

Chapter-VIII

Financial assistance to Local Bodies and Others

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8.1 General

8.1.1 Autonomous Bodies and Authorities are set up to discharge generally non-commercial functions of public utility services. These Bodies/Authorities by and large receive substantial financial assistance from Government. Government also provides financial assistance to other institutions such as those registered under the State Co-operative Societies Act, etc. to implement certain programmes of the State Government. The grants are intended essentially for maintenance of educational institutions, construction and maintenance of charitable institutions, school and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies. During 2000-01, financial assistance of Rs 210.31 crore was paid to various autonomous bodies against Rs 185.94 crore paid during 1999-2000. Department-wise break-up of the amount paid during 2000-01 was as under:

(Table No. 8.1)

(Rupees in crore)

S. No.	Name of the Department	Amount
1.	Education	77.66
2.	Housing and Urban Development	61.27
3.	Agriculture	46.21
4.	Transport	10.06
5.	Art and Culture	4.28
6.	Industries	4.87
7.	General Administration	2.40
8.	Law and Justice	1.76
9.	Tourism	0.98
10.	Medical	0.52
11.	Others ^Φ	0.30
	Total:	210.31

Delay in furnishing of utilisation certificates

8.1.2 The financial rules of Government require that where grants are given for specific purposes, certificates of utilisation should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to Accountant General within 18 months from the date of sanction of grants unless specified otherwise.

^Φ Social Welfare and Nutrition: Rs 12.56 lakh; Ladakh Affairs: Rs 17.50 lakh

8.1.3 In respect of grants paid up to 1999-2000, 8162 utilisation certificates for an aggregate amount of Rs 919.29 crore were awaited as on 30 September 2001. Department-wise break-up of certificates not received up to 30 September 2001 in respect of grants paid during 1998-2000 is given in *Appendix- 23*. In absence of utilisation certificates it was not clear as to how the departmental officers satisfied themselves whether and to what extent recipients utilised the grants for the purposes for which these were paid.

Delay in submission of accounts

8.1.4 In order to identify the institutions which attract audit under Sections 14/15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, Government/Heads of Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which such assistance was sanctioned and the total expenditure of the institutions. The details of defaulting departments which had not furnished information for 2000-01 and earlier years are given in *Appendix- 24*.

8.1.5 The particulars of Bodies/Authorities whose annual accounts for 2000-01 and earlier years were awaited are indicated in *Appendix-25*. The status of submission of accounts by Corporations and submission of Audit Reports thereon to the State Legislature as of September 2001 was as under:

(Table No. 8.2)

S.No	Name of body [@]	Year up to which accounts due	Year up to which accounts submitted	Year up to which Audit Report issued
1.	Jammu and Kashmir State Road Transport Corporation	2000-01	1997-98	1997-98
2.	Jammu and Kashmir State Financial Corporation	2000-01	1998-99	1998-99

Audit arrangement

8.1.6 Audit of two organisations viz., Ladakh Autonomous Hill Development Council and Khadi and Village Industries Board falls under Section 19 (3) of Comptroller and Auditor General's (DPC) Act, 1971. Audit of accounts of Khadi and Village Industries Board for the years 1998-99 to 1999-2000 (period entrusted) had not been conducted due to non-receipt of the accounts from the Body. Entrustment of audit for the year 2000-01 was awaited from Government/Board (September 2001). Ladakh Autonomous Hill Development Council (LAHDC) was established by the State Government in June 1995. Though the State Government constituted separate fund for recording transactions of the Council under Major Head 8448-Deposits of

[@] No accounts were received from J&K State Forest Corporation

Local Funds–113 LAHDC Fund, rules for its management had not been framed by the Government. The Council had also not prepared its accounts since inception nor was its audit entrusted to the Comptroller and Auditor General of India under the provisions of the LAHDC Act, 1997.

8.1.7 The audit of accounts of the following bodies had been entrusted to Comptroller and Auditor General under Section 20(1) of the C&AG's (DPC) Act, 1971, for different periods as detailed below:

(Table No. 8.3)

S.No	Name of the body	Period of entrustment	Date of entrustment
1.	Sher-i-Kashmir University of Agricultural Sciences and Technology, Srinagar	1995-96 to 1997-98	16 September 1999
2.	Jammu and Kashmir Employees Provident Fund Organisation, Srinagar	1984-85 to 1989-90 1990-91 to 1999-2000	16 September 1999 16 September 2000

8.1.8 The primary audit of local bodies viz., Jammu and Kashmir Co-operative Supply and Marketing Federation Limited and Srinagar and Jammu Municipalities is conducted by the Registrar, Co-operative Societies and Finance Department respectively.

Audit under Section 14

Overall results of audit of autonomous bodies

8.1.9 Accounts for 2000-01 and earlier years were received from 7 Bodies/Authorities (*Appendix-26*). Audit of 14 Bodies/Authorities was conducted during the year as these attracted audit under Section 14 of the Comptroller and Auditor General's (DPC) Act, 1971. Some main points noticed as a result of the audit of these Bodies/Authorities are given in the paragraphs that follow.

Grants remaining unutilised

8.1.10 Out of total available grants of Rs 104.99 crore, grants aggregating Rs 26.21 crore meant for developmental and educational purposes and implementation of beneficiary oriented schemes, remained unutilised with the following Bodies/Authorities whose accounts were audited during 2000-01 for the years indicated against each:

(Table No. 8.4)

(Rupees in crore)

S.No	Name of Body/Authority	Year of account	Amount unutilised
1.	District Rural Development Agency, Kupwara	1998-1999	0.22
2.	Jammu Urban Development Agency	1999-2000	0.68
3.	Desert Development Agency, Kargil	1998-1999	4.41
4.	District Rural Development Agency, Kargil	1999-2000	0.17
5.	Jammu University	1999-2000	1.93
6.	Srinagar Municipality	1999-2000	5.14
7.	Academy of Art, Culture and Languages	1999-2000	0.78
8.	District Rural Development Agency, Kathua	1998-1999	0.31
9.	District Rural Development Agency, Jammu	1999-2000	0.57
10.	District Rural Development Agency, Udhampur	1998-1999	0.78
11.	District Rural Development Agency, Pulwama	1998-1999	0.69
12.	Jammu Municipality	1999-2000	6.16
13.	Kashmir Urban Development Agency	1998-1999	4.37
	Total		26.21

8.1.11 No specific reasons for underutilisation of grants and non-refund of unutilised grants to the sanctioning authorities were intimated. Sanction to carry forward of these unutilised grants to the following years was also not obtained by the Bodies/Authorities concerned.

Outstanding Advances

8.1.12 Advances aggregating Rs 3.46 crore given by the following Bodies/Agencies to contractors/suppliers, various executing agencies and their employees for various purposes, were outstanding at the end of the year as indicated against each:

(Table No. 8.5)

S.No	Name of body/authority	Year	Amount (Rupees in lakh)
1.	District Rural Development Agency, Kupwara	1998-99	0.07
2.	Desert Development Agency, Kargil	1998-99	1.08
3.	District Rural Development Agency, Kargil	1999-00	0.15
4.	Jammu University	1999-00	0.68
5.	District Rural Development Agency, Kathua	1998-99	0.08
6.	District Rural Development Agency, Jammu	1999-00	0.31
7.	District Rural Development Agency, Pulwama	1998-99	0.20
8.	District Rural Development Agency, Udhampur	1998-99	0.89
	Total		3.46

8.1.13 Action taken by these agencies for recovery/adjustment of these advances was not intimated (September 2001).

Outstanding audit observations

8.1.14 Audit observations on the accounts of Bodies/Authorities are conveyed to them in the form of Audit Inspection Reports (AIRs) and copies thereof are endorsed to the Government/Body for taking necessary action and for rectification of defects within a reasonable time. The status of AIRs issued up to March 2001 and outstanding at the end of September 2001 was as indicated below:

(Table No. 8.6)

S.No	Name of the body	No. of AIRs	No. of paragraphs	Earliest year from which outstanding
1.	State Pollution Control Board	1	7	1987-88
2.	Jammu and Kashmir Sports Council, Srinagar	2	26	1994-95
3.	Jammu and Kashmir Social Welfare Advisory Board	3	26	1985-86
4.	Jammu and Kashmir Academy of Art, Culture and Languages	4	31	1995-96
5.	Jammu University	5	64	1992-93
6.	District Rural Development Agencies	54	292	1981-82
7.	Desert Development Agencies	7	50	1987-88
8.	Jammu Municipality	2	30	1995-96
9.	Jammu and Kashmir Housing Board, Jammu	3	36	1979-80
10.	Islamia College of Science and Commerce, Srinagar.	3	23	1985-86
11.	Jammu Urban Development Agency	4	22	1994-95
12.	Jammu and Kashmir Co-operative Supply and Marketing Federation Ltd.	1	4	1994-95
13.	Srinagar Development Authority	1	12	1998-99
14.	Srinagar Municipality	2	27	1996-97
15.	Kashmir University	1	21	1996-97
16.	Jammu and Kashmir Energy Development Agency	3	30	1996-97
17.	Jammu Development Authority	3	17	1994-95
18.	Kashmir Urban Development Agency	1	11	1998-99
	Total	100	729	

8.1.15 The department-wise abstract of performance of the Autonomous Bodies receiving grant-in-aid is indicated in the *Appendix-27*.

Section - A - Reviews

Education Department

8.2 University of Kashmir

The University of Kashmir was established in 1969 with the objectives of imparting education, providing for research, advancement and dissemination of knowledge and conducting examinations, conferring degrees, diplomas and other academic distinctions.

Highlights

- The University had not prepared its annual accounts since inception, as a result the position of its assets and liabilities was not ascertainable.
- There was delay in preparation/submission of Budget estimates for the year 1999-2000 by the University which necessitated drawal of overdraft of about Rs 7 crore and consequential avoidable interest payment of about Rs 12 lakh.
- Rupees 1.41 crore were spent on purchase of items without any budget provision.
- The University libraries did not observe the prescribed procedure for issue of books which resulted in 9823 books lying outstanding against 3070 borrowers. Physical verification of the libraries was also not conducted for more than two decades.
- The number of teaching and non-teaching staff almost equalled the student intake capacity of the University.
- Non-completion of convocation-cum-cultural centre led to idle investment of Rs 2 crore, besides loss of Rs 51 lakh due to damages to the structure.
- Unplanned/injudicious purchase of machinery/equipment resulted in idle investment of Rs 66 lakh.
- There was avoidable wasteful/extra expenditure of Rs 31 lakh on purchase of paper of inferior quality, printing of study material/examination forms and excess POL consumption.

Introduction

8.2.1 The University of Kashmir covering Kashmir Division was established in 1969 under Kashmir and Jammu Universities Act, 1969 on bifurcation of the University of Jammu and Kashmir. The main objectives of the University are to (i) impart education in such branches of learning as it may think fit, (ii) provide for research, advancement and dissemination of knowledge and (iii) conduct examinations, confer degrees, diplomas and other academic distinctions.

Organisational set-up

8.2.2 The University Council, with Vice-Chancellor, Pro-Chancellor, Education Minister among others as its members and headed by the Chancellor, is the supreme authority of the University. The functions of the Council include making Statutes/regulations in consultation with the University Syndicate, approving developmental plans and financial estimates of the University. The Syndicate[#], headed by the Vice-Chancellor, is the Chief Executive Authority vested with the responsibility of framing Budget estimates, preparing draft Statutes and holding, controlling and administering funds, property and other assets. The Vice-Chancellor is the principal executive and academic officer of the University who is assisted by the Registrar, Controller of examinations and Financial Advisor in its functioning. The University also has an engineering division headed by an Executive Engineer for execution of civil/maintenance works.

Scope of audit

8.2.3 A review on working of the University, based on test-check of records for the period from 1996-97 to 2000-01, was conducted during November 2000 to April 2001 under Section 14 (1) of the Comptroller and Auditor General's (DPC) Act, 1971. Important findings are discussed in the succeeding paragraphs.

Non-preparation of accounts

8.2.4 The University had not prepared its annual accounts since inception. It had also not maintained ledgers/journals, asset registers, etc. as a result of which the position of its assets/liabilities was not ascertainable.

Receipts and expenditure

8.2.5 The University receives funds from the State Government to meet its requirements. In addition, it receives grants for specified schemes/projects from the Central Government and University Grants Commission (UGC). Income also accrues to it in the shape of fees, fines, rent of buildings, etc. The position of its receipts and expenditure worked out collaterally, was as under:

[#] University Syndicate comprises Vice-Chancellor, Education Advisor, Financial Advisor, etc.

(Table No. 8.7)

(Rupees in crore)

Year	Opening balance	Receipts					Expenditure	Percentage utilisation of funds	Closing balance
		Grants received		Others [⊗]	Internal receipts	Total (including OB)			
		UGC	State						
1996-97	2.56	0.45	13.66	0.04	1.80	19.22 [§]	17.84	93	1.38
1997-98	1.38	0.83	17.03	1.34	2.14	22.72	20.13	89	2.59
1998-99	2.59	1.19	11.61	0.25	2.32	17.96	18.30 [⊙]	100	0.05
1999-00	0.05	2.17	23.74	0.47	2.95	29.38	27.86	95	1.52
2000-01	1.55 [*]	2.79	28.00	0.82	3.52	36.68	36.06	98	0.62

8.2.6 The University decided (June 1997) to create Endowment Fund for its developmental activities which was to be financed by service charges realised from post graduate/under graduate students at varying rates. The amount so realised, pending its utilisation, was to be invested in FDRs. Audit found that receipts of Rs 43.81 lakh realised during 1997-98 to 2000-01 were kept in current account and diverted for payment of salaries, etc. thereby defeating the intended purpose, besides resulting in loss of interest of Rs 7.81 lakh.

8.2.7 Revenue receipts realised as admission fee to B.Ed, PG and certification course in Library Sciences were kept in current account instead of investing them in short/long-term deposits. This also resulted in loss of interest of Rs 12.82[♦] lakh.

Delay in preparation of Budget estimates

8.2.8 There was considerable delay in preparation/submission of the Budget estimates to the Government. To meet its daily requirements, the University availed overdrafts of Rs 6.61 crore during the period from April 1999 to December 1999, on which interest of Rs 11.61 lakh was paid. Further, the University spent Rs 1.41 crore during 1996-97 to 2000-01 on purchase of furniture, fire extinguishers, heating system, vehicles and fax machines, etc. without any provision in the Budget.

8.2.9 Revenue receipts (examination, migration, university fees, etc.) of Rs 12.73 crore for the period 1996-97 to 2000-01 exceeded the Budget estimates of Rs 11.42 crore by 11 per cent which indicated their underestimation.

⊗ Ministry of Health and Family Welfare:Rs 51 lakh; Human Resource Development: Rs 1.84 crore; Department of Science and Technology (GOI): Rs 57 lakh.

§ Includes loan of Rs 71 lakh received from HUDCO during 1996-97

⊙ Includes expenditure of Rs 39 lakh met from local funds

* The variation of Rs 3 lakh between closing and opening balances was not clarified by the university

♦ Calculated at minimum balances ranging between Rs 1.15 lakh and Rs 76 lakh during December 1996 to March 2001 except in respect of camp office, Jammu information in respect of which was available for the period from 17 August 1999 to 14 February 2000

Academic Activities**Shortfall in intake and pass percentage of students**

8.2.10 The University imparts education to award post graduate degrees in 24 disciplines and also runs 6 post graduate diploma courses and 4 certification courses. It was noticed that no new discipline at post graduate level had been introduced during last 7 years despite strides in various fields like information technology, water management, etc. Environmental Protection course had also not been introduced despite release (July 1995) of Rs 3 lakh by the UGC for the purpose.

8.2.11 The position of annual intake capacity, actual number of students admitted and pass outs in various disciplines during 1996-97 to 2000-01 was as under:

(Table No. 8.8)

Year	Intake capacity	Actual intake	Percentage shortfall	Number of students appearing in final examination	Number of students who passed the examination (percentage)
1996-97	1385	966	30	572	312 (55)
1997-98	1385	Nil	100	-Nil-	
1998-99	1385	992	28	902	402 (45)
1999-00	1385	1006	27	688 ^z	407 (59)
2000-01	1385	1132	18	Courses not completed	

8.2.12 Percentage shortfall in intake of students for various disciplines ranged between 18 and 100. The pass percentage was also low, ranging between 45 and 59. Reasons for shortfall in admission and low pass percentage had not been analysed to improve academic performance of the University.

Delay in completion of courses and late declaration of results

8.2.13 There was substantial delay in completion of post graduate (3 to 21 months) and professional courses (10 to 36 months) run by the University and its affiliated colleges. Admission to post graduate courses for academic session 1997 had not been made due to non-completion of previous session, resulting in loss of an academic year to students.

8.2.14 As per Statutes of the University, results of examinations were to be declared not later than 8 weeks from the date of commencement of the examination. It was seen that declaration of results of graduate/post graduate courses for the academic sessions of 1996 to 2000 were delayed by 1 to 16 months.

^z Only in respect of 28 departments out of 31, results of which had been declared (July 2001)

Non-issue of certificates

8.2.15 55832 certificates in respect of graduate, post graduate and professional courses pertaining to the academic sessions of 1980-81 to 1999-2000 had not been prepared and issued as of February 2001. This did not include migrant students, data in respect of whom had not been maintained by the University. The University attributed (September 2000) the delay to inadequate staff, which was not tenable as Certificate Section dealing with the job had full complement of staff.

Libraries

Outstanding library books

8.2.16 The University has a Central Library and various other departmental libraries. As of March 2001, there were about 3.75 lakh books in these libraries. Physical verification of books in the libraries had not been conducted for more than two decades. Further, books issued to students and teaching/non-teaching staff were to be returned within two weeks and one month respectively. Books not exceeding 2, 5 and 10 were to be issued at a time to teaching, non-teaching staff and research scholars/students respectively. It was, however, seen that books had been issued far in excess of the prescribed limit ranging from 11 to 218 (teaching), 3 to 13 (non-teaching) and 4 to 52 (research scholars/students). Non-observance of the aforementioned norms resulted in 9823 books[▼] (Central Library: 6054; 16 departmental libraries: 3769) remaining outstanding against 3070 borrowers as of March 2001. It was also seen that some of the borrowers had either expired or had quit the services. Follow up action had, however, not been initiated either to retrieve or to recover cost[§] of even the books issued during 1996-2001.

Delayed receipt of journals/periodicals

8.2.17 The University paid Rs 1.41 crore to different agencies as subscription for journals, periodicals and other scientific literature. The material, however, was received after delays ranging from 2 to 16 months by which time it lost its topical utility, depriving the beneficiaries of the latest development in respective fields.

Non-strengthening of library facilities

8.2.18 The UGC released (March 1995) special grant of Rs 6.50 lakh under Information and Library Network (INFLIBNET) Programme for strengthening library facilities with the ultimate objective of networking all

▼ Prior to 1995-96: 7860; 1996-2001: 1963

§ Cost of 1178 books worked out to Rs 4.56 lakh. Details of cost of remaining books was not made available

universities/academic institutions to ensure sharing of available information. The University purchased (1996-97) a computer system at a cost of Rs 7.47 lakh which remained idle for want of a qualified information technician. Automation work was started during 1998 with the assistance of cataloguers and data entry operators (engaged on contract basis) under the guidance of the Assistant Librarian and only 80 thousand books out of total 3.75 lakh books had been automated as of December 2000. This deprived the teaching/non-teaching staff and students of the facility of improved documentation and library services.

Excessive manpower

8.2.19 The position of teaching and non-teaching staff (excluding staff engaged on research, distance education and on deputation) vis-à-vis student intake capacity of the University was as under:

(Table No. 8.9)

Particulars	1996-97	1997-98	1998-99	1999-2000	2000-01
Teaching staff	187	193	193	194	216
Non-teaching staff	1024	1139	1133	1186	1235
Intake capacity (students)	1385	1385	1385	1385	1385
Ratio of teaching staff to non-teaching staff	1:5	1:6	1:6	1:6	1:6
Ratio of teaching staff to students	1:7	1:7	1:7	1:7	1:6
Ratio of teaching/non-teaching staff to students	1:1.14	1:1.04	1:1.04	1:1	1:0.95

8.2.20 The overall ratio of teaching to non-teaching staff and teaching staff to students was between 1:5 and 1:6 (against UGC norm of 1:3) and between 1:6 and 1:7 (against UGC norm of 1:12) respectively. The number of teaching and non-teaching staff almost equalled the intake capacity of the University. As a result, the expenditure on salaries of the staff which constituted 51 to 74 *per cent* of the total expenditure affected its developmental activities. The University also engaged 377* daily wagers during the period 1996-2001 despite ban on their engagement imposed (January 1994) by the Government and incurred expenditure of Rs 52.06 lakh on their wages. Further, it was seen that no student was on roll in the Sanskrit Department during 1990-91 to 2000-01 and expenditure of Rs 33.36 lakh was incurred on payment of salaries of the staff and contingent expenditure of the Department.

8.2.21 Service books and service cards of the teaching staff had also not been maintained.

Execution of works

8.2.22 Works executed by the University were not based on any approved works programme indicating, *inter alia*, cost estimates and period of

* Number of daily wagers engaged during 1996-97, 1997-98 and 2000-01 was not made available

completion of the works proposed to be taken up. Works records^ψ had not been maintained and administrative approvals and technical sanctions of the works executed/under execution were not on record. 14 works were executed by Executive Engineer at an estimated cost of Rs 12.72 crore which included 5 spill-over works. Of these, only 9 works (estimated cost: Rs 1.57 crore) had been completed at a cost of Rs 5.09 crore (April 2001). Test-check of some of these works revealed as under:

Cost and time overrun on construction of staff quarters

8.2.23 The University decided (August 1988) to construct staff housing colony comprising 148 units at Mirzabagh at an estimated cost of Rs 4 crore. The civil, sanitary and electric works were allotted during December 1988, October 1989 and August 1990 to three contractors at a cost of Rs 3.95 crore (civil works: Rs 2.75 crore; sanitary/electric works: Rs 60 lakh each). The work on the project, scheduled to be completed by September 1991, was stopped (December 1989) by the civil contractor due to disturbed conditions and was resumed (July 1991) for a brief period. The contractor, however, advanced his claim for price escalation of 70 per cent for which no stipulation existed in the agreement. Though the Development Committee of the University directed (February 1994) termination of agreement with the contractor and entrusting the balance work to Jammu and Kashmir Projects Construction Corporation (a Government Company), the work was re-allotted (November 1994) to the original contractor with 20 per cent cost escalation. It was also decided to reduce the number of units to 110 (estimated cost: Rs 6.66 crore) of which 88 units were to be completed by November 1997 and construction of remaining 22 units was to commence from March 1998 for which Rs 5 crore were provided by the Government. Construction of 88 quarters was completed in June 1998 at a cost of Rs 7.14 crore and work on remaining 22 units (expenditure: Rs 72 lakh) had not been completed (July 2001) as no further funds were released by the State Government. This resulted in cost overrun of Rs.4.79 crore[^] (104 per cent) and time overrun of 8 years on construction of 88 units, locking up of Rs 72 lakh on incomplete 22 units, besides denial of residential facilities to staff.

Idle investment on construction of convocation-cum-cultural centre

8.2.24 Construction of a convocation-cum-cultural centre with seating capacity of 2500 persons was allotted (1982) to Jammu and Kashmir Projects Construction Organisation (JKPCO) at an estimated cost of Rs 1.92 crore. The work was to be completed by March 1985. The estimated cost of the centre was revised to Rs 2.65 crore during 1987-88 and an amount of Rs 2.29 crore was released to the Organisation up to 1988-89. During November 1989 when construction of the main building was nearly complete (electrification and sanitary installations completed fully) at a cost of Rs 2.05 crore, execution of

^ψ Contractors ledger, works abstract, deposit registers
[^] Worked out proportionally for 88 units

further work was stopped by the Organisation for want of funds. At that stage works like installation of central heating system, fire alarm and false ceiling had to be executed for which an amount of Rs 73.40 lakh was required as estimated by the Organisation. However, as per tentative estimates framed by the Chief Engineer (August 1999), Rs 4.14 crore were required for completion of the centre. No action had been taken to complete the centre (April 2001) which led to idle investment of Rs 2.05 crore, besides denial of intended benefits to the students. Expenditure of Rs 11.53 lakh incurred by the University on holding of convocations, seminars and symposia, etc. outside during 1996-97 to 2000-01 could also have been avoided. Meanwhile, the wooden and aluminium windows, sanitary fittings and water supply equipment got damaged, restoration of which was estimated to cost Rs 51.18 lakh. Cost of the funds invested in non-performing asset and the avoidable expenditure was Rs 1.63 crore^s.

Injudicious and unplanned purchases

8.2.25 Machinery and equipment (cost: Rs 66.23 lakh) as detailed below were lying idle since their purchase for reasons noted against each:

(Table No. 8.10)

S. No	Name of equipment	Department	Total cost (Rs in lakh)	Month/ Year of purchase	Reasons
1.	FTIR Spectrometer version-2	Chemistry	12.76	September 1998	Idle for want of working table, uninterrupted power supply, etc.
2.	Computer system VAX 11/780	Computer section	40.00	October 1986	Non-availability/preparation of site
3.	Submersible hydraulic pumps (2 numbers)	Estates	1.46	March 1996	For want of laying of water pipes
4.	Air conditioning plant	Audio Visual Research Centre	4.49	February 1998	The plant was of lower capacity
5.	Xerox machine	-do-	0.85	December 1996	The machine purchased was defective
6.	Olympus Trinocular Microscope	Zoology	6.67	March 1997	Microscope purchased without "Microphotographic camera," an essential component for the equipment
	Total		66.23		

8.2.26 Non-commissioning/utilisation of these machines/equipment indicated their unplanned and injudicious purchase. Besides, a scanning electron microscope purchased at a cost of Rs 7.52 lakh in March 1985 for University Science and Instrumentation Centre remained non-functional after November

^s For the period 1996-2001

1997 for want of spares/accessories. Cost of non-performing assets[@] was Rs 12.50 lakh.

Store management

Non-accounting of stores

8.2.27 The University has an independent Estate section headed by an Estate Officer for exercising inventory control centrally over the stores and equipment purchased/acquired by its various sections/departments. The section had, however, not maintained centralised accounts of stores. Physical verification of stores/equipment was also not conducted. The University re-employed Estate Officer in March 2000 (remuneration paid: Rs 1.20 lakh) for preparation of central/departmental stock registers. It was seen that store items valued at Rs 38.80 lakh, purchased between March 1992 and March 2001, had not been accounted for in stock ledgers and details like date of purchase, cost, specifications, etc. had not been indicated in most of the cases in the stock registers. Non-accountal of stores worth Rs 21.84 lakh detected (September 2000) by the Estate Officer in Chemistry Department had not been investigated (May 2001).

Unused printing material

8.2.28 The Vice-Chancellor of the University during inspection of the stores observed (September 1999) that a lot of unused printed material (answer books/continuation sheets) valued at Rs 1.70 lakh (approximately) was lying in the stores which could be put to use. No effort was made at any stage to find out the actual number of old unused printed material and exploring the possibilities of their utilisation.

Non-carry forward of balances

8.2.29 Stock register of answer books revealed that closing balance of 1.73 lakh scripts (cost: Rs 3.78 lakh) as on 31 March 1996 had not been carried forward. The fresh stock register maintained from April 1996 had not been closed and balanced as of March 2001.

Outstanding advances

8.2.30 Temporary advances were paid to staff out of University and examination funds for meeting expenses on travelling and other incidentals for conducting examinations. Further advances were being allowed without ensuring adjustment of previous advances. This resulted in accumulation of outstanding advances to Rs 63.75 lakh as of March 2001. Of this, Rs 27.70 lakh (43 per cent) were outstanding for over 6 years. Further, Rs 3.95 lakh were outstanding against staff members who had either retired, migrated or expired.

[@] Except at S.No 2

Internal audit

8.2.31 Internal Audit Cell headed by an Assistant Registrar, had not prepared any internal audit manual laying down its functions, scope and periodicity of audit. The Cell, which conducted audit of 33 departments out of 65, had not placed its findings before the University Council. Audit of local funds of only 2 departments was conducted.

Avoidable/wasteful/extra expenditure

8.2.32 The University incurred avoidable/wasteful/extra expenditure of Rs 30.49 lakh as discussed below:

8.2.33 The University purchased answer books/ continuation sheets at a cost of Rs 61.34 lakh from two Delhi-based suppliers during 1996-2000 after collecting *dasti*/open quotations. As per agreement, the material was to be printed on paper of the size of 20 by 26 inches (10.1 Kg/ream). However, test-check of GRs of the transport company, which carried the material, revealed that the suppliers had used paper of inferior quality which weighed 8.34 kg/ream. Thus, use of inferior paper in supply of 23.30 lakh answer books and 18.13 lakh continuation sheets resulted in undue benefit of Rs 7.44 lakh to the suppliers.

8.2.34 The study material required by the students of correspondence courses in Education is got printed by the University by off-set printing process and provided to them for their use. The University incurred an expenditure of Rs 38.59 lakh during 1996-97 to 2000-01 on printing of the study material. It was, however, observed that negative copies of the study material (which had undergone no change since 1991) available with the University were not re-used which could have resulted in savings of Rs 11.45 lakh, as negative copies of the material had to be prepared afresh. Also, a duplicating machine purchased (1996) at a cost of Rs 4 lakh for printing study material for the courses where enrolment of students was less than 100, was not used. Cost of the idle asset was Rs 2.55 lakh.

8.2.35 The University printed examination forms (1.20 lakh) for three-year degree course, admission forms (1.01 lakh) for post graduate courses and syllabii (0.34 lakh) for different courses at a cost of Rs 38.13 lakh, without assessing their actual requirement. Of these, forms and syllabii costing Rs 20.31 lakh were sold. Material costing Rs 2.34 lakh was issued to sub-offices (Baramulla: Rs 0.60 lakh; Anantnag: Rs 0.92 lakh; Jammu; Rs 0.82 lakh) during 1996-97 to 1999-2000, sale proceeds of which had not been remitted to the University (July 2001). Out of remaining forms and syllabii costing Rs 15.48 lakh, material for Rs 6.85 lakh was auctioned as *raddi*[≠], records whereof were not produced to audit.

[≠] Waste paper

8.2.36 The University vehicles had consumed 9899 litres of petrol valued at Rs 2.97 lakh (at Rs 29.91/litre) during the period from January 1996 to December 2000 in excess of norms[&] prescribed by the State Motor Garages resulting in extra expenditure on consumption of fuel.

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

[&] Eight Kms/litre for Gypsy and 10 Kms/litre for Maruti Van against 10 Kms/litre and 12 kms/litre respectively fixed by the State Motor Garages

Forest Department

8.3 Performance of Pollution Control Board in air pollution and waste management under Air and Environmental Acts

The objectives of enforcing Air (Prevention and Control of Pollution) Act, 1981 and Environment (Protection) Act, 1986 for prevention and control of air and environmental pollution were not achieved mainly due to failure of the Jammu and Kashmir Pollution Control Board to regulate and control vehicular/industrial emissions and secure management and disposal of municipal, hazardous and bio-medical wastes. Laboratories required for monitoring and testing air samples and vehicular/industrial emissions were not set up.

Highlights

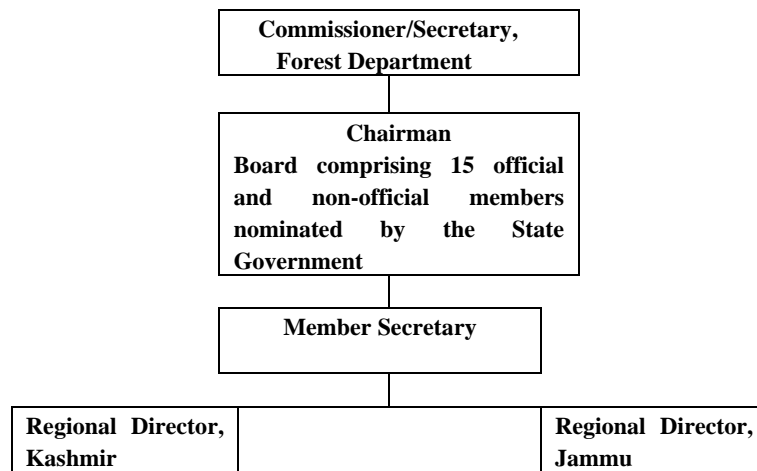
- There was laxity in general financial management of the Board leading to large unspent balances year on year during 1996-2001; the range of unspent balances was Rs 32.05 lakh to Rs 112.78 lakh.
- There were no laboratories in the State for testing of air quality and vehicular/industrial emissions. Consequently, physical achievements projected by the Board were not susceptible to verification in audit.
- The Board had not identified the extent of air and noise pollution and in the absence of any documentary evidence, Audit was not in a position to comment on the adequacy of steps taken to contain air and noise pollution.
- The Board had not prepared updated inventory of industrial units. Out of 315 units in industrial areas of Jammu Division and 45 stone crushers in Jammu municipal limits, only 73 units (21 per cent) had adopted pollution control measures. In Kashmir Division 280 industrial units were operating without consent of the Board.
- The Board had not established management structure for regulating, handling and disposal of hazardous wastes. Institutions generating bio-medical wastes were functioning without the permission of the Board for which no penal action was taken.

Introduction

8.3.1 The Pollution Control Board, constituted in the year 1976, was responsible for enforcing Water (Prevention And Control of pollution) Act[≠], 1974, Air (Prevention and Control of Pollution) Act[#], 1981 and Environment (Protection) Act[#], 1986. The main functions of the Board are to plan and secure execution of comprehensive programmes for prevention, control and abatement of pollution of water bodies, air pollution, noise pollution and management of solid wastes. The Board is also required to collect and disseminate information relating to pollution and advise the State Government on matters concerning it.

Organisational structure

8.3.2 The organisational structure of the Board is shown in the following chart:



Audit Coverage

8.3.3 The activities of the Board regarding prevention and control of water pollution was last reviewed in audit during March-May 2000 and findings included in paragraph 8.5 of the Report of the Comptroller and Auditor General of India for the year ended March 2000. The present review covering activities relating to enforcement of Air (Prevention and Control of Pollution) Act, 1981 and Environment (Protection) Act, 1986 during the years 1996-97 to 2000-01 was conducted during December 2000 to February 2001. Important points noticed, are discussed in the succeeding paragraphs.

[≠] Central Act

Receipts and Expenditure

8.3.4 Year-wise details of the receipts and expenditure of the Board for the years 1996-97 to 2000-01, as per its records, were as follows:-

(Table No. 8.11)

(Rupees in lakh)

Particulars	1996-97	1997-98	1998-99	1999-2000	2000-01	Total
Opening balance	32.05	45.31	87.25	63.45	77.64	
Grants received						
State Govt.	46.00	131.75	116.53	218.07	235.00	747.35
Central Govt.	0.75	4.00	5.00	10.00	-	19.75
C.P.C.B [‡]	-	3.86	-	0.50	1.30	5.66
Other receipts						
Consent fees	6.55	8.77	8.55	10.31	12.68	46.86
Misc. receipts (interest on bank deposits and auction money etc.)	-	-	9.00	4.43	-	13.43
Total funds available	85.35	193.69	226.33	306.76	326.62	865.10
Expenditure	40.04	106.44*	162.88*	229.12*	213.84	752.32
Closing balance	45.31	87.25	63.45	77.64	112.78	
<i>Per cent</i> unspent balance	53	45	28	25	35	

8.3.5 Under the Air Act, 1981 the Board was required to submit separate annual report of its activities to the Government each year for being laid before the State Legislature. The Board had not prepared any report for the years 1996-2001, due to which the State Legislature was not apprised of the Board's activities.

8.3.6 Against available funds of Rs 8.65 crore, Rs 7.52 crore (87 per cent) only were spent during 1996-97 to 2000-01. The unspent balance increased from Rs 32.05 lakh at the end of March 1996 to Rs 112.78 lakh at the end of March 2001. The unspent balances also included Rs 19.75 lakh (details in Appendix-28) received during the period 1989-90 to 1997-98 from CPCB and Central Government for implementation of various schemes. These funds had not been utilised even after 3 to 11 years of their receipt.

Doubtful data of sample testing

8.3.7 The provisions of the Air Act, 1981 empower the Board to enforce various measures for prevention and control of air pollution. The rules for regulating the provisions of the Air Act, 1981 were, however, notified by the State Government in February 1987 after delay of about six years. Based on the recommendation (April 1996) of the Board, whole of the State was declared (January 1999) as Pollution Control Area. The Board was required to

[‡] Central Pollution control Board
* Revised reconciled figures supplied by the Board

collect samples of ambient air and emissions from vehicles and industrial plants and get them analysed in its own or recognised laboratories through a duly appointed Analyst.

8.3.8 The position of targets fixed and achievements of collecting and testing the samples of ambient air and emissions from vehicles/industrial units as reported by the Board to the Government during the period 1996-97 to 2000-01 was as follows: -

(Table No. 8.12)

Particulars	1996-97		1997-98		1998-99		1999-2000		2000-01	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Monitoring quality of the ambient air samples	350	270	500	500	600	310	600	14	500	-
Monitoring of vehicular emissions	250	503	500	500	500	150	500	800	650	100
Testing samples of industrial emission	250	235	400	400	400	-	400	18	900	125

8.3.9 The authenticity of the above data, in absence of any supporting records maintained for it, was doubtful particularly when the requisite facilities and infrastructure viz., air testing laboratories and services of an Analyst for testing of samples and monitoring the quality of ambient air were not available with the Board.

Non-implementation of action plan on vehicular pollution

8.3.10 The Board took no action to enforce the provisions of Air Act, 1981 and Central Motor Vehicle Rules, 1989 till 1997-98. It belatedly formulated (October 1998) an action plan envisaging, *inter-alia*, grounding of pre-1980 model vehicles, monitoring of post-1980 model vehicles for ensuring their emission levels within permissible limits, introduction of lead-free petrol, establishment of vehicle emission monitoring centres for testing emissions from vehicles, granting “Pollution Under Control” certificates and establishment of pollution control rooms at Srinagar and Jammu for registering public complaints. Except for introducing lead-free petrol and setting up of 14 monitoring centres (Jammu: 9; Kashmir: 5) the plan was not implemented. Of the 9 centres in Jammu Division, operation of three centres was suspended (December 2000) and 6 centres were deficient in technical staff, equipment, etc. Data relating to vehicles checked was also not maintained. Against 2.17 lakh to 2.99 lakh vehicles in the State during 1996-97 to 1999-2000, 16389 vehicles were *challaned*^ψ for excessive emissions during this period. Audit did not find any documentary evidence of the Board having identified in advance the extent of air pollution which they hoped to target. The Audit, as such, was not in a position to comment on the adequacy of steps taken to contain vehicular pollution.

^ψ Booked for legal action

Non-monitoring of noise pollution

8.3.11 Noise, as per Section 2 (a) of the Air Act as amended, is also classified as one of the air pollutants which beyond certain limits impacts adversely on health. No study to measure noise level in noise prone areas of the State had been undertaken by the Board till 1998. The studies undertaken in the years 1999 and 2000 in 11 residential and 30 commercial areas of Srinagar and Jammu cities only, revealed that the noise level varied from 60 to 81 decibels in residential^β areas (8) and 69 to 99 decibels in commercial areas (29) against the permissible limits of 55 and 65 decibels respectively. No action plan to monitor noise levels on regular basis had been formulated for taking remedial measures to overcome the high levels of noise pollution.

Operation of industrial plants without consent of the Board

8.3.12 Under the provisions of the Air Act, 1981 no industrial plant can operate in an air pollution control area without the previous consent of the Board. The Environment (Protection) Act, 1986 empowers the Board to ensure that no person running any industry shall discharge or emit any environmental pollution in excess of prescribed standards. To ensure this, the Board is required to maintain a complete inventory of all the industrial plants operating in the State. However, no updated inventory had been maintained in absence of which operation of these units in accordance with the prescribed standards was not monitored. In Kashmir Division, a survey in the industrial areas conducted (1998) by the Board revealed that 280^ϕ industrial units were operating without its consent. A survey conducted (1994-95) by the Board in industrial areas of Jammu Division and stone crushers operating in Jammu city revealed that out of 360^ξ units, only 73 (21 *per cent*) had adopted pollution control measures. While number of brick kilns operating in Jammu Division without consent was not available, 17 brick kilns were operating in Kathua district without the consent of the Board. The Board had initiated legal action against 85 defaulting units during 1996-97 to 2000-01 of which 74 cases were *sub-judice*. In the remaining 11 cases, while 9 cases were dismissed by the court on technical flaws, one case was withdrawn by the Board and only one case was decided in its favour. This was indicative of the fact that default cases were not registered, processed and pursued properly by the Board despite availability of a full fledged legal section headed by a law officer.

^β In the remaining areas the noise level was within permissible limits

^ϕ Brick Kilns: 169; Stone Crushers: 88; Lime Kilns: 10; Surkhi (powdered bricks) plants: 2; Hot Mix Plants: 10 and Tannery: 1

^ξ Industrial units: 315; Stone crushers: 45

Non-implementation of National Ambient Air Quality Monitoring scheme

8.3.13 For monitoring the quality of air, CPCB provided Rs 2.12^ψ lakh for implementation of “National Ambient Air Quality Monitoring” scheme. The scheme had, however, not been implemented as of March 2001. While an amount of Rs 0.56 lakh was spent (August 1995) on purchase of laboratory chemicals, Rs 1.56 lakh were lying as unspent balance (March 2001). The Board stated (February 2001) that the quality of air would be monitored after procurement of 4 High Value Samplers under a World Bank aided programme.

Non-management of wastes

8.3.14 For prevention, control and abatement of environmental pollution, the Board under the provisions of the Environment (Protection) Act, 1986 and the rules^ε made thereunder is empowered to regulate the management, handling and disposal of solid wastes including municipal, hazardous and bio-medical wastes. The board had not formulated any action plan for management, handling and disposal of wastes, as discussed below:

Hazardous wastes

8.3.15 Hazardous Wastes Management Rules envisage proper collection, treatment and disposal of all hazardous wastes by the occupier^μ of these wastes at such facilities as may be authorised by the Board. The rules also envisage a continuous programme for identification of sites for disposal of wastes after undertaking an assessment of its impact on environment and continuous compilation of an inventory of hazardous wastes.

8.3.16 Structure of management of hazardous wastes for which Central assistance of Rs 7 lakh was provided (November 1991) to the Board, had not been created as of March 2001. The amount^{*} was lying unspent in the bank. In absence of such a structure the Board had not identified any disposal sites so far (August 2001). According to the inventory of hazardous waste generating units prepared (January 1997) by CPCB in the State and updated by the Board up to December 1996, 57 units in Jammu (53) and Kashmir (4) regions were generating 1221 tonnes of hazardous wastes annually. These wastes mixed with non-hazardous wastes were being dumped and disposed of within the plant premises by the respective industrial units in violation of laws causing threat to human/animal health and environment.

^ψ 1991-92: Rs 1.45 lakh; 1995-96: Rs 0.67 lakh

^ε Hazardous Wastes (Management and Handling) Rules 1989, Bio-medical Wastes (Management and Handling) Rules 1998 and Municipal Solid wastes (Management and Handling) Rules 2000

^μ Includes a person having control over the affairs of the factory or the premises

^{*} Except for Rs 0.09 lakh spent on preparation of inventory of hazardous units

Bio-medical wastes

8.3.17 Bio-medical waste (Management and Handling) Rules, 1998 envisage grant of permission by the Board for generation, collection, storage, transportation, treatment and disposal of bio-medical wastes by institutions like hospitals, nursing homes, clinical dispensaries, veterinary institutions, etc. in accordance with prescribed standards without any adverse effect on human health and the environment. The respective institutions had to create required facilities within specified time periods viz., hospitals/ institutions with bed strength of 500 and above and above 200 but less than 500 by 31 December 1999 and 31 December 2000 respectively and for other institutions by 31 December 2002. None of these institutions had, however, obtained permission of the Board. The bio-medical wastes assessment done by the Board in 50 institutions (Hospitals: 33, Nursing Homes: 16 and Animal Health Care and Biological Production Centre: 1) in the cities of Jammu and Srinagar and towns of Baramulla and Kupwara during December 2000 revealed infrastructural deficiencies in incineration, autoclaving, microwaving, etc. The Board had, however, not initiated any penal action against the defaulting institutions.

Municipal wastes

8.3.18 Surveys carried out by the Board on three occasions (1996, 2000 and 2001) in the municipal areas and towns of the State indicated that the wastes were either being dumped into nearby water bodies or scattered in different areas with threat to the human health and surrounding environment. Measures for management, handling and disposal of the wastes in accordance with the provisions of the Municipal Solid Wastes (Management and Handling) Rules, 2000 had, however, not been taken up by any of the municipalities, local bodies and other agencies and all types of unsegregated and untreated wastes were dumped in Niki Tawi in Jammu and at Achan in Srinagar.

8.3.19 The matter was referred to the Government/Board in May 2001; reply of the Government was awaited (September 2001).

Section-B-Transaction Audit Findings

Agriculture Production and Rural Development Department

8.4 Non-implementation of the Centrally sponsored scheme for computerisation of DRDAs[¶]

Central funds of Rs 84 lakh remained unutilised for over three years.

8.4.1 Ministry of Rural Areas and Employment, Government of India released (March 1998) Rs 84 lakh representing its share of 80 *per cent* to 14 District Rural Development Agencies (DRDAs) under Centrally sponsored scheme of computerisation of the DRDAs and the State Directorate. The scheme envisaged installation of computers in a Local Area Network within a period of three months for facilitating dissemination of rural development information/data and supervisory control through MIS[§]. The State Government, however, did not release its share of 20 *per cent* (Rs 21 lakh). Meanwhile, the Department directed (November 1998) the Agencies to remit these funds to it for centralised purchase/installation of the computers through a State Level Committee. The Agencies deposited (February, March and October 1999) Rs 76.35 lakh in the official bank account of Financial Advisor and Chief Accounts Officer and the balance (Rs 7.65 lakh) was lying with the Director Rural Development, Kashmir (May 2001). As of May 2001, the Department had not purchased the computers resulting in non-implementation of the scheme and idling of Rs 84 lakh for over three years. Cost of the locked up funds was Rs 37.80 lakh.

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

Housing and Urban Development Department

8.5 Irregular retention of funds by NGOs[§] and delay in construction of low cost sanitary toilets

Failure of the Srinagar Municipality to obtain bank guarantee from the NGOs before making advance payments to them, resulted in irregular retention of Rs 17.10 lakh for over 4 years.

8.5.1 Low cost sanitation scheme, a component of Centrally sponsored National Programme for Liberation of Scavengers in the urban areas of the

¶ District Rural Development Agencies
§ Management Information System
§ Non-Governmental Organisations

State, was to be executed through registered NGOs. The Programme, to be implemented through Municipalities, envisaged conversion of traditional dry latrines into water borne toilets/community toilets at a unit cost of Rs 4500 (Central subsidy: Rs 1350; State subsidy: Rs 1650; beneficiary share: Rs 1500). According to the guidelines of the Administrative Department, mobilisation advance up to 50 *per cent* of the cost of work was to be paid by the Municipalities to the NGOs after obtaining bank guarantee of an equal amount and recovery of the beneficiary share. The work was to be completed within 3 months of the receipt of advance and in case of default, the NGO was liable to pay interest at 18 *per cent* per annum and penalty at 10 *per cent*.

8.5.2 Administrator, Srinagar Municipality released Rs 18 lakh (November-December 1996) to 6th NGOs as mobilisation advance for construction of 1200 low cost sanitation units in Srinagar city without obtaining bank guarantee and recovering the beneficiary share. The work in respect of 1050 units was not taken up by five NGOs as of July 2001. The sixth NGO constructed only 30 units against 150 allotted to it which were found non-functional due to their sub-standard construction. This resulted in wasteful expenditure of Rs 90 thousand on construction of 30 units and Rs 17.10 lakh lying locked up outside the Government account for about 4 years. Interest and penalty was also not levied against the NGOs for the default. Cost of the investment made in NPAs* and locked up funds was Rs 10.80 lakh.

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

Science and Technology Department

8.6 Non-implementation of Centrally sponsored scheme

Rupees 34 lakh released by the Central Government for implementation of a Centrally sponsored scheme of installation of Solar Power plants were locked up since August 1999 due to non-release of its share by the State Government.

8.6.1 Ministry of Non-conventional Energy Sources (Government of India) released (August 1999) Rs 34 lakh as 50 *per cent* cost of 4 photovoltaic power plants including their service charges to the Jammu and Kashmir Energy Development Agency (JAKEDA) under Solar Photovoltaic Programme 1999-2000. The balance 50 *per cent* of the cost was to be met by the State Government. The plants were to be installed by the JAKEDA in the hospitals/health centres of non-electrified areas of Leh, Kargil, Kupwara and Poonch districts for improving health care services to public. Though

^ψ 2 NGOs: 300 units each at the rate of Rs 4.50 lakh; 4 NGOs: 150 units each at the rate of Rs 2.50 lakh

* Non-performing assets

hospitals/health centres to be covered under the programme were identified by the Agency, the State Government failed to release its matching share resulting in non-implementation of the Programme and locking up of the Central funds with JAKEDA for over two years.

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

Srinagar/Jammu

(R.P.Singh)

The

Accountant General Jammu and Kashmir

Countersigned

New Delhi

(V.K.Shunglu)

The

Comptroller and Auditor General of India