

# Overview



## OVERVIEW

This Report contains two Performance audits i.e. National Rural Health Mission and Jawaharlal Nehru National Urban Renewal Mission, one Follow up Audit and 16 paragraphs involving ₹763.02 crore relating to unfruitful/ wasteful/ unproductive expenditure, fraudulent drawals, idle investment and blocking of funds. Some of the major findings are mentioned below:

The total expenditure<sup>1</sup> of the State increased from ₹28,646 crore to ₹43,845 crore during 2011-16, the revenue expenditure of the State Government increased by 61 *per cent* from ₹22,681 crore in 2011-12 to ₹36,420 crore in 2015-16. Non-Plan revenue expenditure increased by 63 *per cent* from ₹21,432 crore to ₹34,847 crore and capital expenditure increased by 24 *per cent* from ₹5,899 crore to ₹7,331 crore during the period 2011-16.

## PERFORMANCE AUDIT

The **National Rural Health Mission (NRHM)** was launched by Government of India (GoI) in April 2005 to provide accessible, affordable and quality health care to the rural population and to reduce the Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and the Total Fertility Rate (TFR). A performance audit of the implementation of the programmes covering the period 2011-12 to 2015-16 brought out that while considerable progress had been achieved, public spending on the health sector remained low and there were continuing deficiencies in infrastructural requirements and non-achievement of set targets. Some of the significant findings are given below:

- The percentage utilization of funds under the programme ranged between 60 and 80 *per cent* during 2011-12 to 2015-16. There was also delay in release of funds to SHS by the State Finance Department ranging from one month to four months.

*(Paragraphs: 2.1.7 and 2.1.7.1)*

- 1,748 out of 3,193 health institutions (55 *per cent*) were in hired accommodations. There were shortages of 13 Community Health Centres (CHCs), 46 Primary Health Centres (PHCs) and 468 Sub-Centres (SCs) as of March 2016. None of the SCs/ PHCs/ CHCs had been upgraded to the level of the Indian Public Health Standards (IPHS) in the State. SCs “upgraded” as New Type Primary Health Centres in October 2014 had not been provided with the required facilities by way of additional manpower and infrastructure defeating the purpose of their upgradation.

*(Paragraphs: 2.1.8, 2.1.8.1 and 2.1.8.2)*

- There was shortage of medical personnel *vis-à-vis* IPHS. Availability of medical specialists was to the extent of 86 *per cent* in District Hospitals and 54 *per cent* in CHCs while the availability of nurses and para-medical staff

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<sup>1</sup> Total expenditure includes revenue expenditure, capital outlay and disbursement of loans and advances

was 78 per cent in District Hospitals and 73 per cent in PHCs of the State. The position of staff in Blood Banks in the District Hospitals was worse as the sanctioned and effective strength was only ten against required 132 posts as per IPHS norms.

*(Paragraph: 2.1.9)*

- Institutional deliveries ranged between 86 per cent and 91 per cent of total deliveries and cash compensation for pregnant women was provided to 56 to 74 per cent of total deliveries in the State.

*(Paragraph: 2.1.11.2)*

The Government of India (GoI) launched the **Jawaharlal Nehru National Urban Renewal Mission (JnNURM)** for providing universal access to civic amenities to the urban population with focus on sustainable development of physical infrastructure in cities, creation of new sewerage system and renewal of existing ones. A performance audit of the implementation of the scheme during the period 2011-16 brought out that the implementation of JnNURM was hampered by short release of funds by the State Government and delay in transmission of funds to the implementing agencies. The Government had yet to fully carry out reforms envisaged under the scheme guidelines relating to transfer of certain powers to urban local bodies and city planning and development as well as in the urban transport sector which would have facilitated achievement of the overall objective of holistic development of urban infrastructure on a sustainable basis. Further, execution of housing projects was marked with delays and sewage management projects could not fructify due to poor planning and conceptualisation. Some of the major findings are given below:

- There was short release of State share of ₹33.32 crore, delay in release of funds, mis-utilisation of ₹1.07 crore and non-refund of interest of ₹11.48 crore. In addition, ₹31.84 crore was kept in fixed deposits instead of utilizing them for the purpose for which they were released.

*(Paragraphs: 2.2.7.1, 2.2.7.2, 2.2.7.3 and 2.2.7.4)*

- Execution of housing projects was marked by delays with none of 34 projects costing ₹141.38 crore taken up for execution between 2007-08 to 2015-16 having been completed despite expenditure of ₹101.16 crore. The Detailed Project Reports were not based on authentic data of revenue/census authorities nor had beneficiaries' survey been carried out before project formulation.

*(Paragraph: 2.2.9.1 (d))*

- Only three out of twelve Solid Waste Management projects could be completed due to non-availability of sites while sewerage projects in Jammu and Srinagar could not be fructified despite expenditure of ₹158.45 crore due to poor planning and conceptualisation.

*(Paragraphs: 2.2.10.1 and 2.2.10.3)*

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## COMPLIANCE AUDIT

### Sher-e-Kashmir University of Agricultural Sciences and Technology, Kashmir (SKUAST-K)

Instead of creating General Fund, Foundation Fund and Pension Fund, the University had created Common Facilitation Fund and Revolving Fund without authorization from Board of Management/ University Council. There was shortage in teaching staff ranging between 39 and 44 *per cent* and excess in non-teaching staff ranging between 284 and 356 *per cent*. Inventory of seed/ plant varieties/ bio-diversity details/ germplasm bank had not been maintained.

*(Paragraph: 3.1)*

### Irregular use of departmental receipts for departmental expenditure

The Department of Agricultural Production utilized departmental receipts of ₹4.02 crore for departmental expenditure in violation of the financial rules.

*(Paragraph: 3.2)*

### Inclusion of extra cost elements in sale price of seed sold to farmers

Fixation of sale rate of subsidized seeds by adding overhead, handling and processing charges as well as interest which were not provided for in any instructions by the Joint Director Agriculture (Inputs), Jammu, in the Department of Agricultural Production resulted in casting an undue burden of ₹6.83 crore on farmers.

*(Paragraph: 3.3)*

### Loss due to non-adherence to policy for allotment of medical shops

Non-adherence to policy for allotment of sites/ structures at health institutions by two hospitals under the Department of Health and Medical Education resulted in non-recovery of ₹1.59 crore.

*(Paragraph: 3.4)*

### Delay in completion of building

Administrative delay and poor prioritization in the Department of Health and Medical Education resulted in a building that was constructed at a cost of ₹5 crore for use as a General Nursing and Midwifery Training School at Akhnoor remaining unutilized because of non-completion of minor residual works costing just ₹0.35 crore.

*(Paragraph: 3.5)*

### **Working of Government College of Engineering and Technology, Jammu**

Funds ranging from 11 to 35 *per cent* in Non-Plan of each financial year from 2011-12 to 2015-16 and 61 *per cent* of Plan funds of 2014-15 remained unutilised by the College. Non-adherence to prescribed teacher student ratio affected the quality of education imparted to students as reflected in low pass out rate and low campus placements. Ratio of 1:1.1 between teaching and non-teaching posts for AICTE approved institutions had not been maintained. Even after lapse of 21 years, the required infrastructure had not been created by the Higher Education Department as work on only two out of 11 buildings could be completed while three were under progress and work on six projects could not be started.

*(Paragraph: 3.6)*

### **Unproductive expenditure and blocking of funds**

Failure to ensure encumbrance free land for construction of college building resulted in unproductive expenditure of ₹9.89 crore and blocking of ₹6.23 crore for over four years in the Higher Education Department.

*(Paragraph: 3.7)*

### **Advancing funds for land without ensuring its availability**

Injudicious action of the Police Department in advancing funds to the Custodian Evacuee Property Kashmir for land for construction of police stations without ensuring its availability for the proposed purpose resulted in blocking of ₹1.80 crore for over seven years.

*(Paragraph: 3.8)*

### **Expenditure on Police establishments not approved for inclusion in the project**

The Police Department incurred an expenditure of ₹1.53 crore on Police establishments that were not included in the sanction accorded by the competent authority.

*(Paragraph: 3.9)*

### **Suspected fraudulent and irregular payments on hiring of vehicles**

The Police Department paid an amount of ₹4.04 crore for hiring of “buses, trucks and light motor vehicles” that turned out to be registered as scooters, motor cycles, non-commercial/small cars, tractors and bulldozers or were non-existent. Further, there was double payment of ₹1.40 lakh while payment of ₹1.52 crore was doubtful as there were no details of the vehicles hired and irregular payment of ₹0.30 crore on hiring of non-commercial vehicles.

*(Paragraph: 3.10)*

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**Release of funds and incurring of expenditure on projects without identification of site**

Release of funds by the Housing and Urban Development Department without identification of site for Solid Waste Management Projects resulted in blocking of ₹1.96 crore for more than four years. In addition, expenditure of ₹3.79 lakh was incurred on engagement of a consultant which was unfruitful since he would not be able to prepare detailed project report in the absence of site details.

*(Paragraph: 3.11)*

**Commencement of work without proper site survey**

Lack of proper site survey at time of preparation of detailed project report and before commencement of work for construction of Truck Terminal building at Akramabad (Doda) resulted in delay in completion of building despite expenditure of ₹1.59 crore and doubling of its cost to ₹3.24 crore in the Housing and Urban Development Department.

*(Paragraph: 3.12)*

**Blocking of funds due to accord of administrative approval prior to availability of land**

Injudicious decision of the Industries and Commerce Department to accord administrative approval to a project for construction of a building for its district office at Rajouri and release funds for the purpose when acquisition of land on which the building was to be constructed remained sub-judice resulted in blocking of ₹0.48 crore spent on procurement of material for over four years and ₹0.10 crore paid for acquisition of land for a period ranging between five and 10 years.

*(Paragraph: 3.13)*

**Unjustified release of funds despite existing stay orders of Court**

Release of funds by the Labour and Employment Department for works on land after Courts had stayed the works and the matter was sub-judice lacked justification and only resulted in funds of ₹2.50 crore being utilised for procurement of materials that would now either remain unutilised or be diverted for works other than that for which they were intended.

*(Paragraph: 3.15)*

**Modernization of Judicial Infrastructure**

An audit appraisal of the programmes for modernization of judicial infrastructure in the State by the Department of Law, Justice and Parliamentary Affairs brought out that the physical condition of 64 *per cent* court buildings was either poor or very poor and 20 *per cent* courts were functioning either from private buildings or buildings of other departments. Utilization of Government of India

funds declined from 78 per cent (2011-12) to 35 per cent (2014-15) except in 2015-16 and the State share of ₹3.36 crore lapsed during the period 2011-16 due to non-utilization. Due to delay in release of funds by the State Government, there was cost overrun of ₹9.73 crore besides time overrun of over six years in the construction of Lawyers Chambers at High Court complexes of Jammu and Srinagar. An expenditure of ₹157.37 crore was incurred on 10 works in respect of which building permission had not been sought from the concerned authorities. Non-utilisation of available information technology infrastructure in 48 courts defeated the objective of establishment of e-courts while ₹31.17 lakh spent on video conferencing facilities was rendered unfruitful.

*(Paragraph: 3.16)*

### **Procurement in Power Development Department**

An audit appraisal of procurements in the Power Development Department brought out that there was no system in place for monitoring purchase/ issue of store/ stock and requisitions received from user divisions. Supply orders valued at ₹9.61 crore were placed without the mandatory Bank Guarantees that were meant to enforce due performance by the suppliers. The objective of centralized purchase of stores was not fully achieved as the user divisions had made direct purchase of stores of ₹89.51 crore. Further, lack of synchronisation of activities with funds available resulted in expenditure of ₹5.23 crore being rendered unfruitful.

*(Paragraph: 3.17)*

### **Non-levy of Supervision charges**

Failure of the Power Development Department to levy supervision charges in accordance with extant rules for works being undertaken on behalf of other departments that are not financed from the Consolidated Fund resulted in loss of ₹1.12 crore in two Electric Divisions.

*(Paragraph: 3.18)*

### **Manpower Management**

An audit appraisal of manpower management in the Public Health Engineering Department brought out that human resources development functions had not been streamlined despite creation of Human Resources Management wing in the department. Promotions were made in excess of notified posts and promotees continued to work beyond six months without regularization. There was no regularity in constitution of Departmental Promotion Committees, updating/ finalization of seniority lists and control on engagement of daily rated workers (DRWs)/ community participation workers (CPWs).

*(Paragraph: 3.19)*



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**Construction/ Reconstruction of Bridges in Jammu and Kashmir**

Lack of due diligence in conduct of site surveys and in finalisation of design in various divisions of the Public Works Department resulted in 18 works valued at ₹43.95 crore being held up due to design change or land disputes after award of works rendering unfruitful expenditure of ₹26.92 crore incurred thereon.

*(Paragraph: 3.20)*

**Non-deduction of supervision charges**

Failure of the Public Works Department to comply with extant rules resulted in loss of ₹1.87 crore due to non-deduction of supervision charges.

*(Paragraph: 3.21)*

**Working of Sheep/ Goat Breeding Farms**

An appraisal of the Sheep Husbandry Department brought out that the department could not achieve its stated objectives of improving the stock of livestock in the State and of augmenting production of milk, wool and mutton. The shortfall in production of rams and bucks with reference to projected requirements ranged between 76 to 97 per cent while there was excess mortality rate of 10 to 18 per cent in six sheep breeding farms. There was decreasing trend in yield of wool, mutton and milk during the period 2011-12 to 2015-16. The departmental authorities attributed the deficiencies and shortfalls to lack of requisite infrastructure, climatic variations and inbreeding. Yet, steps to mitigate the situation and address the shortcomings were not evident and unutilised funds increased from ₹7.38 lakh in 2011-12 to ₹98.58 lakh in 2015-16.

*(Paragraph: 3.22)*

**Award of work without ensuring encumbrance free land**

Failure of the Social Welfare Department to ensure availability of unencumbered land before proceeding with construction work led to unfruitful expenditure of ₹0.29 crore, blocking of ₹0.25 crore and cost escalation of ₹1.51 crore besides non-fulfillment of the intended objective of providing hostel facilities to Scheduled Tribe students residing in remote villages of Udhampur district.

*(Paragraph: 3.23)*