

OVERVIEW

This Report comprises of three chapters containing audit findings pertaining to Social, General and Economic Sectors (Non-PSUs); Revenue Sector; and Social & Economic Sector (PSUs). There are four Performance audits on National Rural Health Mission, Indira Awaas Yojana, Working of Department of Irrigation and Revenue Collection of the Power Distribution Company (UPCL) and 14 compliance audit paragraphs involving ₹ 1134.14 crore relating to excess/wasteful/unfruitful/infructuous/avoidable/unproductive expenditure, undue favour to contractor, idle investment, diversion of funds, etc. Some of the major findings are mentioned below:

SOCIAL, GENERAL AND ECONOMIC SECTORS (NON-PSUs)

PERFORMANCE AUDITS

A performance audit on the **implementation of NRHM** was conducted. Some of the major findings are mentioned below:

- Household surveys and facility surveys intended for identifying the healthcare needs of the people at bottom level were not conducted in the State. District Health Action Plans for the year 2008-09 to 2012-13 were prepared without aggregating the Block and Village Health Action Plans.

[Paragraph 1.2.6.1]

- Against the availability of ₹ 778.28 crore during 2008-09 to 2012-13, ₹ 650.10 crore were spent and ₹ 12.41 crore were returned to GoI, thereby, leaving ₹ 115.77 crore unspent.

[Paragraph 1.2.7.1]

- Despite incurring an expenditure of ₹ 64.23 crore, the Department failed to get any input in planning and monitoring of implementation of NRHM from VHSSCs, besides utilization certificates for ₹ 30.44 crore were also not obtained from VHSSCs.

[Paragraph 1.2.7.2]

- Under Janani Suraksha Yojana, the Department made delayed payment of ₹ 2.98 crore to the beneficiaries.

[Paragraph 1.2.8.2(iii)]

- Due to excessive procurement, Drug Kits (A&B) valued at ₹ 1.21 crore expired in Drug Warehouse and equipment worth ₹ 2.18 crore were lying idle in the test-checked CHCs and PHCs.

[Paragraphs 1.2.9.1 & 1.2.9.2]

- An undue payment of ₹ 7.95 crore was made to a service provider (108-emergency response services) and operational cost of ₹ 3.20 crore was also not recovered from it.

[Paragraph 1.2.9.4]

A performance audit of **Indira Awaas Yojana (IAY)**, a Centrally Sponsored Scheme was conducted. Some of the major findings are mentioned below:

- IAY assistance of ₹ 2.49 crore was disbursed to 642 persons who were selected irregularly in violation of norms.
[Paragraph 1.3.6.1]
- Homestead site scheme was not implemented in the State.
[Paragraph 1.3.6.6]
- Due to huge unspent balances during 2008-13, central assistance of ₹ 39.19 crore was curtailed by the GoI.
[Paragraph 1.3.7.1]
- An amount of interest of ₹ 53.97 lakh, accrued against IAY funds, remained unaccounted for as these funds were kept together with other scheme accounts by the DRDAs.
[Paragraph 1.3.7.4]
- Unit assistance was provided to 77 beneficiaries against 38 BPL-IDs resulting in irregular benefit of ₹ 14.19 lakh.
[Paragraph 1.3.8.2]
- Houses were sanctioned to 73 beneficiaries by ignoring their ranking in the waitlist and 45 houses were allotted to those beneficiaries who had already benefitted from State Housing Schemes.
[Paragraphs 1.3.6.1 & 1.3.8.5]
- Figures of convergence of IAY houses with other schemes reported to GoI were not reliable as not a single case was found benefitted in audit as against 6 to 80 *per cent* reported achievement.
[Paragraph 1.3.8.8]

A Performance Audit of **Working of Irrigation Department** was conducted. Some of the major findings are mentioned below:

- Under utilisation of 295 canals resulted in a gap of 25,797 hectares in irrigation potential.
[Paragraph 1.4.6.2 (a)]
- The Department failed to collect outstanding dues of ₹ 16.39 crore from Jal Sansthan and M/s HMT since 1983-84.
[Paragraph 1.4.7.2]
- The Department was unable to levy water charges in Tarai-Bhawar area despite incurring ₹ 2.15 crore on repair and maintenance of the canal in the region.
[Paragraph 1.4.7.3]
- Unserviceable stores worth ₹ 68.62 lakh could not be disposed by the Department.
[Paragraph 1.4.11]
- The Internal Control and Monitoring Mechanism of the Department were inadequate.
[Paragraph 1.4.13.2]

COMPLIANCE AUDIT

Procurement of Equipment under Modernisation of Police Force

The main objective of 'Modernisation of Police Force' scheme was far from being achieved as there were huge shortages of mobility, communications and weaponry in the State. The prime objective of strengthening of the Indo-Nepal border could not be fulfilled as vehicles and equipment worth ₹ 2.13 crore were provided to districts other than entitled. The Department had also purchased 14 cars at a cost of ₹ 64.11 lakh out of the Police Modernisation funds for SSPs/SPs/DSPs in violation of the guidelines.

[Paragraph 1.5]

Selection process for admission in MBBS course in Government Medical Colleges.

The process for verification of genuineness of documents of UPMT candidates in Government Medical Colleges was found to be very slow as 47 *per cent* of the testimonials pertaining to the years 2008-09 to 2012-13 were yet to be verified. Seventeen MBBS seats of the Medical Colleges were rendered vacant for entire course period due to delayed forensic investigation. The Medical Colleges failed to claim compensation of ₹ 0.30 crore from each of the 24 candidates who left MBBS course after scheduled closing date of admission or were expelled on the grounds of using false domicile certificates or adverse forensic investigation reports.

[Paragraph 1.6]

Execution of water supply schemes under National Rural Drinking Water Programme (NRDWP)

Under NRDWP, the State could utilize only 38 *per cent* against the total available funds and 34 *per cent* needy habitations could be covered over the period 2009-13. There were instances of diversion of fund amounting to ₹ 6.04 crore, irregular expenditure of ₹ 47.50 lakh from the Calamity Relief Fund component of NRDWP and interest free advances amounting to ₹ 1.78 crore to contractors.

[Paragraph 1.9]

Rural connectivity under Pradhan Mantri Gram Sadak Yojana (PMGSY)

Under PMGSY, only 64 works (22 *per cent*) had been completed at a cost of ₹ 119.89 crore out of total sanctioned 291 road works amounting to ₹ 802.37 crore and 227 works remained incomplete despite incurring an expenditure of ₹ 237.58 crore as of March 2013. In test-checked PIUs, an amount of ₹ 4.16 crore was found expended irregularly and ₹ 3.73 crore was found charged to the scheme in contravention of the guidelines. Mobilisation advances amounting to ₹ 2.27 crore against nine contractors were still pending for recovery despite the facts that its bank guarantees had already been expired.

[Paragraph 1.11]

Infrastructure facilities in Technical Education

The Department failed in ensuring timely execution of projects meant for infrastructural facilities. Despite availability of sufficient funds to the tune of ₹ 227.02 crore, it could spend only ₹ 110.79 crore (49 *per cent*). 59 *per cent* of operational GITs and GPs were being operated from rented buildings and employees were deprived of the Government accommodation due to

non-completion of residential buildings. 28 trades in 33 GITIs were running with a shortage of tools/equipment which was one of the main reasons for non-affiliation of several trades with the National Council for Vocational Training (NCVT).

[Paragraph 1.13]

REVENUE SECTOR

COMPLIANCE AUDIT

Arrear of Revenue in Commercial Tax Department

The arrear of tax revenue increased by ₹ 2061.74 crore over the period 2008-09 (₹ 501.43 crore) to 2012-13 (₹ 2563.17 crore). There were delays ranging between one month to eight years in issue of recovery certificates amounting to ₹ 48.03 crore. Also there were cases of non-vacation of stay cases ₹ 26.99 crore, non-settlement of ex-parte assessments ₹ 35.48 crore and overstatement of arrear of revenue ₹ 13.54 crore.

[Paragraph 2.2]

Inaction of the Department resulted in non levy of stamp duty amounting to ₹ 79.84 lakh.

[Paragraph 2.4]

ECONOMIC SECTOR (PSUs)

Performance Review

A Performance Audit of **Revenue Collection of the Power Distribution Company (UPCL)** was conducted. Some of the major findings are mentioned below:

- Cost of energy could not be recovered from different categories of consumers to the extent of ₹ 473.78 crore during the period 2008-09 to 2012-13 after allowing for prescribed energy loss limit fixed by the UERC.

[Paragraph 3.2.7.1]

- There was loss of revenue amounting to ₹ 196.07 crore due to non-finalization of 'stop billing' cases as per provisions of the Electricity Supply Code of the UERC.

[Paragraph 3.2.7.2(i)(a)]

- Company suffered a loss of ₹ 3.88 crore due to use of conductors of inappropriate capacity.

[Paragraph 3.2.7.6]

- Company could not realize electricity charges of ₹ 178.82 crore and late payment surcharge of ₹ 217.39 crore on account of delayed payment of electricity bills in respect of 1206 consumers.

[Paragraph 3.2.8.1(d)]

- There was non-realisation of additional security amounting to ₹ 17.04 crore from the 147 large & heavy consumers.

[Paragraph 3.2.8.1(e)]

- Inappropriate monitoring of recovery certificate by the company resulted into non-realization of dues of ₹ 45.51 crore from 2539 defaulting consumers.

[Paragraph 3.2.8.1(g)]

COMPLIANCE AUDIT

Promotion of Tourism Related Activities of Kumaon Mandal Vikas Nigam Limited

The Nigam could not achieve its objective of promoting tourism in the Kumaon region of the State. The percentage of tourist availing its facilities was negligible (5.29 *per cent*). The Nigam had no strategy for publicity. Due to inadequate planning the intended objective of promoting village tourism remained unrealized. During the period 2005-2008, the Nigam constructed 20 Tourist Information Centres (TICs) with an expenditure of ₹ 2.12 crore, out of which nine TICs involving expenditure of ₹ 0.97 crore were lying idle. Further, without approach road and basic facilities, constructed TRHs at a cost of ₹1.42 crore remained idle.

[Paragraph 3.3]

Power purchase agreements entered into by Uttarakhand Power Corporation Limited

UPCL had violated the provisions of the grid code by drawing 2793.45 MUs of unscheduled interchange (UI) energy during 2008-09 to 2012-13 for which UPCL had to pay ₹ 252.40 crore more as UI charges. Short term purchases drastically increased from 138.92 MU in 2009-10 to 1696.08 MU in 2012-13. UPCL was regularly overdrawing beyond the limit prescribed by the UERC thereby resulting in grid indiscipline

[Paragraph 3.4]