Chapter 2

Performance Audit

Agriculture Department

2.1 Working of Haryana State Agricultural Marketing Board

The Haryana State Agricultural Marketing Board was set up in August 1969 with the main objective of providing facilities for better regulation of purchase, sale, storage and processing of agricultural produce. A performance audit of the functioning of the Board for the period 2011-16 brought out lack of long term planning and deficiencies in both financial management and execution of projects and schemes which undermined the overall objectives of the Board. Some of the significant findings are summarized below:

Highlights

Surplus funds were kept in savings bank accounts instead of in fixed deposits resulting in loss of interest of ₹ 6 crore. An amount of ₹ 126.44 crore was outstanding on account of interest on loan, godown rent, water and sewerage charges, cost of shop/booth sites/land and enhanced land compensation.

(*Paragraphs 2.1. 7.4 and 2.1.7.5)*

Basic infrastructure facilities such as boundary walls, weighbridge at entry point, check-post, canteen and dormitory were not provided in 38 Market Committees.

(Paragraph 2.1.8.1)

Plots were allotted to ineligible licensees on reserve price resulting in loss of ₹ 1.82 crore.

(Paragraph 2.1.8.3)

Penalty of ₹ 2.39 crore was not levied for irregular construction of basement/ upper storey on shops/booths.

(Paragraph 2.1.8.4)

Three schemes aimed at promotion of agricultural innovations and research and development were not implemented though funds were available.

(Paragraph 2.1.10)

2.1.1 Introduction

The Haryana State Agricultural Marketing Board (Board) was set up in August 1969 for supervising and controlling the Market Committees (MCs) in the State and to regulate the purchase, sale, storage and processing of agricultural produce in the State within the framework of the Punjab Agricultural Produce Markets

(PAPM) Act, 1961 and the Punjab Agricultural Produce Markets (General) Rules, 1962, as adopted by Haryana. The main activities of the Board were creation of agricultural markets and facilitating auctions, shortening distances to markets by constructing link roads and providing facilities and information to farmers for marketing their produce. As of March 2016, the State has 107 MCs which supervise 107 principal yards, 173 sub-yards and 195 purchase centres for seasonal sale/purchase.

During 2011-16, the Board constructed new rural link roads of 2,288 kms length and one sub-yard was converted into principal yard, four sub-yards were made purchase centres and one new purchase centre was established besides repairing existing roads and providing additional facilities such as common platforms, covered sheds, tower lights and sewerage system in the existing *mandis*.

2.1.2 Organisational set-up

The Additional Chief Secretary to Government of Haryana, Agriculture Department, is the administrative head at the Government level. The Board is headed by a Chairperson nominated by the State Government and the Chief Administrator (CA) is the executive head and controlling officer. He is assisted by a Secretary, an Engineer-in-Chief (EIC), two Chief Engineers, a Chief Marketing Enforcement Officer (CMEO) and a Controller of Finance and Accounts (CFA). Each MC is to be governed by a nominated body headed by a Chairperson and have an Executive Officer -cum- Secretary and other supervisory staff. The Board has a full-fledged construction wing consisting of seven circles each headed by a Superintending Engineer and 21 Civil, three Electrical, two Public Health Engineering Divisions and one Quality Control Division headed by Executive Engineers (EEs).

2.1.3 Audit objectives

The objectives of the performance audit were to ascertain whether the:

- planning process was comprehensive and operations efficiently and effectively carried out;
- financial and manpower management was efficient;
- Board created basic infrastructure in the *mandis*, link roads and assisted farmers through various schemes; and
- internal control system was effective and efficient.

2.1.4 Scope of Audit

The office of the Board located at Panchkula, all 39 MCs of seven[1] out of 21 districts and seven[2] out of 27 construction divisions were selected for test check

[1] Kaithal, Hissar, Kurukshetra, Sonepat, Sirsa, Fathehabad and Faridabad.
[2] Rohtak, Karnal, Faridabad, Jind, Bhiwani, Sirsa and Yamuna Nagar.

using the Probability Proportionate to Size without Replacement method. One training school situated at Panchkula and a special project 'India International Terminal Market' being set up at Gannaur was also covered. The performance audit for the period 2011-16 was conducted during the period from October 2015 to June 2016.

A mention was made (paragraph 1.1) in the Comptroller and Auditor General of India's Report (Civil) for the year ended 31 March 2010, Government of Haryana, on the working of Haryana State Agricultural Marketing Board and was discussed by Public Accounts Committee (PAC) during 2014-15. The recommendations of PAC were kept in view while conducting the performance audit.

An entry conference was held in the March 2016 with the Additional Chief Secretary to Government of Haryana, Agriculture Department, wherein the audit objectives and audit criteria were discussed. The audit findings of the performance audit were discussed in an exit conference held in August 2016 with the Additional Chief Secretary Agriculture Department and deliberations of the conference have been suitably incorporated in the report.

2.1.5 Audit criteria

The audit criteria were derived from the following:

- Punjab Agricultural Produce Markets Act 1961 and Rules and bye-laws made thereunder;
- Targets/provisions made in the Annual Plans of the Board;
- Haryana State Agricultural Marketing Board (Sale of immovable property) Rules 1997 and 2000; and
- Haryana State Agricultural Marketing Board Accounts Manual.

Audit findings

2.1.6 Planning

2.1.6.1 Lack of planning

In order to achieve its objectives, the Board should prepare a long term perspective plan for development works to be undertaken after taking into account the requirement of various facilities in MCs and availability of funds with the Board. The Board has a Planning and Development wing to assess the demands and requirements of development of mandis. It was, however, noticed that the Board neither prepared a long term perspective plan showing annual targets in physical and financial terms nor annual plans. The Board had not made any assessment of requirement of total number of markets, new development works required in mandis and new roads to facilitate the farmers to bring their agricultural produce to mandis. The total number of *mandis* was 475 as against the requirement of 563 *mandis* as envisaged by the National Agriculture Mission (January 2013).

The Chief Administrator stated (August 2016) that work plans were being prepared for special and annual repairs of roads. The reply was not tenable as the Board was required to prepare a long term perspective plan and annual plans after taking into account the requirement of various facilities such as water supply, sewerage systems, weighbridges, covered platforms and canteens in MCs which was not done.

2.1.6.2 Non-formation of market committees

Section 12 of the Punjab Agricultural Produce Markets (PAPM) Act, 1961, provides that an MC shall consist of 11 or 19 members as the State Government may determine out of which one shall be an official appointed by the State Government and the remaining shall be nominated by the State Government out of producers, licensees, members of scheduled castes, scheduled tribes and backward classes.

Scrutiny of records of the test checked MCs revealed that no Chairman, Vice-Chairman or other members of the MC were nominated by the Government during 2011-16 and the powers of Chairman were being exercised by the respective Sub-Divisional Magistrates. State Government had also not nominated any members out of producers, licensees, members of scheduled castes, scheduled tribes and backward classes. As such, there was no representation of stakeholders in the MCs. Proper planning could have been done at MCs level had MCs been properly formed with the representation of stakeholders.

The department informed (August 2016) that corrective action would be taken in this regard.

2.1.7 Financial management

Section 27 of PAPM Act provides that every MC shall pay to the Board a contribution at prescribed[3] percentage of its income derived from market fees levied by MCs under Section 23 of the PAPM Act. The MCs also deposit funds with the Board for execution of developmental works. The expenditure of the Board is mainly on salaries and travelling allowances of staff and contingencies. The MCs maintain separate accounts and also prepare their income and expenditure accounts and balance sheets.

[3] (i) 20 *per cent* if the annual income does not exceed ₹ 10,000; (ii) if the annual income of the committee exceeds ₹ 10,000 then (a) 20 *per cent* on the first of ₹ 10,000; (b) 25 *per cent* on the next ₹ 5,000 or part thereof; (c) 30 *per cent* on the remaining income.

The position of the income and expenditure of the Board is given in **Table 2.1.1** below.

Table 2.1.1: Income and expenditure of the Board

(₹ in crore)

Year	2011-12	2012-13	2013-14	2014-15	2015-16
Total income	146.70	180.14	182.66	196.94	177.14
Total expenditure	137.96	161.18	169.59	192.98	216.56
Funds unutilized	8.74	18.96	13.07	3.96	(-)39.42
Income from interest	11.50	19.34	17.21	12.49	7.80

Source: Balance Sheets of the Board

2.1.7.1 Budget provision vis-à-vis expenditure

The Board prepares annual budget estimates. The position of the budget estimates and actual expenditure incurred there against for the period 2011-16 is given in **Table 2.1.2** below.

Table 2.1.2: Budget provision and expenditure

(₹ in crore)

Year	Budget provision	Expenditure	Savings(-) excess(+)	Percentage of savings
2011-12	206.09	137.96	(-)68.13	33
2012-13	216.52	161.18	(-)55.34	26
2013-14	267.42	169.59	(-)97.83	37
2014-15	276.94	192.98	(-)83.96	30
2015-16	258.87	213.55	(-)45.32	18

Source: Data supplied by the Board

As evident from the above, the savings ranged between 26 and 37 *per cent* during 2011-16. The Board also incurred an expenditure of ₹ 2,245.55 crore on execution of works during 2011-16.

The Chief Administrator attributed (August 2016) the savings under revenue to vacant posts in various cadres. The reply is not tenable as estimates of revenue expenditure should have been prepared after taking into consideration the probability of filling up of the vacant posts.

2.1.7.2 Budget estimates and receipts of Market Committees

The main source of income of MCs is market fees leviable on agricultural produce as defined under Section 23 of the PAPM Act. **Table 2.1.3** below shows the details of income and actual receipts of all MCs during the period 2011-16.

Table 2.1.3: Budget estimates and actual receipt of Market Committees

(₹ in crore)

Year	2011-12	2012-12	2013-14	2014-15	2015-16
Budget estimates	481.88	659.92	825.78	736.12	732.36
Actual receipts	436.92	568.76	624.63	692.32	675.07

Source: Data provided by the Board

Scrutiny of the budget estimates of the Market Committees revealed that estimates/targets of market fees were not prepared with reference to production of crops and their arrival in *mandis* during previous years. Instead, these were prepared on the basis of fees realized in the previous years. Details of production and arrival of produce of main crops in mandis for the period 2011-16 is given in ***Appendix 2.1***. An analysis of the data showed that there was wide gap in arrival of crops in mandis including paddy which varied from 67 to 87 *per cent* of production. In case of paddy, the arrival at *mandis* ranged between 151 and 177 *per cent* of production which indicated that arrival of paddy included those from outside the State. Further, arrival of crops excluding paddy was between 46 and 69 *per cent*. The arrival of cotton was very dismal and ranged between 24 and 46 *per cent*. With such wide variations in production and arrival of produce in *mandis*, performance of revenue realization could not be assessed in audit.

The department stated (August 2016) that the since figures of agriculture production are based on estimates, targets of market fees were fixed on the basis of market fees realized during previous years.

2.1.7.3 Transfer of funds for development works by MCs

As per Section 18 of PAPM Act, every MC shall be a corporate as well as a local authority and competent to acquire and hold property, both movable and immovable, and no Committee shall permanently transfer any immovable property except in pursuance of resolution passed by members of the Committee and with prior approval of the Chief Administrator of the Board. Further, Sections 27 and 28 of the Act *ibid* provide that all money received by a Committee shall be paid into a fund and all expenditure incurred by the Committee shall be defrayed out of such fund. The Market Committee Funds shall be expended for acquisition of sites for the market, construction and repair of buildings, pay, leave and allowances.

Audit observed that an amount of ₹ 909.87 crore was transferred by 39 MCs to the Board for deposit works during 2011-16. The amount was deposited by MCs without preparation of development plans and assessment of expenditure on deposit works. Development funds of one MC were being spent on the works of other MCs. Further, MC-wise receipt of funds and utilization there against was not maintained by the Board. Moreover, interest of ₹ 60.54 crore earned during the period 2011-15 on deposited amount was treated as income of the Board which was irregular as the benefit of interest earned should have been passed on to the MCs.

2.1.7.4 Non-investment of excess funds in fixed deposits

According to Rule 3 of the Haryana State Agricultural Marketing Board and Market Committees, Investment and Disposal of Surplus Fund Rules, 1981, an MC is required to invest its surplus funds or any portion thereof in securities of the Central Government, a savings bank or in fixed deposit receipts (FDRs) of a post office, nationalized bank or the Haryana State/Central Co-operative Bank.

The Audit Report for the year ended 31 March 2010 had highlighted the non-investment of surplus funds by MCs and the PAC had recommended investing surplus funds in FDRs. Scrutiny of records of 39 MCs revealed that in 20 MCs, neither flexi accounts were opened nor excess funds invested in fixed deposits which resulted in loss of ₹ 6 crore **(*Appendix 2.2*)** on account of interest during the period 2011-16.

2.1.7.5 Delay/non-recovery of interest, godown rent, water and sewerage charges and cost of shops/booth plots

Scrutiny of the records revealed that the Board and MCs were not prompt in recovery of their dues resulting in ₹ 126.44 crore remaining outstanding as discussed in **Table 2.1.4** below.

Table 2.1.4: Details showing delay/non-recovery of interest, godown rent, water and sewerage charges and cost of shops/booth plots

Details of outstanding dues	Amount (₹ in crore)	Response of Department
1.Interest on loan		
A loan of ₹ 50 crore was released (August 2014) to the Haryana Rural Development Fund Administration Board (HRDFAB) on which interest at the rate of 9.25 *per cent* per annum (compounded quarterly) was to be paid by the Government through Finance Department. The loan was refunded in December 2014 but interest not paid.	1.32	The Chief Administrator (CA) informed that efforts were being made to recover the interest.
2. Godown rent		
In 8 MCs, an amount of ₹ 1.01 crore for the period from 2003-04 to 2015-16 (***Appendix 2.3***) on account of godown rent remained unrecovered. Out of this, ₹ 0.56 crore was outstanding against Government procurement agencies and ₹ 0.45 crore against private agencies.	1.01	The CA intimated that efforts were being made to recover the balance amount.
3. Water and sewerage charges		
Though the facility of water supply and sewerage was provided, water and sewerage charges were not levied by 9 MCs resulting in non-recovery of ₹ 52.46 lakh. Further, in 3 MCs, although the water and sewerage charges were levied, ₹ 3.94 lakh remained unrecovered till March 2016 (***Appendix 2.4***).	0.56	The CA intimated that action would be initiated against the officers/ officials for not levying the charges.
4. Cost of shops/booth plots		
In case of failure to deposit the installment of shop/booths plots in time, penal interest at the rate of 4 *per cent* per annum compounded half yearly shall be charged and in case of two successive defaults, the plot should be resumed after forfeiture of 10 *per cent* of total cost along with interest and other dues. In 18 MCs, an amount of ₹ 93.83 crore was outstanding against allottee of plots (***Appendix 2.5***). While ₹ 30.88 crore out of the outstanding amount was related to matters which were sub judice, the remaining outstanding amount of ₹ 62.95 crore which was free from any type of litigation also remained unrecovered. The respective MCs had neither initiated any action for recovery of dues nor for resumption of plots.	93.83	The CA intimated that action for recovery would be initiated and proper monitoring system would be devised.

Details of outstanding dues	Amount (₹ in crore)	Response of Department
5. Enhanced land Compensation		
An amount of ₹ 29.37 crore was paid as enhanced land compensation **(*Appendix 2.6)*** by 5 MCs but the same was not recovered from plot holders as envisaged in Rule 3(xi) of HSAMB (Sale of Immovable property) Rules 2000. This resulted in non-recovery of ₹ 29.37 crore and loss of interest of ₹ 8.03 crore (12 *per cent* per annum) to the MCs.	29.37	CA stated that recovery proceedings had been initiated and the amount would be recovered shortly.
6. Delay in recovery of enhanced land compensation		
MC Sonepat paid ₹ 1.10 crore in December 2006 as enhanced land compensation and ₹ 36.10 lakh was recoverable from plot holders. The demand of enhanced land compensation was made from plot owners only in January 2015, after a delay of 8 years and recovery was made in March 2015. Delay in recovery of enhanced land compensation resulted in loss of interest of ₹ 34.65 lakh (12 *per cent* per annum**)** to the MC.	0.35	The CA stated that effort would be made to recover the loss and responsibility for delay in recovery would be fixed.
Total	**126.44**	

Thus, financial management of the Board was marred by deficiencies such as erratic budget making process relating to expenditure and receipt of market fees, non-investment of excess funds in fixed deposits and non-recovery of enhanced land compensation, godown rent and water and sewerage charges.

2.1.8 Infrastructural facilities in mandis

2.1.8.1 Lack of facilities in mandis

The Board approved (June 2006) the provision of basic/additional facilities in each principal yard, sub-yard and purchase centre like water supply and sewerage systems, weighbridges at entry points, covered platforms, internal service roads, rooms with coolers and canteens in principal yard and sub-yards. Further, boundary walls, two dormitories with toilet facilities, one or two mini towers in addition to temporary lights, sufficient temporary arrangement for drinking water and toilets were required to be provided in the purchase centres.

The Audit Report for the year ended 31 March 2010 had brought out the need for infrastructural facilities in mandis and the Public Accounts Committee in its 71st Report had recommended that the department should provide the remaining infrastructural facilities in *mandis* at appropriate time. Audit scrutiny brought out that infrastructure facilities were still lacking in *mandis* of 38 MCs out of 39 test-checked MCs as of November 2016 (***Appendix 2.7***).

2.1.8.2 Misuse of infrastructure

As per Rule 3 (viii) of HSAMB (Sale of Immovable Property) Rules, 2000, an allottee of a shop plot was not permitted to use the premises for any purpose other than marketing of notified agricultural produce. In case of misuse of such premises, the allotment would be cancelled and 10 *per cent* of the value of the plot, interest and other dues paid would be forfeited. Such an allottee should be debarred from allotment of any other site under these rules.

During joint physical inspection of test checked MCs along with officials of MCs, it was noticed that business relating to other than agricultural produce i.e. gun house, jewellery, advertisement, property dealing, medical store/clinic, kitchen store, cement store, accounting services, resort and catering services, guest house, school, hardware shop, oil manufacturing units and banking activities were being conducted in *mandi* shops in 11 MCs **(*Appendix 2.8*)**. However, no action to stop the non-agricultural business and to cancel the allotment was initiated except in MC Bhattu Kalan which issued notices (April 2015) to shop owners. Thus, the objective of allotment of the shops was not achieved. Thus, proper control was not exercised to ensure the use of infrastructure in mandis for marketing of agricultural produce.

The Chief Administrator assured (August 2016) that appropriate action would be initiated against the defaulters.

2.1.8.3 Allotment of plots to ineligible licensees

As per Rule 3 (iii & iv) of HSAMB (Sale of Immovable Property) Rules 2000, only those licensees who have valid license for four years on the date fixed for inviting applications for draw of lot shall be eligible for allotment of plots. These licensees must have paid market fee of at least ₹ 5,000 annually for the last two years.

The Government decided to wind up the old grain market of Faridabad and to shift the business to New Grain Market, Faridabad. MC Faridabad invited applications on 8 August 2014 from old licensees working in the old de-notified grain market. Fourteen licensees applied for allotments of plots on reserve price. The Allotment Committee declared (26 September 2014) two firms ineligible for allotment of the plots due to non-fulfillment of conditions prescribed under Rule 3 ibid. The sites which are not allotted at reserve price are sold through auction.

In the meantime, these two firms got their Form "M[4]" verified in August 2014 from MC Faridabad which showed that agricultural produce was purchased by these two firms during the period from January 2012 to March 2014 and deposited the market fee of ₹ 0.40 lakh along with penalty in August 2014 to become eligible for allotment of plot at reserve price. Thereafter, the firms appealed before the CA of the Board on the grounds that since they had paid the market fees, they had become eligible for allotment of plot at reserve price. The CA declared (October 2014) them eligible for allotment of plot on reserve price and the plots were allotted (November 2014) to them on reserve price at ₹ 81.90 lakh per plot.

4 Every licensed dealer shall submit a return in Form "M" showing his purchases and sales of each transaction of agricultural produce or each transaction of agricultural produce brought for processing within seven days of the date of transaction.

Scrutiny of the records revealed that the transactions of agricultural produce shown by both the firms were not entered in the H[5]-register of the committee. This indicated that the sale was not effected in the *mandi* and M-return which should have been filled up within seven days of the transaction were not submitted for three years. The same were submitted by the firms only after the date of invitation of applications for allotment of plots. The Committee had verified the M-return of the firms without cross checking the transactions from H registers for the period 2011-14 making them eligible for allotment of plots though the H register of the MC had no records of their *mandi* transactions. Allotment of plots to ineligible licensees on reserve price resulted loss of ₹ 1.82 crore[6] as the minimum auctioned price of shops of the same size and in the same area i.e. New Grain Market, Faridabad, was ₹ 1.73 crore each.

The department intimated (August 2016) that an inquiry would be conducted and appropriate action initiated.

2.1.8.4 Irregular construction of basement in shops/booths and upper storey on booths

As per Rule 3 (xiii) and (xiv) of HSAMB (Sale of Immovable Property) Rules 2000, in case of intention of construction of upper storey on booths or basement in shops/booths, prior permission from the MC should be obtained by payment of additional amount equal to 10 *per cent* of allotment price of plot and if construction had already been done, a penalty of 15 *per cent* of allotment price shall be levied and obtained from allottee. Audit observed that MCs were not monitoring the compliance of the Rule as no records were maintained in this regard.

During joint physical verification of test checked *mandis* along with representatives of the MCs, it was noticed that allottee of plots in 10 MCs had constructed upper storey on booths or basement in shops **(*Appendix 2.9*)** but no penalty was imposed on owners by MCs. The penalty amount works out to ₹ 2.39 crore.

The department intimated (August 2016) that instructions would be issued for recovery of amount of penalty.

2.1.8.5 Non-auction of plots

Development work of New Vegetable Market (NVM) in MC Jakhal was completed in October 2009 after incurring an expenditure of ₹ 79.78 lakh and the NVM was handed over to MC concerned in November 2009. The NVM consisted of 24 plots for shops and 29 plots for booths. Audit observed that despite repeated requests by MC, the Board had not fixed a reserve price for auction of the plots resulting in non-auction of plots and blocking of funds of ₹ 79.78 lakh.

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5 As soon as the auction for a lot of agricultural produce is over, the auctioneer shall fill in the relevant particulars in a book to be mentioned in form H and shall secure the signatures of both the buyer and the seller.

6 ₹ 3.46 crore (2x ₹ 1.73 crore) - ₹ 1.64 crore (2x 0.82 crore) = ₹ 1.82 crore.

The Chief Administrator stated (August 2016) that auction of shops was held on 29 June 2016 and even earlier but no shop was sold. The reply does not address the audit observation and such undue delay in fixation of reserve price and auction of plots even after seven years of construction defeats the purpose of the expenditure incurred.

2.1.8.6 Encroachment on mandi land

As per instructions of the Board issued in June 1989, District Marketing Enforcement Officers and Zonal Marketing Enforcement Officers were required to ensure that there was no encroachment on *mandi* land.

The Audit Report for the year ended 31 March 2010 had highlighted encroachment on *mandi* land and the Public Accounts Committee in its 71st Report had recommended that the department should make efforts for preventing such encroachments on *mandi* lands. But the irregularities were still persisting as joint physical verification of mandis of test checked MCs brought out that adjoining parking space, space in front of shops and rear of shops had been encroached upon in five out of 39 mandis **(*Appendix 2.10*)** by making sheds. No action to remove the encroachments was taken by the MCs.

The Chief Administrator assured (August 2016) that appropriate action would be initiated against defaulters.

Thus, there were deficiencies in providing basic facilities in *mandis*. Further, plots were allotted to ineligible licensees, businesses other than agriculture were being conducted in *mandis*, plots remained un-auctioned and *mandi* land was encroached upon.

2.1.9 Execution of link roads and other works

2.1.9.1 Unfruitful expenditure on construction of road

Paragraph 10.10.4 of Haryana PWD Code provides that at the time of preparation of rough cost estimate, the site should be inspected to ascertain field conditions including availability of land and estimate of project should include Geographic Information System (GIS) mapping of the road work in question and availability of right of way.

Administrative approval for construction of link road from village Seman to Singhwa was accorded by the Chief Administrator for ₹ 1.30 crore in February 2014. The work was allotted (February 2014) to a contractor for ₹ 1.27 crore. The work was completed in November 2014. The total length of the road was 4.59 kms.

Audit observed that the division prepared the estimate of work on the basis of *sizra* plan[7] collected from the Revenue Department without inspection of site.

[7] Map of a village.

During *nishandehi* (demarcation) in April 2014 for consolidation *path*, it was noticed that revenue *path* was not available in 80 metres length. The matter was brought to the notice of the Chief Engineer who ordered that construction be started immediately where revenue *path* existed and efforts be made to arrange land free of cost where *path* was not available. The account of the contractor was finalized in May 2015 without completion of complete road and ₹ 1.32 crore released to him. Thus, preparation of estimate without inspection of site and start of work without getting site clearance, resulted in unfruitful expenditure of ₹ 1.32 crore incurred on construction of road as the road could not be used by through traffic due to gap of 80 metres length.

The Chief Administrator stated (August 2016) that instructions would be issued to prepare the estimates of road by conducting survey of site to ensure availability of land for the full length. No responsibility was fixed for the lapse.

2.1.9.2 Execution of sub-standard work and excess payment to contractor

According to para 20.5 of the PWD Code, no sub-standard work should be allowed to be done. In case sub-standard work is done by the contractor, the same should be got re-done in accordance with the specifications. Further, as per paragraph 18.1 of PWD code, payment should be made after actual measurement of the work executed and entries recorded in the measurement books.

The work of Development of Timber Market at village Manakpur (MC Jagadhari) was allotted in April 2008 to a contractor for ₹ 5.86 crore to be completed within 12 months. The contractor left (July 2010) the work after executing the work of platform, roads and front parking for ₹ 2.88 crore.

Scrutiny of the records of work revealed that a Committee comprising of 3 SDOs and 2 JEs worked out (October 2011) rectification cost of defective work of platform, roads and front parking at ₹ 39.97 lakh. Notice for recovery for the cost of defective work was issued in November 2011 but the agency did not rectify the defective work. The cost for defective work had not yet been recovered from the agency (August 2016). Further, as per final measurement, an excess payment of ₹ 30.30 lakh[8] had also been made on account of item of earth work and stone soiling without execution at site, secured advance without availability of material at site, issue of excess bitumen without requirement at site and defective execution of work. Thus, the codal provisions were not adhered to while releasing the payments to contractor. The amount paid in excess had not yet been recovered (August 2016).

The Chief Administrator stated (August 2016) that action would be initiated against the officers responsible and for blacklisting of defaulting agency.

[8] (i) ₹ 14.64 lakh for earth work without execution. (ii) ₹ 12.06 lakh excess issuance of bitumen without requirement. (iii) ₹ 2.84 lakh for secured advance without availability of material. (iv) ₹ 0.76 lakh for defective work, stone soiling without execution, etc.

2.1.9.3 Non-recovery of material issued to contractor

As per paragraph 25.9.2 of PWD Code, an immediate report of the actual/physical loss of stores shall be made by the Divisional Officer to higher authorities and where necessary to the Police and all steps should be taken for recovery of the loss.

The work of Construction of eight new link roads was allotted (May 2008) to an agency by EE, HSAMB Jhajjar. As per the agreement, bitumen was to be supplied by the Division. On perusal of the records, it was noticed that 108.065 MT bitumen was issued (March 2009 to September 2009) to the agency for execution of work. But the agency left the work incomplete (November 2009). On measurement of the work in February 2010, it was noticed that 58.719 MT bitumen was consumed on the work. The balance quantity 49.346 MT of bitumen was required to be taken back in the store but the same was not returned by the agency. An amount of ₹ 33.06 lakh was due for recovery on this account of which ₹ 11.65 lakh had been recovered. Balance of ₹ 21.41 lakh remained outstanding (August 2016).

The Chief Administrator intimated (August 2016) that the recovery process had been started.

2.1.10 Non-implementation of schemes

2.1.10.1 Farmers'assistance/agriculture research schemes

The State Government formulated three schemes aimed at catalyzing innovations in management of agricultural produce and encouraging research and development in fields of agricultural production and management. However, none of the schemes were implemented as discussed below:

(i) Promotion of Agriculture Innovations: The Haryana Society Promotion of Agriculture Innovations (HSPAI) was formed in March 2014 with the aim and objective of becoming an innovative and creative society by promoting farmers' grass root innovations and promoting new initiatives towards sustainable technologies, building linkage between excellence in formal scientific systems and informal knowledge system. The State Government ordered (August 2014) the Board to transfer funds of ₹ one crore every year from 2013-14 to HSPAI for Marketing Development Fund. But no funds were transferred by the Board to the HSPAI.

(ii) Haryana State Agricultural Research and Development Fund: The State Government established (April 2013) Research and Development Fund to be operated by Haryana Kisan Ayog and funded by the Board. The Fund was created to sponsor and support some short term result oriented ad hoc research schemes which aims at filling critical gaps in the scientific fields or in resolution of problems limiting production, processing and marketing of agricultural produce including animal and fish products. A budget provision of ₹ 6.50 crore[9] was made during 2014-16. The scheme was, however, not implemented (August 2016) as no funds were transferred to the said fund.

(iii) Farmers Input Scheme: Farmers Input Scheme was to be implemented by the Board in the shape of subsidy for purchase of high quality/imported/hybrid seeds, implements, gypsum and reclamation of alkaline land through Haryana State Land Reclamation and Development Corporation. For implementation of the scheme, budget of ₹ 10 lakh each year was made during 2012-16. But the funds were not transferred and the scheme was not implemented (August 2016) depriving the farmers from the intended benefits of the scheme.

The department assured (August 2016) that the schemes would be implemented in future.

2.1.10.2 Unfruitful expenditure on computerization

With the objective of computerization of HSAMB for ease of administration, reduction of manual work, improving revenue generation and collection from market activities by operation of gates and auction in a transparent manner and improving the quality of services and information to all the market functionaries and farmers, an *e-mandi* project was undertaken in July 2009 in collaboration with the Department of Administrative Reforms and Public Grievance, (DARPG), Government of India. Funds of ₹ 96.80 lakh were provided (December 2009) by the DARPG to the Board. Tenders were invited (May 2010) and work was allotted to a firm (October 2010) for ₹ 1.75 crore. The work was required to be completed by July 2012. The firm developed the software and tested (November 2011) the modules on pilot basis at Karnal *mandi* and payment of ₹ 1.03 crore was made up to September 2012 to the firm.

It was noticed that the software tested at Karnal on pilot basis was not put to use. The Board issued notice to the firm in July 2015 that the firm had not developed the modules for Engineering and Administration and modules of Mandi Management System, Enforcement, Land Acquisition and Accounts were partially developed. Out of 469 activities in different modules, while 287 activities were completed, 182 were still incomplete. The computerized system was not in operation (August 2016) and the benefit of project could not be derived after six years despite spending funds of ₹ 1.03 crore.

The Chief Administrator intimated (August 2016) that the software developed would be taken forward and made functional by November 2016. However, the software was not made functional as of December 2016.

[9] 2014-15: ₹ 6 crore and 2015-16: ₹ 0.50 crore.

2.1.11 Manpower management

2.1.11.1 Staff position

The working of the Board is divided into four wings namely (i) Administrative Wing, (ii) Enforcement Wing, (iii) Accounts Wing and (iv) Construction Wing. The Staff position is depicted in (***Appendix 2.11)***.There was acute shortage of staff ranging between three and 52 *per cent*. Further, scrutiny of manpower management revealed the following:

- Information regarding sanctioned strength vis-à-vis men-in-position in respect of construction divisions was not available with the Board. No norms of deployment of manpower were fixed resulting in variances in deployment of JEs and draftsmen.

- 12 and 4[10] Secretary-cum-Executive Officers were posted at Board office and District Marketing Enforcement Officers' (DMEO) offices respectively without sanctioned strength.

- 13 Assistant Secretaries were deployed at Board office (8), Zonal Administrators office (ZAO) (4)[11] and Zonal Marketing Enforcement office (ZMEO), Rohtak (1) without sanctioned strength while 5 Assistant Secretaries were posted in excess of sanctioned strength in 5[12] MCs. On the other hand, no Assistant Secretaries were deployed in 37 MCs.

- Against the sanctioned strength of one, two Accountants were posted in 5[13] MCs. Further, 15 Accountants were posted at Board office (7), Construction divisions (5), ZA office (1), ZMEO (1) and DMEO (1) office without sanctioned strength while no Accountants were posted in 55 MCs.

- In 14 MCs, numbers of Mandi Supervisor deployed were more than sanctioned strength while no Mandi supervisor was deployed in 13 MCs.

- In 15 MCs, 46 Auction Recorders were deployed more than their sanctioned strength and 13 persons were posted at Board's office (7), ZMEO office (3) and DMEO office (3) without sanctioned strength whereas there was shortage of 269 posts in the cadre.

The department stated (August 2016) that rationalization of deployment of staff was under process.

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[10] Jind, Sirsa, Karnal and Sonepat.

[11] Hissar(1), Karnal(1) and Gurugram (2).

[12] Palwal, Hodel, Nilokheri, Kanina and Nigdhu.

[13] Hansi, Jundla, Rewari, Rohtak and Meham.

2.1.11.2 Non deployment of Agri-Business Managers on assigned duties

Agri-Business Managers (ABMs) were appointed to create opportunities of marketing of agricultural/horticultural produce and were responsible for running of Agri-Business Centres. They were to guide farmers to get better quality seeds, fertilizers, pesticides, technical knowledge and to help farmers in getting better value of produce through diversification of crops and improved crop management through integration of services with markets.

Scrutiny of records of the Board revealed that four out of 14 ABMs were posted at Board office during 2012-16 instead of at Agri-business Centres/Farmer Information Centres. There was no work relating to their assigned duties for them at Board office and hence the very purpose of their recruitment was defeated. Thus, expenditure of ₹ 72.47 lakh incurred (2012-16) on their pay and allowances did not serve the primary purpose.

2.1.11.3 Training

The Haryana Institute of Agricultural Marketing was set up on the lines of National Institute of Agricultural Marketing to train farmers, traders and youth working in the field of agriculture through various short term courses, training programmes and workshops. However, training needs were not assessed and no targets were fixed for imparting training. Only 18 training programmes were organized for imparting training to officers/officials of the Board during 2011-16. No training was organized for stake holders i.e. farmers and licensees though funds were available since only ₹14.59 lakh had been expended against budget provision of ₹ 40 lakh during 2011-16.

2.1.12 Internal Control

Internal audit of MCs having income above ₹ 50 lakh was to be conducted twice a year and in respect of other MCs annual audit was to be conducted. Compliance or replies were to be sent within six weeks of the issue of the internal audit reports. It was, however, observed that no internal Audit was conducted in 7[14] MCs during the last five years whereas in 32 MCs internal Audit was conducted only once in five years (***Appendix 2.12***). Further, no follow up action to ensure the compliance of internal audit reports were being made; even initial replies to internal audit observations were not submitted by MCs. It was further observed as follows:

- The Board has enforcement staff i.e. one Chief marketing Officer, three Zonal Marketing Enforcement Officers and District Marketing Enforcement Officers to prevent theft/evasion of market fees. Scrutiny of the records of the Board revealed that periodicity of surprise checking or target of each enforcement staff member was not fixed. Out of 7 selected districts, DMEO Fatehabad and Faridabad conducted only 15 and 11 surprise checks respectively during 2011-16

[14] Pipli, Babain, Siwan, Faridabad, Ballabhgarh, Ding and Bhuna.

while DMEO Kaithal did not conduct even a single surprise check. The details of surprise check are given in ***Appendix 2.13***.

- The bitumen purchase vouchers for bituminous work executed by agencies/contractors were to be got verified from concerned refinery regarding their genuineness. Audit observed that in Construction Divisions, Jhajjar and Bhiwani, bitumen vouchers were not verified from concerned refinery to ensure the genuineness of bills although 113 new roads works valuing ₹ 91.10 crore were executed by these divisions during 2011-16.

- Paragraph 16.27.2 of PWD code provides that the Site Order Book shall be maintained properly and kept at the site during the execution of the work under safe custody of the Junior Engineer. Audit observed that Site Order Book was not maintained in five[15] divisions.

- The Divisional Officers were required to obtain independent confirmation about the genuineness of the bank guarantees (BGs) directly from the banks. However, genuineness of BGs obtained from contractors was not verified from banks by five construction divisions[16].

The department stated (August 2016) that instructions would be issued to comply with the codal provisions and to strengthen the internal control system.

2.1.13 Conclusion

The functioning of the Board was impaired by lack of a long term perspective plan for the development works. The financial management of the board was marred by deficiencies such as non-investment of excess funds in fixed deposits resulting in loss of interest of ₹ 6 crore and non-recovery of enhanced land compensation, godown rent and water and sewerage charges amounting to ₹ 126.44 crore. Despite being pointed out in earlier Audit Reports and recommendations of the PAC, there were continuing deficiencies in providing basic facilities in mandis and encroachments on mandi land. Plots were allotted to ineligible licensees resulting in loss of ₹ 1.82 crore while business other than agriculture were being conducted in mandis defeating the purpose of the allotments. There were also sub-standard execution of works and excess payments and non-recoveries from contractors totaling ₹ 1.84 crore. Further, farmers' assistance/research schemes introduced by the Government were not implemented.

[15] Fatehabad, Sirsa, Rohtak, Jind and Karnal.

[16] Fatehabad, Rohtak, Karnal, Faridabad and Sirsa.

2.1.14 Recommendations

In light of the audit findings, the Government/Board may consider:

- Preparing a long-term perspective plan clearly indicating the annual physical targets under various activities;
- Ensuring that surplus funds are deposited in fixed deposits and enhanced land compensation and dues from plot holders are recovered in a timely manner;
- Ensure implementation of schemes introduced by the Government; and
- Strengthen internal control system of the Board.

The audit findings were referred to the Government in September 2016. Their reply had not been received (December 2016).

Medical Education and Research Department

2.2 Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak

The Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak is a premier medical institute of the State. The main objective of the Institute was to provide quality health services, medical education and research. A performance audit of the functioning of the Institute during the period 2011-16 brought out deficiencies which impaired its ability to achieve its overall objective of providing quality health services and medical education in the State. Some of the more significant findings are summarized below:

Highlights

Master plan and annual plans were not prepared in the absence of which targets were not set and performance could not be assessed.

(Paragraph 2.2.6)

Delays in procurement and obsolete equipment adversely affected delivery of medical services and academic activities in the Institute.

(Paragraph 2.2.8.1)

Trauma Centre, Auditorium and Mother and Child Care Hospital constructed at a cost of ₹ 56.59 crore could not be put to use due to non-purchase of medical equipment and furniture.

(Paragraph 2.2.8.3 (v))

Slow implementation of Pradhan Mantri Swasthya Suraksha Yojana, Centre of Excellence and Pilot Programme for Prevention of Burn Injury delayed accrual of benefits of the schemes to the patients.

(Paragraphs 2.2.8.4)

2.2.1 Introduction

The Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences (Institute), Rohtak, is a premier medical institute of the State. The Institute was started as a Medical College in 1960. The main objective of the Institute is to provide quality health services and medical education. The Institute also includes colleges of Pharmacy and Physiotherapy. During the calendar years 2011 to 2015 (January 2011 to December 2015), 84.01 lakh patients, including 12.61 lakh patients of Accident and Emergency Department, were provided consultation and treatment in Out-patient Departments (OPD) and of these, 5.02 lakh patients were admitted as indoor patients.

The Institute has 200 seats for Bachelor of Medicine and Bachelor of Surgery

(MBBS), 145 for Doctor of Medicine (MD)/ Master of Surgery (MS) courses, 29 for Post-graduate Diploma in Medical Sciences, 60 for Bachelor of Pharmacy, 10 for Master of Pharmacy and 30 for Bachelor of Physiotherapy (BPT). There were 32 departments and 17 super-specialities[17] with facility of 1,710 beds for indoor patients.

2.2.2 Organisational set-up

The Institute is under the administrative control of the Medical Education and Research Department and the Additional Chief Secretary is the administrative head at Government level. Vice-Chancellor of Pandit Bhagwat Dayal Sharma University of Health Sciences (University) is the executive and academic officer and exercises supervision and control over the affairs of the Institute. The Director of the Institute is the administrative head and he is assisted by a Medical Superintendent for hospital and a Dean for academic activities.

2.2.3 Audit objectives

The main audit objectives were to ascertain:

- whether the services were being properly planned;
- the efficiency of management of financial resources;
- the timeliness in provision of medical facilities and infrastructure, implementation of schemes and conduct of academic and research functions;
- the adequacy of staff and their optimal utilization; and
- the efficiency and effectiveness of internal control.

2.2.4 Audit scope and methodology

The performance audit was conducted between December 2015 and May 2016 covering the period 2011-16. The focus of the performance audit was to ascertain the availability of infrastructure, machinery, equipment and other facilities such as blood bank, medicines, fire fighting system, library, etc. in various departments of the Institute. An entry conference was held in March 2016 and exit conference in August 2016 with the Additional Chief Secretary to Government of Haryana, Medical Education and Research Department. The responses received from the Institute and those expressed during the exit conference have been appropriately incorporated in the report.

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[17] 1. Burns and Plastic Surgery 2. Cardiac Surgery 3. Cardiology 4. Clinical Haematology 5. DNA Lab 6. Endocrinology 7. Gastroenterology 8. Medical Oncology 9. Nephrology 10. Neuro-surgery 11. Neurology 12. Paediatrics Surgery 13. Pulmonary and Critical Medicine 14. Rheumatology 15. Surgical Gastroenterology 16. Surgical Oncology 17. Urology.

2.2.5 Audit criteria

The audit criteria were drawn from the following sources:

- Pandit Bhagwat Dayal Sharma University of Health Sciences Act and Statutes, 2008;
- Punjab Financial Rules 1940 as applicable to Haryana;
- Indian Medical Council Act, 1956;
- Instructions/guidelines issued by Medical Council of India; and
- Hospital Manual 2002 of Government of India.

2.2.6 Planning

2.2.6.1 Non-preparation of hospital manual and master plan

Efficient and timely delivery of services requires proper planning, both long term and short term, so that resources can be marshalled and required infrastructure developed in a systematic manner in tune with evolving needs. Efficiency is also enhanced by adoption of a manual outlining the rules and procedures relating to the functioning of the institute that would enable quick and timely decision making.

The Ministry of Health and Family Welfare (MoH&FW), Government of India (GOI), had prepared (June 2002) a Hospital Manual which envisaged that a hospital should prepare a master plan that should include details of physical structures, buildings, equipment, furniture, manpower and consumables needed. Audit observed that the Institute had neither followed this manual nor prepared its own manual. Further, no master plan or annual plans were being prepared by the Institute nor any annual report showing targets and achievements. In the absence of any defined plan or manual, hospital activities/services were not being provided in a structured manner and internal control was lacking.

The Director of the Institute stated (August 2016) that a committee had been constituted for preparation of a hospital manual. As regards master plan, a proposal for short (3 years), medium (7 years) and long term plan (15 years) had been sent (June 2016) to the Government.

2.2.7 Financial management

2.2.7.1 Budget provision and expenditure

The expenditure in the Institute is incurred from grants- in- aid received from the State Government through the University. Receipts of the Institute on account of fee from students, laboratory charges and indoor-patient charges are deposited in the University bank accounts.

Budget provision of grants-in-aid and expenditure during 2011-16 is given in **Table 2.2.1** below.

Table 2.2.1: Budget provision and expenditure under Plan and Non-plan

(₹ in crore)

Year	Plan		Non-Plan		Total	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
2011-12	79.51	79.51	140.75	140.75	220.26	220.26
2012-13	81.91	81.91	135.13	135.12	217.04	217.04
2013-14	115.48	109.36	92.70	134.42	208.18	243.78
2014-15	147.75	148.97	127.50	142.74	275.25	291.71
2015-16	161.30	165.60	155.22	151.73	316.52	317.33
Total	**585.95**	**585.35**	**651.30**	**704.76**	**1,237.25**	**1,290.11**

Source: Data supplied by the Institute

Note: Excess expenditure was met from the internal receipts of the University

Out of the total expenditure of ₹ 1,290.11 crore, ₹ 950.07 crore (74 *per cent*) had been incurred by the Institute towards payment of salary and wages. Expenditure on construction works was ₹ 64.12 crore (five *per cent)* and on machinery and equipment it was ₹ 51.43 crore (four *per cent).* Besides, grants of ₹ 22.70 crore under various schemes was received from GOI against which ₹ 14.50 crore were spent during 2011-16.

2.2.7.2 Deficiencies in maintenance of records and suspected embezzlement

Rules 2.7 and 2.4 of the Punjab Financial Rules as applicable to the Institute provide that in case an employee, who is not in-charge of the cash book receives money on behalf of the Government, he is required to remit the same to the employee having a cash book or deposit the amount into the bank on the same day or in the morning of the next day. The Audit Report (Civil) for the year ended 31 March 2009 had brought out an instance of embezzlement of ₹ 2.95 lakh due to non-deposit of receipts.

Scrutiny of records revealed that official collecting receipts of special wards had not deposited the entire receipts during 20 December 2014 to 6 May 2016 with the main cashier. Audit carried out reconciliation (March-May 2016) of receipt of special wards and amount actually deposited with main cashier which revealed that against total receipt of ₹ 100.35 lakh, ₹ 95.45 lakh was deposited (January 2015-May 2016) resulting in short deposit of ₹ 4.90 lakh which amounts to suspected embezzlement. On being pointed out (March-June 2016), the official deposited (March-June 2016) the amount of ₹ 4.91 lakh with the main cashier.

Audit also noted that the Institute was operating 28 savings/current accounts in different banks but bank reconciliation was not being done (March 2016).

Audit observed that continued lack of internal controls in management of cash despite the matter being highlighted in previous Audit Report created an environment that exposed the Institute to risks of embezzlement and loss of funds.

The Director of the Institute stated (August 2016) that the amount had been deposited and the official had also been charge-sheeted. Further, in order to eliminate chances of fraud and embezzlement, new procedure by opening separate bank account for daily deposit of security and hospital charges had been adopted.

The Director added that bank reconciliation in respect of 25 out of 28 accounts had been done.

2.2.7.3 Non-adjustment of advances

An amount of ₹ 8.12 crore[18] comprising letter of credit, advances given to various suppliers/service providers and advances given to staff for carrying out various activities were lying unadjusted for periods ranging from one to six years. Non-adjustment of advances for such long periods was in violation of financial rules and exposes the Institute to risk of mis-utilization.

The Director of the Institute stated (November 2016) that an amount of ₹ six crore had been adjusted and remaining ₹ 2.12 crore would be adjusted by December 2016.

2.2.7.4 Loss due to non-charging of revised hostel fees

On the recommendation of the Fee Structure Committee, the Executive Council approved (September 2013) enhancement of the fee structure of hostel dues from the session 2013-14. Scrutiny of records revealed that hostel dues were not being charged at revised rates from those students who got admission prior to the session 2013-14 thereby causing a financial loss of ₹ 96.87 lakh to the Institute ***(Appendix 2.14)***.

The department agreed (August 2016) that there could not be two sets of charges from students and that the matter would be looked into.

2.2.8 Medical functions

2.2.8.1 Inadequate machinery and equipment

Adequate machinery and equipment are a pre-requisite for providing medical services and imparting education to students. Scrutiny of records revealed that there was shortage of equipment and laboratories, delays in procurement and obsolete equipment which adversely affected delivery of medical services and academic activities (***Appendix 2.15)***. Some of the significant shortcomings observed by Audit were:

- Use of obsolete machinery ranging between 11 and 16 years, shortage of anaesthesia machines, mechanical ventilators, infusion pumps and ICU beds in Cardiac Surgery Department.
- There was substantial and continuous reduction in major procedures due to acute shortage of ICU beds, ECG machines, syringe infusion pumps, defibrillator and ECHO in Cardiology Department.
- Nephrology Department had shortage of hemo-dialysis machines, monitors and dialysis chairs.

[18] 2009-10: ₹ 0.21 crore, 2010-11: ₹ 0.46 crore, 2011-12: ₹ 0.60 crore, 2012-13: ₹ 0.81 crore, 2013-14: ₹3.33 crore and 2014-15: ₹ 2.71 crore.

- Proposal to procure Linear Accelerate (LINAC) to replace obsolete Cobalt-60 teletherapy machine being used in radiotherapy sent in December 2009 by the Radiotherapy Department had yet to materialise despite lapse of nearly seven years.
- In Urology Department, machinery and equipment installed during June 2011 to May 2015 were not in working condition.
- Nd-YAG laser required in treatment of vision threatening problems was not available in Ophthalmology Department.
- In Radio diagnosis Department, there was shortage of CT Scan, Magnetic Resonance Imaging system (MRI), X-Ray units and Ultra Sound machines. Further, Digital Subtraction Angiography System and Picture Archiving Communication System were not available.

The Institute stated (August 2016) that equipment such as ventilators, heart lung machines, ECG machines and monitors and anesthesia machines had been ordered/delivered to the departments and purchase of remaining equipment would be completed by September 2016. It was added (November 2016) that ten vital sign monitors had since been installed in the Anaesthesia Department.

2.2.8.2 Other deficiencies

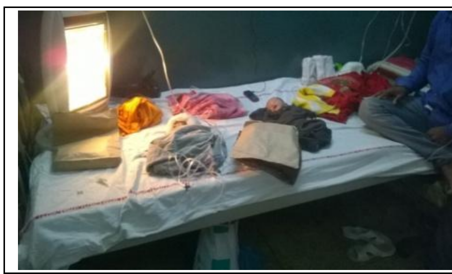
(i) Blood Bank

GOI formulated the National Blood Policy (NBP), 2007 for elimination of transfusion transmitted infection and for provision of safe and adequate blood transfusion services to the people. NBP provided for engagement of Quality Assurance Manager, establishment of separate department of transfusion medicine and developing networking facility but the Institute had not complied with these provisions.

The Institute stated (August 2016) that the matter for sanctioning of the post of Quality Assurance Manager would be taken up with the Government. Further, computerization of the Institute was under process and establishment of the Department of Transfusion Medicines was under consideration of the Institute.

(ii) Pediatrics Department

Bed occupancy of Pediatrics Department (Unit-I) ranged between 126.13 and 241.90 *per cent* during the calendar years 2011 to 2015. Sharing of beds, especially in respect of newly born babies, was fraught with the risk of infection.



Four new born babies on a bed (16 May 2016)

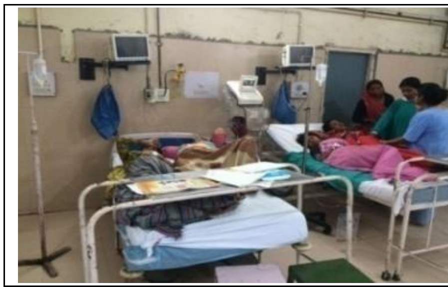
The Institute stated (August 2016) that some beds had been added and the issue would be resolved with the completion of Mother and

Child Hospital which was at an advanced stage.

(iii) Obstetrics and Gynaecology Department

In Gynaecology Department, the average daily rush of new antenatal cases was 50 to 60 patients against availability of 26 beds in the labour room. The average occupancy of beds in the Department ranged between 105 and 260 *per cent* during 2011-15.

The Institute stated (August-November 2016) that new Mother and Child Hospital would be made operational in December 2016 to overcome the problem.



Two patient shared single beds (14 March 2016)

2.2.8.3 Other facilities and services

(i) Non-availability of essential drugs

Free drug purchase policy was launched in January 2009 with the objective of providing free and uninterrupted supply of good quality medicines to all OPD patients/casualty cases and delivery cases in all Government health facilities in the State. Thereafter, the Mukhya Mantri Muft Ilaaj Yojana (MMIY) was launched in January 2014 that prescribed an Essential Drug List (EDL). The policy provided for maintenance of three months buffer stock by procuring drugs over and above the total requirement.

The Institute prepared the list of 639 required drugs during 2011-14 and thereafter adopted the list prepared by MMIY. The drugs purchased/available against requirement is given in **Table 2.2.2** below:

Table 2.2.2: Details showing number of drugs required, purchased and shortage

Year	Number of drugs required as per PGIMS/ EDL of MMIY*	Number of drugs purchased/ available in PGIMS	Shortage	Percentage of shortage
2011-12	639 (as per PGIMS requirement)	327	312	49
2012-13	639 (as per PGIMS requirement)	172	467	73
2013-14	639 (as per PGIMS requirement)	407	232	36
2014-15	443 (as per EDL of MMIY)	413	30	7
2015-16	443 (as per EDL of MMIY)	397	46	10

Source: Records of the Institute

Thus, seven to 73 *per cent* of drugs were not available during 2011-16. The Institute stated (August 2016) that the shortage of essential drugs was due to delay in purchase process and fund constraints as only ₹ 6 crore was received against sanction of ₹ 12 crore.

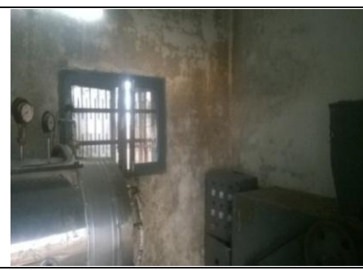
(ii) Lack of quality assurance of medicines

The Medicine Procurement and Management Policy, 2012, formulated by the Government of Haryana provided that sample from every batch would undergo testing before distribution. It was observed that the Institute had neither quality control cell of its own nor were the medicines being tested before distribution. As such, quality testing of medicines before acceptance of the consignment was not being conducted.

The Institute stated (August 2016) that an in-house facility for testing of such a large number of drugs, devices and consumables would not be cost effective and would require huge investment as well as manpower. The reply of the Institute is not tenable as testing of drugs is an essential requirement before acceptance of consignment and the Institute has to ensure facilities for testing whether in-house or out-sourced from accredited/approved laboratories.

(iii) Storage and transportation of bio-medical waste

As per guidelines of the Central Pollution Control Board for design and construction of bio-medical waste incinerator, there shall be a waste storage area adjacent to the incinerator room. It should be properly ventilated and so designed that waste can be stored in racks and washing can be done easily. The floor and inner walls of the incinerator and storage rooms shall have outer covering of impervious and glaze material so as to avoid retention of moisture after every cleaning. It was noticed that the waste storage room adjacent to the incinerator did not have racks and bags of waste were lying on the floor *(Photograph-I).*

		
Bags of waste lying on the floor (Photograph–I) (04 February.2016)	**Auto-clave and shredding room floors and inner walls not covered with the glazed material (Photograph-II) (04 February 2016)**	**Solid waste and bio-waste lying open near incinerator and water pump (Photograph–III) (04 February 2016)**

Waste storage auto-clave and shredding rooms were not properly ventilated and floors and inner walls were not covered with the glazed material (photograph-II). Solid waste and bio-waste was lying in the open near the incinerator and water pump causing health hazards *(photograph-III)*. As per analysis report of sample collected by State Pollution Control Board on 28 October 2015, level of odour, Total Suspended Solid, Bio Oxygen Demand, Chemical Oxygen Demand and Oil and Grease was much higher than the permissible limits ***(Appendix 2.19).***

As per guidelines on Hospital Waste Management issued in 2002 by MHFW, a Waste Management Committee was required to be constituted for making action plan for hospital waste management and for its supervision and monitoring. However, no such Committee had been constituted by the Institute (October 2016).

The Institute stated (August 2016) that the tenders for the works for improvement of waste storage area had been invited by the PWD, B&R. Regarding quality of effluent, it was stated that the work of installation of Effluent Treatment Plant (ETP) was under process.

(iv) Inadequate fire fighting mechanism

The Hospital Manual of GOI provide for constitution of safety committee for fire prevention. High fire risk areas like OT, laboratory, stores, medical records, laundry and kitchen department should have automatic fire and heat activated alarm system. Medium and big size hospitals should have fire hydrant facility with functioning electric pumps. Further, mock drills of fire-fighting should be carried out periodically. Audit observed that neither the Fire Safety Committee had been constituted by the Institute nor had the various fire-fighting systems been put in place.

The Institute stated (November 2016) that a proposal for providing fire safety would be finalised after holding a meeting with fire safety officers.

(v) Non- utilisation of available infrastructure

The Institute had spent huge funds on construction of various buildings. Audit observed that the infrastructure built at a cost of ₹ 56.59 crore could not be put to use due to undue delays in completion of residual works as detailed in Table 2.2.3 below:

Table 2.2.3: Details showing non-utilization of infrastructure

Details of infrastructure	Expenditure (₹ in crore)	Remarks
Trauma Centre: The work of construction of Trauma Centre was allotted in February 2008. The building had been completed in January, 2013	21.17	The building had not been taken over by the Institute because of non-completion of gas manifold, purchase of furniture, medical equipment and machinery
Auditorium: Approval for a common assembly hall having a capacity of 1000 to 1500 was accorded in 2006-07. The Auditorium was completed in May 2013.	20.39	The auditorium had not been taken over by the Institute as NOC from the Fire Department had not been obtained (May 2016). The case had been lying with the Director, Fire Service since May 2014
Mother and Child Care Hospital: Sanction for the building was accorded in February 2006 for ₹11.48 crore. The building was completed in January 2013.	15.03	The building could not be handed over to the Institute (May 2016) due to pending work of gas manifold pipeline, furniture, medical equipment and machinery
Total	**56.59**	

Source: Information compiled from the records of the Institute

The Institute stated (August 2016) that Trauma Centre, Auditorium Building, Mother and Child Care Hospital were in the process of completion in all respects and would be made operational soon. As regards NOC from Fire Department for Auditorium Building, it was stated that tender process for firefighting system would be completed within one month. However, the works had not yet been completed (November 2016).

2.2.8.4 Implementation of schemes

(i) Pradhan Mantri Swasthya Suraksha Yojana

The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was announced in March 2006 with the prime objective of correcting the imbalances in availability of affordable healthcare facilities. The estimated outlay of the scheme was ₹ 150 crore per Institute (₹ 125 crore as Central share and ₹ 25 crore State share). Out of this, ₹ 55.30 crore was for civil works, ₹ 79.70 crore for medical equipment and ₹ 15 crore for consultancy and contingency. Rupees 17.75 crore was released to the Institute in December 2011 as Central share for procurement of medical equipment and ₹ 25 crore was released in July 2013 as State share. However, only an expenditure of ₹ 2.63 crore was incurred on machinery and equipment (December 2015). An MOU was entered with HLL Life Care Limited in September 2013 for purchase of medical equipment but the purchases could not be made as the terms and conditions with them were not finalised (May 2016). Thus, delay in finalizing the terms and procedures resulted in equipment not being purchased despite lapse of five years since release of funds to the Institute for the purpose.

The Institute attributed (August 2016) the delay to lengthy purchase procedure and stated that purchase order for machinery of ₹ 18.50 crore had since been placed and purchase of remaining equipment was under process.

(ii) Centre of Excellence in Mental Health

A provision of grants-in-aid of ₹ 30 crore was made by GOI for development of a Centre of Excellence in mental health which was to be operationalised by the end of March 2012. The scheme involved two components i.e. capital works and purchase of technical, non-technical equipment, library books and journals. GOI released ₹ 20.84 crore (₹ 5.28 crore in October 2009 and ₹ 15.56 crore in August 2010) to the Director, State Health Society (SHS), who further released ₹ 15.84 crore to the Institute between December 2010 and August 2013.

Perusal of records revealed that hostel buildings and training block constructed at a cost of ₹ 12.40 crore could not be made functional (May 2016) for want of furniture and fixture, electrical items, installation of lifts and sub-station although ₹ 3.44 crore for purchase/providing of these items were lying unutilized. Also funds of ₹ 5 crore remained with Director, SHS while balance grants of ₹ 9.16 crore under the scheme could also not be availed of from GOI. Thus, the building constructed under Centre of Excellence Scheme remained un-utilized for three years.

The Institute stated (August 2016) that one hostel had been constructed and inaugurated recently.

(iii) Pilot Programme for Prevention of Burn Injury

Pilot Programme for Prevention of Burn Injury was launched (2010) by GOI for establishing full-fledged burn care services, developing trained manpower for management of burn injury care and providing medical rehabilitation services at tertiary level of health care delivery system. GOI provided funds of ₹ 2.67 crore to the Institute between March 2011 and March 2013 for construction of ramp, installation of lifts to have connectivity with wards, laying of gas pipe line and procurement of equipment to make Intensive Care Unit functional. The Institute utilized ₹ 2 crore up to February 2015 on alteration, renovation of the burn unit and construction of ramp. Audit observed that:

(a) The ramp was completed but could not be put to use due to faulty design;

(b) Work of laying of central oxygen and suction gas pipeline to connect to ICU had also not been completed (August 2016);

(c) An expenditure of ₹ 31.63 lakh was incurred on purchase of equipment and two ventilators. However, ventilators were not installed (August 2016) while lifts had not been provided to link the Department with the ground floor.

Thus, the objective of the scheme of providing burn care services could not be achieved.

The Institute stated (August 2016) that ₹ 2 crore sanctioned for building had already been utilized and requisite inspection by the DGHS office before taking over the building was pending. Proposal for procurement of remaining equipment and recruitment of manpower was under process (August 2016) in the Institute.

2.2.9 Academic functions

(i) Post graduate (PG) seats not increased

To overcome the shortage of doctors, GOI notified Post Graduate Medical Education (Amendment) Regulations, 2012, wherein the teacher student ratio was relaxed from 1:1 to 1:2 and 4 to 5 PG students in each unit per year. Proposals for increase in PG seats from academic year 2013-14 were also sought by GOI.

Audit observed the following:

(a) Proposal for increase in PG seats in various departments were sent to State Government by the Institute in January 2013. Seats were to be increased in 10[19] departments. Total numbers of seats proposed to be increased were 34 including 15 diploma seats to be converted into degrees. The Government conveyed permission to increase PG seats in September 2013. The case was further sent to GOI in April 2014 and GOI granted permission (February 2015) to five departments to increase seven seats;

(b) In the remaining five[20] departments, MCI raised objections which were not complied with (August 2016) by the Institute resulting in non-increase in PG seats;

[19] Pathology, ENT, General Surgery, Ophthalmology, Skin, Paediatrics, Psychiatry, Radiotherapy, TB & Respiratory medicine and orthopaedics.

[20] Surgery, Ophthalmology, Pediatrics, Psychiatry, orthopedics.

(c) 15 diploma seats could not be converted into degree due to non-submission of copy of notification regarding creation of diploma seats to the MCI; and

(d) In Obstetrics and Gynaecology Department, the case to increase seats from 9 to 17 was sent to State Government in April 2015 after a gap of three years but approval had not been accorded (August 2016).

Thus, 35 out of 42 PG seats (including eight seats of Obstetrics and Gynaecology Department) could not be increased.

The Institute stated (August 2016) that after removing the shortcomings pointed out by MCI, case for increase in PG/MD seats and conversion of Diploma seats in PG seats had been re-submitted for inspection.

(ii) College of Pharmacy

Grants-in-aid of ₹ 16.20 lakh was released in September 2013 for research promotion scheme by the All India Council for Technical Education (AICTE). Under the scheme, Rotary Film Evaporator, Microscope Phase Contrast and Gel Documentation System were to be purchased. Duration of the project was three years. Though more than two years had elapsed since the release of fund by AICTE, no equipment had been purchased (May 2016). In addition, demand for High Performance Liquid Chromatography, Automated Flash Chromatography, High Performance LC-MS, Differential Screening Colorimeter, Compact Mass Spectrometer, Green House Integrated, Pharmacognosy Tissue Culture laboratory and Elemental Analyzer (CHNS-O) was submitted by the Department to the Director of the Institute in 2013 but purchases of these equipment had not been made as of May 2016. These deficiencies affected the academic and research activities of the college.

The Institute stated (August 2016) that purchase of equipment was under process.

(iii) Pharmacology Department

The laboratories required for MBBS teaching were inadequate as there were only two demonstration rooms against the requirement of three. In view of animal experiments being largely replaced by computer simulations, there was a need of 15 computers along with the relevant software which had not been provided (May 2016) despite repeated demand from April 2014 by the Department. The laboratory equipment such as High Performance Liquid Chromatography, Spectro Fluro Meter, walk in cold rooms to be provided under PMSSY, had also not been purchased since 2009 (May 2016).

The Institute stated (August 2016) that space of laboratory had been increased and procurement of equipment was under process.

2.2.10 Medical research

2.2.10.1 Quality of research

As per Scopus software[21] total numbers of 3,004 research documents prepared by the Institute were considered for h-index. Out of these, 35 papers of the Institute were cited since its inception in national/international Journals (20 May 2016). This meant that h-index[22] of the Institute was 35. Comparatively, PGIMER, Chandigarh had h-index 93 while AIIMS Delhi had h-index of 42. In 21 departments, h-index ranged between 0 and 16 in April 2016 ***(Appendix 2.20)*** with average contribution per faculty in terms of cumulative h-index ranging between 3 and 10 in 8 departments and between 0 and 1.86 in 13 departments. Thus, these Departments despite being established in the Institute since long back, conducted limited research work which was not commensurate with the size and experience of the Institute.

2.2.10.2 Implementation of research schemes

(i) Establishment of Multi-disciplinary Research Unit

The Scheme for Establishment of Multi-disciplinary Research units (MDRUs) was introduced in July 2013 with the objective of bridging the gap in infrastructure which was inhibiting health research in medical colleges. Under the scheme, financial assistance of ₹ 5.25 crore was to be provided by GOI. Out of this, ₹ 1.25 crore was provided (September 2013) towards 1st installment to the Institute. Though more than three years had elapsed, the research unit had not been established and the amount was lying unutilized (August 2016). Besides, the Institute could not avail the remaining central assistance of ₹ four crore.

The Institute stated (August 2016) that civil work had been completed and the procurement of equipment was under process.

(ii) Viral Research and Diagnostic Laboratory

Funds of ₹ 1.30 crore were received in December 2014 for establishing a network of Viral Research and Diagnostic laboratories (VRDL) for managing epidemics and natural calamities. The scheme included creating infrastructure for timely identification of virus and other agents causing morbidity at public health level and developing capacity for identification of novel and unknown virus providing training to health professional and undertaking research. Though two years had elapsed, VRDL had not been established so far (August 2016).

The Institute stated (August 2016) that renovation of building work and the procurement of equipment was under process.

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[21] Scopus is a bibliographic database containing abstracts and citations for academic journal articles.

[22] H-index (Hirsch index) attempts to measure both productivity and citation impact of the publications.

2.2.11 Human resource management

2.2.11.1 Shortage of staff

The Institute had a sanctioned strength of 4,676 employees in various cadres of medical, para-medical, ministerial and class-IV staff against which 2,692 (58 *per cent*) were in position as on March 2016. Year-wise sanctioned and actual strength in various cadres for the period of 2011-16 is given in ***Appendix 2.21***.

Cadre-wise sanctioned strength and men-in-position at critical level during this period is given in **Table 2.2.4**.

Table 2.2.4: Details showing position of staff sanctioned(S), filled (F) and vacant (V).

Name of post	Year														
	2011-12			2012-13			2013-14			2014-15			2015-16		
	S	F	V	S	F	V	S	F	V	S	F	V	S	F	V
Senior Professors	75	60	15	75	61	14	75	62	13	75	63	12	83	60	23
Teachers	289	211	78	289	207	82	289	213	76	288	212	76	290	226	64
Sr. Residents	191	97	94	191	93	98	191	94	97	191	88	103	261	95	166
Demonstrators	62	50	12	62	50	12	62	45	17	62	48	14	74	57	17
Nursing Sister	155	149	06	155	154	01	198	152	46	198	181	17	228	172	56
Staff Nurse	618	548	70	618	581	37	703	588	115	703	652	51	1118	649	472
Total	**1,390**	**1,115**	**275**	**1,390**	**1,146**	**244**	**1,518**	**1,154**	**364**	**1,517**	**1,244**	**273**	**2,054**	**1,259**	**798**
Percentage of vacancy	**20**			**18**			**24**			**18**			**39**		

Source: Information supplied by the Institute

As evident from the above table, the vacancy percentage ranged between 18 and 39 at critical level posts during 2011-16.

Out of 17 Super speciality departments, five[23] departments were without teaching faculty and hence could not be established as super-specialities. Further, only one faculty each in four[24] super-speciality departments was available with the result that Doctorate of Medicine/Master of Chirurgiae (DM/M.Ch) courses could not be started in these Departments (April 2016) as the PG Medical Education Regulations 2000 stipulates that there should be one Senior Professor and two to three Associate Professors/Assistant Professors in a super-speciality department. As such, benefits of super-speciality could not be provided to patients.

The Institute stated (August 2016) that advertisement for recruitment of staff in various cadres would be published shortly.

2.2.11.2 Non-imparting of training to medical/paramedical staff

No targets for imparting training to medical/paramedical staff were fixed by the Institute. Only 13 faculty members were provided training during 2011-16. No paramedical staff was trained by the Institute during the period. In the absence of training, proper skill development of human resources could not be assured.

[23] Clinical Hematology, DNA Lab, Medical Oncology, Rheumatology and Surgical Oncology.

[24] Cardiology, Neprology, Neurology and Gastroentrology.

The Institute stated (August 2016) that training to medical/paramedical staff was being provided as per approved training programme. The reply was not tenable as only computer training was provided. Technical training to medical and para-medical staff was not provided.

2.2.12 Internal control

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. The internal control in the Department was inadequate in implementation of the schemes, monitoring of construction work, maintenance of accounts/funds etc. As a result, implementation of schemes and works remained incomplete while there was undue delay in purchase of essential medicines, surgical items, equipment and machinery that adversely affected delivery of medical services and academic activities.

2.2.13 Conclusion

Thus, the Institute lacked any long term planning that could facilitate systematic development of facilities and infrastructure in tune with its growing needs and availability of resources. There were prolonged delays in procurement of necessary equipment and machinery that were critical for providing proper health care to patients as well as shortage of medicines. Infrastructure constructed at a cost of ₹ 56.69 crore could not be utilized due to undue delays in completion of ancillary activities and works. There were delays in utilization of funds received by the Institute for implementation of projects and schemes for creation of infrastructure and research and diagnostic facilities.

2.2.14 Recommendations

In light of the audit findings, the Government may consider:

(i) Preparation of master plan and fixation of targets to be achieved in a time bound manner along with a hospital manual;

(ii) Streamlining procedures to expedite procurement of equipment, machinery and commissioning and repairing of buildings;

(iii) Evolving a formal mechanism for testing of medicines and storage/disposal of bio-medical waste; and

(iv) Expediting the filling up of the vacant posts in various departments.

The audit findings were communicated to the Government in September 2016. Its reply has not been received (December 2016).

School Education Department

2.3 Right of Children to Free and Compulsory Education Act, 2009

The Right of Children to Free and Compulsory Education (RTE) Act was passed in 2009 and was made applicable from April 2010. The Act provides that every child has a right to full time elementary education of satisfactory and equitable quality. A performance audit of the implementation of the Act during the period 2010-16 brought out deficiencies that undermined the achievement of the objectives of the Act. Some of the significant audit findings included the following:

Highlights

House hold survey was not conducted for identification of children of the age group of 6 to 14 years in test-checked schools. Hence, the calculation of number of children that had to be covered was based only on estimation.

(Paragraph 2.3.6.1)

There were deficiencies in providing basic facilities such as rooms, drinking water, kitchen sheds, toilets, desks, library and play ground in test-checked schools.

(Paragraph 2.3.8.2)

There was delay in providing text books, uniform, stationery and bags to students.

(Paragraph 2.3.8.4(i))

In contravention of the Act, 514 to 821 unrecognized schools were functioning in the State during 2011-16.

(Paragraph 2.3.8.7)

2.3.1 Introduction

The Constitution (86^{th} Amendment) Act, 2002, inserted Article 21A in the Constitution of India to provide for free and compulsory education for all children in the age group of 6 to 14 years in such a manner as the State may, by law, determine. The Sarva Shiksha Abhiyan (SSA) was initially chosen as the principal vehicle for implementation of the Act. Thereafter, the Right of Children to Free and Compulsory Education (RTE) Act, 2009, was passed and made applicable w.e.f. April 2010. The State notified rules in June 2011 to implement the provisions of the RTE. The RTE provides that every child has a right to elementary education of satisfactory and equitable quality in formal school which satisfies certain essential norms and standards.

2.3.2 Organisational set-up

The implementation of the RTE was managed and controlled by the Additional Chief Secretary (ACS), School Education Department at Government level. The Director, Elementary Education (DEE) was the head of the Department. The State Project Director, Haryana School Shiksha Pariyojna Parishah (the Parishad) is the nodal agency for implementation of the programme. The District Elementary Education Officers (DEEOs), District Project Coordinators (DPCs), Block Elementary Education Officers (BEEOs), Block Resource Coordinators (BRCs) and School Management Committees (SMCs) were responsible for implementation of the RTE in the State.

2.3.3 Audit objectives

The main objectives of the performance audit were to assess whether:

- process of planning was adequate;
- the funds allocated were being utilized in an economic and efficient manner;
- the Act achieved its objective of making elementary education as fundamental right for all children between age group of 6-14 years ; and
- an effective monitoring and internal control system was in place.

2.3.4 Audit approach, scope and methodology

An entry conference was held with the ACS, Government of Haryana, School Education Department in April 2016 wherein various issues relating to implementation of the Act, audit objectives and audit criteria were discussed. Records for the period 2010-16 relating to enrollment of students, facilities provided in schools, infrastructure available in schools and deployment of teachers were test checked in 90 schools of 12 blocks of three out of 21 districts during April-July 2016. These three districts were selected by applying Probability Proportional to Size Without Replacement method while blocks and schools were selected by using Simple Random Sampling Without Replacement method. Besides, physical verification of newly constructed classrooms of nine schools of Kaithal and Panipat districts was conducted. The audit findings were discussed in the exit conference held in September 2016 with the ACS, School Education Department. The replies of the Department and deliberations of the exit conference have been suitably incorporated in the report.

2.3.5 Audit criteria

Audit criteria were derived from the following sources:

- Right of Children to Free and Compulsory Education Act 2009 and rules made thereunder in 2010;
- Haryana Right of Children to Free and Compulsory Education Rules 2011;

- Various orders, notifications, circulars, instructions issued by the Union Ministry of Human Resource Development/State Government; and
- District Information System for Education.

Audit findings

2.3.6 Planning

2.3.6.1 Non-identification of target groups

Section 9(d) of RTE Act 2009 read with Rule 10 of RTE Rules 2010 provides that every local authority[25] shall maintain records of children of the age group of 6 to 14 years residing within its jurisdiction on the basis of house hold survey indicating *inter alia* the name, sex, date of birth and place of birth of the child, his/her guardian, and the level of education received by the child. Further, Rule 6 provides for updating the data every year.

Audit noticed that no house hold survey had been conducted in the areas of test-checked schools and thus identification of children of target groups could not be done.

The department stated (September 2016) that though survey for identification of target groups was not conducted, the children of target groups were identified from the data of *anganwadis* and private schools and total number of children was calculated on the basis of expected growth and that gross enrollment was quite satisfactory. The reply was not convincing as calculation of number of children was based on estimation and it could be definitive only through a household survey as envisaged under the Act/Rules.

2.3.6.2 School Development Plan

Section 22 of the Act provides that School Management Committees (SMC) shall prepare a School Development Plan which should be the basis for release of grants-in-aid by the Government. Further, Rule 15 of State Rules 2011 provides that SMC shall prepare plan at least three months before the end of the financial year.

It was, however, observed that School Development Plans were not prepared in any of the schools test checked during 2010-16.

The District Annual Work Plans and Budgets (AWP&B) were required to be framed by respective District Project Coordinators by incorporating the School Development Plans and data collected at school/ village level. It was, however, observed that district plans in test- check districts were framed by projecting the data yearly on the basis of Census of 2001 and 2011 and a consolidation of these was made into the State Plan. As such, District and State Plans were not based on actual data.

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[25] Includes SMCs, Block Education Officers, BEEOs, DEEOs, Additional Deputy Commissioners and Deputy Commissioners.

The department stated (September 2016) that proper mapping would be done in respect of every school and the School Development Plan would be framed and uploaded on the website of the Department showing the numbers of teachers and facilities available and requirement of teachers/facilities keeping in view the enrollment of children.

Thus, the planning for implementation for the Act was deficient as identification of target groups was not done and school development plans were not prepared.

2.3.7 Financial management

2.3.7.1 Budget provision, release of funds and expenditure

The fund sharing ratio between the GOI and State Government was 65:35 from the year 2010-11 to 2014-15 which was revised to 60:40 from 2015-16. The budget allocations, release by GOI and State Government and expenditure incurred there against was as given in **Table 2.3.1** below.

Table 2.3.1: Budget allocation and release of funds

(₹ in crore)

Year	Budget Estimate (BE)	Opening balance	Funds released		Release by XIII Finance Commission	Total released	Other receipt including interest	Total funds available	Total Expenditure
			GOI	State Government					
2010-11	829.80	308.54	327.86	275.50	40.00	643.36	8.18	960.08	589.57
2011-12	1,197.67	370.51	404.61	230.00	43.00	677.61	26.10	1,074.22	621.05
2012-13	1,256.24	453.17	338.10	258.06	46.00	642.16	25.58	1,120.91	554.04
2013-14	742.77	566.87	350.88	188.94	49.00	588.82	11.25	1,166.94	852.52
2014-15	941.25	314.42	421.11	226.75	51.00	698.86	11.79	1,025.07	714.79
2015-16	1,120.58	310.28	268.16	178.78	NIL	446.94	10.66	767.88	553.22
Total	**6,088.31**		**2,110.72**	**1,358.03**	**229.00**	**3,697.75**	**93.56**		**3,885.19**

Source: Information supplied by the Parishad

Against the budget estimate of ₹ 6,088.31 crore, GOI and State Government released only ₹ 3,468.75 crore (57 *per cent*) during 2010-16. Further, as against the availability of funds of ₹ 4,099.85 crore[26], ₹ 3,885.19 crore were spent leaving unspent funds of ₹ 214.66 crore. Funds remained unspent with the Parishad due mainly to release of funds by the State Government at the fag end of the years.

Apart from above, Elementary Education Department (EED) incurred an expenditure of ₹ 170.61 crore from the State Budget for providing text books and uniform to students during 2010-16.

2.3.7.2 Delay in release of funds

Central Grant was released directly to the Parishad during 2009-14. From 2014-15 onwards, grant was being released through the State Government. Analysis of data relating to funds released by GOI and State Government for the period 2010-16 revealed that there was substantial delay in release of funds by GOI ranging between 27 and 307 days and State Government ranging between 59 and 237 days

[26] Opening Balance ₹ 308.54 crore, Fund released ₹ 3,697.75 crore, other receipt including interest ₹ 93.56 crore.

as detailed in ***Appendix 2.22.*** Delay in release of funds hampered the implementation of the Act and providing facilities to students.

The department stated (September 2016) that short/delayed release of funds had not affected the activities of the Parishad which always had sufficient funds.

2.3.8 Implementation of the Act

2.3.8.1 Enrollment of the children

The data showing the number of children who attained the age of enrollment, children enrolled, children not enrolled and percentage of children not enrolled in the State (Government and private schools) is given in **Table 2.3.2** below:

Table 2.3.2: Details showing non-enrollment of children

Year	Number of children attained the age(6-14) of enrollment		Number. of children enrolled		Number of children not enrolled (percentage)	
	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools
2010-11	25,79,480	15,00,463	25,53,050	14,76,632	26,430 (1.02)	23,831(1.58)
2011-12	23,69,012	14,73,606	24,43,613	12,80,868	-	1,92,738(13.08)
2012-13	24,38,700	14,78,012	25,45,537	13,78,800	-	99,212(6.71)
2013-14	24,68,567	15,56,506	25,13,863	14,42,860	-	1,13,646 (7.30)
2014-15	24,68,564	15,56,508	24,93,578	14,60,388	-	96,120(6.17)
2015-16	24,45,461	14,80,555	23,36,650	13,94,294	1,08,811 (4.44)	86,261(5.82)

Source: Information supplied by the Parishad

As is evident from the above table, the percentage of children not enrolled in primary schools increased from 1.02 in 2010-11 to 4.44 in 2015-16 while in upper primary schools this percentage ranged between 1.58 and 13.08 during 2010-16. Similar was the position in test-check districts ***(Appendix 2.23).***

The Director Elementary Eduction/Parishad had not maintained the data of dropout and attendance of children for follow up and to ensure that they were provided proper elementary education. It was further observed in 90 test-checked schools that attendance in seven to 16 schools was up to 75 *per cent* during 2010-16 as given in **Table 2.3.3** below.

Table 2.3.3: Details showing attendance of children up to 75 *per cent*

Number of schools (percentage of attendance)

District/year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Kaithal	*	1 (69)	1 (75)	1 (65)	1(61)	*
Panipat	6 (61 to 73)	8 (61 to 73)	5 (60 to 73)	6 (61 to 73)	8(59 to 75)	5 (60 to 73)
Fatehabad	1 (65)	3 (69 to 73)	7 (65 to 75)	5(66 to 73)	7(66 to 75)	3 (65 to 74)
Total	**7**	**12**	**13**	**12**	**16**	**8**

***The attendance of children was more than 75 *per cent* in all test checked schools.**
Source: Information compiled from data supplied by test-checked schools.

The department stated (September 2016) that the data of children attaining the age of enrollment was normative only and Gross Enrollment Ratio (GER) was 100 *per cent* in many years. It was added that the Department's focus was only enrollment of out of school children. Shortfall in attendance of children was due to local reasons such as work in agriculture fields during season and migration to other States.

Audit observed that the increase in children not enrolled merited attention. Further, the department needed to collect data and follow up on drop outs in order to achieve the overall objective of universalization of elementary education.

2.3.8.2 Availability of basic infrastructure in schools

The availability of basic infrastructure in primary and upper primary schools with reference to norms and standards prescribed for schools in the Schedule appended to Sections 19 and 25 of the Act was as given in **Table 2.3.4** below:

Table 2.3.4: Status of availability of basic infrastructure (in percentage of schools) of Government and others schools in the State

Prescribed provisions	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
At least one class room for every teacher (Education Department)	NA	NA	79.14	81.50	82.01	82.51
An office-cum-Head teacher's room (Education Department)	NA	NA	57.63	57.28	59.15	56.55
Barrier free excess (all management schools)	56.86	60.84	86.35	87.43	90.14	96.59
Separate toilets for boys (all management schools)	68.24	92.65	86.6	98.93	98.71	93.34
Separate toilets for girls (all management schools)	86.03	93.59	97.64	96.81	96.38	96.07
Safe and adequate drinking water facility to all children (all management schools)	99.00	99.55	99.74	99.88	99.77	99.90
A kitchen where mid day meal is cooked in the school	16.65	18.18	45.17	66.11	71.59	68.18
Play ground (all management schools)	76.08	76.62	76.75	81.33	83.39	84.32
Arrangements for securing the school building wall and fencing	95.62	95.94	95.78	96.35	98.18	98.52

Source: Information supplied by the Parishad

NA: Not available

As evident from the above table, the shortfall in case of Office-cum-Head teachers' rooms ranged between 41 and 43 *per cent* during 2012-16 and in respect of kitchen sheds the shortfall was between 28 and 83 *per cent* during 2010-16.

Deficiencies noticed in basic infrastructure in 90 selected schools were as under:

(i) Additional rooms were required to be provided in 20 schools;

(ii) Safe drinking water with reverse osmosis facility was not available in 71 schools;

(iii) Kitchen sheds were not available in 31 schools;

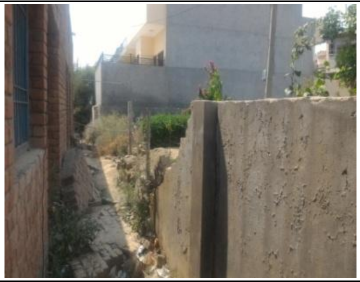
(iv) Ramps were not provided in 17 schools;

(v) Toilets for Children with special needs were not available in 21 schools and toilets were in damaged condition in three schools;

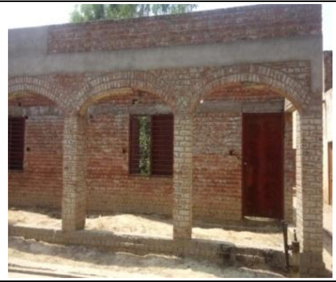
(vi) Boundary walls were in damaged condition in 16 schools whereas boundary walls were not upto required height of 6 feet in 28 schools;

(vii) Incomplete structures were found in four[27] schools;

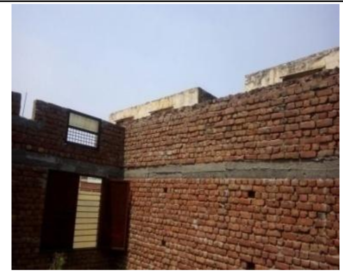
[27] (i) GGHS Pundri (ii) GSSS, Alupur nain (iii) GSSS Sanghan and (iv) GSSS Bhandari.



Broken boundary wall of GPS Kaithli Gate, Pundri (2 May 2016)



Incomplete structure of GGHS Pundri (2 May 2016)



Incomplete structure of GSSS Sanghan, Kaithal (4 May 2016)

(viii) Desks were not available in six[28] schools. Further, there was shortage of desks in 23 schools;

(ix) There was no electricity connection in GSSS Bhandari. In GGPS Dadhola, electricity was found to be disconnected on 26 June 2016 due to non-payment of electricity dues;

(x) Library was not available in 50 schools; and

(xi) Play grounds were not available in 44 schools.

Thus, the schools lacked necessary basic infrastructure though there were unspent funds of ₹ 214.66 crore as brought out in para 2.3.7.1 above.

The department stated (September 2016) that providing basic infrastructure in schools would be monitored properly and arrangement for providing electric connections in remaining schools would be made on priority.

2.3.8.3 Creation and availability of basic infrastructure

All civil works are executed through SMCs. The funds are released to SMCs by the Parishad from time to time. Target of construction of 31,305 civil works for an outlay of ₹ 733.84 crore was fixed during 2010-16. Against this, 27,067 civil works were completed at a cost of ₹ 657.65 crore as per details given in **Table 2.3.5** below:

Table 2.3.5: Targets and achievements of civil works

Year	Physical Targets	Achievements	Shortfall
2010-11	8,733	7,963	770
2011-12	12,176	11,286	890
2012-13	10,236	7,663	2,573
2013-14	11	11	0
2014-15	36	36	0
2015-16	113	108	5
Total	**31,305**	**27,067**	**4,238**

Source: Information compiled from data supplied by the Parishad

The shortfall in achievement of targets was due to non-availability of land, dispute with Panchayats, standing trees at sites and encroachment of land.

28 (i) GPS (HB) Tohana (ii) GHS Nathuwalla (iii) GMS Jakhal Gaon for classes 6 to 8 (iv) GSSS Kaul (v) GHS Khanoda for classes 6 to 8 and (vi) GSSS Kawi.

In selected districts, a target of 4,736 civil works for an outlay of ₹ 108.46 crore was fixed against which 4,459 civil works were completed during 2010-16 after incurring an expenditure of ₹ 92.56 crore. Audit observed that 81 works were in progress and 196 works were not even started. In regard to 81 incomplete works, it was stated by District Project Coordinators that 76 works could not be completed due to shortage of funds, in four cases money was withdrawn by teachers but was not spent and in one case construction work was held up due to dispute of land.

Audit further observed that out of 196 works which were not started, 139 works relating to construction of rooms, ramps and toilets were not required to be executed as there were already sufficient rooms and toilets in the schools. Further, ramps were not required to be constructed as ground and plinth level of the schools was at the same level. Apart from this, out of remaining 57 works, space was not available in 10 cases, funds were not available in eight cases and there was land dispute in seven cases while no specific reasons were on records for not starting the works in 32 cases. Thus, the works were sanctioned without ascertaining the requirement, availability of land and resolving of land dispute. The shortfall in availability of infrastructure could have been minimised had the construction activities been carried out in a planned manner.

Physical verification along with staff of the Department of new classrooms in nine schools (three primary schools in Kaithal district and six upper primary schools in Panipat district) revealed the following:

(i) Three[29] primary school buildings shown as completed by DPC Kaithal in the progress reports were not actually completed (May 2016) as electrification, white/colour wash and painting work was left out. An expenditure of ₹ 28.54 lakh was incurred on execution of these works during 2011-16.

(ii) In two schools in Panipat district (one at Garhi Bhallore and other at Mohali), 15 new class rooms were constructed without any requirement as sufficient number of rooms were already available in the schools. At the school at Garhi Bhallore, six new rooms were constructed although nine rooms were already there against the enrollment of 238 students (one room is required for 30 students). Similarly, in the school located at village Mohali, nine new rooms were constructed although eight rooms were already there against the enrollment of 204 students. This resulted in infructuous expenditure of ₹ 40.34 lakh.

(iii) In one school of village Rishpur, toilets and urinals were not constructed properly. Walls of toilets were broken as shown in photographs. Further, the main gate was also not installed.

[29] GGPS Kharka: February 2016, GGPS Pai: February 2016 and GPS Keorak: October 2013.


Broken walls of toilets of school located at village Rishpur (14 July 2016)

(iv) In two schools (Tajpur and Garhi Bhallore) plinth level was very low due to which storm water may accumulate in the schools. An expenditure of ₹ 20.52 lakh was incurred on the school building located at Tajpur.

(v) In three schools (Tajpur, Garhi Bhallore and Rishpur) height of boundary walls was four feet against the requirement of six feet. In village Jalpar, water tank was not in use due to non-availability of water connection and ramp was not constructed. There was no boundary wall in eastern and southern side of the school.

The department stated (September 2016) that proper mapping would be done in respect of every school and plans would be framed on the basis of actual requirement of facilities.

2.3.8.4 Facilities provided to children

Section 3 (2) of the Act provides that no child shall be liable to pay any kind of fee or charges or expenses which may prevent him or her from pursuing and completing the elementary education. The State Government provides free text books, uniform and writing material. The irregularities noticed in providing these facilities are enumerated below.

(i) Delay in providing facilities

Text books, uniform, stationery items including school bags are expected to be supplied at the beginning of the academic session i.e. in April each year. In Panipat and Kaithal districts, text books and stationery items were distributed very late in the middle or close of the academic session in different years as given in **Table 2.3.6** below:

Table 2.3.6: Delay in providing text-books, uniform, stationery and school bags

Text books:

Sr. No.	Year	Months of distribution	Delay in months
	Kaithal District		
1	2013-14	August 2013	4
	Panipat		
1	2011-12	Upto September 2011	5
2	2012-13	Upto September 2012	5
3	2013-14	Upto December 2013	8

Stationery and bags:

Sr. No.	Year	Months of distribution	Delay in months
	Kaithal District		
1	2013-14	Budget lapsed	Not distributed
2	2014-15	November 2014	7
3	2015-16	August 2015	4

Similarly, distribution of uniform was also delayed for periods ranging between three and 11 months in the State during 2010-15. Delay in supply of these items impacts studies of children adversely.

The department stated (September 2016) that delay in providing text books to the children was due to dispute with the publishers whereas books were provided in time to the children during the last two years.

(ii) Double benefit of uniform provided to SC students

A 'Cash Award Scheme for SC Students' was introduced in 2008-09 under which a one time cash amount ranging between ₹ 740 to ₹ 1,250 was to be given to all scheduled caste boys and girls of class 1 to 8 for purchase of school bags, uniform, and stationery articles. Further, school uniform was also provided to all students (General, OBC, SC, BPL) by the State Government under SSA/RTE Act. The unit cost for the supply of uniform was fixed at ₹ 400. Thus, the facility of uniform was being available from two schemes to SC students.

It was stated (November 2016) by two[30] test checked schools that benefit was provided to SC students under both these schemes. The Department had not taken appropriate action for convergence of these two schemes in order to judiciously utilize the scheme funds on other essential activities.

The department admitted (September 2016) the facts but stated that the amount of uniform grant was very less.

2.3.8.5 Shortage of teachers

As per item 1 of the schedule appended to Section 19 of the Act, two teachers for admitted children up to 60 in primary classes and at least one teacher for every 35 children in upper primary classes was required subject to the condition that there should be at least one teacher per class so that there shall be at least one teacher each for Science and Mathematics, Social Studies and Languages.

There was vacancy of teachers ranging between 2,027 and 15,236 in primary classes during 2011-16 as shown in **Table 2.3.7** below:

Table 2.3.7: Details showing vacancy of primary teachers

Year	Children enrolled	Teachers required	Teachers posted	Vacant (percentage)
2010-11	Not available	Not available	Not available	Not available
2011-12	13,66,337	47,844	32,608	15,236 (32)
2012-13	13,43,995	46,727	32,578	14,149 (30)
2013-14	12,72,491	44,488	36,389	8,099 (18)
2014-15	12,00,871	43,255	34,753	8,502 (20)
2015-16	9,78,417	36,462	34,435	2,027 (6)

Source: Information supplied by the Parishad

In primary classes, the number of single teacher schools continuously increased from 352 to 788 during 2012-16 while average enrolment per school ranged

[30] GPS Sirsal and GSSS Kaithal.

between 28 and 59 during this period. In upper primary classes, the number of single teacher school ranged from 215 to 289 and average enrolment per school ranged between 74 and 110 as given in **Table 2.3.8** below:

Table 2.3.8: Details showing single teacher schools in the State

Year	Primary			Upper primary		
	No. of schools	Enrolment	Average enrolment per school	No. of schools	Enrolment	Average enrolment per school
2010-11	Not available	Not available	Not available	Not available	Not available	Not available
2011-12	Not available	Not available	Not available	Not available	Not available	Not available
2012-13	352	20,810	59	215	15,907	74
2013-14	569	19,890	35	289	29,108	101
2014-15	661	21,804	33	222	24,493	110
2015-16	788	22,065	28	269	20,990	78

Source: Information supplied by the Parishad

Thus, there was only one teacher in the schools as detailed above against the requirement of at least two teachers in primary schools and three teachers in upper primary schools. Shortage of teachers and non-maintenance of Student-Teacher ratio will adversely affect the quality of education being provided to the students.

The department stated (September 2016) that a policy for rationalization of teachers has been framed and rationalization of teachers was under process.

2.3.8.6 Training to teachers and assignment of non-teaching duties

Providing in-service training to teachers deployed in schools is an important component for achieving the goal of providing free and compulsory education to the target group. Audit observed that the percentage of teachers provided training in Government schools was very low and ranged between 0.95 and 31.27 during 2010-16. The expenditure on teachers' training during 2010-15 was only ₹ 26.44 crore against budget allocation of ₹ 69.47 crore.

The department assured (September 2016) that training to teachers would be provided as per norms.

2.3.8.7 Unrecognised schools

Section 18 of the Act read with Rule 15 of RTE Rules 2010 provides that no school, other than a school established, owned or controlled by the appropriate Government or local authority, shall, after the commencement of this Act, be established or function, without obtaining a certificate of recognition from the prescribed authority. Any person who establishes or run a school without obtaining certificate of recognition or continues to run a school after withdrawal of recognition shall be liable to fine which may extend to ₹ 1 lakh and in case of continuing contraventions, to a fine of ₹10,000 for each day during which such contravention continues.

It was, however, noticed that unrecognized schools ranging between 514 and 821 were functioning in the State during 2011-16 in contravention of the aforesaid provisions of the Act. Provisional recognition was given to schools ranging between 10 and 274 during 2011-16. No penal action as stated above and provided in the RTE Rules 2010 was taken by the Department against the management of unrecognized schools.

The department assured (September 2016) that matter would be got examined.

2.3.8.8 Arrangement of pre-primary education not made

Section 11 of Act stipulates that children above the age of three years may be prepared for elementary education and early childhood care and education for all the children until they complete the age of six years would be provided by the Government and necessary arrangement would be made for providing free pre-school education for such children. It was, however, noticed (April-July 2016) in test checked schools that no arrangement was made to provide pre-primary education to the children above three years.

2.3.8.9 Students requiring special training not identified

Rule 3 of State Rules 2011 provides that the School Management Committee of a school owned and managed by the Government shall identify children requiring special training based on specially designed learning material, appropriate to the age. It shall be provided by teachers working in the school and to be held in the premises of the school. The duration of the training should be for a minimum period of three months. It was however, noticed (April-July 2016) that neither children requiring special training were identified nor any special training provided in test- checked schools.

2.3.8.10 Non-issuance of certificate of completion of elementary education

Rule 22 of State Rules 2011 provides that certificate of completion of elementary education shall be issued by the Head Teacher or Headmaster and countersigned by DEEO within one month of the completion of elementary education. Audit observed (April-July 2016) that certificate of completion of elementary education was not being issued to children by test check schools.

2.3.9 Management, monitoring and evaluation

It was observed that internal audit system was not in place in the DEE and the Parishad. Further, the monitoring of the implementation of the Act was not adequate as the Department had no data about drop out of children and actual attendance of children in schools. A provision of ₹ 5.30 crore was made in 2011-12 for third party assessment but the assessment from the third party had not been done (November 2016).

2.3.10 Conclusion

The RTE Act was passed to provide every child full time elementary education of satisfactory and equitable quality. However, the implementation of the Act was deficient in fulfilling the right of children enshrined in the Act. Identification of target group of children through household survey was not done. Planning process at State and district level was erratic as requirement of different schools could not be factored in as School Development Plans were not prepared by School Management Committees. There was substantial delay in release of funds by the State Government which hampered the implementation of the Act. There were deficiencies in providing basic facilities such as rooms, water, kitchen shed, toilets, desks, library and play ground and delay in providing text books, uniform, stationery and bags to students. As against the requirement of at least two teachers in primary schools and three teachers in upper primary schools, 788 primary and 269 upper primary schools were running with single teachers.

2.3.11 Recommendations

In light of the audit findings, the Government may consider:

- Conducting proper household survey of target group of children and preparation of School Development Plans;
- Providing basic facilities such as rooms, water, kitchen shed, toilets, desks, library and play grounds in schools in a time bound manner;
- Ensuring timely supply of text books, uniform and learning material to all the students; and
- Pursuing the unrecognized schools for obtaining recognition from the Department or taking penal action as per provisions in the Act.

These findings were referred to the Government in September 2016; their reply has not been received (December 2016).