

OVERVIEW

This Report comprises of three Chapters: the first Chapter contains the financial profile of the State, planning and conduct of audit and follow-up on Audit Reports. Chapter 2 of this Report deals with the findings of five performance audit reviews and four long paragraphs and Chapter 3 deals with compliance audit in the various departments. The audit findings included in performance audits and compliance audit paragraphs in this report have total money value of ₹ 2729.59 crore.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling as well as risk based judgmental sampling. The specific audit methodology adopted has been mentioned in each performance audit. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the Government. A summary of main audit findings is presented in this overview.

1 Performance Audit of programmes/activities/departments

(i) Functioning of Water Resources Department

The Water Resources Department (WRD) of Government of Chhattisgarh is responsible for proper and overall development of surface and ground water resources in the State. Though the WRD embarked (2001) on an ambitious target of irrigating 75 per cent of Gross Sown Area (GSA), the created irrigation potential of the State was increased from 13.28 lakh ha (23 per cent of GSA) as of November 2001 to 19.04 lakh ha (33 per cent of GSA) as of March 2014. During 2009-14, the WRD was able to achieve only 23-68 per cent of the targets fixed for creation of irrigation potential. Further, there was wide gap of 48-66 per cent between created and utilized irrigation potential during 2009-14. The delay in acquisition of land for construction of projects resulted in cost overrun of ₹ 472.11 crore in 13 projects besides non creation of 70,421 hectare projected irrigation potential even after incurring expenditure of ₹ 697.10 crore. Expenditure of ₹ 74.30 crore incurred on six irrigation projects for creation of 12,205 hectare irrigation potential was rendered unfruitful as the projects were held in abeyance due to non availability of land, cultivable command area and protest by villagers. The arrears of water charges increased from ₹ 118.24 crore at the end of March 2009 to ₹ 558.78 crore by the end of March 2014. There were instances of inadequate survey and deficiency in preparation of estimates, expenditure beyond sanction, non-recovery of extra cost from the contractor and irregular payment of price adjustment claim to the contractor. Internal audit of the divisions was never conducted as no separate internal audit wing was in existence in the WRD.

(Paragraph 2.1)

(ii) Development of Renewable Energy Sector in Chhattisgarh

For promoting renewable energy (RE) resources in the State, Chhattisgarh State Renewable Energy Development Agency (CREDA) was established as State Nodal Agency in 2001 by the Government of Chhattisgarh (GoCG). The performance audit was conducted for the period 2007-14 to examine the effectiveness of planning process for promoting and increasing contribution of RE sources, timely availability of funds and their effective and economic utilisation, achievement of intended objectives of the programmes and effectiveness of monitoring process. We observed that the installed capacity of RE based power plants was only 8.77 *per cent* of the estimated potential and its contribution was less than three *per cent* in overall energy mix of the State. We further observed that no separate fund for non-compliance of Renewable Purchase Obligation regulations was maintained which resulted in undue benefit of minimum ₹ 810.36 crore to defaulting entities. Delay/short release of funds and expenditure in excess of allotment/fund released were noticed. Separate bank accounts for Government of India and GoCG fund were not maintained. Irregular payment to bio-gas executives and non-electrification of villages despite availability of fund were observed. Lack of co-ordination among Ministry of New and Renewable Energy, CREDA and various government agencies/department in granting approvals/clearance resulted in delay/non-commissioning of the projects. Non-functioning of solar hand pumps and Solar Photo Voltaic power plants indicates inadequate monitoring. Also evaluation of the completed projects by independent organisation was not conducted.

(Paragraph 2.2)

(iii) Tribal Sub-Plan

The concept/policy of Tribal Sub Plan (TSP) initiated in the 5th Five Year Plan period (1974-1979) is seen as critical in closing the development gap between the Scheduled Tribe (ST) when compared to others. One of the objectives of TSP was to ensure human resource development of the STs by providing adequate education and health services. We observed during audit that there was no separate planning for TSP categories in the plans for the schemes. It was not possible to segregate the expenditure of funds earmarked for TSP as State implementing agencies mixed the TSP funds with General and Scheduled Caste Sub-Plan funds and subsequently released to District units which did not maintain the details of TSP fund while incurring expenditure. There was shortfall in achievement of targets in distribution of uniforms and stipend under Education and Immunization and Institutional deliveries under Health components. There was non-completion of works which resulted in blockage of funds. There was shortage of Doctors, Specialists and other medical staff at the health facilities.

(Paragraph 2.3)

(iv) Total Sanitation Campaign/*Nirmal Bharat Abhiyan*

Total Sanitation Campaign (TSC) is a centrally sponsored programme for construction and usage of Individual Household Latrines, construction of school toilets, Anganwadi toilets and Community Sanitary Complexes. Although TSC is a beneficiary oriented scheme, it was however, observed that the involvement of beneficiaries was limited only to the acceptance of the toilet units constructed by the *Gram Panchayat* (GP). We observed that the inputs for Annual Implementation Plans were not taken from the beneficiaries as envisaged in the scheme. Though institutional arrangement from State level, district level, block level and GP level have been created, those remained largely non-operational. Against the physical targets, the achievements were low. In 258 cases, existence of toilets was shown on paper but they were not found during joint physical verification. Irregularities such as low quality of construction, mis-utilisation, extra payment and blockage of funds were noticed during course of audit. Lack of direction from the top, low priority on Information, Education and Communication, sloppy implementation and failure to ensure quality toilets resulted in 85 per cent people (as per beneficiary survey) abandoning the use of toilets.

(Paragraph 2.4)

(v) Schemes for Welfare and Protection of Girl Child

The performance audit of Schemes for Welfare and Protection of Girl Child was carried out to examine the implementation of the *Kishori Shakti Yojana* (KSY) and Rajiv Gandhi Scheme for Empowerment of Adolescent Girls-*Sabla* in the backdrop of its objectives to provide six days trainings, vocational training, *Kishori Diwas* and exposure visits to adolescent girls. Though the schemes were aimed at improving the health, nutritional and educational status of adolescent girl child through multi-pronged programmes, due to lack of convergence with other departments and tardy implementation, benefit of the schemes could not reach the targeted beneficiaries as desired. Audit observed that the prescribed six days training was not conducted and coverage of adolescent girls were less under both schemes. Similarly, vocational training and exposure visits were not conducted as per the guidelines under both schemes. Under *Sabla Yojna*, *Kishori* cards were not maintained and training kits were not provided in most of the projects as well as ready-to-eat food was not distributed to all eligible adolescent girls in most of the projects. Under KSY, *Kishori Samooh* was either not formed or was inactive and no financial assistance was provided to them even though they were having status of Self Help Groups.

(Paragraph 2.5)

(vi) Development of roads in Left Wing Extremism affected areas under the Special Programme of Government of India

The Government of India approved (February 2009) the Road Requirement Plan for development of roads in the Left Wing Extremism affected areas of the States for all inclusive growth of these areas. Under this programme, for

Chhattisgarh State, 53 works comprising 2021.73 kilometres (Kms) of road were sanctioned for ₹ 2897.09 crore during 2009-14. The development of the roads under the programme was scheduled to be completed by March 2015. However, till March 2014, the physical progress was 618.34 km (31 *per cent*) and financial progress was ₹ 805.04 crore (27 *per cent*). The slow progress in execution of works led to the non-recovery of advances totaling ₹ 9.39 crore from the contractors. There were instances where government instructions and contract conditions were overlooked which led to execution of works not as per specification, avoidable extra costs and excess payment. Slow progress of the works invariably deprived the people the benefits of good roads.

(Paragraph 2.6)

(vii) *Vikas Yatra*

Vikas Yatra scheme was introduced in the State during the State election year 2013-14. Under this scheme, a journey of 6000 km by the Chief Minister of Chhattisgarh throughout the State was envisaged with the stated objective of giving an account of the works done by the State Government for public welfare as well as to motivate people for taking benefit from the public welfare schemes and policies of State Government. We observed that due to inadequate provision of fund for *Vikas Yatra*, fund allotted for annual repair and maintenance of road/building works and for Publication, Promotion and Advertisement was irregularly diverted for *Vikas Yatra* by the department. Further, codal provisions for tendering were not complied as the work of erection of tent houses and advertisement through Text/Voice SMS and Truck Mounted LED screen was awarded to agencies without invitation of tender.

(Paragraph 2.7)

(viii) *Infrastructure in Jails*

Adequate infrastructure is an important pre-requisite for the efficient management of prisons and humane living conditions for inmates. The audit on 'Infrastructure in Jails' was conducted with the objective to assess whether infrastructure in Jails was adequate for the prisoners in order to reduce congestion and provide humane living condition, implementation of the schemes and projects related to improvement in infrastructure of prisons was efficient and effective and whether prisoners were kept in a safe and secure environment. In the test checked Jails, we observed non-construction/delay in construction of Jail buildings/barracks. This had resulted in overcrowding in the Jails causing health hazards and denying basic amenities to inmates. We also observed shortage of toilets in all the Jails which invariably affects the sanitation and hygienic accommodation to the prisoners. Slow progress of construction works resulted in blocking of funds. Sub-standard quality of construction work and non-provision of staff quarters led to non-utilisation of created infrastructure. Further, due to vacant post of Wardens and Pharmacist, barracks and hospitals could not be utilised resulting in assets worth ₹ 4.22 crore remaining idle for one to five years.

(Paragraph 2.8)

(ix) Disposal of Bio Medical Waste in Government Medical Establishments

In order to systematize collection, segregation, transportation and disposal of Bio-Medical Waste (BMW), Government of India framed the BMW (Management & Handling) Rules 1998 under the provisions of Environment (Protection) Act, 1986. The Chhattisgarh Environment Conservation Board (CGECB) is responsible for enforcement and monitoring of the provisions of these rules in respect of all health care establishments (HCEs) and to initiate penal action against any contravention. We observed that the State has no mechanism to assess the actual quantum of BMWs generated, collected and disposed. Large numbers of HCEs were operating without valid authorisation for handling of BMWs. CGECB is not aware of the actual number of HCEs in Government and private sectors as well as number of veterinary units in the State. The Department of Veterinary Services has not implemented the BMW Rules at any level. Further, the provision of legal action against the HCEs for not adhering to BMW Rules was also not initiated. The segregation of BMWs was not taking place at any level and wastes were not disposed of as per the BMW guidelines. The State has only one incinerator in operation whereas three incinerators at Korba, Jagdalpur & Kanker remained idle. Even after a lapse of fourteen years since the formation of the State of Chhattisgarh, the implementation of BMW Rules in the State was not effective.

(Paragraph 2.9)

2 Significant observations of Compliance Audit

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of compliance audit (seven paragraphs) are featured in the Report. The major observations relate to non-compliance with rules and regulations, audit against propriety and cases of expenditure without adequate justification and failure of oversight/control amounting to ₹ 27.88 crore. Some of them are mentioned below:

Preparation of defective estimate led to extra cost of ₹ 8.51 crore and irregular execution of Semi-Dense Bituminous Concrete valuing ₹ 6.13 crore.

(Paragraph 3.1.1)

Undue benefit of ₹ 91.77 lakh extended to contractors due to change in nomenclature of item of form work.

(Paragraph 3.1.2)

Undue benefit of ₹ 2.61 crore extended to the contractors due to incorrect calculation of incentive bonus.

(Paragraph 3.1.3)

Undue benefit of ₹ 38.54 lakh extended to the contractors due to use of re-rolled steel in construction work

(Paragraph 3.1.4)

Up-gradation of Linear Accelerator with Image Guided Radiation Therapy system by inviting fresh tender and overlooking the available valid rate, led to avoidable excess expenditure of ₹ 52.88 lakh.

(Paragraph 3.2.1)

Procurement of laboratory equipment and software without assessing the requirement and without ensuring the availability of necessary infrastructure to utilize the equipment resulted in idle expenditure of ₹ 8.62 crore.

(Paragraph 3.3.1)

Supply of equipments without ensuring availability of infrastructure resulted in idle investment of ₹ 17.57 lakh.

(Paragraph 3.3.2)