

# Overview

## OVERVIEW

This Report contains five Performance audits i.e. Accelerated Irrigation Benefits Programme, Infrastructure available at Police Stations, Skill Development and employment generation for unemployed youth, Working of Forest Department and Working of Jammu and Kashmir Energy Development Agency (JAKEDA) and 23 paragraphs involving ₹795 crore relating to excess/ wasteful/ unfruitful/ infructuous/ avoidable unproductive expenditure, fraudulent drawals, idle investment, blocking of funds, etc. Some of the major findings are mentioned below:

## PERFORMANCE AUDIT

The total expenditure of the State increased from ₹21607 crore to ₹31686 crore during 2009-14, the revenue expenditure of the State Government increased by 77 *per cent* from ₹15324 crore in 2009-10 to ₹27058 crore in 2013-14. Non-Plan revenue expenditure increased by 71 *per cent* from ₹14771 crore to ₹25219 crore and capital expenditure decreased by 28 *per cent* from ₹6234 crore to ₹4507 crore during the period 2009-14.

Major findings of **Accelerated Irrigation Benefits Programme** are given below:

- The DPRs of the schemes were prepared without Preliminary Project Proposals, non-recording of details of land required and non-provision of clearance for use of electricity and electromechanical works.

*(Paragraph: 2.1.6.1)*

- Against irrigation potential assessed at 11.76 lakh hectares in the State, the Department had created irrigation potential of 3.42 lakh hectares ending March 2014. The irrigation potential of 1.57 lakh hectares was created under the programme during the period 2009-14 against which irrigation potential of 1.38 lakh hectares was utilized.

*(Paragraph: 2.1.6.2)*

- The poor utilization of funds which ranged between 62 *per cent* and 77 *per cent* resulted in accumulation of unspent balance at the close of each year which varied between ₹66.62 crore and ₹133.34 crore during the years 2009-10 to 2013-14.

*(Paragraph: 2.1.7)*

- Out of 770 schemes under execution, 653 schemes (estimated cost of ₹2089.45 crore) were due for completion by March 2014 and out of these only 407 schemes (62 *per cent*) were completed as of March 2014.

*(Paragraph: 2.1.8)*

- Programme Implementation was weak due to non-completion of 77 schemes costing ₹341.56 crore, irregular selection of 93 schemes, unfavourable cost-benefit ratio in 18 completed schemes and time overrun of one to seven years in 337 schemes.

*(Paragraphs: 2.1.8.1 to 2.1.8.5)*

- Cases of irregular execution of works to the extent of ₹5.81 crore, diversion of funds of ₹1.97 crore, unadjusted material-at-site accounts valuing ₹9.85 crore and flow of polluted water into canals were noticed.

*(Paragraphs: 2.1.7.4 and 2.1.9 to 2.1.11)*

Major findings of **Infrastructure available at police stations** are given below:

- 18 out of total 195 police stations and 103 out of total 192 police posts in the State were without own buildings.

*(Paragraph: 2.2.8.1)*

- The deficiency of family accommodation for upper and lower subordinate staff ranged between 84 and 91 *per cent*. Against requirement of 300 barracks only 207 barracks (69 *per cent*) were available in the State.

*(Paragraph: 2.2.8.3)*

- The population police ratio ranged between 261 per lakh and 734 per lakh in eight test checked districts as compared to all India ratio of 140 per lakh. The deployment of police personnel to various offices/units was found without any approval from the Administrative Department.

*(Paragraph: 2.2.9)*

- There was lack of desired level of mobility in the Police Force and the shortage of light motor vehicles and motor cycles was to the extent of 53 *per cent* and 69 *per cent* respectively.

*(Paragraph: 2.2.10)*

- Allotment of fuel to vehicles at police stations was very meagre as only 13 to 22 *per cent* of funds allotted for the purpose were utilized on these vehicles.

*(Paragraph: 2.2.11.1)*

- Diet charges were not provided to 16 police stations/ police posts and stationery items were not provided to 80 police stations/ police posts in test checked districts.

*(Paragraphs: 2.2.11.3 and 2.2.11.5)*

Major findings of **Skill development and employment generation for unemployed youth** are given below:

- District Employment Exchanges and Counseling Centres were not equipped to deliver the intended role of emerging as facilitation centres. There was overall fluctuation between 6.04 lakh and 2.40 lakh in registration of unemployed youth

with DE&CCs and counselling sessions for unemployed youth were held only in two out of six test-checked districts. The J&K State Overseas Employment Corporation had not been able to provide any job despite allotment of ₹5.85 crore to the Corporation since 2009-10.

*(Paragraph: 2.3.6)*

- The utilisation of funds allotted for various employment generating schemes ranged between 78 *per cent* and 100 *per cent*. However, achievement with regard to employment creation ranged between 31 *per cent* and 100 *per cent*.

*(Paragraph: 2.3.7)*

- Against target of 32,490 units to be assisted under Jammu and Kashmir Self Employment Scheme, only 17,799 units had been assisted. Excess release of margin money of ₹55.73 crore to the Banks without linking the release of margin money with actual disbursement of Bank loans was noticed by Audit.

*(Paragraph: 2.3.8)*

- Under the schemes launched under “Sher-i-Kashmir Employment & Welfare Programme for the Youth”, release of full seed capital fund of ₹106 crore in single instalment in respect of 3,118 enterprises instead of in tranches to Bank resulted in retention of funds with the Bank. In 713 cases, Seed Capital Fund of ₹24.34 crore was released without receipt of sanction resulting in blocking of funds for periods ranging between 15 days to 21 months. Non-payment of Voluntary Service Allowance resulted in accumulation of liability of ₹35.97 crore. Against the target of generation of 50,000 jobs during the period of five years under the Women Entrepreneurship Programme, the Corporation could generate only 4,714 jobs during the last four years.

*(Paragraph: 2.3.9)*

- Implementation of the World Bank aided project “Vocational Training Improvement Project” had been tardy due to under-utilisation of funds, delay in procurement of equipment and construction of buildings. Out of 1608 trainees who passed out during 2008-13, only 395 had got employment. Procurement of machinery/equipment valuing ₹1.89 crore which constituted 20 *per cent* of the approved IDP cost of ₹9.67 crore was pending (March-2014) despite the fact, that programme was about to culminate in November 2014.

*(Paragraph: 2.3.10)*

Major findings of **Forest Management through CAMPA** are given below:

- The State Forest Policy was prepared in 2010-11 more than 23 years after formulation of National Forest Policy (1988). Working plans were prepared in five out of 30 territorial divisions (TDs) only and 25 TDs were without any working plans over a period ranging between five and over 25 years.

*(Paragraphs: 2.4.6.1 and 2.4.6.2)*

- During 2009-14, administrative expenditure accounted for 86 to 90 *per cent* of funds spent, leaving a meager 10 to 14 *per cent* funds under capital component, indicating less spending on preservation and conservation activities.

*(Paragraph: 2.4.7.1)*

- Non-maintenance of books of accounts and non-adoption of Uniform Common Format of Accounts by State CAMPA was noticed. Basic records like head-wise cash book, ledger account, etc. were not maintained separately and Compensation Receipt Register did not provide full details of afforestation compensation money, quantum and nature of land and sanction.

*(Paragraph: 2.4.8.1)*

- Compensatory Afforestation Programme implementation had suffered due to non-maintenance of inventory of trees removed, incorrect application of compensation rates, non-obtaining of cost-benefit analysis report etc. In 136 cases wherein 303.80 hectares of forest land was diverted for non-forest purposes neither alternate non-forest land was identified by the TDs nor certificate of non-availability of non-forest land was obtained from the District Administration.

*(Paragraphs: 2.4.8.4; 2.4.8.5; 2.4.8.8 and 2.4.8.9)*

- 6,281 hectares of forest land was diverted for non-forest use without alternate land being obtained. Encroachment of forest land had increased by 88 *per cent* during 2003-12. For 90 sanctions relating to diversion of 123.93 hectares of land for non-forest purpose, no NPV and CA amounting to ₹13.40 crore had been realized by CAMPA.

*(Paragraphs: 2.4.8.6 and 2.4.8.7)*

- Forest Protection Force was suffering from shortage of infrastructure, Arms & Ammunition and communication equipment. Out of the 23 units in the State, field staff of 19 units is neither equipped nor trained in use of weapons.

*(Paragraph: 2.4.9)*

Major findings of **Working of the Jammu & Kashmir Energy Development Agency (JAKEDA)** are given below:

- A grid based Solar Power Policy was formulated (March 2013) in the State. The Renewable Energy sector had not been adequately encouraged and the State did not contribute towards achievement of countrywide RE targets including solar power generation.

*(Paragraph: 2.5.6.2)*

- Neither any survey of remote villages had been undertaken by the Agency nor DPRs and lists of beneficiaries had been prepared/ formulated despite the fact that the Agency received ₹2.86 crore for the purpose from the GoI. The Agency instead relied on the lists of remote villages/ beneficiaries framed by the Rural Development Department.

*(Paragraph: 2.5.6.3)*

- Annual accounts for the years 2010-11 to 2012-13 of the Agency had not been finalised. Instances of non-accountal of beneficiary share, parking of funds ranging between ₹20 lakh and ₹6.33 crore in Deposit accounts, loss of central assistance of ₹26.75 crore were noticed.

*(Paragraph: 2.5.7)*

- Implementation of the schemes showed non-distribution of SHLSs to 14,692 approved households, distribution of 12,366 SHLSs (value: ₹13.45 crore) in unapproved villages/ hamlets and in electrified villages/ hamlets leading to non-achievement of intended benefits of the schemes.

*(Paragraph: 2.5.8)*

- Various lacunae in the procurement process led to financial loss of ₹117.81 lakh to the public exchequer, undue benefit to the suppliers and allotment of projects to ineligible contractors.

*(Paragraph: 2.5.10)*

## COMPLIANCE AUDIT

### **Inordinate delay in execution of project**

Improper planning and poor funding for the project for construction of Government Press Complex at Pampore Kashmir resulted in inordinate delay in execution of the project and likely cost overrun of ₹5.06 crore.

*(Paragraph 3.1)*

### **Non-transparent procurement**

Procurement of Agusta A-109E Power Helicopter in non-transparent manner.

*(Paragraph 3.2)*

### **Blocking of investment**

Unplanned construction of Godowns by the Cooperative Department under the Centrally Sponsored Scheme RKVY resulted in blocking of investment to the extent of ₹2.26 crore.

*(Paragraph 3.3)*

### **Regulation and Development of Cooperatives and Cooperative Societies**

The Cooperative Department did not fulfil requisite benchmark activities with the result it could not benefit from GoI sponsored VNCR scheme aimed at revival of cooperatives. Under-utilisation of funds to the extent of ₹9.47 crore and delay in release of assistance to beneficiary societies under GoI sponsored schemes resulted in non-achievement of intended objectives. Instances of non-maintenance of beneficiary accounts, non-operation of Bank accounts by societies, undue retention of funds to the extent of ₹1.30 crore and non-mortgaging of assets were also noticed in audit.

*(Paragraph 3.4)*

### **Undue benefit to private institutions**

Payment of unjustified cash assistance by the Education Department to private schools out of Special Plan Assistance received from the Government of India for improvement and upgradation of the infrastructure in schools resulted in misutilisation of ₹1.73 crore.

*(Paragraph 3.5)*

### **Blockade of funds**

Failure of the Health and Medical Education Department to acquire land for construction of PHCs at Bharath and Gundna (Doda) before sanction of the Project/ release of funds resulted in blockade of ₹1.55 crore for over three years.

*(Paragraph 3.6)*

### **Serious financial irregularities**

Lack of internal control and monitoring in Government Hospital, Gandhi Nagar, Jammu facilitated serious financial irregularities including fraudulent double draws (₹7.80 lakh), suspected double drawal (₹2.83 lakh), and short credit of hospital revenue (₹7.81 lakh) into Hospital Development Fund.

*(Paragraph 3.11)*

### **Fraudulent drawal of pay and allowances**

Lack of internal control mechanism in Fire & Emergency Services Command Kulgam resulted in fraudulent drawal of pay and allowances of ₹18.89 lakh by inflating the gross/ net amount of salary bills.

*(Paragraph 3.13)*

### **Unplanned execution of road project**

Wrong reporting by the Executive Engineer, Public Works (Roads and Buildings) Department and failure of the Department to ensure encumbrance free land before commencement of a road project resulted in unproductive expenditure of ₹6.78 crore, besides depriving the local populace of the area of the full benefits of road facility.

*(Paragraph 3.21)*

### **Suspected mis-appropriation of funds**

Non-compliance with the guidelines of MGNREGA and false claim of credit of wages into non-existent Bank accounts leading to suspected embezzlement of ₹40.24 lakh.

*(Paragraph 3.23)*