

## CHAPTER III

### PERFORMANCE AUDITS

This chapter contains performance audits on Working of Lucknow Development Authority, Rural Health Sector, IT audit on computerization of land records and Computerization of treasuries and three long paragraphs on Ardh Kumbh Mela, Regional Diagnostic Centre and Kanya Vidya Dhan Yojna.

#### HOUSING AND URBAN PLANNING DEPARTMENT

##### 3.1 Working of Lucknow Development Authority

*Lucknow Development Authority was constituted (September 1974) under the Uttar Pradesh Urban Planning and Development Act, 1973 for planned development of the city. Performance audit of its working revealed delay in preparation of Master Plan, poor financial management and deficiencies in implementation of master plans/schemes. The scope of audit was however, limited due to non-production of records.*

##### Highlights

**Annual accounts of the LDA were neither certified by the Statutory Auditor nor submitted to the Government. At the end of March 2006, discrepancy of Rs. 17.77 crore between the books of LDA and various banks had not been reconciled.**

(Paragraphs 3.1.6.2 & 3.1.6.3)

**Expenditure exceeded budget provision by 150 per cent to 239 per cent during 2003-06 indicating defective budget making process in the Authority.**

(Paragraph 3.1.6.4)

**Advances aggregating Rs. 194.33 crore given to the officials of LDA and Government departments/ agencies remained unadjusted for the last 1 to 20 years though temporary advances given to officials were to be adjusted within one month.**

(Paragraph 3.1.6.6)

**Non-transfer of 10 completed housing schemes by the LDA to Nagar Nigam resulted in unnecessary expenditure of Rs. 80.54 crore on their maintenance during the period 2004-07.**

(Paragraph 3.1.6.7)

**Out of 13940 hectare of land developed, 2377 hectares (17 per cent) was inhabited/occupied against the provisions of the revised Master Plan 2001 by private persons (1690 hectare) and Government/semi-Government departments including LDA (687 hectare).**

(Paragraph 3.1.8.1)

**Gomti Nagar Extension Scheme earmarked as a green belt was developed as a housing scheme without obtaining 'No Objection Certificate' from the Environment Department. Consequently, the works of development, etc, were stopped mid way and Rs. 206.66 crore incurred thereon proved unfruitful.**

**(Paragraph 3.1.8.5)**

**Two hundred forty one un-authorized colonies sprung up in the Lucknow city indicating lack of enforcement efforts of the LDA. Besides, effective measures were not taken for stopping unauthorised constructions which increased from 779 (March 2003) to 3238 (March 2007).**

**(Paragraphs 3.1.8.6 & 3.1.8.7)**

**The LDA, even after charging Rs. 205.34 crore towards sewage treatment and water supply works under different schemes during 2002-07, did not provide these services to the allottees in the housing colonies.**

**(Paragraph 3.1.9.5)**

**Out of 1355.97 acre of land acquired under the urgency clause of Land Acquisition Act, 1894 during 1981-83, 373.21 acre was still lying unutilized as of August 2007.**

**(Paragraph 3.1.10.1)**

**Out of 20,095 properties allotted by LDA during 2002-07, 7533 (37 per cent) were allotted without lottery, bid or auction. 1296 properties costing Rs. 263.08 crore were lying unsold. Out of 56 allotments records in respect of which were produced to audit, 11 allotments were made before registration and 11 more without the applicants applying on the prescribed form.**

**(Paragraphs 3.1.10.2 & 3.1.10.3)**

### **3.1.1 Introduction**

Lucknow Development Authority (LDA) was constituted (September 1974) under the Uttar Pradesh Urban Planning and Development Act, 1973 (Act) for the planned development of the city. The Act empowers the LDA to acquire, hold, manage and dispose of land and other properties, regulate building and other operations, execute works in connection with the supply of water and electricity, dispose of sewage, provide and maintain other services and amenities and generally do anything necessary or expedient for purposes of such development. Acquisition of land and its development, construction of buildings/ houses, sale of properties and enforcement of building bye- laws were the main activities of the LDA. LDA was responsible for preparation of Master Plan (MP) and its implementation along with the other works.

### 3.1.2 Organisational set-up

The LDA functions under the administrative control of Principal Secretary, Housing and Urban Planning Department (Department) and its management is vested in a Board headed by the Commissioner, Lucknow Division with eleven other members<sup>1</sup>. The Vice Chairman (VC), assisted by the Secretary, Finance Controller, Chief Engineer and the Chief Town Planner, was responsible for its day-to-day work. There were 14 engineering zones each headed by an Executive Engineer, who was responsible for development/ construction/ maintenance works, sanction of maps and enforcement activities related to their zones.

### 3.1.3 Audit objectives

The audit objectives were to ascertain whether:

- the allocation and utilization of funds earmarked for various schemes were judicious and adequate;
- the MP 2021 was prepared after proper survey and in accordance with Urban Development Plans Formulation and Implementation (UDPFI) guidelines and implemented in an effective manner;
- the development/construction activities were carried out in an economic, effective and efficient manner;
- the policy for allotment of properties was strictly adhered to; and
- the provisions of building bye-laws were enforced effectively.

### 3.1.4 Audit criteria

The working of the LDA was assessed with reference to the:

- Provisions of the Act, bye-laws and regulations made there under and orders of the Government
- UDPFI guidelines
- Master Plans of the Lucknow city

### 3.1.5 Scope of audit and methodology

The performance audit of the LDA was conducted from March 2007 to August 2007 covering the period 2002-07 under Section 14 of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971. Records relating to preparation and implementation of MP 2001 and 2021, annual accounts, budget documents, minutes of the Board's meetings and other records were test checked in audit. In addition, information was also collected from the offices of Chief Town and Country Planner (CTCP) Government of UP, Nagar Nigam (NN) Lucknow, Uttar Pradesh Pollution

<sup>1</sup> Principal Secretary of the Department, Principal Secretary, Finance Department, Vice-Chairman, LDA, Chief Town Country Planner (CTCP),UP, Managing Director (MD), Jal Nigam, Nagar Ayukta, Lucknow, D.M. Lucknow, and four Sabhasads of Nagar Nigam.

Control Board, Lucknow and Awas Bandhu<sup>1</sup>. The audit objectives and audit criteria were discussed and agreed upon in an entry conference held (April 2007) with the Secretary of the Department. During exit conference held in October 2007, facts, figures and recommendations were accepted.

### **Limitation**

Value addition to the activities of an entity by performance audit is possible when requisite information and records are furnished by the auditee to Audit. Secretary of the Department during the entry conference held on 17 April 2007 assured that all information and records required by Audit would be made available. As the records and replies to audit memoranda were not produced to the audit team, the Deputy Accountant General held a meeting with the VC, LDA on 19 July 2007 and reminded again demi-officially on 30 July 2007. The matter was taken up further by the Principal Accountant General with Principal Secretary of the Department and Principal Secretary, Finance Department on 23 August 2007 and again on 19 September 2007 but the information/ records relating to development and construction works, allotment of properties, establishment, enforcement of bye-laws and annual accounts (2006-07) were largely not furnished as of October 2007. In the exit conference held on 17 October 2007, Principal Secretary assured that all records and replies to the audit memoranda would be furnished to audit but neither records nor replies to 126 audit memoranda issued were furnished (*Appendix-3.1.1*). Due to non- production of records and information sought for in various audit memoranda, the scope of audit was limited.

### **Audit findings**

#### **3.1.6 Financial Management**

##### **3.1.6 1 Financial Position**

LDA generates income mainly from the sale of plots/ houses/ commercial sites/ buildings; rent, fees and fines on unauthorized constructions etc. Expenditure mainly relates to salary of staff, acquisition and development of land, maintenance of infrastructure and repayment of loans, etc. The position of receipts and expenditure of LDA for the years 2002-06 was as under:-

<b>(Rs. in crore)</b>				
<b>Particulars</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>
<b>Receipts</b>				
Opening Balance	42.11	52.46	120.45	263.99
Revenue	13.47	32.57	25.19	25.67
Capital	342.84	313.36	403.02	593.59
Government grant	45.10	37.49	10.00	61.24
<b>Total</b>	<b>443.52</b>	<b>435.88</b>	<b>558.66</b>	<b>944.49</b>
<b>Payments</b>				
Revenue	37.21	36.84	44.37	76.00
Capital	319.54	211.76	227.45	436.97
Government grant	32.11	51.61	12.24	30.52
Government loan	2.20	15.22	10.61	30.10
Closing Balance	52.46	120.45 <sup>2</sup>	263.99 <sup>2</sup>	370.90 <sup>2</sup>
<b>Total</b>	<b>443.52</b>	<b>435.88</b>	<b>558.66</b>	<b>944.49</b>

<sup>1</sup> A body under Housing and Urban Planning Department responsible to compile and analyse monthly progress report of Development Authorities for submission to the Government.

<sup>2</sup> Differs by Rs. four crore from the figure shown in the Appendix No. 3.1.2 due to investments made by LDA

The Authority had a closing cash balance of Rs. 370.90 crore and investments amounting to Rs. 275.29 crore at the end of March 2006. Prudence of the Authority in maintaining a huge cash balance and in right management of investment portfolio could not be verified in audit due to non-production of relevant records including the investment policy of the Authority, if any.

Position of assets and liabilities for the period 2002-03 to 2005-06 and details of receipts and payments for the period 2002-03 to 2005-06 is given in **Appendix-3.1.2**.

Following further points were noticed:

### 3.1.6.2 Certification of annual accounts

The LDA prepares its Annual Accounts consisting of Income and Expenditure Account and the Balance Sheet.

The annual accounts of the LDA were got compiled by a firm of Chartered Accountants. As per the Act, the accounts of the Authority were to be audited by the Examiner, Local Fund Accounts. The Examiner, Local Fund Accounts had been carrying out internal audit only and had not certified the annual accounts. The accounts were also not submitted to the Government as provided in section 22 (4) of the Act.

**Annual accounts not certified by the Statutory Auditor and not submitted to Government**

### 3.1.6.3 Bank reconciliation

As per bank reconciliation statements of different bank accounts, there was an un-reconciled difference of Rs. 17.77 crore between the figures of Cash at Bank as per LDA records (Rs. 37.54 crore) and as per bank records (Rs. 19.77 crore) as on 31 March 2006. Bank reconciliation statements as on 31 March 2007 were not furnished to audit.

**Variation of Rs. 17.77 crore between Banks and Authority as on March 2006 not reconciled**

### 3.1.6.4 Excess over budget provision

The LDA prepares its annual budget explaining the proposed income and expenditure for the year which is approved by the Board.

During 2003-04 to 2005-06, against provision of Rs. 300.43 crore on development works an excess expenditure of Rs. 533.10 crore was incurred as detailed below:

(Rupees in crore)				
Sl. No.	Year	Budget provision	Expenditure	Excess ( <i>per cent</i> )
1	2003-04	73.98	190.69	116.71 (157)
2	2004-05	86.25	292.02	205.77 (239)
3	2005-06	140.20	350.82	210.62 (150)
<b>Total</b>		<b>300.43</b>	<b>833.53</b>	<b>533.10</b>

In reply, the Government stated (November 2007) that excess expenditure was approved by the Board by showing revised expenditure in the subsequent year's budget. The facts remained that budget exercise was faulty as excess expenditure over the budget provision ranged between 150 *per cent* and 239 *per cent*.

### 3.1.6.5 Irregular expenditure

With a view to ensuring participation in the infrastructure development of the cities by Development Authorities (DAs), the Government ordered (January 1998) creation of Infrastructure Development Reserve Fund (IDRF) at their level. A fixed percentage of income from certain sources of the DAs was to be

**Rs. 32.10 crore  
spent from IDRF  
without approval of  
the IRDF  
Committee**

credited to IDRF. Expenditure from the IDRF was permissible only after the approval of a committee constituted under the chairmanship of the Divisional Commissioner, with the VC, District Magistrate Lucknow, Managing Director, Jal Nigam as its members.

LDA spent Rs. 32.10<sup>1</sup> crore from the IDRF during 2003-07 on different works without approval of the IDRF committee. In reply, the Government stated (November 2007) that expenditure was incurred in anticipation of the approval of IDRF Committee for which action was being taken. The fact remained that the expenditure was incurred from the fund without obtaining approval of the committee since 2003-04.

### **3.1.6.6 Unadjusted advances**

**Advances aggregating  
Rs. 194.33 crore  
remained unadjusted  
for 1 to 20 years as of  
October 2007**

Paragraph 3.9.2 of the U P Development Authorities Finance and Accounts Manual, 2004 provides that temporary imprest advance should be adjusted within one month. However, advances of Rs. 35.43 crore given to 220 officials from 1987 to 2007 remained unadjusted/un-recovered as of March 2007. This included 47 cases where four to 16 advances were given without adjustments of previous ones. Besides, Rs. 274.38 crore against eight departments/agencies given for various works was also outstanding for the last one to 20 years (*Appendix- 3.1.3*). Further, the advances were treated as final expenditure in the accounts. The Government stated (November 2007) that Rs. 115.48 crore out of Rs. 309.81 crore had been adjusted as of August 2007.

Besides above, 31560 bags of cement and 18.355 MTs of steel costing Rs. 47 lakh issued to 29 Junior Engineers between April 2005 and September 2005, remained unadjusted as of July 2007. No effort was made for adjustment or recovery of materials. In reply, the Government stated (November 2007) that necessary action was being taken for adjustment/recovery.

### **3.1.6.7 Avoidable expenditure**

**19 completed  
housing schemes  
were not  
transferred to  
Nagar Nigam**

Government directed (November 2004) all DAs to transfer the housing schemes to urban local bodies within a month after their completion to avoid expenditure on their maintenance. However, nineteen schemes completed up to March 2004 were not transferred to NN, Lucknow. An amount of Rs. 80.54 crore was spent on the maintenance of ten of these schemes during 2004-07. The expenditure was avoidable had these schemes being transferred to the NN. No expenditure was incurred on the maintenance of the remaining nine schemes although these remained with the LDA.

In reply, the Government stated (November 2007) that action was being taken to transfer these schemes to NN as early as possible.

### **3.1.6.8 Avoidable payment of interest**

Section 34 of the Land Acquisition Act, 1894 states that if compensation for land is not paid on or before taking possession of land, interest thereon at the

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<sup>1</sup> 2003-04 : Rs.20.40 crore, 2004-05: Rs.4.20 crore, 2005-06: Rs. 3.64 crore and 2006-07:Rs. 3.86 crore

**Delay in payment of land compensation resulted in avoidable payment of interest of Rs. 25.63 crore**

rate of 9 *per cent* per annum for the first year and 15 *per cent* thereafter from the date of possession of land would be paid.

The LDA acquired 3097.33 acre land during 1983-84 to 1993-94 and took possession of land immediately but did not pay the compensation in time. Failure to pay the compensation in time entailed interest of Rs. 25.63 crore which LDA paid. (*Appendix-3.1.4*). Besides, Rs. 10.59 crore including interest of Rs. 4.53 crore was also due for payment as compensation on land acquired in nine housing schemes, as of March 2007. The interest liability was increasing at the rate of 15 *per cent* every year.

The Government stated (November 2007) that compensation was paid as per the demand of Additional District Magistrate, Land Acquisition (ADM-LA) and interest paid was charged on properties. Reply was not tenable as the ADM-LA had demanded funds for payment of compensation repeatedly but LDA failed to pay the amount and ultimately buyers of properties will have to bear the additional burden of interest.

### **3.1.7 Preparation of Master Plan**

#### **3.1.7.1 Delay in preparation of MP**

The first MP 1995 for Lucknow city prepared by CTCP was effective from January 1970. A revised MP 2001 was prepared (February 1992) by CTCP which was effective from February 1992.

The MP 2021 was to be prepared by December 2001 and made applicable from January 2002. The LDA entrusted (November 1999) the work to M/s Consulting Engineering Services (CES), New Delhi for completion in six months. As CES failed to complete the work within the stipulated period, the LDA terminated (December 2001) the contract. The work was entrusted (January 2002) to CTCP for completion in seven months. However, CTCP submitted the draft MP 2021 in February 2003 which was accepted by the LDA in March 2003 and suggestions/complaints were invited (April 2003). After addressing suggestion/complaints, the final draft was ready by October 2003. LDA, however, decided (October 2003) to seek guiding principles on MP 2021 from the Government. The Government directed (November 2004) LDA to use UDPFI guidelines and Base Map<sup>1</sup> of existing infrastructure of Lucknow city in preparation of MP 2021. Though the LDA informed the CTCP in December 2004, the directive of the Government was not followed.

The UDPFI guidelines provided that people's participation through their representatives must be ensured in preparation and implementation of MP. However, only four out of 110 people's representatives of the Lucknow city participated in the approval of MP 2021 during the meeting of the LDA Board. Besides, there were no representations from 161 villages which were included in the development area of Lucknow.

<sup>1</sup> Base map is to be prepared on the basis of survey carried out for existing conditions of the city and by Ground Imaging Satellite Mapping.

The MP 2021 was approved by the LDA and Government in March 2005. Thus, due to improper planning, the implementation of MP was delayed by over three years.

### 3.1.7.2 Deficiencies in the Master Plan

Scrutiny of the Master Plan 2021 revealed following deficiencies:

- The MP-2001 projected the population of Lucknow city at 15 lakh in 2001 whereas the population of Lucknow NN area alone was 21.86 lakh in that year. The MP-2021 considered the population of Lucknow in 2001 at 21.86 lakh for future projection but population of 161 villages (2.89 lakh) outside the NN area forming part of Lucknow development area, was not taken into account. Thus, the basic projection of population in the MP-2021 was low by 13 per cent.
- Data relating to existing infrastructure of housing, community and educational facilities in 2001 for various income groups was not detailed in the MP. Need of these facilities on the basis of projected population at different intervals was also not analysed to formulate the Annual Development Plans for implementation of MP 2021.
- Land use category 'Transportation' means land being utilized for roads, rail and air facilities. For MP 2021, 952 hectare land already developed under 'Transportation' up to 1987 was taken as a base whereas as per departmental survey, 956 hectare land had already been developed by 1987 for rail alone. This indicated that correct base map of existing facilities was not worked out to project future requirements. Adoption of incorrect data/ base map of existing infrastructure made the projections in MP 2021 unrealistic and would upset the planned development of the city.
- The UDPFI guidelines provided norms and standards to be followed during preparation of the MP, for distribution of land among different land-use categories. Government had directed (November 2004) the LDA to follow these guidelines. The norms prescribed for distribution of land among different land-uses *vis-à-vis* actual distribution, excess/ shortfall in MP 2021 were as below:

(In hectare)					
Sl. No.	Land use category	Actual distribution of land in MP 2021	Percentage of area in MP 2021	Norms as per UDPFI guidelines in per cent	Excess (+) or shortage (-) (in per cent)
1	Residential	20100.00	49	35-40	(+) 9
2	Commercial	1450.00	3	4-5	(-) 1
3	Industrial	1655.00	4	10-12	(-) 6
4	Public, semi public officers/ utilities and Community facilities	3215.00	8	12-14	(-) 4
5	Recreational	8400.00	20	18-20	----
6	Transport	6540.00	16	12-14	(+) 2
	<b>Total</b>	<b>41360.00</b>	<b>100</b>		



The mismatch on land use between the UDPFI norms and that provided in MP 2021 would increase the population density on one hand and decrease the availability of land for community services on the other.

The Government stated (November 2007) that provisions of the UDPFI guidelines would be followed at the time of review of the MP 2021.

### 3.1.7.3 Non-preparation of Zonal Development Plan/ five year plan/ annual plan

**Zonal Development Plan/Five Year Plan/Annual Plans not prepared**

The Act provides that the Authority shall proceed simultaneously with the preparation of the MP or as soon as possible thereafter, with the preparation of a zonal development plan for each zone which would contain a site plan and use plan, standards of population density and building density, etc. This was envisaged in MP 2021 also. Further, the UDPFI guidelines provided that a medium-term (5 years) comprehensive development plan within the framework of the approved MP incorporating further details and intended actions in the form of strategies and physical proposals for various items given in the MP and an annual plan, identifying new schemes/ projects if any, for implementation during the year taking into account the priorities, should be prepared. LDA neither prepared Zonal Development Plans in any of 22 zones nor the development/ annual plans.

The CTCP admitted (June 2007) that non-preparation of zonal development plans by LDA was the key factor responsible for not achieving the goals of the MPs. The Government replied (November 2007) that zonal development plans for four zones were being prepared.

### 3.1.8 Implementation of Master Plan

#### 3.1.8.1 Non- achievement of target and deviation from land use provision

**Master Plan-2001 targets largely not achieved**

Revised MP 2001 was implemented during February 1992 to March 2005. Against the target of development of 23,682 hectare land under various land use categories during the period, 13,940 hectare land (59 *per cent*) was actually developed as detailed below:

(Area in hectare)

SI No.	Land use category	Targets	Achievements	Shortfall/ (-Excess (+) (in percentage)
1	Residential	15923.80	8945.00	(-)66
2	Commercial	983.20	360.00	(-)37
3	Public, semi public offices	378.50	560.00	(+)48
4	Industrial	731.00	990.00	(+)35
5	Recreational	1868.50	435.00	(-)23
6	Community facilities	1537.00	1410.00	(-)8
7	Transport	2260.00	1240.00	(-)45
<b>Total</b>		<b>23682.00</b>	<b>13940.00</b>	

**Land-use provisions of the revised MP-2001 were violated**

Out of a total of 13940 hectare of land developed, 2377 hectare (17 *per cent*) was inhabited/occupied against the land-use provisions of the revised MP-2001 by private persons (1690 hectare) and Government/semi Government departments including LDA (687 hectare) as detailed below:

- Land to the extent of 1941 hectare was used for housing even though it was earmarked for commercial (243 hectare), industrial (81 hectare), community facilities (82 hectare), transportation (53 hectare), entertainment/ sports (405 hectare) and agriculture (1077 hectare).
- Land to the extent of 64 hectare was used for commercial purpose although it was earmarked for housing (59 hectare) and transportation (5 hectare).
- Land to the extent of 241 hectare was used for community facilities although it was earmarked for housing (55 hectare) and agriculture (186 hectare).
- Land to the extent of 131 hectare was used for office purpose although it was earmarked for housing (104 hectare) and agriculture (27 hectare) purpose.

Utilisation of land against the land-use provisions of the MP due to lack of enforcement by LDA, resulted in un-planned development of the city. In reply, the CTCP admitted (June 2007) that this happened due to failure on the part of the LDA in non-implementation of the provisions of the MPs and building bye- laws effectively.

There was no achievement against the target fixed in the MP 2021 during 2005-07 on works relating to environment, exhibition ground, truck bus terminal, auto market, vegetable market, sewage farm, solid waste fill site, industrial area for saw mills and parking place. Information relating to achievements in respect of construction of roads and development of institutional land- use, was not made available.

### **3.1.8.2 Shifting of pollution causing industrial units**

MP 2001 and 2021 both, envisaged shifting out of industrial units like paper mill, breweries, saw mills, dairy, ply board factories, plastic factories and slaughter houses, etc. located in the densely populated areas of the city which were not only causing environmental pollution but were also creating traffic problem. However, no shifting had taken place as of October 2007.

### **3.1.8.3 Land-fill sites to NN**

Municipal Solid Waste (Management and Handling) Rules, 2000 provided that land-fill sites for collection and management of solid waste would be provided to NNs concerned by the DAs to prevent environmental hazards. The Government also issued orders from time to time directing DAs to provide land- fill sites to NNs. However, LDA failed to provide any land- fill site to NN, Lucknow although, as per the MP 2021, four land-fill sites were to be provided. This resulted in dumping of solid waste/ garbage in open spaces/carriage way which adversely affected the environment and public health. The NN stated (June 2007) that LDA had identified a site for this purpose but it was water logged area and was not suitable for solid waste

management. In reply, the Government stated (November 2007) that action would be taken in this regard.

#### 3.1.8.4 Special Building Bye-Laws for densely populated areas

In the Revised MP 2001 and MP 2021, the central area of the city comprising Maulvi Ganj, Nazar Bagh, Maqbul Ganj, Ganesh Ganj, Kashmiri Mohalla, Asharfabad, Yahiya Ganj, Mashaq Ganj, Husain Ganj, Kundari Rakab Ganj, Ranjendra Nagar, Bhadeva, Lal Kuan and Bashirat Ganj was identified as densely populated. This area covered five *per cent* of the total area of Lucknow city but accommodated 30 *per cent* of its total population. Against the average population of 67 persons per hectare in Lucknow city, the density of population was over 1000 in this area. Besides, wholesale activities taking place here were not decentralized and the area remained prone to congestion. The area was on the priority list of both the MPs for preparation of Special Building Bye-Laws for these areas to regulate their further development. However, no such Bye- Laws were prepared as of November 2007.

#### 3.1.8.5 Diversion of green belt for housing schemes

The area adjacent to Gomti River was marked as 'green belt' in the MP 2001. The Government had ordered (March 1999) that use of the land earmarked as green belt in the MP would not be changed without obtaining No Objection Certificate (NOC) from the Environment Department. Further, National Disaster Management Cell of the Ministry of Home Affairs, GOI had recommended that housing colonies should not be allowed in areas which were below the highest flood level in the last 25 years. The LDA, against the prescribed land use, acquired land in 2000 at a cost of Rs. 105.10 crore and started its development as Gomti Nagar Extension Housing Scheme and spent Rs. 101.56 crore on development of roads, drainage system, parks, etc. during 2002-07. While finalizing the MP 2021, CTCP pointed out (April 2003) that as the area was low lying and sandy, it was most suitable for water recharging and earmarked it as 'green belt'. As LDA had already incurred Rs. 206.66 crore on its development, the scheme was finally adjusted in the MP 2021. Accordingly, the Government changed (2006) the land use of the area from green belt to residential overruling the objection of CTCP and without obtaining NOC from the Environment Department.

The High Court, Lucknow bench, stopped (December 2006) all construction/development works and allotment proceedings on the ground that land use was changed without getting NOC from the Environment Department. Stoppage of work resulted in locking up of Rs. 206.66 crore. The Government in reply stated (November 2007) that proposal was sent to Environment Department for obtaining NOC.

Besides, an area of 5513.60 sq.mt. in sector G and F of the Jankipuram Housing scheme earmarked as green belt in the approved layout, was converted into 18 housing plots and sold by the LDA. As against the cost of Rs. 52.87 lakh of these plots as per the then prevailing rate of plots under the scheme, these were sold (1994-97) at Rs. 5.23 lakh only, which resulted in

Land use of green belt area was changed to residential without getting NOC from Environment Department

loss of Rs. 47.64 lakh. Chief Town Planner, LDA stated (July 2007) that in the approved layout the area was still (July 2007) shown as green belt.

### 3.1.8.6 Un-authorized colonies

The Act provides that no development/ construction can be carried out without permission from DAs. Any unauthorised construction/colony may be regularized by the VC by imposing composition fee and, or subject to other terms and conditions. Two hundred forty one colonies came up in Lucknow city without getting the required sanction from the LDA.

Springing up of 241 unauthorized colonies in Lucknow city indicated lack of enforcement efforts of the LDA in preventing violation of the provisions of the Act.

### 3.1.8.7 Un-authorized constructions

The Government directed (April 2003) all DAs to take effective measures to check, remove, seal and demolish all un-authorized constructions as per Section 27 and 28 of the Act.

LDA did not take effective measures to check, remove, seal and demolish un-authorized constructions in the city. Consequently, unauthorized construction which numbered 779 at the end of March 2003, increased to 3238 by March 2007. Though demolition order was passed in 1701 cases it was not carried out in 1628 cases (95 *per cent*) whereas issue of demolition order and sealing premises was pending in 1367 and 243 cases respectively as of March 2007 (*Appendix-3.1.5*). This indicated that vigilance mechanism in the Authority was weak and unabated growth of un-authorized constructions defeated the objective of planned development of the city. Records relating to enforcement of building bye- laws were not furnished to audit.

**Un-authorized constructions rose from 779 to 3238 during 2003-07**

### 3.1.8.8 Implementation of the policy of Rain Water Harvesting

The Government made (June 2003) roof top rain water harvesting compulsory in buildings constructed on 300 sq. m or more area. The DAs were made responsible to ensure the compliance in this regard. The LDA was to proceed against the defaulters either by sealing the properties of initiating prosecution. However, the LDA failed to ensure the compliance with roof top rain water harvesting provision in 42 to 95 *per cent* cases during 2004-07. The LDA did not proceeded against the defaulters, as action was pending in 26 to 42 *per cent* cases as detailed below:

Sl. No.	Year	Maps sanctioned (300 sq.m or above)	Rainwater harvesting arrangement made	Rainwater harvesting arrangement not made (per cent to col. 3)	Action taken (sealing /prosecution)	Action pending (per cent to col. 3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Up to 2004-05	138	55	83 (60)	47	36 (26)
2	2005-06	12	7	5 (42)	0	5 (42)
3	2006-07	177	8	169 (95)	94	75 (42)
<b>Total</b>		<b>327</b>	<b>70</b>	<b>275(79)</b>	<b>141(55)</b>	<b>116(45)</b>

### 3.1.9 Execution of construction/development works

#### 3.1.9.1 Irregular expenditure on deposit works

**Expenditure of Rs. 4.37 crore on deposit works was incurred without funds being released by the Government**

The Chief Minister desired (February 2003) that the land near Gandhi Setu and Gomti barrage be developed as Rama Bai Ambedkar Paryatak Sthal. The LDA Board decided (March 2003) to execute the work in anticipation of administrative approval and financial sanction and release of funds by the Government in violation of para 580 of the Financial Hand Book Volume-VI, which provided that expenditure on deposit works should be limited to the amount received. The work was taken up as a deposit work on anticipation of funds from the Government and Rs. 4.37 crore was spent on it up to May 2003.

The LDA did not pursue its claim effectively with the Government as a result of which the amount continues to be outstanding (March 2007). In reply, LDA stated (November 2007) that it approached the Government in October 2007 for release of funds.

#### 3.1.9.2 Construction of Dr. Ram Manohar Lohiya Park

The LDA Board on the direction of the Government, approved (November 2004) construction of Dr. Ram Manohar Lohiya Park (Park) in Gomti Nagar housing scheme at a cost of Rs. 14.54 crore on an area of 58 acre. The area was subsequently increased to 80 acre and the cost revised to Rs. 62.13 crore.

The LDA appointed an architect (August 2004) and accepted three tenders for different works and started the work in October 2004 even before the approval of the project by the Board. Scrutiny of records revealed the following:

- The tendered cost of six works was Rs. 21.28 crore. The scope of these works was increased frequently after its allotment and the work completed at a cost of Rs. 45.70 crore, an increase of Rs. 24.42 crore (47 per cent) over the tendered cost. Item-wise increase ranged between 40 per cent (pathway) and 5341 per cent (**Appendix-3.1.6**). The LDA instead of inviting fresh tenders for additional/ extra work entrusted the work to the same contractors at the same rate. Due to unplanned execution of work, the estimated cost of work was under-assessed, thereby depriving the LDA of the benefit of the economics of scale.
- An expenditure of Rs. 1.08 crore for triple shift labour work and Rs. 0.18 crore for electricity charges for completing the work within the stipulated date i.e., 5<sup>th</sup> March 2005 was incurred. As the development of park was not of an urgent nature, extra expenditure on these items was avoidable.
- LDA approached (November 2006) the Government for release of maintenance grant of Rs. 3.25 crore per annum on the ground that the park was developed on the direction of Government. However, the Government did not sanction the fund stating that it was constructed by the LDA. An entry fee of Rs 5.78 lakh was, however, collected in six months.

- Out of a total expenditure of Rs. 62.13 crore, LDA without the approval of IDR Committee, debited Rs. 12.89 crore to IDR Fund in 2004-05 (Rs. 9 crore) and 2005-06 (Rs. 3.89 crore) and decided to adjust the remaining Rs. 37.70 crore from the future earnings of IDR as there was no balance available in it.

The Government stated (November 2007) that fresh tenders were not invited and provision of triple shift labour and electricity charges was included due to shortage of time. Reply was not tenable as construction of park was not of an urgent nature.

### **3.1.9.3 Construction of Jai Prakash Narain International Centre**

The Government sanctioned (June 2006) a proposal for establishment of Jai Prakash Narain International Centre (Centre) near Dr. Ram Manohar Lohiya Park. LDA was to provide the land for the centre.

Accordingly, 10,633 sq.m land costing Rs. 8.09 crore was earmarked for the project. The LDA spent Rs. 31.70 lakh on development on the centre up to January 2007. The Government had neither paid the cost of land nor provided funds for development of the centre. The work was stopped in February 2007 due to non-receipt of funds from the Government.

Thus, LDA spent Rs. 31.70 lakh from its own funds on a deposit work and utilized its land costing Rs. 8.09 crore without ensuring availability of funds. In reply, LDA stated (November 2007) that demand was raised in October 2007 to recover the amount.

### **3.1.9.4 Irregular development of housing scheme**

The Government in compliance of Supreme Court's decision, ordered (October 2001) to restore all ponds, lakes and reservoirs to the position prevailing as of July 1952. LDA acquired 32.861 hectare land of ponds, lakes and reservoirs, developed and constructed plots/houses under different housing schemes and sold these to public/ private builders.

The High Court on a writ petition held (March 2007) that all allotments made on such land should be cancelled and ponds, lakes, etc. be restored to their original condition at the cost of the LDA and allottees given alternative plots. The LDA had, however, not restored the occupied ponds, lakes, reservoirs to their original form (November 2007).

The Government stated (November 2007) that it had not altered the conditions of any pond, lake, etc. and action was being taken as per orders of the High Court.

Reply was not tenable as the survey report prepared (January 2007) on the direction of the High Court revealed that condition of 32.861 hectare land of ponds, lakes, etc. was altered by the LDA and no action was taken for restoration of pond, lake, etc. to their original condition (November 2007).

### **3.1.9.5 Non-provision of Water and Sewage Treatment facilities in housing colonies**

Cost of plots/ flats and other properties in different housing schemes was based on cost of acquisition of land, internal and external development

**Condition of 32.861 hectare land of ponds, lakes etc was altered and was not restored to their original condition**

including water facility and Sewage Treatment Plant (STP), etc. Accordingly, in the costing of plots of Gomti Nagar Extension Housing Scheme, Rs. 321.40 per sq.m and Rs. 689.94 per sq.m for construction of water works and a STP respectively were included and the rate of the developed plot fixed at Rs. 3000 per sq.m. During 2002-07, 2915 plots covering an area of 5.19 lakh sq.m. were sold and Rs. 52.48 crore charged from the allottees for these services. However, these services were not provided in the scheme as of July 2007.

**Despite charging Rs. 205.34 crore for water supply and sewage treatment facilities, these were not provided by the LDA to the buyers of property**

In other housing schemes also, the LDA charged the cost of water supply works and STPs from the buyers of plots/ houses/ other properties (area sold: 18.24 lakh sq. mt.) during 2002-07 but did not provide these facilities. As records relating to costing of properties in these housing schemes were not furnished to audit, the actual amount charged for these services was not ascertainable. Based on the estimated average cost of properties during 2002-07, the amount charged worked out Rs. 152.86 crore (approximately) for these services in these housing schemes.

Thus, a total of Rs. 205.34 crore was collected by the LDA without providing these facilities.

The LDA had not made any arrangement for treatment of sewage in any of its developed/ developing colonies so far (August 2007) and sewage was drained out either in open spaces or in *nalas* (big drains) and finally into the Gomti river thereby polluting it.

The LDA stated (November 2007) that action was being taken for installation of STPs and Water Works.

### **3.1.9.6 Implementation of “Sab Ke Liye Awas”**

With a view to providing affordable shelters to economically weaker and lower income sections of the society, Government fixed targets for construction of 33,124 houses and development of 14,700 plots during the period 2002-07 by LDA. However, LDA could construct only 5493 houses (17 *per cent*) and develop 4250 plots (29 *per cent*) during the above period. Thus, LDA failed to implement the scheme and deprived economically weaker/ lower income section of the society of their housing needs.

In reply, the Government accepted (November 2007) the facts.

### **3.1.9.7 Incomplete development works**

**67 constructions/ development works were lying incomplete for 6 to 62 months**

Sixty seven construction/development works in Zone 1, 4, 5, 7, 8 and 14 involving expenditure of Rs. 52.28 crore were lying incomplete for 6 months to 62 months as of March 2007, mainly due to shortage of material (16), inability of LDA to provide clear sites (27). The remaining 24 works were delayed due to change of sites, drawings, etc.

The LDA stated (November 2007) that action was being taken to remove the obstacle for completion of the work.

### **3.1.9.8 Excess payment due to fictitious measurements**

In Kanpur Road Scheme, work for laying of Truck Sewer Line from Bijour Road to Transport Nagar and from disposal pump to the proposed sewage treatment plant was sanctioned (April 2006) by the VC for Rs. 14.47 crore subject to obtaining pipe and manhole covers directly from the manufacturers.

**Rupees 41.35 lakh were paid in excess to the supplier by recording fictitious supplies in the records**

However, instead of purchasing pipes and manhole covers from the manufacturers at the rate approved (1100 mm: Rs. 2491 and 1400 mm: Rs. 4459 per metre) by the Director of Industries, contracts were finalized with three supply contractors at higher rates of Rs. 2911 and Rs. 4491 per metre, costlier by Rs. 420 and Rs. 32 respectively. As of August 2007, Rs. 0.17 lakh was paid in excess on the supply of 540 metre of 1400 mm.

Besides, Rs. 41.18 lakh was paid (March 2007) to the three contractors in excess of their actual supply by taking fictitious measurement of the pipes in records. Though the engineers concerned were suspended, recovery/adjustment of the excess payment of Rs. 41.18 lakh was awaited (October 2007).

### **3.1.10 Management of property**

#### **3.1.10.1 Unutilised land**

The LDA acquired 1355.97 acres land under urgency clause of the Land Acquisition Act, 1894 for Hardoi road housing scheme from 1981 to 1983 at a cost of Rs. 50 crore, of which Rs. 20.28 crore was still (August 2007) pending payment to the land owners. Awards for the land were declared in 1986 and possession was taken between 1984 and 1987.

**373.21 acres of land acquired in 1981-83 was lying un-utilised**

Out of 1355.97 acre land, 972.76 acre land was developed and utilized whereas 373.21 acres land was lying unutilized as of August 2007. Ten acres were under dispute. Thus non-utilization of land acquired under urgency clause, resulted in denial of housing facility to the people.

The LDA stated (November 2007) that it could not start development work up to 1997 due to resistance from the land owners on the ground that rates of land declared under the award were not proper. In June 1997, the Government declared new rates with 15 *per cent* interest from October 1991. Payment was accordingly made and development work was started on the available land. Reply was not tenable as LDA did not pay compensation even after ten years of approval of new rates by the Government.

#### **3.1.10.2 Allotment of property**

As per procedure of allotment of housing property, if the applications for house/plots are less than the number of properties available for sale, they are allotted the property but if the number of applications is more than the number of properties then these are allotted through lottery. Commercial property is allotted on the basis of bid and auction.



The LDA did not prepare data showing property-wise and year-wise construction, development and allotment of houses, plots, shops etc. Computerized data of allotment of property for 2002-03 to 2006-07 only was produced to audit.

**Out of 20095 properties allotted during 2002-07, 7533 (37 per cent) were allotted without lottery, bid or auction**

LDA allotted 20,095 properties during 2002-07, of which 7,533 properties (37 per cent) were allotted without lottery or bid and auction. Analysis of the data of applicants not considered for allotment of property and the data regarding allotment of property without lottery revealed that there were 17,081 applicants for 2,685 housing properties in 12 housing schemes and 58 applicants for 45 commercial properties in 5 housing schemes, which were not considered for allotment and these properties were allotted to other applicants at their request without lottery, bid or auction (*Appendix- 3.1.7*). Out of 2685 cases, 56 allotment files made available to audit revealed that all these allotments were made without lottery. Out of these 56 cases, 11 allotments were made even before registration, 11 more allotments were made without applying on the prescribed forms and in 10 other cases transfer of plots was sanctioned from one scheme to another and transfer fee was waived, and in three cases, penal interest for late payment was waived.

The remaining 2629 allotment files were not produced to audit.

In reply, LDA stated (November 2007) that allotment, without lottery or bid was made as these properties were not popular and lying un-disposed. Reply was not tenable as there were many applicants for these properties.

### **3.1.10.3 Non-disposal of properties**

**1296 properties worth Rs. 263.08 crore were lying un-disposed of**

Due to lack of demand, 1296 properties (residential: 826, Institutional: 19; Commercial: 451) in housing schemes were lying unsold. This resulted in locking up of Rs. 263.08 crore (*Appendix-3.1.8*). This shows lack of proper planning and survey for assessing the demand of different categories of properties before taking up the projects housing schemes. The LDA stated (November 2007) that action was being taken to dispose of these properties.

The LDA was required to ensure a clear title of the land, to avoid any litigation in future before taking up any project. However, it started construction of 99 flats in 1989 in Nehru Enclave in Gomti Nagar Scheme, Phase-1 at a cost of Rs. 10.07 crore. Meanwhile, the Defence department claimed (1994) that the land belonged to it. Consequently, these flats could not be sold rendering the investment of Rs. 10.07 crore idle (August 2007).

### **3.1.11 Monitoring and Evaluation**

The MP contained spatio-economic development policies, strategies and general programmes regarding development of the urban centre in the next 20 years. It also covered long-term policies regarding development of infrastructure to promote urban activities. According to Act, the LDA was responsible not only for its preparation but also for its implementation. As

development works were done by several local bodies/ agencies/ departments, the LDA was required to monitor and co-ordinate among them to carry out developmental activities as envisaged in the MP. The UDPFI guidelines also provide for evaluation of implementation of plans. However, no system existed in the LDA for co-ordination, assessment and evaluation of different activities to enable it to identify areas of success, failures and conflicts to guide the future course of action.

### **3.1.12 Persistent Irregularities**

A review on the Working of the LDA had featured in the Comptroller and Auditor General's Audit Report (Civil) - Government of Uttar Pradesh for the year ending 31 March 1995. Points raised in that review regarding non-transfer of completed schemes to NN and non-adjustment of advances were still persisting as explained above.

### **3.1.13 Conclusion**

The LDA failed in its mandate to develop the city in a planned manner. Non-certification of accounts, lack of budgetary control and non-adjustment of advances indicate poor financial management. Deficient implementation of the Master Plan resulted in non-achievement of intended objectives, un-planned development and growth of un-authorized colonies/constructions. Lack of proper management of properties caused irregular allotment and non-disposal of properties for many years.

### **3.1.14 Recommendations**

- Annual Accounts should be duly certified and submitted to the Government;
- Budget preparing process should be strengthened to make it realistic to avoid huge excess over appropriations;
- Master Plan should be prepared on the basis of detailed base map after conducting required surveys;
- Zonal development plans/ Developments plans/Annual plans should be prepared to achieve the targets of Master Plan;
- LDA should act as a regulatory authority to monitor the implementation of the Master Plan;
- Completed housing schemes should be promptly transferred to Nagar Nigam; and
- Vigilance mechanism to check un-authorized constructions should be strengthened.

The matter was reported to the Government in September 2007; reply received (November 2007) was incorporated at appropriate places in the review.

**MEDICAL, HEALTH & FAMILY WELFARE DEPARTMENT**

**3.2 Rural Health Sector in Uttar Pradesh**

*The Rural Health care delivery system comprises Community Health Centres (CHCs), Primary Health Centres (PHCs) and Sub Centres (SCs) in rural area to provide curative and specialised health facilities to rural population. A performance audit of the activities relating to Rural Health Sector revealed deficiencies in delivery of health care services to the rural people.*

**Highlights**

**Budget estimates were prepared without any proposals from Chief Medical Officers (CMOs) leading to inflated estimation and surrender of Rs. 953.24 crore of which Rs. 840.50 crore (88 per cent) related to provision for vacant posts during 2002-07.**

(Paragraph 3.2.6)

**Health indicator targets under Family Welfare programme were not achieved mainly due to poor anti-natal care, lower institutional births or births through untrained personnel and non-supply of iron folic acid tablets. Medicines costing Rs. 40.43 crore were distributed without testing their quality.**

(Paragraphs 3.2.7.2 & 3.2.7.3)

**Japanese Encephalitis prone districts were not adequately covered by vaccination, fogging and spraying operations due to short availability of vaccines and insecticides.**

(Paragraph 3.2.7.4)

**Revised National T.B Control programme was implemented in the State without ensuring availability of T.B clinic buildings in 18 districts and District Tuberculosis Officers in 14 districts. There was 7 to 30 per cent shortfall in sputum positive detection rate due to non-establishment of Microscopic Centres in 17 per cent CHCs.**

(Paragraph 3.2.7.4)

**There was shortfall of 22 per cent, 17 per cent and 72 per cent vis-a-vis GOI norms in the number of SCs, PHCs and CHCs in the State. Ninety CHCs, 762 PHCs and 3,205 SCs in the test checked districts lacked necessary facilities and 58 CHCs and 79 PHCs remained underutilised during 2002-07.**

(Paragraphs 3.2.8.1 & 3.2.9)

**There was shortage of 19 per cent in medical staff and 23 per cent in para medical staff in seven test checked districts. Besides, 39 doctors were absent unauthorizedly for the last one to ten years.**

(Paragraph 3.2.10.1)

**Anti Rabies Vaccine and Electrical Sterilisers were purchased at higher rates which resulted in extra expenditure of Rs. 2.53 crore.**

**(Paragraphs 3.2.11.1 & 3.2.11.2)**

**Monitoring of implementation of the programme was deficient.**

**(Paragraph 3.2.14)**

### **3.2.1. Introduction**

The health care delivery system in rural areas comprises a three tier set up of Community Health Centres (CHCs), Primary Health Centres (PHCs) and Sub Centres (SCs). Government established 372 CHCs, 3,640 PHCs and 20,521 SCs for providing comprehensive health care services to the rural population. Various Centrally sponsored programme, e.g., Family Welfare Programme (FWP) to stabilize population, Revised National Tuberculosis Control Programme (RNTCP) to control Tuberculosis (TB), National Blindness Control Programme (NBCP) to eradicate blindness and National Vector Borne Disease Control Programme (NVBDCP) to contain the outbreak of diseases were also implemented by these health centres.

### **3.2.2 Organisational set-up**

Principal Secretary, Medical, Health & Family Welfare Department (PS, MH&FW) assisted by Secretary, Medical and Health and Secretary, Family Welfare was the administrative head and responsible for formulating and implementing the Medical, Health and FWPs in the State. Director General, Medical Health (DGMH) was responsible for Public Health, Primary Health Care, Training, Drug control and secondary level hospitals and the Director General, National Programmes, Monitoring & Evaluation, (DGNPME) was responsible for implementation of FW and other Centrally sponsored schemes/programmes. They were assisted by nine Directors at the State level, Additional Directors (AD) at division level and Chief Medical Officers (CMOs) at district level. CMOs co-ordinated the works of Rural Health Sector (RHS) through Medical Superintendents (MSs) and Medical Officers (MOs) of CHCs/PHCs.

### **3.2.3 Audit objectives**

The audit objectives were to assess whether the:

- programmes and schemes launched for the rural population were based on reliable data and were systematically implemented;
- funds earmarked for the various schemes were adequate and utilized optimally;
- various health services provided, had an impact on health indicators;
- clinical service quality through skill development, quality assurance and upgraded facilities had improved;
- public health service quality through strengthened disease surveillance and control systems and waste management system had improved; and

- monitoring system at various levels was functioning effectively.

### 3.2.4 Audit criteria

The performance of rural health sector was assessed based on criteria specified in:

- Financial Hand Book (Vol. V)
- Budget Manual, UP Medical Manual alongwith Medical Services Rules
- Guidelines of various schemes for rural health sector and Government Orders issued from time to time.

### 3.2.5 Scope of audit and methodology

The performance audit covering the period 2002-07 was conducted during March 2007 to October 2007 by test check of records of the offices of DGMH and DGNPME, CMOs of the 16 districts involving expenditure of Rs. 1,116.83 crore, (15 selected<sup>1</sup> by PPSWR<sup>2</sup> method and Lucknow being the capital district) alongwith the records of 101 CHCs, 762 PHCs and 3,205 SCs of these districts. Besides, joint inspection with a representative of CMO of one CHC and one PHC selected randomly in each district was also carried out and records, e.g., stock register of medicines, indoor and outdoor patient registers and infrastructure for basic health facilities were verified.

Audit objectives/criteria were discussed and agreed upon by PS, MH&FW during an entry conference held in April 2007. The draft review was communicated to the Government (September 2007) and discussed on 16 October 2007 in the exit conference held with PS, MH&FW. Facts and figures were confirmed and recommendations accepted by the Government.

### Audit Findings

#### 3.2.6 Financial management

The State Government utilized funds received for FWP and NVBDCP through budgetary provisions whereas RNTCP and NBCP received funds directly from Government of India (GOI) through their respective State Societies. The details of allotment and expenditure of these schemes during 2002-07 are given in *Appendix-3.2.1*.

The position of budget allotment and expenditure<sup>3</sup> for revenue and capital heads during 2002-07 was as under:

Table 1

(Rs. in crore)

	Revenue			Capital outlay		
	Allotment (2)	Expenditure incurred (3)	Surrendered (4) (2-3)	Allotment (5)	Expenditure incurred (6)	Surrendered (7) (5-6)
2002-03	900.26	730.20	170.06	26.10	17.66	8.44
2003-04	1,102.67	892.54	210.13	15.45	10.09	5.36
2004-05	1,144.66	935.10	209.56	46.67	41.30	5.37
2005-06	1,263.58	1,107.54	156.04	150.87	148.58	2.29
2006-07	1,361.92	1,154.47	207.45	487.02	472.60	14.42
<b>Total</b>	<b>5,773.09</b>	<b>4,819.85</b>	<b>953.24</b>	<b>726.11</b>	<b>690.23</b>	<b>35.88</b>

<sup>1</sup> Auriya, Barabanki, Basti, Bareilly, Fatehpur, Jaunpur, Kanpur Dehat, Kaushambi, Kushinagar, Maharajganj, Moradabad, Muzaffarnagar, Pratapgarh, Sultanpur and Sitapur

<sup>2</sup> Probability Proportional to Size with Replacement

<sup>3</sup> Including expenditure on FWP and NVBDCP

Department  
surrendered  
Rs. 953.24 crore as  
excess allotment was  
obtained due to  
incorrect budgeting

Out of Rs. 953.24 crore surrendered in the revenue section included Rs. 840.50 crore on account of provision on salary of vacant posts due to the defective practice adopted by DGMH and DGNPME in preparing the budget estimates (BEs). The Department prepared the BEs without any proposal from CMOs. The Finance Department also approved the proposals without curtailing the provision for the vacant posts.

The above allotment in Revenue Section also included Rs. 47.15 crore received (March 2006) under the XIIth Finance Commission's (FC) recommendations for purchase of life saving drugs and vaccines which could not be utilized due to late release of funds by the State Government. Of this, Rs. five crore was immediately surrendered and Rs. 42.15 crore was kept in the Personal Ledger Account (PLA) of King George Medical University. Of this, Rs. 20.84 crore was utilized as of March 2007. An amount of Rs. 64.74<sup>1</sup> crore was lying unutilized in the PLA instead of refunding it to the Government (November 2007).

Under capital section, Rs. 35.88 crore was surrendered mainly due to non-issue of administrative approvals and release of funds at the fag end of the year.

Government stated (November 2007) that henceforth budget would be prepared according to provisions of the budget manual and the amount kept in PLA would be utilized soon.

### **3.2.7 Operational management**

#### **3.2.7.1 Planning**

**District health plan based on monitorable health standards was not prepared**

According to Draft Uttar Pradesh Development Report by Planning Commission, UP, the Department was required to prepare district health plans to identify gaps between needs and available health facilities and to set clear goals linked to key health outcomes to fulfill the desired objectives. Instead, the targets were fixed at Directorate level without any feed back from the field.

Government accepted (November 2007) the necessity of preparing the State health plan on the basis of feed back received from the districts.

#### **3.2.7.2 Target and achievement**

**Department failed to achieve target under Xth plan in respect of health indicators**

The FWPs, RNTCP, NBCP and NVBDCP were implemented in the State for improvement in health care services for rural people. No target was fixed for communicable and non-communicable diseases under Xth plan. The position of target and achievement in various health indicators under FWP during Xth five year plans as of March 2007 was as under:

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<sup>1</sup> Life saving drugs and vaccines: Rs. 21.31; Medicine and Equipments: Rs. 43.43 crore

Table-2

Sl. No.	Item	Unit	Target	Achievement
1.	Maternal Mortality Rate	Per lakh	400	517
2.	Antenatal care	Per cent	70	27.3
3.	Institutional birth	Per cent	38	22.3
4.	Delivery through trained personnel	Per cent	65	33
5.	Total fertility rate	No. of children	3.32	3.8
6.	Birth Rate(BR)	Per 1000 population	22	35.2
7.	Death Rate (DR)	--do--	9	9.8
8.	Infant Mortality Rate	--do--	72	73

### Maternal Mortality Rate (MMR)<sup>1</sup>

27.52 lakh pregnant women were not provided IFA tablets

The MMR could be reduced by providing Iron Folic Acid (IFA) to the pregnant women to prevent anaemia among them which was very high and was one of the indirect causes for MMR. In the test checked districts, 27.52 lakh (45 per cent) of the 60.93 lakh registered pregnant women during 2002-07 (**Appendix-3.2.2**) were not provided IFA tablets. Besides, 18 CHCs (20 per cent) and 635 PHCs (83 per cent) had no round the clock delivery facilities which also affected the maternal mortality.

The GOI released Rs. 38.49 crore (March 2006) for procurement of Auxiliary Nurse Midwife (ANM) kits containing *inter alia* IFA and Vitamin A tablets under the National Rural Health Mission. However, the Department failed to purchase ANM kits due to non-finalization of procurement agency as of August 2007. Interestingly, all the PHCs/ CHCs/ SCs of the test checked districts had reported (2005-07) in their progress reports, the distribution of IFA and Vitamin A tablets to the pregnant women to the DGNPME although these medicines were not available with them during this period.

The Government replied (November 2007) that IFA would be made available to ANMs at the earliest.

### Ante Natal Care (ANC)

27 per cent of pregnant women only were covered under ANC against the targets of 70 per cent

In ANC to the pregnant women, blood pressure check ups and weight measurement at least three times during pregnancy, identification of high risk pregnancies and referrals, clinical assessment of anaemia and urine examination were required to be done. Against the target of 70 per cent pregnant women to be covered under ANC during 2002-07, the achievement was 27 per cent only. The low achievement was on account of non-follow up of cases by ANMs due to their shortage and their engagement in Pulse Polio and other programmes.

### Institutional births and deliveries through trained persons

According to the Xth plan report, only 55 per cent deliveries had taken place through institutional system and trained persons and the remaining 45 per cent at home. Shortfall in institutional births/ through trained persons was due to

<sup>1</sup> Death of a woman while pregnant or within 42 days of termination of pregnancy from any cause related or aggravated by the pregnancy or its management.

(i) lack of round the clock delivery facilities at CHCs/PHCs and (ii) shortage of *Dai*<sup>1</sup> (77 per cent) and ANMs (seven per cent).

Against the requirement of 2.03 crore DD kits, only 71.82 lakh kits were provided

Further, deliveries through trained persons at home were also unsafe as against the total requirement of 2.03 crore Disposable Delivery Kits (DD kits) during 2002-07 as the Department provided only 71.82 lakh DD kits to the trained persons, purchased at a cost of Rs. 10.62 crore during 2002-04 under Pradhan Mantri Gramodaya Yojna (PMGY). GOI also released (January 2004) Rs. 2.74 crore under the RCH programme for procurement of 45.65 lakh DD kits. The Department, however, failed to purchase the DD kits due to non-finalization of tenders as of May 2007 and the entire amount was refunded (May 2007) to GOI. No budget was allotted during 2004-07 after January 2004 to procure the DD kits.

Thus, 1.31 crore deliveries (65 per cent) were carried out at home against the reported total 2.03 crore deliveries during 2002-07 without DD Kits.

### **Total Fertility Rate (TFR) and Birth Rate (BR)**

The targets of Birth Rate and Death Rate were not achieved

TFR and BR could be brought down through family planning methods like sterilization, Intra Urinal Device, Contraceptive Condom and Oral Pills. The Department incurred Rs. 1,956.07<sup>2</sup> crore on FWP during 2002-07 with the target to achieve BR, DR and IMR as given in the **Table-2**. Non-achievement of 3.3 children per family in respect of TFR and BR of 22 per thousand of population during 2002-07 indicated the failure of the Department to implement FWP successfully.

### **3.2.7.3 Medicines distributed without quality testing**

Medicine worth Rs. 40.43 crore distributed without quality testing

As provided in the Rate Contract, medicines should be utilized after sample testing by the Public Analyst. However, 10 CMOs<sup>3</sup> purchased medicines worth Rs. 23.96 crore and distributed/consumed without the mandatory quality testing before distribution during 2002-07. In all, 205 (5 per cent) samples only were collected in these districts against 4,465 samples required to be taken (**Appendix-3.2.3**). Analytical reports were not received in any case. No samples were collected in Auriya and Kaushambi districts.

The Central Medicine Store Department (CMSD) also distributed (2006-07) Anti Rabies Vaccines (ARV) worth Rs.16.47 crore without testing by the Public Analyst.

The Government in reply (November 2007) agreed that medicines should have been distributed after quality testing.

### **3.2.7.4 Communicable and non-communicable disease**

JE prone district were not adequately covered by vaccination, fogging and spraying operation

#### **Japanese Encephalitis (JE)**

Director, Communicable and Vector Borne Disease (DCVBD) was responsible for implementation of programme to contain JE in the State

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<sup>1</sup> Traditional Birth Attendant: SS 2.14 lakh; Available 50 thousand

<sup>2</sup> Revenue: Rs. 1,887.15 crore; Capital: Rs. 68.92 crore

<sup>3</sup> Auraiya, Barabanki, Bareilly, Fatehpur, Kanpur dehat, Kushinagar, Sitapur, Mahrajganj, Moradabad and Muzzafarnagar



through vaccination, fogging and spraying. Thirty four districts were detected as JE prone in the State. Among these districts, Deoria, Gorakhpur, Kushinagar and Maharajganj had been experiencing JE deaths for more than two decades and 1,666 (62 *per cent*) deaths out of 2,667 deaths occurred in these four districts during 2002-07. The DCVBD, decided (2002) to vaccinate children. However, this could be done partially in Gorakhpur and Kushinagar in 2002 due to short supply of vaccines from Central Research Institute, Kasauli. Again in 2005, the DCVBD decided vaccination, fogging and spraying in all the JE prone districts. Vaccination in seven districts<sup>1</sup> and partial fogging and spraying in 34 districts only was carried out upto March 2007 due to short availability of vaccines and insecticides. Test check of records of two districts<sup>2</sup> revealed that against the requirement of 450 Metric Ton (MT), 220 MT (49 *per cent*) insecticides only were provided during 2005-07 by DCVBD due to which only 296 (17 *per cent*) villages out of 1,712 in these districts could be covered.

Thus, the DCVBD failed to contain JE even in worst affected districts.

### Revised National Tuberculosis Control Programme (RNTCP)

**The State T.B. control Society failed to achieve the main objective of combating TB**

To combat TB, RNTCP under State TB Control Society (Society) was launched in the State in a phased manner in 1998. The whole State was to be covered by 2003. The main objective of the programme was to achieve and maintain detection of at least 70 *per cent* of infectious cases and cure rate of 85 *per cent* by examining the sputum of patient and treating them by using Directly Observed Treatment (DOT) strategy to watch TB patients swallow all medicines for ensuring full cure.

The RNTCP was implemented in all the 70 districts from 2005 with a delay of two years without ensuring availability of TB clinic buildings in 18 districts and District Tuberculosis Officer in 14 districts. The target set for new sputum positive detection rate of TB patient was 67 per lakh population during 2002-06. Target was not achieved and the shortfall ranged between 7 and 30 *per cent* (**Appendix-3.2.4**) due to non-establishment of Microscopic Centres (17 *per cent*) for detection of sputum at CHCs. The Society failed to check the defaulter patients due to non-follow up of the registered patients which was eight *per cent* against the permissible limit of four *per cent* of total patient proliferating TB. There was also shortfall of DOT centres (12 *per cent*) in the State. Besides, 37 *per cent* MOs, 57 *per cent* Treatment Organizers and 43 *per cent* Male Health Workers (MHWs) were not trained under RNTCP (**Appendix-3.2.4**) and Rs. 51.37 lakh (37 *per cent*) out of Rs.1.41 crore allotted for training were diverted to other activities during 2003-06.

### National Blindness Control Programme (NBCP)

With a view to reducing blindness through cataract operations, cornea collection, free distribution of spectacles to school going children, NBCP was launched in 1976. CHCs/ PHCs were required to carry out survey in the villages and prepare a list of such cases and record their particulars in a

<sup>1</sup> Deoria, Gorakhpur, Kushinagar, Maharajganj, Lakhimpur Kheri, Siddharthnagar and Sant Kabir Nagar

<sup>2</sup> Kushinagar and Maharajganj

register called 'Blind register' for follow up action. Subsequently, GOI issued (September 2005) instructions to prepare category-wise (SC/ ST, below poverty line, women) list of beneficiaries as they were to be treated according to the targets fixed for them. Targets and achievements under the programme during 2003-07 were as under:

**Table 3**

Sl. No.	Particular	Target	Achievement	Shortfall
1	Cataract operation (in lakh)	12.98	6.00	6.98
2	Eye testing (in lakh)	239.60	96.86	142.74
3	Spectacle distribution(in lakh)	5.18	2.58	2.60
4	Cornea collection (in unit)	6000	224	5776

The CHCs/PHCs, however, did not prepare category-wise list of beneficiaries. Shortfall in achievement of targets was due to shortage of eye surgeons (64 *per cent*; sanctioned: 432, posted: 154), optometrists (11 *per cent*; sanctioned: 931, posted: 830) and non-establishment of Intra Ocular Lens centres (63 *per cent*; requirement: 234 available: 87) at CHCs.

### **3.2.8 Infrastructural deficiencies**

**SCs/PHCs/CHCs  
not established  
according to  
population norm**

According to GOI norms, a SC should be established for every 5,000 rural population in plains and 3,000 populations in hilly/tribal areas. The norms for PHC and CHC were 30,000 and one lakh for the plains and 20,000 and 80,000 for the hilly/tribal areas respectively. The required number of SCs, PHCs and CHCs on the basis of 2001 population was 26,340, 4,390 and 1,317 respectively against which 20,521 SCs, 3,640 PHCs and 372 CHCs existed. Thus there was a shortfall of 5,819 SCs (22 *per cent*), 750 PHCs (17 *per cent*) and 945 CHCs (72 *per cent*).

Prior to the Xth Five Year Plan, 1,591 PHCs and 11,454 SCs were running in rented buildings which lacked infrastructural facilities and space. Government sanctioned 165 CHCs, 912 PHCs and 1,784 SCs at a cost of Rs.599.47 crore<sup>1</sup> for construction during 2002-07 against which 24 CHCs, 114 PHCs and 974 SCs were completed and handed over to the Department after incurring an expenditure of Rs 298.89 crore <sup>2</sup>as of March 2007. The remaining amount of Rs. 300.58 crore was lying with the executing agencies. Delay in completion of the remaining CHCs/ PHCs/ SCs was due to non sanction of revised estimates by the Government (2005-06) and non-finalization ((2006-07) of Memorandum of Understanding with executing agencies.

The Government stated (November 2007) that remaining buildings would be completed by March 2008.

#### **3.2.8.1 Inadequate infrastructure in CHCs/PHCs/SCs**

Records and information received from 90 CHCs, 762 PHCs, and 3,205 SCs of 16 test checked districts revealed inadequate infrastructure like lack of availability of labour rooms, operation theatres, beds, 24 hour delivery facility etc. detailed as under:

<sup>1</sup> CHCs: Rs. 209.71 crore; PHCs: Rs. 313.93 crore; SCs: Rs. 75.83 crore.

<sup>2</sup> CHCs: Rs. 84.78 crore; PHCs: Rs 161.56 crore; SCs: Rs. 52.55 crore.

Table 4

Name of Health Centres	Number	WITHOUT							
		Labour room	Operation Theater	24 hour delivery facility	electric supply	water supply	emergency service	quarters	all weather motorable road
PHC	762	558	517	635	162	182	595	0	0
CHC	90	14	2	18	17	8	37	0	0
SC	3,205	0	0	0	1,134	1,196	0	2,069	537

According to DGMH report, 26,966 beds were available in 372 CHCs and 3,640 PHCs. However, joint inspection of 11<sup>1</sup> CHCs and four<sup>2</sup> PHCs in the test checked districts revealed that only 212 beds (61 *per cent*) were operative against the sanctioned 350 beds and remaining 138 beds (39 *per cent*) were lying unserviceable.

### 3.2.8.2 Bio-Medical Waste Management in CHCs and PHCs

Under Bio Medical Waste (Management & Handling) Rules 1998, CMOs concerned were responsible for the Bio Medical Waste Management (BMWM) System in the districts. Joint Inspections of 16 CHCs and 16 PHCs in the test checked districts and information<sup>3</sup> furnished by the concerned MSs and MOs revealed that there was no provision for BMWM in any of the CHCs and PHCs. Bio-medical wastes were dumped in an open pit within the premises of CHCs and PHCs. In three CHCs and nine PHCs main buildings, wards, basins and toilets were in dilapidated and unhygienic condition. There was no arrangement for cleanliness in PHCs as post of sweeper had not been sanctioned.

Government admitted (November 2007) that BMWM system was currently not available at PHC level in the State and would be provided by 10 combined treatment facilities under UP Health System Development Programme.

### 3.2.9 Under-utilization of CHCs and PHCs

Scrutiny of records of 58 CHCs and 79 PHCs of 16 test-checked districts revealed that occupancy by indoor patients as well as visits by outdoor patients to these CHCs/PHCs was very low as indicated below:

Table 5

#### Indoor patients

Number of patients per day <sup>4</sup> (average) during 2002-07	Number of CHCs (30 bedded) (percentage to total 58 CHCs)	Number of PHCs (6 bedded) (percentage to total 79 PHCs)
Nil	11 (19)	13 (16)
1	35 (60)	63 (80)
2-5	12 (21)	3 (4)

Table 6

#### Outdoor patients

Number of patients per day <sup>5</sup> (average) during 2002-07	Number of CHCs (30 bedded) (percentage to total 58 CHCs)	Number of PHCs (6 bedded) (percentage to total 79 PHCs)
50	12 (21)	51 (65)
51-100	26 (45)	22 (28)
Above 100	20 (34)	06 (7)

<sup>1</sup> Farenda, Mahrajganj, Jhingak, Auraiya, kandhala, Khatauli, Faridpur, Amethi, Bilari, Sidhauri and Kanaili

<sup>2</sup> Lakshman pur, Rampur, Kuwadanda and Kathawara

<sup>3</sup> 90 CHCs and 762 PHCs

<sup>4</sup> Total number of patients in 5 years divided by number of days in 5 years.

<sup>5</sup> Total no. of patients in 5 years divided by no. of days in 5 years.

Non-establishment of BMWM system created unhygienic condition in health centres

The poor performance was due to absenteeism of doctors, shortage of staff and lack of infrastructural facilities. The remaining 43 CHCs and 683 PHCs of the test checked districts did not furnish the records to verify the occupancy and the number of out door patients.

### **3.2.10 Manpower management**

Following points were observed:

#### **3.2.10.1 Shortage of medical and para medical staff**

**Shortage of medical and para medical staff and absenteeism adversely affecting delivery of health services**

Against the sanctioned strength of 12,336 of medical staff, 9,953 (81 *per cent*) were in position as on 31 March 2007 (*Appendix-3.2.5*). The shortfall was significant (49 *per cent*) in respect of female specialists and 11 *per cent* in male specialists. The shortfall in general male specialists was 24 *per cent*. Similarly, against the sanctioned strength of 53,498 of para-medical staff, 41,159 (77 *per cent*) were in position. The shortage of staff had a direct bearing in delivery of specialised medical services under the RHS which was the main objective of establishing CHCs. In 101 CHCs of the 16 test checked districts, the shortage of specialists ranged from 32 to 76 *per cent* and para medical staff ranged from 30 to 69 *per cent*. Similarly, in 719 PHCs shortage of MOs was 34 *per cent* and para medical staff ranged from 7 to 48 *per cent* (*Appendix-3.2.6*). It was also observed that in 15 CHCs and 19 PHCs of the seven test checked districts, 39 doctors<sup>1</sup> posted in CHCs/PHCs remained absent unauthorisedly for the last 1 to 10 years but no action was initiated against them as of August 2007. The Government in reply stated (November 2007) that efforts were being made for filling up the vacancies. No reply was given by the Government regarding unauthorized absence of these doctors.

Joint inspections and test checks of records of 16 CHCs and 16 PHCs in test checked districts revealed:

- In Lucknow district, General Surgeons (GS) were idle in two CHCs (Mall and Itaunja) for want of an Anesthetist and related equipment during 2002-07. Further, in CHC, Mall, two dental surgeons were posted against the sanctioned strength of one without dental equipment. Whereas at CHCs, Chinhat, Itaunja and Bakshi Ka Talab at Lucknow, dental equipment was lying idle for want of dental surgeons though one post for each CHC was sanctioned.
- In CHC, Kandhala, GS and Anesthetist were posted without any surgery performed for the last four years. In two more CHCs, one each at Kanpur Dehat and Sultanpur, GSs were not posted during 2002-07.
- In CHC, Hargaon, Sitapur district, four Pediatricians were posted against the SS of one whereas in CHC Hussainganj, Fatehpur district the post of pediatrician was vacant during 2002-07.

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<sup>1</sup> Fatehpur: 4, Kaushambi: 2, Pratapgarh: 3, Moradabad: 10, Muzaffarnagar: 2, Sitapur: 13, Sultanpur: 5

- In two CHCs, Husainganj, Fatehpur and Jhinhak, Kanpur Dehat districts, the post of physician and radiologist were vacant during 2002-07.
- In two CHCs, Jhinhak, Kanpur Dehat district and Amethi, Sultanpur district Anesthetist, Radiologist, X-ray Technician was not posted during 2002-07.
- In three CHCs, Tikaitnagar, Barabanki district, Husainganj, Fatehpur district and Jhinhak, Kanpur Dehat district Gynecologist and Staff Nurse were not posted during 2002-07 while in the CHCs Khatauli, Muzaffar Nagar district and Suratganj, Barabanki district no delivery case was carried out although Gynecologist and Staff Nurses were posted there.
- In the absence of Radiologists and X ray technicians, 11 X-ray machines costing Rs15.51 lakh in 11 CHCs<sup>1</sup>, were lying idle for the last one to five years.

### 3.2.10.2 First Referral Unit (FRU)

The RCH-II envisaged operationalisation of 130 CHCs as FRUs in a phased manner (2005-10) to provide emergency obstetric care, treatment of complicated pregnancies, new born care service, 24 hour delivery facility and blood transfusion facility. Seventy CHCs were to be operationalised during 2005-06 (50) and 2006-07 (20), where civil work including upgradation of operation theatre, labour room and laboratory had been completed in 2004-05 at a cost of Rs.6.35 crore.

Seventeen FRUs in 16 test checked districts could not be operationalised fully due to non-posting of requisite number of medical and para-medical staff even on contractual basis and non-establishment of blood transfusion facilities.

### 3.2.10.3 Training

State Institute of Health and Family Welfare at Lucknow was responsible for identifying training courses, developing training curriculum, release of money to the identified training institutions and supervision/monitoring of the training courses for skill upgradation of the medical and para medical staff. Integrated Skilled Training (IST)<sup>20</sup>, Specialized Skilled Training (SST)<sup>2</sup> and Training of Trainer (TOT) were undertaken from 1998-99. There was overall shortfall of 17 per cent and 73 per cent respectively in achievement under IST and SST against the target fixed during 2002-07 (*Appendix-3.2.7*). It was also found that no IST was provided to remaining members of staff of other categories and no induction and refresher courses were undertaken.

The Department stated (August 2007) that the shortfall was due to mass transfer of doctors as per order of the High Court and continuous Pulse Polio programme undertaken in the State.

FRUs were not made fully functional due to non-posting of required number of medical and paramedical staff and lack of blood transfusion facilities.

<sup>1</sup> Lalganj, Pratapgarh; Jhinhak, Kanpur Dehat; Tikatnagar, Barabanki; Khatauli, Muzaffarnagar Kandhala, Muzaffarnagar; Kairana, Muzaffarnagar; Haidergarh, Barabanki; Suratganj, Barabanki; Amethi, Sultanpur; Bilari, Moradabad ;Itaunja, Lucknow

<sup>2</sup> IST for capacity enhancement of newly posted medical and paramedical staff under the RCH programme : SST for Medical Termination of Pregnancy , Lapro and IUD.

The reply was not tenable as transfer of doctors was within the Department which did not affect their overall strength. Moreover, IST and SST was time bound programme which could have been scheduled according to availability of medical and para medical staff.

### **3.2.11 Deficiencies in purchase procedures**

Test-check of records of DGNPME, DGMH and CMSD, Lucknow revealed:

#### **3.2.11.1 Extra expenditure on purchase of Anti Rabies Vaccines (ARV)**

**Extra expenditure of Rs. 2.53 crore on purchase of ARV and electric sterilizers at higher rates**

The CMSD invited (May 2006) tenders for purchase of 11.75 lakh ARV vials. Three firms participated in the tendering process. Tender was to be finalized by May 2006. After finalisation of the tenders, the Department sought (June 2006) from the lowest tenderer the schedule for supply of 11.75 lakh vials. The firm, however, agreed (June 2006) to supply a maximum of two lakh vials only, by March 2007. The CMSD purchased two lakh vials at the lowest rate of Rs.204.98 per vial from the firm. After this purchase, the High Power Committee headed by PS, MH&FW reduced (September 2006) the requirement of ARV from 9.75 lakh to five lakh vials and approved purchase of four lakh vials (September 2006) and one lakh vials (March 2007) respectively from the other two firms. Accordingly, CMSD purchased five lakh vials at a higher rate (Rs.247.38 per vial) from the other two firms incurring an excess expenditure Rs.2.12 crore.

According to purchase policy, retendering could have been resorted to after the lowest bidder showed its inability to supply the required quantity but the Department did not do this on the pretext that the above three firms were the only manufacturing firms. The Government stated (November 2007) that as per requirement of ARV in the State, the same was purchased at higher rates.

Reply was not tenable as according to GOI's list, four other manufacturing firms of ARV had the capacity to supply the above number of vials and had offered ARV (October 2006) at comparatively lower rates.

#### **3.2.11.2 Extra expenditure on purchase of Electric Sterilizers**

The Government released (February 2004) Rs.1.72 crore for purchase of 4,012 Electric Sterilizers under PMGY for 3,268 PHCs and 372 CHCs. The CMSD purchased (February 2005) 4,012 Electric Sterilizers under Director General Supplies and Disposal (DGS&D) Rate Contract (RC) at Rs. 2,876 per unit whereas the lowest rate was Rs. 1,850 per unit under the same RC. This resulted in extra expenditure of Rs. 41.16 lakh.

In reply, the Government stated (November 2007) that the rate of the Electrical Sterilisers of the above firms was revised (April 2004) as it was of ISI mark.

The reply was not tenable as the Sterilizers of the same specification with ISI mark were available at the lower rate under the same RC during the period of their procurement.

### 3.2.12 Deficiencies in maintenance of records

Following deficiencies were noticed:

#### 3.2.12.1 Non-maintenance of medicine consumption records at CHCs and PHCs

Distribution of medicine could not be verified due to non-maintenance of daily distribution register

According to financial rules<sup>1</sup>, the departmental officers entrusted with the issue/ consumption of stores, were responsible for maintaining correct records and preparing correct returns in respect of the stores with them. It was noticed that medicines received from CMOs were distributed by the pharmacist of the concerned CHCs and PHCs as per prescription of the doctors to the patients but none of the CHCs and PHCs of test checked districts maintained patient-wise daily distribution records of medicines. In the absence of these records, actual quantity of medicines issued could not be verified.

Government stated (November 2007) that concerned units were directed to maintain the required registers in the prescribed proforma.

#### 3.2.12.2 Short accounting of DD Kits and medicines

6.68 lakh DD kits costing Rs. 98.88 lakh supplied by the firms and medicines worth Rs. 9.94 lakh were not accounted for in the stock registers of respective CMOs

Stock registers in the test checked districts revealed that as against the actual supply of 13.12 lakh DD Kits during 2002-04 by the supplier firms, the stock registers of the 11 CMOs<sup>2</sup> showed receipt of 6.44 lakh DD kits only (*Appendix-3.2.8*). The remaining (6.68 lakh) DD kits costing Rs. 98.88 lakh had not been accounted for in the stock registers. In reply, the Government furnished (November 2007) the verified bills of DD kits by the respective CMOs. The quantity shown in these bills confirmed short accounting of above kit by the CMOs which needs to be investigated.

Besides, the CMSD issued 14 types of medicines costing Rs. 22.30 lakh to the CMO, Azamgarh during 2004-07 but in the stock register of the CMO, four types of medicine costing Rs. 4.56 lakh were not accounted for and the quantity of other ten types of medicine costing Rs. 5.38 lakh were entered short. The CMO stated (October 2007) that pharmacist misappropriated the medicines. The matter needs to be investigated for appropriate action.

### 3.2.13 Internal Audit (IA)

Two separate Internal Audit Units were functioning under the control of DGMH and DGNPME covering two Directorates and 70 CMOs and allied units annually.

The follow up of internal audit paragraphs was poor

Finance Controller was responsible for preparing Departmental Audit Manual for conducting IA. No such Manual has been prepared as of November 2007. Audit was conducted as per the approved work plan for IA from 2004-05. The number of units covered during 2006-07 was 50 *per cent* less than those covered in the preceding year. The settlement of the outstanding paragraphs was also very low (between 5 & 14 *per cent*) during last five years resulting in

<sup>1</sup> Para 255, 257 of Financial Hand Book Vol. V

<sup>2</sup> Auriya, Barabanki, Barielly, Basti, Fatehpur, Jaunpur, Kanpur Dehat, Kausambi, Lucknow, Moradabad and Sitapur

overall increase in the outstanding paragraphs from 4,066 (2002-03) to 4,816 (2006-07) (*Appendix-3.2.9*). The IA units did not take effective follow up action for settlement of the paragraph except for issuing the reminders to the units.

#### **3.2.14 Monitoring**

Although monthly returns as prescribed were submitted and monthly meetings held, but follow up measures were not taken as was evident from non-maintenance of various registers such as indoor/outdoor patients' register, daily consumption and distribution register of medicine etc. Lack of coordination between CMOs and DGs was a contributory factor leading to purchase of X-ray machines without requisite infrastructure and posting of specialists and para medical staff posted without necessary equipment. A suitable Management Information System (MIS) for monitoring and evaluation of health programmes to assess the situation, and take appropriate remedial measures was not set up in the Department though computers and manpower were available.

#### **3.2.15 Conclusion**

Budgetary control was weak as huge allotments were obtained on incorrect estimation and being surplus were surrendered. Health indicator targets under Family Welfare programme were not achieved and medicines were supplied to patients without testing. The Department failed to contain communicable and non-communicable diseases. Infrastructure built up in Rural Health Sector was poor. Shortage of medical and para medical staff and absenteeism of available staff from work place made the position worse. No effective follow up action was taken on Internal Audit Reports.

#### **3.2.16 Recommendations**

- Directorates should prepare budget estimates on the basis of inputs received from CMOs to avoid huge surrenders.
- The system of analyzing drug samples before consumption needs improvement to ensure supply of quality drugs to patients.
- Effective steps need to be taken to control communicable and non-communicable diseases by providing necessary infrastructure and inputs.
- Hospital waste management disposal system in CHCs and PHCs should be implemented.
- A permanent disciplinary board needs to be constituted to check the menace of absenteeism.
- Manpower deployment system should be strengthened to utilize available manpower efficiently.

The matter was reported (September 2007) to the Government. Their reply received (November 2007) was incorporated at appropriate places.



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**REVENUE DEPARTMENT**
**3.3 Computerization of land records in Uttar Pradesh**

*The scheme of computerization of land records (CLR) in Uttar Pradesh was initiated in 1988-89 with a view to overcome inherent problems in the manual system of maintenance and updation of land records. The scheme was implemented only for the land covered under Uttar Pradesh Zamindari Abolition and Land Reforms Act, 1950. It was, however, not complete even after lapse of 18 years.*

**Highlights**

**Access controls were weak and Business Continuity Plan and Disaster Recovery management was not in place.**

(Paragraph 3.3.6.4)

**On- site training to officials was incomplete in 39 districts.**

(Paragraph 3.3.6.6)

**The information stored in the database was full of errors and important details were missing in the computerized database, thereby, compromising reliability of 'Record of Rights' to land holders.**

(Paragraph 3.3.7)

**Mutation orders were being updated with delays and not within prescribed time limit.**

(Paragraph 3.3.8.1)

**Due to inconsistencies in database design and structure of table in different tehsils, it is difficult to integrate data for generation of Management Information System (MIS) reports for planning and development purposes.**

(Paragraph 3.3.10)

**3.3.1 Introduction**

The scheme of Computerization of Lands Record (CLR), a Centrally sponsored scheme of the Government of India (GOI) was initiated (1988-89) with a view to overcome the inherent problems in the manual system of maintenance and updation of land records and to provide computerized land records to land holders. Initially, the scheme was launched in 1988-89 as a pilot project in Deoria district and subsequently all the districts were covered by July 2005. Uttar Pradesh Record of Right (Computerization) Rules-2005 (Computerized ROR rule 2005) was notified to accord legal sanctity to computerized RORs for all purposes and issuance of manual RORs was stopped. A client server model application (*Bhulekh*) was developed by National Informatics Centre (NIC) with Visual Basics at the front end and MS-SQL server at the back-end.

The objectives of the scheme were to:

- facilitate easy maintenance and updating of land data base;
- make the land records tamper proof which was expected to indirectly reduce the menace of litigation and social conflicts associated with land disputes;
- facilitate detailed planning in the area of infrastructure development and environmental development; and
- provide database for agriculture census.

### **3.3.2 Organisational set-up**

Board of Revenue (Board) is the State Level Implementing Authority. District Magistrate (DM) assisted by Additional District Magistrate and Chief Revenue Officer at District level and Sub District Magistrate (SDM) assisted by Tehsildar and Registrar Kanoongo (RK) at tehsil level are responsible for implementation and smooth running of the scheme within their jurisdiction.

### **3.3.3 Audit objectives**

Audit of the scheme was carried out to assess whether:

- Issuance of khatauni (RORs) to land holders was accurate and reliable;
- Training was imparted to personnel effectively;
- Good practices of Information Technology (IT) governance along with controls built in to ensure data integrity, security of data, systems and other IT assets were adequate; and
- The system was efficient and effective and was designed to achieve the stated objectives.

### **3.3.4 Audit criteria**

Following were the audit criteria:

- Scheme guidelines issued by GOI;
- Provisions of UP Zamindari Abolition and Land Reforms Act, 1950 (UP ZA & LR Act);
- UP Land Revenue Act, 1901 and UP Land Record Manual; and
- Good practices of IT governance.

### **3.3.5 Scope of Audit and methodology**

The documents relating to various stages of system development life cycle such as feasibility study, user requirements, data flow charts of IT system etc. were not furnished to audit, thereby limiting the scope of the IT audit to scrutiny of files, records, information, Software Requirement Specification (SRS) and User Manual furnished by the Board and data retrieved and reports generated from the IT system. Field inspection of the Board, one district headquarter (Allahabad) and 11 tehsils<sup>1</sup> was conducted during May to August

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<sup>1</sup> Malihabad, Mohanlalganj (Lucknow), Sandila, Sawaijpur (Hardoi), Biswan, Laharpur (Sitapur), Kadipur, Musafirkhana (Sultanpur), Bilsa, Gunnaur (Budaun) and Mohammadi (Lakhimpur Kheri).

2007. Further, database of 18 tehsils<sup>1</sup> out of 305 tehsils was scrutinized/analysed Centrally using MS-SQL server.

### *Audit findings*

## **3.3.6 General Controls**

### **3.3.6.1 IT strategy and policies**

The Board initiated the process of computerization in 1988-89; however, no IT strategy was prepared. A Steering Committee/ Task Force was constituted at a later stage (September 2004) but without well defined role in implementation of the scheme.

### **3.3.6.2 Delayed and partial implementation of the scheme**

Data entry for land records database was started in 1995-96. Subsequently, data was updated in 2004-05 to operationalize the scheme. The Board decided (September 2004) a time frame for computerisation of various activities under the scheme like 'ROR' by October 2004, computerization of mutation by January 2005, automatic generation of Jamabandi and Khasra from Computerised ROR by June 2005, automatic generation of new ROR by June, 2005, digitisation of maps by March 2006, layering of Maps on ROR by June 2006 and hoisting of maps and ROR on net by September 2006. However, none of these except computerization of ROR, that too only for ZA land<sup>2</sup>, could be computerised as of November 2007. On being pointed out, the Government stated (November 2007) that necessary software to computerize non-ZA land<sup>3</sup> was being prepared by the NIC. However, Government could not specify target dates for completion of other activities.

### **3.3.6.3 Lack of Documentation**

The Board and NIC did not follow the System Development Life Cycle (SDLC) methodology and developed the software merely on the basis of discussions held with the Board. The documentation relating to URS, data flow chart, input/ processing/ output requirement definition, change management control and data conversion was not available with the Board. The SRS required to be prepared before development of software was prepared (January 2005) along with the software version 1.2 by NIC that too without any authorisation. No documentation regarding formal acceptance of the software was available.

The Government accepted (November 2007) that software was developed on the basis of discussion.

### **3.3.6.4 Lack of Business Continuity Plan (BCP) and Disaster Recovery**

Since July 2005, the computerized ROR is the only legal document of land ownership. So continuance of the scheme is mission critical for the department. According to guidelines issued by the Board, daily, weekly and monthly back-up was to be taken. However, only monthly back-up was taken at the tehsil computer centres. In absence of regular back-up, one month's data

<sup>1</sup> Including 11 field inspected tehsils.

<sup>2</sup> Where UP ZA & LR Act-1950 was in force.

<sup>3</sup> Where UP ZA & LR Act-1950 was not in force.

**Business continuity plan and disaster recovery management were not in place**

was lost in Handia tehsil (Allahabad district) due to crash of the system. No documentation regarding back-up was maintained. Further, Board had neither documented nor tested any BCP and adequate alternative arrangements for continuing the activities in case of disaster and was dependent on NIC for all technical assistance.

Further, the Board was required to ensure that UPS, generator, computer system, printer etc., were in good working condition. However, in all the test checked tehsils except in Gunnaur tehsil (Budaun district), computer centre was attached with common generator of the tehsil resulting in low voltage, fluctuation and re-booting of the machines, although funds for generator for exclusive use of computer centre were provided. Further computer centre was closed for two to 15 days in eight tehsils<sup>1</sup> due to equipment failure and for two to four days in two tehsils<sup>2</sup> due to database crash.

Fire extinguishers, smoke detectors, electrical warning and alarm equipments were not installed in any of the test checked tehsils. Ventilation and humidity control equipment were also not installed.

Run time errors were occurring in many screens and the Application closed automatically after flashing run time errors in many test checked locations.

In reply, the Government stated (November 2007) that revenue officials were being trained by Department of Electronics Accredited Computer Course (DOEACC), to enable them to operate the scheme independently in future at tehsil level.

#### **3.3.6.5 Segregation of duties**

There should be judicious separation of duties of employee to reduce the risk of fraud or sabotage by limiting the scope of authority of an individual. According to instructions issued by the Board, SDM was super user, RK nominated by SDM was to work as administrator and other revenue officials as normal user.

However, organizational control was weak and segregation of duties, as defined by the Board, was not adhered to. Revenue officials up to the rank of lekhpal who was below the rank of RK and even private operators were working as administrators.

In reply, the Government stated (November 2007) that necessary instructions were issued by the Board and suitable action against erring officials would be taken after investigation.

#### **3.3.6.6 Training**

The GOI released (May 2005) Rs. 97 lakh for onsite training of revenue officials of 305 tehsils, to be completed by November 2006. However, after six months of the stipulated date of completion of the training and incurring an expenditure of Rs. 45 lakh, only 63 *per cent* of the training programme was completed. The remaining Rs. 52 lakh remained unutilized as of November 2007, whereas training programme in 39 out of 70 districts remained incomplete. Consequently, private operators were working in five of the 11

**On site training to revenue officials was incomplete in 39 districts**

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<sup>1</sup> Sawajipur, Laharpur, Biswan, Musafirkhana, Kadipur, Bilsa, Mohamdi, Malihabad

<sup>2</sup> Musafirkhana, Kadipur

test checked tehsils and where revenue officials were attached with the computer centre, most of them were not imparted training.

In reply, the Government stated (November 2007) that the training program was continuing in the remaining districts. Reply was not tenable as no progress was made since May-2007 to complete the training.

### 3.3.7 Input/ Validation Controls

In spite of an expenditure of Rs. 2.60 crore on data updation, receipt of large number of complaints in the test checked tehsils regarding error in name, father's name, plot number, area of the plot, etc. made it evident that no proper validation was carried out on updated data. This resulted in unreliable output due to erroneous, duplicate, missing and incomplete information in the database. Following deficiencies were noticed during data analysis of 18 test checked tehsils:-

#### 3.3.7.1 Null, Blank, Zero and Junk characters

- In 13,695 instances, name of account holder and in 35,909 instances name of father/ husband of land holder was entered as blank, null, comma, dot, special characters.
- In 306 cases, account number was null, blank or entered in less than prescribed number of five digit.
- In 4,29,424 accounts *fasli* was either null, blank, junk character or gap between start and end of *fasli* was more or less than the prescribed period of six years.
- Land revenue was found zero against 17,710 accounts.
- Caste description against 19,54,012 land holders was found either null, blank or entered with junk characters.
- In 8,595 cases, plot numbers were entered with null, blank and junk characters. There were instances of availability of data in respect of non-existent plots in the database which resulted in increase of land area of 25,345 hectare. Also, in 9,927 cases, plot numbers were found with zero land area.
- In 14,036 cases, land type was either entered with null, blank, junk characters or incorrect land type was captured.

Year of possession was found null or zero against 11,18,549 plots.

#### 3.3.7.2 Lack of validation check led to duplicate/ irrelevant data

- In 16,947 instances, account numbers were entered two to 12 times, 10,788 land holder's name were entered two to 30 times and 1,33,851 plot numbers were entered two to 340 times under the same village.
- In five tehsils, 16 plots were found with minus land area.
- In 140 cases, mutation orders were fed against accounts having blank, null and junk account holder name, account number, etc.
- In 2,567 instances, area of encroached land was found more than the actual area. Further, land area of 163 hectares was shown as encroached which was actually not in existence.

Information stored in database was incomplete and full of errors

- No input validation on upper and lower limit of land revenue and *gata* (plot) area and prescribed range of six years for *fasli*<sup>1</sup> was incorporated in the software. Negative figures were observed in respect of land revenue and plot area fields.

#### **3.3.7.3 Incomplete data**

- In 6,459 cases, land holders were found without account details like *fasli*, land type and land revenue.
- In 4,380 cases, plot numbers were found without land holder's details like name, father's name, caste etc.
- In 3,010 instances, accounts existed without account holder and plot details like name, father's name, caste, plot number and area etc.

In reply, the Government stated (November 2007) that there was no adverse impact of irrelevant/ incomplete data on operation of the scheme; however necessary action was being taken at district level to remove such data. Reply was not tenable as RORs and other various reports were being generated with incomplete and missing information.

#### **3.3.7.4 Inadequate control on entry and deletion of mutation orders**

According to rules, columns 7 to 12 of ROR were meant to enter the orders passed during each *fasli* (column 7 for 1<sup>st</sup> *fasli*, column 8 for 2<sup>nd</sup> *fasli* and so on). In the Application, 6 columns of 70 characters (total 420 characters) each were used to enter an order and orders beyond 420 characters were entered and stored as separate order. Further, when an order was deleted, only first 420 characters of the order were deleted and remaining part of the order, i.e. beyond 420 characters, was not deleted.

#### **3.3.7.5 Lack of validation checks to control excess holdings of land**

According to rules, no landholder shall have the right to transfer by sale or gift any land to any person where the transferee shall, as a result of such sale or gift, becomes entitled to land which together with land, held by his family, will in aggregate exceeds 5.0586 hectare. To enforce this, unique account number was required to be allotted to land holders and part of each *sah-khatedars* (joint account holders) in each plot entered. However, as per computerised database, in 38,451 instances, the land holders were allotted more than one account ranging from three to 13 times within the same village and 5,627 land holders existed in the database with land area more than prescribed limit. There was no provision in the software to highlight such cases where the land holdings might be in excess of the prescribed limits as per business rules.

In reply, the Board stated (November 2007) that it is difficult to enforce land ceiling on joint account holders as at present there was no provision to enter part of each joint account holder in each plot and the matter was referred to Government for issuance of necessary instruction.

#### **3.3.7.6 Deficiencies in Application Software**

- Start year of possession of a plot, which, in case of litigation, is an important field could be left blank due to non- availability of check in the Application.

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<sup>1</sup> Called agriculture year, it starts on 1<sup>st</sup> July and ends on 30<sup>th</sup> June.

- Caste description was hard coded in the program and thus making it difficult to add a new caste in future without making changes in the source code of the Application.

### 3.3.8 Change management

#### 3.3.8.1 Delayed updation of mutation order in computer

Mutation orders were updated belatedly

As per guidelines issued by the Board, all the mutation orders were first to be fed in mutation register (R-6) and thereafter in the computer system on the same day. However, mutation orders were being fed in the computer system one week to 18 months after entry in mutation register.

In reply, the Government stated (November 2007) that necessary action would be taken after investigation.

#### 3.3.8.2 Preparation of new RORs

According to rules, RORs were maintained on the basis of *fasli* for a period of six years. Preparation of new RORs for next *fasli* had to be completed by 30 June. Currently, (w.e.f. 1 July 2007) 1415 *fasli* is in progress. Hence preparation of RORs, by incorporating all the changes, for *fasli* 1415-20 (from RORs of 1409-14 *fasli*) was required to be completed by 30 June 2007. However, new RORs were not being prepared timely and new RORs of 1474 villages in 18 test checked tehsils were not prepared as of July 2007, thus posing a challenge to continuance of the CLR scheme.

Further, first six columns of RORs containing name, father's name, plot number, area etc. were to be modified only after every six years, at the time of preparation of new RORs. However, changes were being made in these columns, in between six years without keeping a record of any changes made thus exposing the database to instances of unauthorised changes.

In reply, the Government stated (November 2007) that necessary instructions were already issued by the Board. The reply was not tenable as the instructions were not being followed by district authorities.

### 3.3.9 Unreliable reporting through the software

Reports generated through application should be complete, accurate and reliable. In the application, RORs were being generated for issuance to land holders and four major reports containing information regarding account number, land holder details, plot and area details, land revenue etc. were available in the Application software. However, there was a mismatch in the output generated through these reports, as detailed below:

- There was gross mismatch in the total area of tehsils as per manual and computerized records. In six instances, area of tehsil as per report generated through software was more than the area as per manual record (*Appendix-3.3.1*).
- Differences were noticed in output generated through 'consolidated information of village' and 'category wise ROR' report, 'consolidated information of village' and 'village ROR' report and 'village list' and 'consolidated information of village' report.

### **3.3.10 Database design**

- Table structures with different data type and field size were being used in 10 out of 18 test checked tehsils. Due to variant table structure in tehsil database, it was difficult to integrate data for generation of MIS reports for planning and development purposes.
- As date and time used by the application database was based on Operating System date, which could be changed by users by simply switching the clock to a future or back date, it resulted in inaccurate entry of date in audit trail columns and generation of RORs in future and back date.

### **3.3.11 IT Security**

#### **3.3.11.1 Password policy and Access Control**

The Board had no well-defined and documented password policy. Normal password control procedures like restriction on number of unsuccessful login attempts, routine password change and restriction to access software in holidays and beyond office hours was not incorporated in the Application.

User passwords were not changed since the date of implementation of the scheme. User was not authorized to change the password himself making it difficult to fix the responsibility for unauthorized/ illegal changes made in the database. In many cases, password of administrator and other users were the same. Duplicate users with the same password existed. No control was incorporated in the Application to assign alphanumeric passwords and minimum limit of characters for password. Application had no provision to remove user account in case of transfer/ retirement, etc. of a user to ensure that unauthorized users could not gain access to the system and resulted in very high number of idle users. In most of the test checked tehsils, operators were working as administrator user.

Only OS (Operating System) authentication was required in the Server, no SQL server and database authentication was required to gain the access of back-end database. Password of OS administrator was of one character, null or same as that of login identification and thereby allowing easy access to login on server and making changes in the database. Moreover, the system did not generate any log to record back-end access and the number of failed login attempts. Further, there was no mechanism to monitor the access of unauthorised persons in computer centre.

In reply, the Government stated (November 2007) that necessary instructions for user account and password maintenance were issued (September 2004) by the Board. The reply was not tenable as instructions were not being followed by tehsil authorities.

#### **3.3.11.2 Anti-virus software**

Anti virus software was required to be loaded on the system to protect the data from damage and corruption. Anti virus software was not installed on the system in eight<sup>1</sup> out of 18 test checked tehsils and in the remaining test checked tehsils, anti virus was not being updated regularly. As system was found connected to Internet<sup>2</sup> and unauthorized persons were working on application software like MS-Office etc. posing very high risk of getting the

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<sup>1</sup> Sawajipur, Laharpur, Biswan, Musafirkhana, Kadipur, Bilsa, Gunnaur and Mohammdi.

<sup>2</sup> Kadipur (Sultanpur district)



systems infected from virus. In Mohammadi tehsil (Lakhimpur Kheri district), server was infected with virus. In absence of updated anti virus software, security of land data could not be ensured.

In reply, the Government stated (November 2007) that efforts were being made to update anti virus software through annual maintenance contract (AMC).

### **3.3.11.3 Security of IT assets**

According to rules, all materials received should be entered in stock register. However, no stock inventory was maintained regarding receipts of IT assets. Further, no records relating to movement of equipment for repair, periodical maintenance and call details etc. were maintained and no system of issue of gate pass was in practice. Annual physical verification of IT assets was also not carried out after installation of hardware. Absence of these checks exposed the assets to the risk of pilferage or misuse. In reply, Tehsildars stated that provisions would be followed in future.

## **3.3.12 Other points of interest**

### **3.3.12.1 Non uploading of data on Net**

The Board had decided (August 2005) to upload the land records data on Internet by September 2005 which was to be updated by 7<sup>th</sup> of each month. However, data in respect of 44 tehsils (out of 305) was not uploaded on the net.

In reply, the Government stated (November 2007) that due to technical problems data was missing on net and necessary action would be taken after investigation.

### **3.3.12.2 Internal Audit**

Internal audit have an important role in protecting the IT system and detecting deviations in prescribed procedure, identifying threats to information system and safeguards for timely rectification. However, no training of IT system, software and new methodology of audit was provided to internal audit personnel.

In reply, the Government stated (November 2007) that necessary training would be provided to internal auditors.

### **3.3.12.3 Infrastructure**

According to guidelines issued by GOI, minimum space of 200-250 square feet of carpet area for operation of computer centre in tehsils was required to be provided. However the space provided for computer centre was less than the prescribed area.

### **3.3.12.4 Financial Management**

- **Avoidable expenditure on establishment of District Data Centre (DDC)** - The GOI released (December 2005) Rs. 5.95 crore for establishment of DDC. The Department set the target of 30 June 2006 for its establishment and invited rates (3 May 2006) for hardware, software and connectivity between tehsils and DDCs from Government approved firms to be received within 7 days. Subsequently, NIC had made minor changes in the configuration of server and connectivity without citing any justification. By incorporating the revised configuration the department again invited rates

(26 May 2006) to be received by 27 May 2006 i.e. the next day. Details of rates of three firms are given below

(Rs. in crore)

Sl. No.	Name of the item	UPDESCO	UP Electronic corporation limited	UPTRON Powertronics limited
1	Cost of hardware and other peripheral devices (including warranty of three years)	2.99	3.21	5.60
2	Cost of Software	0.36	0.51	0.46
<b>Sub Total</b>		<b>3.35</b>	<b>3.72</b>	<b>6.06</b>
3	Cost of connectivity for one year	0.89 (received on 23 June 2006)	1.56	0.86
<b>Grand Total</b>		<b>4.24</b>	<b>5.28</b>	<b>6.92</b>

While quoting the rates, UPDESCO intimated that it was obtaining some information about connectivity from Bharat Sanchar Nigam Limited (BSNL) and would quote rate to that effect after a few days and actually intimated rates on 23 June 2006. Meanwhile, the Department had submitted (31 May 2006) the proposal to Government on the basis of two quotations, i.e., UP Electronics Corporation Limited (UPEC) and UPTRON. The Government approved (3 September 2006) the lowest rate of UPEC. The Department issued purchase order on 27 September 2006.

The rates quoted by UPDESCO were the lowest for all the three items separately as well as combined. Terms and conditions of inviting rates from firms did not contain any clause which stopped the Department from entertaining the late receipt of rates of connectivity from UPDESCO. The Department could have submitted a revised proposal to Government after taking into consideration the rates of connectivity by UPDESCO. Even on the basis of quotations for hardware and software, UPDESCO qualified for two items as it was lower by Rs. 37 lakh.

Thus by not submitting a revised proposal to Government after taking into consideration the rates of connectivity provided by UPDESCO, the Department had incurred an avoidable expenditure of Rs. 1.04 crore.

In reply, the Government stated (November 2007) that UPEC was selected as its rate was lower between two firms who have submitted rates for all the three items and keeping in view the better co-ordination, entire work was entrusted to a single firm.

Reply was not tenable as only one day was given to firms for submitting the revised rates. Further, all the three items could be independently purchased/installed and DDC could not be established even after one year against the target date (30 June 2006).

• **Irregular/ Idle expenditure** - In the proposal sent by the Department (November 2005) to GOI for establishment of DDCs and in the approval and release of fund by GOI (December 2005), there was no mention of purchase and installation of touch screen kiosks. However, the Department purchased (September 2006) 70 touch screen kiosks at a cost of Rs. 68 lakh for

installation at Sadar<sup>1</sup> tehsil of each district out of DDCs fund. Hence, expenditure incurred on purchase of touch screen kiosks was irregular. In reply, the Government stated (November 2007) that touch screen kiosks were purchased at the instance of the task force. Reply was not tenable as the task force had recommended (February 2006) for its purchase only after getting necessary approval from Government. Further, touch screen kiosks were not installed as of November 2007 rendering the expenditure idle.

- **Diversion of funds** - The GOI released (May 2005) Rs. 20 lakh for establishment of State level monitoring cell. Of this, computer hardware (Rs. 11 lakh) was purchased, out of which hardware of Rs. 7 lakh was diverted for computerization of court cases of the Board. Similarly, 15 computers, 15 UPS and one printer purchased at a cost of Rs. 6 lakh for continuous transmission of data in DDC were installed in the chambers of officers and sections of the Board.

In reply, the Government stated (November 2007) that hardware was purchased and installed as per the decision of Chairman, Board. The reply was not tenable as the funds were meant for specific purposes and could not be diverted.

### 3.3.13 Conclusion

The computerization scheme of land records started in 1988-89 was not a complete and reliable system of maintenance of land records and generation of reports. It is replete with errors due to deficient system design, incomplete data capture from the manual records, deficient controls over the input data and invalidated data in most of the test checked tehsils. As a result, the concept of Computerization of Land Records as envisaged in the scheme could not be achieved.

### 3.3.14 Recommendations

- A business continuity plan needs to be finalized and restoration drills as necessitated under such plans should be carried out to ensure ability to continue operation in case of disruptions.
- Validation of data should be carried out to avoid possibilities of redundant data and erroneous data by way of incorporating input controls for issue of reliable RORs
- Deficiencies in the database and application design should be reviewed and steps may be taken for producing reliable and accurate output.
- In order to avoid unauthorised access to and manipulation in data, a clear password policy should be in force alongwith provisions for audit trails on all tables containing critical data.
- In order to ensure physical safety of the assets, policies for physical access to and storage of the assets should be framed.

The above points were referred to the Government in September 2007; reply received (November 2007) was incorporated in the review at appropriate places.

<sup>1</sup> Tehsil at district headquarters

## FINANCE DEPARTMENT

### **3.4 I.T. Audit of Computerisation of State Treasuries**

*The Treasury Computerisation System in Uttar Pradesh was implemented in 1985-86 with a view to overcome the weakness of the manual system and to exercise better budgetary control. The State treasuries, functional units of the Government Financial System, handle the day-to-day transactions of receipt and payment of the Government. An Information Technology audit of treasuries was conducted to assess the effectiveness of the implementation and operation of the computerised system.*

#### **HIGHLIGHTS**

**Study of the Users Requirement was not undertaken which led to frequent changes in software versions. There was no record of approval of the System Requirement Specification document.**

**(Paragraph 3.4.5.1)**

**Change request statements were not documented and records of testing and acceptance of the amendments carried out were not maintained**

**(Paragraph 3.4.5.2)**

**Physical and logical access controls were inadequate in absence of documented password policy and user logs were not maintained.**

**(Paragraph 3.4.5.3 to 3.4.5.4)**

**Re-appropriation orders were not validated leading to incorrect re-appropriation in test checked treasuries.**

**(Paragraph 3.4.6.1)**

**The system of payment of pension through the computerized system was not effective as data relating to pensioners was not validated.**

**(Paragraph 3.4.6.2)**

**Budget control upto object head level was ineffective as expenditure in excess of budget provision and Drawing and Disbursing Officers' allotment was incurred through correction of expenditure option.**

**(Paragraph 3.4.7)**

#### **3.4.1 Introduction**

The State Treasuries, structural and financial unit of the Government Financial System, are responsible for handling the day-to-day transactions of receipt and payment of Government. In Uttar Pradesh, 72 treasuries are functioning at the district level. At the 'tehsil' level, 307 sub-treasuries are performing functions of treasuries. The district treasuries are responsible for passing of bills presented by Drawing and Disbursing Officers (DDOs), compilation and submission of accounts to Accountant General (A&E), transmission of monthly data to the Financial and Statistical Directorate (FSD), Lucknow.

Each district treasury works as a separate unit and the transactions of sub-treasuries are included in the accounts of their respective district treasury.

The Government decided (1985-86) to computerize the operations of treasuries to reduce incidence of human error, exercise better budgetary control, prepare clean and legible copies of accounts in time and have real time data relating to cash outflow and progress of utilization of available funds. The process was started (1985-86) under the pilot project undertaken by Uttar Pradesh Development Systems Corporation (UPDESCO) in three<sup>1</sup> treasuries using Dbase software. As UPDESCO failed to deliver the desired results, National Informatics Centre (NIC) was entrusted the work of computerisation in 1994-1995 using Fox-Plus based application. Computerisation of all the district treasuries was accomplished by 1999-2000. Fox-plus application was replaced by Oracle based application over Linux platform in August 2001.

The NIC was responsible for installation of hardware, development and implementation of the application software. Treasuries were provided with a Xeon server, backup server, line matrix printers, UPS, generator and dumb terminals. The application software running in treasuries during 2006-07 was 'Integrated Treasury System Application' (ITSANIC) version-5.3. Rs.22.33 crore was incurred for procurement of hardware and software from 1993-94 to 2005-2006.

### 3.4.2 Organisational set- up

The treasuries function under the direct control of the District Magistrate. The Director of Treasuries supervises and exercises overall administrative control over the treasuries and sub-treasuries. The Director is assisted by Additional Directors and Joint Directors posted in 17 Zonal Offices. The Chief Treasury Officer (CTO) or the Treasury Officer (TO) heads the district treasuries at district level assisted by accountants in performing their duties.

### 3.4.3 Audit objectives

The performance appraisal aims at assessing the efficiency, economy and effectiveness of the computerization programme. This theme is further divided into the following objectives to ascertain whether:

- implementation and operation of the system was effective;
- control features of software were adequate;
- business continuity plan/ Disaster recovery Plan was effective;
- budget control upto object level, was effective; and
- mapping of business rules in the IT environment were adhered to.

### 3.4.4 Scope of Audit and methodology

As the same software was in use all over the State, application thereof was examined in five<sup>2</sup> district treasuries. The selection of treasuries was based on

<sup>1</sup> Lucknow, Allahabad and Unnao

<sup>2</sup> Lucknow, Allahabad, Kanpur, Agra and Gorakhpur treasuries

SRSWR<sup>1</sup> sampling technique. The treasury data (oracle dump) for the year 2006-07 in respect of these treasuries was obtained and analyzed using Computer Assisted Audit Technique (CAAT).

The audit objectives and audit criteria were discussed with the Government in an entry conference held in April 2007. The exit conference was held with the Government in October 2007.

### ***Audit findings***

#### **3.4.5 General controls**

##### **3.4.5.1 Lack of documentation**

The Director of Treasuries was the designated authority to approve, implement and monitor the computerization of treasuries. However, no perspective plan for the computerization of treasuries was prepared. Documentation of the User Requirement Specification (URS) was not done which led to frequent modifications in the application software. No record of approval of the System Requirement Specification (SRS) and record of testing and acceptance of the application software were available with the Directorate.

**Documentation of URS was not done leading to frequent modification to the application software**

Complete details of input, transaction and output tables and their linkages were not described in the SRS as the document was for use of NIC only.

This indicated that the computerisation programme was implemented without formulating a firm documentation policy. As a result, the original user requirements or the proposed architecture of the software could not be referred to at the time of audit.

##### **3.4.5.2 Change management and version control**

Frequent changes were made in the software versions for which complete details like the dates and reasons for carrying out version changes were not available on record. There was no record of testing and acceptance of the amendments carried out in the software. The SRS provided to audit pertained to the ITSANIC version-2 (September 2004) whereas during 2006-07 ITSANIC version 5.3 was running in treasuries. Non-availability of the change request statements after release of version-2 made it difficult to establish the current active data tables and data flow structure. There is a risk of accidental or malicious changes to system and data due to inadequate change management control.

In reply, the Government stated (November 2007) that with effect from April 2007 records in respect of changes carried out were being maintained.

##### **3.4.5.3 Information System security measures**

System security is designed to supervise, restrict, control and account for the access of any users to the system. However, security features as provided by the system were inadequate as detailed below:

**Physical and logical access control were inadequate and user logs were not maintained**

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<sup>1</sup> Simple Random Selection with Replacement

The system allows three attempts to the user to logon to the system. After the third unsuccessful attempt the system returns to the logon screen again and the user can start the entire process afresh. Thus, the user was able to make virtually unlimited attempts without being blocked by the system thereby increasing the risk of unauthorised access to the system. In reply, the Government stated (November 2007) that provision would be made in this regard in version 5.4.1 (installed with effect from June 2007).

For effective monitoring and control over the system, maintenance of log files and audit trail are essential. However, no user logs to record changes or to detect unusual or unauthorised activities were maintained. The roles and privileges assigned to users were captured in the system but no record of changes were maintained to track the previous details. The situation was risk prone as any activity performed by any unauthorized user could not easily be tracked. In reply, the Government stated (November 2007) that provision would be made to generate log files in version 5.4.1.

Passwords are an important aspect of computer security. However, no password policy was framed. In test checked treasuries, it was found that users were using the same passwords for more than three months and the passwords were found to be non- alpha numeric and in some cases lying unencrypted in the database tables. In reply, the Government stated (November 2007) that a password policy would be framed and implemented soon.

#### **3.4.5.4 Business continuity/ disaster management plan**

The business continuity plan or a disaster management policy is essential to enable the organisation to continue their activities in case of system crash, calamities like theft, fire and floods, etc. This policy details the procedures to be followed in case of any calamity and also identifies locations away from the actual data generation centres for safe backups and restoration of data. However, the Department framed no policy in this regard. As treasury computerisation process captures data from initial bill passing to cheque generation, the risk of loosing critical data in case of any disruption was high.

In reply, the Government stated (November 2007) that soon a policy in this regard would be framed.

### **3.4.6 Input controls**

#### **3.4.6.1 Incorrect capturing of data**

According to financial rules, re-appropriation of funds can be made from one unit of appropriation to another unit within the same grant. The transfer of funds should be equal. Analysis of re-appropriation orders at grant level, in the test checked treasuries, however, revealed discrepancy of Rs.1.87 crore, due to incorrect capturing of the re-appropriation orders. The risk of allotments against the incorrect re-appropriations could not be ruled out.

Further, re-appropriations were made to such heads of account which were either not present in the budget literature or if present, there was no provision of funds.

In reply, the Government accepted (November 2007) the fact and stated that restrictions were being imposed in version 5.4.1.

**Reappropriation orders were not validated leading to incorrect reappropriations**

### **3.4.6.2 Lack of validation checks**

Validation checks are imposed to ensure that data entered in the system is accurate, within specified range and without duplication. However, following discrepancies in pension module were noticed in the test checked treasuries.

**System of pension payments through the computerized system was not free from discrepancies**

- In 4,605 cases, the Date of Joining (DOJ) was after the Date of Retirement (DOR) and in 1,810 cases DOJ was after the Date of Commencement of Pension (DOP). This indicated that such checks were not enforced in the system although specified in the SRS.
- In 259 cases, the Date of Birth (DOB) and the DOJ was found to be the same. In 3,503 cases, DOR was not recorded in case of superannuated pensioners whereas in 7,151 cases, Date of Death (DOD) was blank in case of family pensioners. In 1,385 cases, DOP was not recorded in case of superannuated pensioners.
- In 2113 cases, Pension Payment Orders (PPO) were found to be duplicate in the database. Sanctioning authority of the PPOs was also not captured in most of the cases.
- Bills amounting to Rs.51 lakh were passed from grant No. '62-Pension' without capturing the required 15 digit classification. Further, the scheme '2235-00-107' did not exist under grant number 62 but the system allowed passing of the bill.

In reply, the Government stated (November 2007) that validation of pensioners database and filling of incomplete pensioners' details were under progress.

### **3.4.6.3 Provision for correction of expenditure**

As per the SRS, an option of correction of expenditure was available with the super user to modify the progressive expenditure of a DDO in case of any mistake committed by the operator while feeding the bill. The correction would update the progressive expenditure of the DDO and would not change the actual vouchers amount and head of account under which the correction was carried out. This led to different set of figures in different tables leading to mismatch between the DDOs expenditure figures and gross amount of bills passed against the DDOs.

In reply, the Government stated (November 2007) that corrective measure was being taken to maintain data consistency in version 5.4.1

Further, correction of expenditure undertaken to rectify the wrong booking should be equal to nullify the debit and deduct debit entries. However, in test checked treasuries, due to unequal correction entries, Rs.2.11 crore were lying unadjusted. The risk of reduction in actual expenditure by means of correction of expenditure could not be ruled out.

In reply, the Government stated (November 2007) that the same were being enforced in version 5.4.1.



### 3.4.7 Budget control through software

Budget control up to object head level was not effective

State budget passed by the legislature is provided in electronic form to all the treasuries. Expenditure incurred by the DDOs is controlled and restricted to the limit of allotments made to DDOs by the budget controlling officers and budget provision. However, analysis of data (2006-07) summarised at grant, scheme, object head of account on budgeted grant/heads<sup>1</sup> done distinctly on pay object heads<sup>2</sup> and non-pay object heads revealed that bills were passed in excess of the budget provisions and DDOs allotment. This was possible through correction of expenditure option as any decrease in the DDOs expenditure from one head of account to another would create availability of funds to the extent of decrease in the expenditure. Details are as under :

(Rs. in crore)

Bills passed in excess of budget provision				
No. of cases	Object head of account	Budget provision	Gross amount of Bills passed	Excess over provision
19	Non-pay	38.54	38.97	0.43
114	Pay-object	7.57	10.43	2.86
Bills passed in excess of DDO's allotment				
No. of cases	Object head of account	DDOs Allotment	Gross amount of Bills passed	Excess over Allotment
88	Non-pay	90.08	94.62	4.54
825	Pay-object	303.48	319.68	16.20

Thus, passing of bills in excess of the budget provisions and DDO's allotment led to ineffective budget control upto object head of account.

In reply, the Government stated (November 2007) that necessary safeguards against possible excess expenditure on account of corrections in the treasury at the instance of DDOs was taken in version 5.4.1 (applicable from June 2007). However, the system was still (November 2007) defective to the extent that such corrections carried out at the treasury level were not reported to AG (A&E) for incorporating in the accounts.

#### 3.4.7.1 State level excess allotment over budget provision

Analysis of State data of 2006-07 made available by the FSD revealed that at the grant level, funds were allotted in excess over the budget provision. In 11 out of 95 grants against the provision of 6,165.08 crore, allotments of Rs. 6,219.24 crore were made thereby excess allotment of Rs. 54.16 crore. This showed that the feeding of the allotment orders was not mapped with the budget provisions. The situation was risk prone as no centralised budget control mechanism was in place.

The Government stated (November 2007) that excess allotment of funds reflected in the figures was due to the fact that re-appropriation orders were not captured in the FSD data. The reply is not tenable as analysis was done at the grant level and re-appropriations were made within the grant itself.

<sup>1</sup> Excluding Grant No. 62-Pension, 21-Food & civil supplies, 7610-Loans & Advances

<sup>2</sup> (01-pay, 03-DA, 06-Other allowances, 38-interim relief, 50-dearness pay)

### **3.4.8 Non-mapping of business rules**

#### **3.4.8.1 Back dating of transactions**

According to financial rules, no transaction could be executed after the close of the financial year. Analysis of allotment order table, however, revealed that in the test checked treasuries, allotment orders of Rs. 628.95 crore, re-appropriation orders of Rs. 250.61 crore and bills amounting to Rs. 1048.73 crore pertaining to financial year 2006-07 were entered in the system after 31 March 2007 (upto 8<sup>th</sup> of April). It indicated that provisions of the financial rules were not incorporated in the system thereby allowing transactions even after close of the financial year. The option of closing the transaction date rests with the CTO/TO.

The Government stated (November 2007) that due to heavy rush of expenditure in March transactions were carried out even after 31 March.

#### **3.4.8.2 Reports not generated**

According to codal provisions, lapse deposit report of all deposits or balances lapsing after 31 March of each year were to be submitted to AG(A&E). However, no such report was generated by the system despite the data being available.

According to codal provisions, vouchers of refund of revenue are to be captured in 'Form-19' with details of the original revenue realised against which the refund was provided. However, such details were not captured nor any report generated.

In reply, the Government stated (November 2007) that generation of reports would be incorporated in the system.

#### **3.4.8.3 Abstract Contingent (AC) and Detailed Contingent (DC) bills**

As per rules, prior to passing of the AC bills, the TO is required to check the DDOs certificate that no DC bills are outstanding against the previous AC bills. However, neither flagging of the AC bills nor provision for capturing of the DDOs certificate was made. In absence of such provisions, no check was imposed by the system to restrict passing of subsequent AC bills of the DDOs.

In reply, the Government stated (November 2007) that provision for flagging of the AC bills would be incorporated.

### **3.4.9 Conclusion**

Even after lapse of nine years of completion of computerisation of treasuries all over the State, the system was not working to its full potential as the incidence of errors was high and effective budgetary control upto the object head of account could not be exercised.

### **3.4.10 Recommendations**

The Department should:

- develop proper documentation of the stage at which the computerization process stands today so that a trail of future changes was available.
- develop centralised budget control mechanism for effective control over budget provisions, re-appropriation of funds, allocation of funds to DDOs and expenditure thereof.
- take corrective measures expeditiously for proper validation of the pensioners' database.
- strengthen the physical access and logical access controls to avoid unauthorised access and manipulation in data.
- take steps to ensure mapping of all the business rules in the computerised environment.

The above points were referred to the Government in September 2007; replies received (November 2007) were incorporated at appropriate places in the review. Recommendations were accepted by the Government.

## URBAN DEVELOPMENT DEPARTMENT

### 3.5 Management of Ardh Kumbh Mela

#### 3.5.1 Introduction

The Sangam at Allahabad is an important Hindu pilgrimage centre. It hosts Magh Mela every year, Ardh Kumbh Mela (AKM) every 6 years and Kumbh Mela every 12 years in the month of Magh (January/ February). The above Melas are administered under the United Provinces Mela Act, 1938 (Mela Act) and Allahabad Magh Mela Rules, 1940 (Mela Rules). The Rules empower the District Magistrate (DM), Allahabad to act as Manager of the Mela. During Kumbh Mela and Ardh Kumbh Mela, the Mela area is declared as a separate district and the Government appoints DM level officer as Mela Adhikari. At Government level, Urban Development Department (Department) is the nodal department for conducting of the Melas. The AKM 2007 was organized for 45 days from 3 January 2007 to 16 February 2007.

Records of 20 of the 24 departments (*Appendix 3.5.1*) to whom funds were released were test checked during February 2007 to June 2007 with a view to assess the economy, efficiency and effectiveness in the management of AKM 2007. The results of the test checked are brought out in the succeeding paragraphs.

#### 3.5.2 Budget allotment and expenditure

The Government sanctioned (August 2006) Rs. 173.12 crore for administration of AKM 2007 and placed Rs. 169.40 crore at the disposal of the Mela Adhikari who was the overall officer-in-charge for conducting the mela. The remaining Rs. 3.72 crore was given to the Police Department for maintenance of law and order. The allotment was based on maximum number of pilgrims of three crore projected by the Mela Adhikari. The Mela Adhikari released funds to the executing agencies from time to time as per their requirement. An amount of Rs. 153.12 crore was spent and the remaining Rs. 16.09 crore surrendered without taking into account the liabilities of Rs. 1.45 crore pending with Uttar Pradesh Power Corporation Limited (Rs. 1.18 crore) and UP Jal Nigam (0.27 crore). Besides, the Police Department had created a liability of Rs. 2.42 crore.

#### 3.5.3 Inflated crowd estimation

The Mela arrangements were based on an estimated presence of three crore people on Mauni Amawasya (19 January 2007). The projection of number of expected devotees by the Mela Adhikari on different occasions of AKM 2007 was higher by 31 to 67 per cent (*Appendix 3.5.2*) than the devotees estimated during actual occurrence of the events.

An assessment of the number of the devotees in audit using collateral evidence, however, revealed inflated estimation of the number of devotees by the Mela Adhikari as detailed below:

**3.5.3.1** Permanent stay of *Kalpwasīs*, saints, *pandas* and mandaleshwars during entire period of AKM 2007 was estimated at 43 lakh and 704.65 bighas (173.13 lakh sft.) land was made available to them. If the entire land would have been utilized by the people for their stay without setting aside the land for roads and other utilities, only 4 square feet (sq ft) land was available to each person which was unrealistic. Assuming 50 sq ft would be the minimum requirement for permanent stay for one person, a maximum of 3.50 lakh people could have been accommodated without setting aside any land for roads and other utilities. On being pointed out, the Mela Adhikari confirmed (March 2007) that a maximum of 3.43 lakh people could have stayed permanently during entire mela period. Thus, the projection of population for permanent stay in the mela area for obtaining budget allotment was inflated by over 12 times.

**The inflated estimation of crowd resulted in avoidable expenditure of Rs. 4.50 crore on providing water facilities alone**

**3.5.3.2** The population of Allahabad district is 62 lakh. Between 5 January 2007 and 19 January, 14.96 lakh people (by UP State Road Transport Corporation's buses: 9.85 lakh and rail: 5.11 lakh) arrived in Allahabad, besides an estimated 5 lakh from their own conveyance. Assuming that 50 per cent population (31 lakh) of Allahabad district came for the main bath on 19 January 2007 and all the persons who arrived in Allahabad between 5 January and 19 January 2007 by all modes of conveyance stayed on that day, the total population including those staying permanently in mela area during the mela period, would not exceed 55 lakh against the reported figure of 1.80 crore on that day by the Mela Adhikari. Thus, by any standard, 3 crore people estimated by the Mela Adhikari for obtaining budget allotment was incorrect. Due to exaggerated projected population, the Mela Adhikari incurred avoidable expenditure of Rs. 4.50 crore on two works alone as detailed below:

- The requirement of water was assessed at 54 million litre per day (mld) for 2.25 crore people in Kumbh-2001 and was met by 28 tube wells. In AKM 2007, the requirement of water was assessed at 76 mld keeping in view the expected population on peak day, i.e., 19 January 2007 for which 10 additional tube wells (cost: Rs. 71 lakh approximately) were installed. As the population of Mela even on peak day did not exceed 55 lakh, 28 tube wells already installed were sufficient for water supply. This rendered Rs. 71 lakh unfruitful.
- The Construction Division (CD), Jal Nigam, Allahabad laid an additional 77 km. pipeline (total 422 km) as compared to Kumbh 2001 (345 km) at a cost of Rs.3.79 crore. This was also unnecessary.

In reply, the Government stated (November 2007) that the assessment of population for AKM 2007 was made on the basis of population of Kumbh-2001 and arrangements made accordingly. Reply is not tenable as the number of *Kalpwasīs* and Government officials in Kumbh-2001 was shown as 35 lakh which would not have been more than 3.5 lakh as land available to them was more or less same as was made available during AKM 2007. The estimated population on the peak day was also not realistic as the estimation was not based on any scientific method.

### **3.5.4 Water pollution in Sangam area**

**The river water at sangam during mela was not fit for bathing.**

The Central Pollution Control Board (CPCB), New Delhi, in its study (2001) of the management of Kumbh mela, had pointed out that water in Sangam area was not fit for bathing as Bio Oxygen Demand (BOD) and coli-form level in the rivers were much higher than the prescribed limit for bathing water due to untreated sewage water draining into Ganga and Yamuna rivers. The CPCB recommended construction of Sewage Treatment Plants (STPs) to contain contamination of water in Sangam area and chlorination of rivers to reduce BOD and coliform level. However, the Department did not take adequate action in this direction except for temporary ponding at Salori *nala* during AKM 2007 at a cost of Rs. 1.27 crore to prevent 30 million litre sewage per day from draining into Ganga river. Ninety three million litre of sewage water per day, however, continued to drain in the rivers. The department did not conduct the chlorination of river water also. According to the reports of UP Pollution Control Board, BOD and coli-form level in Sangam area at the beginning of AKM 2007 was 60 and 4100 *per cent* higher than the prescribed limit and increased to 440 and 17900 *per cent* during mela (*Appendix 3.5.3*). The water was not fit for bathing as BOD and coli-form level remained high during AKM 2007. Further, Mela Rules prohibited throwing of dead bodies into the rivers as it increased the pollution of rivers. However, 198 dead bodies which were found trapped under pontoon bridges were thrown back into the main stream of river Ganga during mela period.

In reply, Government accepted (November 2007) the fact that untreated sewage water was being drained into the rivers. The Government, however, attributed the increase in BOD to presence of crowd during AKM 2007. Reply was not acceptable as BOD and coli-form both were much higher even at the beginning of the mela.

### **3.5.5 Improper disposal of solid waste**

**Disposal of solid wastes was made in the manner contrary to the Act which was damaging environment.**

According to Municipal Solid Waste (Management and Handling) Rules 2000, landfills required to be identified by Development Authorities for disposal of solid wastes, *inter alia*, should be large enough to last for 20-25 years far away from habitation clusters, water bodies, and wet land. The baseline data of ground water quality in the landfill area should be collected and kept on record for further reference to ensure that the ground water was not contaminated beyond the acceptable limit. Scrutiny of the records revealed:

- Solid waste of 6374 metric ton (62 *per cent* of the total garbage 10240 metric ton) was disposed of in 3908 pits, and 59 animal bodies in separate pits, spread over the river bed in mela area. Temporary disposal of solid waste in the mela area was fraught with the risk of the mela area getting submerged during rains and all the waste material dumped and buried in the sandy bed exposed and carried away with the river water to down stream Ganga. Disposal of the solid wastes in this manner was also likely to contaminate ground/surface water and soil.
- The remaining solid waste, approximately 86 metric ton per day was carried away from the mela area and dumped at Andawa and Bakshi

bandh. These dumping sites did not have approval of Allahabad Development Authority/ Nagar Nigam, Allahabad.

In reply, the Government stated (November 2007) that the disposal of solid waste was made as per oral instruction by Nagar Nigam, Allahabad. Reply is not tenable as the disposal of solid wastes in Mela area was contrary to the Solid Waste (Management and Handling) Rules, 2000.

### 3.5.6 Inadequate disaster management plan

The disaster management plan for AKM 2007 was inadequate

The U.P. Disaster Management Act, 2005 provides a common platform to various stakeholders including Government for a continuous and integrated approach with a view to mitigating or reducing the risk of disaster, emergency preparedness for relief and rescue operation, post disaster rehabilitation and reconstruction. Besides, the good practices in disaster management require Event Managers to plan to have in place an event specific disaster management plan. However, no District Disaster Management Plan (Plan) was formulated by DM, Allahabad keeping in view the AKM-2007. Two departments (Police and Health) had, however, prepared their plan separately which were inadequate as discussed below:

- Not a single navigator was posted against a requirement of 40 to cover the risk due to slips and falls on the embankment of rivers.
- The Police Department and the Mela Adhikari did not identify fog as a disaster risk despite high likelihood as per past weather records.
- Against the requirement of 40 fire stations, only 24 were set up in the mela area. Further, no fire extinguishers were purchased against the requirement of 100 to meet the contingencies.
- According to Bureau of Indian Standard specification number IS 8758-1993, use of synthetic material in *pandals* and temporary structures at places such as mela area was prohibited. Further, a 'no objection certificate' from the Fire Officer to the effect that all safety norms had been observed was also required to be obtained by each *pandal* / tent holder after their erection. However, requisite certificate was not obtained in any case and synthetic material was used in many cases. Similarly, no strategy for fires arising out of electric short circuit and liquefied petroleum gas cylinder blast was seen on the record.
- In a blatant violation of safety norms, a gas godown was constructed adjacent to the electric sub station-I in sector 5 situated at Kalidas Marg within the mela area.
- Out of eight pumps for 30 static tanks, each with a capacity of 10,000 litres, only five pumps were made available which were also not installed. These could not be put to use in the fire incident which occurred in Pilot Baba's *pandal* on 24 January 2007. Neither any reason for short supply/non-installation of pumps was on record nor any reply was furnished by the Government.

- There was no deployment of tear gas unit, photographic cameramen and metal detector and close circuit television security guard.

In reply, the Government accepted (November 2007) the above facts except non-posting of navigators and identification of fog as a disaster risk and stated that navigators were deployed and sodium lamps were installed as anti fog light. Reply is not tenable as the Police Department confirmed (January 2007) non-deployment of any navigator and sodium lamps installed by the Police Department in mela area were not anti-fog lights.

### **3.5.7 Works management**

Following points were noticed in execution of various works for the Mela:

#### **3.5.7.1 Avoidable expenditure on laying a pipeline**

**Jal Nigam laid a permanent pipeline despite instruction by expert body to the contrary**

Moti Lal Nehru National Institute of Technology, Allahabad had suggested (July 2006) that permanent pipeline was not feasible within Mela area due to its high cost and development of algae, presence of reptiles, etc. in the empty pipes during off season. Chief Engineer, Jal Nigam had also instructed (July 2006) not to lay permanent pipeline. However, CD, Jal Nigam laid 7 km. of permanent pipeline in the Mela area at a cost of Rs. 32 lakh on the direction of the then Minister, Urban Development. The CD, Jal Nigam accepted (June 2007) the fact. Thus, despite the instructions of the expert body, CD, Jal Nigam laid permanent pipe line resulting in avoidable expenditure of Rs. 32 lakh.

#### **3.5.7.2 Blockage of funds**

##### **Procurement of pontoons in excess of requirement**

**Excess material purchased amounting to Rs. 6.36 crore due to incorrect estimation**

The CD-IV, PWD assessed (July 2006) the requirement of 1120 pontoons including 47 for reserve stock, for construction of 14 pontoon bridges. As 362 pontoons were already available in its store, the CD IV decided to purchase 758 pontoons from Electrical and Mechanical (E&M) Division, PWD, Allahabad (240 pontoons) and private agencies (518 pontoons). Subsequently, CD IV reassessed (November 2006) the requirement at 957 pontoons. By the time the number of pontoons was reassessed, CD IV had already arranged 1097 pontoons, as detailed below:

<b>Sl.</b>	<b>Source of receipt of pontoons</b>	<b>No. of pontoons</b>
1	Lying in the store of CD IV	362
2	Received from other divisions	95
3	Fabricated from E& M division	240
4	Fabricated from private agencies	400
<b>Total</b>		<b>1097</b>

Thus, there was an excess of 140 pontoons (cost: Rs. 3.29 crore) excluding 47 pontoons kept for reserve stock. These pontoons would remain idle for 6 years, *i.e.*, till next Kumbh in 2013, locking up of the cost thereof (Rs. 3.29 crore). Deterioration in its quality could also not be ruled out due to their non-use for long.



### Procurement of material

The details of requirement of material assessed by CD, Jal Nigam and CD-IV, PWD, purchases made and material lying at the end of Mela area were as under:

Item/ Department	Opening Balance	Requirement assessed	Purchased	Total	Utilised	Remained unused (percentage to Col. 3)	Cost (Rs. in crore)
1	2	3	4	5	6	7	8
C.I.Titan Pipe (Jal Nigam) (In metre)	45,189	55,811	60,425	1,05,614	92,333	13,281 (24)	1.26
M.S. Plate (PWD) (In metric ton)	-	2028	2028	2028	1487	541 (27)	1.81

Excess purchase of material resulted in locking up of Rs. 3.07 crore. The CD, Jal Nigam, Allahabad could not furnish any reason for purchase of the material in excess.

### Construction of *Ran Basera*<sup>1</sup>

**Rs. 2 crore was released without approval to layout for construction of *Ran Basera***

The Government approved (December 2006) a project for construction of a *Ran Basera* costing Rs. 6.13 crore with a capacity of 2500 to 5000 persons in the mela area with a view to provide accommodation at affordable rates to pilgrims. The Mela Adhikari released Rs. 2 crore (December 2006) to U.P. Rajkiya Nirman Nigam (UPRNN) for the construction. Records of the UPRNN revealed that the layout of *Ran-basera* submitted (December 2006) to the Government was pending sanction as of July 2007. Release of funds by the Mela Adhikari without approval of layout violated financial rules and resulted in locking up funds.

In reply, the Government stated (November 2007) that the work would be executed after approval to the layout plan of *Ran Basera*. The facts remained that the amount continued to be locked up with UPRNN.

#### 3.5.7.3 Irregular payment to a contractor

**Rs. 1.71 crore was paid to a contractor against statutory provisions**

According to the Finance Act, 1994 and Uttar Pradesh Trade Tax Act, 1948, the disbursing officer is required to deduct Service Tax, Trade Tax and Development Tax from the contractors' bills and deposit it in the Government accounts. However, Rs. 1.71 crore<sup>2</sup> towards these taxes was paid to a contractor instead of crediting it to the Government account.

In reply, the Government stated (November 2007) that the rates for works approved by the Mela Adhikari were exclusive of Service Tax, Trade Tax, and Development tax and payments were made accordingly. Reply is not tenable as the above taxes were paid in addition to the cost of works to the contractor which instead should have been deposited in the Government account.

<sup>1</sup> Stay place of pilgrims

<sup>2</sup> Service tax: Rs.1.14 crore, Trade tax: Rs. 0.46 crore & Development tax: Rs. 0.11 crore.

### **3.5.7.4 Outstanding liabilities**

**PWD was deprived of competitive rates due to non payment of outstanding liabilities**

Under financial rules, a Disbursing Officer is responsible to keep a strict watch on all liabilities and their prompt settlement. However, liabilities of Rs. 4.31 crore of the Magh Mela 2004-05 (Rs. 1.35 crore) and 2005-06 (Rs. 2.96 crore) were outstanding before the start of AKM 2007. The Government did not allot funds to clear the pending liabilities despite request by the Mela Adhikari. Due to non-payment of the outstanding liabilities, the contractors did not participate in the tenders floated by CD IV, PWD for the works of AKM 2007. The department was, therefore, deprived of competitive rates as the works costing Rs 2.41 crore were executed through selected contractors on negotiated rates without inviting tenders.

In reply, the Government accepted (November 2007) the fact and stated that the matter was being examined by the Examiner, Local Funds and necessary action would be taken on receipt of his report.

### **3.5.8 Non-levy of rent**

**Rent free facilities amounting Rs. 3.70 crore were provided to various institutions contrary to the Mela Act**

According to Section 8 (1) of U.P. Mela Act, land and tent, etc. in the mela area were to be provided to various institutions on rent as decided by the Mela Adhikari. However, the Mela Adhikari, contrary to provisions of the Mela Act, allotted rent free sites of 1175 *bigha* to 2164 institutions during mela period, besides free facilities of tin, tentage and furniture, etc. to them. Based on the rates fixed by the Mela Adhikari for allotment to land, Rs.1.06 crore on account of land rent was recoverable from these institutions, besides Rs. 2.64 crore against supply of tin, tentage, furniture, etc. to them.

In reply, the Government stated (November 2007) that the above facilities were being provided free of cost since long. Reply is not tenable as free facility of land, tent, etc. to any one was contrary to the Mela Act.

### **3.5.9 Conclusion**

The Mela Adhikari assessed the possible crowd in AKM 2007 on incorrect assumptions resulting in avoidable and infructuous expenditure on the superfluous arrangements made. Water fit for bathing in Sangam area was also not ensured to the pilgrims. Precautions taken in solid waste management and disaster management were also inadequate during the Mela.

### **3.5.10 Recommendations**

- The assessment of the number of pilgrims should be done properly to avoid wasteful expenditure on superfluous arrangements.
- Arrangement for improving the quality of water should be made.
- A complete plan should be prepared for disposal of waste material generated during the mela period.
- Detailed and comprehensive planning for the Mela including disaster management should be made and arrangements monitored closely.

The matter was referred (August 2007) to the Government; reply was received (November 2007) and was incorporated at appropriate places.

## MEDICAL AND HEALTH DEPARTMENT

### 3.6 REGIONAL DIAGNOSTIC CENTRES

#### 3.6.1 Introduction

The Eleventh Finance Commission (EFC) recommended (September 2000) establishment of one Regional Diagnostic Centre (RDC) to be equipped with high tech equipment like, Ultra Sound machines (ultra sound), Computerized Tomography Scanner (CT Scan), Pathology Laboratory, Operation Theatre, etc. for every four districts in the State to provide secondary needs of medical diagnostic facilities to the people at a cost of Rs. 3 crore per RDC. The 18 RDCs sanctioned for 70 districts by the Government in October 2001 were to be made functional by 2003-04. The Director General, Medical and Health Services (DGMHS), Lucknow was responsible for establishing the RDCs. The Department spent Rs. 54.55<sup>1</sup> crore on 18 RDCs during 2001-06.

Scrutiny of records in the office of DGMHS and six<sup>2</sup> RDCs during April 2007 to May 2007 revealed deficient implementation of the scheme as discussed in the succeeding paragraphs.

#### 3.6.2 Implementation

##### 3.6.2.1 Purchase of equipment

A committee constituted (August 2001) under the chairmanship of Principal Secretary, Medical Health and Family Welfare for purchase of equipment after determining RDC-wise requirement of equipment, in its meeting recommended (September 2001) purchase of various equipment for different RDCs without identification of secondary needs of the people in terms of diagnostic facilities and setting out resources for manpower, training and maintenance of equipment, etc. The Department purchased the equipment of Rs. 46.13 crore for 18 RDCs in deviation to recommended purchases, as detailed below:

Name of equipment	Number of equipment recommended	Number of equipment purchased
ECG Machine	18	36
Tread Mill	11	18
EEG mode machine	12	Nil
X-Ray Machines	14	47
Ultrasound Machines	08	18
CT Scan Machine	18	13
Color Doppler	Nil	09
Air Conditioners (ACs)	Nil	144
Deep Freezers	Nil	18
Inverters	Nil	18

**Rupees 4.28 crore meant for purchase of equipment was spent on purchase of unapproved items**

The purchase of several equipment against the recommendations of the committee, deprived 12 RDCs of Electroencephalogram (EEG) machines and five RDCs of CT Scans. Saving of Rs 4.77 crore on account of non-purchase of the equipment were utilised towards purchase of 257 other equipments

<sup>1</sup> Excess of Rs. 0.55 crore borne by the State Government.

<sup>2</sup> Basti, Gonda, Lucknow, Mirzapur Saharanpur and Varanasi.

including 144 air conditioners at a cost of Rs 4.28 crore. The remaining Rs 49 lakh was lying in Personal Ledger Account as of March 2007.

### **3.6.2.2 Delay in installation of equipment**

The terms and conditions of purchase of equipment stipulated that 90 *per cent* cost would be paid to the suppliers on delivery of equipment and the balance after their installation without specifying the time limit for their installation after delivery. In the test checked RDCs, out of 252 pieces of equipment (cost: Rs. 11.32 crore), installation of 94 pieces of equipment costing Rs. 7.62 crore (67 *per cent*) was delayed for periods ranging from 1 to 16 months (**Appendix-3.6.1**).

The DGMHS attributed (June 2007) the delay in installation of equipment to the delay in completion of civil works. Reply was not tenable as the delay in installation of equipment occurred despite completion of civil works.

### **3.6.2.3 Non-functional equipment**

In test checked RDCs, 55 pieces (cost: Rs. 3.77 crore) were non-functional (**Appendix-3.6.2**) due to defects/non-availability of trained doctors/ reagents and non-referral of patients to RDCs, as discussed below:

- The suppliers supplied (July 2004 to March 2005) and installed (October 2004 to March 2005) four defective equipment<sup>1</sup> costing Rs 41 lakh in district Mirzapur and Saharanpur and the DGMHS paid the balance 10 *per cent* of the cost of the equipment in March 2006 on the wrong certificate furnished by the Chief Medical Superintendents (CMS) concerned that the equipment were installed satisfactorily. These equipment were non-functional as of April 2007, even after 25 to 30 months of their installation.
- The Government issued (May 2004) instructions to Additional Directors, MHS to deploy specialists/trained doctors in RDCs withdrawing them from Government hospitals. In case of their non-availability, private doctors were to be employed on payment of 50 *per cent* users' charges received from beneficiaries. As no arrangement of trained doctors from either source was made, 37 equipment<sup>2</sup> (cost: 2.44 crore) were lying idle since their installation (April 2004 to June 2006) as of May 2007. Three trained doctors available in RDCs, Gonda (one) and Varanasi (two) were also transferred between March 2006 and July 2006 without any substitute.
- Five equipment<sup>3</sup> (cost: Rs. 25 lakh) installed (October 2004 to December 2005) at RDC, Mirzapur were lying idle since their installations as patients were not referred for diagnosis/medical examination. The CMS stated (September 2007) that primary medical facilities for use of such equipment were not available in the hospital. This indicated that the decision to purchase equipment for different RDCs was not well considered.

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<sup>1</sup> Mirzapur: Fully computerised bio chemistry analyzer and cryosurgery, Saharanpur: Fully computerised Blood Gas Analyser and Fully computerised bio chemistry analyzer.

<sup>2</sup> Mirzapur: 4 equipment (cost: Rs. 20.60 lakh); Saharanpur: 4 equipment (cost: Rs. 20.60 lakh); Basti: 14 equipment (cost: Rs. 74.67 lakh); Varanasi: 11 equipment (cost: Rs. 101.06 lakh) and Gonda: 4 equipment (cost: Rs. 26.67 lakh).

<sup>3</sup> Fully Computerised Hormone Analyzer, Eliza Reader, Cytocentrifuge, Calposcope and Blood Gas Analyzer.

**Equipment costing Rs. 7.62 crore not installed**

**Equipment costing Rs. 3.77 crore were non-functional rendering the investment idle**

- Four equipment<sup>1</sup> (cost: Rs. 0.19 crore) installed (November 2004 to December 2005) at RDCs, Mirzapur and Gonda were lying idle as of March 2007 for want of reagents. The CMSs concerned who were authorised to purchase reagents from user charges did not purchase despite availability of money.
- Eight pieces of equipment (cost: Rs. 37 lakh), after lying idle for two to three years in three<sup>2</sup> RDCs, were transferred (December 2005 and January 2006) to other hospitals under the orders of DGMHS. Four of them were lying idle in these hospitals also for want of trained doctors.
- One equipment (blood gas analyser) in RDC at Varanasi costing Rs. 7 lakh was lying idle as of September 2007 for the last three years as power back up was not provided even after four years of creation of RDCs.

Thus, non-functioning of the equipment rendered the investment of Rs. 3.77 crore idle besides denying the facilities of improved diagnosis in the RDCs, to the people.

### 3.6.3 Maintenance of equipment

AMCs were not executed in 71 to 100 per cent of equipment

According to the four pronged strategy (policies, quality and safety, access and use) for high tech medical devices and equipment, a dedicated and high priority action plan supported by the budget was essential. This could be ensured through execution of Annual Maintenance Contract (AMCs) with the supplier firms. The Department, however, did not carry out any exercise to ascertain the requirement of funds on this account. No funds were allotted during 2004-05. *Adhoc* allotment made during 2005-07 was inadequate. During 2006-07, test checked RDCs required Rs. 19.80 lakh for maintenance of 72 equipment alone but, received Rs. 15.20 lakh only for maintenance of all the 156 pieces of equipment. Further, even the funds available with the RDCs could not be utilized by them and they surrendered Rs. 4.53 lakh (30 per cent) out of Rs. 15.20 lakh. The details of AMCs executed during 2004-07 are given in *Appendix-3.6.3*.

During 2006-07, AMCs were not executed in respect of 71 to 100 *per cent* of the equipment which resulted in their non-function to the extent of 24 to 100 *per cent* in three RDCs (*Appendix- 3.6.4*).

Inadequate arrangement for maintenance of the equipment at the RDCs rendered the equipment non-functional for long periods of time thereby denying the facilities to the patients.

### 3.6.4 Non-referral of cases to RDCs

The RDCs were the referral centres and Government hospitals of the regions covering 4 districts were required to refer cases to RDCs for diagnosis/medical examination to provide improved diagnostic facilities to the people. Scrutiny, however, revealed that the test checked RDCs carried out diagnosis/medical examination of 0.76 lakh cases referred during February 2005 to March 2007 by the district hospitals only where these RDCs were located. The

<sup>1</sup> Mirzapur: Fully computerised cell counter and Gonda: Eliza reader, Semi automatic Analyzer and Cytocentrifuse.

<sup>2</sup> Basti:- Calposcope, Lucknow:- Hysteroscope, Calposcope, Featal Monitor, Gonda:- Hysterscope, Calposcope, Featal Monitor, E.C.G.

Superintendents of other hospitals in the regions stated (September 2007) that they were not aware of the RDCs.

Non-referral of cases by other hospitals indicated that RDC's objective as a referral centre at regional level remained unachieved to a large extent.

### **3.6.5 Free diagnostic facilities to ineligible persons**

The families living below poverty line, destitute, patients under treatment of various National Health programmes, under-trials, and emergency cases were entitled to free medical diagnosis at RDCs. Scrutiny of relevant records of one month in each RDC revealed that four RDCs, Basti, Mirzapur, Saharanpur and Varanasi, treated 923 cases (24 *per cent*) out of 3891 free of cost. Of these, 685 cases (74 *per cent*) were ineligible. They were either Government servants or patients whose details to prove their *bona fides* were not mentioned. In reply, CMS, RDC at Varanasi stated (April 2007) that ineligible cases were done in public interest. The RDCs, Gonda and Lucknow did not extend free facility to the eligible class of patients and stated (April-May 2007) that charges were levied on all patients with a view to make the RDCs self dependent.

### **3.6.6 Monitoring**

**Monitoring was weak**

The Department did not formulate any system for monitoring of the RDCs. Consequently, the DGMHS was unaware of non- functioning of equipment, inadequate maintenance, non- referral of cases for medical diagnosis to RDCs and free diagnostic facilities to ineligible persons.

### **3.6.7 Conclusion**

The performance of RDCs was unsatisfactory to a large extent due to purchase of equipment without assessing the needs, purchase of defective equipment and non-installation of equipment for long periods of time. The equipment also remained non- functional due to non- posting of trained doctors and non-purchase of reagents etc. A dedicated plan of action for their maintenance was also not prepared.

### **3.6.8 Recommendations**

- Purchase of equipment should be made only after accessing the needs of the people in terms of diagnostic facilities required at the RDCs, etc.
- The equipment should be got installed expeditiously and adequate arrangements for its maintenance ensured.
- The Government should provide trained medical, paramedical staff and consumables to the RDCs to run them efficiently.
- Monitoring system should be designed to obtain regular reports about use of equipment and user charges being levied for possible corrections.

The Government in its reply (November 2007) accepted the facts and figures and the recommendations made by Audit.

## SECONDARY EDUCATION DEPARTMENT

### 3.7 Kanya Vidya Dhan Yojna

#### 3.7.1 Introduction

The Government launched (September 2004) Kanya Vidya Dhan Yojna (Scheme) to promote education among girl students with the provision of an incentive of Rs. 20,000 to each class XII passed girl student from the Board of High School and Intermediate Education, Uttar Pradesh. A selection committee comprising District Inspector of Schools (DIOS), Chief Development Officer (CDO) and two Principals (one from a Government College and the other from a Non-Government College) as members and headed by the District Magistrate (DM) was responsible for selection of eligible beneficiaries after scrutinising each application. Distribution of incentive was based upon income of the guardians starting with the lowest income. Priority in selection of beneficiaries was to be given to girl students whose guardian belonged to BPL category.

At Government level, Secretary, Secondary Education Department (Department), Government of Uttar Pradesh, Director of Education, Madhyamik Shiksha (Directorate) at the Department level and District Magistrate and DIOS were responsible for implementation of the scheme at the district level.

The implementation of the Scheme was reviewed during January 2007 to August 2007 through test-check of records for the period 2004-07 at the Secretariat and Directorate, Madhyamik Shiksha Vibhag and in the offices of the DIOS in eight districts<sup>1</sup> selected by SRSWOR<sup>2</sup> method. Significant audit findings are brought out in the succeeding paragraphs.

#### 3.7.2 Budget allotment and expenditure

The Government fixed annual targets for the number of eligible girl students (2004-05: One lakh; 2005-06: 1.50 lakh; 2006-07: 3.38 lakh) to be provided incentive at the rate of Rs. 20,000. Based on these targets, funds were allocated to the Department. The Department released these funds to district units on the basis of the finalised lists of beneficiaries in the districts. Year-wise allotment of funds during 2004-07 and expenditure there against<sup>3</sup> are given below:

(Rs. in crore)					
Year	Budget allotted	Amount surrendered	Amount available	Expenditure	Unutilized balance
1	2	3	4 (Col. 2-Col.3)	5	6
2004-05	200.00	Nil	200.00	200.00	Nil
2005-06	300.00	0.28	299.72	299.72	Nil
2006-07	675.00	1.24	673.76	661.15	12..61
<b>Total</b>	<b>1175.00</b>	<b>1.52</b>	<b>1173.48</b>	<b>1160.87</b>	<b>12.61</b>

<sup>1</sup> Allahabad, Bahraich, Banda, Lucknow, Meerut, Jalaun, Pratapgarh, and Varanasi.

<sup>2</sup> Simple Random Sampling With Out Replacement.

<sup>3</sup> As per records of the department.

**Unutilised amount was kept in PLA**

Rupees 12.61 crore remained unutilised in 22 districts at the end of 2006-07 due to delay in finalization of the list of beneficiaries resulting in non-disbursement of incentive to 6305 beneficiaries. The unutilized amount was lying in the Personal Ledger Accounts (PLA) as of August 2007.

Rupees 11.80 lakh was lying unutilised since 2004-05 with DIOS, Jalaun while it was treated as utilised at the Directorate level. The DIOS stated (May 2007) that in anticipation of finalisation of formalities of selection of beneficiaries, the amount was treated as disbursed and Directorate was accordingly informed (July 2005). The amount had not been refunded as of May 2007.

**Expenditure was not reconciled and UCs were not submitted**

According to the guidelines of the scheme, DIOS were to submit utilization certificates (UCs) in respect of amounts disbursed, to the Accountant General (A&E) and to reconcile the figures of disbursement maintained in the Directorate. Neither were the UCs received nor were figures of disbursement reconciled by the DIOs. Consequently, authenticity of the figures maintained at Directorate was not verifiable in audit.

### **3.7.3 Irregular disbursement of incentive**

Guidelines of the scheme envisaged that applications along with the income certificate of the guardian and intermediate pass mark-sheet received at district level were to be scrutinised by the selection committee of the respective district to ascertain the eligibility of each applicant for distribution of incentive through an account payee cheque.

**Incentives were given to beneficiaries irregularly**

During 2004-05, no application was received from beneficiaries at Meerut, Allahabad and Lucknow districts. Lists of 6971 girl students (Meerut: 2629; Allahabad: 3800 and Lucknow: 542) were obtained from the colleges and Rs. 13.94 crore (Meerut: Rs. 5.26 crore; Allahabad: Rs.7.60 crore and Lucknow: Rs.1.08 crore) paid to them without verifying their guardians' income from revenue authorities. Disbursement of incentive without obtaining applications from beneficiaries and verifying their eligibility was irregular.

In Jalaun, Banda and Varanasi districts during 2004-05, the selection committees approved the lists of 2732 applicants (Jalaun: 560; Banda: 646 and Varanasi: 1526) out of 4433 (Jalaun: 2030; Banda: 731 and Varanasi: 1672) but incentive was given to all the 4433 applicants. Thus, incentive amounting to Rs. 3.40 crore given to 1701 applicants without the approval of the selection committees was irregular. The DIOS concerned replied (May 2007 to August 2007) that requisite approval of the selection committee was obtained before disbursing the incentive. Approved list of the 1701 beneficiaries was, however, not furnished to audit for verification.

In Meerut, Jalaun, Allahabad and Pratapgarh districts during 2004-06, guardians' income in respect of 128 applicants (Meerut: 64; Jalaun: 50; Allahabad: 05 and Pratapgarh: 09) exceeded the prescribed limit as per income certificates issued by the Tehsildar (Revenue Department) and enclosed with their applications. These applications/certificates were returned to the Revenue authorities without recording any reason. On re-verification, the income of the



guardians' was brought down to the permissible limit without any recorded reason and incentive of Rs. 25.60 lakh paid in such cases. Reference to Revenue authorities for re-verification of income certificates in such cases was not justified as the applications with income more than permissible amount were required to be rejected out rightly by DIOS as per the eligibility criteria. Thus, disbursement of incentive of Rs. 25.60 lakh to such beneficiaries was irregular.

Scrutiny of 6659 applications pertaining to the period 2004-07 in the offices of DIOS in six test-checked districts<sup>1</sup> revealed that applications of 1021 applicants (15 per cent) did not bear the signature or photograph/attested photograph of the applicants but were paid incentive of Rs. 2.04 crore irregularly. It indicated lack of proper scrutiny by the selection committee.

The due process of selection of beneficiaries was not followed leading to delay in payment of incentive and payment to ineligible beneficiaries.

### 3.7.4 Avoidable expenditure

The Government decided (July 2006) that cheques to the beneficiaries would be distributed during functions to be arranged at district headquarters. Rupees 10.44 lakh were released during 2006-07 to DIOS, Pratapgarh, Allahabad, Meerut, Bahraich and Varanasi for different items required in arranging the functions. The expenditure was to be incurred as per norms prescribed by the Government for individual items such as transportation of beneficiaries, breakfast, tent/electricity, advertisement of holding functions for information to the beneficiaries and contingencies. Prescribed norms of expenditure for each item were not followed in these districts and bills were raised by suppliers/contractors. These charges were accepted by units leading to creation of liability of Rs. 1.79 crore as detailed below:

Liability of  
Rs. 1.79 crore was  
created

(Rs. in lakh)							
District	Item	Number of beneficiaries	Norms Rs./ head	Allotments	Expenditure due as per norms	Bills raised	Excess
1	2	3	4	5	6	7	8 (Col. 6-Col.7)
Pratapgarh	Breakfast	10242	10	1.02	1.02	3.67	2.65
	Transportation	10242	20	2.05	2.05	45.95	43.90
Allahabad	Transportation	13404	20	2.68	2.68	57.04	54.36
	Breakfast	13404	10	1.34	1.34	5.77	4.43
	Tent/Electricity	13404	Nil	0.10	0.10	0.98	0.88
	Contingency	13404	Nil	0.05	0.05	33.85	33.80
Meerut	Transportation	7562	20	1.79	1.51	30.23	28.72
Bahraich	Transportation	1439	20	0.45	0.29	6.74	6.45
	Advertisement	1439	Nil	0.10	0.10	0.38	0.28
Varanasi	Breakfast	6302	10	0.86	0.63	3.99	3.36
<b>Total</b>				<b>10.44</b>	<b>9.77</b>	<b>188.60</b>	<b>178.83</b>

The Government's decision to hold functions for distribution of cheques to the beneficiaries led to avoidable expenditure of Rs. 10.44 lakh and the

<sup>1</sup> Allahabad, Banda, Jalaun, Lucknow, Pratapgarh and Varanasi.

liability of Rs. 1.79 crore as cheques were distributed to beneficiaries by respective DIOS during 2004-06 without holding such functions.

The Government accepted (November 2007) the facts and figures and stated that action would be taken against the erring officials.

### **3.7.5 Monitoring and evaluation**

The guidelines of the scheme did not provide for its monitoring at any level, i.e. District, Directorate or Government either through monthly/quarterly reports, etc. from the implementing agencies at district level or through meetings at District, Directorate or Government level. The guidelines also did not provide for any evaluation mechanism to assess the impact of the scheme.

### **3.7.6 Conclusion**

Implementation of the scheme was deficient due to delay in finalization of eligibility lists of girl students and payment of incentive to ineligible beneficiaries. There was also no monitoring mechanism for scheme implementation.

### **3.7.7 Recommendations:**

- Department should streamline the procedure of selection of eligible beneficiaries and distribution of incentive.
- Department should devise a foolproof mechanism to avoid irregular payments in future.
- The scheme should be closely monitored for its effective implementation.

The matter was discussed with the Government in the exit conference (November 2007) wherein recommendations were accepted.