

## Overview

This Report of the Comptroller and Auditor General of India on General and Social (Non-PSUs) Sectors, Government of Madhya Pradesh for the year ended 31 March 2013 includes six reviews and nine paragraphs dealing with the results of performance audit of selected programmes and departments as well as audit of the financial transactions of the Government departments/ autonomous bodies, societies, etc. Total money value of audit observations is ₹ 728.07 crore. A summary of the important findings is given below:

### 1. Performance Audits

Performance audit is undertaken to ensure whether the Government programmes/schemes/ departments have achieved the desired objectives at the minimum cost and given the intended benefits.

#### 1.1 National Rural Drinking Water Programme (NRDWP)

The Accelerated Rural Water Supply Programme (ARWSP) introduced (1972) by the Government of India (GoI) to provide every rural person with adequate safe water for drinking, cooking and other domestic needs was renamed (2009) as NRDWP with focus on sustainability of water availability and support activities like water quality monitoring.

While conducting performance audit of the implementation of NRDWP in the State for the period 2009-12, on the one hand we noticed reasonable progress in implementation of the Programme in the State. 'Defloridation' plants were installed in fluoride affected habitations, stop dams and roof top water harvesting structures were constructed for recharging purpose, piped water supply systems (PWSS) are being successfully run by the Panchayats and the multi-village PWSS are being constructed by the Department. On the other hand, we observed the following deficiencies in Programme implementation:

- Bottom up approach was not adopted for preparation of Comprehensive Annual Action Plan at State and District levels. The detailed habitation survey comprising the household requirement of drinking water was not conducted since 2003. Focus on paradigm shift from 80 *per cent* ground water based systems to 20 *per cent* was not considered during the course of planning. As a result, number of drilling of bore well increased.
- Huge Programme funds were released at the end of the year resulting in shortfall in achievement of year-wise targets. Adequacy in component-wise allocation and expenditure of resources was also not ensured. Payments of tender premium, centage charges and inadmissible works required to be debited to State funds were charged to Programme fund.
- Thirty-four *per cent* habitations still remained to be fully covered. Significant number of rural schools and anganwadi centres were not covered in the State. Maximum supply of drinking water was depended on handpumps instead of PWSS.

- Under Sustainability component, proper attention was not paid to ground water recharge. Due to depletion of ground water level and drying of sources, fully covered habitations were slipped back.
- Testing laboratories are yet to be strengthened in respect of infrastructure as well as of manpower to ensure the stipulated water sample testing.
- There was shortage of manpower in technical cadres in District Water & Sanitation Mission and Block Resource Centres which affected implementation of the Programme. Training was not conducted as per training calendar to ensure capacity building.
- State Level Committees did not meet regularly to ensure proper monitoring of the Programme. The data regarding achievement entered online were not authenticated by the competent authorities before transferring the same into Integrated Management Information System.

*(Paragraph 2.1)*

## **1.2 Review of working of Higher Education Department**

The Department is responsible to improve standards of education in Government and private educational institutions, research institutes, colleges and other educational institutions. A review of working of the Department during 2010-13 was conducted to assess performance of the Department in achieving its objectives. While the Department achieved the objectives of providing job placements for students, increase in enrolment and utilisation of IT software application, there were certain deficiencies in the functioning of the Department.

- There was absence of comprehensive database in the Department for preparation of Plans. Annual Action Plans were prepared on the basis of 10 *per cent* increase in targets of the preceding year and the financial ceiling laid down by the State Planning Commission.
- Budgetary and expenditure controls in the Department were deficient as reflected from under utilisation of Plan funds (up to 24 *per cent*) during 2010-13, last day surrender of funds (₹ 389.47 crore), non-reconciliation of expenditure figures with the Accountant General (Accounts & Entitlement), deficient maintenance of cash books and parking of funds for construction of college buildings in civil deposit for three years.
- The Department did not fix any norms for providing minimum infrastructure facilities in the colleges. Despite increase in the number of colleges and enrolment of students, there was lack of infrastructure and teaching staff which would affect the quality of education.
- The implementation of the beneficiary oriented schemes was not satisfactory. The targeted beneficiaries under various schemes i.e. *Gaon Ki Beti Yojana, Pratibha Kiran Yojana, Vikramaditya Free Education Scheme for Poor Class and Book Bank Scheme*, etc. did not fully accrue the benefits of the schemes. There were instances of delayed payment of assistance as well as excess/irregular payment of assistance to the students.
- Twenty five *per cent* of the sanctioned posts in Department were lying vacant as of March 2013. There was shortage of 1900 teaching staff

against the sanctioned posts of 7280. Improper deployment of staff led to excess deployment of teaching and non-teaching staff in 31 test-checked colleges.

- Internal audit was inadequate due to shortage of staff and monitoring mechanism was ineffective due to absence of periodical inspection.

*(Paragraph 2.2)*

### 1.3 Indira Awaas Yojana (IAY)

Government of India introduced (January 1996) Indira Awaas Yojana (IAY) for providing financial assistance to BPL household of all sections for construction of houses in rural areas. A performance audit of implementation of the IAY in the State during 2008-13 revealed the following deficiencies:

- Annual Plans were not prepared by any of the test-checked Zilla Panchayats (ZPs). In this regard, no instruction was issued by Development Commissioner to the ZPs. Allocation of targets of houses was done without proper weightage for housing shortage and SC/ST population, though envisaged in the Scheme guidelines.
- During the period 2008-13, nineteen *per cent* of the total targets of 2.40 lakh new houses and 17 *per cent* of total targets of 0.26 lakh upgradation of houses remained incomplete as of March 2013.
- Quality of construction of IAY houses was not ensured. During construction, technical guidance and supervision by the Department was not provided to IAY beneficiaries.
- Since convergence of the scheme Total Sanitation Campaign was not ensured with IAY, the IAY beneficiaries were deprived of the benefits of sanitary latrines.
- The unspent balances were beyond the prescribed limit of ten *per cent* during 2008-13. Central fund of ₹ 61.78 crore was short released due to slow spending by the districts.
- Providing assistance through DRI loan scheme to the beneficiaries was not arranged by the ZPs.
- The inventory of IAY houses was not maintained at district and block level.
- There was lack of monitoring of the scheme implementation at all levels. Inspection of IAY houses by district and block level officials was not done as per prescribed schedule.

*(Paragraph 2.3)*

### 1.4 Construction of Rural Roads under “Mukhya Mantri Gram Sadak Yojana (MMGSY)”

With a view to provide enhancement in socio-economic growth of the people living in rural areas, the “Mukhya Mantri Gram Sadak Yojana (MMGSY)” was introduced by the State Government in the year 2010-11. Under the MMGSY connectivity was to be provided with all-weather roads by the end of 2013, to such villages which were not covered under PMGSY i.e. in general category

villages having population of less than 500 and in tribal dominated villages having population of less than 250. The Rural Engineering Services, under the Panchayat and Rural Development Department executes the road works. A review of the Scheme revealed the following:

- Against the targeted 6726, only 2300 gravel roads (34 *per cent*) covering 2765 habitations were completed as of March 2013. Fifty six *per cent* of the total road length was done up to the level of sub-grade.
- An unspent balance of ₹ 826.28 crore remained in Civil Deposit Account at the end of March 2013, which was irregular, besides incorrect reporting of financial progress. Due to deficient planning about availability of labour through MGNREGS, ₹ 1555 crore originally provided under MGNREGS, was later provided from the State budget, which has put extra burden on the State exchequer.
- The planning for selection of roads was deficient. In the test checked districts, out of 3952 rural roads, 128 roads taken up in disputed land remained incomplete despite spending ₹ 5.60 crore. Similarly, due to non-clearance from Forest Department 623 road works in the State could not be started after lapse of three years.
- There were irregularities in appointment of consultants by accepting single bid thereby not availing the competitive rates. A consultancy firm debarred and restricted by the MPRRDA was awarded the consultancy by RES in six divisions for ₹ 7.07 crore.
- Though 350 DPRs were not found technically fit, payment of 25 *per cent* cost amounting to ₹ 85.81 lakh was made due to injudicious payment schedule, resulting in wasteful expenditure. In test checked divisions, 20 consultants failed to fulfill the conditions of NITs and criteria for evaluation of performance. The EEs paid ₹ 5.30 crore to them during 2010-13.
- Royalty was not deducted from the running account bills of the contractors.
- The Quality Control inspection by the State Quality Monitor (SQM) and Departmental Officers was inadequate.

*(Paragraph 2.4)*

### **1.5 Working of AYUSH Pharmacies**

The Ayurved, Yoga & Naturopathy, Unani, Siddha and Homeopathy (AYUSH) Department provides treatment under the Indian systems of medicines. Two Pharmacies i.e. Unani Pharmacy at Bhopal and Ayurved Pharmacy at Gwalior were set up to manufacture and supply quality medicines to the Ayush hospitals and dispensaries. A review of the working of the pharmacies revealed the following:

- Lack of planning for optimum utilization of production capacity of the pharmacies indicates general apathy towards working of the pharmacies. There was no working plan for optimum utilisation of production capacity of the pharmacies. Also there was absence of working manual. No yearly target for production was fixed except once in 2005.

- The pharmacies failed to produce medicine to meet the requirement of the hospitals /dispensaries and medicines were purchased from other agencies to meet their demand. The procurement of raw herbs, centrally by the Commissioner, was inadequate to meet the requirement for production of medicines, which ultimately resulted in short production. During the years 2009-10 and 2011-12, there was no procurement of raw herbs.
- There was huge process loss. In the absence of any norms for permissible process loss, the Department could not ascertain the excess loss.
- The pharmacies were to work on no profit no loss basis. However, for each rupee of medicine produced the expenditure was in the range of ₹ 2.93 to ₹ 7.02.
- The pharmacies were not fully equipped as required under the Drugs and Cosmetics Rules, 1945 and the available machinery/ equipment were not used fully for production of medicines.
- There were shortfalls in departmental inspection and audit of the pharmacies.

*(Paragraph 2.5)*

## **2 Compliance Audits**

### **2.1 Review of Implementation of “Ladli Laxmi Yojana (LLY)”**

Ladli Laxmi Yojana was launched (2007) by Women & Child Development Department of the Government of Madhya Pradesh to restore gender balance, prevent child marriage and educational improvement of girl child and to promote family planning. The following deficiencies were noticed in audit:

- The maintenance of records in respect of registration of child, date of receipt of applications at AWCs was inadequate. The eligibility criteria for issue of NSCs were not strictly adhered to.
- Lack of monitoring by CDPOs on AWCs in respect of death cases has resulted in non-surrender of NSCs already issued and issue of fresh NSCs after death of beneficiary. There were delays in issue of subsequent NSCs up to 142 months resulting in loss of interest to the beneficiaries.
- Lack of effective and efficient control at POs level resulted in issue of more than five NSCs to beneficiaries. No monitoring and evaluation was conducted by the Commissioner at project office. Allotment and expenditure on publicity was less than one *per cent*.

*(Paragraph 3.1)*

### **2.2 Non-compliance with the rules, orders, procedures, etc.**

- *Non-adherence to codal provisions resulted in non-accountal of Government money amounting to ₹ 2.21 lakh in the office of the Civil Surgeon cum Hospital Superintendent, Betul.*

*(Paragraph 3.2.1)*

- *Failure to observe the codal provisions facilitated payment of ₹ 10.62 lakh on fake/duplicate invoices in the office of the Civil Surgeon cum Hospital Superintendent, Dhar.*

**(Paragraph 3.2.2)**

- *Violation of government instructions regarding deposit of the amount of Destitute Fund in treasury as “Local Fund” resulted in loss of interest of ₹ 2.46 crore.*

**(Paragraph 3.2.3)**

- *Government was deprived of revenue of ₹ 47.01 lakh due to short levy of stamp duty and non-registration of lease deeds executed by Civil Surgeons, Katni and Chhindwara.*

**(Paragraph 3.2.4)**

- *Due to non-observance of conditions appended in the sanctions of the loans, ₹ 106.12 crore remained unrecovered from various organisations on account of loans, interest and penal interest.*

**(Paragraph 3.2.5)**

### **2.3 Failure of oversight/governance**

- *In the Free Cycle Distribution Scheme the laid down control mechanism to ensure utilisation of funds for purchases of cycles worth ₹ 34.94 crore was not adhered to.*

**(Paragraph 3.3.1)**

- *Avoidable payment of VAT on nutritious food for distribution under Integrated Child Development Services (ICDS) resulted in reduction of fund to the extent of ₹ 196.56 crore.*

**(Paragraph 3.3.2)**

- *Under-utilisation of Satellite Interactive Terminal (SIT) Centres for distant education resulted into non-achievement of objectives of distant education to difficult-to-reach target groups despite incurring an expenditure of ₹ 3.82 crore on establishment of SITs.*

**(Paragraph 3.3.3)**

- *Machinery and equipment amounting to ₹ 3.18 crore purchased by Dean, Medical College, Sagar, without ensuring completion of building, lying idle without installation for one to two years.*

**(Paragraph 3.3.4)**