



Overview

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 2015 includes ten performance audits/long paragraphs and 17 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. 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 Implementation of Mid Day Meal Scheme

The National Programme of Nutritional Support to Primary Education Mid-Day Meal Scheme (MDMS) was launched in August 1995 to boost universalisation of primary education by increasing enrolment, retention and attendance simultaneously impacting on the nutrition levels of children. A performance audit of implementation of the MDMS during 2010-15 revealed the following deficiencies:

- There were instances of diversion of funds amounting to ₹ 7.68 crore in seven out of ten test-checked districts. MDMS funds were utilised for the purposes such as, Milk Supply Scheme, Mahatma Gandhi National Rural Employment Guarantee Scheme, District Rural Development Agency etc. Out of these, ₹ 4.55 crore could not be recouped to MDMS fund as on 31 March 2015.

(Paragraph 2.1.8.2)

- The State Government neither formulated any criteria to identify poor children belonging to disadvantaged sections nor conducted any survey to identify such children.

(Paragraph 2.1.9.1)

- The enrolment of children in the MDMS covered schools registered a consistent decline over the years from 111.19 lakh children in 2010-11 to 92.51 lakh children in 2014-15. Further, there was decrease in average daily attendance of students from 80.10 per cent in 2010-11 to 75.67 per cent in 2014-15 for primary classes. Similarly, for upper primary classes it decreased from 79.67 per cent in 2010-11 to 75.02 per cent in 2014-15.

(Paragraphs 2.1.9.2 and 2.1.9.3)

- There were disruption in serving mid day meals. The MDM was not served on 7,759 school working days, ranging from 1,024 days to 1,767 days in the five years covered under review.

(Paragraph 2.1.9.8)

- In test checked 300 schools, health check-ups were not carried out in 187 schools and micronutrients were not distributed in 192 schools.

(Paragraph 2.1.9.9)

- In the test checked schools, there were deficiencies in observance of safety and hygiene standards. Schools checked in audit were lacking in infrastructural facilities like kitchen sheds, proper utensils etc.

(Paragraph 2.1.9.10)

- State and District level Steering cum Monitoring Committees did not meet as per prescribed schedule to review the implementation of scheme.

(Paragraph 2.1.10.2)

1.2 Implementation of combating HIV/AIDS programme

Government of India launched a centrally sponsored programme, National AIDS Control Programme (NACP) Phase-I, in 1992 to combat the Human Immuno-deficiency Virus (HIV) infection and Acquired Immuno-Deficiency Syndrome (AIDS). National AIDS Control Organisation (NACO) was constituted to implement the Programme. NACO implemented subsequent phases of the programme NACP-II during 1999-2006 and NACP-III during 2007-12. The current phase, NACP-IV, is to be implemented over the period 2012-2017. With a view to implement the programme in Madhya Pradesh, Madhya Pradesh State AIDS Control Society (MPSACS) was registered in 1998. A Performance Audit of the implementation of Combating HIV/AIDS Programme in the state during the period 2010-11 to 2014-15 revealed the following:

- During the period 2010-11 to 2014-15, MPSACS incurred expenditure of ₹ 128.10 crore against ₹ 141.78 crore available for implementation of the programme. We noted that 30 to 63 *per cent* of the available funds were not utilised by MPSACS for implementation of various components of the programme during 2010-15.

(Paragraphs 2.2.5 and 2.2.6)

- The main objective of NACP-IV was to reduce new HIV infections by 50 *per cent* (2007 Baseline of NACP-III). However, we noted increase in new HIV infection cases. During the year 2011-12, new HIV infection cases were 4,972 whereas 5,348 new cases were reported in 2014-15.

(Paragraph 2.2.7)

- There were 17 Anti-Retroviral Therapy (ART) centres and 37 Link ART centres in the State. Out of total 38,268 reported adult HIV patients in the State, 30,484 patients were registered in these ART centres. Against this, 20,668 patients had started ART, of which only 13,213 patients were continuing their treatment.

(Paragraph 2.2.7)

- As per mapping data 2008, 48,785 high risk population and 1,25,834 migrants were residing in the State. 204 Targeted Intervention (TI) Projects for high risk groups (HRGs) and 32 TI projects for Bridge Population were

implemented during 2010-15. Out of which, 79 TI Projects were closed by MPSACS due to their unsatisfactory performance. Further, targets fixed for coverage of HRGs and bridge population through TI projects were not achieved during 2010-11 to 2014-15.

(Paragraph 2.2.8)

- Sexually Transmitted Infections (STI) and Reproductive Tract Infection (RTI) enhance chances of acquiring and transmitting HIV infection manifold. As against the target for coverage of 10.74 lakh people with STI/RTI symptoms during 2010-11 to 2014-15, achievement was 9.90 lakh. There was inadequacy of drugs, manpower and physical infrastructure in STI clinics of 12 sampled districts.

(Paragraph 2.2.10)

- The success of blood safety programme critically depends on the setting-up of blood storage unit (BSU) and hence NACP-III proposed to set up BSUs at all CHCs. We noted that BSUs were not set up in 62 out of 75 CHCs of 12 test-checked districts. Further, seven out of 13 blood banks in these districts were functioning without a valid renewed license.

(Paragraph 2.2.11)

- As against targets for 39.30 lakh counselling/HIV testing of vulnerable population and pregnant women at Integrated Counselling and Testing Centres (ICTCs), achievement was 36.71 lakh during 2010-15. We noted inadequacy of testing kits, physical Infrastructure and human resource in ICTCs of 12 test-checked districts.

(Paragraph 2.2.13)

- Under Prevention of Parent to Child Transmission (PPTCT) programme, all estimated HIV positive pregnant women are covered to eliminate transmission of HIV from mother-to-child. We noted that the number of positive mothers increased in successive years during 2010-15. Further, HIV testing of babies from positive mothers was not ensured as per prescribed guidelines.

(Paragraph 2.2.14)

- During NACP-III (2007-12), total expenditure of ₹ 8.53 crore was incurred in the State on implementation of programme. However, mid-term or end-term evaluation of the programme was not conducted by State. MPSACS was also not aware of any mid-term/end-term evaluation of NACP-III conducted by NACO.

(Paragraph 2.2.18)

1.3 Framework for setting up of Private Universities

Madhya Pradesh State Legislature enacted (May 2007) *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Adhiniyam, 2007* (Act) to provide the regulatory frame work for establishment and incorporation of self-financed private universities in Madhya Pradesh. In exercise of powers conferred under the Act, State Government established (October 2009) Madhya Pradesh Private University Regulatory Commission (MPPURC)

Bhopal. MPPURC consist of a Chairman and two full time members and it functions under the general control of the Visitor (the Governor). MPPURC is responsible for evaluating the proposals and the project report of sponsoring bodies for establishment of private universities. The State Government, if satisfied, considering the report submitted by the MPPURC may establish the private university. A Performance Audit of the framework of setting up of private universities in the state revealed the following:

- Six sponsoring bodies did not have required 20 hectare land for educational purpose, as prescribed under the Act. Despite this, MPPURC in its report to State Government recommended setting up of these six private universities. Department also established them without ensuring removal of these deficiencies by sponsoring bodies.

(Paragraph 2.3.7.3)

- As per Act, admissions and commencement of classes shall not be started till publication of first Statute and Ordinance. However, seven private universities started their educational courses before approval of first Statute and Ordinance.

(Paragraph 2.3.7.5)

- MPPURC did not frame any regulation for performance of its functions. It could not develop any mechanism to monitor standard of teaching in private universities. There was no follow up monitoring on various undertakings submitted by sponsoring bodies for setting up of private universities.

(Paragraph 2.3.8.1)

- There was absence of monitoring mechanism for the oversight of MPPURC with reference to action taken by private universities on various shortcomings pointed out by UGC during its inspection.

(Paragraph 2.3.8.2)

- MPPURC informed that it could not perform its various monitoring activities related to private universities due to lack of manpower.

(Paragraph 2.3.9.3)

1.4 Implementation of ‘Social Security Pension Schemes’ in Madhya Pradesh

To provide social security to vulnerable sections of the society, particularly those living Below Poverty Line (BPL), Government of India (GOI) introduced the National Social Assistance Programme (NSAP) as a Centrally Sponsored Scheme (CSS) in August 1995. It is one of the flagship welfare programme of GOI that comprises several social welfare benefit schemes, viz. Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS) and National Family Benefit Scheme (NFBS).

State Government has also implemented Samagra Social Security Pension Scheme (SSSPS) for the old destitute persons aged 60 years or more, the BPL widow of age between more than 18 years and 39 years, BPL deserted women of age between more than 18 years and 59 years, and school going disabled BPL children aged 6 to 18 years with disability of 40 *per cent* or more.

The Performance Audit of implementation of ‘Social Security Pension Schemes’ covering the period 2010-11 to 2014-15 revealed the following:

- As per NSAP guidelines, States were strongly urged to provide an additional amount at least equivalent to the assistance provided by the Central Government so that the beneficiaries could get a decent level of assistance. However, State Government did not make any contribution under IGNWPS, IGNDPS and NFBS. State Government was providing ₹ 75 p.m. as additional pension to the age group of 65 to 79 year in IGNOAPS along with ₹ 200 p.m. central assistance.

(Paragraph 2.4.7.2)

- Unspent amount of ₹ 30.24 crore of various pension schemes were lying in the bank accounts at District/*Janpad Panchayat*/ULB levels.

(Paragraph 2.4.7.3)

- As required under NSAP guidelines, annual verification of the existing beneficiaries was not conducted by Special Verification Team. The pension amounting to ₹ 7.74 crore pertaining to 1.49 lakh beneficiaries was paid with one to 16 months delay from due date. Further, pension amount of ₹ 1.32 crore was not credited in the pensioners’ account due to wrong bank details uploaded on pension portal by *Janpad Panchayats* and ULBs.

(Paragraphs 2.4.7.6, 2.4.7.7 and 2.4.7.8)

Indira Gandhi National Old Age Pension Scheme (IGNOAPS)

- As per report downloaded (18th March 2015) from the Samagra Pension Portal, there were 16.16 lakh persons in the State, who were eligible for IGNOAPS, but were not getting benefits of scheme. Thus, a large number of eligible persons were yet to be covered under the scheme. Department stated that the instructions had been issued for sanction of pension to these persons after physical verification and scrutiny of their documents.

(Paragraph 2.4.9.2)

Indira Gandhi National Widow Pension Scheme (IGNWPS)

- The pension cases were sanctioned to beneficiaries under IGNWPS without adequate scrutiny of documents such as death certificate of husband, date of birth certificate, name in BPL list, verification report.

(Paragraph 2.4.11.1)

- Pension was paid at the old rate of ₹ 200 instead of enhanced rate of ₹ 300 per month from October 2012 to March 2013, due to delayed implementation of GoI circular for payment of enhanced rate pension.

(Paragraph 2.4.11.4)

Indira Gandhi National Disability Pension Scheme (IGNDPS)

- Pension was paid at the old rate of ₹ 200 against enhanced rate of ₹ 300 per month from October 2012 to March 2013, which led to short payment of pension to 2.02 lakh beneficiaries under IGNDPS.

(Paragraph 2.4.13.3)

National Family Benefit Scheme (NFBS)

- The lump sum assistance was paid at the old rate of ₹ 10,000 against enhanced rate of ₹ 20,000 from January 2013 to March 2013, which led to short payment of assistance of ₹ 910.40 lakh to 9,104 beneficiaries under NFBS.

(Paragraph 2.4.15.2)

- State/District Level Committee was not constituted for monitoring and supervision of schemes.

(Paragraphs 2.4.16.1 and 2.4.16.2)

- Social Audit of NSAP scheme was not conducted during 2010-15.

(Paragraph 2.4.16.3)

Samagra Social Security Pension Scheme (SSSPS)

- The pension cases were sanctioned under SSSPS to beneficiaries without adequate scrutiny of documents such as certificate of declaring landless and destitute, death certificate, disability certificate, name in BPL list and verification report. There was no internal audit wing in Department. In selected districts, neither roster for inspection were prepared nor conducted during 2010-15.

(Paragraphs 2.4.18.1 and 2.4.19.1)

1.5 Financial Management in Universities and Affiliation to Private Colleges

The universities impart education through different faculties offering undergraduate, post graduate, diploma and certificate courses etc. The resources of the universities consist of maintenance grants from Government of Madhya Pradesh, grants from University Grants Commission and other funding agencies of GoI and receipts received from tuition fees, examination fees etc. and rents of land and building.

A Performance Audit conducted on 'Financial Management in Universities and Affiliation to Private Colleges' covering the period 2010-11 to 2014-15 of four (Jiwaji Vishwavidyalaya, Gwalior, Devi Ahilya Vishwavidyalaya, Indore, Barkatullah Vishwavidyalaya, Bhopal and Rani Durgawati Vishwavidyalaya, Jabalpur) out of seven universities, revealed the following:

- The financial management in the universities was deficient. Universities did not prescribe any time schedule for preparation of annual budget and annual accounts. The forms of maintenance of annual accounts were not prescribed. There was large variation between budget estimates and actual income and expenditure.

(Paragraphs 2.5.6.1, 2.5.7.1, 2.5.8.1 and 2.5.9.1)

- Advances amounting to ₹ 13.80 crore were outstanding for a long period due to non-adjustment. Periodic review of outstanding advances was not conducted.

(Paragraphs 2.5.6.2 (i), 2.5.7.2 (i), 2.5.8.2 (i) and 2.5.9.2 (i))

- Universities could not utilise grants of ₹ 18.06 crore received from UGC and other organizations. Due to non-utilisation of funds, subsequent grants were not released to the universities.

(Paragraphs 2.5.6.2 (ii), 2.5.7.2 (ii), 2.5.8.2 (ii) and 2.5.9.2 (ii))

- Conditional affiliation was granted to private colleges repeatedly without ensuring removal of deficiencies in infrastructure. Affiliation fees amounting ₹ 8.94 crore was outstanding against the government/non-government institutions.

(Paragraphs 2.5.6.5 (i), 2.5.6.5 (ii), 2.5.7.5(i), 2.5.7.5 (ii), 2.5.8.5(i), 2.5.8.5 (ii) and 2.5.9.5)

1.6 Management of Post Matric Scholarship to SC and ST students

The Scheme of Post Matric Scholarships (PMSS) to the Students belonging to SC and ST was introduced by the Government of India with the main objective of providing financial assistance to students belonging to SC and ST category for pursuing their post-matriculation courses through recognized institutions. The benefit of GoI scheme is provided to the all post-matriculate SC and ST students whose parents/guardians' annual income from all sources does not exceed ₹ 2.50 lakh. In Madhya Pradesh, State government has extended the PMSS to students, whose parents/guardians' annual income from all sources does not exceed ₹ 3.00 lakh. A review of Management of PMSS to SCs and STs during the period 2010-11 to 2014-15 revealed the following:

- PMSS was implemented with 100 *per cent* central assistance over and above committed liability to be borne by State Government. During the year 2010-11 to 2014-15, State Government incurred expenditure of ₹ 1,035.46 crore against the allocation of ₹ 1,129.33 crore for PMSS to SC students. For PMSS to ST students, State government incurred expenditure of ₹ 550.97 crore against the allocation of ₹ 571.92 crore.

(Paragraph 2.6.6)

- Funds were released to the districts without obtaining the actual utilisation of allotted funds. There was unspent balances of ₹ 71.53 crore in the bank accounts of Assistant Commissioner Tribal Welfare/District Organiser Tribal Welfare of 15 test-checked districts at the end of March 2015, which were not refunded to Government.

(Paragraphs 2.6.6.1 and 2.6.6.2)

- In 5,441 suspected cases, more than one scholarship to one student was sanctioned in the same academic year. The actual payments towards these sanctions could not be verified due to non-availability of relevant records. However, district implementing offices confirmed payment of ₹ 3.81 crore in 1,106 cases.

(Paragraph 2.6.7.3)

- There were delays ranging from one to three years in payment of scholarship amounting to ₹ 194.29 crore to the 1.13 lakh SC students and 0.26 lakh ST students during the period 2010-11 to 2014-15.

(Paragraph 2.6.7.4)

1.7 Implementation of Right to Public Service Legislation in the State

Madhya Pradesh Legislature enacted *Madhya Pradesh Lok Sewaon ke Pradan Ki Guarantee Adhiniyam, 2010* (Act) which aimed to provide for delivery of services to the people of the State within the stipulated time limit. The Act came into force from September 2010. The Act includes provisions to notify time-frame for providing services, Designated Officers (DO) for providing services, Appeal Officer/Appellate Authority (AO) for hearing appeals and fixing penalties for delay or rejection of service without sufficient reason.

State Government established (September 2010) Public Service Management (PSM) Department headed by Secretary, GoMP for improvement and innovation in public services. State Agency for Public Service (SAPS) headed by an Executive Director was also formed (May 2013) as a registered Society for implementation of *Lok Sewaon ke Pradan Ki Guarantee Adhiniyam, 2010*. As an optional arrangement for receiving applications under the Act, *Lok Seva Kendras* (LSKs) were set up from September 2012 under Public Private Partnership up to Block level. GoMP notified 124 services of 22 Departments under the Act in eight phases between September 2010 and March 2015.

A Thematic Audit on Implementation of 'Right to Public Service Legislation in the State' during 2012-13 to 2014-15 revealed the following:

- 181.41 lakh online applications were disposed within stipulated time, which was 75 per cent of total 241.40 lakh applications received online during period 2012-13 to 2014-15.

(Paragraph 2.7.7.1)

- Out of 124 notified services of 22 Departments, only 68 notified services of 16 departments were being processed through online system by LSKs. Rest of the services could not be brought into online system by SAPS and were being provided offline directly through DOs.

(Paragraph 2.7.7.2)

- Information about the notified services, time limit of disposal, documents to be attached with the application and name of DOs and AOs was to be displayed at the office of DOs/AOs on notice board. However, notice board containing the requisite information was not displayed in the offices of 38 out of 82 DOs and 18 out of 40 AOs resulting into lack of dissemination of relevant information to the citizen.

(Paragraph 2.7.8.3)

- District Head of the Departments neither prepared schedule of inspection nor did they carry out periodic inspection of the offices of DOs.

(Paragraph 2.7.10.1)

1.8 Implementation of Programmes for Development of Particularly Vulnerable Tribal Groups in Madhya Pradesh

With an objective of development of Particularly Vulnerable Tribal Groups (PVTGs), who are having low level of literacy, declining or stagnant population, pre-agricultural level of technology and economically backward, Government of India (GoI) had been providing funds to State under Special Central Assistance (SCA) to Tribal Sub Plan (TSP). GoI launched (April 2008) Conservation-Cum-Development (CCD) Plan for development of PVTGs. Under the scheme, State Governments were to prepare long term CCD plan for each PVTGs in their State.

In Madhya Pradesh, three tribes, namely Baiga, Sahariya and Bharia residing in 15 districts were identified and categorised as PVTGs. As per survey report of 2004-05, the population of PVTGs in identified areas was 4.87 lakh. The State Government had established 11 PTG Development Agencies for 15 districts for implementation of programmes for development of PVTGs. The audit of Implementation of Programmes for Development of PVTGs in Madhya Pradesh for the period 2010-11 to 2014-15 revealed the following:

- 4.49 lakh PVTGs population, who were residing outside the identified areas, were not included in CCD plan (2012-17).

(Paragraph 2.8.6.1)

- CCD plan (2012-17) was prepared on the basis of 2004-05 base line survey. Thus, the socio-economic needs were not re-assessed before preparation of CCD plan 2012-17.

(Paragraph 2.8.6.2)

- During the period 2010-11 to 2014-15, State Government incurred ₹ 246.96 crore on implementation of programmes for development of PVTGs. Significant amount of CCD plan and SCA funds of ₹ 88.81 crore were lying idle in bank accounts of six PTG Development Agencies.

(Paragraph 2.8.8)

- There were shortfalls of 28 *per cent* in the achievement of physical targets under CCD plan during 2010-15. Under SCA, the shortfall in achievement of physical target was 20 *per cent* during 2010-15.

(Paragraph 2.8.8.1)

- Against the release of ₹ 11.04 crore for treatment of critical diseases the fund of ₹ 1.54 crore (14 *per cent*) were utilised. Further, 788 medical check-up camps were organised for PVTGs out of 1,517 targeted in the State for the period 2011-15.

(Paragraphs 2.8.10 and 2.8.10.1)

1.9 Performance IT Audit of Prison Management System and Visitor Management System in Madhya Pradesh Jails

Prison Management System (PMS) and Visitor Management System (VMS) is a Local Area Network based System for Management of prisoners and visitors solution. PMS and VMS software was designed and developed by NIC, New Delhi with SQL Server 2008 as the backend and ASP Net as the frontend in

Windows 2007 Operating System. The objectives of PMS/VMS project was to automate the processes at primary sources of data i.e. Jails and to record and manage the inmates and visitors information. The performance IT Audit of PMS and VMS revealed the following:

- No Software Design Document was prepared before developing the system. Feasibility study and parallel checking of the software was also not done, which led to lack of internal consistency and integrity.

(Paragraphs 2.9.8.1 and 2.9.8.2)

- The objective of introduction of PMS and VMS to create centralised database of inmate and visitor information could not be achieved due to non-installation of hardware as per the location plan and incomplete data entry. Further, short supply of hardware led to idling of hardware and delay in completion of the project by 32 months from its scheduled completion date of March 2010.

(Paragraph 2.9.9)

- There were deficiencies in designing PMS/VMS software, which resulted in incomplete data entry. We noted that details of 1.12 lakh inmates were entered in the database as against 2.47 lakh inmates admitted during 2010-11 to 2014-15. No database of visitors had been created. The system failed to check duplicate entries of admission of the prisoners.

(Paragraphs 2.9.10.1 and 2.9.11.5)

- The Department was having inadequate IT security mechanism, physical control and password policy. The data entry was done by inmates and jail warders.

(Paragraphs 2.9.11, 2.9.11.1 and 2.9.11.2)

1.10 Follow up Audit of the Performance Review for “Madhya Pradesh Assembly Constituency Area Development Scheme”

The Madhya Pradesh Assembly Constituency Area Development Scheme (MPACADS) was launched in July 1994, covering all the 231 Assembly constituencies with the objective of taking up developmental works of capital nature on the recommendations of the Members of Legislative Assembly (MLAs) for creation of community assets based on the local needs in their respective Constituencies. The performance audit on implementation of the scheme covering the period 2005-10 appeared in Para 1.1 of the Audit Report (Civil) for the year ended 31 March 2010.

During present follow up audit, we assessed the action taken by the Government on the accepted recommendations included in Para No. 1.1 of Audit Report (Civil) for the year ended 31 March 2010. The follow up audit revealed the following:

We recommended in the previous Audit Report that periodic evaluation should be conducted to assess the actual utility and public benefits being derived out of the works sanctioned so as to facilitate MLAs in selecting works as per the felt needs of their Constituencies.

Follow up audit revealed that periodic evaluation of the works under the MPACADS was not conducted to ensure public benefits and actual utility in seven out of eight selected districts.

(Paragraph 2.10.6)

We recommended in the previous Audit Report that assets registers should be maintained so as to enable the verification of assets created under the scheme. Suitable arrangements should be devised to ensure the transfer of assets to user department and maintenance of the assets created.

Follow up audit revealed that seven District Planning Officers, who were not maintaining the asset register during 2005-10, were still not maintaining the asset register. Further, the register of assets transferred was not available in any of the selected District Planning Officers, except Ratlam.

(Paragraph 2.10.7)

We recommended that a system of online tracking and monitoring of execution of works should be devised for timely action against delays in execution and completion of works.

Follow up audit revealed that Department has not evolved any system of online tracking and monitoring of execution of work for timely action against delays in execution and completion of works. During Exit Conference (October 2015), Principal Secretary stated that efforts were being made at Directorate level for the same.

(Paragraph 2.10.8)

2. Audit of transactions

Audit has reported on several significant deficiencies in critical areas which impact the effective functioning of the Government departments/organisations. These are broadly categorised and grouped as:

- Non-compliance with rules, orders, procedures etc.
- Failure of oversight/administrative control

2.1 Non-compliance with rules, orders, procedures etc.

For sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, misappropriation and frauds, but helps in maintaining good financial discipline. This report contains instances of non-compliance with rules. Some significant audit findings are as under:

- Suspected fraudulent drawal and disbursement of pay and allowances amounting to ₹ 8.27 lakh in absence of required checks to be exercised by the DDO according to provisions of MPTC.

(Paragraph 3.1.1)

- Suspected embezzlement of ₹ 0.24 lakh was noticed in the office of the District Project Co-ordinator (DPC), Zila Shiksha Kendra (ZSK), Indore by fraudulently inserting thousand's digits in invoices presented for payment.

(Paragraph 3.1.2)

- Excess payment of ₹ 1.20 crore was made to the suppliers for purchase of medicines at higher rates.

(Paragraph 3.1.3)

- An amount of ₹ 74.90 lakh incurred on local purchases of medicines was not recovered from empanelled suppliers towards risk and cost of excess expenditure.

(Paragraph 3.1.4)

- Incorrect payment amounting to ₹ 1.02 crore was made to ineligible women under *Prasuti Awkash Sahayta Yojna*.

(Paragraph 3.1.5)

- Government was deprived of revenue of ₹ 52.13 lakh due to short levy of stamp duty and non-registration of lease deeds.

(Paragraph 3.1.6)

- Workers Welfare Cess amounting ₹ 87.92 lakh was not remitted to Madhya Pradesh Building and other Construction Workers Welfare Board, by District Project Co-ordinator, Zila Shiksha Kendra, Ujjain, Burhanpur, Indore and Jhabua.

(Paragraph 3.1.7)

- Irregular purchase of cement of ₹ 1.68 crore and avoidable excess expenditure of ₹ 52.29 lakh due to purchase at higher rates.

(Paragraph 3.1.8)

- Irregular expenditure of ₹ 8.22 crore on deposit works by utilising the contribution received for one work to another work.

(Paragraph 3.1.9)

- Excess expenditure amounting to ₹ 108.48 lakh was incurred on maintenance of hand pumps in excess of limit fixed by the Government.

(Paragraph 3.1.10)

- Irregular purchase of ₹ 2.15 crore, resulting in excess expenditure of ₹ 64.98 lakh on procurement of wireless sets and accessories due to purchase at higher rates.

(Paragraph 3.1.11)

- Levy of composition amount at pre revised rates resulted into less recovery of composition amount to the tune of ₹ 65.99 lakh.

(Paragraph 3.1.12)

- Short recovery of cost of foodgrain amounting to ₹ 4.82 crore from the Self Help Groups engaged in Sanjha Chulha programme for distribution of cooked food.

(Paragraph 3.1.13)

2.2 *Failure of oversight/administrative control*

The Government has an obligation to improve the quality of life of the people through fulfillment of certain goals in the area of health, education, development and upgradation of infrastructure and public service. However, Audit scrutiny revealed instances wherein the funds released by the Government for creating public assets for the benefit of the community remained unutilised/blocked and/or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. Some significant cases have been discussed below:

- Unfruitful expenditure of ₹ 82.72 lakh due to non-operation of Drug Testing Laboratory at Government Ayurvedic College, Gwalior funded by GoI.

(Paragraph 3.2.1)

- Non-utilization of Girls' College Building constructed at a cost of ₹ 1.28 crore resulted in unfruitful expenditure.

(Paragraph 3.2.2)

- Cost escalation of ₹ 95.68 lakh on construction of residential school building for Tribal Students due to failure of control mechanism, which also led to inordinate delay in completion of the building.

(Paragraph 3.2.3)

- Unfruitful expenditure of ₹ 1.85 crore on pay and allowances due to non-functioning of Training Cum Production Centre.

(Paragraph 3.2.4)