisar, Jind, Karnal and Yamunanagar.

released Rs 18.37 crore during 1992-97, of which Rs 6.88 crore was spent on training and subsidy during the period 1993-97 leaving an unspent balance of Rs 11.49 crore. No grant was released by GOI during 1997-2002. Against the unspent grant of Rs 11.49 crore, Rs 6.21 crore (54 per cent) was spent on training and subsidy for rehabilitation during 1997-2002, leaving unspent balance of Rs 5.28 crore as on 31 March 2002. Besides, Rs 2 crore was contributed by SCDC as margin money loan and Rs 5.51 crore by banks as loan on rehabilitation of scavengers.

Details of balances and contributions made by SCDC/banks and expenditure incurred during 1997-2002 were as under:

Year	Opening balance	Contribution made by		Funds available	Expenditure incurred on			Total	Closing Balance
		SCDC	Banks		Training	Subsidy	Margin money		
(Rupees in lakh)									
1997-1998	1,148.93	56.82	152.21	1,357.96	6.72	168.18	209.03	383.93	974.03
1998-1999	974.03	51.69	138.65	1,164.37	12.63	151.26	190.34	354.23	810.14
1999-2000	810.14	32.39	90.92	933.45	15.37	92.24	123.31	230.92	702.53
2000-2001	702.53	35.16	99.45	837.14	6.61	99.45	134.61	240.67	596.47
2001-2002	596.47	23.87	70.14	690.48	3.60	65.28	94.01	162.89	527.59
Total		199.93	551.37		44.93	576.41	751.30	1,372.64	

The funds remained unspent due to incorrect survey/identification of scavengers which resulted in lower targets for training and rehabilitation of scavengers, as discussed in the subsequent paragraphs.

Unspent funds not surrendered

Scrutiny revealed that neither the unspent balances were surrendered nor permission to utilise the same in the subsequent years was taken. Meanwhile, the Managing Director, SCDC invested the unspent amount in Fixed Deposit and earned interest of Rs 4.03 crore during 1997-2002 which was irregularly utilised by him towards pay and allowances and other office expenses.

Irregular utilisation of interest

Separate financial accounts for the scheme were not maintained/prepared by the SCDC, though required as per conditions of grant.

Non-submission of utilisation certificate

Audited accounts and utilisation certificates, though required, were not sent to GOI from 1997-98 onwards. Only monthly expenditure statements were sent.

Inflated proposal to GOI for obtaining higher grants

(b) Although an unspent balance of Rs 3.55 crore was lying as of February 1997, yet an inflated revised proposal for rehabilitating 9,000 scavengers was submitted (August 1996) by SCDC at the instance of the State Government to receive grant of Rs 9.34 crore. GOI released (February 1997) Rs 7.97 crore. Scrutiny of records revealed that MD, SCDC was aware of inflated proposal in the light of past experience. Even then the proposal was sent. Only 6,327 scavengers, at a cost of Rs 6.21 crore were rehabilitated.

3.1.5 Identification of scavengers

Scavengers not identified properly

A survey to identify scavengers within a time bound programme was the first step. Accordingly, Deputy Commissioners in the State, on the directions of FCS identified 18,438 scavengers/dependents comprising 7,771 families in June 1992 and the same was reported to the Ministry in March 1993. In another survey conducted in 1995 by SCDC at the instance of State Level Monitoring Committee (SLMC), 6,841 scavengers/dependents comprising 4,003 families were added to the previous survey list, which was also reported to the Ministry in February 1996. Meanwhile, a number of scavengers approached the field offices for financial assistance under NSLRS but their names were not found in the survey list. Subsequently, National Commission for *Safai Karamcharis* met (January 1997) the SLMC and it was decided to conduct another survey through a non-government agency so that proper identification was done. Identification was, however, carried out through the SCDC staff in view of heavy expenditure involved in getting the survey conducted through a non-government agency. Survey forms were filled up in the presence of Municipal Councillor in urban areas and *Sarpanch* of the village in rural areas and they duly verified. As a result of third survey conducted during 1996-97, 11,083 scavengers/dependants comprising 4,771 families were further added to the list, totalling to 36,362 scavengers and their dependants comprising 16,545 families.

Scrutiny of the records in test checked districts revealed that in three districts of Gurgaon, Jind and Yamunanagar survey was not carried out properly and 1,004 ineligible persons were identified as scavengers.

3.1.6 Training

The objective of the training was to create or upgrade skills for self-employment and to enable the scavengers and their dependents to take up other income generating occupations. Training was to be provided in various trades such as tailoring, embroidery, electric motor winding, knitting, handloom, auto repair, carpentry, typing, computer, electrical work, pot painting, TV/radio repair, etc. by designing special training schemes to meet the requirements of the beneficiaries. For this purpose, the department had to take full advantage of the existing training schemes run by Central/State Governments and non-government organisations.

Negligible number of scavengers imparted training

Under the scheme, all the scavengers and their dependents were to be rehabilitated by the end of 1996-97. However, out of 36,362 scavengers identified during 1992-97, training was imparted to only 4,135 scavengers (11 *per cent*) leaving 32,227 scavengers untrained. For the period 1997-2002, targets for the training in the Annual Action Plans and achievements

thereagainst were as under:

Year	Target	Achievement	Shortfall (percentage)
(Number of trainees)			
1997-98	3,000	375	2,625 (88)
1998-99	1,250	431	819 (66)
1999-2000	1,500	441	1,059 (71)
2000-2001	1,500	189	1,311 (87)
2001-2002	1,000	153	847 (85)
Total	8,250	1,589	6,661

Targets should have been so fixed to train all the eligible scavengers by the end of IX Five Year Plan for successful rehabilitation. However, out of 32,227 untrained scavengers in 1997-98, targets for training was 8,250 scavengers during 1997-2002, against which 1,589 scavengers were trained. Thus, only 5 per cent (out of 32,227) scavengers were imparted training in the last 5 years indicating clear mismatch between the programme of training and the scheme objectives. Even out of the inadequate target of 8,250 scavengers to be trained only 1,589 (19 per cent) were trained.

District Managers, SCDC in the test checked districts attributed the shortfall in achievement to lack of interest among scavengers to switch over to some other trades. However, element of counselling, guidance and motivating the target group to undergo training was found lacking.

It was further observed in the test-checked districts that:

(a) Out of 12,279 scavengers identified, only 286 were imparted training during the period 1997-2002, against the target of 3,068 to be trained and that 249 of them were trained in the trade of cutting and tailoring ignoring the facilities of the other training centres like Industrial Training Institutes, Training Centres of DRDAs and of Industries Department, etc.

Training in Piggery and Dairy farming was not imparted despite strong preference of scavengers for these trades

(b) 6,483 scavengers had opted for training in piggery and dairy farming out of 12,279 identified, but no training in these trades was imparted to them. FCS, Welfare of Scheduled Castes and Backward Classes Department had directed (January 1997) the implementing agency in the State to organise a short-term training about the care of animals through Animal Husbandry Department, but no action was taken as of March 2002. Further, MD, SCDC did not maintain any data regarding aptitude of the scavengers for planning training programmes in different trades/fields.

Tool -kits were not provided to trainees

(c) As per TRYSEM (Training for Rural Youth for Self Employment) norms adopted for training under the scheme, a tool- kit costing upto Rs 800 was required to be provided to each trainee but no tool-kits were provided to 286 trained personnel during 1997-2002, though funds were not a constraint. The District Managers, SCDC stated that no instructions had been received from their Headquarters' office to supply tool-kits to the trainees. Reply was not tenable, because, as per TRYSEM norms adopted for training, tool-kit was required to be provided to each trainee.

3.1.7 Rehabilitation

Low achievement in rehabilitation of scavengers

A beneficiary is considered to be successfully rehabilitated if he/she has taken up another income generating profession after leaving the job of scavenging with the help of loan under the scheme.

(a) Subsidy at 50 per cent of the cost of projects such as dairy farming, sheep rearing, piggery, etc. with maximum ceiling of Rs 10,000 was to be provided to the beneficiaries by GOI. The margin money for loans was to be shared between GOI and State Government in the ratio of 49:51 to the extent of 15 per cent of the project cost (viable within the ceiling of Rs 50,000) at 4 per cent rate of interest and the balance amount of the project cost was to be provided through bank loan.

Out of 36,362 scavengers identified, 9,231 scavengers were rehabilitated upto 1996-97 and 27,131 scavengers remained to be rehabilitated. For the period 1997-2002, the details were as under:

Year	Number of beneficiaries			
	Target	Number of cases received	Achievements	Shortfall with reference to target (Percentage)
1997-98	6,000	3,921	1,859	4,141 (69)
1998-99	2,500	3,057	1,660	840 (34)
1999-2000	3,000	2,325	1,049	1,951 (65)
2000-2001	2,000	2,025	1,069	931 (47)
2001-2002	2,000	1,281	690	1,310 (66)
Total	15,500	12,609	6,327	9,173

Though 27,131 scavengers remained to be rehabilitated, targets for rehabilitation was only for 15,500 scavengers. Reasons for low targets were not intimated by the MD, SCDC. 12,609 applications for loan were received and loans were disbursed to 6,327 applicants. District Managers, SCDC in the test checked districts replied that while some applications were rejected by banks on flimsy grounds, some others were rejected on the ground that applicants were defaulters in other schemes, etc. The co-ordination between nodal/lead bankers and SCDC, in the interest of rehabilitation of scavengers could have been better. In all, the percentage of rehabilitated scavengers (6,327) to total identified scavengers (27,131) was 23 during 1997-2002. Average percentage of shortfall against targets during 1997-2002 was 47 in Jind, 58 in Karnal and 72 in Yamunanagar district.

Low per capita assistance

(b) NSLRS envisages maximum per capita assistance of Rs 50,000 per scavenger. However, average assistance to 6,327 scavengers was Rs 20,985 only. In test checked districts District Managers, SCDC attributed the reason for low per capita assistance to small amount of loan sought by the scavengers. Target group being socially and economically backward required generating awareness about the scheme. SCDC paid no attention in generating such awareness among scavengers which could have helped in making NSLRS a success.

Group projects not formed

(c) Since the beneficiaries had very limited exposure to business and trade, the scheme required the implementing agency to encourage group projects.

However, no group project was formed. SCDC stated (January 2002) that scavengers/dependents were not interested in group loaning indicating failure to motivate the scavengers for group projects.

3.1.8 Recovery of margin money loan

Decreasing trend in recovery of margin money loan

Details of recovery of margin money loan from the beneficiaries in equated half yearly instalments (inclusive of interest) within a period of five years was as below:

Year	Margin money loan provided	Due for recovery (inclusive of interest)	Recovered (Percentage)
(Rupees in lakh)			
1997-98	56.82	29.35	16.36 (56)
1998-99	51.69	38.26	16.27 (43)
1999-2000	32.39	46.94	15.29 (33)
2000-2001	35.16	55.22	17.11 (31)
2001-2002	23.87	50.86	15.03 (30)
Total	199.93	220.63	80.06 (36)

Percentage of recovery decreased from 56 *per cent* in 1997-98 to 30 *per cent* in 2001-02. Test-check revealed that no follow up action was taken to recover the amount as arrear of land revenue (July 2002).

3.1.9 Non- opening of sanitary marts

Sanitary marts not opened

Sanitary marts were to be set up to create demand for sanitary latrines through information, education and communication, construction of water-borne flush latrines and supply of low cost equipment and material for their construction and maintenance. The basic strategy was to rehabilitate the scavengers by forming co-operatives to run the sanitary marts. National *Safai Karamcharis* Finance and Development Corporation sanctioned (November 2000) Rs 1.57 crore as loan to SCDC for opening 90 sanitary marts but the loan was not availed of and no sanitary mart was opened in the State.

On being pointed out, MD, SCDC stated (December 2001) that the Government found (September 2001) the scheme unviable as sanitary materials were available in the market at competitive rates. The reply of the Government was not tenable as purpose of opening of sanitary marts was for employing scavengers gainfully and improving the sanitary conditions in towns and villages, which was not achieved.

3.1.10 Follow up Action

SCDC was required to inspect the assets of rehabilitated scavengers to ensure that assets created were existing with them and generating the desired income.

SCDC checked the assets of 4,298 beneficiaries out of which assets with 681 beneficiaries (16 *per cent*) were not found intact. Action taken by the SCDC against the defaulters was not available on record (May 2002).

3.1.11 Co-ordination

Lack of co-ordination between departments for implementation of the scheme

(i) Scavengers can successfully be rehabilitated only when dry latrines on which they are employed are converted into water-borne flush latrines. Since this responsibility was entrusted to the Urban Development Department, co-ordination between the Urban Development and the SCDC was an integral part of the scheme. For this purpose, guidelines provided that at the time of selection of beneficiaries for training and rehabilitation, the implementing agency shall intimate the Municipal Committee/Municipal Council/Local Body regarding the colonies serviced by scavengers, who were given training and financial assistance to ensure simultaneous action on conversion of latrines. It was noticed that no such information was furnished by SCDC to the Local Bodies for parallel action.

(ii) Municipal Committees, Municipal Councils/Local Bodies were required to conduct a survey in July 2001 to collect detailed data, regarding number of dry latrines and the number of scavengers involved in manual cleaning of those dry latrines, for preparing time bound action plan for conversion of all dry latrines into water-borne flush latrines. No survey was conducted either by the Local Bodies or by the SCDC.

Non-conversion of dry latrines into water-borne flush latrines

(iii) Out of 92,980 dry latrines identified during 1991, Director, Urban Development converted 51,998 dry latrines (56 *per cent*) into water-borne flush latrines upto 1996-97 leaving 40,982 dry latrines unconverted. Director, Urban Development had not converted even a single dry latrine into water-borne flush latrine during 1997-2002. Such inaction was an impediment in successful implementation of the scheme.

Thus, the scheme lacked co-ordination between the departments, implementing agencies and local bodies affecting its successful implementation.

3.1.12 Publicity and awareness

Inadequate publicity and awareness of the scheme

National Commission for *Safai Karamcharis* in its reports for the period 1996-97 to 1997-98, and 1998-99 to 1999-2000 observed that level of awareness among the intended beneficiaries was very poor and it was impressed upon the District Collectors to organise conventions and conferences with the help of SCDC. No such conventions/conferences were held during 1997-2002. Further, no expenditure was incurred towards publicizing the scheme by way of advertisements, pamphlets, folders, posters, corner meetings/motivation camps, etc.

3.1.13 Monitoring and evaluation

Monitoring and evaluation of the scheme was inadequate

As per the scheme, State Level Monitoring Committee under the chairmanship of Chief Secretary and District Monitoring Committees under the chairmanship of District Collectors/District Magistrates/District Commissioners were required to meet once in three months for overall implementation and monitoring of the scheme. Scheme also provided for the formation of small committees for each town where the number of scavengers may be about hundred or more and *Mohalla* Committees where the number of scavengers and their dependents were more than hundred for helping in identification of scavengers and providing forum for discussion and initiating concrete action in the implementation of the programme.

The records revealed that State Level Monitoring Committee met 5 times, District Monitoring Committees in the districts of Gurgaon, Hisar, Jind, Karnal met once and no meeting was held in Yamunanagar during 1997-2002. No small committees or *Mohalla* committees were formed in these districts.

Evaluation of the scheme by the State Government or by any external agency had not been conducted (February 2002).

3.1.14 Conclusion

There was lack of interest towards scavengers and their rehabilitation resulting in lack of co-ordination between SCDC, Director, Urban Development, nodel banks and local bodies. Monitoring mechanism was not activated properly and little attention was paid towards providing adequate information to the target group. Targets set were on lower side. All these resulted in a tardy pace of progress in achieving the objective of liberating scavengers from the hereditary and inhuman occupation.

These points were referred to the Government in April 2002; reply had not been received (August 2002).

CHAPTER-III

SECTION – B **AUDIT PARAGRAPHS**

Section B - Audit Paragraphs

Development and Panchayat Department

3.2 Non-responsiveness to audit findings and observations resulting in erosion of accountability

A review of the Inspection Reports (IRs) revealed that the response of the department for submitting the replies was very poor and wherever submitted, these were incomplete as a result of which these could not be settled. Even the initial replies which were required to be received from the Head of Offices within six weeks from the date of issue had not been received (June 2002) in respect of 45 IRs issued between December 1998 and March 2002. The Secretary, Development and Panchayat Department, who was informed of the position through half yearly reports, also did not ensure that the concerned officers of the department take prompt action. As of June 2002, 646 paragraphs relating to 276 IRs involving Rs 24.78 crore remained outstanding from 116 offices. Of these, 73 IRs containing 111 paragraphs had not been settled for more than 10 years. Year-wise position of the outstanding IRs and paragraphs is given in *Appendix XI*.

The following serious irregularities commented upon in these IRs had not been settled as of June 2002:

Nature of irregularities	Number of paragraphs	Amount (Rs in crore)	Period
Non-obtaining/non-production of utilisation certificates in respect of grants sanctioned to the <i>Gram Panchayats</i> and wanting actual payees' receipts from firms/departments	89	11.77	June 1986 to December 2001
Non-recovery/short-recovery of unspent grant/loan/advance and non-refund of money/avoidable liability of interest	15	0.45	April 1981 to August 2000
Misutilisation/non-utilisation of scooter advance	8	0.03	February 1991 to January 2001
Non-production of records/ irregularity in TA bill/ register	27	0.04	May 1983 to November 2001
Excess/irregular/wasteful expenditure on salaries/LTC/TA/Daily wages and interim relief	150	2.36	February 1982 to February 2002
Non-condemnation of old unserviceable articles/ vehicles and non-disposals of condemned store articles/vehicles	37	0.05	February 1990 to December 2001
Irregular/unjustified/uneconomical and improper purchase/expenditure	41	0.32	September 1986 to January 2002
Irregular retention of Government money/loan/release of funds/blockade of funds and excess expenditure over budget	81	4.28	November 1984 to February 2002
Miscellaneous expenditure/cash book	198	5.48	May 1981 to February 2002
Total	646	24.78	

Despite these irregularities having been pointed out in audit, the inaction against the defaulting officers facilitated continuation of serious financial irregularities and loss to the Government.

**Finance Department
(Inspection of Treasuries)**

3.3 Overpayment of pensionary benefits

As per Punjab Treasury Rules and Financial Rules applicable to Haryana, Treasury Officers (TOs) were responsible for ensuring the correctness of the payments made with reference to the records maintained by them before incorporating the transactions in their accounts including pension payments. They were required to maintain a register in the prescribed *pro forma* for keeping a comprehensive record of pension payments and each entry of monthly payment registers was to be checked by the TO in token of having applied the required checks.

Inspection of 21 District Treasuries including sub-treasuries conducted by Principal Accountant General (A&E), Haryana, during 2001-02 revealed an overpayment of Rs 19.86 lakh of pensionary benefits to 139 pensioners/family pensioners due to failure on the part of TOs in observing rules/orders and their incorrect interpretation. Of this, overpayment of Rs 19.47 lakh was attributable to excess payment of pension/family pension/commutation pension in respect of 132 pensioners. Rs 0.39 lakh was attributable to excess payment of medical allowance and dearness allowance in respect of 7 pensioners.

The matter was referred to the Financial Commissioner and Principal Secretary, Finance Department in June 2002; reply had not been received (August 2002).

Health Department

3.4 Injudicious purchase of imported implants

Purchase of imported implants without framing any policy had resulted in injudicious expenditure of Rs 46.22 lakh

For the Orthopaedics Department of Pandit Bhagwat Dyal Sharma Post Graduate Institute of Medical Sciences, Rohtak (Institute), the Director and Medical Superintendent of the Institute purchased implants valuing Rs 46.79 lakh through Director, Supplies and Disposals (DS&D) during 1998-99. The supplies were received in the Institute during March-June 1999.

However, only one implant valuing Rs 0.57 lakh had been issued (October 1999) by the Orthopaedics Department to a poor and a needy patient free of cost so far. Remaining implants worth Rs 46.22 lakh were lying in stock for the last three years as no policy for use of these implants was framed by the Institute as of February 2001.

On being pointed out in audit (February 2001), the Director of the institute framed (March 2001) a policy and requested (May 2001) the State Government for according sanction for use of these implants on Government employees. The State Government agreed (December 2001) to the proposal and accorded (December 2001) the sanction to utilise the implants for Government servant till the implants are exhausted. Evidently, the sanction accorded in December 2001 by the Government was a *fait accompli* and none of the remaining implants had been utilised.

Thus, the purchase of imported implants during March–June 1999 without framing any policy by the State Government resulted in injudicious expenditure of Rs 46.22 lakh and these remain unutilised (August 2002).

The matter was referred to the Government (December 2001); reply had not been received (June 2002).

3.5 Delay in procurement of equipment for PGIMS, Rohtak

As a result of failure to observe financial rules in procurement of medical equipment, Rs 3.77 crore remained outside the Government account and resulted in loss of interest of Rs 15.17 lakh to Government besides undue financial aid to the bank

Scrutiny of records (November 2001) of the Director, Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences (PGIMS), Rohtak revealed that PGIMS was in need of two Blood Gas Analysers (BGAs) and a Multi Slice whole body CT Scanner. PGIMS requested the Director, Supplies and Disposals (DS&D) for procurement of BGAs in December 1998 and CT Scanner in January 2001. DS&D placed orders (March 1999) for supply of two BGAs at a cost of Rs 0.52 crore and CT Scanner at a cost of Rs 3.25² crore in March 2001 on a Delhi based firm with a condition to supply these equipment within 3 months from the date of opening of Letter of Credit (LOC), as the items involved were to be imported from Denmark and Germany respectively. The supply order for CT Scanner, *inter alia*, also provided that the firm was to prepare the site and construct building for its installation. In the case of BGAs, LOC could not be opened during 1998-99 and 1999-2000 due to paucity of funds and the Government was requested (January 2001) to accord the revised financial sanction.

Accordingly, the State Government sanctioned (March 2001) Rs 3.77 crore for the purchase of two BGAs (Rs 0.52 crore) and a CT Scanner (Rs 3.25 crore) from abroad. The Director, PGIMS withdrew the entire amount of Rs 3.77 crore from treasury in March 2001 to avoid lapse of budget grant and kept the same in the State Bank of India (SBI).

² Cost of equipment: Rs 3 crore, cost of building: Rs 0.25 crore.

For supply of two BGAs, the supplier firm demanded in March 2001 NMIC³, CDEC⁴ and authority letter to be provided by the PGIMS. Decision from the Government regarding issue of NMIC and CDEC were still awaited (June 2002) and hence LOC for BGA remains to be opened. In the light of prolonged delay, the matter was being reviewed afresh in consultation with DS&D regarding cancellation of order and depositing money into Government Treasury.

As regards the CT Scanner, the supplier constructed the building for installation and LOC was opened on 19 March 2002. The firm, however, informed (July 2002) that after conducting third party inspection, CT Scanner would be air lifted and installed as soon as the electric connection was provided to the new building meant for CT Scanner.

Thus, due to delay in arranging the NMIC, CDEC, power supply, etc., the supplier could not supply the equipment and the entire money of Rs 3.77 crore had remained outside the Government accounts for more than a year. This was in contravention of the financial rules, which prohibit drawal of funds in advance without requirement. This also resulted in loss of interest of Rs 15.17 lakh upto June 2002 (interest at the borrowing rates of 12 *per cent*: Rs 56.55 lakh less interest earned: Rs 41.38 lakh) to the Government besides undue financial aid to the bank.

The matter was referred to the Government in January 2002; reply had not been received (August 2002).

**Home Department
(Director General of Police)**

3.6 Infertuous expenditure on idle constable drivers

Expenditure of Rs 1.15 crore incurred on pay and allowances of constable drivers rendered infertuous

Under Modernisation of State Police, a Centrally sponsored scheme, the State Government, sanctioned (July 1989) 116 temporary posts of constable drivers for 52⁵ vehicles @ 2 drivers for each vehicle and including leave reserves.

Scrutiny of records (September 2001) of Superintendent of Police (SP) Telecommunication, Haryana, revealed that as against 52 vehicles only 15-19 vehicles were on road during April 2000 to March 2002 for which 101 to 108 constable drivers were on rolls. As per the norms, the department had 67 to 77 constable drivers without vehicles. Resultantly, the department had to incur

³ NMIC : Non-manufacturing items certificate.

⁴ CDEC : Customs duty exemption certificate.

⁵ Jeeps: 19, Motor Cycles: 29, Gypsy: 1, Mini Bus: 1, Car: 1 and Truck: 1.

Rs 1.15 crore on their pay and allowances without any productive work during April 2000 to March 2002. In addition, other benefits like TA, LTA, MCA, LTC, uniform allowance, OT were also paid to them.

SP, Telecommunication stated (January 2002) that as soon as the replacement vehicles were received, the constable drivers would be put to work. Till then they would be performing the duty of couriers. The reply was not found tenable as no post of courier existed in the department. Moreover, the department had not taken any action either to adjust these constable drivers elsewhere or to abolish the temporary posts in the absence of vehicles.

Thus, the expenditure of Rs 1.15 crore incurred on pay and allowances of these constable drivers during April 2000 to March 2002 was infructuous.

The matter was referred to the Government in January/May 2002; reply had not been received (August 2002).

Small Savings Department

3.7 Misutilisation of incentive/award money

Misutilisation of incentive/award money amounting to Rs 1.30 crore on items not covered under Promotion of Small Savings

For the promotion of small savings in the State, the Director, Small Savings, Haryana releases *ad hoc* incentive/award money to the Deputy Commissioners (DCs) every year. This scheme is in vogue since 1981-82. As per instructions (October 1989) these incentive/award money was to be spent on publicity campaigns, cultural functions, office automation machines, sports and games, welfare of Government employees, etc.

Test-check of records (October 2000 to March 2002) of Small Savings accounts maintained by 19 DCs revealed that Rs 1.30 crore of the award money for the period April 1998 to March 2002 was spent on the items not

covered under the aforesaid instructions as detailed below:

Rupees in lakh

Name of DC Office	Period of transaction	Incentive/ award money sanctioned	Purchase of furniture	Purchase of mobile/pager/ EPABX/ Telephone Bills	Purchase of AC/Generator/Invertor /Refrigerator	Purchase and repair of vehicles	Other ⁶ items	Total amount diverted
Ambala	August 1998 to March 2002	44.32	0.34	0.95	0.02	1.21	4.85	7.37
Bhiwani	May 1998 to March 2002	31.26	2.37	2.19	0.97	1.15	6.48	13.16
Faridabad	April 1999 to March 2002	42.70	1.80	5.86	0.30	3.32	4.52	15.80
Fatehabad	April 1998 to March 2002	20.44	1.55	0.57	0.74	-	3.60	6.46
Gurgaon	April 1998 to March 2002	33.14	0.49	3.16	1.29	0.29	7.02	12.25
Hisar	March 1999 to March 2002	24.02	0.80	0.41	0.24	0.05	2.44	3.94
Jhajjar	April 1998 to March 2002	20.60	0.76	0.83	1.56	0.33	1.35	4.83
Jind	July 1998 to March 2002	25.12	2.89	0.36	-	0.37	6.38	10.00
Kaithal	April 1998 to March 2002	19.48	1.18	-	0.39	1.73	2.23	5.53
Karnal	July 1999 to March 2002	33.22	0.36	0.56	0.39	0.06	1.94	3.31
Kurukshetra	December 1999 to March 2002	18.84	0.40	0.06	0.25	0.10	0.29	1.10
Narnaul	April 1998 to March 2002	20.94	-	0.25	-	1.45	1.37	3.07
Panchkula	August 1998 to March 2002	25.00	0.24	0.17	0.17	-	1.33	1.91
Panipat	April 1998 to March 2002	23.76	3.98	1.23	1.12	0.85	2.20	9.38
Rewari	January 2000 to March 2002	17.04	0.43	0.06	-	0.20	0.16	0.85
Rohtak	May 1999 to March 2002	30.00	2.41	0.75	0.26	0.39	9.19	13.00
Sirsa	August 1999 to March 2002	20.12	0.50	0.21	-	0.01	1.53	2.25
Sonipat	February 2000 to March 2002	18.82	1.45	0.19	1.78	0.62	1.30	5.34
Yamunanagar	February 1999 to March 2002	28.82	2.18	2.05	0.47	3.09	3.00	10.79
	Total	497.64	24.13	19.86	9.95	15.22	61.18	130.34

This resulted in misutilisation of incentive/award money of Rs 1.30 crore.

DC, Panchkula admitted the facts and stated (February 2002) that the funds were utilised for smooth running of the newly created district while DCs at Bhiwani, Jhajjar, Kaithal and Sonipat stated (January 2002 – July 2002) that these items were purchased to have better co-ordination with agents/field functionaries and for smooth working of the offices. The replies of the DCs were not tenable as the expenditure incurred on the purchase/repair of

⁶ Other items include expenditure on repair/renovation/white washing of DC residence, Independence/Republic Day celebrations, State Assembly/Lok Sabha elections, computer fair, purchase of typewriters, dinner sets/crockery/electrical goods, stationery, payment of electricity bills, etc.

vehicles, mobile phones/pagers/payment of telephone bills, furniture, air conditioners, etc. were not covered under the defined objectives of the scheme.

The matter was referred to the Government in January 2002; their reply had not been received (August 2002).

Sports Department

3.8 Unfruitful expenditure

Due to paucity of funds, expenditure of Rs 70 lakh incurred on the construction of indoor stadium was rendered unfruitful

Government of India (GOI), Ministry of Youth Affairs and Sports sanctioned a project "Construction of Sports complex at Faridabad" at an estimated cost of Rs 4.15 crore revised to Rs 8.43 crore on 50:50 sharing basis between GOI and the State Government, with an overall limit of Rs 2 crore by the GOI. The remaining funds were to be arranged through local resources. Under the project, Rs 5.37 crore had been spent upto 2001-02 against the releases of Rs 5.52 crore (Rs 1.90 crore by GOI, Rs 2.87 crore by the State Government and Rs 0.75 crore arranged through local resources) and the work valuing Rs 3.06 crore was yet to be executed.

Test-check of records (September 2001) of District Sports and Youth Welfare Officer (DSYWO), Faridabad revealed that the Deputy Commissioner-cum-President, District Sports Council, Faridabad had allotted (March 1995) the work of construction of Indoor Stadium (including public health and electrical services) as one of the component of the proposed Sports Complex in Sector-12, Faridabad to an agency at a cost of Rs 2.80 crore with the condition to complete the work by 3 October 1996.

The agency took up the work on 4 April 1995. After constructing the basement at a cost of Rs 70 lakh, the agency left (August 1996) the work incomplete due to delay in providing detailed working drawings, cement, steel and irregular monthly payments. Deputy Director, Sports, approached Haryana Urban Development Authority (HUDA), for providing assistance of Rs 2 crore for the completion of the indoor stadium. Though, the Chief Administrator, HUDA assured (January 2000) to provide Rs 2 crore, no funds were received from HUDA for which no reasons were on record. Thus the expenditure of Rs 70 lakh incurred on the construction of indoor stadium was rendered unfruitful and no further progress had been made in the last six years.

DSYWO, Faridabad, while admitting the facts, stated (December 2001) that the work was stopped due to paucity of funds. Thus, the indoor stadium in the Sports Complex remained incomplete and neither the State Government nor the local resources had come forward to complete the partially constructed indoor stadium.

The matter was referred to the Government in February 2002; reply had not been received (August 2002).

Town and Country Planning Department

3.9 Non-recovery of service charges

Assurance given by Town and Country Planning Department to PAC to recover service charges due from HUDA was not honoured and State Government was deprived of Rs 6.93 crore till December 1996

Under the Haryana Development and Regulation of Urban Areas Act 1975, Haryana Urban Development Authority (HUDA) being a colonizer was liable to deposit service charges with the Department of Town and Country Planning (TCP) at the rate of Re one per square metre (sqm) (revised to Rs 10 from December 1996) of the plotted area developed by it as residential, commercial or industrial (excluding the areas used by public for general purposes) colony.

Test-check of records of the Director, TCP in January 2001 and January 2002 revealed that neither HUDA deposited the service charges since inception (1977) nor the TCP had raised any demand till August 1997. TCP raised (September 1997) a demand of Rs 4.30 crore as service charges due upto 31 December 1991. Service charges due from 1 January 1992 onwards had not been worked out. However, on the basis of information available with TCP, audit worked out Rs 6.93 crore as service charges due upto 31 December 1996 but HUDA had not deposited any amount on this account with TCP as of December 2001. Records also indicated that TCP pursued the matter with HUDA in a causal manner.

The Director, TCP, while admitting the facts also stated (January 2002) that service charges due from HUDA from January 1997 onwards could not be worked out for want of information from the field offices.

Thus, due to failure of TCP in pursuing the recovery of service charges due from HUDA the State Government had been deprived of the revenue of over Rs 6.93 crore (upto December 1996). This was despite the fact that the Commissioner and Secretary of TCP and Urban Development Department was the same officer and HUDA had sufficient funds with them.

A mention of this issue was made in paragraph 3.13 of Report (Civil) of the Comptroller and Auditor General of India – Government of Haryana, for the year ended 31 March 1990 and the department assured the PAC in the meeting held on 18 July 1994 that the matter would be pursued with HUDA for recovery of service charges after reconciliation of plotted area with HUDA but the assurance to PAC had not been honoured as of February 2002. TCP had also not worked out the service charges due for the years 1997-2002

The matter was referred to the Government in January 2002; reply had not been received (July 2002).

General

3.10 Misappropriations, defalcations, etc.

Cases of misappropriations, defalcations, etc. of Government money reported to Audit upto the end of March 2002 on which final action was pending at the end of June 2002 were as under:

	Number	Amount (Rupees in lakh)
Cases reported up to the end of March 2001 and outstanding as on 30 June 2001	272	130.55
Cases reported between April 2001 and March 2002	18	24.40
Total	290	154.95
Cases disposed of between July 2001 and June 2002	12	5.35
Cases outstanding as on 30 June 2002	278	149.60

The department-wise/year-wise break-up of the cases in which final action was pending at the end of June 2002 is given in *Appendix XII*.

Of these pending cases, 140 cases (Rs 43.62 lakh) and 39 cases (Rs 20.83 lakh) were under departmental and police investigation respectively, 30 cases (Rs 55.96 lakh) were pending in the courts, 54 cases (Rs 19.93 lakh) were sent to Government for write off and in 15 cases (Rs 9.26 lakh) full recovery had not been made as of June 2002.

The department-wise details in respect of cases relating to theft, misappropriation/loss of Government material and fire/accident at the end of June 2002 were as under:-

Name of the Department	Theft cases		Misappropriation/loss to Government material		Fire/Accident	
	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)
Agriculture	3	0.84	-	-	-	-
Animal Husbandry	4	3.74	4	0.91	1	-
Education	19	11.52	11	7.12	-	-
Fisheries	-	-	1	0.23	1	2.28
Food and Supplies	1	0.02	-	-	4	6.25
Forest	6	5.92	1	0.40	16	11.36
Irrigation	65	8.08	29	10.45	7	-
Labour and Employment	3	0.45	-	-	-	-
Medical and Health	3	1.60	2	4.07	2	11.92
Mines and Geology	-	-	-	-	1	1.44
Panchayat	1	1.28	-	-	-	-

Name of the Department	Theft cases		Misappropriation/loss to Government material		Fire/Accident	
	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)
Police	-	-	-	-	1	0.72
Public Health (PH)	29	5.09	8	1.20	2	0.66
Public Relations	-	-	-	-	1	0.08
Public Works (PW) (B&R)	10	1.82	12	4.44	-	-
Revenue	-	-	1	9.28	-	-
Social Welfare	-	-	1	0.26	1	-
Technical Education	4	1.60	1	11.38	1	0.29
Transport	8	14.75	8	5.12	5	3.03
Total	156	56.71	79	54.86	43	38.03

The concerned departments need to pursue these cases more vigorously for early recovery of dues from delinquent officials.

3.11(a) Follow-up on Audit Reports

According to the instructions issued (October 1995) by the Finance Department and reiterated in March 1997 and July 2001, the Administrative Departments were to initiate, *suo-motu* positive and concrete action on all Audit paragraphs and reviews featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether the cases are taken up for examination by the Public Accounts Committee or not. They were also to furnish detailed notes, duly vetted by audit indicating the corrective/ remedial action taken or proposed to be taken by them within three months of the presentation of the ARs to the Legislature.

A review of the position regarding receipt of Action Taken Notes (ATNs) on the paragraphs included in the ARs upto the period ending 31 March 2001 revealed that the ARs for the period 1997-2001 were presented to State Legislature in November 1999, September 2000, March 2001 and March 2002, respectively. Of the 174 paragraphs/reviews of 35 Administrative Departments included in ARs of 1997-2001, 23 Administrative Departments had not submitted the remedial/corrective ATNs on 83 paragraphs / reviews as per details given in the *Appendix XIII*.

3.11 (b) Response of the departments to Draft Audit Paragraphs

Draft Paragraphs and Reviews are always forwarded to the Secretaries of the concerned Administrative Departments through demi-official letters drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the departments are invariably indicated at the end of each paragraph included in the Audit Reports. Finance Department also issued directions on 5 January 1982 to all

Administrative Departments to send their response to the Draft Audit Paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks.

For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2002, no reply had been received in respect of all the 33 audit paragraphs and three reviews as of August 2002.