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CHAPTER III

Audit of Transactions

Audit of transactions of the Government Departments, their field formations as well as that of the Autonomous Bodies brought out instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs.

Medical Education and Drugs Department and Public Health Department

3.1 Establishment of Trauma Care Centres in the State

Introduction

Accidental trauma is a leading cause of mortality in India. If basic life support, first-aid and replacement of fluids[1] can be arranged within the first hour of the injury (the golden hour), lives of many of the accident victims can be saved. In the State of Maharashtra, 3,23,205 road accidents were reported between 2011 and 2015 in which 65,434 persons (20.25 *per cent*) were killed.

In order to bring down preventable deaths due to road accidents to 10 *per cent*, Government of India (GoI) had been implementing the Scheme for 'Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways' in the States since 11th Five Year Plan (2007-12). Besides, GoI had also been implementing 'Pradhan Mantri Swasthya Suraksha Yojana' (PMSSY) since 2007-08 for correcting regional imbalances in the availability of affordable healthcare services through setting up of institutions in the line of AIIMS and upgradation of the existing Government Medical College Institutions in the States.

Under these two Central Schemes, GoI had been extending financial assistance[2] to the Government of Maharashtra (GoM) for establishment of Trauma Care Centres (TCCs), development of manpower and purchase of equipment in the State. Besides, GoM had also been establishing TCCs using its own resources. Based on the degree of facilities and infrastructure available, the TCCs were designated[3] as Level-I/II/III. In Maharashtra, there were two Level-I, two Level-II and 69 Level-III TCCs under the

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[1] Fluid replacement or fluid resuscitation is the medical practice of replenishing bodily fluid lost through sweating, bleeding, fluid shifts or other pathologic processes

[2] While the Scheme for 'Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways' was fully funded by GoI, fund sharing pattern under PMSSY was 5:1 (GoI:GoM)

[3] Level-I would provide the highest level of definitive and comprehensive care for patient with complex injuries; Level-II would provide definitive care for severe trauma patients and Level-III would provide initial evaluation and stabilize accident victims

administrative control of two Departments[4] of GoM, as detailed in **Table 3.1.1**.

Table 3.1.1: Establishment of TCCs in Maharashtra State

	Medical Education and Drugs Department		Public Health Department
Name of Scheme	PMSSY	Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways	Establishment of TCCs
Number of TCCs	Level-I : 2	Level-II : 2	Level-III: 69
Source: Information furnished by the Secretary, Director of Medical Education and Research, Mumbai and the Joint Director, Public Health Department, Mumbai Note: Of 69 TCCs, 66 were funded by GoM and three by GoI			

Audit examined (between January and June 2016) the effectiveness of planning and establishment of TCCs and their functional status through test-check of records of all the four[5] Level-I/II TCCs; 18[6] of 69 Level-III TCCs; Secretariat and Directorate of Medical Education and Drugs Department and Public Health Department for the period 2011-16. The audit observations were referred to the State Government in August 2016; their reply was awaited as of January 2017.

Audit Findings

3.1.1 Planning

3.1.1.1 Establishment of Trauma Care Centres

As per Scheme[7] guidelines issued by the Ministry of Health and Family Welfare, GoI, the distance norms for setting up of different level of TCCs would be as under:

Level	Distance
Level-III	At the distance of 100-150 km
Level-II	At the distance of 300-450 km
Level-I	At the distance of 600-700 km

On plotting 73 TCCs on the political map of Maharashtra, audit observed that while the distance norms for setting up of four Level-I and II TCCs in the State had been largely followed by GoM, there were wide variations in actual distance between two TCCs *vis-a-vis* the norms for setting up of 69 Level-III TCCs in the State. For instance, 38 TCCs were established at a distance of 50 km from each other and 14 were established at a distance of 50 to 100 km, covering mainly the western and central parts of Maharashtra. The remaining 17 TCCs registered their sporadic presence in the eastern, southern and northern parts of Maharashtra.

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4 Medical Education and Drugs Department and Public Health Department

5 Level-I TCCs: Grants Medical College and Sir J.J. Group of Hospitals, Mumbai and Government Medical College and Hospital, Nagpur; Level-II TCCs: Government Medical College and Hospital, Kolhapur and B.J. Medical College and Sasoon Hospital, Pune

6 11 District Hospitals – Alibag, Amravati, Beed, Gondia, Jalgaon, Jalna, Nashik, Osmanabad, Parbhani, Ratnagiri and Satara; 03 Rural Hospitals – Ahmadpur, Ajanta and Telgaon; 04 Sub-District Hospitals – Achalpur, Dahanu, Hinganghat and Warora

7 Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways

The Public Health Department observed (January 2010) that 69 TCCs identified were not sufficient to cater to the needs of trauma victims and therefore, asked the Maharashtra Remote Sensing Application Centre, Nagpur (MRSAC) to prepare spatial database for establishment of Primary Health Centres (PHCs), Sub-District Hospitals (SDHs), TCCs, Women and Child Hospitals *etc*. which would be helpful in preparation of master plan and district-wise perspective plan for the State.

Audit observed that MRSAC submitted (December 2010) spatial database on the basis of which, Public Health Department prepared (January 2013) a master plan that envisaged establishment of 39 new TCCs in the State (in addition to 69 TCCs) between 2013 and 2018 along with other healthcare facilities such as, SDHs, PHCs, Women and Child Hospitals. However, as of January 2017, no new TCCs have come up for construction.

Inadequacies in planning were further demonstrated by the fact that two Level-I TCCs, which were to provide highest level of comprehensive care to trauma victims, were either not constructed (TCC, Mumbai) or only functional partially (TCC, Nagpur) as of January 2017. Similarly, one Level-II TCC at Kolhapur was non-functional while another at Pune was running purely on *ad hoc* basis through deployment of medical staff from B.J. Medical College and Sasoon Hospital, Pune located in the same premises. Of 18 Level-III selected TCCs, though 13 TCC buildings had been completed, these were either non-functional or partially functional as of January 2017 due to inadequate manpower, shortage of equipment and incomplete infrastructure such as, electric works, compound walls, water supply *etc*. or used for other purposes. Detailed finding are indicated in **paragraphs 3.1.1 to 3.1.7.**

3.1.2 Financial Management

During 2007-16, ₹ 78.56 crore were received from GoI and GoM for establishment of 22 selected TCCs against which, an expenditure ₹ 70.99 crore was incurred, as shown in **Table 3.1.2.**

Table 3.1.2: Funds received and expenditure incurred on 22 selected TCCs

(₹ in crore)

Level of TCC	Number of TCCs	Source of funding	Funds received	Period of receipt	Expenditure incurred
I	2	GoI	39.70	2011-16	39.51
II	2	GoI	11.97	2007-12	4.43
III	3	GoI	3.94	2007-12	3.86
III	15	GoM	22.95	2011-16	23.19
Total	**22**		**78.56**		**70.99**
Source : Data furnished by selected TCCs					

3.1.2.1 Non-submission of Utilisation Certificates

For implementation of Central Scheme for 'Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways', GoI and GoM signed (September 2007) a Memorandum of Understanding (MoU) for establishment of five[8] TCCs in the State. As per MoU, utilisation

[8] Two Level-II TCCs at Kolhapur and Pune; Three Level-III TCCs at Dahanu, Hinganghat and Satara

certificates (UCs) along with statements of expenditure duly audited by the State Accountant General were to be submitted by the TCCs to GoI through GoM within 12 months of release of funds. The MoU also stipulated that subsequent release of grants by GoI would be regulated on the basis of submission of UCs by GoM.

Audit observed that though the MoU expired in March 2012, GoM did not make any efforts (up to January 2017) to renew the MoU. Of ₹ 33.60 crore approved for establishment of five TCCs, GoI released ₹ 15.91 crore only (47 *per cent*) during 2007-12 as the TCCs failed to submit audited statements of expenditure. Further, of ₹ 15.91 crore received, an expenditure of ₹ 8.64 crore was incurred but UCs amounting to ₹ 3.02 crore only were submitted to GoI between March 2011 and April 2015. Also, due to non-renewal of MoU and non-submission of UCs, GoI did not release the balance amount of ₹ 17.69 crore.

3.1.3 Functioning of Trauma Care Centres

A trauma care facility can be a specialised area within a hospital building, a separate building adjunct to an existing hospital or a standalone facility self-sufficient in all aspects such as, patient access, patient care areas, clinical support services *etc*. As per operational guidelines of the Scheme for 'Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways' issued by GoI, all TCCs must be adequately equipped in terms of infrastructure, equipment and human resources in order to provide necessary trauma care services to the accident victims. Audit observed that of 22 selected TCCs, only one Level-III TCC at Ratnagiri funded by GoM was fully functional with adequate infrastructure, equipment and human resources. The inadequacies noticed in the remaining 21 TCCs are discussed in **paragraphs 3.1.3.1 to 3.1.3.4**

3.1.3.1 Non-functioning of Trauma Care Centres due to inadequacy of Equipment and Manpower

Nine of 21 TCCs were non-functional as of December 2016 due to inadequacy of infrastructure and manpower. The details are summarised in **Table 3.1.3.**

Table 3.1.3: Status of nine non-functional TCCs

Scheme	Name of TCC/ Expenditure incurred	Audit observation
PMSSY	Grants Medical College and Sir J.J. Group of Hospitals, Mumbai /Nil (Level-I TCC)	The hospital was to be upgraded along with construction of TCC and administrative building at a total cost of ₹ 150 crore. Of ₹ 150 crore, GoI earmarked (September 2007) ₹ 15.80 crore[9] for construction of TCC. However, work of TCC had not commenced as the hospital administration gave preference to upgradation of hospital and construction of administrative building over TCC.
Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways	Government Medical College and Hospital, Kolhapur/₹ 1.77 crore (Level-II TCC)	The TCC building was constructed in March 2011 at a cost of ₹ 0.80 crore. However, equipment valuing ₹ 3.48 crore were ordered belatedly in February 2016 against which, equipment valuing ₹ 1.04 crore was supplied as of June 2016. The TCC was not functional as 99 posts of doctors/technicians/nursing staff/*safai karmacharis etc*. were not filled up.

[9] Manpower: ₹ 4.30 crore; Civil works: ₹ 1.50 crore; and Equipment: ₹ 10 crore

Scheme	Name of TCC/ Expenditure incurred	Audit observation
Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways	Sub-District Hospital, Hinganghat/₹ 0.64 crore (Level-III TCC)	The work order for construction of TCC was issued only in September 2011 though funds amounting to ₹ 0.64 crore were released during 2009-10. The work was completed in November 2012. However, due to non-appointment of 15 medical officers/orthopaedic surgeon/anaesthetists/staff nurse *etc*. by GoM and non-availability of equipment, the TCC was not functional.
	Sub-District Hospital, Dahanu/₹ 0.65 crore (Level-III TCC)	GoI funds for construction of TCC were received in January 2010. However, work could not commence as the TCC area was falling under coastal zone regulations for which, no objection certificate from Maharashtra Coastal Zone Management Authority was received in September 2011. The work order was issued after a further time lapse of 25 months in November 2013 for completion by May 2014. However, the work was still incomplete.
Establishment of TCCs by GoM	Sub-District Hospital, Warora/₹ 2.12 crore (Level-III TCC)	Work order for construction of TCC was issued in October 2011 at a cost of ₹ 2.12 crore for completion by February 2014. The work was however, completed in February 2016. But, due to non-appointment of 15 medical officers/orthopaedic surgeon/anaesthetists/staff nurse *etc*. by GoM and non-availability of equipment, the TCC was not functional.
	Sub-District Hospital, Achalpur/₹ 1.77 crore (Level-III TCC)	Work order was issued in August 2011 for completion by November 2012. The work was however, completed in June 2013. But, the TCC was non-functional due to non-availability of equipment. Further, staff appointed for this TCC was diverted to the Sub-District Hospital.
	Rural Hospital, Telgaon/₹ 1.70 crore (Level-III TCC)	The TCC was completed in February 2016. However, due to non-appointment of 15 medical officers/orthopaedic surgeon/anaesthetists/staff nurse *etc*. by GoM and non-availability of equipment, the TCC was not functional.
	Rural Hospital, Ajanta/₹ 0.61 crore (Level-III TCC)	Work order was issued in March 2009 for completion by September 2009. The work was still incomplete due to delay in completion of electrical works, installation of transformer, water supply works and plastering work.
	Rural Hospital, Ahmedpur/₹ 0.86 crore (Level-III TCC)	Work order for construction of this TCC admeasuring 700 sqm was issued in July 2014 for completion by July 2015. However, during execution of work, the area of TCC building was increased from 700 sqm to 1200 sqm leading to non-adherence to timeline of July 2015. The work was still in progress (December 2016).

The Deans/Medical Superintendents of the TCCs accepted the audit observations.

3.1.3.2 Sub-optimal Functioning of Trauma Care Centres due to inadequacy of Infrastructure, Equipment and Manpower

Four of 21 TCCs were functioning sub-optimally as of December 2016 due to inadequacy of infrastructure, equipment and manpower as detailed in **Table 3.1.4**.

Table 3.1.4: Status of four TCCs functioning sub-optimally

Scheme	Name of TCC/ Expenditure incurred	Audit observation	Reply
PMSSY	Government Medical College and Hospital, Nagpur/	The work of 90 bedded TCC was awarded in August 2012 for completion in 18 months (February 2014). However,	The Dean, Government Medical College and Hospital,

Scheme	Name of TCC/ Expenditure incurred	Audit observation	Reply
	₹ 39.51 crore (Level-I TCC)	due to inadequacies in estimation of various infrastructure works such as, non-provision of transformer sub-station, 250 KVA generator set, passenger lift for eight persons, air conditioner system for ICCU, water pump *etc*. in the original estimates, the completion of TCC was delayed. The works were completed in March 2016 and the TCC started functioning partially with 30 beds from July 2016.	Nagpur stated (April 2016) that the original drawings and estimates prepared by an expert committee had to be modified subsequently for effective disaster management.
Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways	B.J. Medical College and Sasoon Hospital, Pune/₹ 3.28 crore (Level-II TCC)	The TCC building was completed in November 2014. However, due to non-filling of 99 posts of doctors/technicians/nursing staff/*safai karmacharis etc*. the TCC was functioning sub-optimally using the medical staff from B.J. Medical College and Sasoon Hospital.	The Dean, B.J. Medical College and Sasoon Hospital, Pune accepted (March 2016) the audit observation.
Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways	District Hospital, Satara/ ₹ 2.59 crore (Level-III TCC)	The TCC building was completed in February 2013. However, due to partial provision of equipment and non-appointment of 15 numbers of medical officers/orthopaedic surgeon / anaesthetists/staff nurse *etc*. by GoM, the TCC was being run sub-optimally by deployment of medical staff from the district hospital.	The Civil Surgeon, District Hospital, Satara accepted (March 2016) the audit observation.
Establishment of TCCs by GoM	District Hospital, Amravati/Nil (Level-III TCC)	The District Hospital, Amravati had a TCC functioning since 2004 with requisite doctors and nursing staff. However, some of the essential equipment *viz.,* power bone drills, operation table, orthopaedic instrument sets, cardiac monitors, x-ray machines, ECG machines, colour doppler *etc.* were not provided by GoM.	The Civil Surgeon, District Hospital, Amravati accepted (April 2016) the audit observation.

3.1.3.3 Trauma Care Centres Functioning from Hospital Buildings

Five[10] of 21 TCCs did not have separate buildings and they continued to function from orthopaedic/casualty/emergency wards of the district hospitals which did not have essential equipment like ventilators, oxygen cylinders, cardiac monitors, defibrillators, ECG machines, pulse oxymeters *etc*.

In District Hospital, Osmanabad, the space in front of orthopaedic ward was being used for treating trauma victims.

The Civil Surgeons of concerned TCCs accepted the audit observation.

3.1.3.4 Trauma Care Centres Lying Idle or Used for Other Purposes

In three of 21 TCCs, while two TCCs were lying idle for significant periods, one TCC was being utilised for other purposes as of December 2016. These are discussed below.

[10] District Hospitals: Alibag, Gondia, Jalgaon, Osmanabad and Nashik

- The TCC at District Hospital, Jalna constructed in February 2004 remained unutilised till March 2014 as GoM did not make any provision for equipment. The GoM handed over (April 2014) the TCC to a private agency[11] for development, operation and maintenance of radiology imaging diagnostic centre on Public Private Partnership basis. The agency however, did not procure the requisite machinery for setting up of radiology imaging diagnostic centre for two years resulting in termination of contract in April 2016. The TCC building was lying idle since February 2004 without utilisation and the trauma victims were being referred to District Hospital, Jalna for treatment.
- The TCC at District Hospital, Beed had been functioning since November 2004. The GoM handed over (April 2014) the TCC to a private agency[12] for development, operation and maintenance of radiology imaging diagnostic centre on Public Private Partnership basis. The agency however, did not procure the requisite machinery for setting up of radiology imaging diagnostic for two years resulting in termination of contract in April 2016. The TCC building was lying idle since April 2014 without utilisation and the trauma victims were being referred to District Hospital, Beed for treatment.
- The TCC at District Hospital, Parbhani was constructed in May 2005. However, due to non availability of requisite equipment in the TCC, the same was being utilised as minor operation theatre while the trauma victims were referred to District Hospital, Parbhani for treatment.

The Civil Surgeons of concerned TCCs accepted the audit observation.

Thus, considering that TCCs were expected to provide highest level of definitive and comprehensive care to accident victims, non-functioning or partial functioning of 21 of 22 selected Level-I/II/III TCCs (95 *per cent*) due to acute shortage of manpower and equipment clearly demonstrated slackness on the part of GoM in making the TCCs fully operational for providing high level of medical care to trauma victims.

3.1.4 Shortage of Manpower

Level-I and II TCCs

The GoI prescribed (July 2012) manpower requirement of 140 personnel for each Level-I TCC comprising surgeons/anaesthetists/staff nurses/operation theatre and laboratory technicians/radiographers/casualty medical officers/nursing attendants/*safai karmacharis etc.* The GoM however, sanctioned (August 2016) 180 posts of which, 108 posts were filled up to August 2016. No posts were sanctioned for Level-I TCC at Mumbai as construction work of TCC did not commence as of December 2016.

Similarly, GoI prescribed (July 2012) manpower requirement of 99 personnel for each Level-II TCC. However, the GoM did not sanction any posts for Level-II TCCs at Kolhapur and Pune.

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[11] Enso Care (Maharashtra) Private Limited, Mumbai
[12] Wipro GE Healthcare Private Limited, Mumbai

Level-III TCCs

In 18 selected Level-III TCCs, against the requirement of 270 personnel, GoM filled up only 136 posts (50 *per cent*). Further, GoI prescribed (July 2012) manpower requirement of 75 personnel for each Level-III TCC. However, GoM had been maintaining the old manpower norm of 15 personnel prescribed by it in March 2006 which did not include the key posts of general surgeons, operation theatre technicians, laboratory technicians and radiographers.

3.1.5 Trauma Victims Referred to Other Hospitals

Audit observed that due to delay in commencement of TCCs, serious under staffing issues and shortage of equipment in TCCs, the trauma victims brought to TCCs were being referred to other hospitals. Information furnished by 13 of 18 Level-III TCCs revealed that between 2011-12 and 2015-16, 50,735 trauma cases were reported to TCCs of which, 8,055 (16 *per cent*) were referred to other hospitals for treatment. The referral cases was highest in TCC, Warora (80 *per cent*) followed by Ahmedpur (67 *per cent*) and Hinganghat (63 *per cent*). In the remaining 10 TCCs, trauma cases ranging from one *per cent* to 42 *per cent* were referred to other hospitals.

3.1.6 Capacity Building for Better Management of Trauma Services

The operational guidelines of the Scheme for 'Capacity Building for Developing Trauma Care Facilities in Government Hospitals on National Highways' issued by GoI provides for appropriate skilled training to various human resources *viz.,* doctors, paramedics *etc*. engaged in the trauma care services. Further, as per MoU signed (September 2007) by GoI and GoM under this Scheme, the State Government would sponsor at least three nurses per identified institution for undergoing one year training programme on trauma care and on the successful completion of such training, deploy these nurses only at the identified institutions.

In 22 selected TCCs, no training was imparted to the doctors and paramedics during 2011-16. Similarly, no staff nurse was nominated by the State Government during 2011-16 for undergoing one year training programme on trauma care. Thus, the State Government failed to follow the operational guidelines of GoI and the conditions of MoU.

3.1.7 Monitoring of Trauma Care Centres

As per the terms of MoU entered (September 2007) between GoI and GoM, a monitoring committee was to be set up under the Chairmanship of Health Secretary of the respective State Government and members from the concerned hospital (Medical Superintendent); construction agency and state procurement agency; and a representative from the GoI (Ministry of Health and Family Welfare).

Audit observed that though a monitoring committee was set up in the State in 2007, it met only thrice against the stipulated 20 between 2007 and 2012 (no meeting was held there after). Further, in these three meetings, the committee made a number of observations on shortage of manpower and equipment, incomplete construction works, non-submission of statement of expenditure and UCs *etc.* However, no corrective action was apparently taken by GoM as evident from the audit findings in **paragraph 3.1.3**.

Further, under PMSSY, every medical college and hospital (including TCC) was to undertake periodic review through external peer level institutes like AIIMS for continuous strengthening of administrative capabilities, human resource management policies *etc*. The Dean, Government Medical College and Hospital, Nagpur confirmed (August 2016) that no State level authority or any representative from AIIMS had visited Level-I TCC at Nagpur during 2011-16 for conducting periodic review.

In respect of Level-III TCCs, no guidelines had been issued by the State Government for monitoring the functioning of TCCs under the administrative control of Public Health Department.

3.1.8 Conclusion and Recommendations

The planning for establishment of TCCs in the State was deficient. Two each Level-I and Level-II TCCs, which were expected to provide highest level of definitive and comprehensive care to accident victims, were either not constructed or partially functional as of January 2017. Of 18 Level-III selected TCCs, only one TCC at Ratnagiri was fully functional while the remaining 17 were either non-functional or partially functional due to inadequate manpower, shortage of equipment and incomplete infrastructure or were used for other purposes. Requisite training to doctors, paramedics and staff nurses was not imparted. Monitoring of TCCs was weak.

Given the fact that all the Level-I and II and majority of the Level-III trauma care centres were either non-functional or partially functional due to shortage of manpower and equipment, the State Government may sort out the staffing and equipment issues at the earliest to ensure that trauma care services are available timely to accident victims.

Skill Development and Entrepreneurship Department

3.2 Upgradation of Industrial Training Institutes

Introduction

To improve the employment outcomes of graduates from the vocational training system, by making design and delivery of training more demand responsive, the Government of India (GoI) took a decision (October 2007) to upgrade 1,896 Government Industrial Training Institutes (ITIs) in India into Centers of Excellence (CoE). Of 1,896 ITIs, 500 had already been upgraded into CoE and upgradation of the remaining 1,396 ITIs was decided (April 2008) to be taken up in a phased manner. As per GoI guidelines of April 2008, for each ITI proposed for upgradation, the State Government was to appoint an Industry Partner (IP) who would assist, guide and promote the courses in ITIs. Under his Chairmanship, an Institute Management Committee (IMC) was to be set up with Principal of the ITI as the Member Secretary. The IMC was to be registered as a Society under relevant Societies Registration Act and was responsible for managing the affairs of the ITI. The roles and responsibilities of different parties were to be set out in a Memorandum of Agreement (MoA) to be signed between GoI, State Government and the Chairman of each IMC.

Further, each IMC was to prepare an Institute Development Plan (IDP) defining the long term goals of the Institute and year-wise break up of key performance and financial indicators. The IDP was to be submitted to the State Steering Committee (SSC) for its scrutiny and onward submission to National Steering Committee (NSC) for release of funds. On approval of IDP, GoI was to sanction and release ₹ 2.50 crore interest free loan directly to each IMC which was to be repaid in 30 years, with a moratorium of 10 years and thereafter, in equal annual instalments over a period of 20 years.

In Maharashtra, on the recommendations of the SSC, the NSC sanctioned (2007-08 to 2011-12) upgradation of 250 ITIs in a phased manner. In order to seek an assurance that the selection of ITIs for upgradation was fair and transparent, funds provided were used judiciously and upgradation resulted in development of skilled work force, audit test-checked (January 2016 to July 2016) records of 66 of 250 ITIs along with records in the offices of six[13] Joint Directors of Vocational Education and Training at regional level (JDs), Directorate of Vocational Education and Training (DVET), Mumbai and the Principal Secretary, Skill Development and Entrepreneurship Department (*Mantralaya*). The reply of State Government furnished in October 2016 had been suitably incorporated at appropriate places.

Audit Findings

3.2.1 Planning

3.2.1.1 Identification of ITIs

The guidelines issued by GoI in 2008 did not lay down the criteria for identification of ITIs to be upgraded. Also, the methodology for identification of 250 ITIs for upgradation was neither documented nor could it be traced in *Mantralaya* or DVET, Mumbai. The Principal Secretary informed audit in February 2016 of three criteria that were followed for identification of ITIs to be upgraded namely, (a) ITIs formed before 01 January 2007, (b) availability of own building, and (c) ITIs which were not covered under the World Bank Scheme. Audit observed that the above criteria were promulgated by GoI in April 2011. However, 44 of 250 ITIs that were selected for upgradation in 2011-12, three[14] were formed after 01 January 2007 while 13 ITIs were operating from rented buildings.

Further, SSC sanctioned (November and December 2011) IDPs of three[15] Tribal ITIs and GoI released ₹ 7.50 crore. However, within one to two months of sanction, the DVET, Mumbai issued instructions (January 2012) to the tribal ITIs not to incur any expenditure as they did not have their own land and buildings and recommended reallocation of funds to other ITIs. However,

[13] Amravati, Aurangabad, Mumbai, Nagpur, Nashik and Pune
[14] Kadegaon and Palus in Pune region; Mudkhed in Aurangabad region
[15] Sukapur and Nawapada in Nashik region; Bijepar in Nagpur region

till October 2016, the tribal ITIs did not surrender the funds and also no alternate ITIs had been identified for reallocation of funds.

The State Government while confirming the facts stated (October 2016) that a policy decision in this regard was being taken by the SSC.

3.2.1.2 Selection of Industry Partners

As per GoI guidelines of April 2008, one Industry Partner (IP) was to be associated with each ITI to lead the process of upgradation. It was however, observed that there was no one-to-one association of IPs with the ITIs proposed for upgradation. For instance, only 54 IPs were found to be associated with 66 ITIs test-checked.

Further, GoI laid down (April 2011) that the IP should be (a) a manufacturing unit or an infrastructure company or an Information Technology company with a minimum annual turnover of ₹ 10 crore, (b) situated within 100 km radius from the location of the ITI, (c) operational for at least five years, and (d) employ minimum 25 people. Audit observed that post-April 2011, SSC selected 40 IPs during 2011-12 of which, 13 had an annual turnover between ₹ 2.50 crore and ₹ 7.50 crore only.

The State Government accepted the facts and stated that many industrial establishments were not available in the vicinity of ITIs and therefore, only those industrial establishments who had shown interest in the upgradation programme were selected as IPs, irrespective of their annual turnover.

3.2.1.3 Constitution of Institute Management Committee

As per GoI guidelines of April 2008, a 11 members Institute Management Committee (IMC) was to be constituted consisting of (a) IP or its representative as Chairperson and Principal, ITI as Member Secretary, (b) four members from local industry to be nominated by IP in such a way that the IMC was broad-based, and (c) five[16] members nominated by the State Government.

Audit observed that in seven[17] of 66 test-checked ITIs, four members nominated by IPs were either from the same industry or family members of the IPs or service providers running beauty parlors, tutorials *etc*. It was also observed that JD, Pune was acting as Chairman of IMC in four[18] ITIs for a period ranging between three months and four years (as of June 2016) pending approval of change of IP from SSC.

The State Government accepted the facts and stated that consequent upon resignation of IPs, the JD, Pune was appointed as Chairman of IMC.

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[16] (i) Joint Director as representative of DVET; (ii) District Employment and Self Employment Officer; (iii) One expert from local academic circle; (iv) One senior faculty member; and (v) One student representative

[17] Malvan, Balapur, Bhiwapur, Bijepar, Hingna, Ashti and Chalisgaon

[18] Purandar (Saswad): w.e.f. 30.12.2013; Koregaon: w.e.f. 10.3.2016; Solapur (Girls): w.e.f 18.9.2014; and Medha: w.e.f. 4.9.2012

3.2.1.4 Revision of Institute Development Plans after Sanction

Information furnished by 62 of 66 test-checked ITIs revealed that 45 ITIs had revised their IDPs once or more than once after release of funds by GoI, as indicated in **Table 3.2.1**.

Table 3.2.1: Status showing revision of IDPs by ITIs

Status of revision	Number of ITIs	Amount released (₹ in crore)
IDPs revised once	33	82.50
IDPs revised twice	11	27.50
IDPs revised Thrice	01	02.50
Total	**45**	**112.50**
Source: Information furnished by respective ITIs		

Further, of 45 IDPs submitted by ITIs for revision, SSC approved only 11 IDPs with a delay ranging from one to four years from the date of submission of revised IDPs. Consequently, the ITIs could not proceed with the process of affiliation and training in the trades proposed in the revised IDPs and incur any expenditure on tools, machinery and equipment required for such trades.

The State Government attributed delays in revision of IDPs to shortage of time and manpower at DVET, Mumbai and SSC level.

3.2.2 Financial Management

3.2.2.1 Poor Utilisation of Funds

Under the upgradation programme, GoI released ₹ 625 crore[19] to 250 ITIs. As per GoI guidelines of April 2008, the participating ITIs were allowed to keep 50 *per cent* of upgradation funds (₹ 312.50 crore) as seed money[20]. Expenditure incurred by the 250 ITIs and 66 test-checked ITIs under the upgradation programme as of June 2016 are detailed in **Table 3.2.2.**

Table 3.2.2: Details of expenditure incurred by ITIs

State Position			Position for test-checked ITIs		
Total No. of ITIs	**Expenditure incurred (₹ in crore)**	**Number of ITIs incurring 'nil' expenditure**	**Total No. of ITIs**	**Expenditure incurred (₹ in crore)**	**Number of ITIs incurring 'nil' expenditure**
250	**167.27**	**12**	**66**	**51.28**	**4**
Source: Information furnished by DVET, Mumbai					

As could be seen from the table above, 250 ITIs could spend only ₹ 167.27 crore (54 *per cent*) in a span of five to nine years[21] against the total available funds of ₹ 312.50 crore. Further, 12 ITIs sanctioned during 2009-12 did not incur any expenditure till June 2016 as some of the ITIs were operating from rented buildings, lack of space, non-affiliation of trades, reluctance of IMCs to implement the IDPs *etc*. Also, 56 ITIs sanctioned during 2007-12

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19 250 ITIs × ₹ 2.50 crore

20 The seed money was required to be kept in some long-term instruments so that the IMCs were able to get maximum returns on it. The interest so earned was expected to provide long-term sustainability to the programme and also help repayment of the loan amount after a moratorium of 10 years

21 Five years had been worked out for ITIs sanctioned for upgradation during 2011-12 and nine years for ITIs sanctioned during 2007-08

incurred an expenditure of less than ₹ 10 lakh up to June 2016, though significant period had elapsed.

The State Government accepted that expenditure incurred by 250 ITIs on upgradation was on the lower side.

3.2.2.2 Revenue Generation by Industrial Training Institutes

As per MoA signed between GoI, State Government and the Chairman of IMC, each ITI should generate sufficient revenue not only for running the institute on a sustainable basis but also for repayment of the loan granted under the upgradation programme.

Scrutiny of 66 IDPs indicated that the IMCs had business plans for generation of revenue through running of production-oriented training scheme (POTS) like computer job work, electrification, welding work, machine job work and running of short-term courses. However, none of the 66 ITIs could furnish documented business plans to audit for scrutiny.

Further scrutiny of Quarterly Progress Reports (QPRs) submitted by 63 IMCs to DVET, Mumbai revealed that POTS were not commenced by 30 IMCs as of March 2016 while in the remaining 33 IMCs, total revenue generated from short-term training courses during 2007-08 to 2015-16 (nine years) was ₹ 1.78 crore only which ranged between ₹ 6,250 (ITI, Devgad) and ₹ 79.78 lakh (ITI, Nashik Girls). Thus, the revenue generation was insignificant for long-term sustainability of the ITIs. It is also pertinent to mention that these 63 IMCs earned a total revenue of ₹ 74.39 crore during 2007-08 to 2015-16 from interest earned on GoI funds parked in fixed deposits.

The State Government accepted the facts and stated that revenue generation was hampered due to absence of regular Principals in the ITIs and non-obtaining of affiliations for starting new trades.

3.2.3 Implementation

3.2.3.1 Non-formation of State Implementation Cell

For management, monitoring and evaluation of the programme at a State level, a State Implementation Cell (SIC) comprising two Assistant Directors (Technical), one Accounts Officer (Finance), one Office Superintendent and support staff was to be set up for a five year period from 2007-08 to 2011-12. The SIC was responsible for implementation of upgradation programme under the guidance of SSC. Audit observed that though GoI released ₹ 40.75 lakh for formation of SIC during 2009-11, the same was not formed as of January 2017. The GoM neither returned the funds nor submitted any utilisation certificate to GoI as of January 2017.

Absence of SIC resulted in inadequate scrutiny of IDPs, delay in approval of revised IDPs, idling of newly constructed buildings, inadequate control of SSC over IMCs that hampered overall implementation and monitoring of the programme, as discussed in succeeding paragraphs.

The State Government accepted that SIC could not be formed due to shortage of staff and in place of SIC, a coordinator was appointed for coordinating the programme activities at the DVET and regional levels.

3.2.3.2 Accreditation of Industrial Training Institutes

As per accreditation criterion published by National Accreditation Board for Education and Training (NABET), all ITIs (Government and private) intending for National Council for Vocational Training (NCVT) affiliation for trades run by them are first required to obtain accreditation[22] from Quality Council of India (QCI). Since 2012, Ministry of Labour and Employment, GoI took a decision to make NABET accreditation mandatory for ITIs seeking NCVT affiliation. Audit observed that none of the 250 ITIs selected for upgradation applied for accreditation as of January 2017.

Audit further observed that before 2012, 62 of 66 test-checked ITIs proposed 227 new trades for affiliation from NCVT of which, 64 trades received affiliation. Now that accreditation of ITIs had been made mandatory by the GoI from 2012, affiliation of the remaining 163 new trades from NCVT would be delayed significantly.

The State Government stated that a policy decision was being taken at the Government level on filling up vacancies in ITIs, procurement of equipment/machinery as per requirements, to aid accreditation of ITIs and affiliation of new trades.

3.2.3.3 Failure of Centers of Excellence

The Centers of Excellence (CoE) are multi-skill courses for which, the ITIs are required to create new infrastructure facilities for running broad-based basic training modules (for first year students) and advance modules (for second year students). Affiliation of NCVT is required before introduction of CoE courses as per existing affiliation procedure. Of 250 ITIs, 75 were decided to be upgraded as CoE. Of 66 test-checked ITIs, 25 were decided to be upgraded as CoE.

Audit scrutiny of documents maintained by ITIs designated as CoE revealed that only 11[23] of 25 ITIs had actually started CoE courses. The remaining 14 had not commenced CoE courses as of January 2017. Of 11 ITIs, eight[24] ITIs had started CoE courses without obtaining mandatory NCVT affiliation and admitted students. This fact was however, not disclosed to the students through print/electronic media.

The Ministry of Labour and Employment, GoI observed (June 2014) that multi-skill courses under CoE were facing various challenges like, the CoE was not reflected in the eligibility criteria for recruitment in Government sector, absence of one integrated certificate for basic and advance modules, difficulty in establishing equivalence between CoE courses and Craftsmen Training Scheme (CTS) due to variation in course duration, lack of industry recognition to CoE courses *etc*. The GoI therefore, recommended discontinuation of admission process from August 2015 and conversion of CoE courses into related CTS courses. However, in specific cases where

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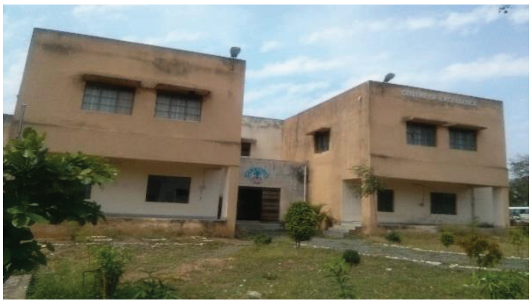
22 Accreditation is a process of establishing competence of ITIs in delivering the requisite elements of vocational training and its ability to carry out evaluation of competence acquired by the trainees

23 Bhivapur, Arjuni Morgaon, Hingna, Nashik (Girls), Shrigonda, Solapur (Girls), Sangola, Murbad, Karjat, Aurangabad (Girls) and Ghansawangi

24 Bhivapur, Arjuni Morgan, Hingna, Solapur (Girls), Sangola, Murbad, Karjat and Ghansawangi

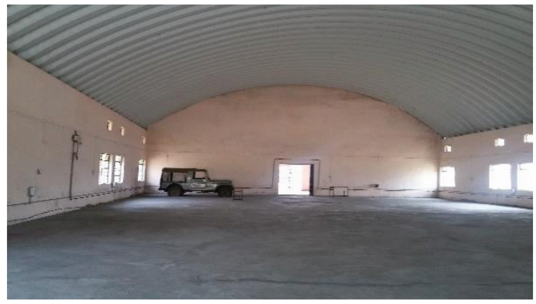
employability of CoE trainees was reasonably high, the State Governments were allowed to continue admissions in CoE courses beyond 2015.

However, within one month of issue of GoI recommendations, GoM directed (July 2014) all the ITIs to discontinue admissions in CoE courses from August 2015. Consequently, all the 25 ITIs designated as CoE discontinued admissions from the academic session 2015-16. Of 25 ITIs, 14[25] ITIs had already created physical infrastructure (buildings) valuing ₹ 8.70 crore for running CoE courses, which were lying idle since August 2015. Further, tools and machinery valuing ₹ 7.28 crore procured by 10[26] of 25 ITIs between 2008-09 and 2014-15 were also lying idle since August 2015. Photographs of idle buildings and machinery in some of the ITIs are shown below.



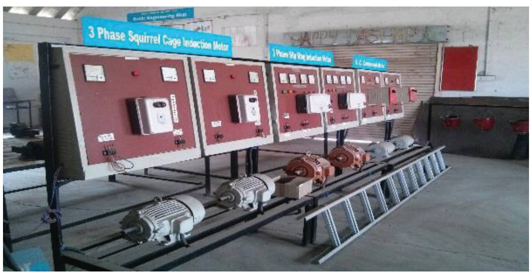
Idle CoE building

(ITI, Bhiwapur)



Idle CoE building

(ITI, Mul)



Idle Machinery (ITI, Hingna)

Idle Machinery (ITI, Bhiwapur)

The State Government stated that a policy decision was being taken for use of idle buildings and machinery.

3.2.3.4 Vacant posts of Principals and Instructors

The National Implementation Cell, GoI submitted a report in May 2013 pointing out that upgradation of ITIs had suffered due to (a) Principals holding charge of more than one ITI, (b) frequent transfer of Principals, and (c) vacant posts of instructors. In 33 of 66 test-checked ITIs, the Principals of ITIs were transferred (post-IDP approval) three to nine times within a period of one and half year to six years thus, affecting the pace of upgradation of ITIs. Further, for effective running of 250 ITIs under the upgradation programme, GoM worked out a requirement of 2,299 instructors against which, only 20 posts

[25] Samudrapur, Mul, Niphad, Sangamner, Sangola, Nashik (Girls), Karjat, Bhiwapur, Arjuni Morgaon, Shrigonda, Solapur (Girls), Hingna, Aurangabad (Girls) and Renapur

[26] Bhivapur, Arjuni Morgaon, Hingna, Mouda, Shrigonda, Aurangabad (Girls), Ghansawangi, Sangola, Karjat and Renapur

were filled up. The shortfall of instructors was made up through contractual appointments.

The State Government accepted the facts.

3.2.3.5 Non-formation of Placement Cells and Absence Feedback Mechanism

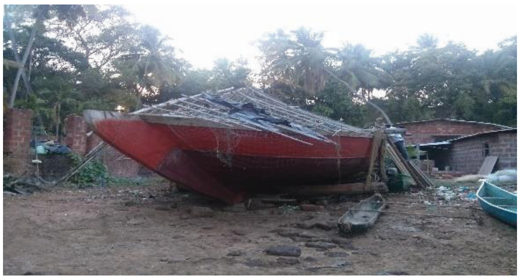
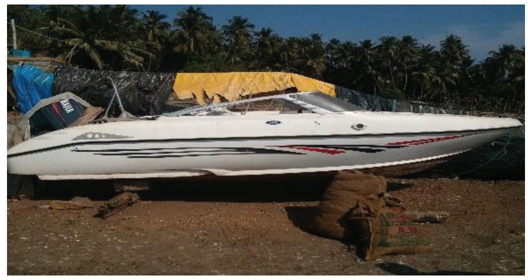
As per MoA, the IMCs were required to set up placement cells in ITIs to guide/help the graduates in employment/self-employment and develop a sustainable mechanism to trace the careers of the graduates for at least three years. Information provided by 62 of 66 test-checked ITIs revealed that 19 ITIs did not form any placement cells. The Principals of the ITIs stated that each trade instructor was maintaining a separate register known as a follow-up register which contained placement details of students who had passed out. Audit observed that trade-wise (follow-up) registers were incomplete, as vital information such as, date of passing out, contact number, address and photograph of student, employer details *etc*. were missing. Further, while furnishing quarterly reports to DVET, Mumbai, ITIs were required to mention placement percentage and range of income earned by the students. However, 21 ITIs furnished 'nil' reports on placements while 40 ITIs showed placement percentage of 47 to 100. However, these ITIs could not furnish any document to audit to support their claims.

Further, in terms of MoA, IMCs were required to set up a suitable mechanism to obtain feedback from trainees and industry about quality of training and this feedback was to be used to improve the quality of training in ITIs. Audit observed that no such feedback mechanism was established for students and industries by 66 test-checked ITIs.

3.2.3.6 Irregular Expenditure from Upgradation Funds

As per GoI guidelines of 2008, upgradation funds were to be used for providing additional civil work in ITIs, procurement of machinery and equipment and other activities directly related to upgradation of infrastructure in ITIs.

ITI, Malvan was selected (2008-09) by GoM as CoE for Woodworking and Manufacturing trade sector but, the IMC did not start the trade course. Instead, the Chairman, IMC took up (May 2009) construction of a house boat (through private agencies) and incurred an expenditure of ₹ 52 lakh from upgradation funds till June 2011. The DVET, Mumbai subsequently allowed (September 2011) the Chairman to incur ₹ 25 lakh from upgradation funds for completion of balance works of which, the Chairman incurred an expenditure of ₹ 9.90 lakh till October 2011. As per valuation report submitted (November 2014) by the certified valuer, the value of the house boat was only ₹ 20 lakh. Meanwhile, the Chairman spent (October 2010) another ₹ 10.08 lakh from upgradation funds for procurement of seven seater speed boat. **The Chairman, IMC registered the speed boat in his own name which breached the GoI guidelines that bestowed the right of ownership of assets created from the upgradation fund to the IMC**. The incomplete house boat and the speed boat were lying in damaged condition at Tarkarli beach for the last five to six years as shown in photographs below.

	
Incomplete house boat	**Speed boat lying idle**

Audit also observed that the Chairman, IMC was not holding any position in Nirman Realtors and Developers Limited, Mumbai (the selected IP for ITI, Malvan) since 2009. This fact was communicated by Nirman Realtors and Developers Limited, Mumbai to the Principal, ITI, Malvan only in November 2015 and the same was communicated (December 2015) by the Principal to DVET, Mumbai. However, DVET, Mumbai did not take any action against the Chairman, IMC as of October 2016.

The Principal, ITI, Malvan accepted (February 2016) that procurement of speed boat and construction of house boat had no relation to the trades proposed in CoE courses. The State Government also accepted the facts and stated that as the matter was of serious nature, a committee had been constituted under Joint Director, Mumbai Region for conducting complete inspection of ITI, Malvan.

Thus, the Chairman, IMC, Malvan continued to hold his post illegitimately for six years (2010-16) and also incurred an irregular expenditure of ₹ 71.98 lakh from upgradation funds. The DVET, Mumbai at the apex level and the Joint Director, Mumbai region under whom ITI, Malvan falls and who also happened to be the State representative in IMC, Malvan failed to take timely corrective action.

3.2.4 Monitoring

Audit observed the following inadequacies in monitoring of upgradation programme:

- The NSC in its meeting held on 14 March 2011 decided that the SSC would meet once in two months and would apprise the NSC of the decisions taken in SSC meetings. However, between March 2011 and March 2016 (five years), SSC conducted only four meetings against the stipulated 30 meetings. Further, no meetings were held during 2013 and 2014. The State Government accepted the facts and stated that necessary action would be taken to hold SSC meetings regularly.
- Though the SSC in its meeting of 26 July 2010 took a decision to conduct audit of non-performing IMCs by Confederation of Indian Industries, no such audit was carried out (October 2016). The State Government stated that necessary instructions in this regard have been issued.
- The GoI directed the State Governments in June 2011 to conduct verification of physical and financial progress of works being executed by IMCs and submit a report for further follow-up. However, GoM did not take any action in this regard.

3.2.5 Conclusion and Recommendations

- The planning for upgradation of ITIs was deficient. No criteria was laid down for identification of ITIs to be upgraded while the criteria laid down for selection of Industry Partners was not followed. The constitution of Institute Management Committee, responsible for implementation of various activities of upgradation programme, was not done as per guidelines.
- Utilisation of funds was poor, as 250 ITIs could spend only ₹ 167.27 crore during the last five to nine years against ₹ 625 crore received, indicating sub-optimal achievement of objectives. Upgradation funds were irregularly diverted by one ITI for construction of house boat/purchase of speed boat.
- None of the 250 ITIs applied for accreditation from National Accreditation Board for Education and Training, leading to non-affiliation of new trades proposed in Institute Development Plans of ITIs.
- There were large number of vacant posts of Principals and Instructors in the ITIs. A State Implementation Cell responsible for implementation of upgradation programme was not formed as of January 2017.

The State Government may review the programme of upgradation of Industrial Training Institutes to (i) address the deficiencies in planning, (ii) ensure judicious utilisation of funds and physical infrastructure lying idle, and (iii) establish a robust monitoring mechanism, so that the larger goal of skill development and employability is achieved.

Law and Judiciary Department

3.3 Implementation of Civil Works in Court Buildings

Introduction

The Judicial setup in the State of Maharashtra comprises The High Court, Mumbai having jurisdiction over the subsidiary courts namely, three courts[27] in Mumbai City, 32 other district courts and 352 taluka courts thereunder. As of March 2016, 1,811 courts[28] were functioning from 526 court buildings (464 Government-owned and 62 rented premises). The Law and Judiciary Department of Government of Maharashtra (Department) is the Administrative Department for all the subsidiary courts functioning in the State.

In order to ensure effective functioning of judiciary, the Department had been implementing since 1993-94 the Centrally Sponsored Scheme for 'Development of infrastructure facilities for the judiciary'. Phase-I of the e-Courts project that envisaged provision of hardware, software and network

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27 City Civil and Sessions Court; Chief Metropolitan Magistrate Court; and Small Causes Court

28 One court building may have more than one court

facilities to the District and Taluka courts is functional in the State of Maharashtra since 2014.

For assessing the adequacy of civil works taken up under the Centrally Sponsored Scheme, audit test-checked the records of all the 38 court building works (17 completed and 21 ongoing) in eight[29] of 32 district courts and three courts in Mumbai city covering the period 2011-16.

Audit Findings

3.3.1 Planning

The Principal District Judges of district courts initiate the proposals for construction of new court complexes/residential quarters. The designs and estimates are prepared by the concerned Public Works Divisions (PW Divisions) and submitted through Principal District Judges of districts to the Building Committee of The High Court for its approval. The proposals duly approved by the Building Committee are forwarded to the Department for grant of administrative approvals and release of funds to the concerned PW Divisions for execution.

Information furnished by The High Court to audit revealed that of 464 Government-owned court buildings in the State, 13 buildings were in dilapidated condition (September 2016). Audit observed that while construction of three of 13 buildings had already been taken up and proposals for three works had been forwarded by the Building Committee of The High Court to the Department for grant of administrative approvals, no proposals were sent by the Principal District Judges to The High Court for construction of the remaining seven[30] dilapidated buildings. In the absence of comprehensive proposals from the subordinate courts, The High Court was not in a position to plan the redevelopment/construction works. This also supports the need for having a medium/long-term plan for prioritising the execution of works.

The Joint Secretary, Law and Judiciary Department stated (October 2016) that a court infrastructure policy had been introduced in October 2016 which emphasises preparation of priority list to streamline and speed-up the pending and future projects.

3.3.2 Execution of Civil Works

3.3.2.1 Works Taken up under Centrally Sponsored Scheme

Audit analysis of 38 test-checked civil works revealed significant delay in grant of administrative approvals, issue of work orders, completion of works and resultant cost overrun. The findings are discussed below.

3.3.2.2 Delay in according Administrative Approvals

Audit scrutiny revealed that in 25 of 38 test-checked works (66 *per cent*), there was a time lag of more than six months in granting administrative approvals

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[29] Akola, Ahmednagar, Dhule, Sangli, Satara, Kolhapur, Ratnagiri and Thane

[30] Nashik district: three buildings; Nanded district: one building; Raigad district: one building; Nandurbar district: one building; and Parbhani district: one building

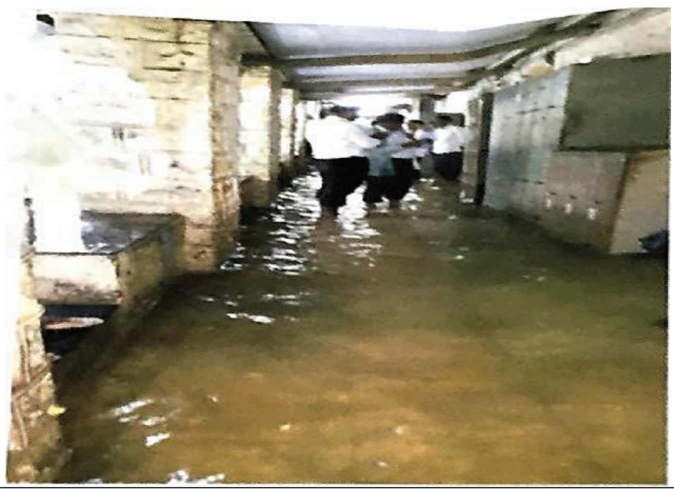
by the Department from the date of receipt of proposals from the Building Committee of The High Court, as indicated in **Table 3.3.1**.

Table 3.3.1: Delay in granting administrative approvals

(works in numbers)

Type of work	Time taken from date of sending proposals by Building Committee of The High Court to grant of administrative approvals by the Department			
	Six to 12 months	One to four years	More than four years	Total
Court building (Total 38 works)	11	13	1	25
Source: Information furnished by The High Court, Mumbai and Department				

In case of construction of court building at Palghar in district Thane, though the proposal was sent by The High Court to Department in December 1997, the administrative approval was accorded after a time lag of more than 16 years in July 2014 and funds amounting to ₹ 82.17 lakh were released in 2015-16. During the intervening period, the court had to carry out its business amid heavy water-logging during monsoon seasons.



Water-logged Palghar court building

3.3.2.3 Delay in Issue of Work Orders

Audit observed that of 38 test-checked works, three works were under tendering stage (January 2017). Of 35 works, in 33 works (94 *per cent*) there was a delay of more than six months in issue of work orders from grant of administrative approvals. The details are indicated in **Table 3.3.2**.

Table 3.3.2: Delay in issue of work orders

(works in numbers)

Type of work	Time taken from grant of administrative approvals to issue of work orders			
	Six to 12 months	One to two years	More than two years	Total
Court building (Total 38 works)	11	14	8	33
Source: Information furnished by concerned PW Divisions of selected districts				

In case of construction of new court building in Ahmednagar district, there was a time lag of 6½ years in issue of work order.

3.3.2.4 Time and Cost Overrun in Completed and Ongoing Works

As of December 2016, five of 35 works (14 *per cent*) registered a time overrun up to six months while 25[31] works (71 *per cent*) registered a time overrun of more than six months from the dates stipulated in the work orders. The remaining five works were completed on time.

The details are shown in **Table 3.3.3**.

Table 3.3.3: Delay in completion of works

(works in numbers)

Type of work	Status of work	Time overrun from the dates of completion stipulated in work orders			
		Up to six months	Six to 12 months	More than 12 months	Total
Court building (Total 38 works)	Completed	5	1	9	15
	Ongoing	0	4	11	15
Source: Information furnished by concerned PW Divisions of selected districts					

Further audit analysis revealed that actual expenditure on 35 civil works as of May 2016 exceeded the awarded cost by ₹ 112.20 crore of which, cost overrun in 17 completed and 18 ongoing works was ₹ 96.94 crore and ₹ 15.26 crore respectively. The broad reasons for cost overrun were change in designs post-award of works such as, change in foundations of buildings; provision of additional floors in court buildings; provision of additional amenities; increase in quantities of tendered items due to inadequate surveys; *etc.* which could have been largely avoided if the works had been planned properly and scope of works decided before award.

3.3.3 Safety Issues

3.3.3.1 Structural Audit of Buildings not conducted

As per GoM notification of January 2009, every owner or occupier of a building in respect of which a period of 30 years, from the date of (i) issue of its completion certificate; or (ii) issue of permission to occupy a building; or (iii) physical occupation of at least 50 *per cent* of its built-up area, whichever is earlier, has expired shall cause such building to be examined by a Structural Engineer registered with the Municipal Corporation/Council for the purpose of certifying that the building is fit for human habitation.

Audit observed that of 464 Government-owned court buildings in the State, 218 buildings were more than 30 years old. However, structural audit was not conducted by PW Divisions in 142 buildings (65 *per cent*) as of July 2016.

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[31] 10 completed and 15 ongoing works

Dilapidated district court building in Thane district

3.3.3.2 Fire Safety Works not Taken Up

The Urban Development Department, GoM (UDD) issued a circular in June 2012 making it mandatory for the owners or occupiers of the buildings to get fire audits of the premises conducted through licensed agencies twice a year and submit fire audit reports to the concerned Chief Fire Officers. However, no fire audits were conducted until The High Court intervened in 2015 and directed the Principal District Judges to conduct fire audits through PW Divisions. Accordingly, the PW Divisions through the licensed agencies conducted fire audits of court buildings between August 2015 and June 2016 and prepared estimates of ₹ 130.38 crore for carrying out the fire safety works such as, installation of fire alarms, fire hydrants, smoke detectors *etc.* The estimates were submitted by The High Court to the Department between August 2015 and October 2016. The Department however, forwarded the estimates to UDD, under whose jurisdiction the Fire Brigade functions, for technical scrutiny, which was pending as of December 2016. Thus, not only there were delays in carrying out fire audits, but approval to estimates for carrying out the fire safety works were also pending.

3.3.4 Conclusion

Absence of comprehensive proposals from the subordinate courts to The High Court, Mumbai constrained the planning for redevelopment/construction works in court buildings. In 25 of 38 test-checked works taken up under the Centrally Sponsored Scheme, there was a time lag of more than six months in granting administrative approvals. In 33 of 35 works (94 *per cent*), there was a delay of more than six months in issue of work orders from grant of administrative approvals. In 25 of 35 works (71 *per cent*), there was a time overrun of more than six months from the dates stipulated in the work orders, while 35 works registered a cost overrun of ₹ 112.20 crore as of May 2016.

Structural audits of 142 court buildings, though more than 30 years old, were not conducted by PW Divisions as of July 2016. Fire audits of court buildings were conducted belatedly and estimates of ₹ 130.38 crore prepared post-fire audits for carrying out fire safety works was pending (December 2016) with the Urban Development Department for technical scrutiny.

Social Justice and Special Assistance Department

3.4 Misappropriation of Government Funds

Social Justice and Special Assistance Department without due diligence approved a proposal of a Cooperative Society for establishment of a wheat processing unit at Yavatmal and released financial assistance of ₹ one crore, which was misappropriated.

With a view to providing opportunities to Scheduled Caste community in Cooperative sector, the Social Justice and Special Assistance Department, Government of Maharashtra (Department) decided (February 2004) vide Government resolution (GR) to extend financial assistance to the Cooperative societies for Scheduled Caste community to undertake various projects such as, power loom, knitting garments, cloth processing units, processing of agriculture produce *etc*. The project cost was to be shared[32] between society, Government and financial institution.

The Department accepted a proposal (March 2011) of a Cooperative society[33] (Society) for setting up a wheat processing project at a cost of ₹ 5.94 crore. Of its total share of ₹ 4.16 crore, Department released ₹ one crore towards share capital and long term loan (₹ 50 lakh each) which was deposited in the joint account[34] of the Society in February 2012. Scrutiny of records (October 2015 and June 2016) of Assistant Commissioner, Social Welfare, Yavatmal and the Commissioner, Social Welfare, Pune revealed the following:

- The Society did not fulfil the basic eligibility criterion of land being in its own name and Department also did not ensure the same at the time of project approval (March 2011). Further, the project proposal prepared by the Society was through an agency which was not an authorised agency notified by Department for the project. The proposal was also not scrutinised by the Commissioner, Cooperation, Pune and approved by the Director, Cooperation, Maharashtra State, Pune, before it was sent to Department for approval.
- As per the GR of 2004, the financial assistance of ₹ one crore was to be used for construction of project building. However, the President of the Society misutilised the entire funds for purchase of two plots of land admeasuring 2.42 hectare (ha) of which, land admeasuring 1.21 ha belonged to the President which was sold to the Society via a sale agreement made on a ₹ 100 non-judicial stamp paper for which the President received (March 2014) ₹ 45 lakh. However, the agreement to sale between the President and the Secretary of the Society (who also happened to be the wife of President) did not appear to be genuine as it was executed on 22 December 2010 whereas, the non-judicial stamp paper was purchased on 08 June 2012. The second plot admeasuring

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32 Society share: 5%; Government share: 35%; Long-term loan from Government: 35% and Long-term loan from financial institutions: 25%

33 Lokayat Magasvargiya Audhyogik Sahakari Sanstha, Kelzara (B), Yavatmal

34 Joint account was to be operated by Director, Social Welfare, Pune and the President of the Society

1.21 ha was purchased (May 2014) from one of the members of the Society at a financial consideration of ₹ 45 lakh, whose valuation as communicated by the Joint District Registrar, Yavatmal to the Assistant Commissioner, Social Welfare, Yavatmal was merely ₹ 4.97 lakh.

- As per provisions of GR of February 2004, the Society executed and registered (April 2012) a mortgage deed in favour of the State Government. However, the properties mortgaged were (a) land admeasuring 1.21 ha which was acquired subsequently by using forged document and misusing Government funds, (b) project building which was not in existence and plant and machinery which had not been procured, and (c) immovable properties (residential houses) of 11 Directors of the Society valuations of which were not available on record.

The Commissioner, Social Welfare, Pune stated (July 2016) that the State Government has been requested to cancel the registration of Society and also to recover the entire amount as revenue arrears from the Society. Further, the Assistant Commissioner, Social Welfare, Yavatmal has been directed to register a FIR against the Society.

Thus, failure of the Department to check and enforce the conditions envisaged in the GR of February 2004 led to misappropriation of Government funds amounting to ₹ one crore.

The matter was referred to the State Government in June 2016; their reply was awaited as of January 2017.

Public Health Department

3.5 Idling of a Newly Constructed Hospital and Unfruitful Expenditure

Poor planning by Public Health Department led to idling of a 200-bedded Geriatric Health and Mental Illness Centre at Ambejogai in Beed district for 57 months and rendered an expenditure of ₹ 19.21 crore incurred on its construction unfruitful.

Under the Marathwada Development Programme, the Public Health Department, Government of Maharashtra (Department) accorded (February 2008) administrative approval for construction of 200-bedded Geriatric Health and Mental Illness Centre (hospital) at Ambejogai in Beed district at an estimated cost of ₹ 9.46 crore which was subsequently revised to ₹ 20.48 crore in March 2010. The work involved construction of main building comprising four wards, an outpatient department and allied works[35]. The hospital aimed to provide comprehensive medical care to special beneficiary group of Geriatric patients, children with behavioral disorders, women of broken homes, alcoholics and drugs abusers *etc.* The hospital was completed in March 2012 at a cost of ₹ 19.21 crore.

Scrutiny of records (October 2015) of the Department revealed that though the hospital was completed in March 2012 it had not been taken over by the Civil

[35] Internal roads, garden, compound wall, bore well, street lights *etc.*

Surgeon, Beed (under whose jurisdiction this hospital had come up) as of January 2017 due to non-availability of requisite manpower and equipment[36] in the hospital.

Audit observed that the Director of Health Services (DHS), Mumbai requested (August 2012) the Department to sanction 209 posts for the hospital comprising medical superintendent, deputy medical superintendent, eye surgeon, orthopedic surgeon, radiologist, ENT surgeon, clinical psychiatrist, nurses (neurology), X-ray operators, laboratory assistants, physiotherapists *etc.* The Public Health Department took up the matter (April 2013) with the State Planning and Finance Departments for sanction of 209 posts but, the same was under process as of January 2017.

While the staffing issue remaining unresolved, DHS, Mumbai purchased between January 2013 and October 2013 various medical equipment/items for the hospital such as, ECG machines (05), pulse oximeters (04), adult and pediatric ventilator (01), examination tables (10), iron cot with back rest and food table (200), wheel chairs (10), stretchers (10) *etc.* at a total cost of ₹ 86.10 lakh. Since the hospital was non-functional, these equipment/items were diverted for use by the District Hospital, Beed. The decision to procure medical equipment/items for the hospital, without ensuring requisite manpower, was flawed.

In February 2014, the Department even contemplated conversion of the newly constructed 200-bedded hospital into 100-bedded facility, by reserving 20 beds for elderly patients. However, this option was not found feasible December 2015) by the Civil Surgeon, Beed. The hospital constructed in March 2012 at a cost of ₹ 19.21 crore continues to be non-functional as of January 2017.

Thus, poor planning by Public Health Department led to idling of a 200-bedded Geriatric Health and Mental Illness Centre for 57 months (up to January 2017) and rendered an expenditure of ₹ 19.21 crore incurred on its construction unfruitful. Besides, the special beneficiary group was also deprived of the intended benefits.

The matter was referred to State Government in September 2016; their reply was awaited as of January 2017.

Social Justice and Special Assistance Department

3.6 Idling of School Building

Failure of Social Justice and Special Assistance Department to remove encroachments before handing over a piece of land to Public Works Division, Kolhapur resulted in idling of school building constructed at a cost of ₹ 1.96 crore for more than three years and the targeted beneficiaries were deprived of the intended benefits.

The Social Justice and Special Assistance Department, Government of Maharashtra (Department) decided (June 2006) to construct a Government

[36] X-ray machines, EEG machines, ventilators, surgical instruments, MRI equipment *etc.*

residential school at taluka Shirol in district Kolhapur to provide free residence, food, library and other educational facilities to the Scheduled Castes and Navboudha boys and girls. Accordingly, the Department granted (February 2007) administrative approval and the District Collector, Kolhapur allotted (February 2007) two hectares of land to Special District Social Welfare Officer (SDSWO), Kolhapur, which was subsequently handed over to Public Works Division, Kolhapur for execution of project. However, in March 2011, the Department decided to construct independent buildings for the school and hostels for boys and girls on the ground that it would not be proper to accommodate girls and boys in one building. Accordingly, the type plan of the project was revised by the Department.

Scrutiny of records of the Executive Engineer, National Highway Division No. VII, Kolhapur (January 2015) and the Commissioner, Social Welfare, Pune (December 2016) revealed the following:

- The land allotted by the District Collector to SDSWO, Kolhapur in February 2007 was partially encroached upon. However, during the intervening period (2007 to 2011), the Commissioner, Social Welfare, Pune and SDSWO, Kolhapur did not make concerted efforts to remove the encroachments with the help of district administration (*Tahashildar*, Shirol). The Public Works Division, Kolhapur constructed (March 2013) the school building as per the revised type plan at a cost of ₹ 1.96 crore on the portion of land which was free of encroachments.
- Even after construction of school building, the Commissioner, Social Welfare, Pune and SDSWO, Kolhapur did not take any action to remove the encroachments from the remaining portion of the land to facilitate construction of hostel buildings for boys and girls. Consequently, the school building constructed at a cost of ₹ 1.96 crore had been lying idle since March 2013 and SDSWO, Kolhapur did not take over the building as of December 2016.

Thus, failure to remove encroachments before handing over land to Public Works Division resulted in idling of school building constructed at a cost of ₹ 1.96 crore for more than three years thereby depriving the targeted beneficiaries of the intended benefits. Besides, deterioration of building due to neglect can also not be ruled out.

The matter was referred to State Government in December 2016; their reply was awaited as of January 2017.

Finance Department

Directorate of Small Savings and State Lottery

3.7 Infructuous Expenditure on Lease Rent for Vacant Office Premises

The Commissioner of Small Savings and State Lottery, Maharashtra made an infructuous expenditure of ₹ 1.14 crore on lease rent of hired office premises at Vashi, Navi Mumbai which remained unoccupied for 33 months, out of total lease period of 36 months.

The Commissioner of Small Savings and State Lottery (Commissioner) under the administrative control of Finance Department, Government of Maharashtra invited (September 2011) tenders for hiring of office premises to accommodate the Office of the Deputy Director (Finance and Accounts), Maharashtra State Lottery, Mumbai. The Finance Department approved (March 2013) hiring of unfurnished premises admeasuring 8,281 sqft at Vashi, Navi Mumbai offered by Shree Venkatesh Enterprises (licensor) on a lease rent of ₹ 3.44 lakh per month. A lease agreement was executed (May 2013) between the licensor and the Commissioner which was valid for 36 months (01 May 2013 to 30 April 2016). The Commissioner took possession of the premises in May 2013.

Scrutiny of records (August 2016) in the Office of the Commissioner revealed that at the time of taking possession (May 2013), the premises did not have basic facilities such as, electric meter, water supply, toilets, terrace door, window grilles *etc*. which were subsequently provided by the Licensor by September 2013. Thereafter, it took 28 months (October 2013 to January 2016) for the Commissioner to plan and procure[37] furniture/modular furniture including interior decoration and electrical works for furnishing the hired office premises. The premises were finally occupied by the Office of the Deputy Director (Finance and Accounts) in February 2016. While the office premises remained vacant/unoccupied for 33 months (May 2013 to January 2016), the Commissioner paid a lease rent of ₹ 1.14 crore[38] to the licensor for the vacant premises.

The payment of lease rent of ₹ 1.14 crore for the vacant premises for 33 months out of total lease period of 36 months (92 *per cent* of lease period) was infructuous. Reason being, for the initial five months (May 2013 to September 2013), the Commissioner should not have paid any rent as the premises was devoid of basic facilities which the licensor was expected to provide. The Commissioner could have also used this window of five months productively to plan and procure furniture/modular furniture including interior decoration and electrical works for the hired premises, which took 28 months.

The matter was referred to State Government in September 2016; their reply was awaited as of January 2017.

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[37] As per lease agreement, it was the responsibility of the Commissioner to provide furniture, computers *etc*. in the hired office premises

[38] ₹ 3.44 lakh × 33 months

Housing Department

Maharashtra Housing and Area Development Authority

3.8 Loss of Interest

Idling of rent and service charges amounting to ₹ 5.84 crore in current accounts of banks for more than two years resulted in loss of interest of ₹ 1.21 crore to Maharashtra Housing and Area Development Authority.

The Mumbai Building Repairs and Reconstruction Board (Board), functioning under Maharashtra Housing and Area Development Authority (MHADA), undertakes structural repairs/reconstruction of old and dilapidated cessed buildings[39] in the island city of Mumbai. During execution of structural repairs/reconstruction of buildings, the tenants/occupiers are provided temporary accommodation in transit tenements maintained by the Board. The tenant/occupier who has accepted the temporary accommodation is required to pay the Board rent and service charges at the rates fixed by the Board. The rent and service charges so collected is deposited in the current accounts maintained by the Estate Management Wing of the Board.

As per circular issued (August 1996) by MHADA, all deposits including rent and service charges held in the current accounts were to be transferred to the Finance Controller (FC), MHADA through the Chief Accounts Officer of the Board every Monday or the next working day, in case Monday was a holiday. The FC, MHADA, after meeting all the estimated expenditure, was required to invest the surplus amount in fixed deposits, in order to avoid loss of interest.

Audit scrutiny of bank statements and monthly accounts maintained by the Estate Manager of the Board revealed that though ₹ 5.84 crore had been parked in two current accounts in Bank of Maharashtra since 09 August 2011 and 03 January 2012, the same was transferred to FC, MHADA on 31 January 2014, after a delay of more than two years. This led to loss of interest of ₹ 1.21 crore as indicated in **Table 3.8**.

Table 3.8: Statement showing loss of interest

(₹ in crore)

Current Account No.	Amount	Period for which lying in current accounts	Duration	Rate of interest (%)	Loss of interest
20045301847	5.38	03.01.2012 to 31.01.2014	2 years and 29 days	9.87	1.10
20045301586	0.46	09.08.2011 to 31.01.2014	2 years and 176 days	9.25	0.11
Total	**5.84**				**1.21**

Source: Bank statements and monthly accounts maintained by the Estate Management Wing of the Board and investment register maintained by FC, MHADA

Note: The rates of interest of 9.87% and 9.25% had been adopted, as these were the minimum rates offered by banks on fixed deposits during the intervening period (August 2011 to January 2014).

[39] A cessed building in Mumbai is one that was built before 01 September 1940 and up to 30 September 1969

The Chief Executive Officer (CEO), MHADA stated (July 2016) that consequent to reorganisation of Board in April 2011, all current accounts were to be closed. However, the same could not be done due to which, the amount remained in the current account till its transfer to FC, MHADA on 31 January 2014. The CEO further stated that the revenue receipts generated by the Board through recovery of rent and service charges are not invested but used to meet the revenue expenditure of the Board such as, water charges, property charges, electricity charges *etc.* and therefore, there was no loss of interest.

The reply is not acceptable because, the issue here is idling of rent and service charges in current accounts for long duration, in contravention of MHADA's own directives of August 1996, leading to loss of interest of ₹ 1.21 crore.

The matter was referred to State Government in July 2016; their reply was awaited as of January 2017.

Skill Development and Entrepreneurship Department

3.9 Unfruitful Expenditure

The Skill Development and Entrepreneurship Department did not assess the requirement for construction of a boys' hostel at ITI, Chandur Railway, Amravati leading to an unfruitful expenditure of ₹ 92.39 lakh.

The District Collector, Amravati accorded (August 2010) administrative approval to construction of 50-bedded boys' hostel for Industrial Training Institute (ITI), Chandur Railway, Amravati at a cost of ₹ 106.30 lakh. The work was included in the district annual plan 2010-11 on the demand of the then local Member of Legislative Assembly. The work was awarded (December 2010) at a cost of ₹ 83.85 lakh for completion by December 2011. The work was completed in January 2012 at a cost of ₹ 78.27 lakh and handed over to the Principal, ITI, Chandur Railway in the same month.

Scrutiny of records (February 2016) of the Principal, ITI, Chandur Railway revealed the following:

- Though the hostel building was handed over to the Principal in January 2012, it continues to be unoccupied (January 2017) as not a single inmate had been admitted in the hostel. Besides, furniture items such as, beds, chairs, benches, almirahs *etc.* procured in March 2013 for the hostel at a cost of ₹ 14.12 lakh also could not be put to any use.
- The then Principal, ITI, Chandur Railway had informed (June 2008) the Joint Director, Vocational Education and Training, Amaravati region that most of the students were residing within a periphery of 20 to 25 km of the ITI and in a position to commute easily on daily basis and therefore, there was no need for a boys' hostel at ITI, Chandur Railway. However, the opinion of the Principal was not considered while granting administrative approval in August 2010.

The Principal, ITI, Chandur Railway attributed (July 2016) the vacant hostel building to (a) easy availability of bus and railway passes to the students thus, making it easier for them to commute daily, (b) non-receipt of any application from the students for admission in the hostel, and (c) non-availability of staff and caretaker for the hostel. The Principal however, added that the hostel building was being used for library and classrooms.

The reply only reinforces the apprehensions of the then Principal raised in June 2008. Further, the contention of the Principal that the hostel building was being used for library and classrooms does not appear to be credible because, enrolment in ITI, Chandur Railway showed a declining trend from 355 students in 2010 to 189 in 2015. Besides, use of hostel building for library and classrooms was not the objective of the project.

Thus, inadequate assessment of the requirement for a boys' hostel rendered an expenditure of ₹ 92.39 lakh unfruitful.

The matter was referred to the State Government in June 2016; their reply was awaited as of January 2017.

Skill Development and Entrepreneurship Department

3.10 Unfruitful Expenditure on *e-Vidya* Project

Failure of District Collector, Gadchiroli and District Vocational Education and Training Officer, Gadchiroli to exercise due diligence in implementation of *e-Vidya* project rendered an expenditure of ₹ 1.06 crore unfruitful.

Under the District Plan, the District Vocational Education and Training Officer, Gadchiroli (DVETO) introduced *e-Vidya* project (project) that envisaged setting up of virtual classes by establishing video conferencing centres for providing vocational education and training in 12 Industrial Training Institutes (ITIs) of Gadchiroli district. These 12 ITIs were also to be used for imparting training to students for various competitive exams and for developing their soft skills and employability skills.

The District Collector, Gadchiroli invited tender for the project in March 2010. The work order was placed to a short-listed agency[40] in October 2010 and DVETO executed an agreement with the agency in January 2011. As per agreement, the agency was to set up 12 virtual classes by establishing VSAT[41] connectivity of 80 hours bandwidth per month through a tower installed centrally in ITI boys hostel building at Gadchiroli (one of the 12 ITIs) at a financial consideration of ₹ 48 lakh. Besides, recurring monthly charges of ₹ 3.45 lakh was also to be paid to the agency for programme management, virtual session delivery, bandwidth fee and operational expenses towards running of 12 virtual classrooms. The project was to run for a period of three years (March 2014).

[40] Everonn Education Limited, Chennai

[41] VSAT or Very Small Aperture Terminal is a satellite communications system that serves homes and business users

Scrutiny of records (August 2014) of DVETO revealed the following:

- The project commenced on 01 April 2011 and abruptly ended on 27 August 2012 as the agency could not provide network connectivity on a sustainable basis. Between 01 April 2011 and 26 August 2012, the agency was paid ₹ 58.09 lakh[42] as recurring monthly charges, apart from ₹ 48 lakh for setting up of virtual classes. The agency finally wound up its operations and left in December 2013 without informing DVETO. Audit observed that the project was introduced in haste as evident from the fact that while the tender was invited by the District Collector on 18 March 2010 and work order issued on 06 October 2010, administrative approval to the project was accorded by the District Collector only on 14 October 2010. Further, the project was not technically sanctioned by the Administrative Department[43], a mandatory requirement for procurement of public goods and services.
- The DVETO did not safeguard Government interests, as the agreement executed by him with the agency in January 2011 did not have performance guarantee and penalty clauses which could have bound the agency to fulfil its obligations under the contract.

Thus, failure of District Collector, Gadchiroli and District Vocational Education and Training Officer, Gadchiroli to exercise due diligence in implementation of *e-Vidya* project led to an unfruitful expenditure of ₹ 1.06 crore.

The matter was referred to the State Government in June 2016; their reply was awaited as of January 2017.

Sangita Choure

(SANGITA CHOURE)

Principal Accountant General (Audit)-I,
Maharashtra, Mumbai

Mumbai,
The 25 May, 2017

Countersigned

(SHASHI KANT SHARMA)

Comptroller and Auditor General of India

New Delhi,
The 29 May, 2017

42 ₹ 3.45 lakh × 16 months and 26 days = ₹ 58.09 lakh

43 Director, Vocational Education and Training, Mumbai