

## OVERVIEW

This Report contains one Performance Audit on Post-Matric Scholarship Schemes for Scheduled Castes and Other Backward Class Students and 17 paragraphs relating to excess, irregular, unfruitful expenditure, avoidable payments, losses to State Government, shortcomings in implementation of rules and programmes, etc. involving ₹ 269.65 crore. Some major findings are mentioned below:

## PERFORMANCE AUDIT

### Post-Matric Scholarship Schemes for Scheduled Castes and Other Backward Class Students

A performance audit of the Post-Matric Scholarship Schemes implemented for providing financial assistance to Scheduled Castes (SC)/ Other Backward Class (OBC) students pursuing higher studies brought out deficiencies in planning and financial management, inadequate scrutiny of applications of students, irregularities in disbursement of scholarship, suspected fraudulent payment, weak monitoring mechanism, etc. The department did not evaluate the outcome/ effectiveness of the schemes. While the total financial implication of this Performance Audit is ₹ 89.05 crore including suspected fraudulent payments, some of the significant audit findings are summarised below:

Annual Action Plan and database of eligible students to ascertain coverage of SC/ OBC students under the schemes was not prepared.

*(Paragraph 2.1.6.1)*

Only 52.24 per cent applicants were paid scholarship during 2015-19, while 37 per cent of approved cases were not paid Scholarship. Technical Education Department did not pay scholarship totalling to ₹ 17.98 crore to 7,757 students though the amount was sanctioned and drawn from the treasury.

*(Paragraph 2.1.6.3)*

Funds drawn in anticipation of expenditure were kept in bank accounts and unspent funds were not deposited in Government account resulting in loss of interest of ₹ 6.43 crore to the State exchequer.

*(Paragraph 2.1.7.2)*

Suspected fraudulent payment of ₹ 18.98 crore was made by manipulating Aadhaar numbers of students.

*(Paragraph 2.1.8.1)*

Payment of scholarship of ₹ 9.65 crore was suspected to be fraudulent as their details could not be verified with supporting records.

*(Paragraph 2.1.8.2)*

Inadequate scrutiny of income/ caste certificates, etc. of students resulted in irregular payment of scholarship totalling to ₹ 1.91 crore.

*(Paragraph 2.1.8.6)*

Suspected fraudulent scholarship payments totalling to ₹ 4.74 crore was made to students studying outside the State.

(Paragraph 2.1.8.7)

Monitoring mechanism was weak. Evaluation of the schemes to assess its outcome/effectiveness was not conducted.

(Paragraphs 2.1.9.1 and 2.1.9.2)

## COMPLIANCE AUDIT

### Animal Husbandry and Dairying Department and Revenue and Disaster Management Department

#### Suspected embezzlement

Suspected embezzlement of ₹ 1.54 lakh occurred in the Sub Division Office, Animal Husbandry and Dairying Department, Kaithal due to short accountal and non-accountal of Government receipts in the Cash Book and ₹ 1.02 lakh in the office of Deputy Commissioner, Bhiwani (Nazir Branch) by fraudulently increasing the amount of vouchers in the abstracts and drawing the contingent bills with increased amount.

(Paragraph 3.1)

### AYUSH Department

#### Loss of revenue

Shri Krishna Government Ayurvedic College, Kurukshetra did not charge fee for *Panchkarma* therapies as per instructions of the Government resulting in loss of revenue of ₹ 82.48 lakh.

(Paragraph 3.2)

### School Education Department

#### Double disbursement of scholarships

Non observance of the codal provisions and inadequate internal control in Directorates of Elementary Education and Secondary Education led to double disbursement of scholarship of ₹ 30.76 crore to the beneficiaries. The Directorates irregularly kept the unutilised funds blocked in current account resulting avoidable loss of interest.

(Paragraph 3.3)

### Finance Department

#### Excess payment to the pensioners

Non-reconciliation of monthly scrolls submitted by the Central Pension Processing

Centre of State Bank of India by the Director General, Treasuries and Accounts Department, resulted in excess disbursement of pension of ₹ 81.68 lakh to 84 pensioners during April 2012 to May 2018. This had happened due to non-deduction/discontinuation of deduction of commuted portion of pension by the Bank.

*(Paragraph 3.4)*

### **Food, Civil Supplies and Consumer Affairs Department**

#### **Misappropriation of paddy due to violation of laid down norms by the department**

Allotment of paddy by the District Food Civil Supplies and Consumer Affairs Controller, Kurukshetra to an unregistered miller and that too in excess of permissible limit resulted in loss of ₹ 2.99 crore as the miller had misappropriated the paddy.

*(Paragraph 3.5)*

#### **Extra burden of interest due to delay in claiming driage charges**

Five District Food, Civil Supplies and Consumer Affairs Controllers had not claimed paddy driage charges of ₹ 101.59 crore from the Food Corporation of India in regular bills at the time of supply of custom milled rice resulting in delayed receipt of driage charges between 22 and 1,577 days which caused an interest burden of ₹ 13.45 crore on State exchequer.

*(Paragraph 3.6)*

### **Forest Department**

#### **Use of forest land for non-forest purposes in Aravalli and Shivalik Hill areas**

There were encroachments on forest land at six sites, due to weaknesses in exercising controls by the Forest Department. Possession of 170.74 acre land was not taken at three sites for compensatory afforestation. Compensatory afforestation was carried out only on 39.07 hectare against the availability of 122.18 hectare land. Inadequate watch and ward controls of the department led to illegal mining in forest areas. Delay in taking action against the offenders of forest rules resulted in loss of ₹ 2.74 crore. Further, the expenditure of ₹ 2.90 crore on salary of Protection Watchers was not incurred in a transparent manner.

*(Paragraph 3.7)*

### **Home Department**

#### **Unauthorised use of golf course on Government land**

The golf course developed on Government land with Government resources at 3<sup>rd</sup> Battalion, Haryana Armed Police, Hisar was allowed for use by private persons unauthorisedly by the Police Department for more than five years. Revenue

amounting to ₹ 80.87 lakh generated was kept outside the Government accounts by its Management Committee.

(Paragraph 3.8)

### **Housing Department (Housing Board Haryana)**

#### **Avoidable payment of income tax and non-realisation of interest**

Due to non-reduction of the unrealisable amount of surrendered properties from the income, in the subsequent year, the Housing Board, Haryana had to make avoidable payment of income tax of ₹ 1.45 crore. Further, excess refund of ₹ 0.41 crore was made in seven cases due to ignoring of the interest on outstanding amount till the date of surrender of properties.

(Paragraph 3.9)

### **Public Health Engineering Department**

#### **Injudicious expenditure on new water supply scheme**

Instead of laying 1.5 kilometre (km) separate pipeline for supplying drinking water to village Khariawas, the Public Health Engineering Division, Tosham, District Bhiwani opted for construction of independent water works after laying 6 km pipeline for carrying canal water and treated water which led to incurring of an injudicious and avoidable expenditure of ₹ 1.48 crore.

(Paragraph 3.10)

#### **Unfruitful expenditure on incomplete work**

The water supply scheme for village Bhurawas, district Jhajjar remained incomplete even after seven years of the targeted date of completion due to starting the work by the Public Health Engineering Division No. 1, Jhajjar without assessing the site conditions, which resulted in unfruitful expenditure of ₹ 1.29 crore, besides, potable water could not be provided to villagers.

(Paragraph 3.11)

### **Public Works Department (Buildings and Roads)**

#### **Unfruitful expenditure on widening and strengthening of link road**

Despite knowing the fact that the land for construction of 3.430 kilometer (km) road belonged to private persons, the Provincial Division, Public Works Department (Buildings and Roads) Naraingarh incurred an expenditure of ₹ 6.30 crore on construction of 10.57 km road (km zero to km 7.370 and km 10.800 to km 14.000). Resultantly, the expenditure remained unfruitful as both ends remained separate and the road could not be utilised by the commuters.

(Paragraph 3.12)

## Science and Technology Department

### Unfruitful expenditure on non-functional cafeteria

Expenditure of ₹ 0.82 crore incurred on the construction of a cafeteria in Kalpana Chawla Memorial Planetarium at Kurukshetra remained unfruitful, due to lack of firm plan with the Haryana State Council for Science and Technology for its utilisation.

*(Paragraph 3.13)*

## Town and Country Planning Department

### Enforcement of Land Use Regulations

Unauthorised colonies grew in the State due to non-compliance to the extant provisions in the Acts and Rules. There were instances of granting of licences in excess of permissible area, delay in initiation of action for cancellation of licences, etc. Further, construction of buildings without approval of building plans, issuance of part occupation certificate without recovering External Development Charges, non-development of colonies of cancelled licences, non-recovery of revised licence fee, non-obtaining/ revalidation of bank guarantees, etc. were also observed. Change of Land Use permissions were granted in violation of rules. Besides compliance issues, total financial implication of this audit is ₹ 91.19 crore. Apart from these issues, an amount of ₹ 15,216.61 crore was outstanding against the colonisers on account of pending External Development Charges/ Infrastructure Development Charges for 1 to 16 years.

*(Paragraph 3.14)*

## Town and Country Planning Department Haryana Shehri Vikas Pradhikaran

### Excess payment to contractor

The Executive Engineer, Haryana Shehri Vikas Pradhikaran, Sonapat did not recover the amount of decrease in cost of bitumen/emulsion as per provisions of contract document resulting in excess payment of more than ₹ 5.61 crore to the contractor.

*(Paragraph 3.15)*

### Execution of works irregularly and without calling tenders

The Executive Engineer, Haryana Shehri Vikas Pradhikaran, Division No. III, Gurugram executed four works valuing ₹ 16.11 crore irregularly without obtaining administrative approval and technical sanction from the competent authorities. These works were awarded to a contractor on nomination basis without inviting competitive tenders, disguising these as enhancements of an agreement of ₹ 0.19 crore to ₹ 16.30 crore. Further, in contravention of codal provisions, performance guarantee of ₹ 0.81 crore, to protect the Government interest, was not obtained.

*(Paragraph 3.16)*

**Transport Department**

**Excess expenditure due to award of work at higher rates**

The General Manager, Gurugram Depot of Haryana Roadways awarded the cleaning work of three bus stands, one workshop and buses to L5 bidder arbitrarily and extended the agreement upto 52 months from original six months' period. This resulted in excess expenditure of ₹ 1.03 crore.

*(Paragraph 3.17)*