

Chapter – III: Civil Departments

Section-A-Reviews

Finance Department

3.1 Security Related Expenditure

Review of Security Related Expenditure revealed absence of proper control mechanism, inadequate co-ordination, poor monitoring, over-statement of expenditure, diversion and misuse of funds in the concerned departments.

Highlights

- The State Government has not devised any accounting procedure to ensure correct and separately identifiable accounting of Security Related Expenditure (SRE), even though this special category expenditure is in vogue for the last eleven years. The veracity of departmental figures on SRE could not, therefore, be attested in audit. This is fraught with the risk of non-SRE getting reimbursed erroneously on one hand and reimbursement of genuine SRE getting delayed on the other.
- In audit test-check, covering 8 per cent of total SRE during 1996-01, there was evidence of over-statement of expenditure of about Rs 42 crore.
- Audit test-check also revealed instances of misutilisation and diversion of funds of more than Rs 42 crore. Even funds kept in Civil Deposits were treated as final expenditure.
- The Estates Department incurred 57 per cent expenditure on civil works under SRE in Jammu city and 43 per cent in Srinagar, even though the latter had a more difficult security profile. Audit test-check revealed that substantial portion of this expenditure was inadmissible as SRE.
- The Police Department had not maintained proper SRE records. There were also instances of lack of co-ordination between line and administrative departments which resulted in irregular, excess and avoidable payment of rent of buildings hired for accommodating Security Forces totalling over Rs 12 crore during May 1990 to December 1999.
- Director General of Police had not lifted arms and ammunition for which payments (Rs 1.59 crore) were made in 1995-96 and 1999-2000.

Introduction

3.1.1 The outbreak of militancy in Kashmir valley in the year 1989-90 and cross border terrorism during the following years in the State resulted in deterioration of security scenario and additional burden of Security Related Expenditure (SRE) on the State Government. In order to enable the State Government to tackle and combat militancy effectively and to overcome financial constraints, the Central Government released security related grant-in-aid to the State Government in lump sum on *ad hoc* basis up to June 1994. However, during 1994-95 certain specific items were identified by the Central Government for reimbursement and SRE reimbursement was put on a firm footing.

3.1.2 SRE parameters review committee under the chairmanship of Additional Secretary (Expenditure), Government of India with representatives from various Central ministries, paramilitary forces and State Government as members, was constituted (May 1998) for processing the item-wise and norm-wise reimbursement of SRE. The Committee recommended norms for reimbursement of expenditure for 25 security related activities from April 1999 which included 15 items identified during 1994-95. The recommendations were accepted (May 1999) by the Central Government with minor modifications. The important/major items of SRE were carriage of constabulary, security related civil works, rent of buildings hired for accommodating security forces, purchase of arms and ammunition, vehicles, material and supplies.

Organisational set-up

3.1.3 Security related activities were undertaken mainly by Home, Revenue and General Administration departments through respective directorates (Police, Jails, Estates and Relief Commissioner) at provincial/State level and through district level officers and line departments at the district and tehsil level. The Finance Department was the nodal agency for monitoring and controlling the SRE. Central Government constituted (February 1999) a committee under the chairmanship of Special Secretary, Ministry of Home Affairs for monitoring releases, maintenance of accounts and considering/approving proposals and matters relating to reimbursement of the SRE.

Audit coverage

3.1.4 Security related expenditure incurred on “Relief and Rehabilitation of Kashmir Migrants” was reviewed in audit during July-September 2000 and comments included at paragraph 3.5 of the Report of Comptroller and Auditor General of India (J&K Government) for the year ended March 2000. Out of SRE of Rs 1414.71 crore, expenditure of Rs 110.57 crore (8 *per cent*) incurred by the departments of Prisons (Rs 10.85 crore: 48 *per cent* of Rs 22.56 crore), Estates (Rs 7.65 crore: 9 *per cent* of Rs 87.36 crore), Revenue (Rs 31.74 crore:

9 per cent of Rs 364.98 crore) and Police (Rs 60.33 crore: 6 per cent of Rs 939.81 crore) during the period 1996-01 was reviewed during December 2000 to May 2001. Records of Director Accounts and Treasuries, Directors General of Police, Prisons, Deputy Commissioners: Jammu, Udhampur, Kathua and 34^α field officers in Jammu, Udhampur, Kathua and Srinagar districts for the period 1996-97 to 2000-01 were test-checked. The results are brought out in the succeeding paragraphs.

Review of expenditure and its reimbursement

3.1.5 The position of SRE incurred as per records of the State Government and reimbursement made thereagainst by the Central Government during the years 1996-97 to 2000-01 was as follows:

(Table No. 3.1)

(Rupees in crore)

Year	Expenditure reported by State Government	Reimbursement* of SRE by Central Government.			Total
		Normal	Addl.* for elections	Special* Action Plan	
1996-97	151.99	141.96	93.03	-	234.99
1997-98	249.52	139.51	15.20	-	154.71
1998-99	303.40	221.47	5.19	38.00	264.66
1999-2000	376.45	236.76	20.45	61.49	318.70
2000-01	343.68	272.60	15.00	33.84	321.44
Total	1425.04	1012.30	148.87	133.33	1294.50

Rush of expenditure

3.1.6 Contrary to the financial rules and instructions regarding spreading of expenditure evenly during a year, percentage of expenditure incurred in March under a large number of object heads in Police (1997-98 to 2000-01), Estates (1998-99 and 2000-01) and Prisons Department (2000-01) ranged between 21 and 100 as detailed in *Appendix-9*.

Incorrect reporting of expenditure

3.1.7 Audit found that a proper accounting system for booking the SRE separately and distinctly in the accounts for its proper identification and obtaining reimbursement had not been devised by the State Government. The

^α Sr. Superintendents of Police: Srinagar, Jammu, Kathua, Udhampur, CID (Cell) New Delhi, Crime and Railways-Jammu, Security-Jammu, Transport Workshop, CID(CIK) Jammu, DIGs: Jammu, Srinagar, IGP: Kashmir, Security, Crime and Railways; Director Police Academy Udhampur; Additional Director General (Armed); Ex. Engineers: Police Construction Division, Estates Division, Jammu/Srinagar; Director Estates, Deputy Director Estates, Jammu; Custodian, Evacuee Property-Jammu, Executive Director Rehabilitation Council, Central Jail-Jammu, Sub-Jail, Kot Balwal; Tehsildars: Akhnoor, Hiranagar, Chenani, RS Pora; Camp Commandants: Khour, Bomal, Nainwalla; Chief Engineers: EMRE and PWD, Jammu.

♦ Includes reimbursement of Rs 50.27 crore pertaining to the period prior to 1996-97

ε Represents funds released for holding of elections to Lok Sabha, State Legislature and Panchayats

φ Funds under Special Action Plan were released by Government of India in advance

departments did not book the expenditure under the minor head opened specifically for the purpose under the major head 2055-Police. Consequently, SRE actually incurred by various departments was not distinctly identifiable in the records. The expenditure reported in progress reports was worked out on *ad hoc* basis. Test-check of paid vouchers and subsidiary records maintained by the drawing and disbursing officers concerned revealed that SRE was inflated and overstated in the reimbursement claims submitted to Central Government as follows:

(Table No. 3.2)

(Rs in crore)

Department	Component	Period	Actual expenditure	Expenditure reported	Excess reimbursement made by Central Government	
Estates	Security related civil works	1996-97	1.06	3.59	2.53	
		1997-98	1.45	10.09	8.64	
		1998-99	2.93	8.76	5.83	
		1999-2000	2.00	10.60	8.60	
		2000-01	4.37	12.60	-*	
	Total		11.81	45.64	25.60	
Jail	Expenditure on detainees	1996-97	0.99	1.90	0.91	
		1997-98	0.84	1.98	1.14	
		1998-99	0.45	1.77	1.32	
		Diet of prisoners	1999-2000	0.22	0.33	0.11
		Total		2.50	5.98	3.48
Revenue	Cross border firing	1999-2000	-	0.28	0.28	
		Border migrants	1999-2000	15.66	19.61	3.95
			and 2000-01			
	Total		15.66	19.89	4.23	
Police	Arms and ammunition	1998-99	1.73	10.00	8.27	
		Total	1.73	10.00	8.27	
		Grand Total		31.70	81.51	41.58

3.1.8 Audit scrutiny further revealed that in the Estates Department, the expenditure was inflated mainly due to booking of expenditure on routine estate works including their maintenance as SRE. Similarly, in Jails Department, the entire expenditure incurred on under-trials and convicts during the years 1996-97 to 1998-99 (for which detailed records had been maintained), was booked under SRE. An amount of Rs 4.23 crore drawn by the Revenue Department during 1999-01 and lying in bank accounts (Rs 3.98 crore)/ unutilised (Rs 0.25 crore) with Power Development Department as of May 2001, was projected as expenditure.

3.1.9 Incorrect reporting of expenditure, besides leading to excess reimbursement of Rs 41.58 crore by Central Government, affected adversely the credibility of SRE accounts. The Central Government, while finalising the reimbursement claim for the year 1998-99, had also observed (May 1999) that SRE under various activities was being wrongly reported and advised the State Government to rationalise the maintenance of SRE accounts and its

* For the year 2000-01 Rs 2.05 crore only had been reimbursed as of March 2001

reporting to Central Government. No action was, however, taken upto May 2001.

Misutilisation and diversion of funds

3.1.10 Out of the test-checked expenditure of Rs 71.18 crore incurred by Police and Prisons departments during 1996-97 to 2000-01, Rs 42.38 crore (60 per cent) were misutilised on items and activities which were outside the scope of the SRE. The misutilised amount included Rs 2.32 crore spent on extravagant and ostentatious purchases like wall to wall carpets, colour television sets, geysers, air-conditioners, refrigerators, costly fixtures, etc. The details of the misuse/diversion of funds are as follows:-

(Table No. 3.3)

Department	Component	Period	Amount diverted/misutilised (Rupees in crore)	Purpose
Prisons	Jail security works	1997-98	0.05	Construction of VVIP suite at Police Training Academy, Udhampur
	-do-	1996-97 to 1999-2000	3.30	Painting/electric works, construction of staff quarters and office accommodation, purchase of machinery and equipment including computerised recording system, EPABX, etc.
	Expenditure on detenues	1997-98 to 1999-2000	0.18	Purchase of air conditioners, invertors, computers, photocopiers, generator sets
Police	Election related SRE	1997-98	0.26	Purchase of wall to wall carpets, furnishings, refrigerator, colour TVs, furniture, electric appliances, etc.
		1999-2000	0.40	
	Panchayat election	2000-01	3.04	Construction and repairs/renovation of residential quarters, barracks, police stations, brick masonry, walling, wall to wall carpets, furnishings, bedding material, printing/ photographic material, advance payments to Telecommunication Department and IOC for POL, etc.
	Security works	1997-98 to 2000-01	4.42	Construction and repairs/renovation of residential quarters, painting works, expenditure on GOs mess, acquisition of land, installation of air-conditioners, furniture/ fixtures and pagers
	Parliament election	1999-2000	0.15	Clearance of past liabilities (February 1998 to March 1999) of telephone Department, purchase of POL for the period January 2000 to March 2000 after conduct of elections and supplementing normal Travel Expenses grants
	Material and supplies	1997-98 to 2000-01	30.58	Purchase of uniforms, air-conditioners, refrigerators, colour TVs, wall to wall carpets, electric appliances, furniture, photographic/ printing material, office expenses and repairs of police station buildings, etc.
Total		-	42.38	

Irregular and inadmissible expenditure on civil works in Estates Department

3.1.11 The Estates Department was entrusted with the responsibility of execution of security related civil works in Government offices and residences of officers, politicians, etc. in Jammu and Srinagar cities. Against Rs 11.94 crore released to the Director Estates during 1996-97 to 2000-01, expenditure of Rs 11.81 crore was incurred during the period. Of this, Rs 5.04 crore (43

per cent) only were utilised on works in Srinagar and Rs.6.77 crore (57 per cent) were spent in Jammu which had relatively safer security environment. Further, the nature of security related civil works to be executed had not been identified. No norms had also been laid in this regard.

3.1.12 Test-check of works costing Rs 7.65 crore (out of total expenditure of Rs 11.81 crore) executed during 1996-2001, revealed that Rs 1.59 crore (21 per cent*) were spent on buildings allotted to Ministers, senior Government Officers, Journalists, ex-MLAs/MLCs as also in the private residences including evacuee property houses rented out by Custodian General to private individuals which were not connected with security needs. A sampling of works stated below would show that the expenditure cannot be deemed as security related:

(Table No. 3.4)

					(Rs in crore)
Renovation / providing and fixing of glazed tiles/marble flooring	Construction of additional rooms/floor in existing accommodations	Renovation of kitchens, bathrooms, fixing of wooden wardrobes and other wood works	Sanitary works, providing geysers and painting, etc.	Electric fittings, re-wiring and providing geysers, generator, etc.	Jaffery [▲] and other ornamental works
0.24	0.77	0.18	0.17	0.10	0.13

3.1.13 In the third meeting of SRE standing committee held on 4 January 2000, the Central Government officers brought complaints regarding misutilisation of funds on renovation/repairs of private buildings to the notice of State Government with a specific mention about the residence of Advocate General at Jammu. The State Government was directed to investigate the matter and take stern action against those found guilty. No action was, however, taken in this regard though an amount of Rs 10.09 lakh had been spent by Estates Department on renovation of private residence[§] of the Advocate General.

Works executed without adequate planning

3.1.14 The works were to be executed only after getting the annual works programme approved by the SRE standing committee at the beginning of each financial year. Annual works programme was, however, not prepared. Prioritisation of works was also not done on any rational basis such as perception of heightened security threat, etc. Contrary to the established procedure of obtaining administrative approval, technical sanction and inviting tenders for execution of works, the Executive Engineer, Estates Division, Jammu had executed all works on hand receipts. This was irregular as only works of emergent nature could be executed under this procedure. Further, these works (cost ranging between Rs 0.50 lakh and Rs 9 lakh) were

* 51 per cent in case of test-checked works in Jammu city and 6 per cent in case of Srinagar city

▲ Ornamental wood work

§ Evacuee property No: 1187

split-up irregularly by the executing officers to avoid obtaining of administrative approval and technical sanction from higher authorities.

Irregular, avoidable and extra expenditure on hiring of Hotels, Guest houses, Cinemas, etc.

3.1.15 The Security Forces (SFs) deployed in the State for combating militancy, utilised initially vacant available accommodation viz. migrant houses, office buildings, hotels and closed cinema halls, etc. Subsequently, accommodation was provided to them in consultation with local police for which the Deputy Inspectors General of Police, Kashmir and Jammu ranges, functioned as the co-ordinating agencies. The rent was fixed by District Level Rent Assessment Committee (RAC) where assessed rent did not exceed Rs 10000 per month and by State Rent Assessment Committee (SRAC) where rent exceeded Rs 10000 per month. The recommendations of the RAC were forwarded to Director General Police (DGP) for processing and obtaining sanction of the Government (Home Department). The number of hotels and other buildings under occupation of security forces as on 15 December 2000 was as under:

(Table No. 3.5)

Division	Hotels	Private accommodation	Number of cases where rent assessed/sanctioned		No. of cases under process	
	(a)	(b)	(a)	(b)	(a)	(b)
Jammu	-	404	-	221	-	183
Kashmir	53	995	53	715	-	280
Total	53	1399	53	936	-	463

3.1.16 Updated position and age-wise break up of cases under process as of March 2001 had not been maintained. Audit scrutiny of the records relating to hiring of hotels, guest houses, etc. revealed many irregularities and suspect deals, illustrated as follows:

Avoidable financial burden

3.1.17 DGP recommended (March 1991) rate structure of the proposed rent for various categories of buildings occupied by SFs. The Home Department advised (March 1991) the DGP and District Development Commissioners heading the RACs that the rates proposed for hotels were on higher side and directed them to reconsider the same in view of the fact that hotels were lying vacant, prone to vandalism and exposed to security risk, their occupation by SFs provided them security. The DGP, however, without taking cognizance of these factors and also the expected year-round occupancy of the hired hotels by SFs and obtaining the sanction from the Government, fixed (20 August 1991) the rent of various types of accommodation which, *inter alia*, included rate of Rs 200 per day/room for 2 star category hotels. Based on its assessment that the rates fixed were high, the State Government revised (21 August 1991) rent of 2 star category hotels to Rs 125 per day/room. The hoteliers, however, approached (August 1991) the High Court with prayer for payment of rent as

per orders of DGP dated 20 August 1991. The case was not contested by the department and while deciding the case ex-parte in favour of the hoteliers the court observed that “none of the three law officers of the State Government available in the court appeared for the State though the matter involved high stakes for the Government”. Thus, poor co-ordination in the Home Department and its failure to contest the case in the court resulted in payment of rent at higher rates and consequential avoidable financial burden of Rs 5.16 crore in 8 test-checked cases during the period May 1990 to March 1999. Incidentally, these hoteliers agreed (between June 1994 and March 1999) to let out these hotels at a still lower rate of Rs 70 per day/room when threatened with de-hiring by the department.

Excess/irregular payments

3.1.18 The Home Department, had not maintained at any level consolidated records indicating the particulars of hired buildings viz., location, period of hiring, rent paid from time to time, outstanding balances at the close of year, etc. Due to non-maintenance of proper records, non-adherence to the procedure for sanctioning rent and poor co-ordination led to excess/irregular payment of Rs 7.31 crore in 12 out of 20 test-checked cases discussed in succeeding paragraphs.

Hotel New Parks

3.1.19 The hotel was initially occupied by SFs on 11 May 1990, vacated on 30 June 1993 and again hired from 1 July 1994. While making payment to the hotelier, rent for the period from July 1993 to May 1994 was also paid. This resulted in excess payment of Rs 53.05 lakh. Further, an on-account payment of Rs 9 lakh made to the hotelier in December 1992 was not adjusted while settling subsequent dues leading to overall excess payment of Rs 62.05 lakh.

Hotel Duke

3.1.20 The hotel was occupied by SFs on 12 May 1990 at the rate of Rs 200 per day/room, vacated from 5 May 1994 and re-occupied from 4 June 1994 at the rate of Rs 70 per day/room. Payment of rent for the vacated period from 6 May 1994 to 3 June 1994 was, however, made resulting in excess payment of Rs 1.50 lakh. A further excess payment of Rs 3.97 lakh made towards rent for five halls and 55 rooms at the rate of Rs 1280 per day and Rs 70 per day/room during the period 1 July 1999 to 30 September 1999 and from 1 September 1994 to 31 December 1994 respectively was noticed in audit due to incorrect calculation, making total excess payment of Rs 5.47 lakh to the said hotel.

Metro Hotel and Hotel Ikhwan

3.1.21 The two hotels were occupied by SFs from March 1991 to June 1992 and from 29 May 1990 to 23 June 1992 respectively at a rent of Rs 200 per

day/room. These hotels were re-occupied from 4 November 1995 onwards and 3 November 1995 to 20 February 1996 respectively at the negotiated rate of Rs 70 per day/room. The negotiated rate was subject to the execution of a proper agreement with the hotel owners, which was, however, not done. The hotel owners approached (August 1991 and May 1994) the court for payment of rent at the rate of Rs 200 per day/room in pursuance of PHQ order of 20 August 1991 which was allowed (October 1991 and May 1994) by the court. This resulted in extra expenditure and undue benefit of Rs 2.51 crore (Metro: Rs 1.62 crore; Ikhwan: Rs 0.89 crore) to the hoteliers up to March 1999. In March 1999, when the hoteliers were informed about de-hiring they agreed to let out the hotels at a rent of Rs 70 per day/room with effect from 1 April 1999 for which an agreement was subsequently executed.

3.1.22 DIG Police, Kashmir also made an excess payment of Rs 5.87[₹] lakh to the two hotels for the periods 30 June 1992 to 7 July 1992 and 21 February 1996 to 7 April 1996, for which the hotels were not under occupation of the SFs.

Hotel Athena

3.1.23 The hotel remained under occupation from 19 May 1990 to 23 June 1992 at a rent of Rs 200 per day/room. The hotel owner, however, claimed (July 1995) rent from June 1992 to May 1994 also as the hotel was reportedly under occupation of SFs. DIG, Border Security Force to whom the matter was referred, denied the occupation of hotel by any of his units and informed the Police Department that only a guard had been posted there for surveillance/security purpose. The SSP, Srinagar also in his verification report stated that a unit of BSF had posted a guard on top of the hotel and the guard formation was using the gallery and dining hall for sleeping. The Home Department, ignoring these facts, sanctioned rent of Rs 125 per day/room for all the 34 rooms of the hotel in addition to rent of Re 1 per 24 sft for the area of 4 corridors, dining room, kitchen and reception of the hotel and made a total payment of Rs 46.42 lakh for the period September 1992 to May 1994 direct to the hotelier in December 1997. Besides the fact that payment was irregular, the Government order sanctioning rent was defective as in the event of occupation of entire accommodation of hotel i.e. all rooms, no separate rent was payable for common utility space viz. kitchen, dining hall, corridors, store room and reception. Amount of excess rent paid on this account could not be worked out in audit in absence of details of the area.

3.1.24 The hotel was re-occupied by SFs from June 1994 at the negotiated rent of Rs 70 per day/room. The hotelier, however, managed to get the rent figure of Rs 125 per day/room recorded in the agreement (copy of agreement available in PHQ was not signed by the concerned functionary) and refused to accept the payment at lower rate. He approached the court for payment of rent at higher rates as per agreement which was granted. This led to an extra

[₹] Metro hotel: Rs 1.40 lakh; Ikhwan hotel: Rs 4.47 lakh

expenditure of Rs 41.55 lakh upto June 2000. In July 2000, the department decided to vacate the premises and shift the SFs to another place. On this, the hotel owner approached the department and agreed (August 2000) to rent out the hotel at Rs 70 per day/room with effect from August 2000.

Victory Carpets, Khanyar, Srinagar

3.1.25 The carpet factory was occupied by SFs in November 1990 and the RAC assessed the rent of the premises at Rs 1783 per month up to March 1991 and Rs 4886 per month thereafter. The owner of the premises, however, claimed rent of Rs 10000 per month which was sanctioned (July 1993) retrospectively by the Home Department without any specific recommendation from PHQ. In July 1995, the owner asked for enhancement of rent to Rs 30000 per month on the plea that SFs had occupied another piece of his land measuring 2738 sft and general increase in prices as also the production loss, etc. SSP, Srinagar in his verification report (March 1996) informed the PHQ that no separate piece of land was occupied by SFs and that the premises already under their occupation since 1990 was being used. The owner, also failed to identify (March 1996) the piece of land for which he claimed higher rent. Deputy Commissioner, Srinagar informed (July 1996) the Government that no additional rent could be recommended by RAC. Without any recommendation from PHQ or RAC, the Home Department, however, sanctioned (April 2000) enhancement of rent to Rs 30000 per month retrospectively from November 1990 even though the owner had asked for enhancement only from July 1995. This resulted in undue benefit to the owner and extra avoidable financial burden of Rs 11.20 lakh on the State exchequer from November 1990 to June 1995.

Soura group of industries

3.1.26 Rent at the rate of Rs 70 per day/room for nine rooms of a building at Bategam, Kupwara occupied by SFs in November 1989 was sanctioned (September 1996) by the Home Department. The building was reportedly categorised as B-category Hotel but no registration certificate of the Tourism Department was on record or furnished to Home Department which had called for the same. In June 1998, additional rent of Re 1 per 24 sft per day was sanctioned in favour of the owners for 5 *kanals* of land appurtenant to the hotel. Following some doubts felt (October 1998) by Superintendent of Police about the genuineness of the occupancy certificate received in this case, an inspection of the site by DIG Police, Baramulla, revealed (June 1999) that one single storey guest house comprising one room, two bathrooms, a gallery and verandah was under the occupation of SFs from October 1989 to June 1999 apart from a chowkidar hut comprising three rooms which had been occupied from September 1996 to October 1998. A team of officers comprising Principal Secretaries, Industries and Commerce and Home Department, IG BSF, IGP Kashmir and DIG Police, Range Baramulla, visited (July 2000) the

site, and stated that additional[@] accommodation had also remained under the occupation of SFs from 1 November 1999 to 20 March 2000. Meanwhile, payment of Rs 46.23 lakh (Rs 25.91 lakh direct by Home Department and Rs 20.32 lakh by DIG Police, Kashmir) was made to the owner up to June 2000. The details regarding number of rooms occupied and period of occupation were not on record as a result of which excess payments made could not be worked out in audit.

Shah Cinema

3.1.27 The cinema complex was occupied partially by the SFs from 22 May 1990 to May 1994 and fully thereafter. Rent to the owner at the rate of Rs 20 per day/room for 26 rooms and Re 1 per 24 sft of dormitory area was sanctioned (August 1991) by the Home Department. It was, however, seen in audit that payment was actually made by DIG, Srinagar at the rate of Rs 4 per 24 sft. of dormitory area which resulted in irregular/excess payment of Rs 1.35 crore ending January 2001. It was also observed that further excess payment of Rs 4.48 lakh had been made on account of rent for 26 rooms between May 1990 and May 1994 against 4 to 23 rooms actually occupied during this period.

Shiraz cinema

3.1.28 Security forces occupied the cinema complex on 6 November 1991 at the rate of Rs 20 per day/room and Re 1 per 24 sft of dormitory accommodation sanctioned by the Home Department. The cinema owner demanded payment of rent at the rate of Rs 4 per sft for the dormitory area on the analogy of rates applied to Shah cinema. The payment of rent was accordingly made by DIG, Srinagar which resulted in irregular payment of Rs 53.83 lakh up to November 2000. It was seen in audit that rent for 93024 sft land appurtenant to the cinema complex was also paid on the plea of the owner, of having no access to the area. Similarly, rent was also paid for main hall and balcony of cinema even though it was not occupied by SFs because of chairs installed therein. Payment of rent for open land was, however, stopped in February 2000 pending receipt of the report of Revenue Department about its title and use to which it was put.

Tagore Hall

3.1.29 The theatre, owned by Jammu and Kashmir Academy of Art, Culture and Languages was occupied by the SFs from January 1990. Against rent of Rs 18157 per month assessed by the RAC, the Home Department sanctioned (May 1998) rent of Rs 20000 per month. The 28 BN of CRPF which took over the theatre in April 1997, informed the State Police that the theatre was not

[@] A double storey building consisting of six rooms and one shed, three rooms on the right-side of the entrance of the complex and three rooms (chowkidar hut) on the left side of the entrance

occupied by them for residential purpose and that only external security in the form of two guards was provided in view of importance of the building. Notwithstanding this, the Home Department released (May 1998) Rs 18 lakh and the DIG Police, Kashmir released (August 1999) Rs 4 lakh. This resulted in irregular payment of Rs 6.20 lakh for the period from January 1990 to August 1999 to the Academy.

Kohlees Guest House, Durga Nag

3.1.30 On the request of the owner of the building, the State Police took over its possession on 24 August 1991 for use as its Gazetted police officer's (GO's) mess. The RAC assessed its rent at Rs 13800 per month. The owner requested (May 1992) for enhancement of rent to Rs 45000 per month on the basis of rent paid by the department to "A class Hotels". The then DGP had observed (November 1992) that rent increase was not possible and payment be made only as per assessment already done. Despite the fact that accommodation was not registered as "A Class Hotel" by the Tourism Department, successor DGP recommended (July 1995) payment of rent at Rs 45000 which was sanctioned by the Government in October 1996 without getting the rent re-assessed from the RAC. This led to an extra expenditure and undue benefit of Rs 35.88 lakh to the owner as of March 2001. The possibility of the building being occupied and used by its owner could not be ruled out as audit scrutiny disclosed that the department was already having a building (rented from Custodian, Evacuee Property) for GO's mess at Shivpora on which an amount of Rs 35 lakh had been spent for renovation/improvements during 1997-98 to 2000-01. The rent of both the buildings at Shivpora (Rs 23 lakh) and Durga Nag (Rs 35.88 lakh) for the period ending March 2000 was debited to SRE which was also irregular as payment of rent for buildings only occupied by SFs was to be paid out of SRE.

Madhuban Building

3.1.31 Police Station Nishat, which already had building of its own, occupied an adjacent building in November 1990 on the verbal request of the owner conveyed through DGP. The RAC assessed the rent of the building at Rs 1537.65 per month which was revised (July 1992) to Rs 1922 by Home Department. On the request of the owner for enhancement of rent, the case was again sent to RAC which refixed (December 1995) the rent at Rs 5400 per month. The re-assessed rent purportedly included rent of Rs 2900 for the land around the building and prime location charges of Rs 600. Despite reservations expressed by DIG, PHQ about the reasonability of the re-assessed rent, the Home Department sanctioned revised rent of Rs 5000 per month for the building. The building was purportedly used by the Police Station and rent of Rs 3.05 lakh paid for the same up to February 1996, was debited to SRE which was irregular. Details of further payment, if any, made beyond February 1996 were not made available.

Avian Poultry Farming Co-operative, Haripore, Kangan

3.1.32 The poultry complex was occupied partially by SFs from 17 August 1991 to 25 June 1993 and fully thereafter up to 14 July 1993. The Home Department sanctioned (April 1992) an *ad hoc* rent of Rs 15000 per month for the complex subject to its assessment by competent authority. The RAC assessed (December 1992) the rent at Rs 1555 per month for three blocks of the unit. The BSF authorities informed (July 1993) the State Police that the building was no longer required by them for residential purposes and only a Section strength had been deployed there for security/protection of the building to avoid damage by militants. It was further stated that land of 8* *kanals* around the complex was never occupied by the BSF. PHQ informed the Government in October 1994 about non-occupation of building by the BSF for residential purposes and consequent unjustified payment of rent of Rs 15000 per month. Despite this, rent for the entire complex was refixed (April 1997) by the Home Department at Rs 10455 per month. An on account payment of Rs 8.70 lakh had been made to the owner in March 1992 (Rs 1.80 lakh) and March 1998 (Rs 6.90 lakh). The amount of excess payment, if any, made could not be ascertained in absence of details of period for which rent was paid and present status of occupation, etc.

Funds for alternate accommodation unutilised

3.1.33 The Central Government had advised (January 1999) the State Government to make efforts to vacate expensive hotels which would in due course of time be required for meeting the expected rush of tourists. It also released (March 1999) an amount of Rs 2 crore for construction of alternate accommodation viz. 17 pre-fabricated barracks with kitchens etc. The amount was, however, belatedly released to Police Housing Corporation only in October 2000 where it was lying unutilised. The instructions of the Government (September 1997) for preparing a phased programme for vacation of expensive accommodation had also not been implemented. Cost of unutilised funds was Rs 60 lakh.

Poor implementation of Civic Action Programme

3.1.34 Central Government released funds to the State Government under Civic Action Programme. The aim of the programme was to enable the SFs to meet the felt needs of the people living in remote and border areas and bridge the gap between them and the local population. Activities identified for the programme included holding of medical/maternity camps, sports meets, cultural activities, providing toilet facilities to villagers, improvement of roads, culverts, organising youth clubs, etc. Central Government released Rs 5.50 crore to the State Government during the years 1998-2000 who in turn

* 8 kanals=1 acre

released Rs 6.17 crore to IG, CRPF (Rs 1 crore), IG, BSF (Rs 3.11 crore) and DG, J&K Police (Rs 2.06 crore) during 1999-2000 and 2000-01.

3.1.35 The funds released to DGP, J&K were credited during June 1999 (Rs 39 lakh), September 1999 (Rs 36 lakh), February 2000 (Rs 75 lakh) and December 2000 (Rs 56 lakh) to his official bank account out of which Rs 47.60 lakh only had been released to 9 subordinate offices as of March 2001. The remaining amount of Rs 1.58 crore was lying unutilised and locked up in the current bank account as of March 2001. Due to this, funds for participative security arrangements were not put to end use. Cost of funds kept outside the Government account was Rs 25.16 lakh. Detailed adjustment account/utilisation certificates from CRPF, BSF and 2 officers of State Police for the advances (Rs 0.06 crore) made to them were also awaited (June 2001).

Non-lifting of arms and ammunition

3.1.36 An amount of Rs 141.05 crore was released by the Central Government for procurement of arms and ammunition under SRE (including Special Action Plan) during the years from 1996-97 to 2000-01.

3.1.37 Information furnished by DGP revealed that against an authorisation of 114738 weapons, the actual holding was 59920 as on January 2001. There was a shortfall of 48 *per cent* in meeting the projected requirement of arms. Test-check revealed that arms and ammunition for Rs 1.59 crore had not been lifted as of March 2001 even though payment was made to the concerned manufacturers in 1995-96 (Rs 0.63 crore) and 1999-2000 (Rs 0.96 crore). Cost of blocked investment was Rs 61.65 lakh.

Expenditure on civil work in Prisons Department not susceptible to verification

3.1.38 Central Government reimbursed expenditure incurred by Prisons Department on jail security works and on maintenance of detenues. During the period 1996-97 to 1999-2000 reimbursement of expenditure of Rs 8.93 crore incurred on Jail security works was made by the Central Government. The works were got executed through a number of agencies viz. State Public Works Department (Rs 4.74 crore), Jammu and Kashmir Projects Construction Corporation (Rs 2.42 crore), Police Housing Corporation (Rs 1.27 crore), Power Development Department (Rs 43.42 lakh) and Public Health Engineering Department (Rs 6.77 lakh).

3.1.39 Records of Director General, Prisons and two Jails at Jammu and Kot Bhalwal revealed that neither annual works programme had been prepared nor prioritisation of works vis-a-vis urgent civil security works etc. had been done. Progress reports or detailed accounts from the executing agencies had also not been obtained. Consequently, status of works completed, works in progress, etc. was not available with the department. In absence of records indicating

the date of start, date of completion, administrative approvals and sanctioned estimates, etc., no control against time and cost over-runs, etc. had been exercised. In absence of physical progress of the works and the supporting records/details to substantiate actual execution of works, veracity of expenditure of Rs 8.93 crore incurred by the department and accrual of the intended benefits could not be verified in audit.

Awaited detailed accounts

3.1.40 The Government placed an amount of Rs 20.20 crore at the disposal of Divisional Commissioner, Jammu during the period July 1999 to March 2001 for setting-up of camps, payment of cash assistance, etc. against which an expenditure of Rs 19.61 crore was incurred as of March 2001. Detailed adjustment accounts for Rs 1.44 crore advanced by District Development Commissioner/Dy. Commissioner Jammu/Kathua to Public Health Engineering Department, Power Development Department and M/S Sulabh International for providing different services in camps had not been obtained and furnished to the Accountant General as of March 2001. The Deputy Commissioners, Tehsildars and Camp Commandants had also not rendered adjustment accounts/utilisation certificates for Rs 13.62 crore advanced to them for disbursement of cash assistance etc. Further, reconciliation of bank accounts operated by Deputy Commissioners and Tehsildars had not been conducted at any time since the start of the programme. Bank pass books were not made available to audit except by Tehsildar Akhnoor which revealed a variation of Rs 12.68 lakh (as of March 2001) between the balances in cash and pass books. Camp Commandants of test-checked camps had not maintained any cash books.

3.1.41 The above points were referred to the Government/Department in August 2001; reply had not been received (September 2001).

Health and Medical Education Department

3.2 Prevention and Control of Diseases

The main objective of the programme of prevention and control of diseases remained largely unfulfilled due to inadequate planning, lack of infrastructural facilities and non-monitoring /evaluation of the programme.

Highlights

- The Central Government released Rs 11 crore only against allocation of Rs 14 crore due to poor utilisation of funds by the Government/societies during the period 1996-01. This deprived the State of Central assistance of over Rs 3 crore.
- STD* clinics, Blood banks and Zonal Blood Testing Centres lacked HIV† testing facilities exposing people to the risk of AIDS. Percentage of blood samples of voluntary donors screened for HIV ranged between 46 and 62 only.
- Identification of high risk groups such as sex workers, truck-drivers, etc. had not been done for counselling and investigation. Workshops/training courses for NGOs and high risk groups were also not held.
- Follow up action by way of monitoring and counselling of HIV positive cases was not taken in any of the 637 cases.
- The number of leprosy cases rose from 465 (1996-97) to 897 (2000-01). Re-constructive surgery including activities for permanent rehabilitation of leprosy patients, was not undertaken.
- Percentage shortfall in cataract operations targetted during 1997-01 ranged between 4 and 33. Rupees 13 lakh meant for IEC# activities were diverted for payment of salaries.
- District Tuberculosis Centres had been established in only 10 out of 14 districts. Trained para-medical staff for tuberculosis control programme was not available for varied periods.
- Treatment of tuberculosis was completed in cases ranging between 13 and 18 per cent only. The number of death cases increased from 55 (1996-97) to 216 (2000-01).
- The programme was neither monitored nor evaluated.

* Sexually Transmitted Diseases

† Human Immuno Deficiency Virus

Information, Education and Communication

Introduction

3.2.1 With a view to containing the magnitude of the disease causing major health problems, the Central Government started various Centrally sponsored schemes under a common heading “Prevention and Control of Diseases”.

3.2.2 National AIDS* Control Programme (NACP) was launched in the State in September 1992 with the objective of prevention and control of the disease. AIDS is a fatal disease caused by HIV and is not curable.

3.2.3 National Leprosy Control Programme launched in 1962-63 was re-designated as National Leprosy Eradication Programme (NLEP) in 1982. The objective of the programme was to achieve elimination of leprosy by 2000 AD by reducing the leprosy cases to less than 1 per 10000 population.

3.2.4 National Programme for Control of Blindness (NPCB) was launched in the State during 1977-78 with the aim of reducing blindness from 1.4 to 0.3 *per cent* by 2000 AD by providing better eye care facilities and various ophthalmic services in district hospitals, medical colleges and mobile eye units.

3.2.5 National Tuberculosis Control Programme (NTCP) was introduced in the State during 1964 with the objective of detecting TB patients and treating them effectively to control the disease. A revised strategy (RNTCP) was evolved (1993-94) by Central Government with emphasis on cure of infectious cases through administration of directly observed short course of chemotherapy.

3.2.6 While NACP, NLEP and NPCB are financed wholly by the Central Government, RNTCP is funded on 50:50 shareable basis between Central and State Governments.

Organisational set-up

3.2.7 National AIDS Control Programme was implemented in the State by the State AIDS Cell (SAC) upto March 1999 and thereafter by the Jammu and Kashmir AIDS Prevention and Control Society (SACS).

3.2.8 National Leprosy Control Programme was implemented up to September 2000 through District Leprosy Societies under the control of District Leprosy Officers and thereafter through District Nucleus Centres at the district/block level.

3.2.9 National Programme for Control of Blindness is implemented through District Blindness Control Societies (DBCS) and Chief Medical Officers at the district level who function under District Development Commissioners (DDCs).

* Acquired Immuno Deficiency Syndrome

3.2.10 National Tuberculosis Control Programme is implemented in the State by Chief Medical Officers, District Tuberculosis Officers and 2 District Tuberculosis Societies.

3.2.11 The programmes are implemented under the overall supervision of Directors of Health Services (Jammu and Kashmir) at the Divisional level and Principal Secretary, Health and Medical Education at the State level.

Audit coverage

3.2.12 Implementation of the programme for the period from 1996-97 to 2000-01 was reviewed in audit between October 2000 and April 2001 by test-check^φ of records of AIDS Control Cell/Society, Principals of two Government Medical Colleges (Srinagar/Jammu), Sher-i-Kashmir Institute of Medical Sciences (SKIMS), 2^φ Zonal and 4^{*} District Leprosy Officers, 4[&] out of 14 District Blindness Control Societies, 4 District Tuberculosis Centres and 6[♦] Sub-District Hospitals (SDHs)/PHCs besides, Directorates of Health Services (Jammu/Kashmir) and Principal Secretary, Health and Medical Education Department.

Allocation and Expenditure

3.2.13 The position of funds allocated and actually released by the Central/State Governments and expenditure thereagainst, as per departmental records, during the period 1996-97 to 2000-01 is detailed in *Appendix-10*.

3.2.14 Against allocation of Rs 14.09 crore for the programme by Central Government, the actual releases were Rs 10.71 crore (76 per cent) only due to poor utilisation of funds by the State Government/societies, non-remission of utilisation certificates and audited statement of accounts by them for the periods 1994-2001 (AIDS) and 1989-2001 (NPCB). There was unspent balance of Rs 2.65 crore at the end of March 2001, an increase of 20 per cent over April 1996. This deprived the State of the Central assistance to the tune of Rs 3.38 crore. Consolidated records of materials supplied to the State by National[≠] AIDS Control Organisation (NACO) as commodity grant were not maintained at any level. Following further points were noticed:

(a) Out of Rs 148.25 lakh released by Central Government under NPCB during the period 1997-98 to 2000-01, Rs 35.73 lakh (Rs 14.53 lakh: tribal area; Rs 21.20 lakh: SCP for SCs) were released to implementing agencies by State Government without ensuring their utilisation on targetted groups.

^φ 38 per cent of total expenditure of Rs 11.43 crore

^φ Srinagar and Jammu

^{*} Jammu, Kathua, Udhampur and Srinagar

[&] Jammu, Kathua, Udhampur and Srinagar

[♦] Bishnah, Akhnoor, Hiranagar, Parole, Katra and Chenani

[≠] Apex level organisation executing the programme at National level

(b) Similarly, out of Rs 57.50 lakh released during 1997-98 to 2000-01 for implementation of 5^{*} schemes, Rs 38.57 lakh were diverted for payment of salaries and purchase of computer/fax machine, and Rs 13.15 lakh were not released to implementing agencies. Further, out of Rs 8 lakh provided by Central Government only Rs 0.43 lakh were advanced (March 2001) to Government Press, Jammu for printing of Blind Registers which had not been received resulting in non-maintenance of data-base of at-risk (above 50 years age) blind persons at district level.

(c) Medical College, Jammu advanced (March 1997) Rs 5 lakh to a firm for supply of ophthalmic equipment. The equipment had not been received (August 2001). Cost of the blocked investment was Rs 0.30 lakh.

(d) Rupees 11.10 lakh were allocated as commodity grant to State Government under the programme during 1997-98. Consolidated details of the commodities received and their utilisation were not maintained at any level.

National AIDS Control Programme

Inadequate intervention for groups at high risk

3.2.15 The programme aims to reduce the spread of HIV in high risk groups by identifying target population, providing counselling, promoting use of condoms and treatment of Sexually Transmitted Disease (STD) patients. For achieving these objectives, baseline data on HIV prevalence in known groups of higher risk etc. was to be prepared and STD prevention and care facilities strengthened and upgraded. Further, key medical and para medical personnel were to be trained in STD care management, availability/supply of diagnostic equipment to the STD clinics ensured and awareness on sexually transmitted diseases generated through Information, Education and Communication (IEC).

3.2.16 Test-check of the records of 6th out of 10 STD clinics revealed that in two STD clinics (Government Medical Colleges: Srinagar and Jammu) no separate records of STD patients out of total 4.32 lakh OPD patients who received treatment during 1996-2001 had been maintained. Nine patients had tested positive at these centres during this period. In the remaining 4 STD clinics, out of 26612 STD patients, smears of 819 (3 *per cent*) patients had been referred (1996-97 to 2000-01) to Government Medical College (GMC) Hospital, Jammu for testing. The results of these tests were neither followed up nor monitored. The STD clinics lacked HIV testing facilities and also essential clinical diagnostic equipment^Δ required for STD management. Rupees 1.90 lakh (8 *per cent*) only were utilised on purchase of condoms by Jammu and Kashmir AIDS Prevention and Control Society and Director Health Services, Jammu against the allocation of Rs 25.05 lakh during the

* IEC: Rs 18 lakh; maintenance of ophthalmic equipment: Rs1 lakh, renovation of ophthalmic operation theatres: Rs 22 lakh, trainings: Rs 8.50 lakh and Printing of Blind Registers: Rs 8 lakh

th Udampur, Ramnagar, Reasi, Gandhi Nagar Hospital, SMHS Hospital, Srinagar and SMGS Hospital, Jammu

^Δ Dark Field Microscope, Binocular Microscope, VDRL Rotator, Refrigerator, Autoclaves, etc.

period 1996-97 to 2000-01. Identification of high risk groups such as sex-workers, truck drivers, Injectable Drug Users was also not done for counselling and investigation, etc. Workshops/training courses were also not conducted for the benefit of NGOs and high risk groups.

Inadequate safety at blood banks

3.2.17 For ensuring that blood banks do not become a source of AIDS infection, their upgradation and achieving quality standards for testing blood was envisaged through training of blood bank staff and supplying equipment, chemicals and reagents. During the period 1996-97 to 1999-2000 expenditure of Rs 21.07 lakh only (58 *per cent*), was incurred by the blood banks against allocation of Rs 36.17 lakh on purchase of consumables. No expenditure was incurred during 2000-01, though Rs 50.72 lakh had been allocated/released for blood safety measures.

3.2.18 Out of 14 blood banks, 13 banks had reportedly been modernised as of March 2001. However, consolidated records indicating the number of blood banks having HIV testing facilities were not available. Test-check of 4 modernised blood banks (Kathua, Udhampur, GMC, Jammu and SMHS, Srinagar) revealed that these blood banks lacked requisite facilities and equipment viz. testing kits, air-conditioners, autoclave, distilled water plant, etc. In District Hospital Kathua, while Elisa Reader for HIV testing was not available, the same with two air-conditioners valuing Rs 4.11 lakh was lying idle since December 1999 in Gandhi Nagar Hospital, Jammu which did not have any blood bank facility.

3.2.19 The percentage of blood samples of voluntary donors screened for HIV ranged between 46 and 62 during the years 1996-97 to 2000-01 in 7[♦] test-checked blood banks. Out of 1.81 lakh units collected in these blood banks, 0.92^{*} lakh samples (51 *per cent*) only were screened for HIV. Of these, 198 samples/cases had tested HIV positive. Shortfall in screening of blood samples for HIV was attributed (1998) by the blood banks to non-availability of sufficient number of testing kits and shortage of technical staff.

3.2.20 Voluntary testing centres for training of grass-root level workers in HIV/AIDS counselling and for providing counselling services were not set-up in any district (April 2001). Two Zonal Blood Testing Centres (ZBTCs) set-up in GMC Hospital, Jammu and SMHS Hospital, Srinagar were defunct as only a few tests were carried out in these centres during 1996-97 to 2000-01. Blood Component Separation Facility (BCSF) set-up in GMC Hospital, Jammu during 1997-98 was also non-functional due to non-release of funds by the State Government. State AIDS Prevention and Control Society (SACS) admitted (April 2001) that the activity had not been taken up fully in the State.

♦ Blood Banks at Government Medical College and Associated Hospital, Jammu; District Hospital, Kathua; District Hospital: Udhampur; SMHS Hospital, Srinagar; Lal Ded Hospital, Srinagar; Bone and Joint Hospital, Srinagar; SKIMS, Soura, Srinagar

* Excludes SKIMS, Soura (Srinagar) for which information was not available

Inadequate sentinel surveillance

3.2.21 With a view to tracking the progression of HIV/AIDS epidemic in the State and strengthening institutional capability at State level for monitoring the progress made towards containing the disease and also planning programme intervention, sentinel surveillance and HIV point prevalence survey at selected sites was to be undertaken. Two such surveillance centres at SKIMS,[‡] Srinagar and GMC Hospital, Jammu were set-up in August 1991 and February 1993 respectively for providing testing and counselling facilities for diagnosis of clinically suspected AIDS cases on voluntary basis. The results of sentinel surveillance tests and point prevalence surveys conducted by the two centres during 1996-97 to 2000-01 were as under:

(Table No. 3.6)

Year	No. of tests carried out	Cases found HIV positive
1996-97	1192	23
1997-98	1016	41
1998-99	4399	69
1999-2000	3093	105
2000-01	5407	71
Total	15107	309

3.2.22 Surveillance and point prevalence surveys for detection of HIV positive cases at selected sites had been carried out mainly for STD patients. Norms for coverage of high risk groups like truck-drivers, jail inmates, drug addicts, etc. for screening and detection of HIV positive cases had not been fixed by the department. It was seen that only 775 jail inmates during 1998-99, 402 truck-drivers during 2000-01 and 822 pilgrims were screened during 1998-99 and 2000-01. It was also seen that of the 2755 TB patients screened for HIV in Chest Diseases Hospital, Jammu (1996-97 to 1999-2000), 121 (4 per cent) tested HIV positive.

Non-follow up of HIV positive cases

3.2.23 Follow up action by way of counselling and monitoring of HIV positive cases and testing their family members, as possible carriers of HIV, was not taken in any of 637 cases found positive during blood screening at Blood Banks (198), STD clinics (9) blood testing/sentinel surveillance centres (309) and TB patients (121) reportedly due to reluctance of infected persons to come forward for clinical follow up.

Inadequate IEC* activities

3.2.24 Against Rs 35.84 lakh released by the State Government during 1996-01 for IEC activities, only Rs 21.34 lakh (60 per cent) were utilised on holding of 2 seminars, 2 workshops, 24 awareness campaigns on World AIDS/World

[‡] Sher-i-Kashmir Institute of Medical Sciences, Soura (Srinagar)

* Information, Education and Communication

Health Days/Health Mela and Sensitisation Programme (one each) during the period. No region-wise/tehsil-wise targets had been fixed under this component by SAC/SACS. IEC committee constituted (March 2000) by the Government for formulating IEC strategy, had not met even once upto March 2001 though it was required to meet on monthly basis.

National Leprosy Control Programme

Untrained and inadequate manpower

3.2.25 Test-check revealed that 37 posts out of sanctioned strength of 277 posts were vacant as on 31 March 2001. These included 21 posts of Para-Medical Workers (PMWs) whose services were essential for surveillance. The shortage of staff adversely affected implementation of the programme. Further, 100 personnel mostly medical officers (18 Nos) and PMWs (41 Nos) which constituted 42 per cent of the total effective strength, were not trained in Leprosy Control Measures. Besides, contractual staff (6 personnel) in excess of stipulated norms were engaged in District Leprosy Society, Srinagar which resulted in avoidable payment of wages amounting to Rs 1.79 lakh during 1996-97 to September 2000.

Sporadic surveys

3.2.26 The overall leprosy prevalence rate per 10000 population was 0.30 and 1.76 in Kashmir and Jammu Divisions respectively. In Jammu Division, the prevalence rate was higher mainly in 4 districts (Jammu: 2.34; Poonch: 3.25, Doda: 2.64 and Kathua 1.02). The programme laid stress on continuous and systematic case detection through general and household surveys, etc. for early detection of cases. No regular surveys had been carried out except sporadically for 10 days during campaign periods and case detection was done mostly on voluntary basis.

Increase in prevalence of disease

3.2.27 The year-wise position of old cases registered, identification of new cases, cases treated and discharged was as under:

(Table No. 3.7)

Year	Old cases registered	New cases detected	Cases that received treatment	Cases discharged (percentage)
1996-97	4247	465	4712	1346 (29)
1997-98	3366	837	4203	1218 (29)
1998-99	2985	818	3803	1723 (45)
1999-2000	2080	467	2547	988 (39)
2000-01	1559	897	2456	1003 (41)

3.2.28 The number of leprosy cases detected increased from 465 (1996-97) to 837 (1997-98) and from 818 (1998-99) to 897 (2000-01) which indicated rise in prevalence of the disease. The percentage of number of cases discharged to the cases receiving treatment was poor and ranged between 29 and 45 during 1996-97 to 2000-01.

3.2.29 Test-check of 880 case histories of patients revealed that only 263 (30 per cent) patients were given full dose of medicines, 211 patients were given less doses and 193 patients were given excess doses. Records for medicines administered to remaining 213 patients had not been maintained. Besides, 36 patients, who had not taken full doses of medicines, were released from treatment while 20 were not released even after receiving full dose of drugs. Test-check also revealed that requisitions for anti-leprosy drugs sent to Central Government were not based on actual requirements which resulted in overstocking of six types of medicines (3.43 lakh capsules^φ and 0.20[∞] lakh packets) shelf life of which expired and which were destroyed (cost not available) in April 1997 and July 1999.

Poor follow up/surveillance

3.2.30 Out of 598 test-checked MB[©] cases in four[‡] districts, smear test was not conducted at all in 476 cases (80 per cent) and out of remaining 122 cases, skin smear test of 72 patients and 50 patients was conducted only once and twice respectively against the norm of three tests. Records for skin test of PB[•] cases (237) and SSL[∞] cases (45) were not maintained. Block Medical Officers (Katra and Hiranagar) attributed shortfall to non-availability of laboratory facilities.

3.2.31 Surveillance of patients after release from treatment is to be done once a year for MB cases (for five years) and for PB cases/SSL cases (for 2 years). It was, however, seen in audit that while District Leprosy Society, Jammu had undertaken surveillance in only 5 out of 112 completed cases, no surveillance was done in Udhampur, Kathua and Srinagar districts.

Rehabilitation of patients and re-constructive surgery not undertaken

3.2.32 No permanent rehabilitation activities such as re-constructive surgery for correction of deformities, education of health care, imparting of vocational training, etc. were undertaken in the test-checked districts even though 6278 patients had been discharged. Only 12 out of 213, grade II and above, deformity cases were referred for re-constructive surgery to GMC Hospital, Jammu up to December 2000 for which no follow-up action/monitoring had been done at any level.

3.2.33 Central Government released funds aggregating Rs 82.76 lakh in July 1994 and October 1997 (Rs 41.38 lakh each time) for setting-up of a Leprosy Rehabilitation and Promotion Unit at Digiana, Jammu. The rehabilitation unit had not been set-up (August 2001). Expenditure of Rs 36.41 lakh up to March

^φ Clofazamine: 3.43 lakh capsules
[∞] Tablets: MB Adult (8100), MB child (9249), PB adult (2300), PB child (300), PB ROM Child (450)
[©] Multibacillary
[‡] Kathua, Udhampur, Jammu, Srinagar
[•] Paucibacillary
[∞] Single Skin Lesions

2001, was incurred on salaries to staff^ψ appointed in 1996-97 in anticipation of setting-up of the unit. The staff appointed was deployed on other general health services over and above their sanctioned strength resulting in denial of rehabilitation facilities to leprosy patients.

National Programme for Control of Blindness

Inadequate planning

3.2.34 District Blindness Control Societies (DBCS) were required to prepare annual action plans for districts indicating measurable targets, strategies, time bound activities and monitoring of cataract surgery, screening for refraction errors and provision of spectacles for poor, IEC[≠] activities and rehabilitation of the permanently blind persons. It was seen that annual action plans prepared by 4[#] DBCS indicated only the number of camps proposed to be held and no measurable targets were fixed for other activities.

Shortfall in cataract/ intra-ocular surgery

3.2.35 The department had not conducted any survey for the last 15 years for assessing prevalence of blindness due to cataract in the State. Sample survey conducted (September 2000) by the department (1.12 lakh surveyed out of total population of 36.83 lakh) in Jammu Division disclosed prevalence of cataract ranging between 0.2 and 2 *per cent* in the Division. Targets fixed for cataract operations by Central Government and achievements thereagainst during the period 1996-97 to 2000-01 were as under:

(Table No. 3.8)

Year	Targets	Achievements	Percentage shortfall
1996-97	NA	6332	-
1997-98	10080	7109	29
1998-99	11100	10646	4
1999-2000	12500	8314	33
2000-01	13000	10092	22

3.2.36 Targets for intra-ocular lens surgery for 2000-01 were fixed at 2600 against which achievements fell short by 38 *per cent*. Shortfall in achievement of targets was attributed (March 2001) to inadequate infrastructure for IEC activities and non-availability of adequate funds, material and equipment. Following further points were noticed:

3.2.37 Out of 4^φ district hospitals test-checked in audit, three hospitals lacked the facility of separate ophthalmic operation theatres and eye wards. Ophthalmic macro/micro instruments[∇] were not available at any of these district hospitals. Similar was the position in 13 test-checked Primary Health Centres/ Community Health Centres and the District Mobile Unit at

^ψ Doctors: 3; para-medical officials: 4

[≠] Information, Education and Communication

[#] Srinagar, Jammu, Kathua and Udhampur

^φ District hospitals at Gandhinagar, Kathua, Udhampur and JLN Hospital, Srinagar

[∇] Tonometer, Fluoresceinstrips for corneal abrasions, Xylocaine eye drop for tonometry, Surgical tonometry surgical trays, Hess charts, Operation microscopes, Ultrasonographs, Lensometer

Udhampur which was non-functional due to non-provision of required equipment. Cataract operations performed annually by each ophthalmic surgeon in these district hospitals ranged between 15 and 188 against the minimum norm of 700 operations per surgeon per year.

3.2.38 While Director Health Services, Kashmir and GMC Hospital, Jammu intimated cent *per cent* success rate for cataract operations, the same was reported as 95 *per cent* by Director Health Services, Jammu which was not based on any supporting evidence/records. The department had also not maintained any records about the number of camps organised, patients checked in camps and follow up of post-operative complicated cases. The department/DBCS had not undertaken any activity for rehabilitation of incurably blind persons (May 2001).

3.2.39 No activities under IEC had been undertaken at State/Directorate level due to diversion of Rs 13 lakh (1997-98 to 1999-2000) for payment of salaries of staff engaged in ophthalmic units. Rupees 5 lakh allocated by Central Government under IEC in 2000-01 had not been released to implementing agencies. Records of DBCSs also revealed that activities such as film shows, radio talks, advertisement, local activities as folk shows, cultural programmes, etc. were not organised.

Poor performance in restoration of vision

3.2.40 Out of 2.13 lakh patients registered by the department, vision was restored to 0.16 lakh patients in Kashmir Division after surgery during 1997-01. No such data was available with DHS, Jammu. Records had not been maintained in respect of patients referred for surgery to Government/private hospitals or for distribution of spectacles by DBCS.

Inadequate infrastructure in the Eye Bank

3.2.41 One Eye Bank was functional in Government Medical College, Jammu which lacked infrastructural facilities for preservation of donated eyes during 1996-97 to 2000-01. Only 14 corneal transplants and 2 eye graftings were conducted in the Eye Bank.

National Tuberculosis Control Programme

Non-establishment of District Tuberculosis Centres (DTCs)

3.2.42 Under the Programme, a DTC was to be established in each district for planning, implementation, co-ordination and supervision of tuberculosis case finding and treatment in association with the existing medical and health institutions. The DTC was also to function as a specialized referral centre. Of the 14 districts in the State, DTCs had been established only in 10 districts as of March 2001. Though the Central Government had approved (1996) upgradation of the existing chest clinics in the remaining districts to the DTC level, the State Government had not established these centres (March 2001) due to non-release of funds for upgradation by the State/Central Governments.

Inadequate infrastructure

Manpower

3.2.43 A DTC was to be provided with full component of staff including key-staff specially trained at the National TB Institute, Bangalore. The overall position of existing and trained key-staff was not made available by the Directors of Health Services, Jammu and Srinagar. In the test-checked DTCs it was observed that posts of BCG Technicians (Jammu: 2 for 48 months and 1 for 12 months; Udhampur: 2 for 36 months and 1 for 12 months; Kathua: 1 for 12 months and 3 for 24 months), X-ray Assistants (Jammu: 1 for 24 months; Kathua: 1 for 48 months), BCG Team Leader (Jammu: 1 for 12 months; Kathua: 1 for 36 months), TB Health Visitor (Jammu: 1 for 24 months), Treatment Organiser (Kathua: 1 for 60 months) and Lab Assistant (Kathua: 1 for 24 months) remained vacant during the period 1996-97 to 2000-01. Further, trained X-ray Technician, Laboratory Technician, Statistical Assistant and Treatment Organiser were not available at the DTC, Jammu. Similarly, trained Treatment Organiser (Udhampur: 36 months), X-ray Technician (Kathua: 12 months), Laboratory Technician (Kathua: 36 months), District Tuberculosis Officer (Srinagar) and Statistical Assistant (Udhampur and Kathua) were not available at the centres.

X-ray plants

3.2.44 X-ray is important for radio-diagnostic investigation of TB patients. The health institutions of Kashmir and Jammu Divisions had deficiency of 185 and 115 X-ray plants respectively as of March 2001. Further, X-ray plants were out of order at PHC, Parole (since July 1999), PHC, Marhin (since October 2000), SDH, Hiranagar (since February 1997) and Community Health Centre (CHC), Katra (since September 1999). During test-check of records of DTC, Kathua it was seen that 1476 patients (75 per cent) got themselves X-rayed privately. In SDH, Hiranagar X-ray of patients was being done by a defective X-ray plant needing 4 to 6 exposures which besides being uneconomical, was harmful to patients. In CHC, Katra, X-ray examination was

carried out by a 20 MA portable X-ray plant which was not capable of taking X-ray of adult's chest and abdomen and thus was not serving the desired purpose.

Vehicles

3.2.45 Vehicles had not been provided to 8 DTCs in Kashmir Division and Rajouri district of Jammu Division. The vehicles provided to remaining 5 DTCs in Jammu Division were mostly not road-worthy and needed replacement. Non-availability of vehicles in the DTCs, adversely affected supervision and monitoring of TB Control Programme.

Targets and achievements

3.2.46 Year-wise position of patients under treatment at the beginning of the year, under treatment and discharged during the year on completion of treatment and for other reasons, X-rayed but not TB positive, re-treatment cases noticed and treated and cases referred by private practitioners to DTCs was not available at the State/Divisional level. Based on information available from progress reports etc. the position[‡] of patients under treatment and those discharged/defaulted, etc during 1996-97 to 2000-01 was as under:

(Table No. 3.9)

Year	Old cases registered/ brought under treatment	New cases		Total patients under treatment	Cases discharged				Increase (+) / decrease (-) in number of cases with reference to detection of cases during previous years
		Target	Detected/ brought under treatment		Defaulters (per cent)	Completed treatment (per cent)	Died	Total	
1996-97	11391	8300	14503	25894	2826 (11)	4118 (16)	55	6999	(+) 4799
1997-98	13754	14673	10087	23841	3983 (17)	3675 (15)	34	7692	(-) 4416
1998-99	16486	11930	12294	28780	3676 (13)	3761 (13)	51	7488	(-) 2207
1999-00	11714	9854	10334	22048	5244 (24)	3941 (18)	28	9213	(-) 1960
2000-01	10730	4422	9193	19923	1964 (10)	2945 (15)	216	5125	(-) 1141

Following points were noticed:

(a) Basis on which the targets were fixed was neither on record nor intimated. Against the achievement of 10087 and 12294 cases detected during the years 1997-98 and 1998-99, inflated figures of 26993 and 18258 respectively were reported to Central Government.

(b) The percentage of cases in which treatment was completed during the period 1996-97 to 2000-01 was very low and ranged between 13 and 18. The number of death cases increased from 28 in 1999-2000 to 216 during 2000-01.

[‡] Excludes figures in respect of Doda (1996-97 and 1997-98), Poonch (1996-97), Pulwama (1998-99), Kupwara and Budgam (All years except 1998-99) and Baramulla (1998-99 to 2000-01) which were not made available

Reasons for non-completion of treatment in substantial number of cases were not intimated (June 2001).

(c) The percentage of defaulter patients who had not reported for collection/administration of drugs ranged between 10 and 24. Action to retrieve the defaulters by making home visits or writing letters to them had not been taken at any of the test-checked DTCs/PHCs.

Poor maintenance of treatment cards

3.2.47 Check of 716 treatment cards in test-checked DTCs and PHCs revealed as under:-

(a) Most of the treatment cards of patients were not authenticated by the Medical Officer concerned.

(b) Treatment in all the 300 (detected) smear positive cases was started after only one against the norm of three sputum smear tests. Second and third sputum tests during follow up were done only in 137 and 46 cases respectively. On completion of the treatment, sputum test was done in only 34 cases.

(c) The prescribed drug regimen had not been recorded in SDH, Hiranagar (4 cases), DTC, Kathua (121 cases), PHC, Parole (25 cases) and SDH, Bishnah (10 cases). More than one drug regimen was prescribed in 34 cases. Excess doses of drug than prescribed were given to patients in 109 cases. Reasons for not following the prescribed drug regimen were attributed by District Tuberculosis Officer (DTO), Udhampur to negligence on the part of staff in maintenance of treatment cards.

Delay in implementation of Direct Observation Treatment (DOT)

3.2.48 Under RNTCP, Srinagar and Jammu districts were selected by Govt. of India for starting DOT in the third year of its implementation. District Tuberculosis Societies (DTBS) Srinagar and Jammu, with the respective District Development Commissioners (DDCs) as Chairmen, were constituted for the purpose in December 1996 and June 2000 respectively. Though funds amounting to Rs 52.80 lakh were provided to these societies (Srinagar: Rs 26.30 lakh; Jammu: Rs 26.50 lakh), the scheme was yet (April 2001) to be implemented. As of March 2001, while DTBS Srinagar had incurred expenditure of Rs 1.16 lakh on training of medical/para-medical staff, DTBS, Jammu had spent Rs 0.33 lakh on civil works, etc. Delay in implementation of the scheme resulted in locking up of Rs 51.31 lakh. Cost of blocked investment was Rs 2.70 lakh.

Poor management of anti-TB drugs

3.2.49 Test-check of records of DTCs Kathua and Udhampur revealed that full component of requisitioned drugs was not supplied to these centres by the Provincial Medical Store, Jammu. As a result, there was shortage of anti-TB

drugs at these DTCs for periods ranging between 1 and 27 months. On the other hand, anti-TB drugs were over stocked in DTC, Jammu and Provincial Medical Store, Srinagar. As a result, 1.68 lakh tablets of INH 300 mg (1.10 lakh tablets in DTC, Jammu and 0.58 lakh tablets in PMS, Srinagar), 4.25 lakh tablets of INH 100 mg and 5.50 lakh Combination tablets (DTC, Jammu) expired and had to be destroyed resulting in loss of Rs 25.62 lakh.

Administration of sub-standard drugs

3.2.50 Test-check of records of DTC, Kathua and Udampur revealed that 4.55 lakh Ethambutol 400/800 mg tablets (cost: Rs 5.92 lakh) purchased (1996-99) by the Director Health Services, Jammu and issued to these DTCs were administered to the patients during the period. These drugs were, however, subsequently found (December 1997, October 1999 and June 2000) substandard by the Controller Drugs, Jammu. No action had been taken against the firms who had supplied these substandard drugs.

Non-accounting of drugs

3.2.51 Test-check of the stock registers maintained in DTC, Jammu and Kathua, SDH, Bishnah and Akhnoor and PHC, Parole revealed that full quantity of drugs supplied by Provincial Medical Store, Jammu was not taken on stock and balances were not worked out correctly during the period 1996-97 to 1999-2000. This resulted in short account of drugs costing Rs 1.67 lakh.

Inadequate training of staff

3.2.52 The programme envisaged training of staff at various levels after assessing annual work load, completion of State level trainers training and printing of training material/modules. It was, however, seen that in respect of AIDS Control Programme, training activities were not undertaken during 1997-99 and funds (Rs 6.10 lakh) released for the purpose were diverted to other activities of the programme. However, SACS incurred expenditure of Rs 29.04 lakh on this activity during 2000-01 and imparted training to 15 per cent of the assessed work load only. Training was not imparted to staff under NLEP.

Non-monitoring/evaluation of the programme

3.2.53 The programme was neither monitored nor evaluated at any level by any internal or external agency although provided-for in the management information system protocol of the project.

3.2.54 The above points were referred to the Government/Department in July 2001; reply had not been received (September 2001).

Section-B-Transaction Audit Findings
Agriculture Production and Rural Development Department

3.3 Unfruitful expenditure and locking up of funds

The District Horticulture Officer, Poonch and Chief Horticulture Officer, Udhampur incurred unfruitful expenditure of Rs 11.93 lakh by payments to a supplier of drip irrigation sets without getting the sets installed at the identified sites. The cost of funds idling in non-performing assets to Government was Rs 6.91 lakh.

3.3.1 The Joint Director Horticulture, Jammu placed (November 1997) an order with a New Delhi based firm for supply and installation of drip irrigation systems without inviting tenders. These systems were to be installed in the orchards of small and marginal farmers of Poonch and Udhampur districts at subsidised cost (90 *per cent*) under the Centrally sponsored (90:10) scheme “Use of Plastics in Agriculture” for efficient use of water resources. Payments were to be released to the supplier after realising the balance 10 *per cent* cost from the beneficiaries and ensuring installation of the systems.

3.3.2 Audit found (October 1999) that the District Horticulture Officer (DHO), Poonch drew an amount of Rs 11.44 lakh on 31 March 1998 and deposited it in a bank account, which was irregular. The DHO paid (June 1998) Rs 8.01 lakh to the supplier without realising the 10 *per cent* beneficiary contribution and getting the drip sets installed at the identified sites. Balance Rs 3.43 lakh was lying locked up in the bank. Similarly, the Chief Horticulture Officer, Udhampur paid (March 1998) Rs 3.92 lakh to the supplier. The drip irrigation sets supplied were reportedly lying in the stores as of March 2001. Non-installation of these sets defeated the very purpose of the scheme and rendered the expenditure of Rs 11.93 lakh unfruitful, besides locking up funds of Rs 3.43 lakh for about 3 years. The cost of funds locked up in non-performing assets and outside the Government account was Rs 6.91 lakh.

3.3.3 The matter was referred to Government/department in May 2001; reply had not been received (September 2001).

Education Department

3.4 *Non-Formal Education Programme*

Non-Formal Education (NFE) programme, a Centrally sponsored scheme for imparting education to children in the age group of 6 to 14 years had not taken off in the State, despite expenditure of Rs 10.35 crore, mainly due to its faulty implementation. NFE centres had been established without proper survey and community participation. Condensed courses, revised syllabus and upper primary level classes were also not introduced. The contribution of the Non-Government Organisations in programme implementation was also poor.

Introduction

3.4.1 Non-Formal Education programme (NFE), a Centrally sponsored scheme was introduced in the State in 1981-82 for imparting education to the children in the age group of 6 to 14 years who could not receive education in formal schools due to various socio-economic reasons or were drop outs. The scheme was revised in 1993 with emphasis on organisation, flexibility, relevance of curriculum and effective participation of voluntary agencies in its implementation. The broad aim of the NFE is to provide elementary education, a condensed course for primary level (2 years) and upper-primary level (3 years), comparable in quality to formal education. The expenditure on the scheme is shared by the Central and State Governments in the ratio of 60:40. The funding of Girls centres was, however, in the ratio of 90:10. Financial assistance (cent *per cent*) to voluntary agencies was provided by the Central Government.

3.4.2 A brief account of the performance of the programme, based on test-check of records of 4* (662 NFE centres; expenditure: Rs 2.68 crore) out of 12 districts (2123 NFE centres; expenditure: Rs 10.35 crore) where the programme was implemented and one^ Non-Government voluntary organisation out of 3 such organisations, during the period 1995-96 to 2000-2001 is discussed in succeeding paragraphs.

Non-involvement of community in planning and implementation process

3.4.3 The State Government was responsible for planned implementation of the programme. For this, formulation of Village Education Committees (VECs) to ensure community participation in planning, locating, running and overseeing the NFE centres was essential. Women and other economically disadvantaged groups, to be identified through surveys, were to be given

* Srinagar, Jammu, Kathua and Udhampur

^ All India Centre for Urban and Rural Development, Rehari, Jammu

special membership. VECs which, *inter-alia*, were to assist in motivating children to regularly attend NFE centres and to ensure a continuous rapport with the NFE instructors, had not been constituted. Publicity through mass/group meetings and individual contacts for motivation of targetted groups before starting the classes had also not been undertaken. Survey for determining literacy rate, total population of children in earmarked age groups, etc. had also not been conducted.

Allocation and expenditure

3.4.4 The position of funds allocated/released by the Central/State Government and expenditure thereagainst for the State as a whole and test-checked districts during the period 1995-96 to 2000-01, as per departmental records, was as follows:

(Table No. 3.10)

(Rs in lakh)

Year	State as a whole					Test-checked districts	
		Unspent opening balance	Allocations	Releases	Expenditure	Releases	Expenditure
1995-96	Central	45.31	NA	97.29	56.87	15.82	10.51
	State	Nil	74.30	74.30	79.62*	18.36	25.86
1996-97	Central	85.73	NA	19.45	85.73	19.03	16.62
	State	Nil	84.48	84.48	90.93*	27.40	26.14
1997-98	Central	19.45	124.63	62.32	62.32	18.58	9.79
	State	Nil	89.00	89.00	103.24*	31.67	29.69
1998-99	Central	19.45	151.91	151.91	12.45	2.38	1.51
	State	Nil	103.73	103.73	110.90*	40.24	31.93
1999-2000	Central	158.91	NA	30.38	139.46	32.04	24.55
	State	Nil	95.03	95.03	92.93	37.92	40.13
2000-01	Central	49.83	151.91	63.80	88.11	37.88	11.22
	State	Nil	114.15	114.15	112.32	42.36	40.02
Total	Central share		-	425.15	444.94	125.73	74.20
	State share		560.69	560.69	589.94	197.95	193.77
Grand Total			560.69	985.84	1034.88	323.68	267.97

Underutilisation of funds

3.4.5 During the period 1995-2001, expenditure of Rs 10.35 crore (State share: Rs 5.90 crore and Central share: Rs 4.45 crore) was incurred on the programme. At the end of March 2001, Rs 25.52 lakh remained unspent out of the Central funds which included Rs 19.45 lakh not released to the

* Excess expenditure met out of funds allocated under other schemes in Education sector

implementing agencies by the Finance Department (July 2001). The percentage utilisation of Central funds in four test-checked districts was 59 only which was attributed by project officers to late release of funds by State Government. The administrative expenditure in the test-checked districts worked out to Rs 119.63 lakh, 62 *per cent* of the total expenditure of Rs 193.77 lakh, against Rs 26 lakh payable as per norms.

Short release of Central assistance

3.4.6 On the basis of 2146 centres sanctioned by the Central Government and norms approved for payment of financial assistance, Rs 9.31 crore were payable to the State for implementation of the programme during 1995-96 to 2000-01. However, the Central Government released only Rs 4.25 crore (46 *per cent*) due to underutilisation of these funds. Grants-in-aid released to 3^β voluntary organisations by the Central Government also declined sharply from Rs 22.03 lakh (1997-98) to Rs 0.96 lakh (1999-2000), due to poor implementation of the programme in voluntary sector as discussed in paragraphs 3.4.14 to 3.4.17.

NFE centres established without proper survey

3.4.7 Against 2146 sanctioned NFE centres (co-educational: 1922; Girls: 224), the number of functional centres during 1995-96 to 2000-01 was 2163, 2180, 2196, 2174, 2117 and 2123 respectively. The number of functional Girls centres ranged between 155 and 378 during this period. No Girls centre was functional in Jammu and Kathua districts during the period from 1995-96 to 1999-01 and 1995-96 to 1997-98 respectively, although 5 centres were sanctioned for each district. Further, the number of learners on roll in each centre ranged between 5 and 8 in 28 NFE centres (hilly areas) and, 12 and 14 in 401 centres (other areas) during 1999-01 against the stipulated minimum norm of 10 in hilly areas and 20 in other areas for establishment/location of the centres. Evidently the centres were not established after proper survey.

Decline in enrolment of learners

3.4.8 Enrolment targets were to be fixed annually on the basis of registration of learners in class I and achievements made in the number of learners who passed class V. Against the target of registering 51775 to 61070 learners during 1995-96 to 2000-01, the number of learners actually registered ranged between 41897 and 37805 revealing steady increase in percentage shortfall in enrolment from 19 (1995-96) to 38 (2000-01). In the test-checked districts (662 centres), classes[%] from III to V were not held during 2000-01. Upper primary classes were also not introduced in any of the centres. Further, achievements based on the number of learners passing class V had not been monitored and enrolled learners were projected as achievements in the progress reports sent to Central Government.

^β Kathua, Rajouri and Jammu

[%] Class III: 342 centres; Class IV: 427 centres; Class V: 475 centres

Non-introduction of curriculum based Minimum Level of Learning

3.4.9 A suitable curriculum (condensed course) for learners on the basis of Minimum Level of Learning (MLL) was to be prepared by the expert functionaries of Education Department. Teaching and learning material of good quality, including the specially designed (based on MLL), which would generate and sustain motivation and interest among the learners, was to be provided to learners free of charge. However, the condensed courses and use of specially designed teaching and learning material were not introduced and the classes were held on annual basis with traditional curriculum applicable to formal education, thereby defeating the very purpose of NFE. In Kathua district, funds meant for teaching and learning material under NFE amounting to Rs 1.75 lakh (0.37 lakh in 1996-97 and Rs 1.38 lakh in 1999-2000) were diverted towards “Adult Education”.

Centres run during daytime

3.4.10 Physical verification of 43 NFE centres by Audit in 3[≠] districts of Jammu Division, revealed that the centres were run generally during day time (10 AM to 12 noon) although programme envisaged holding of classes in the evenings. This largely deprived the working children of the benefits of the programme.

High drop-out rate

3.4.11 Out of 81016 learners (aggregate) enrolled in the test-checked centres during the period 1995-96 to 2000-01, 13541 (17 *per cent*) dropped out. High drop-out rate, a discomfoting feature in implementation of the programme, had not been analysed for taking measures to reverse the trend.

Shortfall in training of NFE personnel

3.4.12 A total of 3451 instructors and 156 supervisors out of 12953 instructors and 439 supervisors constituting 27 and 36 *per cent* respectively, were imparted training during the period 1995-96 to 2000-01 in the State. Record of initial training/roster for trainings, etc. was not maintained at any level.

Inadequate supervision of centres

3.4.13 Against requirement of 177 supervisors for 2123 NFE functional centres, only 70 supervisors were in position as on 1 April 2000. Further, against required 240 visits in a year by a supervisor, the average visits per year

[≠] Jammu, Kathua and Udhampur

ranged between 4 and 196 in test-checked districts revealing inadequate supervision of the centres.

Poor implementation by Non-Government Organisations

3.4.14 The scheme was also implemented in Jammu, Kathua and Rajouri districts of the State by three Non-Government Organisations (NGOs). The NGOs were to be involved in the programme implementation in consultation with the State Government. Audit scrutiny of the records of one of the NGOs revealed:

3.4.15 All the 25 NFE centres had been closed since October 2000. 3392 learners in I primary were imparted only preliminary knowledge of alphabets during the period 1995-96 to 1999-2000 and no other classes in primary or upper primary levels were held.

3.4.16 Though the classes were held during day time, yet expenditure of Rs 1.42 lakh was charged-off on account of fuel and lighting charges for which no detailed accounts were maintained.

3.4.17 Supervisors had not maintained any tour diaries for supervision of centres although Rs 0.60 lakh had been charged-off on their travelling expenses.

Non-maintenance of stock accounts

3.4.18 Stock accounts of teaching/learning material for learners were not maintained by instructors in 43 NFE centres test-checked by Audit in three[€] districts.

Non-monitoring/evaluation of programme

3.4.19 The guidelines laid emphasis on monitoring and data collection for Management Information System (MIS) and decision support system. The basic unit for collection of MIS data was to be the project and evaluation was to be in-built in the programme. Instructors were to be involved in concurrent participatory evaluation. The programme was neither monitored nor evaluated at any level since 1995.

3.4.20 The above points were referred to the Government/department in May 2001; reply had not been received (September 2001).

[€] Jammu: 17; Udhampur: 13 and Kathua: 13

Forest Department

3.5 Inadmissible payment of ration allowance

The Director, Forest Protection Force unauthorisedly sanctioned payment of ration allowance which resulted in inadmissible payment of Rs 16.39 lakh.

3.5.1 Government expenditure has to be backed by sanction of the competent authority. The Director, Forest Protection Force, however, unauthorisedly sanctioned payment of ration allowance at the rate of Rs 300 per head to Inspectors/Guards of the newly created Forest Protection Force with effect from December 1998. The Director, simultaneously, informed the administrative department about the payment. The department, however, directed its recovery only in April 2000, after payments totalling Rs 16.39 lakh had been made by various drawing and disbursing officers. Further payment of the allowance was stopped (May 2000) by the Director and recovery of Rs 1.76 lakh only had been made as of July 2001. The Government had also not taken any administrative action against the Director for acting beyond his powers.

3.5.2 The matter was referred to the Government/department in May 2001; reply had not been received (September 2001).

Gardens, Parks and Floriculture Department

3.6 Wasteful expenditure on development of recreational park

The Director, Gardens, Parks and Floriculture took up development of a recreational park without verifying title of the land. This resulted in wasteful expenditure of Rs 8.93 lakh on development works, besides incurring progressively increasing liability on account of land compensation and interest thereon. Cost of the capital locked up in non-performing assets to Government was Rs 10.72 lakh.

3.6.1 Development of *Chinar Bagh*, covering an area of 68 *kanals*[♦], into a recreational park was taken up (March 1991) by Director, Gardens, Parks and Floriculture, after its approval (December 1990) by the Executive Committee, Srinagar Core Area Development Project (SCADP), without verifying title of the land and initiating action to acquire it.

3.6.2 Following objections raised by a religious trust claiming ownership of the said land, Chairman, SCADP (Divisional Commissioner, Kashmir) directed (April 1991) the Director to stop the work immediately. Execution of

♦ 8 kanals=1 acre

the work was, however, continued till March 1993 and expenditure of Rs 8.93 lakh incurred before abandoning it. The trust filed (March 1993) a writ petition in the High Court for land compensation. The Court directed (June 1998) the department to pay compensation (alongwith interest from the date the owner was dispossessed of the land) to the trustee within 3 months, with provision that the Government might seek an extension for valid technical reasons. No action was taken by the department on the court judgement (May 2001).

3.6.3 Administrative lapses of the department resulted in wasteful expenditure of Rs 8.93 lakh, besides incurring progressively increasing liability on account of land compensation and interest thereon. The cost of capital applied to the non-performing assets was Rs 10.72 lakh.

3.6.4 The matter was referred to the Government/department in May 2001; reply had not been received (September 2001).

General Administration Department

3.7 Diversion and locking up of money due to defective planning

Release of funds by the department to the Jammu and Kashmir Housing Board for construction of quarters, without adequate planning, resulted in locking up of Rs 2 crore for 19 months and Rs 1 crore for 42 months, besides unauthorised diversion of Rs 3 crore. Cost of funds diverted/locked up outside the Government account amounted to Rs 1.68 crore.

3.7.1 In a meeting held (October 1997) under chairmanship of the Chief Secretary, construction of residential buildings[&] at Jammu and Srinagar for accommodating Darbar move employees and avoiding recurring expenditure on hiring of private accommodation, was administratively approved. The works, to be executed through Jammu and Kashmir Housing Board, were to be completed in 2 years. Rupees 6 crore (Rs 3 crore for each site) were advanced to the Board in February/March 1998.

3.7.2 Audit found (December 1998/January 2001) that the works had not been started as of August 2001. While the work at Jammu was not taken up by the Board due to dispute with the architect, the work at Srinagar could not be taken up owing to objections raised by the Army about the ownership of the site. Meanwhile, the Board adjusted (October 1999) Rs 3 crore against amount due from the Government under Rental Housing Scheme. Rupees 2 crore lying in the shape of *hundi*^{*} were withdrawn by the Government in November

[&] 220 flats at Gandhi Nagar, Jammu and 72 quarters at Srinagar

^{*} Promissory note issued by treasury in lieu of cash

1999 and the remaining amount (Rs 1 crore) continued to be locked up with the Board (August 2001).

3.7.3 Release of funds without adequate planning led to diversion of Rs 3 crore, besides locking up of Rs 2 crore for 19 months and Rs 1 crore for 42 months. The cost of funds diverted/locked up outside the Government account was Rs 1.68 crore.

3.7.4 The matter was referred to Government/department in May 2001; reply had not been received (September 2001).

Health and Medical Education Department

3.8 Unfruitful expenditure on construction of a building and purchase of machinery

The Controller, Drug and Food Control Organisation constructed an animal house and purchased machinery/equipment without providing necessary infrastructure to make these functional. This rendered the expenditure of Rs 44.62 lakh thereon unfruitful. The cost of funds lying idle in the shape of non-performing assets, was Rs 38.82 lakh.

3.8.1 Test-check in audit (July 1998) of records of the Drug and Food Control Organisation, Jammu revealed that funds provided for various developmental activities of the organisation were not utilised judiciously which resulted in unfruitful expenditure of Rs 44.62 lakh as discussed below.

(a) The Secretary, Health and Medical Education Department approved (March 1993) construction of an animal house at Food and Drug Laboratory, Jammu for conducting research and tests on animals. The work was completed (September 1996) at a cost of Rs 30.89 lakh after a time and cost overrun of 3 years and Rs 13.64 lakh respectively. The animal house was not made functional as the Government reportedly did not sanction creation of posts of technical and research staff. This rendered the expenditure of Rs 30.89 lakh unproductive, besides affecting the research work.

(b) The Controller, Drug and Food Control Organisation purchased (March 1992) a High Performance Liquid Chromatograph (cost: Rs 10.60 lakh) for testing of antibiotics and innovative drugs in the laboratory. The equipment was not utilised till May 1996 as the operating staff was not trained. In June 1996, the single wave absorbance detector of the equipment got damaged due to supply of faulty electric current from a damaged electric transformer. As of May 2001, the Controller had not taken any action either to replace the damaged detector or get it repaired. This rendered the expenditure of Rs 10.60 lakh unfruitful. Meanwhile, requisite tests of antibiotics/drugs continued to be conducted outside the State.

(c) The Controller purchased 12 air-conditioners of 1.5 tonnes capacity at a cost of Rs 3.13 lakh during 1993-94 for microbiology and pharmacology sections of the laboratory. These air-conditioners were, however, lying idle as the proposed laboratory sections were not made functional for want of related infrastructure, rendering the expenditure of Rs 3.13 lakh unfruitful.

3.8.2 The cost of funds, locked up in above mentioned non-performing assets was Rs 38.82 lakh.

3.8.3 The above points were referred to the Government/department in May 2001; reply had not been received (September 2001).

3.9 Wasteful expenditure on import of dental units

Failure of the Principal, Dental College, Srinagar to seek replacement of lost dental equipment from the supplier, resulted in wasteful expenditure of Rs 9.16 lakh, besides denial of envisaged benefits to patients. Cost of wasteful funds was Rs 5.15 lakh.

3.9.1 Principal, Government Dental College, Srinagar placed (November 1996) orders with an Indian agent of a French firm for supply, installation and commissioning of 6 Prophy Max Dental units (cost: Rs 9.16 lakh) at the college. The equipment or part thereof damaged or lost in transit was to be replaced by the supplier/agent, as per terms of the agreement drawn.

3.9.2 The Principal released (June 1997) payment of Rs 9.16 lakh to the firm against documents. The consignment received at New Delhi Airport in May 1997 was not cleared upto December 1997 due to delay in production of custom duty exemption certificate by the Principal. Meanwhile, the Airport authority stated that the consignment had been misplaced in its warehouse. The Principal, instead of seeking replacement of the equipment from the supplier as per terms of the agreement filed (October 1998) a case against the Airport authorities in Consumer Dispute Redressal Forum, New Delhi seeking compensation of Rs 9.50 lakh including interest. No compensation had been received as of April 2001. This rendered the expenditure of Rs 9.16 lakh wasteful besides denying intended benefits to patients. The cost of wasteful funds was Rs 5.15 lakh.

3.9.3 The matter was referred to the Government/department in June 2001; reply had not been received (September 2001).

Home Department

3.10 Avoidable expenditure and interest costs

The Superintendent of Police, Transport Workshop, Srinagar released irregular and unauthorised advance payments to Indian Oil Corporation which resulted in avoidable interest cost of Rs 9.11 lakh to Government. Avoidable expenditure of Rs 5.33 lakh was also incurred as commission on payments made by bank drafts.

3.10.1 Advance payments can be made only in pursuance of terms and conditions of the contract/agreement, provided interests of Government against any risk or loss are secured and there is a proper Government sanction to do so.

3.10.2 The Superintendent of Police, Transport Workshop, Srinagar irregularly and unauthorisedly advanced Rs 7.64 crore during the period April 2000 to February 2001 to Indian Oil Corporation (IOC) for purchase of POL[‡]. Against this, the workshop lifted POL valuing Rs 6.59 crore only which resulted in retention of amounts ranging between Rs 77.98 lakh and Rs 282.78 lakh by the IOC at the end of each day during the period 6 April 2000 to 28 February 2001. The cost of funds retained by IOC was Rs 9.11[§] lakh. Besides, payments were made to IOC by bank drafts instead of Account Payee Cheques which resulted in avoidable expenditure of Rs 5.33 lakh on bank commission during the period March 1999 to February 2001.

3.10.3 The matter was referred to the Government/department in May 2001; reply had not been received (September 2001).

3.11 Embezzlement of Government money

The Principal, Police Technical Training Institute and Treasury Officer, Vijaypur did not follow the codal provisions facilitating embezzlement of Rs 13.55 lakh.

3.11.1 Enumeration of State Government employees in the office of Accountant General (A&E), from the salary vouchers of October 2000, brought out a fraudulent drawal of Rs 1 lakh by the Principal, Police Technical Training Institute (PTTI), Vijaypur. The fraudulent drawal was made by overwriting and overstating the gross and net amounts of the salary bill by Rs one lakh. Check of the salary vouchers for the months of May 2000 to September 2000 and November 2000 to January 2001 revealed that fraudulent drawal of

[‡] Petrol, oil and lubricants

[§] Computed on the minimum balance of Rs 77.98 lakh at the overdraft rate of 14.03 per cent charged by Jammu and Kashmir Bank for the year 1999-2000

Rs 1 lakh was continued in each of these months, except June 2000. Subsequent detailed audit conducted (April 2001) for the years 1996-2001 disclosed additional fraudulent drawals of Rs 5.55 lakh, made in similar manner during the period January 1998 to March 2001.

3.11.2 Embezzlement was facilitated due to non-observance of prescribed codal procedure by the Principal, PTTI/Treasury Officer, Vijaypur as discussed below:

- (a) The DDO^f had not obtained from the Treasury Officer, by the 15th of every month, a list of bills drawn by him during the previous month and traced them in the cash book.
- (b) The DDO had not closed the cash book daily and attested entries of drawals and disbursements made therein in token of check with the drawal register and the pay acquittance rolls.
- (c) Erasures, over-writings and corrections made in the bills presented at the treasury had not been attested by the DDO. Blank spaces were left in the money columns etc. thereby leaving scope for interpolations and insertions.
- (d) The Treasury Officer had not checked the arithmetical computations and other irregularities in the bills.

3.11.3 The above points were referred to the Government/department in May 2001; reply had not been received (September 2001).

3.12 Locking up of funds and nugatory expenditure

Delay in setting up of Police Housing Corporation resulted in idling of Rs 1.05 crore for more than 8 years. The differential cost of locked up funds, outside Government account was Rs 55.12 lakh.

3.12.1 The Government sanctioned setting up of a Police Housing Corporation under the Companies Act, 1956 and Commissioner-Secretary released (March 1989) Rs 5 lakh to the Managing Director designate for meeting pre-operative expenses. A further amount of Rs 1 crore was released to the Managing Director in March 1990 before incorporation of the company. The company was incorporated only in December 1997. Meanwhile, the Managing Director kept the amount of Rs 1.05 crore with Jammu and Kashmir Bank Limited in the form of short-term deposits at an average interest rate of 7.5 per cent during the period 1989-90 to 1996-97. The Government, for meeting its ways and means requirement, during the same period borrowed funds from the Bank at interest rates ranging between 10.5

^f Drawing and Disbursing Officer

and 20.75 per cent. The differential cost of funds locked up with the company during the period of its non-existence was Rs 55.12 lakh.

3.12.2 Further, out of the interest earned on term deposits, expenditure of Rs 19.73 lakh was incurred during April 1989 to December 1997 on salaries etc. of the Managing Director designate and a clerk which was unfruitful.

3.12.3 The matter was referred to the Government/department in June 2001; reply had not been received (September 2001).

Hospitality and Protocol Department

3.13 Avoidable expenditure on engagement of a private Architect

The Director, Hospitality and Protocol incurred avoidable expenditure of Rs 62.05 lakh on irregular hiring of a private Architect.

3.13.1 The Government directed (December 1989) all its departments and corporate bodies to provide details of their building programmes to the State Architect's Organisation headed by State Chief Architect, for preparation of architectural designs and structural drawings etc. Further, cases where engagement of private Architects for prestigious projects was deemed necessary, the private Architect was to be hired in consultation with the State Chief Architect. The aim was to avoid unnecessary burden on public exchequer on hiring of private architects.

3.13.2 Contrary to these instructions, reiterated in January 1997, the department irregularly engaged (January 1997) an external Architect without consulting the State Chief Architect and observing prescribed procedure of inviting competitive bids for the job. Fee totalling Rs 62.05 lakh was paid by the Director to the Architect during January 1997 to March 2001 for 5⁰ projects (estimated cost: Rs 23.82 crore).

3.13.3 Non-compliance to the instructions of the Government resulted in avoidable expenditure of Rs 62.05 lakh which is likely to increase further on completion of the projects.

3.13.4 The matter was referred to the Government/department in May 2001; reply had not been received (September 2001).

^a Construction of convention centre, circuit house I (including electrification), Administrative block of Hospitality and Protocol Department and MLAs hostel at Jammu and circuit house at Srinagar

Industries and Commerce Department

3.14 Drawal of funds without requirement

The Director, Handloom Development without verifying the physical and functional status of societies, withdrew (March 1998) Rs 153.07 lakh for payment of Market Development Assistance. Of this, Rs 96.51 lakh were lying locked up for over 3 years. The cost of locked up funds was Rs 43.43 lakh.

3.14.1 The Secretary, Industries and Commerce Department allotted (March 1998) funds aggregating Rs 153.07 lakh to Director, Handloom Development for disbursement to 173 handloom co-operative societies on account of Market Development Assistance (MDA) for the years 1993-97. The release of assistance to the societies was subject to the condition that the societies existed physically and were functional. Out of Rs 153.07 lakh drawn by Director on 31 March 1998, Rs 56.56 lakh only were disbursed to 60 societies as of August 2001. The balance Rs 96.51[#] lakh was retained in the form of drafts/in bank accounts, etc. as verification of the societies was not completed (August 2001). Drawal of funds by the Director, without completing requirement for their disbursement, resulted in locking up of Rs 96.51 lakh for over 3 years. The cost of locked up funds was Rs 43.43 lakh.

3.14.2 The above points were referred to the Government/department in May 2001; reply had not been received (September 2001).

Planning and Development Department

3.15 Unplanned drawal of funds and avoidable payment of interest

The Principal Secretary, Planning and Development Department advanced Rs 20 lakh to the Border Roads Development Board without ascertaining its willingness and capability for construction of a tunnel. This resulted in idling of Rs 20 lakh for 3 years with cost of Rs 9 lakh to the Government.

3.15.1 The Principal Secretary, Planning and Development Department, based on the proposal (July 1995) of Chief Engineer R&B Kashmir, advanced (April 1997) Rs 20 lakh to the Border Roads Development Board (BRDB) for preparation of a feasibility report on construction of a multi-purpose tunnel at Khardungla pass on Leh-Nobra road. The funds were provided under the Centrally sponsored Border Area Development Programme. It was after a year that the Board informed (July 1998) the department that the project was cost

[#] *Hundies*:Rs 90.40 lakh; bank drafts/bank accounts: Rs 6.11 lakh

prohibitive and it could play no role in the execution of the proposed tunnel either as an executant or consultant. Consequently, refund of the advance of Rs 20 lakh was obtained on 31 March 2000 after a lapse of three years and misclassified as sales tax receipts which inflated the tax revenue receipts of the Government during 1999-2000.

3.15.2 Apparently, the Secretary, Planning and Development Department accorded administrative approval without exercising due diligence in examining the financial viability of the proposed project and without assessing the capability of BRDB to execute it. This resulted in idling of Rs 20 lakh outside the Government account for 3 years. The cost of idle funds was Rs 9 lakh.

3.15.3 The matter was referred to the Government/department in May 2001; reply had not been received (September 2001).

Social Welfare Department

3.16 Avoidable extra expenditure

Contract mismanagement by the Programme Officer, Integrated Child Development Services, Pulwama for procurement of nutrition items resulted in extra and irregular expenditure of Rs 7.58 lakh.

3.16.1 The Programme Officer, Integrated Child Development Services Scheme, Pulwama invited (June 1997) offers for supply of various nutrition^φ items with validity upto March 1998. On the basis of offers received, the District Level Purchase Committee (DLPC) approved (July 1997), issue of rate contract to 4 lowest tenderers. The supplies were to conform to departmental samples and were subject to quality assessment by project level inspection committees constituted (October 1997) by the District Development Commissioner.

3.16.2 Audit found (September 2000) that supply orders were not placed with two firms, short listed by the DLPC, whose rates were lowest for gram (Rs 1400 per qtl), dhara oil (Rs 35 per litre) and turmeric powder (Rs 28.70 per kg). This was attributed to sample supplied by one dealer not conforming to approved specifications and that of the other not bearing the brand mark. Apart from the fact that obtaining of samples was not a condition precedent and the quality of supplies made was to be assessed by a separate inspection team, it was seen that the brand mark had been mentioned by the supplier in his forwarding letter. The contract was not allotted to 2nd and 3rd lowest tenderers also on the plea that these firms had shown reluctance to make the

^φ Green moong, gram, suji, rice, sugar, turmeric powder, salt and dhara oil

supplies. Cash Deposit Receipts (CDRs) of these tenderers had been released by the Programme Officer despite explicit instructions of the Chairman, DLPC to the contrary. The contract was eventually allotted (January 1998) to a local dealer, who had participated in the initial tendering process, at negotiated rates^ψ which were higher than those offered by first three lowest bidders and even those offered by it initially[⇒]. This rendered the whole tendering process farcical resulting in extra and avoidable expenditure of Rs 7.58 lakh on purchase of nutrition items.

3.16.3 The matter was referred to the Government/department in June 2001; reply had not been received (September 2001).

^ψ Gram: Rs1974 per qtl, dhara oil: Rs 44.25 per litre, turmeric powder: Rs 35.64 per kg
[⇒] Gram: Rs 1546.50 per qtl; dhara oil: Rs 41.88 per litre; turmeric powder: Rs 33 per kg