

CHAPTER III

PERFORMANCE AUDITS

This chapter contains performance audits on Saryu Canal Project, National Rural Employment Guarantee Scheme, IT audit on computerization in Police Department and a long paragraph on Computerization in the Public Works Department.

IRRIGATION DEPARTMENT

3.1 Saryu Canal Project

Highlights

Saryu Canal Project started in 1977-78 envisaged initially to create 14.04 lakh hectare irrigation potential¹ in 12 lakh hectare culturable command area² of eight tarai and eastern districts of Uttar Pradesh by March 1989. Subsequently in 1998-99, the target of irrigation potential was reduced to 10.76 lakh hectare with culturable command area of 9.20 lakh hectare. As of March 2008, only 1.90 lakh hectare irrigation potential (18 per cent) was actually created. The Project was still (July 2008) incomplete even after time overrun of 19 years. Performance audit revealed that improper planning and deficient implementation of the Project were the reasons for non- achievement of the envisaged benefits. Some of the highlights are given below:

Improper planning led to stoppage of work on Rapti system and consequent unfruitful expenditure of Rs 93.84 crore thereon as of March 2008.

(Paragraph: 3.1.7.4)

As of April 2008, 30 per cent of canals remained to be executed whereas 97 per cent fund allocations (Rs 2,522.02 crore) had already been spent. This would necessitate revision of the cost of the project again and further delay in the completion of the project.

(Paragraph: 3.1.9.1)

In the absence of a firm policy and proper guidelines for acquisition of land, land was acquired to the extent of 36 per cent to 54 per cent of the annual targets only during 2003–08.

(Paragraphs: 3.1.10.1 and 3.1.10.2)

Against the target of 7.53 lakh hectare of irrigation potential as of March 2008, only 1.90 lakh hectare (25 per cent) was actually created, of which, 0.53 lakh hectare (28 per cent) was utilized.

(Paragraphs: 3.1.11 and 3.1.11.1)

¹ Combined area which can be irrigated during Kharif, Rabi and Zaid crops in a year.

² Area of total agricultural land within the command of the canal.

Mechanical Division at Bahraich remained almost idle during 2003-08 as machines which were in working condition, were underutilized to the extent of 87 to 97 per cent.

(Paragraph: 3.1.14)

Quality of works was not ensured as the divisions provided only 11 per cent agreements to the quality control division, Gonda against the norm of 100 per cent during 2006-08.

(Paragraph: 3.1.15.1)

Monitoring was weak as no follow up action was taken on instructions issued in monthly meetings and on Monthly Progress Reports.

(Paragraph: 3.1.16)

Internal control system was weak as Rs 9.98 crore of Miscellaneous Works Advances (Rs 8.65 crore) and Temporary Advances (Rs 1.33 crore) given to contractors, suppliers and Government servants were lying unadjusted/unrecovered for the last 1 to 30 years.

(Paragraphs: 3.1.17.2. and 3.1.17.3)

3.1.1 Introduction

With a view to providing proper irrigation facilities in eight districts¹ of Trans-Ghaghara and Trans- Rapti region, Saryu Canal Project (SCP) was conceived for creation of 14.04 lakh hectare irrigation potential to cover Culturable Command Area (CCA) of 12 lakh hectare. The project was started in 1977-78 for completion by 1988-89. The project comprised Saryu system (CCA: 9.20 lakh hectare) and Rapti system (CCA: 2.80 lakh hectare). Subsequently, in 1998-99, due to stoppage of work on Rapti system, CCA was reduced to 9.20 lakh hectare and irrigation potential to 10.76 lakh hectare.

3.1.2 The components of Saryu Canal Project

In the Saryu system, water of river Ghaghara and Saryu was to be diverted to the Saryu Main Canal (SMC) by erecting two barrages- Girija barrage on Ghaghara and Saryu barrage on Saryu. Irrigation was to be provided through eight connected branch canals, distributaries and minors in trans-Ghaghara region in 9.20 lakh hectare CCA. Similarly, in the Rapti system, water of the river Rapti was to be diverted to Rapti Main Canal (RMC) by damming it at Rapti barrage to provide irrigation in 2.80 lakh hectare CCA in trans-Rapti region through its distributaries and minors. The main components of the SCP are shown in the table 1.

¹ Bahraich, Balrampur, Basti, Gonda, Gorakhpur, Sant Kabir Nagar, Shrawasti and Siddhartha Nagar

Table 1

Saryu system		Rapti system	
Components	Quantity	Components	Quantity
Head works	2	Head works	1
Canals		Canals	
Saryu Link Channel (SLC)	47 km	Rapti Link Channel (RLC)	21 km
Saryu Main Canal (SMC)	63 km	Rapti Main Canal (RMC)	125 km
Eight Branch canals	915 km	Distributaries and Minors	1865 km
Distributaries and Minors	6378 km		
Total length of canal	7403 km	Total length of canal	2011km
Pump canals	4	Drains	1910 km
Drains	7090 km		
Augmentation tube wells	3600		

The construction of 9414 km canals (Saryu system: 7403 km and Rapti system: 2011 km), involved acquisition of 27,500 hectare land (Saryu: 22,300 hectare and Rapti: 5200 hectare) and execution of 10,915 masonry works (Saryu: 9421 and Rapti: 1494). Besides, 4500 masonry works (Saryu: 3,275 and Rapti: 1,225) were also to be constructed over 9,000 km drains.

3.1.3 Organizational set-up

At Government level, the Principal Secretary, Irrigation Department (Department) assisted by the Secretary, Irrigation is responsible for overall monitoring and implementation of the project. At the Department level, Engineer-in-chief (E-in-C)/Design & Planning assisted by Chief Engineer (CE) Level-I (Project) and at field level two CEs and 10 Superintending Engineers (SEs) are responsible for implementation and monitoring of the project. Out of a total of 40 divisions, two divisions were involved in Head Works, one in Mechanical works, 35 divisions in execution of civil works and two divisions were to oversee the quality of construction works. Organisational chart of the SCP is given in *Appendix 3.1.1*.

3.1.4 Audit objectives

The performance audit of the project was to assess whether:

- Planning was adequate for implementation of various components of the project;
- Funds available were utilized optimally and efficiently;
- A proper system of acquisition of land was evolved and adhered to;
- The targeted irrigation potential as envisaged in the project was generated and utilized;
- Construction works of different components were taken up systematically and executed within the time schedule; and
- The system of reporting, accountability, monitoring and evaluation mechanism was adequate and was in place for effective

implementation of the project at the Government, Department and field levels.

3.1.5 Audit criteria

Following were the audit criteria:

- Saryu Canal Project Reports approved by the State Government/Central Water Commission;
- Annual Action Plans;
- Land Acquisition Act, 1894 and orders of the State Government relating to land acquisition;
- Financial rules and Irrigation Manual; and
- Orders relating to implementation of the SCP issued by the Government and the E-in-C.

3.1.6 Audit coverage and methodology

Records relating to planning and implementation of the SCP with special emphasis on its execution during 2003–08 were test checked in the State Secretariat, offices of the E-in-C, two CEs at Faizabad and Gonda, 13 divisions (two Head Works divisions, Mechanical Division at Bahraich, Quality Control Division at Gonda and nine construction divisions¹) out of 40 divisions selected by probability proportionate to size without replacement method in respect of selection of divisions and by simple random statistical without replacement method for selection of SEs.

Audit objectives/criteria were explained (April 2008) to the Principal Secretary, Irrigation, during the entry conference. An exit meeting was also held (October 2008) with the Secretary, Irrigation Department in which audit findings and recommendations were discussed. The comments of the Government were received (November 2008) and incorporated in the review at appropriate places.

Audit findings

3.1.7. Planning

For efficient execution of an irrigation project, distinct phasing of the different components of the project for construction, arranging required funds in time, synchronized completion of the process related to acquisition of land was required.

¹ Saryu Nahar Khand (SNK)-3, 4 and Saryu Drainage Khand -1 at Bahraich, SNK-1 at Nanpara (Bahraich), SNK-1, Harraiya (Basti), SNK, Faizabad, SNK-1, 4 and 5 at Gonda.

3.1.7.1 Phasing of the project

No distinct phasing for the execution of the SCP was done at the time of commencement of the project. Different components of works of both the systems i.e. Saryu system and Rapti system were started simultaneously. As the SCP could not be completed by the targeted date i.e., 1992-93, the Department decided (1992-93) to complete the remaining works in three phases. The works of Saryu system in phase I and II and Rapti system works in phase III and the entire project was scheduled to be completed by 2005-06. However, the Department did not give effect to the phasing of the work and continued with all the works simultaneously.

3.1.7.2 Revisions of the project

The SCP was started in 1977-78 for completion in 1988-89. Owing to paucity of funds, delay in acquisition of land and improper implementation, the Project estimates and time schedules for completion underwent five revisions as detailed below:

Table 2

Project revisions	Amount (Rs in crore)	Target date of completion	CCA (lakh hectare)	Irrigation potential to be created (lakh hectare)	Level of completion of various items (in per cent) at the time of revisions	
					Acquisition of land	Construction works ¹
1	2	3	4	5	6	7
Original(1977-78)	299.20	1988-89	12.00	14.04	-	-
First (1985-86)	696.00	1992-93	12.00	14.04	22	3 to 5
Second (1992-93)	1,256.00	2005-06	12.00	14.04	32	5 to 8
Third (1998-99)	1,387.60	2002-03	9.20	10.76	46	6 to 20
Fourth (2002-03)	1,579.32	2006-07	9.20	10.76	69	22 to 38
Fifth (2006-07)	2,522.02	2008-09	9.20	10.76	81	43 to 54

There was a cost overrun of 743 per cent and time overrun of 19 years in the Project.

It would be seen from the above table that as per latest revision (2006-07), there was a time overrun of 19 years with the cost overrun of Rs 2,222.82 crore (743 per cent). The increase in cost included Rs 1,705.35 crore due to cost escalation and Rs 517.47 crore due to addition of new items such as lining and restoration of canals, extension of escape channels and afflux bund, construction of additional road bridges, lining over siphon, etc. (Appendix 3.1.2) The new items included Rs 33.89 crore on account of construction of an irrigation museum at Lucknow.

3.1.7.3 Saryu System

At the start of the review period, i.e., 2003-04, the phase-wise position of different components of works of Saryu system was as under:

¹ Construction works includes construction of barrages, canals, drains and masonry works such as, road bridges, siphon etc.

Table 3

Component	Total quantity items to be executed	Completed as on 1 April 2003	Total quantity to be executed	Completed as on 1 April 2003	Total quantity executed in phase I & II (column 3+5) as on 1 April 2003
1	2	3	4	5	6
Phase I			Phase II		
Head Works	2	2	-	-	2
Pump canals	4	4	-	-	4
Augmentation tube wells	100	100	-	-	100
Drains	1250 km	930 km	5840 km	1091 km	2021 km
Canals					
Saryu Link Canal	47 km	47 km	-	-	47 km
Saryu Main Canal	63 km	63 km	-	-	63 km
Branch canals	374 km	362 km	541 km	491 km	853 km
Distributaries and Minors	1397 km	1080 km	4981 km	1304 km	2384 km
Total length of canals	1881km	1552 km	5522 km	1795 km	3347 km

It would be seen from the above table that against the total canals of 7403 km and drains of 7090 km to be constructed, 4056 km (55 per cent) canals and 5069 km drains (71 per cent) were yet to be completed as of April 2003.

Besides above, 7,972 masonry works (63 per cent) over canals (5,439) and drains (2,533) out of total 12,696 masonry work were also to be carried out.

3.1.7.4 Rapti system

As the phasing of the SCP work was not done initially, construction of both the systems, i.e., Saryu and Rapti was started simultaneously in 1977-78. At the time of second revision (1992-93), Rapti barrage and 5 km of the Rapti link channel out of its total length of 21 km had already been constructed at a cost of Rs 18.18 crore. In this revision of the Project, phasing of the remaining work was done and the Rapti system was kept in the IIIrd phase to be executed between 2004 and 2006.

Meanwhile, the SCP was revised (1998-99) for the third time and the EFC did not approve (February 1999) the Rapti system as it noted that the Rapti system was not economically viable on account of high cost involved on proposed construction of excessive cross drainages and ordered stoppage of work of this system and preparation of a separate project report for the same after detailed survey.

The Department, however, did not stop the work of Rapti system and constructed Rapti link channel up to 17.820 km by 2002-03. Rupees 68.65 crore were spent during 1993-2003 on Rapti system. The State Government suspended (2003) one EE and two Assistant Engineers (AEs) who were responsible for carrying out the works unauthorisedly. Further, the Department spent Rs 7.01 crore during 2003-08 on the maintenance of barrage and Saryu link channel and construction of spur (masonry work) to protect Rapti link channel from flood.

Rs 93.84 crore was unfruitful on the Rapti System due to stoppage of work mid way.

Thus, improper planning and non-adherence to the instructions regarding phasing and stoppage of work on Rapti system resulted in blockage and unfruitful expenditure of Rs 93.84 crore (July 2008) besides recurring expenditure on annual maintenance of barrage and the Rapti link channel to protect it from flood.

In reply, the Government stated (November 2008) that the work of Rapti system was stopped by the EFC in 2002. The reply is not based on facts as the EFC had ordered stoppage of the Rapti system in February 1999 and reiterated the same in 2002. Moreover, as per phasing done in 1992-93, Rapti system was to be executed in 2004-06, therefore continuing of work beyond 1992-93 was not justified.

3.1.7.5 Declining Benefit Cost Ratio (BCR)

BCR dropped from 3.5 to 2.48 due to cost overrun.

The capital cost of irrigation under the project, initially estimated in 1977-78 at Rs 2,195 per hectare went up to Rs 29,374 per hectare on upward revision of the project estimates from Rs 299.20 crore to Rs 2,522.02 crore. Consequently, the BCR dropped from 3.5 to 2.48 i.e. a reduction of 30 per cent, on the same assumptions regarding depreciation, interest rates on estimated capital cost and maintenance etc. despite factoring in higher productivity¹ of grains in the last revision (November 2006) compared to the original project estimates.

In reply, the Government accepted (November 2008) that the BCR had dropped due to cost escalation and extra masonry work etc.

3.1.8 Financial management

3.1.8.1 Funding pattern

Following was the funding pattern for Saryu Canal Project:

Table 4

(Share in per cent)

Period	State Government	Government of India (AIBP)
1977-78 to 1995-96	100	-
1996-97 to January 2002	50	50 (Loan)
February 2002 to March 2005	33	67 (Loan)
April 2005 to November 2006	33	67 (70 per cent of GOI's assistance as loan and 30 per cent as grant)
December 2006 to March 2008	75	25 (Grant)

The project was also provided assistance from NABARD during 1996-97 to 2004-05.

3.1.8.2 Budgetary support

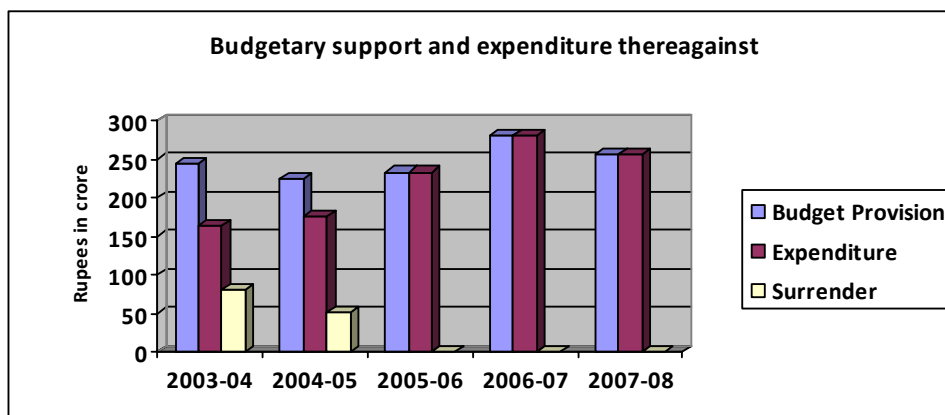
Requirement of funds, allotment and expenditure during 2003-08 are given below:

¹ In 1977-78 : paddy- 25 to 35 quintal per hectare and wheat-30 quintal per hectare whereas in 2006-07: paddy- 37 to 42 quintal per hectare and wheat- 42.50 quintal per hectare.

Table 5

(Rs in crore)			
Period	Budget provision	Expenditure	Surrender
1	2	3	4
2003-04	244.78	164.38	80.40
2004-05	225.17	175.08	50.09
2005-06	233.00	233.00	-
2006-07	279.84	279.84	-
2007-08	256.99	256.99	-
Total	1239.78	1109.29	130.49

A graphical presentation of budgetary support and expenditure thereagainst is given in the following chart:



Out of the budget provision of Rs 1,239.78 crore during 2003-08, Rs 758.43 crore were financed by GOI under AIBP, Rs 74.22 crore by loans from NABARD (during 2003-05) and Rs 407.13 crore by the State budget.

Rupees 130.49 crore were surrendered during 2003-05 due to Department's inability to purchase the land for the project.

3.1.8.3 Unnecessary drawal of funds

In seven test checked divisions, Rs 2.40 crore out of Rs 24.78 crore drawn during 2006-08 for purchase of land was lying locked up in the form of bank drafts as the farmers refused to sell their land. As per financial rules and Government orders, the unspent amount was required to be refunded into treasury before closing of the year but was not refunded.

Further, out of these seven divisions, five divisions had shown inflated (66 hectares) physical achievement in acquisition of land against the drawals of the above amounts. In reply, the Government accepted (November 2008) the fact and stated that the concerned EEs were responsible for irregularities and unutilized bank drafts would be refunded into treasuries.

3.1.9 Implementation of the project

3.1.9.1 Physical achievement

The entire work of the Head works (barrages), Saryu Link Channel, Saryu Main canal and Head works of all the four pump canals had been completed fully by March 2003 but branch canals, distributaries, minors and drains were still under construction. Details of requirement of land and construction works for the entire project, land acquired and works executed up to March 2003 and thereafter during 2003-08 are given below:

Table 6

Target & achievement of the Project	Land (hectare)	Canals (km)	Drains (km)	Masonry works (number)
1	2	3	4	5
Total requirement	22,300	7,403	7,090	12,696
Achievement during 1977-2003	16,366 (73)	3,347 (45)	2,021 (29)	4,724 (37)
Target for completion by March 2009 (Balance work)	5,934 (27)	4,056 (55)	5,069 (71)	7,972 (63)
Achievement during 2003-08	4,489	1,836	1,396	5,423
Total achievement during 1977-2008	20,855 (94)	5,183 (70)	3,417 (48)	10,147 (80)
Works still to be completed as on 31 March 2008	1,445 (6)	2,220 (30)	3,673(52)	2,549 (20)

* Percentages to total requirement shown within brackets.

The remaining construction works viz., 20 to 52 per cent of canals, drains and masonry work may not be completed by the scheduled date i.e., March 2009 considering the pace of the project so far. The project cost may also undergo another revision as 97 per cent of Rs 2,522.02 crore (revised cost) had already been spent by March 2008.

Item-wise and year-wise physical target and achievements during 2003-08 are given in the *Appendix-3.1.3*.

3.1.10 Land acquisition

As per Land Acquisition Act, 1894, the collector was to make the award within a period of two years from the date of publication of the notice for land acquisition. The compensation for the acquired land comprised cost of land and structures, solatium and interest from the date of publication of notification to the date of declaration of award.

3.1.10.1 Non-formulation of a firm policy regarding land acquisition

The SCP envisaged that a dedicated Land Acquisition Officer (LAO) should be appointed in each district of the SCP for acquisition of land within two years of the start of the Project. However, no LAO for SCP was appointed.

According to Section 55 read with the Section 11 (2) of the Land Acquisition Act, 1894, the State Government could also make suitable rules in consonance

of the said Act for acquisition of land. Accordingly, the State Government notified (September 2001) Rules for acquisition of land through mutual negotiation with the land owners. The Department was, however, acquiring land since 1981 through mutual negotiation with the farmers even before notification of the said rules as well as through Special LAO (SLAO) of Revenue Department.

For continuing mutual negotiation with farmers to purchase land, the Department had not fixed any time limit in the rules notified in September 2001, after which, if direct negotiation with the farmers failed, the cases could be referred to SLAO for acquisition under Land Acquisition Act.

3.1.10.2 Delay in acquisition of land

In absence of a firm policy for land acquisition, 388 land cases were not settled even after 18 years.

In the test checked divisions, 388 land cases (April 2008) were stated to be under negotiation with the farmers for the last 1 to 18 years and were not referred to SLAO for acquisition as of June 2008. The divisions did not, however, have documents in support of their efforts of negotiation with the farmers.

It may also be stated that in respect of 21 land cases referred to the SLAO during April 2006 to January 2007 after negotiation with farmers for 3 to 26 years, matured within two years.

Thus, lack of firm policy and proper guidelines for acquisition of land resulted in poor performance as was evident from the fact that entire acquisition of land could not be done even after 31 years of the start of the project. Even in the last five years, pace of acquisition remained slow as 36 to 54 *per cent* only of the land targeted for acquisition could be purchased during 2003-08.

In reply, the Government stated (November 2008) that the land was being purchased as per its policy. The fact remained that the Government did not formulate firm policy for quick purchase/acquisition of land as pointed out in preceding sub-paragraph.

3.1.10.3 Alignment of 76 km long Khalilabad Branch Canal (KBC) was approved in 1981. The Saryu Nahar Khand - 3, Sant Kabir Nagar started construction of the canal in patches by purchasing the land from farmers through mutual negotiation.

The KBC could not, however, be completed in the stretch between km 38.200 and 38.800 as a graveyard fell in this reach and the land owner did not agree to sell the land.

The Division, after 25 years of start of construction of the canal, approached (January 2006) the SLAO, Basti for acquisition of the land under Land Acquisition Act, 1894 (Act). The SLAO did not accept the case and stated (January 2006) that the graveyard land could not be acquired under the Act. As a result, the KBC constructed from km 38.800 at a cost of Rs 27.60 crore could not be made functional even after 27 years of the commencement of the work on it.

The Government in its reply stated (November 2008) that the land owner's claim of graveyard was not correct and the case was being sent to SLAO for acquisition of land. Reply was not correct as at the instance of Irrigation Department (July 2004), the Additional District Magistrate, Khalilabad, after an enquiry, had written (September 2004) to Irrigation Department the existence of graveyard on the land in question and on that basis, the SLAO, Basti had refused (January 2006) acquisition of land. The fact also remained that the canal is incomplete and the envisaged objective of providing the irrigation facility to the farmers remained unachieved.

3.1.11 Irrigation potential

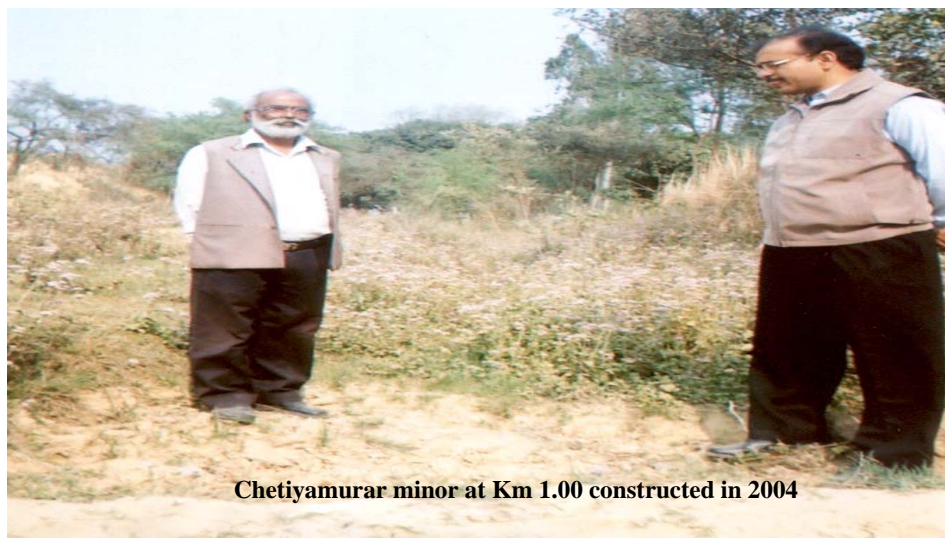
The SCP had envisaged the creation of irrigation potential for 10.76 lakh hectare on its completion. This was to be achieved by constructing 7,403 km canals as detailed in the SCP.

Against the target of 7.53 lakh hectare by March 2008, only 1.90 lakh hectare irrigation potential was created.

Against the target of creation of 7.53 lakh hectare irrigation potential by March 2008, the Department reported 8.28 lakh hectare by constructing 5183 km canals, as of March 2008, to the Government without considering the fact that a large portion of the canals had gaps and could not carry water for irrigation.

The functional canal system was available in 1873 km only which could irrigate 1.90 lakh hectare and the remaining 3,310 km canals had huge number of gaps and were unable to carry water till their tail end for irrigation. In the test checked divisions alone, 409 gaps were existing in 1536 km canals constructed in these divisions (*Appendix 3.1.4*).

Due to non-use 3310 km canals constructed, as of March 2008, at an approximate cost of Rs 567.99 crore¹ for long periods, canals silted and shrubs grew on the bed of the canals as would be seen in the photograph below:



Chetiymurar minor at Km 1.00 constructed in 2004

¹ @ of Rs 17.16 lakh per km (including cost of land) as mentioned in revised project report of 2006.

These would require heavy maintenance before they are put to use on availability of water.

In reply, the Government accepted (November 2008) the facts.

3.1.11.1 *Non-utilisation of irrigation potential*

Against the created irrigation potential of 1.90 lakh hectare, only 0.53 lakh was being actually utilized as of March 2008.

Against 1.90 lakh hectare irrigation potential created, actual irrigation was being provided to the extent of 0.53 lakh hectare only (28 per cent) as of March 2008.

In reply, the Government stated (May 2008) that irregular supply of electricity to pump-canal, insufficient construction of field channels/outlets and construction of outlets below the field level were the reasons for under-utilisation of created irrigation potential.

3.1.12. Contract management

3.1.12.1 *Works executed in piece meal*

Thirty two works were executed by the Assistant Engineers, splitting them into 140 works.

According to the instructions issued (April 1987) by the Government, the works should not be split up unless it is necessary, in unavoidable circumstances, due to long distance of the sites of work and non-availability of eligible contractors to execute the whole work, permission of which should be given in writing by the competent authority with a copy to the higher authority.

Records in nine divisions test checked, revealed that 32 earth works and masonry works out of total 130 works including 22 Village Road Bridges/District Road Bridges, the cost of which ranged from Rs 2.24 lakh to Rs 38.01 lakh and whose technical sanctions were accorded by EEs during 2005-08, were split up into 140 works costing between Rs 0.30 lakh and Rs 1.97 lakh to the AEs.

Splitting up of works prevented the Department from obtaining more competitive offers and better quality control of the works executed.

The Government in reply stated (November 2008) that orders have been issued to stop this practice in the Department.

3.1.12.2 *Avoidable expenditure*

Scrutiny of the records of Saryu Nahar Khand 3, Bahraich revealed that the Department had awarded (April 2005) restoration of Imamganj branch canal from km 0.00 to km 6.500 to UP Samaj Kalyan Nirman Nigam Limited (Nigam) through MOU at a cost of Rs 1.63 crore for completion by July 2005. The Nigam started the work and executed 5,769 cubic metre (Rs 6.17 lakh) in 20 days. However, the Department withdrew the work from the Nigam after 20 days on the pretext that the work would be executed through or with departmental machines.

The work was accordingly entrusted (May 2005) to Mechanical Division, Bahraich for completion by January 2006. The work was, however, recalled (January 2006) from the Mechanical Division also on the plea that it failed to work within the time schedule. Rupees 3.51 lakh were paid to the Mechanical Division for the work done by it. Subsequently, it was got done through contractor at a cost of Rs 1.66 crore. Thus, the work was got done (September 2006) at a total cost of Rs 1.76 crore involving a cost overrun of Rs 0.13 crore and time overrun of 14 months in execution of work.

3.1.13 Augmentation tube wells

The project envisaged construction of 3600 tube wells in its command area for augmentation of water supply in the canal system in Rabi season when water availability was estimated to be less than the requirement. These tube wells were to help in controlling sub-soil water table also in the command area. One hundred tube wells were accordingly constructed during 1991-93 in the command area of Imamganj branch canal at a cost of Rs 4.74 crore. In the third revision (1998-99) of the project, construction of remaining 3500 augmentation tube wells was dropped.

Audit scrutiny revealed that the 100 tube wells constructed were not connected to canals through pipe line up to December 2002, therefore, the purpose of construction of these tube wells was not fulfilled.

As per survey report (December 2002) prepared by the Department, 65 tube wells out of 100 had been declared non-operational due to theft of transformer/conductor/starter/other accessories and in some cases almost completely damaged pump houses. Out of these 65 tube wells, 11 were not repairable. The Department did not take any action to make these tube wells operational as of June 2008.

Further, the Department constructed link channels (pipe lines) between these 100 tube wells including the above mentioned non-operational 65 tube wells and the canals during January 2003 to March 2007 for augmentation of water in the canals.



Damaged Pump house, Tube well not functioning but connected to Imamganj Branch Canal

Due to non- operation of 65 augmentation tube wells, an expenditure of Rs 4.07 crore remained unfruitful for the last 15 years.

Thus, due to non-operation of 65 tube wells as of June 2008, the expenditure of Rs 4.07 crore spent on construction of these 65 tube wells (Rs 3.08 crore) and their link channels (Rs 99 lakh) remained unfruitful. Had these tube wells been operated, water from tube wells could have been utilized in the Imamganj branch canal as envisaged in the SCP. Besides, non-functioning of the tube wells defeated the objective of controlling the sub-soil water table in the command area.

In reply, the Government stated (November 2008) that action for repair of tube wells was being taken. The fact, however, remained that expenditure of Rs 3.08 crore incurred on tube wells remained unfruitful for the last 15 years and Rs 99 lakh on link channels for the last two to six years.

3.1.14 Idle and underutilized machines

A Mechanical Division with a circle officer as its controlling authority was established (1985) at Bahraich to aid the civil divisions in construction work of the SCP. Forty three earth moving machines, dumpers, cranes, dozers and other equipment for digging and construction of the canals were provided to the Mechanical Division.

Mechanical division remained idle during 2003-08.

Audit scrutiny revealed that 12 machines (value: Rs 45.25 lakh) which were declared (April 2000) Beyond Economic Repair (BER) were lying undisposed of as no action in this regard was taken by the Division as of June 2008. Sixteen machines worth Rs 3.15 crore declared as repairable in 2000-01 (nine machines) and 2007-08 (seven machines) were not repaired as of June 2008. Out of 15 machines which were in working condition, three machines did not run even for a single hour during 2003-08 and 12 machines were utilized ranging from 174 hours to 822 hours only (3 per cent to 13 per cent) against the norm of a minimum run of 1280 hours per year prescribed in the Project estimates.

This indicated that the Mechanical Division did not function properly as it neither auctioned the BER machines nor repaired the repairable machines nor completed the restoration work on Imamganj branch canal entrusted to the Division in May 2005. With the passage of time, further deterioration and consequent loss of value of BER and other machines cannot be ruled out. An amount of Rs 1.32 crore was also spent on maintenance and watch and ward of these machineries, though these were lying idle.

Besides, the expenditure of Rs 7.98 crore incurred on establishment of the Mechanical Division as well as Circle Office (Mechanical) during 2003-08 proved to be unfruitful as the division was almost idle during the period.

On being pointed out, the CE-I, SCP, Faizabad recommended (November 2008) to transfer the heavy machines to other projects for their utilization. No action for utilization of staff was, however, taken as of November 2008.

3.1.15 Quality Control

Two Quality Control Divisions (QCD) were established under the SCP to check the quality of the works being executed by the construction divisions.

Quality of only 11 per cent works were checked by the Quality Control Divisions out of which, quality of 6 per cent works were found deficient.

The CE, Faizabad ordered (September 2003) that the construction divisions would forward all the estimates/agreements to the respective QCDs under whose jurisdiction they are placed, to enable them to carry out 100 per cent quality checks. The construction divisions were to make the final payments of the works after obtaining quality check report from QCD. The QCD was to cooperate with the civil construction divisions to ensure quality of all the works.

3.1.15.1 Non-receipt of copies of all estimates/agreements of works in QCD

Scrutiny of records in QCD, Gonda revealed that during 2006-08, it received copies of agreements of only 173 works (11 per cent) out of 1600 works executed by six test checked divisions. Five other test checked divisions which had entered into 1830 agreements did not make available any estimate/agreement to the QCD Gonda. The QCD also did not make efforts to obtain copy of estimates and agreements to carry out the quality checks of works.

3.1.15.2 Deficiency in works

The QCD, Gonda carried out quality checks of 173 works by obtaining 377 samples of these works and found 20 samples (6 per cent) deficient in sieve analysis, grading of course, strength of cement concrete etc. (*Appendix 3.1.5*) and suggested remedial action.

3.1.15.3 Payment without obtaining quality check reports

Except in cases in which quality checks were done by the QCD, in all other cases, final payments were made by the test checked divisions without quality check reports. This indicated that instructions for quality control checks were almost ignored. Monitoring at CEs level for enforcement of quality checks was also absent.

On being pointed out by audit, the CE I, SCP, Faizabad, issued (November 2008) orders that no payment of any work would be made without clearance from the quality control divisions.

3.1.16 Monitoring and evaluation

Monitoring was weak, as no follow up action was taken.

To ensure proper execution of the SCP within time schedule, a monitoring system was prescribed. Monthly Progress Reports (MPRs) in the prescribed *pro forma* were submitted by the divisions to the E-in-C through the SEs and the CEs and the E-in-C forwarded the MPRs to Government but no follow up action on the basis of MPRs was taken at any level as was evident from the continuous slow progress of land acquisition and construction work during 2003-08.

Further, minutes of the meetings held every month at the Government and at the E-in-C level to watch the progress of all ongoing irrigation projects, disclosed that, in respect of SCP, instructions were issued to speed up the acquisition of land and construction of canals only once at Government level and twice at the E-in-C level during 2003-08. No follow up action in this regard was, however, available in the files at these levels.

Besides, progress intimated monthly by the divisions in the prescribed *pro forma* was inflated as according to the MPR of March 2008 submitted to the State Government by the E-in-C showed a total 146 gaps covering 68.84 kms in the project which included 31 gaps covering 9.37 km of the test checked divisions. Records in the test checked divisions, however, revealed that there were 409 gaps covering 251.788 km in these divisions alone. Physical achievement shown by the divisions was not being verified through inspections either by the Government or by the E-in-C.

3.1.17 Internal control

3.1.17.1 Lack of Internal Control

Superintending Engineers were required to inspect each divisional office once every year and submit their report to the CE detailing therein the results of his examination of initial accounts, accounts of stock, tools and plant and register of works, etc. Scrutiny disclosed that no regular inspections were carried out in the test checked divisions.

Records of the CEs I and II and test checked divisions revealed that internal audit of any division/office was not carried out during 2003-08.

In reply, the Government stated (November 2008) that the internal audit was done by the office of the Finance Controller of the Irrigation department from time to time. The reply was not correct as no internal audit was carried out during 2003-08 in office of the CEs I and II and in test checked divisions.

3.1.17.2 Miscellaneous Works Advances

In the test checked divisions, Rs 8.65 crore under MWA were pending for adjustment for the last one to 27 years.

Miscellaneous Works Advances (MWA) is a temporary head of account meant to record expenditure incurred on deposit works in excess of deposits received, losses due to deficiencies in cash or stocks, errors in accounts awaiting adjustments and the items which cannot be adjusted until recovery or settlement for want of details. These are required to be cleared as early as possible. However, in the test checked divisions, Rs 8.65 crore was lying in the MWA for adjustment for the last one to 27 years (*Appendix 3.1.6*). The divisions did not have details of debits such as nature of charges, contract/supply orders to which it relates etc. In absence of these details, divisions were unable to pursue the cases.

In reply, the Government stated (November 2008) that action to clear unadjusted advances was being initiated.

3.1.17.3 Temporary advances

In the test checked divisions, Rs 1.33 crore given to 273 departmental officers as temporary advances were lying unadjusted for 1 to 30 years.

Temporary advances are given by the Divisional Officer to subordinate officers for making specific petty payments. According to the Government order (March 1997), adjustment of these temporary advances are required to be submitted within a month failing which it could be treated as temporary embezzlement and First Information Report (FIR) in this regard should be lodged with the police against the defaulters. However, in the test checked divisions, Rs 1.33 crore given to 273 departmental officers between September 1978 and May 2008 (*Appendix 3.1.7*) remained unadjusted as of July 2008.

The divisions neither made any efforts for adjustment of the advances nor took any action against the defaulters as required in the Government order. Besides being irregular, the non-adjustment of advances for long period was fraught with the risk of fraud, embezzlement etc.

The divisions could not furnish reasons for non-adjustment of advances for such a long period.

In reply, the Government stated (November 2008) that action to clear unadjusted advances was being initiated.

3.1.18 Conclusion

The SCP launched in 1977-78 failed to achieve the intended objective of providing irrigation potential of 10.76 lakh hectare as envisaged despite spending Rs 2,440.72 crore during 1977-2008 due to improper planning as phasing of works was not done. There was a cost overrun of Rs 2,222.82 crore (743 *per cent*) due to cost escalation (Rs 1,705.35 crore) and addition of new items (Rs 517.47 crore). The delay in completion of the SCP occurred due to slow progress in acquisition of land owing to non-formulation of a policy in this regard. After thirty years of its start, only 1.90 lakh hectare (18 *per cent*) irrigation potential could be created as of March 2008, against which 0.53 lakh hectare (28 *per cent*) was utilized. Twelve machines evaluated at Rs 45.25 lakh for auction were not disposed of. Mechanical Division remained idle during 2003-08 as machines in working condition were under-utilized to the extent of 87 to 97 *per cent*. Final payments were made without obtaining quality check reports. Monitoring was inadequate and no follow up action was taken on Monthly Progress Reports. Internal control was weak as Miscellaneous Works Advances and Temporary Advances were outstanding for the last 1 to 30 years.

3.1.19 Recommendations

- Proper guidelines for acquisition of land should be framed so that remaining land may be acquired expeditiously for completion of the Project.
- Obsolete machineries should be disposed of and the mechanical division should be revitalized.
- Quality testing of all works should be ensured.
- Monitoring should be strengthened through follow up actions on instructions issued in the meetings and Monthly Progress Reports to accelerate the pace of work.
- Internal control mechanism should be strengthened.

RURAL DEVELOPMENT DEPARTMENT

3.2 National Rural Employment Guarantee Scheme

Highlights

The State Government notified (8 February 2007) National Rural Employment Guarantee Scheme (NREGS) to give effect to the National Rural Employment Guarantee Act, 2005. The main objective of the scheme was to provide legal guarantee for 100 days of employment in a financial year to every rural household whose adult members volunteered to do unskilled manual work at the minimum wage rate. Performance review of the scheme revealed its deficient implementation such as non-provision of the envisaged job guarantee to rural poor, fake payment of wages and delay in payment of wages to labourers.

Delay ranging from six to 11 months in approval of annual plans resulted in non-timely provision of employment to households.

(Paragraphs: 3.2.8.3 and 3.2.9.1)

Dedicated Programme Officers for implementation of National Rural Employment Guarantee Scheme were not appointed at block level and deployment of Gram Rozgar Sevaks in Gram Panchayats was inadequate affecting programme implementation.

(Paragraph: 3.2.8.4)

Works were not taken up in order of priority and rural connectivity which was at the bottom in the priority list was given the top priority.

(Paragraph: 3.2.10.2)

Rupees 0.47 lakh paid as wages in the name of such labourers who did not exist in the villages as mentioned in the Muster Rolls indicated doubtful payments.

(Paragraph: 3.2.11.1)

District Schedule of Rates for the tasks in different geo-morphological conditions were not prepared.

(Paragraph: 3.2.12.1)

Wages of Rs 1.21 crore were paid to labourers with delay ranging from one to nine months against the maximum prescribed period of 15 days.

(Paragraph: 3.2.12.2)

Requisite level of inspections were not conducted by the District and Block level officers and Vigilance Monitoring Committees were not formed in 49 per cent of works executed under the scheme.

(Paragraphs: 3.2.14.1, 3.2.14.2 and 3.2.14.3)

3.2.1 Introduction

The National Rural Employment Guarantee Act, 2005 (NREGA) guaranteeing 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work, came into effect from 2 February 2006. Out of 70 districts of the State, 22 were notified in 2005-06 and 17 districts in 2007-08 for implementation of the scheme.

The Act requires every State to formulate a State Rural Employment Guarantee Scheme (REGS), which should conform to the minimum features specified under the Act. Accordingly, in UP, the scheme was notified on 8 February 2007. Rural households have a right to register themselves with the local Gram Panchayats and seek employment under the Act. Work is to be provided within 15 days of the date of demand, failing which the State Government will have to pay unemployment allowance at the stipulated rates.

3.2.2 Objective of the programme

The basic objective of the scheme is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment. This work guarantee can also serve other objectives: generating productive assets, protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equity, among others.

3.2.3 Organisational set-up

At Government level, Principal Secretary, Rural Development Department is responsible for implementation of the scheme. The State Employment Guarantee Council (SEGC), headed by Agriculture Production Commissioner, is the apex authority to advise the Government, evaluate and monitor the implementation of the scheme. Rural Employment Guarantee Commissioner is responsible at departmental level for ensuring that all activities required to fulfil the objectives of the NREGS are carried out. District Programme Coordinator (DPC) and Programme Officer (PO) are responsible for its implementation at District and Block level respectively. At the grass root level, Gram Panchayat (GP) is responsible for its implementation.

3.2.4 Audit objectives

The audit objective was to assess whether:

- Effective preparatory steps for planning, implementation and monitoring/evaluation of outcomes had been undertaken by the State Government;

- The procedures for preparing perspective and Annual Plans (APs) at different levels for estimating the likely demand for work and preparing a shelf of projects were adequate and effective;
- There was an effective process for registration of households, allotment of job cards, and allocation of employment in compliance with the guidelines;
- Wages and unemployment allowances were paid in accordance with the Act and the intended objective of providing 100 days of annual employment at the specified wage rates was effectively achieved.
- There was an adequate and effective mechanism at different levels for monitoring and evaluation of NREGS outcomes; and
- There was an adequate and effective mechanism for social audit and grievance redressal.

3.2.5 Audit criteria

The audit criteria for the performance audit was:

- The National Rural Employment Guarantee Act, 2005 (NREGA), and notification issued thereunder;
- The NREGA Operational Guidelines (2006); and
- Circulars and orders issued by the Ministry of Rural Development, Government of India (GOI) and the State Government.

3.2.6 Scope of audit and methodology

Audit covered nine out of 39 National Rural Employment Guarantee Scheme (NREGS) implementing districts¹, 36 blocks (four in each district) and 144 GPs (four in each block). The districts and blocks were selected using Simple Random Sampling Without Replacement and GPs were selected using Probability Proportionate to Size sampling method (*Appendix 3.2.1*).

The performance audit of the scheme commenced with an entry conference (February 2008) with Principal Secretary, Rural Development Department, UP in which audit methodology, scope, objectives and criteria were explained. Records relating to scheme were examined in the office of SEGC, Commissioner, Rural Development, DPCs, POs and GPs. Audit findings were communicated to the Government and also discussed in the Exit Conference (October 2008).

Audit findings

3.2.7 Financial management

NREGS is a Centrally sponsored scheme. The Central Government bears the entire cost of unskilled wages, administrative expenses of POs and their supportive staff as determined by Central

¹ Chandauli, Fatehpur, Gonda, Hamirpur, Lakhimpur, Pratapgarh, Siddarth Nagar, Sitapur and Unnao.

Government and work site facilities. The cost of material and wages for skilled and semi-skilled workers were to be shared in the ratio of 75:25 by GOI and State Government. The State Government had to bear unemployment allowance and the administrative expenses of SEGC.

The Central Government releases funds directly to districts for implementation of the scheme. A separate bank account had to be opened for implementation of scheme at district, block and GP levels. Funds allocated to NREGS were not to be used for other purposes under any circumstances. Similarly, the State Government established a State Employment Guarantee Fund from which State share is released directly to districts.

3.2.7.1 Financial performance

The total financial assistance provided by the GOI and the State Government during 2005-08 was Rs 2,986.88 crore. Of this, Rs 2,670.99 crore (89 per cent) were spent on the scheme as detailed in the table:

Table - 1

(Rs in crore)

Year	Opening Balance	Fund received from			Expenditure	Closing Balance
		Central	State (including interest earned on funds deposit in banks)	Total		
2005-06	Nil	193.97	-	193.97	-	193.97
2006-07	193.97	761.25 ¹	52.14	1,007.36	772.74	234.62
2007-08	234.62	1,682.71 ²	296.81	2,214.14	1,898.25	315.89
Total		2,637.93	348.95		2,670.99	

Unspent balances at the end of each year were due to release of funds by the GOI/State Government at the end of the financial years. In six³ out of nine test checked districts, Rs 54 crore⁴ (14 per cent) against total releases of Rs 386.66 crore during the year 2007-08 was released in the month of March 2008.

3.2.7.2 Revolving fund not established

According to the scheme guidelines, a revolving fund was to be established at State, District, Block and GP level to ensure regular availability of funds at each level so that employment could be arranged on demand by the labourers and wages paid to them within stipulated time i.e., within 15 days of the works done by the labourers. However, the revolving funds were not established at any level. This resulted in delayed payment of wages as discussed in paragraph 3.2.12.2.

¹ Includes Rs 84.96 crore of unspent funds of Sampoorn Gramin Rojgar Yojna and National Food For Work Programme at the end of March 2006.

² Includes Rs 7.34 crore of unspent funds of Sampoorn Gramin Rojgar Yojna and National Food For Work Programme at the end of March 2007.

³ Hamirpur, Fatehpur, Gonda, Unnao, Chandauli and Lakhimpur Kheri.

⁴ Central share Rs 49 crore and State share Rs 5 crore

3.2.8 Planning

3.2.8.1 Preparatory Steps

Preparatory activities comprised, *inter alia*, notification of the scheme for implementation within one year from the date of commencement of the Act i.e., 7 September 2005, making rules pertinent to its implementation, formation of SEGC comprising official and non-official members as an apex body at State level to advise and monitor the implementation of the scheme and preparing annual report for submission to the State legislature.

The State Government notified (February 2007) the scheme with a delay of five months. The rules pertaining to different aspects such as terms and conditions and procedure for payment of unemployment allowances to labourers, grievance redressal mechanism etc., were not framed. Time frame for proposing, scrutinizing and approving REGS works at GP and block level were also not prescribed. Further, the SEGC notified in May 2006 included official members only. In absence of non-official members, the composition of SEGC remained incomplete (June 2008). The SEGC did not prepare any annual report for 2006-07 and 2007-08 for submission to the State legislature.

3.2.8.2 Preparation of DPPs

The basic aim of the planning was to prepare the district well in advance, to provide productive employment on demand. For the purpose, District Perspective Plan (DPP) and Annual Plan (AP) were to be prepared by each NREGS district. The DPP was intended to facilitate advance planning for five years by identifying the works that should be encouraged in the district to ensure potential linkages between these works and sustained development. Based on the DPP, the AP identifying the activities to be taken up on priority in a year to match the estimated demand for employment was to be prepared for each level of Panchayati Raj Institutions (PRIs) and approved by the District Panchayat (DP).

Audit scrutiny, however, revealed that the DPPs in two districts (Gonda and Siddarth Nagar) out of nine test checked districts were not prepared. In the absence of the DPPs, the type of works which should be executed in the district to ensure long term employment generation and sustained development were not identified. This resulted in unplanned execution of works on *ad hoc* basis in these districts.

3.2.8.3 Delayed approval of annual plans

Operational guidelines envisaged that the process of approval of APs from different levels of PRIs, viz., GPs, Intermediate Panchayats (IPs) and DPs must be completed by December of the preceding year.

Test check, however, revealed that the AP for 2006-07 and 2007-08 were approved by DPs with a delay ranging from 6 to 11 months in the test checked districts. This resulted in delayed/non-execution of works and low level of

employment generation (19 days and 15 days in 2006-07 and 2007-08 respectively) as discussed in paragraph 3.2.9.1.

3.2.8.4 Manpower support

A full time dedicated officer was not appointed as PO. Block Development Officers (BDOs) were designated as POs and vested with additional responsibility to supervise implementation of the scheme at Block level. As the BDOs were already over-burdened with several other developmental schemes being implemented at block level, the additional charge of NREGS struck at the root of its effective implementation as they did not have time for inspection of the NREGS works.

Besides, Gram Rozgar Sevaks were to be appointed in each GP in view of their pivotal role in implementation of the scheme. Records, however, revealed that out of 2,230 GPs in 33 blocks test checked, Gram Rozgar Sewaks were not appointed in 711 GPs (32 *per cent*). The absence of Gram Rozgar Sewaks severely affected the maintenance of basic records as discussed in paragraph 3.2.13.2. Further, only 187 Technical Assistants (TAs) (68 *per cent*) were appointed against 280 TAs required in 32 out of 36 Blocks test checked. In absence of TA, measurement of works done were delayed which resulted in delayed payment of wages to beneficiaries.

3.2.9 Employment

3.2.9.1 Employment generation in test checked GPs

The primary objective of the scheme is to enhance livelihood security by providing at least 100 days of guaranteed wage employment. Audit scrutiny of records viz., Job Card Register, Employment Register etc. in the test checked GPs revealed the following position of employment generation during the year 2006-07 and 2007-08.

Table - 2

Year	Total registered households	Mandays projected	Mandays generated	Average mandays generated per household	No. of households provided 100 days of employment
2006-07 (112 GPs of Seven districts)	22,370	15,35,776	4,28,694	19	490
2007-08 (144 GPs of Nine districts)	34,305	31,74,766	5,13,414	15	507

Thus, 4.29 lakh (28 *per cent*) and 5.13 lakh (16 *per cent*) mandays were generated against 15.36 lakh and 31.75 lakh mandays projected. The average employment provided to each household during 2006-07 and 2007-08 was 19 days and 15 days respectively and only 2.2 *per cent* and 1.5 *per cent* households received 100 days of employment during 2006-07 and 2007-08. The reason for short generation of mandays was non execution of projected works due to non-availability of funds at the GP level.

The details of employment generated in test checked GPs are indicated in *Appendix 3.2.2*.

3.2.9.2 Irregular employment of labourers

The DPC, Chandauli released (2007-08) Rs 1.02 crore to Divisional Forest Officer (DFO), Kashi Vanya Jeeva Prabhag, Ramnagar, for undertaking afforestation activities in the district. The DFO while executing the afforestation work in Naugarh block of Chandauli district engaged (January to March 2008) labourers belonging to Sonbhadra district and paid Rs 4.70 lakh as wages. Employment of labourers belonging to other district violated the statutory provisions of the scheme.

3.2.9.3 Distribution of plants without employment generation

Execution of works under the scheme intended to generate employment in rural areas. However, 74 GPs of eight test checked blocks purchased plants costing Rs 17.15 lakh (2006-07: Rs 8.85 lakh and 2007-08: Rs 8.30 lakh) from nurseries and distributed them free of cost to local people for individual plantation without generating any employment.

3.2.9.4 Non- implementation of the scheme in GPs

The scheme guidelines contemplated that in case of failure of GPs to start the work, the PO was responsible to allot the work to any other designated agencies so that the labourers of the GPs concerned were not deprived of their legal entitlement viz., employment.

Twenty eight GPs of six test checked blocks in three districts (Sitapur, Pratapgarh and Chandauli) with 6,618 registered households did not execute any work during 2007-08 although 502 works for generation of 7.98 lakh mandays with an outlay of Rs 11.35 crore were approved in the AP of these GPs. The POs neither allotted the work to other implementing agencies nor directed the other GPs to provide employment to the labourers of these GPs. This resulted in the labourers of these GPs being deprived of employment opportunities guaranteed under the scheme.

The POs concerned stated (February–June 2008) that the GPs did not demand any fund for execution of works. The reply was not tenable as in case of failure of GPs, the POs were responsible to get the proposed work executed by allocating it to other implementing agencies.

3.2.10 Execution of works

The operational guidelines, *inter alia*, stipulate allotment of a unique identity number to each work to avoid duplication, photographs of the works taken before, during and after completion of works for public display and scrutiny during social audit forum, ensuring administrative and technical sanctions of works by December of the previous year.

It was, however, noticed that unique identity number was not allotted to any work and photographs before, during and after completion of work were not taken in respect of 116 works (42 per cent) out of 278 works, test checked.

Besides, the date of technical sanctions accorded by the competent authority was not recorded in 87 works (31 per cent) making it difficult to ascertain whether the works were started only after obtaining technical sanctions. Further, date of completion and date of measurements were not recorded in Measurement Books in respect of 51 works (18 per cent).

3.2.10.1 Works taken up in test-checked GPs

The works proposed by GPs in their AP were intended to meet the estimated demand for employment. Records revealed that 77 out of 112 test checked GPs in the year 2006-07 and 110 out of 144 test checked GPs in 2007-08 executed only 730 works¹ against 3,407 works² proposed for execution. The shortfall ranged from 71 per cent to 81 per cent. The reason for shortfall in execution of work was the non-availability of funds at the GP level. Shortfall in execution of projected works affected adversely generation of employment. The remaining 35 GPs (2006-07) and 34 GPs (2007-08) did not furnish the required information to assess the position of works executed viz-a-viz, projections.

3.2.10.2 Execution of low priority works

The operational guidelines prescribed that the works be taken up in order of priority; the water conservation and water harvesting were the first priority. The State Government issued further directions (June 2006) to all NREGS districts to execute water conservation work on top priority.

Details of expenditure during 2006-08 in the test checked districts on different works in order of their priority as envisaged in the schemes are given below:

Table - 3

Sl. No.	Name of works	Cost of work (Rs in crore)	Percentage to total cost of work
1	Water conservation and Water harvesting	97.77	18
2	Drought proofing including afforestation & tree plantation	31.52	6
3	Irrigation canals including micro & minor irrigation works	19.40	4
4	Provision of irrigation facility to Schedule Castes/Schedule Tribes, land reforms and Indira Awas beneficiaries	8.02	1
5	Renovation of traditional water bodies including desilting of tanks	103.28	19
6	Land development	35.09	6
7	Flood control and protection works including drainage in water logged areas	31.66	6
8	Rural connectivity	221.26	40
9	Other works	1.86	-
	Total	549.85	100

¹ 320 work in 2006-07 and 410 work in 2007-08

² 1,112 works in 2006-07 and 2,295 works in 2007-08

It is clear from the above table that implementing agencies ignored statutory priorities and government directions in execution of works and gave highest priority to rural connectivity which was at the lowest in the priority list. Other works were also not taken up in order of their priorities. This indicated that the POs and DPCs did not scrutinize the appropriateness of the plan proposals as required under the guidelines.

Rural connectivity was to be provided with all weather access as per the guidelines. 59 out of 144 test checked GPs constructed 138 *kuchcha* roads at a cost of Rs 78.54 lakh without stabilization of top surface and provision for drainage, culverts, etc. These *kachcha* roads were constructed contrary to Indian Road Congress (IRC) specification whereby the top surface of an All-Weather Road had to be stabilized with either locally available aggregate such as brick bat, *kankar* or gravel, *moorum* or cement with adequate drainage system to make it negotiable in all seasons of the year. No such treatment was provided to these roads.

The GPs stated (February-June 2008) that all weather connectivity would be ensured by brick soling in future.

3.2.11 Muster rolls

According to the operational guidelines, Muster Rolls (MRs) issued from the Block level, each with a unique identity number, were to be maintained by the GPs and other implementing agencies, in a *pro forma* suggested by the Ministry of Rural Development. Further, photocopies of the MRs were to be kept for public inspection in every GP/ Block. MRs were also to be digitized at the PO level.

Audit scrutiny revealed that MRs maintained by 144 GPs in test checked districts did not bear unique identity numbers. Besides, MRs issued by the POs were not digitized at the PO level. The date of payments was not recorded in any of the 1,339 MRs pertaining to 111 works test-checked. In the absence of date of payments, the timely payment of wages, i.e., within fortnight from the date of actual work stipulated in guidelines also could not be ascertained.

3.2.11.1 Fraudulent Payments

Executive Engineer (EE), Sharda Sahayak Canal division, Sitapur engaged (November - December 2006) labourers from GP, Sahadat Nagar of Misrikh Block (Sitapur district) and paid Rs 0.47 lakh as wages through MRs to 37 labourers for silt clearance. Audit scrutiny, however, disclosed that the names and job card numbers as mentioned in MRs were not found in the job card register of the GP concerned. On verification by audit from the villagers and Gram Panchayat Adhikari, Sahadat Nagar, it was learnt that the persons mentioned in the MRs did not exist in the GP concerned. Thus, the payment to labourers was doubtful.

In reply, the PO, Misrikh, stated (February 2008) that necessary action would be taken after investigation.

Wages paid to labourers who did not exist rendering the payment doubtful.

Same labourers were shown working at different work sites during same period.

3.2.11.2 Payment to same labourers at different work sites during the same period

Scrutiny of MRs in five test checked districts revealed that 194 labourers with same name and job card appeared twice (187 labourers) and thrice (seven labourers) in the MRs of the same or different works which were executed during the same period (*Appendix 3.2.3*). An amount of Rs 1.07 lakh for a total of 1585 mandays was paid fraudulently. In reply, the POs stated (March-June 2008) that matter would be investigated.

3.2.11.3 Payment without signature/thumb impression

Scrutiny revealed that wages amounting to Rs 0.32 lakh were paid on muster rolls to 51 labourers (347 mandays) for the work done during 2006-07 in GP, Allipur of Airayan Block (Fatehpur district), but no signature/thumb impression was taken in token of receipt of payments.

In reply, PO, Airaya stated (March 2008) that thumb impression could not be taken inadvertently in the photocopy of the MRs available at PO, Airaya. The reply was not tenable as the photocopy of the MR would not differ from the original MR.

3.2.11.4 Doubtful payment

Apar Mukhya Adhikari (AMA), District Panchayat, Pratapgarh paid (September/October 2006) Rs 0.78 lakh to 45 workers (1,350 mandays) through MRs in Pratapgarh district for works sanctioned under the scheme. Audit scrutiny, however, revealed that the signatures recorded in MRs in token of receipt of payments were with similar hand writing as seen visually. Reply from AMA was awaited as of November 2008.

3.2.12 Wages

Every person working under the scheme is entitled to wages at the minimum wage rate fixed by the State Government for agricultural labourers. Wages may be paid either on a time rate or piece rate basis. The NREGA operational guidelines further stipulate that District Schedules of Rates (DSRs) should be prepared for each district, and the productivity norms for the District Schedule of Rates (DSRs) should be worked for each locale in such a way that seven hours of normal work earns minimum wages on a piece rate basis. It was also stipulated that wages should be paid in time. In the case of delay beyond 15 days, workers are entitled to compensation as per the provisions of the Payment of Wages Act, 1936.

Scrutiny of records revealed the following:

3.2.12.1 District schedule of rates not prepared

The DSR was not prepared in the test checked districts. The labourers engaged on work were required to finish a fixed quantity of work each day as per the PWD schedule of rates which was based on the work to be done by healthy and able bodied individuals. Non-preparation of the DSR was contrary to the objective of the scheme as any willing adult members including old aged and

disabled would not be able to complete the work as per the PWD schedule of rate.

3.2.12.2 Delayed payment of wages

Payment of wages was delayed by three to 286 days.

Audit scrutiny revealed that due to non-availability of funds, wages amounting to Rs 1.21 crore for 1.70 lakh mandays were paid with a delay of three days to 286 days during 2006-08 by 21 GPs and eight other implementing agencies in test checked districts as detailed below:

Table - 4

Delayed payment (in month)	Mandays of work	Amount due (Rs in lakh)
Up to one	63,996	53.26
One to three	72,652	43.60
Three to six	17,250	13.76
Six to over nine	16,115	10.14
Total	1,70,013	120.76

Besides, the wages of Rs 1.61 lakh for 2,155 mandays payable to labourers in GPs Allipur (block-Airayan) and Bahua Dehat (block-Bahua) of Fatehpur district for work done (April 2007 to August 2007) were not paid upto March 2008.

In reply, GPs stated (February-June 2008) that delay in payment/non-payment of wages was due to non-availability of funds. Bhoomi Sanrakshan Adhikari, IWDP Lakhimpur Kheri stated (February 2008) that he was not aware of the prescribed time of 15 days for payment under the scheme.

The delayed payments defeated the primary objective of providing livelihood security to rural poor contemplated under the scheme. Further, no compensation was paid to labourers for delay in payments stipulated in the scheme.

3.2.12.3 Short payment of wages

Wages below the fixed wage rate were paid to labourers.

The scheme began with daily wage rate of Rs 58 which was enhanced to Rs 80 from 23 May 2007 and to Rs 100 from 1 August 2007.

Scrutiny of records revealed that labourers (7,911 mandays) in Hilauli Block of Unnao district were paid at the rate of Rs 58 per day against Rs 80/100 admissible to them during June 2007 to September 2007. Thus, there was short payment of wages amounting to Rs 1.74 lakh to these labourers. On being pointed out, the PO, Hilauli stated (May 2008) that due to late receipt of Government orders enhancing the wage rate, labourers were paid at old rates.

The reply was not tenable as the labourers during the same period were paid at the revised wage rate in all other blocks of Unnao district.

3.2.13 Maintenance of records

Maintenance of records under NREGA is critical to ensuring verifiable compliance with the legal guarantee of 100 days of employment on demand

and payment of unemployment allowance. The operational guidelines have specified details of records and registers to be maintained at different levels.

In particular, the most important records are the Application Registration Register, Job Card Register, Employment Register, Asset Register, Muster Rolls, MR Issue/ Receipt Registers and Complaint Register.

Audit scrutiny of these records revealed the following:

3.2.13.1 Deficiencies at the block level

Employment Register was not maintained in 23 blocks (64 *per cent*) out of 36 blocks test checked. Job Card Register in computerized form, based on the duplicate copies of the Job Card Register received from GPs, was not prepared in 34 blocks (94 *per cent*). Asset Register, in computerized form based on the data of asset registers furnished by GPs and implementing agencies was not prepared in 17 blocks (47 *per cent*) and Complaint Register was not prepared by one block.

3.2.13.2 Deficiencies at the GP Level

Application Registration Register was not prepared in 10 GPs (7 *per cent*) out of 144 GPs test checked. Scrutiny, further, revealed that the date of receipt of application was not recorded in the Application Registration Registers against 117 (19 *per cent*) out of 614 applications received in three test checked GPs. Similarly, in 21 GPs, the date of issue of job cards was not recorded in 5039 (84 *per cent*) out of 6034 applications received. Job Card Register in nine GPs (6 *per cent*) was not prepared. Further, in 16 test checked GPs of Pratapgarh district, the Job Card Register did not contain the details of family members and their photographs. Employment Register was not prepared in 21 GPs (15 *per cent*). MR Receipt Register was not maintained in 18 GPs (12 *per cent*). Asset Register was not maintained in 21 GPs (15 *per cent*) and Complaint Register was not maintained in 22 GPs (15 *per cent*).

In the absence of maintenance of critical registers, especially at the GP level, it was not possible to verify the issue of job cards within prescribed time limit, the number of household demanded/provided employment, number of households provided with 100 days of employment and the entitlement of individual households to unemployment allowance.

3.2.14 Inspection and monitoring

The procedures for monitoring and reporting prescribed in the operational guidelines includes 100 *per cent* inspection of works every year by Block level officials, 10 *per cent* by District level officials and 2 *per cent* by State level officials, constitution of District Internal Audit Cells to scrutinise the reports of the Gram Sabhas and verification and quality audit by State and District Quality Monitors (DQMs). Besides, local Vigilance and Monitoring Committees (VMCs), consisting of members elected by the Gram Sabha, were required to monitor the progress and quality of works while in progress.

Audit scrutiny revealed the following:

3.2.14.1 District level inspection/monitoring

Prescribed inspections not carried out.

Out of 21,080 works in five districts, 2,108 were due for inspection. District level officers, however, carried out inspections in respect of only 1,636 works (seven *per cent*). No inspection note was available in the office of DPCs, in the absence of which the nature of observations and follow up action, if any, taken thereon could not be ascertained. Information in respect of four districts was not made available to audit. District Internal Audit cells were not established in seven¹ out of nine test checked districts. The District Quality Monitors were not appointed by the State Government for any district, as a result, verification and quality audit of works could not be ensured.

3.2.14.2 Block level inspection

Out of 3,453 and 4,063 inspections due in 2006-07 and 2007-08, only 1,739 and 2,048 inspections (50 *per cent*) were carried out by Block level officers. Against these inspections, only 294 (17 *per cent*) and 341 (17 *per cent*) inspection notes were issued by the Inspecting Officers. In these inspection notes, non-installation of sign boards indicating the details of work undertaken at worksites, job cards issued without photo of the incumbents, non-availability of MRs at worksite, delay in measurement of work etc., were pointed out. The corrective follow up action taken, if any, could not be ascertained due to non-maintenance of records in this regard.

3.2.14.3 Vigilance and Monitoring Committees

For every work sanctioned under the scheme, Vigilance and Monitoring Committees (VMCs) composed of members of the locality or village where the work undertaken was to be appointed to monitor the progress and quality of the work.

Records revealed that VMCs for 136 (49 *per cent*) out of 278 test checked works were not appointed.

3.2.14.4 Non-creation of Monitoring and Information system

Active use of Information Technology (IT) was to be made for improving efficiency and transparency of operation process including preparation of project proposals and their execution, digitization of MRs, job cards, communication and access to information, monitoring and evaluation etc. For this, a Monitoring and Information System (MIS) with a database on works being undertaken under the scheme, resource requirement, registered households, funds received and spent at different levels viz., District, Block and GP was to be created. However, the MIS was not created/developed as of June 2008.

Lack of adequate monitoring mechanisms affects the ground-level implementation of NREGS.

¹ Chandauli, Fatehpur, Hamirpur, Pratapgarh, Siddarth Nagar, Sitapur and Unnao.

3.2.15 Social Audit, Transparency and Grievances Redressal

The scheme gives a central role to 'Social Audit' as means of continuous public vigilance. This included verification of the different stages of implementation, viz., registration of households, distribution of job cards, receipt of application for work, preparation of shelf of projects and selection of sites, allotment of work to individuals, implementation and supervision of works, payment of wages and evaluation of works. Apart from ongoing process of social audit, a mandatory review of all aspects of social audit was to be ensured by organizing Social Audit Forum at GP level twice a year. At this forum, information was to be read out publicly and opportunity given to people to question official, seek and obtain information and verify financial expenditure etc.

Records revealed that 56 GPs (39 *per cent*) out of 144 test checked GPs did not organise social audit forum during 2006-08. Non-convening of social audit forum left scope for manipulation in registration of households, distribution of job cards, allotment of work to individuals and fake and fraudulent payments through MRs. Besides, the contemplated objective to ensure public participation and consultation in implementation of the scheme could not be achieved.

3.2.16 Information sharing between PO and GP

The NREGA operational guidelines prescribe that procedures be framed to ensure that data on work requested and allotted by the PO and GP are properly maintained, and also for sharing of information on employment allotments between the PO and GP on a weekly basis.

In the test checked blocks, audit was informed that information was being shared in a weekly meeting but no documentary evidence was made available. Thus, the process of reporting from the GPs to POs was defective. In the absence of documentation the reliability of information being shared between GPs and POs could not be verified in audit.

3.2.17 Conclusion

Performance audit of NREGS implementation revealed lack of adequate administrative and technical manpower at the Block and GP levels due to the non-appointment of fulltime POs, TAs and Rozgar Sevaks. This adversely affected the preparation, scrutiny and approval of APs, monitoring and implementation of works. Delayed payment of wages to labourers defeated the objective of providing food security to rural poor. Inadequate compliance of scheme's inbuilt transparency safeguard viz., social audit, non-formation of VMC, inadequate inspections of work by district and block level officers and non-appointment of District Quality Monitors affected adversely efficiency and effectiveness of the scheme.

3.2.18 Recommendations

- APs should be approved by December of previous year to enable the implementing agencies to obtain sanctions in advance to avoid delay in provision of employment to households.
- The State Government should appoint full-time POs at each Block, with necessary supporting staff. Necessary administrative and financial powers should be delegated to such POs.
- Works should be taken up in order of priority as envisaged in the scheme.
- State Government should ensure preparation of district-wise Schedule of Rates, after careful work, time and motion studies and fixing of productivity norms for tasks in different geo-morphological conditions.
- State Government should ensure timely payment of wages at minimum wage rate to workers.
- To avoid payment to fake claimants/workers, State Government may explore possibility of agreements with the Department of Posts/Banks for all REGS payments through accounts.
- State Government should strengthen inspection mechanism through different levels of officials. VMCs should be formed, wherever not formed.

The above points were referred to the Government in September 2008; their reply had not been received (November 2008).

HOME DEPARTMENT (POLICE)

3.3 IT Audit on 'Computerisation in Police Department'

Highlights

The computerisation of criminal records in the state Police was initiated in 1996 by way of introducing 'Crime and Criminal Information System' which was to be implemented in the state at district level. Further 'Common Integrated Police Application software' was introduced in 2006 to computerise all manual records up to Police Station level. However, deficient planning and implementation led to incomplete data capture at District as well as Police Station level. The database of Crime and Criminal Information System was incomplete and contained incorrect data due to lack of input and validation controls leading to non- achievement of the objectives.

Crime data was computerised to the extent of only six per cent only when compared to manually prepared data at the state level. Crime and Criminal Information System scheme was not fully operational even after twelve years of its introduction in the state.

(Paragraphs 3.3.6.1 and 3.3.6.4)

The information stored in the database consisted of a large number of fields having null/ blank/ junk characters constituting 26 to 50 per cent of the computerised records.

(Paragraph 3.3.6.5)

No time limits were fixed for implementation of CIPA application in its four phases.

(Paragraph 3.3.7.2)

The security of Information Technology assets and continuity of operations were not ensured.

(Paragraph 3.3.8)

3.3.1 Introduction

To achieve objectives of control, investigation and prevention of crime, a centrally sponsored scheme for developing a "Crime and Criminal Information System" (CCIS) was introduced in 1994-95 to computerise records at district level with the objective to store the crime and criminal related data for easy retrieval of information in the investigation of crimes. Under CCIS, computerisation of seven¹ types of crime records was to be done. For this, CCIS software was made available to all the 70 districts in the state of

¹ Crimes, criminals' details, crime related property, auto-vehicles, firearms, cultural property and cycle of the crimes

Uttar Pradesh by National Crime Records Bureau (NCRB). CCIS was based on SQL Server database at back end and Visual Basic as front end tool for providing users' interface.

All the 70 District Crime Records Bureaus (DCRBs) and six Government Railway Police (GRP) offices¹ were provided with computers for capture of data at the district level in CCIS software. Data was to be manually prepared in seven different forms called Integrated Investigation Forms (IIFs) by each police station (PS) and sent to DCRBs/GRP offices where these were to be entered in the computer system, using software supplied by the NCRB. The electronic data compiled at DCRB level was further sent to the State Crime Records Bureau (SCRB), Lucknow for consolidation of information of all the districts at State level. Finally, it was to be transmitted to the NCRB for consolidation at national level. The data was to be used in the detection of inter district crimes by the SCRB and inter state crimes by the NCRB.

Besides CCIS, NCRB introduced (October 2005) another initiative whereby "Common Integrated Police Application" (CIPA) was to be implemented in the state to automate the processes at primary sources of data itself, i.e., police stations and to build a crime & criminal information system based on Criminal Procedure Code. CIPA was based on LINUX operating system and Post Grey SQL (as RDBMS) and was developed by National Informatics Centre (NIC), Delhi. Under this project, apart from maintaining the basic records at police station level on computers, it is envisaged to facilitate for availability of records to investigating officer, supervision by the senior officers and faster response to public.

3.3.2 Organisational set up

At Government level, Principal Secretary, Home and at department level, Director General of Police/ Additional Director General of Police (ADG), Police Head Quarter (PHQ) were responsible for implementation and monitoring of the schemes. Senior Superintendents of Police (SSPs/SPs) at district level (DCRBs) and SCRB at State level were to implement the schemes through DCRBs. Uttar Pradesh Police Computer Centre (UPPCC), Lucknow was mainly responsible for training of personnel especially in CCIS and CIPA courses and implementing the CCIS scheme up to July 2001, when it was transferred to SCRB.

3.3.3 Audit objectives

The audit objectives were to assess whether :

- CCIS and CIPA was implemented in the state as per targets and schedules;
- the objectives of computerisation were achieved;
- there were sufficient controls existing from input stage to the output;

¹ Agra, Allahabad, Gorakhpur, Jhansi, Lucknow and Moradabad

- adequate training was provided to staff working under CCIS and CIPA schemes;
- the CCIS/CIPA data were being utilised effectively.

3.3.4 Audit criteria

Audit criteria used for IT Audit review were:

- documents relating to the targets and coverage of various schemes of computerising police records;
- best practices relating to IT controls.

3.3.5 Audit methodology and scope

The entire CCIS data of the state for the period since 1996 till April 2008 was downloaded and analysed in Audit. The systems followed in the DCRBs/GRP offices for data capture and general controls were ascertained through a questionnaire and verified with records of the SCRB and 11 test checked DCRBs¹ and GRP offices² during April-August 2008. The implementation of CIPA was also examined in audit in 3 test checked districts (Lucknow, Raebareilly and Unnao) where CIPA was introduced.

Audit Findings

3.3.6 Assessment of the CCIS scheme

3.3.6.1 Incomplete data capture under the CCIS Scheme

Seven IIF Forms were prescribed by NCRB for transmission of information from PSs to the DCRBs/GRP offices for capture of data in CCIS software. The IIF Forms were as under:

Sl No.	Description of Form	Purpose of the form
I	First Information Report	For Capturing Preliminary information of crime as recorded in the first instance
II	Crime Details Form	Details of crime as recorded by investigation officer after visiting at the scene of crime.
III	Arrest/Court Surrender Form	Details of criminal on his arrest or after he has surrendered.
IV	Property Search and Seizure Form	Details of property lost, seized or recovered
V	Final Form/Report	Details of charge sheet filed against the accused
VI	Court Disposal Form	Disposal of the case by a court of law.
VII	Result of Appeal Form	Further appeals filed in the court by the state, accused or complainant

It was observed in audit that only 51 DCRBs/ GRP offices out of 76 in the state (67 per cent) were capturing data in CCIS at the district level during the

¹ Agra, Allahabad, Gorakhpur, Kanpur Nagar, Lucknow, Mathura, Raebareilly, Unnao and Varanasi;

² Allahabad and Lucknow

year 2007. Even these DCRBs/GRP offices were capturing data only in respect of IIF Form I and were not capturing details that pertained to IIF Form II to VII. Rest 25 DCRBs/GRP offices were not capturing data in CCIS even at the FIR stage.

During the period 1996-2007, audit found 3,13,443 records (up to December 2007) in the state level database corresponding to data capture at FIR stage. In contrast, there were only 1,01,373 records during the same period in respect of IIF Forms II to VII. As capture of the critical data remained incomplete, the CCIS could not achieve its objectives.

Scrutiny in test checked DCRBs revealed that the data was entered into CCIS directly from manual crime register of PSs instead of IIF Forms in four DCRBs¹. Such manual crime registers are brought from the respective police stations and sent back after partial entries are made into the system. As the crime register did not have all the information available in IIF Forms, the CCIS database was incomplete.

Further, SCRIB was compiling criminal data manually as well as by way of consolidation of electronic reports received from all the DCRBs. Scrutiny revealed that crime data prepared manually for 2002-06 showed 49.75 lakh crime records whereas computerised data under the CCIS software contained only 2.88 lakh records which was 6 *per cent* of the maintained manual records. In reply, the SCRIB stated (August 2008) that incomplete computerised data at the SCRIB Lucknow was due to non-submission of computerised data from various DCRBs.

Thus, CCIS could not be effectively implemented in the state despite lapse of more than twelve years from commencing the computerisation at district level. CCIS was ineffective as data capture was incomplete and most of the DCRBs were not sending the district crime data to SCRIB for consolidation. The objective of having a state level computerised data for easy availability of inter district crimes and state level position of crimes was defeated.

3.3.6.2 Analysis of data

Case-wise analysis of the CCIS data (1996 to 2007) revealed that only stray cases are captured in CCIS under various heads such as Court disposal, Wanted person, Missing person, Unidentified dead bodies, Counterfeit currency, Drugs, Kidnapped persons and Results of appeal. It indicated that cases pertaining to above were not being entered in the CCIS database.

3.3.6.3 Deficiencies in the classification of crimes

The main objective of the CCIS software was to record the crime data in detail and generate the details/record of a particular crime or a criminal person. Crimes were being classified under three tier classification systems, i.e., Major Head (murder, robbery, dacoity etc.), Minor Head (adultery, incidents in running train etc., urban, rural and Methods (firearms, bomb throwing,

¹ Unnao, Raebareilly, Gorakhpur and Agra

snatching). Analysis of CCIS database for the period 1996-2007 revealed that out of 3,23,278 crime cases recorded till April 2008, the Major Head and Minor head of crimes were not assigned in 36,607 cases and 3,16,667 cases respectively. In absence of proper classification, analysis of crime was not possible through the CCIS software.

3.3.6.4 The CCIS application was abandoned by DCRBs

Though computerisation of various records through CCIS software was taken up in 1996 in the state as well as at district level, but the data were not being captured in all the DCRBs. During the 2003-07, the number of DCRBs/GRP offices where data were not being captured varied between 6 to 34 out of 70 DCRBs and 6 GRP offices as shown below :-

Year	No. of DCRBs/GRP offices which did not capture CCIS data
2003	6
2004	13
2005	34
2006	16
2007	25

In reply, the SCRB stated (August 2008) that in spite of repeated reminders one GRP office and 19 DCRBs did not submit the data to the SCRB for the last two years. Thus, it is clear that scheme was not operational at all DCRBs and GRP offices as of August 2008.

3.3.6.5 Input and Validation Controls

The information stored in the *FIR* table (total number of records 3,23,278 up to April 2008) contained null/blank/junk values in various fields as detailed below:

Sl.No.	Field type	Number of records (percentage)
1	<i>Pahar code</i> (time of occurrence of crime)	1,61,595 (50)
2	Investigating Officers Code	1,18,424 (37)
3	Investigating Officers Rank	1,14,383 (35)
4	Distance of place of crime from PS	84,911 (26)

Arrest and surrender table contained 44,890 records. In the table, null, blank or junk characters were found in various fields such as 'arrest status' (1663 cases), 'arrest state' (1561 cases), 'arrest district' (1563 cases), 'arrest PS' (1582 cases), 'custody date' (40616 cases), 'custody place' (2246 cases), and 'court surrender' (44573 cases).

Out of total 762 records in *property table*, the null, blank or junk characters were found in various fields such as 'belongs to' (673 cases), 'estimated value' (536 cases), 'quantity' (11 cases), 'country' (663 cases).

Such deficiencies were as a result of non-existence of input and validation controls and thus rendering the entire data unreliable.

Capture of information like engine number, registration number, make, chassis number, estimated value and model of vehicle involved in crimes was made mandatory in automobile table. On analysis of the table, several deficiencies were found. Out of 150 records, the engine number was blank in 47 cases and had irrelevant information such as zero, unidentifiable character etc. in 53 cases. The chassis number was blank in 15 cases and had irrelevant information in 43 records. Similarly, the column of registration number was blank in 18 cases and had irrelevant information in 13 cases. Besides, other fields also contained null/blank/junk characters such as 'estimated value' (48 cases), 'model' (116 cases), 'insurance company' (106 cases), 'belongs to' (87 cases), 'colour peculiarities' (73 cases).

Such erroneous/incomplete and irrelevant data would be useless in crime detection, thus rendering even the partially captured data as unreliable.

3.3.6.6 Incomplete networking

All DCRBs/GRP offices and the SCRB were to be connected through a network in the CCIS project. However, even after twelve years of operation, network was not established. Data was still being transferred through tape/CD media resulting in delay in the transfer of crucial information.

3.3.6.7 Non-maintenance of records/preparation of monthly progress report

A daily log book, system maintenance register for recording the downtime of the computer and peripherals and monthly progress report were to be maintained at all DCRBs/GRPs and SCRB. In none of the test checked districts this was being done as of August 2008.

3.3.6.8 Utilisation of CCIS data

The CCIS scheme provided generation of "Reports on criminal cases and criminals", "Reports on Property", "Matching Reports", "Statistical Reports and Miscellaneous Reports like Code wise list, Act wise list, list of missing person, FIRs, data quality reports" etc.

However, neither the SCRB nor DCRBs/GRP offices were generating any of the above reports for MIS purposes.

3.3.6.9 Non-utilisation of Trained Manpower

According to the instructions (October 2001) of the NCRB, three computer trained persons in each DCRB were to be posted for the CCIS. Though the UPPCC trained 530 persons during 1996 to 2007, there were shortages of IT trained staff in test checked DCRBs/GRP offices. Out of nine test checked DCRBs and two GRP offices, four DCRBs and two GRP offices had only one trained person and the remaining five DCRBs¹ did not have any trained official. Short deployment of trained manpower affected adversely the computerisation initiative and data entry in CCIS.

¹ Gorakhpur, Kanpur Nagar, Raebareilly, Unnao and Varanasi

3.3.7 Assessment of 'Common Integrated Police Application' software

NCRB appointed (March 2006) Hindustan Computers Limited (HCL) for providing technical support for site preparation, installation of hardware and manpower handholding. CIPA was to be implemented in four phases. In the first phase site preparation and installation of hardware (3 to 5 computers and one printer for each PS) was completed in 137 PSs by October 2006. A technical assistant (TA) was appointed by HCL for six months at each PS to start the work and train officials.

3.3.7.1 Idle Expenditure

In the first phase of implementation of the CIPA scheme six districts and 137 PSs (10 per cent) were selected for computerisation of all manual records of PSs. Rs 3.96 crore was incurred on development of infra-structure (copper-plate earthing, electrical wiring, network cabling, minor civil works, furniture, air-conditioning, etc.) at PSs and purchase of hardware. However, CIPA could be made functional only in 59 PSs (August 2008). Non-functioning of CIPA at 78 PSs was attributed to non-availability of continuous electricity supply. This resulted in idle expenditure of Rs 2.25 crore on development of infrastructure and installing hardware in 2006 at 78 PSs because of non-functioning of CIPA. The Government/PHQ could not take any action for ensuring continuous supply of electricity at such PSs by way of procuring generators.

Besides, as envisaged in the scheme the HCL appointed TA at all 137 PSs to train personnel engaged on the software but the CIPA was not functional in 78 PSs in first phase of the scheme due to non-supply of electricity, therefore, TAs posted at these PSs remained idle.

3.3.7.2 Slow progress of the CIPA scheme

In all the 59 PSs where the CIPA scheme was functional, the data entry was being done only in FIR module. No data entry was being done in other modules like Investigation, Prosecution and Information. As such in absence of complete data the CIPA software is not fully operational even in these limited PSs. Further, the department did not fix any time limit for the implementation of CIPA in its four phases at other PSs.

3.3.8. General Controls

3.3.8.1 Password policy

To prevent IT systems from unauthorised access the system must be protected through password and for the purpose there must a documented password policy for change of such passwords on a regular basis. With the change of user as well, passwords should also be changed. During audit, it was noticed that department had not framed any password policy for change of these passwords. It was noticed that initial password given by the NCRB were still

in use in seven¹ of the nine test checked DCRBs and both the GRP offices (Lucknow and Allahabad) and were never changed till July 2008.

3.3.8.2 No Security of IT assets

All IT assets received should be entered in the stock register. However, no stock inventories were maintained regarding receipts of IT assets in test checked DCRBs/GRP offices. Further, no records relating to movement of equipment for repair, periodical maintenance and call details etc. were maintained and no system for issuing of gate pass was in practice. Annual physical verification of IT assets was also not carried out since installation of hardware. Absence of these checks exposed the assets to the risk of misuse/pilferage.

3.3.8.3 Annual Maintenance Contract and Anti-virus Software

Annual Maintenance Contract (AMC) is required for continuous availability of IT resources to users. Scrutiny of records revealed that systems were not under maintenance contract at any places i.e. either at the SCRB Lucknow or in the test-checked DCRBs/GRP offices. This resulted in the system not being repaired for a long time and work hampering was noticed in test checked districts. The SP Banda intimated to the SCRB (August 2006) that DCRB server was not functioning for more than 14 months due to problem in motherboard but it was not repaired as of July 2008. The system provided to GRP, Lucknow for the CCIS purpose was not functioning for the last two years. The System (server and clients) provided to the DCRBs, Gorakhpur (from June 2008) and Varanasi (from July 2006) were not working and the CCIS work was withheld at these places as of July 2008.

Anti-virus software was required to be loaded on the system to protect the data from damage and corruption. This was also not installed on the system in any of the test-checked DCRBs and SCRB at Lucknow.

In reply, the SCRB stated (August 2008) that there was no provisions for AMC and Anti-virus software. In absence of these measures smooth functioning of system cannot be ensured.

3.3.8.4 Instances of system crashes

Scrutiny of records revealed that the system crashed at the DCRB Lucknow in 2004, GRP, Lucknow in 2005, DCRBs, Varanasi, Gorakhpur, Mathura and Unnao in 2006 and DCRB at Rae Bareilly in 2008. Retrieval of data from different servers in these cases took 7 days to 90 days. In DCRB, Allahabad, the system crashed in July 2007 and remained non-functional up to May 2008. Due to frequent server crashes and no provisions for AMC, the continuity of work was adversely affected.

¹ DCRBs – Meerut, Allahabad, Agra, Varanasi, Rai Bareilly, Unnao, Lucknow

3.3.9 Conclusion

Computerisation of crime records in the Police Department could not achieve its intended objectives. The CCIS is yet to become fully operational even after twelve years of its inception. During 2003-07, 6 to 34 DCRBs/GRP offices did not forward the crime data to the SCRB at all. Consequently, computerised crime data at state level remained incomplete and extent of availability of details in electronic format was only six *per cent* in proportion to the total crime records prepared manually at state level. None of the Management Information System reports envisaged in the schemes to be prepared from the CCIS data was being prepared by SCRB/DCRBs/GRP offices. The CIPA project functioned partially only in 59 PSs against 137 PSs where hardware were installed. Thus, no tangible benefits from the computerisation in the State Police Department occurred as of August 2008.

3.3.10 Recommendations

- A comprehensive IT strategy and policy should be prepared with well defined role of all officials and to integrate IT into core departmental business processes and organisational goal.
- Department should evolve a mechanism for ensuring that data entry of requisite records is done by all the units at district and PS level. Steps may be initiated to ensure that all districts send the electronic data to SCRB for consolidation of crime records at the state level.
- There should be sufficient trained staff at PSs and alternative power supply for uninterrupted functioning of CIPA.
- Government should specify the timeline for implementation of CIPA for all four phases of its implementation so that delays in implementation are avoided.

PUBLIC WORKS DEPARTMENT

3.4 Computerization in the Public Works Department

3.4.1. Introduction

The Public Works Department (PWD) plays a dominant role in the field of construction and maintenance of road network, bridges and assigned buildings throughout the state. To deliver on this mandate the administrative department is divided into Zones, Circles and Divisions for work planning, execution and control. To automate business processes and to strengthen financial and management operations of the department throughout headquarters and field units, Government decided (March 1998) to computerize the functioning of the PWD and accordingly accorded Administrative and Financial sanction of Rs 3.51 crore for the computerization project.

3.4.2. Computerization process

At the project planning stage, M/s Computers Maintenance Corporation India Ltd. was engaged (February 1999) to conduct a detailed system study to determine the parameters for areas to be computerised. On the recommendations of the study report, 11 modules with their functionality viz. Establishment, Budget, Planning, Execution, Accounts, Work Monitoring, Electrical & Mechanical, Architecture, Bridges, Complaints & Grievances, and Court Cases & Litigation were proposed to be developed. Subsequently, one additional module 'Loan Administration Change Initiative' (LACI) for monitoring of works undertaken under the World Bank (WB) projects was also proposed to be developed.

The work of computerization was planned (October 1999) to be executed in three phases. Details are as under:

Phase	Planned computerization
I	To connect all the nodal divisions of the districts in state from the district level up to the PWD headquarters and further to PWD Secretariat at the Government level
II	Connectivity of remaining working divisions including National Highway divisions, zonal Chief Engineers with PWD headquarters at Lucknow.
III	All the Circle Officers were to be connected. To connect PWD offices with offices of Chief Development Officers and other District Officers.

Plan was, however, revised (December 2000) and it was decided that nodal divisions of three zones viz. Lucknow, Agra and Varanasi including PWD headquarters and PWD Secretariat at the Government level would be computerised and connected in Phase-I. Remaining nodal divisions of phase-I were to be taken up for computerization after development of the application software and implementation in selected three zones.

The PWD on the basis of tendered rates awarded (July 2001) the work of computerization in three selected zones under phase I to M/s Tata Consultancy Services (TCS) at a cost of Rs 3.71 crore on turnkey basis. The TCS was

responsible for (i) design, development, testing and implementation support of application software; (ii) supply, delivery and installation of hardware at the specified locations; (iii) setting a communication network consisting of network hardware and accessories; (iv) provide warranty support (36 months) and annual maintenance (36 months) for both hardware and application software and (v) general awareness training and specialised application software training to the PWD staff.

Project Management was the responsibility of TCS whereas PWD was to constitute a team headed by a Project Coordinator for coordinating with the TCS. The proposed architecture of the computerised system was based on client-server configuration with local area network at each location for transfer of data between different locations through dial up connection. Application software using MS SQL 7.0 for database layer and Visual Basic 6.0 for presentation layer was proposed.

3.4.3. Organisational set up

At the Government level, Principal Secretary, Public Works Department (PWD) and at the department level Engineer-in-Chief, were responsible for implementing and monitoring of the computerization project. Project Director (Superintending Engineer, Computerization) under the Chief Engineer was responsible to ensure implementation of the computerization project. The Executive Engineer (computerization) was responsible to coordinate with executing agency for day today activities.

3.4.4. Benefits of computerization

Following benefits were envisaged to accrue from the proposed computerization system:

- Efficient information storage, flow and retrieval;
- Tool for decision making by providing quick query support;
- Reduced tedium of manual data compilation and duplication;
- Accelerated data analysis and reporting;
- Validation and exception reporting;
- Ready reckoner for statistical data; and
- Efficient data transfer between offices and within the office.

3.4.5. Audit objectives

Audit objective was to assess development and implementation of the computerization system with respect to achievements of the organisational goals and efficient use of resources.

3.4.6. Scope of audit

The records relating to the computerization project were scrutinised during June 2008 to August 2008 in the office of the Executive Engineer, Computerization, Lucknow to evaluate the effectiveness of the development and implementation of the computerization project with reference to the stated objectives.

Audit findings

3.4.7. Non- implementation of computerization project

3.4.7.1 Non- involvement of PWD during system requirement and design stage

Development of the System Requirement Specification (SRS) and System Design Document (SDD) are pre-requisite for software development. The SRS document provides complete statement of functionality to be provided by the system whereas SDD highlights various inputs, outputs, queries, database design, general data flow and details of each process. The SRS document was to be prepared by the TCS whereas its approval was to be given by the PWD. However, no officer was designated as competent authority on behalf of the PWD to accord the approval.

TCS developed the SRS module-wise and made presentations (October-November 2001) for review and approval by the department. Approval to the consolidated SRS was accorded (28-11-2001) by the department in a meeting held by PWD officials. However, no module-wise approved SRS document certifying the correctness and completeness of the functionalities as specified for each module was available with the department.

The system design development was carried out by the TCS but the document was not made available to the PWD as the same was not specified in the contract to be delivered to the PWD. Absence of the SDD document made it difficult for the department to understand the database structure designs, linkages between tables, validation checks imposed and logics in the system as stated by Executive Engineer (March 2003) during testing of the application software.

Thus, lack of involvement of the PWD during SRS and SDD stage led to design faults as modules were conceived by TCS without the involvement of departmental users and staff. Several problems were encountered during capturing of the master and historical transaction level data during creation of the database which was pre-requisite to make the system functional.

3.4.7.2 Acceptance and implementation of software

As per the acceptance criteria specified for acceptance of the application software, the TCS was to submit the application software to the department after carrying out testing at the system development stage. The Department was to carry out the beta/acceptance testing strictly against the approved SRS

within 30 days of its submission. Comments/defects if any, were to be rectified by the TCS (within 15 days) and final acceptance was to be provided by the department within 15 days after its re-submission. Acceptance and implementation of the system was the primary responsibility of the PWD, whereas, implementation support of 90 days was to be provided by the TCS at all the specified locations after final acceptance of the application software.

TCS started module-wise delivery of the application software for acceptance testing in June 2002 and completed the same by July 2002. Acceptance letters were provided to the TCS between October 2002 and February 2003 by the Superintending Engineer/ Computerization on the basis of sign-offs given by concerned nodal officers for different modules, without getting the functionalities and beta testing done and examination of developed modules. No module was tested by the nodal officers as 291 reports to be generated by the system on the test data were not available with the department.

After completion of the module-wise acceptance testing the TCS delivered (March 2003) the integrated application software for testing. However, acceptance of the integrated software was delayed by the PWD, as during testing of the same by EE/Computerization, none of the modules was found free from error and failed in beta/testing. The TCS was requested to rectify the logical and technical problems of the software to make it workable and user friendly. The fact clearly proves that initial acceptance was provided without fully ascertaining the functionalities of the individual modules and dependencies of one module on the other to make the system functional.

TCS reworked on the modules and supported the move of the PWD to do acceptance testing afresh on the live data, however, no results could be achieved due to unattended software problems, new requirements introduced and non-completion of data entry work.

Thereafter, it was decided during the meeting held (November 2003) with the Secretary, PWD that application software be implemented with effect from 1st January 2004 after carrying out desired modifications at all the 37 specified locations. The TCS did not, however, implement (December 2003) the application software on the plea that final acceptance of the application software was pre-requisite for implementation of the system.

Non-implementation of the application software by the TCS and non-payment of the outstanding dues to the TCS, resulted in a dispute which adversely affected the progress of work as TCS suspended the computerization work during 2004-2005.

To resolve the dispute, a high level committee was constituted (April 2006) by the Government after more than two years. The committee reviewed the performance of the modules on the basis of presentations made by the TCS and found them acceptable to the department and approved payments (November 2006) due to TCS on the condition that the TCS would implement the application software at all the specified locations. However, even after payments were released (December 2006) to TCS, software was not implemented despite repeated requests to the TCS.

The TCS replied (March 2007) that as per conditions of the contract primary responsibility of implementation was of the PWD and implementation support period of 90 days elapsed way back after acceptance of application software (module wise acceptance was given in February 2003). Although implementation support was to be given on implementation of the application software at the specified locations, TCS did not provide the same at any of the specified locations except the PWD headquarters.

Against the contract price of Rs 1.34 crore for the design and development of the application software, payment of Rs 1.13 crore was made to TCS viz. Rs 26.81 lakh (November 2001) as 20 *per cent* mobilisation advance, Rs 26.81 lakh (up to December 2002) as 20 *per cent* against submission of the SRS document and Rs 59.41 (during 2005-06) as 40 *per cent* against acceptance of the application software).

Actual expenditure incurred on system software procured and year-wise position of allotment and expenditure figures was not made available to audit.

Thus, implementation of the system could not be achieved at any of the 37 specified locations of Phase I nor online connectivity established mainly due to hurried initial acceptance of the application software and lack of involvement of top management and clear demarcation of duties amongst different functionaries of the department. No fruitful results were achieved even after lapse of seven years, rendering expenditure of Rs 1.13 crore on development of the application software as unfruitful.

3.4.7.3 Ineffective project handling by PWD

Scrutiny of records further revealed following points that led to unsuccessful implementation of the application software :

- The PWD failed to provide and capture the flow of information, as required for making the system functional. Capturing of the master data was pre-requisite for transactional data entry and functionality of the application software. However, despite repeated instructions and target date (February 2003) set by the Engineer-in-chief for timely completion of data entry work, it could not be completed in time mainly due to non-availability of dedicated personnel to coordinate and enter the data. Out of 119 tables for master data, data was entered only in 73 tables. No data in respect of transactions could be entered in absence of master data. Even the partial master data that was captured was incomplete and was not verified for correctness by the nodal officers.
- No cut off dates were specified for capturing of the historical data which also led to delay in data entry work. One of the reasons for non-capturing of the historical data was that the software was developed mapping the current financial rules whereas historical data not conforming to the financial rules was rejected due to checks imposed in the system as pointed out by SE/Lucknow Circle.

- Dedicated phone lines were not provided for network connectivity. As such, data transfer could not be established between the divisions and the Zone/Circles as envisaged.
- Issue of creation of employee-ID was raised by the TCS repeatedly during the acceptance testing phase vide their progress report (June 2002 to December 2002) but the same could not be resolved by the department. Creation of employee-ID was pre-requisite for creating a user in the system thereby providing operational access to the application software.

Thus, due to improper project handling implementation of the application software which was to be completed by September 2002 at all the specified locations of phase I could not be accomplished nor intended benefits of computerization achieved.

3.4.7.4 Non-utilisation of hardware and networking equipment

Against the contract price of Rs 1.56 crore for procurement of the hardware and networking equipment, full payments were made to TCS. The procurement of the hardware was not synchronised with the development of the application software and was installed at all the locations during February 2002 even though testing of the application software was to be carried out at PWD headquarters and specified divisions of Lucknow only. Server and client machines, networking equipments installed at locations outside Lucknow could not be utilised for the purpose for which these were procured and were used for merely typing purposes. Thus, 37 Server machines procured were grossly underutilized whereas networking equipment were kept idle in absence of establishment of Local and Wide area network connectivity.

At the test checked divisions of Lucknow zone, no records of acceptance of specifications of the hardware were available; which was to be carried out by running diagnostics routines. Further, no records were maintained in respect of receipt and issue of the hardware and software items procured. Details of system software which were procured for the Server and Client machines were not available at the three test-checked divisions.

Audit further observed that the department terminated (June 2005) the hardware maintenance clause on the grounds that during the warranty period TCS did not perform its functions properly. It was also stated that 90 per cent of the Server machines, UPS and printers were either not in use or were out of order.

3.4.7.5 Loan Administration Change Initiative module

The Loan Administration Change Initiative (LACI) module designed as an independent stand-alone module to enable delivery and usage at start of financial year 2002-03 was developed and delivered by TCS (April 2002) as extra item at a cost of Rs 7.50 lakh. Module acceptance of which was accorded (October 2002) ahead of the other modules to enable use of the module for WB aided State Road Project-II. However, later on, changes were proposed in

the WB module and it was proposed to integrate it with the other eleven modules of PWD computerization project. In absence of implementation of the application software for PWD computerization, the LACI module could not be put to functional use even though hardware and networking equipments amounting to Rs 37.28 lakh were procured by Chief Engineer/WB under State Road Project-II (WB project) by entering into agreement with TCS (July 2001). The hardware procured could not be utilised optimally and was used for letter typing and limited use of spreadsheets in absence of availability of the LACI module.

3.4.8 Current status

The computerization project failed as the system could not be implemented at any of the specified locations even after lapse of seven years. It was decided (August 2008) by the department to go in for Arbitration against TCS for non-fulfillment of its obligation. Notice for the same was served on the TCS (August 2008).

3.4.9 Conclusion

To accomplish complete automation of business process, only installation of hardware and software is not sufficient but involvement of top management and necessary changes in practices/methods is also required. Audit observed that Department lacked on both the fronts as neither the hardware could be utilised in absence of the application software nor dedicated and trained manpower could be mobilised to handle the project. The objective to automate business processes of the department throughout headquarters and field units could not be achieved as not a single module of the application software out of eleven could be made functional even at one location. As a result, the department had to continue with the exiting manual system.

Thus, even after incurring expenditure of Rs 2.69 crore the envisaged benefits of automated Management Information System to enable PWD better perform its mandate was not achieved.

The matter was referred to the Government (September 2008); replies have not been received (October 2008).