

OVERVIEW

This Report contains three chapters containing five reviews including one Information Technology Audit review and 14 paragraphs based on audit of certain selected programmes, schemes, activities and transactions of the Government.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. The specific audit methodology adopted for audit of programmes and schemes has been mentioned in the reviews. The audit conclusions have been drawn and the recommendations made taking into consideration the views of the Government, wherever received.

Audit comments on the performance of the Government in implementation of some programmes and schemes are given below:

1. Salinity Ingress Prevention Programme

The progress of implementation of the Salinity Ingress Prevention Programme in the State was slow. As a result, an increase in the area affected by salinity ingress was noticed. Despite recommendations by High Level Committees (HLCs) appointed by the Government, no groundwater legislation was enacted to restrict and regulate the withdrawal of groundwater. Works of Bandharas and Spreading Channels could not be completed due to non-acquisition of land. Tidal Regulators were not functioning and Bandharas and Spreading Channels were found to have been constructed in upstream areas in deviation of the recommendations of the HLCs. The pace of execution of works for construction of Check Dams, Recharge Tanks, Nala Plugs etc., was not satisfactory. Impact of salinity ingress was observed on agriculture produce and groundwater quality.

The HLCs recommended (1978-1984) completion of all structures within seven years, but only 41 *per cent* of structural works was completed as of March 2010. The pace of completion of construction work was very slow in Madhavpur-Malia and Malia-Lakhpat reaches where only 26 and 29 *per cent* of the works were completed respectively as of March 2010. To avoid lapse of a Twelfth Finance Commission grant, ₹50.37 crore was withdrawn and deposited with other offices/divisions. Gates of the Rukmavati Tidal Regulator were not functioning despite incurring expenditure of ₹50.28 lakh on its repairs/maintenance. Twenty-two Bandharas were constructed away from the mouths of rivers. In seven cases, infructuous expenditure of ₹ 43.11 crore was noticed due to incomplete works for want of required land. Expenditure of ₹1.92 crore on the Wandh Bandhara proved wasteful due to location of a mega power plant in the upstream area of the Bandhara. No High Level Review and Monitoring Committee was constituted. Evaluation and impact analysis of structural works was not carried out even after issuance of a direction by the Government.

(Paragraph 1.1)

2. Chiranjeevi Yojana

The State could not achieve the intended goal of bringing down its Maternal Mortality Rate (MMR) and Infant Mortality Rate (IMR) from 3.89:1000 and 57:1000 respectively in 2005-06 to 1:1000 and 30:1000 respectively by March 2010 despite

launching (2005-06) the Chiranjeevi Yojana. In 40 *per cent* (93 out of 231) talukas of the State, no Empanelled Private Practitioners had joined the Yojana even in the fifth year after its launch. Entitled beneficiaries under the scheme (Below Poverty Line (BPL) expectant mothers and eligible Above Poverty Line (APL) expectant mothers) were not provided/short provided transport charges in a number of instances. Chief District Health Officers had not established a system for cross-checking of BPL claims furnished by Empanelled Private Practitioners under the Yojana, in the absence of which, there was a risk of processing of bogus and fraudulent claims.

Release of funds without assessing requirements resulted in blockage of ₹48.62 crore. In the six test-checked districts, ₹27.93 crore was lying unspent as of 31 March 2010. Utilization certificates of ₹22.27 crore were pending from Chief District Health Officers as of 31 March 2010.

(Paragraph 1.2)

3. Procurement of Medicines, Drugs and Equipment

The procurement of medicines, drugs and equipment by the Health and Family Welfare Department was made through the Central Medical Stores Organization (CMSO), Gandhinagar. Failure to fix rate contracts for medicines in the formulary list forced the hospitals to purchase essential medicines locally. Orthopaedic implants were procured from unlicensed suppliers/manufacturers. Pre-despatch testing was not followed and the system of testing samples was deficient. Cases of irregularities in procurement and poor utilisation of equipment were noticed. Comprehensive maintenance contracts were awarded for machinery and equipment already under such contracts. Equipment remained unutilized due to non-supply of consumables.

The CMSO failed to supply medicines and surgicals in the quantities indented by the hospitals. The percentage of short supply against the items indented during 2007-10 ranged between 23 and 85 in respect of tablets, between 32 and 69 in respect of injections, between 20 and 56 in respect of surgical goods and between 44 and 86 in respect of instruments. Laboratory test results of samples of drugs and medicines were delayed by more than six months, making the testing process ineffective.

(Paragraph 1.3)

4. IT Audit of Integrated Workflow and Document Management System (IWDMS)

As a step forward in implementation of e-Governance, the Government entered into an agreement in March 2005 with Tata Consultancy Services (TCS) to develop an application system named Integrated Workflow and Document Management System for efficient management of workflow of documents and files to bring effectiveness and transparency in Government administration. IT audit of this system revealed that out of the total of 304 Department Specific Applications, User Requirement Specification (URS) for 65 applications were not prepared while for 177 applications, URS were prepared but approval of users was not obtained. System Requirement Specifications and the System Design Document were not prepared by TCS. Out of 304 User Acceptance Specification Reports prepared, 43 reports had signatures without the designations of the officials who had approved the same. The duties of

‘Developer’, ‘Implementing Agency’, ‘System Administrator’ as well as ‘Database Administrator’ were carried out by TCS, which gave them unlimited rights and access to the application/system.

(Paragraph 1.4)

5. Audit of Transactions

Audit of transactions in various departments of the Government and their field offices revealed cases of loss, infructuous and wasteful expenditure, unfruitful expenditure, blockage of funds and other irregularities aggregating ₹26.39 crore as mentioned below:

- A case of misappropriation/fraudulent payment of ₹ 18 lakh due to non-adherence to the prescribed procedures in implementation of the Gujarat State Rural Employment Guarantee Scheme based on the provisions of National Rural Employment Guarantee Act was noticed.

(Paragraph 2.1.1)

- Infructuous /wasteful expenditure and overpayment of ₹8.42 crore was noticed in the Education Department (₹4.36 crore), Narmada, Water Resources, Water Supply and Kalpsar Department (₹ 90 lakh), Panchayats, Rural Housing and Rural Development Department (₹1.31 crore) and Roads and Buildings Department (₹1.85 crore).

(Paragraph 2.2.1 to 2.2.5)

- Avoidable/excess/unfruitful expenditure of ₹9.28 crore was noticed in the Narmada, Water Resources, Water Supply and Kalpsar Department (₹2.72 crore) and Roads and Buildings Department (₹6.56 crore).

(Paragraphs 2.3.1 to 2.3.4)

- Idle investment/idle establishment/blockage of funds of ₹7.64 crore was noticed in the Agriculture and Co-operation Department (₹4.57 crore), and Health and Family Welfare Department (₹3.07 crore) due to idling of a Nursing School building because of non-adherence to Indian Nursing Council specifications.

(Paragraphs 2.4.1 to 2.4.2)

- Short recovery of Labour Welfare Cess amounting to ₹ 87 lakh was noticed in the Education Department and the Labour and Employment Department.

(Paragraph 2.5.1)

6. Integrated audit of Higher and Technical Education wings of the Education Department

The department took up programmes on *ad hoc* basis without preparing Activity Plans which led to savings of up to 100 *per cent* of allocations besides non-establishment of a Teachers' Training University. Overpayment of grants of ₹ 1.24 crore was not adjusted while releasing subsequent grants. A Knowledge Consortium and a Knowledge Corporation were not activated due to lack of planning. The Digital English Language Laboratory (DELL) project, created at a cost of ₹ 18.12 crore, was not fully utilized and failed to achieve its objective of promotion of the English language through Information and Communication Technology. The benefits of e-libraries could not be passed on to the students. Cases of non-disbursement / delay in disbursement of scholarships were noticed. The teacher-student ratio was 1:57 in Higher Education as

against 1:30 prescribed for undergraduate courses and 1:10 for post-graduate courses by the University Grants Commission. Thirty-five colleges of technical education did not have access to free e-journals and e-books under the Indian National Digital Library in Engineering Sciences and Technology programme. The system of internal control was inadequate leading to inadequate monitoring of expenditure, improper maintenance of cash books and delayed credit of receipts to Government accounts. Delays in finalisation of retirement benefits and non-settlement of provident fund amounts were also noticed. Seven out of 10 universities had not submitted their accounts for periods ranging from three to 15 years.

(Paragraph 3.1)