

## OVERVIEW

This Report contains three chapters containing three Performance Audits, nine paragraphs based on audit of certain selected programmes, schemes, activities and transactions of the Government and one Chief Controlling Officer based Audit.

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 Performance Audits. The audit conclusions drawn and the recommendations have been made taking into consideration the views of the Government, wherever received.

### **1. Water Pollution in rivers, lakes and ground water in Gujarat**

The Performance Audit was undertaken to ascertain whether –

- Inventory of water sources has been prepared and whether the overall status of quality of water in rivers, lakes and groundwater has been adequately assessed;
- Risks of polluted water to health of living organisms and impact on environment have been adequately addressed;
- Adequate policies, legislations and programmes have been formulated;
- Programmes for pollution prevention, treatment and restoration of polluted water in rivers, lakes and ground water have been planned, implemented and monitored; and
- Programmes for the control of pollution had succeeded in reducing pollution levels in ground/surface water.

The State has not formulated any water policy specific to the State as it would result in unhealthy competition among States in relaxation of norms or industrial development. State had not identified keystone species associated with each river and lake and existing pollution level. Government was still analyzing contamination in lakes. Study of risks to seven wetlands out of 831 wetlands was conducted. Incidence of water borne disease had shown upward trend during 2009-10. National River Conservation Plan was implemented, but without conducting study on the level of pollution at the point of discharge. Out of 170 Urban Local Bodies, 158 had not established sewage treatment plants. Four major rivers were not selected for cleaning project. Monitoring of the Sabarmati River Cleaning Projects was not adequate.

Untreated sewages, domestic waste water, slaughter house wastage, etc. were discharged to Gorva lake, overflow of which resulted in further polluting Gotri lake. Common Effluent Treatment Plants were established for Small Scale Industrial units; but the individual industrial units did not effectively carry out

primary treatment before transferring it to the CETPs. At CETP, Veraval, out of 411 non-member units, one or other unit was discharging untreated waste water directly into natural open drain without proper pre-discharge treatment of waste water, which resulted in health hazards and environment pollution in the surrounding area of GIDC. Big industrial units of Hazira released treated water to the estuary of Tapi with high level hydro-carbon resulting in loss of fish-stock.

Water Quality Review Committee (WQRC) was set up (2002) to function as the nodal agency for compilation of reports, convening meetings of implementing/testing agencies. But WQRC had convened only six meetings (2003-11) and did not meet even once in 2006, 2007, 2009 and 2010.

**(Paragraph 1.1)**

## **2. Facilitation of drinking water supply in villages by WASMO**

The Performance Audit was taken up to ascertain whether –

- Centrally Sponsored Swajaldhara Scheme (14 districts), State sponsored Sector Scheme (11 districts) and Earthquake Rehabilitation and Reconstruction Scheme (Kachchh district) could ensure implementation and maintenance of ‘in village’ drinking water supply network throughout the State;
- National Drinking Water Quality Monitoring and Surveillance Programme could effectively monitor surveillance of all drinking water sources in villages; and
- State Government could achieve ‘Golden Goal’ of completing ‘in village’ water distribution in all 18200 villages of the State by the year 2010.

The State Government could achieve water distribution schemes in 7932 (44 *per cent*) villages by 2010. In violation of guidelines, wells were dug in private land benefiting the private land owners, who used these wells for irrigation purpose. WASMO dropped 276 village water supply schemes after their approval for want of social mobilization. There were delays ranging 18 to 45 months in rendering services of social mobilization, capacity development, etc. by the Implementation Support Agencies. Testing of water by Field Test Kits and feed back to affected villages, etc. had not achieved desired results. Operation and Maintenance Fund meant for Swajaldhara was paid to Gujarat Water Supply and Sewerage Board by Government of Gujarat.

WASMO sent UCs for ₹356.51 crore on the basis of allotment of funds. Mandatory audit of Chartered Accountants was completed only in 17 *per cent* Schemes. There was incomplete reporting of misappropriation cases; thus monitoring did not work efficiently.

**(Paragraph 1.2)**

### **3. Creation and utilization of infrastructure under Sports Authority of Gujarat**

The Performance Audit was undertaken to ascertain whether –

- Sports Authority of Gujarat undertook action to promote and develop sports activities in the State;
- Sports Authority of Gujarat constructed Sports Complexes in all districts with all modern facilities for indoor/outdoor sports under ‘Sardar Patel Sports Complexes’ (SPSC) scheme;
- Adequate mechanism existed to monitor the activities of Sports Authority of Gujarat; and
- Sports Authority of Gujarat drew up and implemented plans for promotion of sports by acquisition and maintenance of sports infrastructure at convenient places

The State Government had not framed any Sports Policy and training to sportsmen was imparted on the basis of National Calendar of School Games Federation of India. Coaches were deployed for administrative duties; deployment of coaches was not with reference to the facilities created. Sports Hostels were either not operational or intake was much less than their capacity. Decisions taken in General Body and Governing Body of the Sports Authority of Gujarat were not implemented.

Land for Sports Complexes were not allotted in five places and in three places, uninterrupted possession was not available. Roads and Buildings Department obtained grants for construction of Sports Complexes and expenditure incurred and user department had no control over it. The services of the architect engaged for construction of Sports Complexes were deficient; several extra/new items were introduced and excess quantities executed.

**(Paragraph 1.3)**

### **4. Audit of Transactions**

#### **Energy Management of pumping stations of Gujarat Water Supply and Sewerage Board**

Out of 66 HT connections having contract demand of 200 KVA and above, energy audit was done (2006-10) in respect of 13 connections (20 *per cent*) only. There were 81 HT connections in the test-checked 12 Divisions, of which in 15 connections, the actual demand was consistently less (2006-11) than the contract demand. The power supply company charged Gujarat Water Supply and Sewerage Board minimum demand charges (July 2001 to August 2011) aggregating to ₹1.42 crore, which resulted in avoidable expenditure on Electricity Duty of the said amount. It was noticed that Gujarat Water Supply and Sewerage Board was being irregularly charged Electricity Duty amounting to ₹6.81 crore (2006-11). It was also noticed that power supplier levied Power Factor adjustment charges of ₹1.20 crore (2006-11). Audit scrutiny revealed

that power supplier wrongly classified GWSSB under category (a) though these fell under lesser category (b) or (c) for power tariff resulting in excess payment of fixed charges/energy charges of ₹13.14 crore in respect of 302 LT connections.

**(Paragraph 2.1)**

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 ₹ 48.30 crore as mentioned below:

- A case of under-realisation of premium of ₹5.56 crore on account of reduction of the value of the land for the purpose of conversion of leasehold to freehold.

**(Paragraph 2.2.1)**

- Infructuous/wasteful expenditure and overpayment in Narmada, Water Resources, Water Supply and Kalpsar Department (₹ 7.99 crore) and Panchayats and Roads and Buildings Department (₹ 0.33 crore).

**(Paragraphs 2.2.2.1 to 2.2.2.3)**

- Avoidable/excess/unfruitful expenditure of ₹ 2.34 crore was noticed in the Narmada, Water Resources, Water Supply and Kalpsar Department (₹ 1.61 crore) and Roads and Buildings Department (₹ 0.73 crore).

**(Paragraphs 2.2.3.1 and 2.2.3.2)**

- Unauthorised parking of Government of India funds amounting to ₹3.35 crore was noticed in Education Department.

**(Paragraph 2.2.4.1)**

- Gujarat Maritime Board failed to recover its dues of ₹28.73 crore from a licensee on account of interest on belated payments and deficiency in wharfage not handled.

**(Paragraph 2.2.5.1)**

**5. Chief Controlling Officer based audit of Revenue Department**

The Chief Controlling Officer based audit of Revenue Department was undertaken to ascertain whether –

- Revenue Department effectively carried out the task of land management, recovery of land revenue, registration of land documents, survey, measurement and documentation of land records as well as adjudication of land disputes and levy of stamp duties, etc.;
- Revenue Department effectively carried out implementation of schemes and programmes of GOI and State Government;
- Revenue Department had an effective budget control in place;

- Revenue Department had an effective accounting procedure in place; and
- Internal control mechanism was effective to visualize all hindrances in carrying out the day to day affairs.

There were persistent shortfalls in achieving Annual Action Plans. Surplus land of 15,587 acres taken over by Government was not distributed among the needy. Delays of one month to six months were noticed in 71 *per cent* applications for changes in land records. A fund of ₹71.18 crore remained unutilized under a Strengthening of Revenue Administration and Updating of Land Records and National Land Records Modernization Programme.

Budgeting was unrealistic in view of the persistent and substantial savings. Drawing and Disbursing Officers deposited funds allotted to them for specific schemes in their Personal Leger Account. Several irregularities were noticed in the maintenance of Cash Book by different Drawing and Disbursing Officers. In 60 cases (nine DDOs) Detailed Contingent Bills for ₹10.58 crore were not submitted. Out of Government receipts of ₹74,689 (October 2008 to January 2011), ₹52,134 was remitted into Government account in March 2011 and ₹22,555 was not remitted (March 2011). Internal Audit was in arrears with Revenue Inspection Commissioner (75 *per cent*), Settlement Commissioner and Director of Land Records (six *per cent* to 60 *per cent*) and Superintendent of Stamps (21 *per cent* to 100 *per cent*).

**(Paragraph 3.1)**