

Overview

OVERVIEW

This Report contains four Performance Audits on Procurement and Distribution of Agriculture Inputs, National Rural Health Mission, Rashtriya Madhyamik Shiksha Abhiyan and Pradhan Mantri Gram Sadak Yojana and 28 paragraphs including thematic paragraphs. Some of the major audit findings are mentioned below:

The total expenditure of the State increased from ₹ 15962 crore to ₹ 22734 crore during 2010-15, the revenue expenditure of the State Government increased by 42 *per cent* from ₹ 13946 crore in 2010-11 to ₹ 19787 crore in 2014-15 while capital expenditure increased by 38 *per cent* from ₹ 1789 crore to ₹ 2473 crore during the period 2010-15.

PERFORMANCE AUDIT

Major findings of **Procurement and distribution of agriculture inputs** are given below:

- During 2010-15, the test-checked districts had not carried out reconciliation of receipts of ₹ 264.29 crore with treasury and sale proceeds of inputs of ₹ 3.68 crore realised from the farmers in the State as a whole were not deposited in Government account.

(Paragraphs 2.1.3.3, 2.1.3.4 (i) and (iii) to (v))

- In test-checked districts, 33,011.10 quintals of seeds (wheat: 28,909.63 quintals and maize: 4,101.47 quintals) costing ₹ 9.39 crore were distributed to the farmers during 2010-15 after the sowing seasons.

(Paragraph 2.1.4.3)

- Against the requirement of 6.38 lakh metric tonnes (MTs) fertilisers during 2010-15, the procuring agencies had supplied 5.38 lakh MTs fertilisers to the farmers resulting in shortfall of one lakh MTs.

(Paragraph 2.1.5.1)

- The Agriculture Department had procured 30,623.50 quintals of potato seeds costing ₹ 7.88 crore during 2010-15 without following the competitive bidding procedure.

(Paragraph 2.1.6.1)

- Against targets of testing of 18,400 samples of inputs during 2010-15, the testing laboratories had analysed 11,998 samples resulting in shortfall of 6,402 samples (35 *per cent*).

(Paragraph 2.1.7.2)

- Internal control mechanism in the Department was ineffective as the control registers and complete database of the inputs required, procured and distributed had not been maintained.

(Paragraphs 2.1.8.2 and 2.1.9.1 to 2.1.9.4)

Major findings of **National Rural Health Mission** are given below:

- Programme Implementation Plans during 2010-15 were prepared by the Health and Family Welfare Department without considering the needs of the districts, blocks and villages. Identification of the healthcare needs was inadequate as the household survey was not conducted in the State as of March 2015.

(Paragraphs 2.2.2.1 and 2.2.2.2)

- Of the total available funds, 19 to 47 *per cent* remained unutilised with the Mission Director during 2010-15.
(Paragraph 2.2.4)
- Against Indian Public Health Standards norms for posting of 3390 doctors in the State, 1213 posts were sanctioned and 1059 (31 *per cent*) were in position as of March 2015. Similarly, as against requirement of 6195 health workers for Health Sub Centres in the State, only 3032 (49 *per cent*) were in position.
(Paragraph 2.2.6.1)
- During 2010-15, the percentage achievement of targets of primary and secondary immunisation of children for BCG, Measles, DPT, Hepatitis B and TT ranged between 42 and 114 and 66 and 95 respectively. Cold chain equipments were not available in 166 Public Health Centres (out of 500).
(Paragraphs 2.2.7.6 and 2.2.7.8)
- Mobile Medical Units were not operationalised and 10 vehicles procured in May 2014 for the purpose, were lying idle as of May 2015. Telemedicine project at 19 locations in the State was defunct since 2009.
(Paragraphs 2.2.7.13 and 2.2.7.14)
- Monitoring was weak, comprehensive call centre for mother child tracking system, adolescent health counselling and dedicated helpline was not established despite availability of sufficient funds.
(Paragraphs 2.2.7.15 and 2.2.12)

Major findings of **Rashtriya Madhyamik Shiksha Abhiyan** (RMSA) are given below:

- Annual Work Plans (AWPs) under RMSA were prepared by Higher Education Department at district level during 2013-15 without considering school level development plans.
(Paragraph 2.3.2.1)
- Out of total availability of funds of ₹ 348.47 crore under RMSA, the Department could spend only ₹ 218.67 crore on various components of the programme leaving ₹ 129.80 crore (37 *per cent*) unutilised as of March 2015.
(Paragraphs 2.3.3)
- Of ₹ 7.23 crore provided by the GOI and State Government for construction of five model schools in March 2010, ₹ 4.70 crore was lying unutilised with the executing agency due to slow pace of work (one) and non-availability of encumbrance free land (four).
(Paragraph 2.3.4.6)
- Implementation of Information and Communication Technology Project phase-II was delayed due to non-finalisation of tenders in time depriving the students in Government schools of the intended benefits of the project as of March 2015.
(Paragraph 2.3.6.1)
- There was shortage in cadre of teaching and teaching support staff in schools. The percentage of shortages of these staff in schools was 14 and 39 as of March 2015. The sanctioned strength of others/ non-teaching staff was as high as 80 *per cent* of the teaching staff.
(Paragraph 2.3.8)
- Examination results were poor as schools ranging between two and 16 had zero *per cent* results for class X during 2011-15 and schools ranging between 134 and 232 had results less than 25 *per cent*. Similarly, for class XII, 10 schools had zero *per cent* result and 48 schools had less than 25 *per cent* result during 2014-15.
(Paragraph 2.3.9)

- Internal audit arrangements as prescribed under the scheme had not been put in place by the Department as of March 2015.

(Paragraph 2.3.10)

Major findings of **Pradhan Mantri Gram Sadak Yojana** are given below:

- The long term master plan with clear milestones and timelines for providing all weather road connectivity to all eligible habitations was not prepared by Public Works Department and 1,093 eligible habitations under the programme had remained unconnected in the State as of March 2015.

(Paragraph 2.4.2.1 (i))

- Due to non following the 'transect walk' procedure for road alignment, detailed project reports of 117 roads approved by the GOI for ₹ 172.71 crore during 2001-10 had to be dropped (between January 2012 and September 2013) due to involvement of private/ forest land.

(Paragraph 2.4.2.6 (i))

- Against the availability, the programme funds ranging between ₹ 99.78 crore and ₹ 314.44 crore remained unutilised during 2010-14 which indicated lack of financial controls.

(Paragraph 2.4.3.1 (i))

- In 20 test-checked divisions, 252 works sanctioned (between January 2002 and July 2014) by the GOI for ₹ 358.28 crore were awarded to the contractors during 2012-15 with delays ranging between 81 and 2640 days resulting in further delay in execution of the works.

(Paragraph 2.4.4.1)

- In all test-checked divisions, of 275 works stipulated to be completed during 2010-15, 200 works were completed and 75 works on which an expenditure of ₹ 54.69 crore was incurred were incomplete for more than 48 months.

(Paragraph 2.4.5.1 (ii))

- Quality control mechanism was ineffective as the Executive Engineers of the test-checked divisions had not taken action for rectification of 485 works reported as unsatisfactory by the State Quality Monitors (441) and National Quality Monitors (44) during 2010-15.

(Paragraphs 2.4.8.3 (ii) and (iii))

COMPLIANCE AUDIT

Working of Himachal Pradesh Co-operative Milk Producers' Federation (Milkfed) Limited

Of grants of ₹ 16.03 crore received from the Government of India during 2012-15, the Milkfed had incurred expenditure of ₹ 11.54 crore and ₹ 4.49 crore were lying unutilised as of March 2015. Non-settlement of cash credit limit of ₹ 5.00 crore with the Himachal Pradesh State Co-operative Bank Limited since January 2004 resulted in outstanding liability of ₹ 22.72 crore (Principal: ₹ 2.69 crore and interest: ₹ 20.03 crore) as of March 2015. During 2012-15, against the target, there was shortfall in procurement of milk ranging between 09 and 18 *per cent* and shortfall in sale of milk ranging between 10 and 44 *per cent*. The Milkfed had not fixed product wise norms for utilisation of milk for

the various milk products. Capacity utilisation of nine milk chilling centres and three milk processing plants ranged between 03 and 48 *per cent*.

(Paragraph 3.1)

National Programme of Nutritional Support to Primary Education (Mid-Day Meal Scheme)

Funds of ₹ 42.61 lakh for cooking cost in 1248 cases were released late to schools by Elementary Education Department during 2012-15 with delays ranging between 20 and 175 days. Interest of ₹ 33.31 lakh earned on scheme funds had not been reported to the Centre as per the scheme guidelines. The construction of 507 kitchen sheds-cum-stores sanctioned during 2007-12 for ₹ 3.13 crore was still incomplete as of March 2015 after expending ₹ 2.03 crore and construction of 430 kitchen sheds costing ₹ 3.46 crore had not been started as of April 2015.

(Paragraph 3.3)

Preparedness for implementation of National Food Security Act, 2013

The State Government had not identified beneficiaries afresh under the National Food Security Act and there was shortfall in identification of 5.76 lakh beneficiaries in the State due to which the State was receiving 5.08 lakh tons of foodgrains at existing rates. Smart Cards in place of paper ration cards and ration (smart) cards in the name of eldest woman in household had also not been issued. End-to-end computerisation of targeted public distribution system had not been ensured as of April 2015 and unutilised funds of ₹ 6.74 crore were lying in a savings bank account. Vehicles tracking system was not being used by the Food, Civil Supplies and Consumer Affairs Department for transportation of foodgrains at different levels and computerisation of fair price shops had not been taken up as of April 2015. Vigilance Committees (VCs) at Block level had not been constituted and there was shortfall between six and 100 *per cent* in constitution of VCs at fair price shop level.

(Paragraph 3.4)

Undue benefit to temple trust

Decision of the Health and Family Welfare Department to exchange building of Community Health Centre Jawalamukhi with a building of Shree Jawalamukhi temple trust led to undue benefit of ₹ 6.27 crore to the trust.

(Paragraph 3.6)

Functioning of Flow Irrigation Schemes

In six test-checked divisions of Irrigation and Public Health Department, ₹ 18.27 crore were withdrawn from treasury at the end of financial year during 2010-15 and shown as final expenditure/ booking of material against flow irrigation schemes (FISs) without their actual utilisation. In nine divisions, 46 FISs (of 91) on which ₹ 42.25 crore had been spent were lying incomplete as of March 2015. In five test-checked divisions, the irrigation potential created under 21 FISs at a cost of ₹ 20.02 crore was not utilised optimally during 2012-15. Departmental officers had not monitored the execution of the FISs during 2012-15 and the prescribed inspections of the FISs were also not conducted.

(Paragraph 3.7)

Idle investment on augmentation of water supply schemes and loss of interest

Lack of planning and failure of the Irrigation and Public Health Department to initiate timely action for execution of the water supply schemes resulted in idle investment of ₹ 53.57 crore and loss of interest of ₹ 3.31 crore.

(Paragraph 3.10)

Unfruitful expenditure on execution of sewerage scheme

Lack of planning and inefficiency of the Irrigation and Public Health Department to expedite the execution of the sewerage scheme within stipulated time resulted in unfruitful expenditure of ₹ 6.80 crore.

(Paragraph 3.11)

Mismanagement of funds

Absence of proper planning for utilisation of grant received by State Nursing Council for strengthening the nursing services in the State had resulted in mismanagement of available funds amounting to ₹ 1.40 crore.

(Paragraph 3.12)

Implementation of Renewable Energy Programmes

Against the target of generation of 2,473 MW hydro power through small hydro power (SHP) projects, the achievement was only 476 MW (19 *per cent*) through 97 SHP projects commissioned upto March 2015. Upfront premium for capacity addition of ₹ 7.80 crore from four independent power producers and local area development fund of ₹ 7.12 crore for environment management plan, etc., from six small hydro power projects had not been recovered by Department of Energy. Free power royalty payment of ₹ 27.17 crore from independent power producers for the year 2014-15 had not been remitted by the Himachal Pradesh State Electricity Board Limited to the State Government. Against estimated solar power potential of 33,000 MW, only 3.29 MW had been installed in the State as of March 2015.

(Paragraph 3.13)

Non-recovery of capacity addition charges and undue favour to power developer

Failure of the Multipurpose Projects and Power Department to detect capacity addition of hydropower project in time and non-levy of ₹ 209.28 crore on account of capacity addition charges, additional free power royalty and local area development fund led to extension of undue favour to the power developer.

(Paragraph 3.14)

Excess contribution towards Employees' Provident Fund

Failure to limit employer's contribution toward Employees' Provident Fund by the Himachal Pradesh Energy Development Agency and Himachal Pradesh Scheduled Castes and Scheduled Tribes Development Corporation as prescribed in the Employees' Provident Funds Scheme, 1952 resulted in excess contribution of ₹ 2.66 crore.

(Paragraph 3.15)

Backward Regions Grant Fund

Panchayati Raj Department had not conducted baseline survey to identify missing infrastructure gaps in backward districts. Out of total available funds of ₹ 40.75 crore during 2012-15, the Zila Parishad, Sirmour utilised ₹ 38.94 crore and funds of

₹ 1.81 crore remained unutilised as of March 2015. Utilisation Certificates of ₹ 20.91 crore for execution of 2281 works were submitted to GOI without ensuring their actual utilisation by the implementing agencies. Works were not taken up as per the priority list and ₹ 22.72 crore (61 per cent) out of total expenditure of ₹ 37.41 crore incurred in the Sirmour district during 2012-15 was on low priority works. The State Government had not instituted Quality Monitoring System for ensuring the quality of execution of the works as of May 2015.

(Paragraph 3.16)

Implementation and Administration of Members of Parliament Local Area Development Scheme

Against release of ₹ 57.12 crore by the Deputy Commissioners (DCs) of Nodal districts to the implementing agencies during 2012-15, the details of expenditure actually incurred were not available. ₹ 54.00 lakh were spent on construction of 24 works which were beyond the scope of the scheme. Against ₹ 12.39 crore required to be spent for infrastructural development of areas inhabited by the SC and ST population, only ₹ 5.44 crore (44 per cent) was released by the DCs of Nodal districts during 2012-15. Out of 3710 works sanctioned during 2012-14, execution of 3359 works (approved for ₹ 52.21 crore) was under progress resulting in blocking of Government funds besides, non-accrual of timely benefits to the beneficiaries.

(Paragraph 3.17)

Unfruitful expenditure on construction of road

Failure of the Public Works Department to secure necessary permission for the construction of railway over bridge, the expenditure of ₹ 2.83 crore on construction of road remained largely unfruitful.

(Paragraph 3.19)

Undue financial benefit to a firm and suspected misappropriation of funds

Failure of the Public Works Department to initiate timely action against a firm for breach of contractual obligations resulted in extension of undue financial benefit of ₹ 2.64 crore to the firm and suspected misappropriation of ₹ 35.97 lakh besides unfruitful expenditure of ₹ 2.39 crore and cost overrun of ₹ 2.58 crore.

(Paragraph 3.25)

Implementation of Social Security Pension Schemes

Time schedule had not been fixed for finalisation of pension cases by the Scheduled Castes, Other Backward Classes and Minority Affairs Department due to which there was delay in finalisation of pension cases ranging between 12 and more than 60 months during 2012-15. Mechanism for reporting death, persons becoming ineligible for pension and sanction of pension from other schemes was not in existence. There were instances of delay in disbursement of pension, non-obtaining of requisite certificates, sanction and disbursement of pension to ineligible persons and non-verification of pension disbursed in the test-checked districts. Social security pension was not granted for newly created category of individuals of more than 80 years of age. Pension disbursement through biometric system in Una district was not working properly. In Mandi district e-kalyan system for implementation of pension was not web-based.

(Paragraph 3.27)