

PRESS BRIEF

The Report No. 3 of year 2019 on Social, General and Economic Sectors (Non-Public Sector Undertakings) of the Comptroller and Auditor General of India for the year ended 31 March 2018-Government of Haryana was presented to the Legislative Assembly on 26 November 2019 in accordance with Article 151 of the Constitution of India.

The Report comprises of three Chapters. **Chapter 1** contains the financial profile of the State, planning and conduct of audit and follow-up on Audit Reports. **Chapter 2** deals with the findings of one Performance Audit on working of Chaudhary Charan Singh Haryana Agricultural University. **Chapter 3** deals with audit findings on Compliance Audit in various Departments comprising 23 paragraphs relating to excess, irregular, unfruitful expenditure, avoidable payments, losses to State Government, shortcomings in implementation of rules and programmes, etc.

The Audit findings included in this Report have a total money value of ₹ 16,715.89 crore. Some major findings are mentioned below:

Chapter 1 - Introduction

Some of the significant points of Chapter I are summarised below:

- The total expenditure of the State increased by 89 per cent from ₹ 46,598 crore to ₹ 88,190 crore during the period 2013-14 to 2017-18 while the revenue expenditure increased by 75 per cent from ₹ 41,887 crore to ₹ 73,257 crore during the same period. The revenue expenditure constituted 75 to 92 per cent of the total expenditure while capital expenditure was seven to 15 per cent during the period from 2013-14 to 2017-18.
- An amount of ₹ 1.31 crore was recovered in 60 cases during 2017-18 by various departments after being pointed out by the Audit through Inspection Reports.
- A review of Inspection Reports (IRs) issued to various offices of Police Department revealed that 522 paragraphs of 163 IRs with money value of ₹ 531.32 crore had remained outstanding at the end of September 2018.

Chapter 2 - Performance Audit

Haryana Agricultural University was established in February 1970 at Hisar and renamed (31 October 1991) as Chaudhary Charan Singh Haryana Agricultural University, Hisar (the University) with main objectives to impart education in agriculture, agricultural engineering, home science and other allied sciences; advancement of learning and research; and to undertake the extension of such sciences to the rural people in the State. A performance audit of the University

brought out deficiencies in financial management, manpower management and infrastructure development which impaired the ability of the University to achieve its overall objectives. Some of the significant audit findings are summarised below:

- Grants of ₹ 3.12 crore were lying unspent as source and purpose for which the grants were received were not known. Temporary advances of ₹ 22.22 crore remained unadjusted.
- There was shortfall in enrollment in PG Diploma and MBA courses ranging between 40 and 56 *per cent* in College of Agriculture, Hisar and College of Basic Sciences and Humanities, Hisar.
- There was shortage of 55 *per cent* teaching staff and 41 *per cent* non-teaching staff in the University.
- There was lack of basic amenities in hostels of University campus; the maintenance of two hostels was very poor. Similarly, condition of Brahmsarovar hostel located at Kaul was very poor.
- Tissue culture laboratory was lying non-functional for want of specialized scientist.
- Out of 100 research projects funded by other agencies, only 49 research projects were completed and 51 projects remained incomplete.
- Out of 56 technologies identified for Intellectual Property Rights (IPR), IPRs were obtained in respect of only 13 technologies.
- Only 44 *per cent* and 50 *per cent* cultivable land of Ram Dhan Singh Seeds Farm was utilised during Kharif and Rabi seasons respectively. Further, there was failure of crops in Kharif and Rabi seasons due to not making arrangement for irrigation despite availability of funds.
- Out of nine Krishi Vigyan Kendras (KVKs) test checked, there was under utilization of cultivable land in five KVKs.
- New crop varieties were not propagated through Front Line Demonstrations (FLDs) in a large number of new varieties; on the other hand FLDs were conducted on old varieties. Further, there were cases of non-adoption of new crop varieties by farmers.
- Community radio stations were not established in six KVKs despite release of funds of ₹ 1.18 crore during 2011-13.

Chapter 3 - Compliance Audit

Chapter 3 contains audit observations highlighting deficiencies in working of various departments which had serious implications. Some of the significant points are summarized below:

- Though availability of urea was adequate yet there were systemic deficiencies. Buffer stock of urea was not maintained as against the target of procuring 38.79 lakh metric tonne (MT) urea, only 17.74 lakh MT urea was procured. Use of urea was in excess of norms ranging between 1.54 and 53.23 *per cent* in test-checked districts. Further, quality control mechanism was not adhered to, as there were instances of shortfall in collection of fertiliser samples (as against the target of collection of 6,267 samples, 4,709 samples were collected), underutilization of fertilisers Quality Control Laboratories, inadequate action against the dealers whose samples were found sub-standard as legal action was initiated against only nine dealers while adequate action was not taken against 37 dealers. Soil testing laboratories were also underutilized as shortfall in analyzing samples of soils ranged between 13.49 *per cent* and 45.92 *per cent* resulting in slow implementation of soil health cards scheme.
- Water Cell for management of ground water was operating with skeleton staff which impaired the ability for carrying out its activities. As against the targets of constructing 471 Rain Water Harvesting structures (RWHs), only 241 were constructed. Similarly, only 242 piezometers were installed against the target of installing 339 piezometers. No training was imparted to farmers for minor irrigation. There was non-compliance of conditions of No Objection Certificates for drawal of ground water and there were instances of non-installation of water meters, construction of tubewells in excess of prescribed limits, non-installation of piezometers, non-construction and maintenance of RWHs.
- Food, Civil Supplies and Consumer Affairs Department raised claims of ₹ 66.31 crore as differential amount between final and provisional procurement incidental charges from Food Corporation of India with a delay of upto 979 days which led to avoidable interest burden of ₹ 7.88 crore on State exchequer.
- The District Food Civil Supplies and Consumer Affairs Controllers of Fatehabad and Ambala districts registered two rice millers for custom milling without assessing their financial and technical capabilities and without obtaining requisite guarantees and third party sureties. This caused a loss of ₹ 24.04 crore to the State exchequer as 14,904 Metric Tonne (MT) paddy was suspected to be misappropriated by these two rice

millers in connivance with officials of the Department and Haryana Agro Industrial Corporation Limited.

- An audit of collection of samples and laboratory analysis of medicines in Ambala, Kurukshetra and Panchkula districts brought out that out of total 1,846 licensee units, samples were drawn from only 314 units and 1,532 licensee units remained unchecked; sample analysis reports in case of 53.45 *per cent* samples were issued after a delay of more than six months; and where sample was found not of standard quality, action for recalling and issuing alert was initiated with inordinate delay which was fraught with the risk of consumption of substandard drugs by public. Destruction of substandard drugs was not monitored and subsequent batches were not checked. Risk of manufacturing, distribution and sale of substandard drugs was high with serious implications for health and even lives of general public.
- There were shortcomings in procurement of medicines and equipment such as delay in processing of the indents, award of rate contract to ineligible firms, inadequate price comparison leading to extra expenditure of ₹ 1.25 crore and non-levy of penalty of ₹ 1.09 crore for non-supply of medicines. Availability of medicines at medical facilities was inadequate. Procedure followed for local purchase of medicines was not uniform and lacked transparency. Further, equipment worth ₹ 1.81 crore were lying unutilised at facilities.
- The State Government failed to appoint Chairperson of the State Police Complaint Authority since August 2013 and the Authority remained non-functional. As a result of this, 681 complaints received since August 2013 remained unattended which not only defeated the legislative intent for setting up the Authority but also the expenditure of ₹ 1.24 crore incurred on pay and allowances of staff posted therein was rendered wasteful.
- Commencement of construction of flats by Housing Board Haryana in Rohtak without obtaining consent of allottees for increased costs and without ascertaining the viability of the project, resulted in wasteful expenditure of ₹ 8.98 crore on the project that was eventually abandoned.
- Information technology audit of e-procurement system brought out that the e-procurement database inducted in the State was fraught with the risk of backend interventions due to non-segregation of duties between database administrator and system administrator. Supervisory review of access logs has not been conducted and remote log server has not been provided. The validation checks were inadequate resulting in providing insufficient time for bid submission, multiple registrations of vendors,

opening and withdrawal of bids after tender closure, capturing of invalid information, etc. Audit trail was not maintained for tracking the history of transactions. The Director, Supplies and Disposals, Haryana (DS&D) had not got implemented contract and catalogue management modules and purchase orders were not being generated online as envisaged.

- Industries and Commerce Department implemented the revised inspection fee for boilers after a delay of 23 months from the Government of India notification which resulted in short realization of ₹ 1.45 crore.
- The project of construction of canals at Sirsa district for augmenting irrigation coverage and improving ground water table was delayed by two and half years due to delay in execution of critical activities like remodeling of the feeder canal, delay in acquisition of land and delay in demarcating the trees required to be felled. The expenditure of ₹ 40.14 crore incurred on the project remained unfruitful.
- The expenditure of ₹ 13.11 crore incurred on the incomplete sewerage treatment plant having capacity of 40 million liters per day (MLD) at Rohtak was rendered unfruitful as untreated sewage was being discharged in violation of the Environment (Protection) Rules, 1986.
- Initiating two water supply schemes at Matani (Bhiwani) and Khorda (Charkhi Dadri) without proper assessment of the source of raw water and lackadaisical approach in completing the projects rendered the expenditure of ₹ 10.47 crore (₹ 9.01 crore + ₹ 1.46 crore) incurred on the schemes unfruitful, besides depriving the habitants of potable water.
- Delay of 508 days in depositing the funds for making payment to landowners for construction of Rohtak-Meham-Hansi railway line, resulted in avoidable interest payment of ₹26.24 crore.
- Revenue and Disaster Management Department paid excess compensation of ₹ 3.07 crore to 727 farmers of Farukhnagar (Gurugram), Sirsa and Rania (Sirsa) Tehsils for crops damaged by hailstorms for affected area above two hectares in contravention to instructions issued by the Government of India and State Government.
- Deficient monitoring by Haryana School Shiksha Pariyojna Parishad led to slow progress in construction works and non-release of further funds by Government of India under Rashtriya Madhyamik Shiksha Abhiyan. There were instances of release of funds of ₹ 62.50 lakh without assessing requirement, non-recovery of ₹ 12.30 lakh from defaulters and suspected embezzlement of ₹ 2.03 lakh. Under Vocational Education Scheme, against the target of constructing 406 laboratories, only 194 were

completed. 29 girls' hostels constructed at a cost of ₹ 47.18 crore were lying unoccupied. Deployment of teachers was not equitable in the State, as student-teacher ratio was high (between 36.2 and 44 against the norm of 30) in backward areas and low (between 17.08 and 20.79) in the schools located near district/block headquarters.

- Undue favour in granting of licences by the Town and Country Planning Department to two colonisers without assessing financial adequacy led to outstanding Government dues of ₹ 180.58 crore.
- There were instances of non-initiation of action against defaulters, inadequate efforts for auction of 24,355 un-allotted properties in developed sectors hampered the revenue generation in Haryana Shahri Vikas Pradhikaran. Non-reconciliation of allottee ledgers led to non-detection of fraud of ₹ 17.18 lakh, perspective plan for time bound development of acquired land was not prepared. Further, delay in recovery of enhanced land compensation of ₹ 17,302.19 crore, non-recovery of external development charges of ₹ 19.55 crore, continuance of business in resumed properties, non-recovery of ₹ 43.59 crore on account of water and sewerage charges and outstanding rent in respect of leased property such as petrol pumps, liquor vends impacted revenue generation in Haryana Shahri Vikas Pradhikaran.
- The work of construction of Multipurpose Hall in Tau Devi Lal Sports Complex, Gurugram was awarded by Haryana Shahri Vikas Pradhikaran without preparing structural design and detailed estimate. The contractor executed the work only upto the foundation level after incurring an expenditure of ₹ 21.50 crore against the administrative approval of ₹ 22.75 crore. The work has remained incomplete even after two years from stipulated date of completion.
- The cost of construction of indoor stadium located at Faridabad increased by ₹ 15 crore due to increase in scope of work after award of contract. Project cost was enhanced by adding new items of work and without following due procedure. The work is yet to be completed even after a lapse of more than three years from scheduled date of completion and after incurring an expenditure of ₹ 20.39 crore.
- Haryana Shahri Vikas Pradhikaran (HSVP) irregularly allotted additional road work to the same contractor by enhancing value of contract from ₹ 9.54 crore to ₹ 52.15 crore instead of calling for fresh tenders. Besides, no time limit had been fixed for completion of the entire work and only six *per cent* roads had been constructed in two years. Further, Government

interest remained unprotected due to not obtaining performance guarantee of ₹ 2.60 crore.

- Allotment of works by Haryana Shahri Vikas Pradhikaran without acquisition of land and failure to ensure availability of encumbrances free land for the projects, the master water supply projects in Gurugram and Sonipat remained incomplete rendering expenditure of ₹ 300.76 crore idle and resulted in blockade of ₹ 26.35 crore on pipes yet to be laid. Besides, the faulty Detailed Notice Inviting Tender with irregular provision for purchasing 8.75 acre land by contractor for laying pipe line had adversely affected the competitive bidding in Sonipat. The intended benefit of providing drinking water to inhabitants could not be derived.
- Procurement of buses with higher technical specifications, without upgrading the workshop facilities/technical skills of the mechanics and non-arrangement of annual maintenance contract, led to underutilization of 317 buses out of 418 buses and consequent loss of ₹ 48.81 crore. Transport Department also paid ₹ 1.91 crore on account of insurance and road tax on the off-road buses, which was avoidable.