

**Chapter – III**  
**Civil Departments**

**Section – A - Reviews**

**Finance Department**

**3.1 Utilisation of grants recommended by Tenth Finance Commission**

***Highlights***

*The Tenth Finance Commission recommended grants to the State Government for upgradation of district administration and primary education and for tackling certain special problems. The envisaged objectives could not, however, be achieved in full due to poor utilisation of funds and delay in execution of works and procurement of machinery/equipment.*

- Underutilisation of grants deprived the State of the Central assistance of Rs 11.60 crore. Besides, the State had also not claimed reimbursement of Rs 8.84 crore against the funds utilised up to March 2000.

(Paragraph: 3.1.4)

- Rupees 13.33 crore retained in deposits/PLA/bank accounts or advanced to Government departments, etc. were booked as final expenditure

(Paragraph: 3.1.4 (a))

- Funds aggregating Rs 7.65 crore were diverted for meeting expenditure on plan/non-plan activities which were not included in the approved Action Plan.

(Paragraph: 3.1.4 (b))

- Percentage shortfall in construction of residential quarters, outposts/police stations and for police training was 77, 20 and 73 respectively.

(Paragraph: 3.1.5 (a))

- The objective of strengthening and upgrading fire fighting capabilities was not achieved due to delay in completion of civil works and fabrication of chassis for water bousers despite expenditure of Rs 2.99 crore incurred during 1997-98 to 1999-2000.

(Paragraph: 3.1.5 (b))

- Against construction/renovation of 12 record rooms, works in respect of only 3 record rooms were completed despite release of full amount of Rs 1.13 crore during 1998-2000 for all the record rooms.

(Paragraph: 3.1.5 (c))

- Even though the required funds of Rs 1.50 crore were released in full during 1998-2000, none of the 21 identified treasuries was computerised due to delay in provision of infrastructural facilities and procurement of hardware/software.

(Paragraph: 3.1.5 (d))

- The facilities of drinking water/toilet in the identified primary schools were almost not provided and funds aggregating Rs 5.44 crore were spent mainly on procurement of material for water supply, sanitary fittings, etc.

(Paragraph: 3.1.6)

- Funds of Rs 3.13 crore released during 1998-99 were lying blocked in Deposits, etc. with the Director School Education/PHE divisions of Kashmir province as on 31 March 2000.

(Paragraph: 3.1.6)

- Oxygen gas pipeline laid in SMHS Hospital Srinagar at a cost of Rs 38.49 lakh during 1999-2000 had not been made operational as of June 2000 as oxygen concentrator, an integral part of the system, imported at a cost of Rs 89.09 lakh during 1999-2000 had not been installed.

(Paragraph: 3.1.7)

### **3.1.1 Introduction**

The Tenth Finance Commission *inter-alia* recommended grants to the State for upgrading District Administration (Police, Fire Services, Jails, Record Rooms and Treasuries and Accounts), promoting Primary Education and tackling Special Problems. The grants were for the following activities:

#### ***District Administration***

- (a) Buildings for Police Stations/outposts, housing facilities and training of Police personnel.
- (b) To strengthen and upgrade fire fighting services.
- (c) Improvement in existing accommodation and medical facilities in Jails.
- (d) Upkeep and maintenance of land records.
- (e) Computerisation of district treasuries.

#### ***Primary Education***

Promotion of girls education in upper Primary Schools and provision of drinking water and toilet facilities to all Primary schools.

#### ***Special Problems***

- (a) Upgrading equipment in Medical Colleges Jammu/Srinagar.
- (b) Development of Leh and Kargil districts.

### **3.1.2 Organisational set-up**

At the State level, the State Level Empowered Committee (SLEC) with Chief Secretary to the State Government as its Chairman was incharge for overall implementation of the scheme. The SLEC was assisted by Directorates of Police, Fire Services, Prisons, Accounts and Treasuries, Education, Financial Commissioner and the Principals of Medical Colleges, Srinagar/Jammu.

### **3.1.3 Audit Coverage**

Records relating to the period from 1995-96 to 1999-2000 were test-checked in the Directorates of Police, Fire Services, Accounts and Treasuries, Education and Revenue Departments during February and June 2000 and the points noticed are given in the succeeding paragraphs.

### 3.1.4 *Financial outlay and expenditure*

**State deprived of central assistance of Rs 11.60 crore due to poor utilisation of funds**

On-account payment of grants aggregating Rs 73.19 crore, against Rs 93.63 crore recommended by the Commission, was made by Central Government to the State Government subject to final adjustments, during the years 1996-97 to 1999-2000. The State Government in turn released Rs 88.28 crore to the implementing agencies during 1997-98 to 1999-2000. Of this, Rs 82.03\* crore, which constituted 93 *per cent* of the total releases made by the State Government, were reported utilised by the implementing agencies during the corresponding period. As per the award of the Commission, all funds under upgradation grants were to be utilised by 31 March 2000. Grants remaining unutilised on 31 March 2000 were to lapse. Due to poor utilisation of grants, the State could not avail the Central assistance of Rs 11.60 crore (Rs 93.63 crore minus Rs 82.03 crore). On the basis of funds utilised up to March 2000, an amount of Rs 8.84 crore (Rs 82.03 crore minus Rs 73.19 crore) was due to the State Government which had, however, also not been claimed for reimbursement reasons for which were not on record. The position of sector-wise grants released and expenditure incurred thereagainst is indicated in *Appendix-8*. Following further points were observed:

**Reimbursement of Rs 8.84 crore not claimed from Central Government**

(a) The utilisation of grants was overstated, as grants amounting to Rs 12.17 crore and Rs 1.16 crore booked as final expenditure were actually lying unspent in deposits/PLA/bank accounts and as advances to Government departments/ Public sector undertaking respectively. Details of grants retained outside the Government account are indicated in *Appendix-9*.

**Rs 7.65 crore diverted**

(b) An amount of Rs 7.65 crore, as detailed in *Appendix-10*, was irregularly diverted for meeting expenditure on plan/non-plan activities like construction of dining hall/providing air conditioners at Police Academy Udhampur, construction of VIP suite and other buildings, etc.

### 3.1.5 *District Administration*

#### (a) *Police*

The Commission recommended construction of buildings for police stations/outposts and providing housing facilities to a minimum of 20 *per cent* of the staff. Besides, grants were given for training facilities. The targets and achievements in respect of Police Station/Outpost buildings, construction of quarters and training were as under:

\* (1997-98: Rs 1.88 crore; 1998-99: Rs 18.97 crore; 1999-2000: Rs 61.18 crore)

	Target	Achievement	Shortfall (percentage)
Outposts/Police Stations	5	4	1 (20)
Residential Quarters	1517	348	1169 (77)
Training activities	11	3	8 (73)

The position of physical achievements/shortfall under each activity is discussed below:

**(i) Construction of police residential quarters and police stations/outposts**

In view of inadequate housing facility for subordinate staff and acute shortage of buildings for police stations/outposts, with many of them operating from temporary sheds and tents, the Commission had recommended grants of Rs 24.66 crore for construction of residential quarters for Police personnel at an unit cost of Rs 1.625 lakh per quarter and Rs 0.32 crore for construction of Police Stations at an unit cost of Rs 6 lakh per station.

Rupees 18.49 crore were released by the Central Government during 1997-2000 to the State Government which, however, released Rs 24.61 crore during 1998-99 and 1999-2000 to the Director General of Police for construction of 1517 residential quarters in 12 districts of the State. Test-check of the records, however, revealed that while construction of 1612 quarters was taken up during 1998-99 and 1999-2000, construction of only 348 quarters (22 per cent) involving expenditure of Rs 8.76 crore (36 per cent) had been completed up to March 2000 at an average unit cost of Rs 2.52 lakh per quarter. A further investment of Rs 14.89 crore was locked up in incomplete construction of 1264 quarters as of March 2000. Test check further revealed that while 24 flats/quarters of a block of 32 quarters constructed as a hostel during 1998-2000 (expenditure: Rs 68.44 lakh) were allotted to gazetted officers of the department, 6 were illegally occupied by some police personnel and two were lying vacant. Information in respect of allotment of other 316 quarters was not furnished to Audit. Reasons for increase in the unit cost per quarter from Rs 1.625 lakh to Rs 2.52 lakh were also not intimated. The aim of providing housing facility to the subordinate police staff was, thus, largely not achieved.

Similarly, against Rs 37 lakh released by the State Government for construction of 5 police stations/outposts during 1997-98 to 1999-2000, only four police stations/outposts had been constructed during 1999-2000 at a cost of Rs 24.50 lakh and work on the remaining one station (expenditure: Rs 12.43 lakh) had not been completed (June 2000). Reasons for increase in the cost and non-completion of one station were not intimated. It was also seen that 4 out of the 5 police stations had been constructed at locations other than

**Investment of Rs 14.89 crore locked up in incomplete residential quarters**

those initially identified in the Action Plan. Reasons for the deviation were not on record.

**(ii) Police Training**

The Commission had observed that investment in training of Police was essential for improving its efficiency and operational performance and accordingly recommended grants of Rs 0.85 crore to the State. Against the release of Rs 0.76 crore by the Central Government during 1996-97 and 1999-2000, the State Government released grants aggregating Rs 0.85 crore during the period 1997-98 to 1999-2000 to the Police Department for improving training facilities/infrastructure at Police Academy, Udhampur.

**Training activities and purchase of latest equipment generally ignored**

Audit scrutiny revealed that the basic purpose of upgrading the training facilities had not been achieved as grants were not utilised in pursuance of the approved Action Plan. The approved Action Plan envisaged taking up of activities in 11 areas at a cost of Rs 84.54 lakh during 1998-99 and 1999-2000, against which Rs 57.85 lakh (including undischarged liability of Rs 16.48 lakh) alone were utilised during this period on construction of faculty block and mini Forensic Science Laboratory (FSL) for which an allocation of Rs 30 lakh had been earmarked. Due to this the envisaged activities relating to purchase of latest scientific gadgets for FSL, training equipment/aids and establishment of wireless Acquaintance-cum-Handling centre for trainees, etc. were neglected. Test-check further revealed that an expenditure of Rs 14.53 lakh was incurred on construction/levelling of riding school ground against allocation of Rs 5 lakh provided for updating the riding school with young mounts and a proper stable.

Similarly, against the provision of Rs 4 lakh for purchase of computers for creating computer awareness among subordinate police personnel through various courses to be conducted in the Police Academy, an expenditure of Rs 12.03 lakh was incurred on purchase (1998-99) of 8 computers. The basic purpose of increasing/improving computer awareness among police personnel was not achieved as these computers were being used in police headquarters at Srinagar and Jammu and field offices (DIGs/IGPs).

**(b) Fire services**

In view of the growing industrialisation, urbanisation and development of congested markets and colonies and consequent increase in fire hazards, the Commission had recommended grants of Rs 3 crore for strengthening and upgrading fire fighting capabilities in the State.

Based on the award of the Commission, grants totalling Rs 2.69 crore were released by the Central Government to the State Government during the years 1996-97 and 1999-2000. The State Government, however, released Rs 2.99 crore to the Fire Services Department during the period 1997-98 to 1999-2000

**Construction of fire station buildings not completed despite release of Rs 0.95 crore**

**Rescue and fire call communication equipment not purchased**

**Wireless sets purchased lying idle**

for construction of well designed functional fire stations, procurement of suitable modern rescue and protective equipment, effective fire call communication system and training of manpower, etc. The funds released were expended in full by March 2000. Test-check of records revealed that construction work of three fire station buildings and strengthening of zonal headquarter Jammu, for which Rs 0.80 crore and Rs 0.15 crore respectively were released to R&B Department during 1997-99 and 1999-2000, had not been completed (June 2000). Reasons for non-completion were not intimated (July 2000). It was also observed that six water bousers purchased (February 2000) for Rs 0.48 crore were non-functional as of June 2000 as fabrication of their chassis was incomplete. Audit scrutiny further revealed that important rescue equipment and fire call communication system viz. breathing apparatus (50 Nos) and walkie talkie sets (10 Nos)/ hand sets (20 Nos) for which Rs 8 lakh were earmarked in the approved Action Plan were not purchased. Seven wireless sets purchased (April 1999) for Rs 5.90 lakh, were lying idle due to non-allotment of frequency by Government of India to whom requisition had been made belatedly in September 1999. The envisaged objective of strengthening and upgrading fire fighting capabilities had, thus, not been realised.

**(c) Record Rooms**

For upkeep of records, the Commission recommended construction/renovation of record rooms and procurement and supply of modern equipment. The targets and achievements for the period from 1996-97 to 1999-2000 were as under:

	Target	Achievement	Shortfall
Construction of record rooms	7	2	5
Renovation of record rooms	5	1	4

**Objective of constructing and upgrading record rooms largely not achieved**

The Central Government released grants aggregating Rs 0.88 crore (against Rs 0.98 crore recommended by the Commission) during 1997-98 and 1999-2000 for construction/upgradation of record rooms. The State Government, however, released Rs 1.13<sup>&</sup> crore during 1998-99 and 1999-2000 to Financial Commissioner Jammu and Kashmir for construction of 7 new record rooms and repairs/renovation of 5 existing record rooms. Test-check of records, however, revealed that expenditure of Rs 79.41 lakh (70 per cent) was incurred up to March 2000 against the release of Rs 1.13 crore. While construction of two<sup>φ</sup> new record rooms (expenditure: Rs 19.45 lakh) was completed during 1999-2000, work in respect of other five<sup>ψ</sup> was in progress as of March 2000 even after expenditure of Rs 32.96 lakh had been incurred.

<sup>&</sup> Excess expenditure over award amount to be met by State Government

<sup>φ</sup> Budgam and Baramulla

<sup>ψ</sup> Anantnag, Kupwara, Poonch, Doda and Pulwama

Similarly, while renovation of one record room (Udhampur) taken up in 1998-99 was completed during 1999-2000 (expenditure: Rs 5.40 lakh), progress of work executed in respect of remaining four<sup>#</sup> record rooms was not monitored even though Rs 21.60 lakh (Rs 16.20 lakh in October 1998 and Rs 5.40 lakh in June 1999) were released for the execution of these works. Upgradation work of district record room Kathua had also not been taken up (June 2000). Reasons for poor progress in the physical achievements had not been investigated/ monitored.

**(d) Treasuries and Accounts**

The computerisation of district treasuries was expected to help in improving managerial control of the State and district administration besides generating speedy and accurate accounting information needed for better planning, budgeting and monitoring. Accordingly, the commission recommended grants of Rs 1.50 crore for the State. The targets and achievements in respect of the following components during 1996-97 to 1999-2000 were as under:

	Target	Achievement	Shortfall
	(Number of treasuries)		
(a) Civil/Electric works of computer rooms	21	4	17
(b) Supply of hardware	21	13	8
(c) Supply of software	21	Nil	21
(d) Training of staff (Number of personnel)	700	625	75

Central Government released grants aggregating Rs 1.35 crore during 1996-97 and 1999-2000 to the State Government who in turn released Rs 1.50 crore to the Director Accounts and Treasuries during 1998-99 and 1999-2000 for computerisation of 14 district treasuries of the State and 7 additional treasuries in Jammu (4) and Srinagar (3) districts. Audit scrutiny revealed that even after over 2 years of the release of funds, the records of none of the 21 identified treasuries had been computerised. While hardware for 13 treasuries only had been procured (August 2000) at a cost of Rs 0.80 crore, the infrastructural facilities required for its installation had been provided (August 2000) in 4 treasuries only. Development of software, for which Rs 2.50 lakh were advanced (January 2000) to National Informatics Centre, was reportedly on trial run (August 2000) at the 4 treasuries where hardware had been installed. Thus, none of the treasuries had been made functional on the envisaged lines. However, in the progress report furnished to the Administrative department by the Director Accounts and Treasuries, the physical achievement of computerising 13 treasuries during 1999-2000 was not correctly reported.

**None of the 21 earmarked treasuries computerised even after two years of the release of funds**

<sup>#</sup> Jammu, Kathua, Srinagar and Rajouri



**3.1.6 Primary education**

**3.1.6.1 Provision of drinking water/toilet facilities in Primary schools and promotion of girls education**

In view of abysmally low levels of basic toilet and drinking water facilities in the schools and in the interest of promoting girls education, the Commission recommended grants of Rs 24.81 crore to the State for providing these facilities and for free supply of uniform/text books among the girl students in primary and upper primary schools. The targets set and achievements made in respect of the components under this sector during 1997-98 to 1999-2000 were as detailed below:

	Target	Achievement	Shortfall (per cent)
<b>(a) Promotion of girls education by free supply of</b>			
Text books	1.85* lakh students	1.85* lakh students	-
Uniforms	2.74* lakh students	3.18* lakh students	-
<b>(b) Drinking water facilities</b>			
Primary and Upper Primary Schools	7575 (Schools)	234	7341 (97)
<b>(c) Toilet facilities</b>	715 (schools)	Nil	715 (100)

The Central Government released Rs 14.99 crore (Drinking water/toilet: Rs 7.79 crore; Promotion of girls education: Rs 7.20 crore) to the State during 1996-2000. The State Government, however, released Rs 19.32 crore to the implementing agencies<sup>^</sup> during the period 1997-98 to 1999-2000 for providing drinking water and toilet facilities (Rs 9.23 crore) in 7575 and 715 primary/middle schools respectively and issue of free uniforms/text books (Rs 10.09 crore) during the years 1998-99 and 1999-2000.

**Expenditure of Rs 5.44 crore incurred mainly on purchase of GI pipes tanks, etc.**

**Drinking water/toilet facilities not provided in most of the earmarked schools**

Test-check of records revealed that the expenditure of Rs 5.44 crore reported ending March 2000 for providing drinking water/toilet facilities was incurred mainly on procurement of material viz. GI pipes, syntex tanks and other sanitary fitting material, etc. However, actual facilities were not provided in any of the identified schools except drinking water facility in 234 primary schools of Kathua and Rajouri districts during 1999-2000 at an expenditure of Rs 35.03 lakh. The balance material valued at Rs 5.09 crore was lying unutilised with various PHE<sup>#</sup> divisions and Block Development Offices resulting in idle investment. Further, Rs 3.13 crore released during the year

\* Information for 1999-2000 not monitored  
<sup>^</sup> Public Health Engineering Department, Rural Development Department and Education Department  
<sup>#</sup> Public Health Engineering

1998-99 were lying blocked in Deposits, etc. with the Director School Education/PHE divisions of Kashmir province at the end of March 2000. The objective of providing the basic facilities of toilet and drinking water in schools for promoting girls' education was not, thus, achieved.

### **3.1.7 Special problem grants**

The Commission supported the proposal of the State Government for upgrading equipment in various departments of Medical Colleges in Jammu/Srinagar and recommended grants of Rs 37 crore for the same. Based on the Commission's recommendation, the Central Government released Rs 33.30 crore to the State Government during 1996-97 and 1999-2000. The State Government, in turn, released Rs 37 crore during the period 1997-98 to 1999-2000 for purchase of machinery/equipment for various departments of Medical Colleges Jammu/Srinagar and Dental College, Srinagar.

Test-check of the records revealed that the expenditure of Rs 14.33 crore and Rs 13.79 crore reported by Government Medical College, Jammu and Srinagar respectively during 1999-2000 included Rs 7.62 crore and Rs 4.69 crore advanced (March 2000) to various foreign suppliers through letters of credit, for which supplies were awaited (June 2000).

Audit scrutiny further revealed that in SMHS Hospital Srinagar (an associated Hospital of Medical College Srinagar), Gas pipe line laid (1999-2000) at a cost of Rs 38.49 lakh had not been made functional (June 2000) because oxygen concentrator, an integral part of the system, imported (1999-2000) at a cost of Rs 89.09 lakh had not been installed for want of a shed, construction work whereof was incomplete (June 2000).

### **3.1.8 Monitoring and Evaluation**

There was a serious mis-match between the financial and physical achievements under various sectors. The State Level Empowered Committee responsible for the implementation of the scheme had, however, not prescribed any reports/returns for monitoring/evaluating the implementation of the programme. The impact of the upgradation programme had not been assessed nor was any evaluation study conducted.

The matter was reported to the Finance Department/ Government in August 2000; reply had not been received (December 2000).

**Equipment costing  
Rs 1.28 crore lying  
idle**

**Health and Medical Education Department**

**3.2 National Family Welfare Programme**

*Highlights*

*The National Family Welfare Programme is a demographic as well as a Welfare Programme meant for stabilising population level and at the same time improving maternal and child health care. The programme is cent per cent Centrally Sponsored.*

- **Non-allocation of funds by the State Government in its regular budget affected flow of funds and implementation of the programme in the State. The Department had also not sent utilisation certificates and audited statement of accounts to Government of India for the period beyond 1996-97.**

(Paragraph: 3.2.4)

- **Expenditure on salaries ranged between 70 and 100 per cent of the total expenditure during 1995-96 to 1998-99 due to which the programme had become a wage programme.**

(Paragraph: 3.2.4 (ii))

- **PAP Smear tests were not conducted at the PP centre Srinagar (Lal Ded Hospital) despite availability of a cyto-technician who was paid idle wages of Rs 3.66 lakh. In the Jammu centre, the cyto-technician was attached to Government Medical College, Jammu and was not consequently involved in the programme.**

(Paragraph: 3.2.5.3)

- **Activities under the Post-Partum Programme were not undertaken as planned as funds for meeting recurring expenditure on contingencies, maintenance of operation theatres, replacement of surgical equipment, POL for vehicles, etc. were not provided. ORG-MARG Survey revealed that Post-Partum care was inadequate and PPCs were poorly equipped. Specialised personnel were not available for attending the referred cases.**

(Paragraph: 3.2.5.4)

- **Physical achievements in respect of sterilisations conducted under the programme declined from 15714 (1995-96) to 11040 (1999-2000). The**

position of IUD<sup>π</sup> acceptors also remained stagnant during the period 1995-99 (except 1997-98). Though the number of OPUs<sup>∞</sup> increased after 1996-97, it was low in comparison to targets fixed for 1995-96.

(Paragraph: 3.2.5.5)

- **Achievements under Child Survival and Safe Motherhood Programme during the period 1995-96 to 1998-99 indicated declining trend in respect of prophylaxis against nutritional anaemia for mothers, except during 1997-98. As regards prophylaxis against blindness in children only 2-13 *per cent* of children receiving first dose of vitamin A were administered full dosage.**

(Paragraph: 3.2.7)

- **No training was imparted in all the eleven ANM<sup>#</sup>/LHV<sup>&</sup> and MPW<sup>⊗</sup> training schools during the period 1995-2000, resulting in payment of idle wages of Rs 2.55 crore (September 1999) to the staff of these schools. The hostel attached to Regional Health and Family Welfare Training Centre at Srinagar was non-functional for want of repairs/renovations and basic amenities.**

(Paragraph: 3.2.8)

- **Non-availability of adequate manpower, laparoscopic equipment, family control devices and medicines affected adversely the working of family welfare centres. Records relating to neo-natal/natal deaths, morbidity, mortality of pregnant ladies, reproductive tract infections, sexually transmitted diseases, etc. had not been maintained in any of the test-checked centres.**

(Paragraph: 3.2.10)

### 3.2.1 Introduction

The Family Welfare Programme was introduced in the First Five Year Plan in 1952. It was made target oriented and time bound with effect from 1966-67. Maternal and Child Health Services (MCH) designed to improve the health of mothers and children were also integrated with it during the Fourth Plan period. The National Health Policy (NHP) approved by the Parliament in 1983 envisaged attainment of twin goals of 'Health for All' and a 'Net Reproductive Rate' (NRR) of unity by the year 2000 AD. Keeping in view the

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π Intra-Uterine Devices  
 ∞ Oral Pill Users  
 # Auxiliary nursing midwife  
 & Lady health visitor  
 ⊗ Multipurpose workers

level of achievements made in the Seventh Plan period, it was stated in the Eighth Five Year Plan document that NRR-I would be achievable during the period 2011-16 AD. However, the Report of the Technical group on Population Projection (constituted by the Planning Commission) indicated that the replacement level of NRR-I is achievable only by 2026 A.D.

The main objective of the National Family Welfare Programme (NFWP) was to stabilize population level consistent with the needs of national development by adopting following measures/methods:

- (i) Various family welfare/planning measures and temporary methods of birth control so as to bring down the birth and death rates and providing maternal and child health care, post-partum facilities, establishment of referral linkages and immunisation of pregnant women and new borns against all preventable diseases.
- (ii) Persuade people to adopt small family norms by popularising the use of conventional contraceptive devices or oral pills, etc.
- (iii) Provide medical services, medicines and incentives free of cost at the doorsteps of the acceptors of family planning measures.

These measures were to be achieved through implementation of following schemes/programmes:-

- (i) Minimum Needs Programme (Redesigned as Basic Minimum Services (BMS))
- (ii) Sterilisation Bed Scheme.
- (iii) Post Partum PAP Smear Test facility Programme.
- (iv) All India Hospital Post Partum Programme.
- (v) Population Research Centre Scheme.
- (vi) Child Survival and Safe Motherhood (CSSM) Programme (Renamed as Reproductive Child Health (RCH) Programme).

### **3.2.2 Organizational set-up**

At the State level, Commissioner-cum-Secretary of Health and Family Welfare Department is nodal authority to oversee the implementation of the Programme. The Programme is implemented by Director of Family Welfare, MCH and Immunisation Services through 87 Rural/Urban Family Welfare Centres; 333 Primary Health Centres; 54 Community Health Centres; 1495

sub-centres and 17<sup>&</sup> Post Partum Centres. Besides, 11 ANM/LHV and MPW Family Welfare Training Centres and one Regional Health and Family Welfare Training Centre had been established for imparting requisite training under the programme.

### 3.2.3 *Audit coverage*

Implementation of the Programme in the State for the period from 1985-86 to 1991-92 was reviewed in audit during April 1993 to September 1993 and comments included at Paragraph 3.7 of the Report of the Comptroller and Auditor General of India for the year ended March 1993. A further review of the implementation of the programme covering the period from 1995-96 to 1999-2000 was conducted by audit during October 1999 to March 2000 by test-check of the records maintained by Directorate of Family Welfare, MCH<sup>φ</sup> and Immunisation in 4<sup>φ</sup> out of 14 districts of the State, covering 35 *per cent* of the total expenditure. Important points noticed are discussed in succeeding paragraphs.

The services of the ORG centre for social research, a division of ORG-MARG Research Limited was commissioned by the Comptroller and Auditor General of India with a view to obtaining the beneficiary perception of the programme and related matters. The ORG-MARG carried out survey over a sample which covered 1485 households (392 urban and 1093 rural) and 27 centres in the 3<sup>≈</sup> districts, determined on the basis of socio cultural characteristics and development status. Findings of the survey on matters discussed in the report have been included in this review at appropriate places.

### 3.2.4 *Finance and expenditure*

The programme is cent *per cent* Centrally assisted. For orientation-training of medical and para medical personnel, the grant is admissible on 50:50 sharing basis between Government of India and State Government which is to be utilised for rent of hostel, contingency, consumable training material, additional teaching staff, class rooms for Health and Family Welfare training Centres, etc. The expenditure on establishment of PHCs, CHCs, sub-centres in rural areas and hospitals and dispensaries in urban areas are met under Minimum Needs Programme.

Total budget provision, central assistance released by Government of India and expenditure incurred thereagainst during the period from 1995-96 to 1999-2000 are detailed below:

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& Includes two A type teaching PP centres of Medical Colleges Srinagar/Jammu  
 φ Maternal and Child Health  
 φ Srinagar, Jammu, Kathua and Udhampur  
 ≈ Kathua, Jammu and Udhampur

(Rs in crore)

Year	Budget provision		Total	Central assistance received	Expenditure		Total	Less or excess utilisation of Central assistance
	Salary component	Non-salary component			Salary component	Non-salary component		
1995-96	Lumpsum provision under plan without schematic break-up has been provided in the supplementary budget of the State Finance Department		14.59	10.22*	10.45	4.44	14.89	+ 4.67
1996-97			12.76	7.79	11.75	0.41	12.16	+ 4.37
1997-98			13.39	18.35 <sup>§</sup>	12.30	0.43	12.73	- 5.62
1998-99			15.73	16.01 <sup>©</sup>	13.56	0.02	13.58	- 2.43
1999-2000			Nil	18.04	NA	NA	18.50*	+ 0.46*

**Non-provision of funds in the regular budget adversely affected the implementation of the programme**

For ensuring proper implementation of various Centrally Sponsored Schemes, the State Government is required to make provision, based on its own share and the estimated releases of Central assistance, in its budget. The reimbursement of the expenditure incurred by the State Government is to be claimed subsequently from the Central Government on the basis of utilisation certificates. It was, however, seen that the State Government did not allocate funds for the programme in its regular budget and lump sum provision was made in the Supplementary demand for grants for the years 1995-96 to 1998-99 without schematic breakup. During 1999-2000 even supplementary provision was not made. Accordingly, funds for the programme were provided to the implementing agencies after release of funds provisionally by the Central Government. Non-allocation of funds for the programme in the regular budget affected the flow of funds and consequent implementation of the programme. The Chief Secretary had informed (January 1999) Secretary, Ministry of Health and Family Welfare, Government of India that no formal regular budget was being approved for the Programme by the State Legislature and that the implementation of the programme was adversely affected due to delay in releases of funds by Government of India. Reasons for the failure of the State Government to finance the programme through its own budget initially and claim reimbursement subsequently were neither on record nor intimated. Following points were also noticed:

**Utilisation certificates and audited statement of accounts not furnished regularly**

(i) The reimbursement of expenditure incurred by the State Government on the programme is subject to furnishing of utilisation certificates alongwith audited statement of accounts. The State Government had sent utilisation certificates and audited statement of accounts only up to 1996-97 reportedly due to non-reconciliation of accounts by the field units.

- ♦ Includes Rs 2 crore for part settlement of arrears prior to 1995-96.
- § Includes arrears of Rs 8.37 crore in full settlement up to 1994-95 and partly for the year 1995-96.
- © Includes arrears of Rs 3.11 crore in full settlement up to 1996-97.
- \* Figures provisional.

The Central Government, however, released payments for the years 1997-98 to 1999-2000 provisionally on the basis of estimates submitted by the Department.

**Planned activities of family welfare affected adversely as 70 to 100 per cent funds utilised on payment of salary**

(ii) The guidelines of the scheme stipulated that financial assistance up to 7.5 per cent (raised to 12 per cent with effect from April 1998) of the grants given by the Government of India was admissible for Direction and Administration of the family welfare programme in the State, subject to actual expenditure as ascertained from the Accountant General. This was also subject to the condition that the State provided for certain State/District level posts<sup>β</sup>. The State Government had neither provided these posts (except State Media Officer) nor regulated the expenditure on Direction and Administration in conformity with the guidelines of the Government of India. It was seen that the expenditure on salaries constituted 70 per cent (1995-96), 97 per cent (1996-97 and 1997-98) and 100 per cent (1998-99) of the total expenditure under the programme. The envisaged planned activities were, thus, badly affected as discussed in the following paragraphs and the programme degenerated into a wage programme. The main objectives of the programme to stabilise population level and improve maternal and child health care were not, thus, fully achieved.

**Funds allocated for implementation of various schemes diverted for payment of salaries**

(iii) Against Rs 67.34 lakh released by the Government of India for implementation of four schemes viz. Innovative Publicity, Printing of ECRs<sup>φ</sup>, Orientation Training of medical/para-medical staff and Reproductive Child Health, the expenditure was incurred merely on payment of salaries instead of implementation of these schemes during the years 1995-96 to 1998-99. Similarly, the expenditure under five other sub-schemes viz. Media Activities, Family Welfare Compensation, POL, Sterilisation Bed Scheme and Medical Termination of Pregnancy during 1995-99 was only 33 per cent (Rs 0.77 crore) of the releases (Rs 2.36 crore) made by Government of India. The balance 67 per cent grant (Rs 1.59 crore) was utilised on payment of salaries.

**Material valuing Rs 9.07 crore sent by Government of India not adjusted in accounts**

(iv) Government of India sent material (value: Rs 9.07<sup>ψ</sup> crore) in kind to the State Government during the period 1995-96 to 1999-2000. However, cost of material received had not been adjusted in the accounts.

### **3.2.5 Implementation**

#### **3.2.5.1 Minimum Needs Programme**

Family Welfare Services were to be provided to the community through a network of Sub Centres (SCs), Primary Health Centres (PHCs) and Community

<sup>β</sup> Additional/Joint/Deputy Director separately for MCH, Monitoring and Evaluation and Administration, Engineer/Assistant Engineer for State Cold Chain and State Media Officer

<sup>φ</sup> Eligible couple records

<sup>ψ</sup> 1995-96: Rs 16.40 lakh; 1996-97: Rs 1.64 crore; 1997-98: Rs 1.69 crore; 1998-99: Rs 2.13 crore and 1999-2000: Rs 3.45 crore



Health Centres (CHCs) in the rural areas and hospitals and dispensaries in the urban areas in a phased manner by 2000 AD. The population norms for setting up the Centres and their staffing norms and activities/services to be delivered are as detailed in *Appendix-11*.

Test-check of records and information collected from Director Health Services Jammu/Kashmir and from Director Family Welfare, MCH and Immunisation revealed the following targets and achievements in respect of establishment of these centres:

Centres	Number of Centres required as per 1991 census	Targets fixed	In position as on 31 March 2000	Shortfall (percentage)	Funds released during 1995-2000	Actual expenditure
					By GOI	State
Sub-Centres	2859	Not fixed	1798	1061 (37)	No separate funds provided for minimum needs programme as per sanctions	Nil
Primary Health Centres	436	Not fixed	333	103 (24)		Nil
Community Health Centres	109	Not fixed	54	55 (50)		Nil

The percentage of shortfall in establishing SCs, PHCs and CHCs at the end of March 2000 was 37, 24 and 50 respectively. Family Welfare Services were, however, provided in 1495 sub-centres (out of 1798), 5 urban and 82 Rural Family Welfare Centres and 17 PP centres only. However, test-check of records of 2 District Family Welfare Bureaux (Srinagar and Kathua) revealed that out of 176 sub centres, 32 were non-functional due to non-availability of ANMs and non-payment of rent for hired buildings. The survey conducted by ORG-MARG also revealed that the PHCs covered, on an average, population of 64062 in plain areas against the norm of 30000. Thus, due to non-provision of funds by the State/Central Governments under the component and substantial shortfall in establishing centres as per norms, the objectives of the programme were not fully achieved.

### 3.2.5.2 *Sterilisation Bed Scheme*

The scheme for reservation of sterilisation beds in hospitals run by local bodies and voluntary organisations was introduced in 1964 to provide facilities for tubectomy operations. Such operations conducted in hospitals run by Government are covered under Post Partum Programme. Under the Scheme, local bodies/voluntary organisations were eligible for maintenance grant of Rs 4500 per bed/annum for conducting 60 tubectomy operations and Rs 3000 per bed/annum for 45 such operations. Assistance was to be further reduced proportionately keeping in view the number of operations actually performed.

**Substantial shortfall in setting up of various health centres as per norms**

**Poor implementation of scheme**

Rupees 2.70 lakh were released by Government of India for maintenance of approved beds during the period 1995-96 to 1999-2000 (September 1999). However, Rs 0.25 lakh only were utilised during 1995-96 and that too in a Government Hospital, which was not covered under the scheme. The balance of Rs 2.45 lakh had been diverted for payment of salaries under other schemes. Against 14 beds approved by Government of India in two hospitals (John Bishop Hospital Anantnag and Khanam Nursing Home Srinagar) under the scheme, the position of beds actually reserved for sterilisation was not available with the Department.

Thus, the objective of the programme of population control through reservation of beds in hospitals run by Voluntary Organisations was not achieved despite release of grants by the Government of India.

**3.2.5.3 Post-Partum PAP Smear Test facility Programme**

With a view to detect cervical cancer among women, PAP Smear Test facility was introduced by Government of India initially in 25 Medical Colleges in 1977 which was later on extended to other Medical Colleges also. For conducting necessary tests, one post of Cyto-technician is provided under the scheme. The Government of India is to provide salary of the Cyto-technician as per respective State Government scale of pay and Rs 3000 per annum for purchase of glass ware, chemicals, etc. The technician is required to collect/examine smears from women acceptors/non-acceptors of Family Welfare methods, report results of confirmation by Cyto-pathologist, follow up both positive and negative cases and send quarterly report of Post Partum Centres to the Department of Family Welfare of Government of India through State Family Welfare Officers.

**PAP smear tests not conducted and salary of Rs 3.66 lakh paid to technician proved unfruitful**

Medical Colleges Srinagar and Jammu were implementing the programme in the State and Rs 109.73 lakh were spent mainly on payment of salaries of staff during 1995-96 to 1999-2000 (September 1999). Review of records of above centres revealed that at the PP Centre in Lal Ded Hospital, Srinagar although a Cyto-technician was posted, no PAP Smear test was conducted during the period 1995-96 to February 2000 due to non-availability of laboratory facility, drugs, equipment and para medical staff/technicians, etc. Amount of Rs 3.66 lakh paid as salary to the Cyto-technician, thus, proved unfruitful. In PP centre at SMGS hospital Jammu, the Cyto-technician was attached to Pathology Department of Medical College Jammu after 1996-97. Only 177 Smear tests were conducted during 1995-96 to December 1999 (30 by Cyto-technician and 147 by a laboratory technician) in Gynaecology out-patients department of the hospital. Records indicating cases of smear collected from acceptors/non-acceptors of various family welfare methods, confirmation results reported by Cyto-pathologist, cross checking of positive slides for cancerous lesions, normal slides and follow-up of negative/positive cases for carcinomas were not maintained at the Centre. There was shortage of 8 medical and 2 para-medical personnel vis-à-vis approved staffing pattern in

these 2 centres as of October 1999. Besides, funds for replacement of surgical goods, maintenance of operation theatres, purchase of glassware, chemicals and contingencies had not been provided to these centres which adversely affected their proper working. Quarterly progress reports required to be sent to the State Family Welfare Officer/Government of India were also not furnished by any of these centres.

### 3.2.5.4 All India Hospitals for Post-Partum Programme

The district/sub-district level Post Partum Centres (PPCs) were to motivate women within the reproductive age group of 15-44 years and their husbands for adopting small family norms through education and motivation during pre-natal, post-natal period and after Medical Termination of Pregnancy. The basic objective of the programme was to provide integral package of maternal/child health and Family Welfare Services, in-service training to medical/para medical staff and outreach services to the targetted population. Under this programme cent *per cent* Central assistance was provided for recurring and non-recurring items. In the State there are 15 PPCs (9 District level and 6 Sub District level).

Funds provided by Government of India, released by the State Government and expenditure incurred during 1995-96 to 1999-2000 were as under:

Year	(Rs in lakh)		
	Funds provided by Government of India	Funds released by State Government	Expenditure incurred
1995-96	49.01	58.09	61.96
1996-97	48.00	76.98	74.68
1997-98	71.09	76.69	70.10
1998-99	105.81	86.15	89.79
1999-2000	67.50 <sup>ψ</sup>	114.88	107.89*

**Post-partum activities for adopting small family norms not undertaken as envisaged**

Funds for meeting recurring expenditure on contingencies, maintenance of operation theatres, replacement of surgical equipment, POL for vehicles and seminars had not been provided to any of the PP centres in the State during 1995-96 to March 2000. Assistance of Rs 3.41 crore released by the Central Government during the period 1995-2000 (September 1999), was utilised mainly on payment of salaries. Consequently, no planned activities were undertaken at these PP centres. ORG-MARG survey also found that Post-Partum care was quite poor in the State as only 15 *per cent* of women were examined within 42 days of delivery and 20 *per cent* had received family planning counselling during natal/post-natal period. The survey further revealed that PPCs were poorly equipped and only 25 *per cent* of the available

<sup>ψ</sup> Figures up to September 1999  
\* Figures provisional

Medical Officers had received training and no specialist was available for attending the referred cases.

### 3.2.5.5 *Physical performance*

Targets and achievements for the year 1995-96 and achievements for the years 1996-97 to 1999-2000 under family welfare programme including Post-Partum Centres and immunisation are indicated in *Appendix-12*.

#### **Declining trend in sterilisations**

While there was a declining trend in the number of sterilisations from 15714 in 1995-96 to 11040 in 1999-2000, the position of IUD acceptors remained more or less stagnant during the period from 1995-96 to 1998-99, except for the year 1997-98. It was also seen in audit that the percentage of male sterilisation (vasectomy) to total sterilisations conducted was only 5 during 1995-96 which further declined to 2 during 1999-2000. This indicated that onus of adopting birth control measures was mainly on women. Though the number of oral pill users had increased after 1996-97, it was low in comparison to the targets fixed for 1995-96. Reasons for decline in the family welfare activities were neither placed on record nor intimated.

#### **Onus of adopting birth control measures mainly on women**

#### **Contribution of PP programme to family welfare not assessed/monitored**

The effectiveness of the PP Programme and its contribution to family welfare in the districts had neither been monitored nor assessed at any level during 1995-96 to 1999-2000 due to non-receipt of quarterly progress reports from 14 out of 15 PP centres. The Co-ordination Committee for PP centres had also not been constituted. Test-check of records in 4 PP centres (Jammu and Kathua districts) revealed that there was overall decline in the contribution of these centres towards the family welfare activities of the concerned districts during 1995-96 to 1998-99. The percentage decline in the activities of these centres during 1998-99 ranged between 1 and 8 vis-à-vis performance during 1995-96. Following further points were also observed in test-check of records of 3<sup>#</sup> district and 1<sup>∞</sup> sub-district level PPC<sup>f</sup>.

#### **Decline in post-partum activities**

#### **Substantial shortfall in immunisation of expected mothers and children despite availability of vaccines free of cost**

(i) Shortfall in immunisation of expected mothers and children against various diseases (Tetanus, Polio, TB, Measles, Diphtheria, etc.) ranged between 9 and 69 *per cent* during the period from 1995-96 to 1999-2000 (January 2000) despite the fact that vaccines were provided free of cost by the Central Government. As seen in audit, the shortfall was mainly due to the failure of the Health Workers/ANMs to visit the families and local communities in their areas and to educate them.

(ii) Emergency services viz. vehicles for providing transport to patients, referral services for high-risk women and home visits by ANMs were not available at any of these centres.

<sup>#</sup> JLN Hospital Srinagar, Gandhi Nagar Hospital Jammu and District Hospital Kathua

<sup>∞</sup> Sub-district Hospital Billawar

<sup>f</sup> Post-Partum Centre

**Required health care facilities not provided to pregnant women and children**

(iii) Stock of iron tablets for mothers, Folic Acid and Vitamin A for children were not available in 4 PP centres for the periods ranging from 4 to 15 and 20 to 39 quarters (against 76 quarters) during the period 1995-96 to 1999-2000 (December 1999). This deprived the pregnant women and children of the required health care during these quarters.

**Data base of various tests conducted and follow up action taken not maintained/monitored**

(iv) Records indicating the number of tests required and actually conducted for early detection of complications, number of maternal and neo-natal deaths and causes therefor and direct acceptors out of total obstetrics/abortion cases at the PP centres had not been maintained. Designing and printing of cards in three different colours to ensure proper follow-up system was not undertaken in four test-checked PP centres. The percentage distribution of acceptors of family planning methods by parity (number of children) in four test-checked post-partum centres (district and sub district level) during 1995-96 to 1999-2000 (September 1999) was as under:

	Total	2 or less children	3 or more children	Not available
		(Percentage)		
Tubectomy	11144	19	80	1
Vasectomy	798	30	70	-
IUD	2009	54	25	21

Lower percentage of couples opting for 2 or lesser number of children showed lack of motivation among the couples for adopting small family norms.

(v) Under the target free/Community Needs Assessment Approach adopted by the Department, ANMs/Health Workers were required to consult families and local communities in their areas in the beginning of the year to assess their needs and preferences and work out an Action Plan for implementation of the Programme and requirements for the coming year at the Sub-centre, PHC and District level. However, no such surveys were conducted to set up goals and to prepare Action Plans for the ensuing year. The programme also envisaged natal and post-natal visits by the family welfare personnel which too had not been conducted. The programme as a result was implemented without setting out targets/goals at the sub-centres and district levels and the objective of improving quality of services by adopting target free approach was not achieved.

**Achievements of demographic goals like Crude Birth Rate, Crude Death Rate, etc. not monitored**

(vi) The demographic goals laid down in National Health Policy 1983, to be achieved by the year 2000, included Crude Birth Rate (CBR) of 21 per thousand, Crude Death Rate (CDR) of 9 per thousand and Annual Natural Growth Rate of 1.2 *per cent*. It also envisaged achievement of Infant Mortality Rate (IMR) of below 60 per thousand live births and effective Couple Protection Rate (CPR) of 60 *per cent*. It was, however, seen in audit that no census/survey was conducted during the period under review to determine and evaluate the achievements in the State vis-a-vis stated objectives relating to

CBR, CDR, IMR, etc. and fix revised targets, etc. for the State on the basis of actual achievements. The Couple Protection Rate as assessed by the Department showed a decline from 17.6 *per cent* in 1994-95 to 16.5 *per cent* in 1996-97 which was much lower than the National average of 45.4 *per cent* (1996-97). No exercise to determine the CPR was undertaken thereafter. As such, the progress made in achievement of demographic goals in the State could not be evaluated in audit.

### **3.2.6                    *Population Research Centre Scheme (PRCS)***

The Population Research Centre (PRC) functioning in Kashmir University was selected as one of the centres under Population Research Centre Scheme (PRCS). The PRC, which is autonomous in its day to day working, was to get *per cent per cent* grant from Government of India. Studies and findings of the Centre are to be utilised for improvement of Family Planning and Reproductive Health Programme.

During 1995-96 to 1998-99 an amount of Rs 23.50 lakh was released for the purpose against which the actual expenditure was Rs 21.16 lakh up to March 1999.

The Centre undertook research studies for 18 topics out of which studies on 14 topics (13 selected by Government of India and one by Population Research Centre) were completed during 1995-96 to the end of January 2000. No report on these studies had, however, been prepared/published in any journal at National/International level after 1996-97. Before that the studies were published by Ministry of Health and Family Welfare, Government of India in population research bulletin.

Research Co-ordination Committee constituted in the year 1996 with Commissioner/Secretary, Medical Education Department as its Chairman was to provide a forum for exchange of ideas and study findings between programme administrators and researchers for better utilisation of the findings and identification of the areas in which further research was required. The Committee was to conduct 10 meetings during 1995-96 to 1999-2000 against which only one meeting was held (October 1998). Decisions/ conclusions arrived at the meeting and follow up thereof were not available. The utilisation of the grants of Rs 23.50 lakh could not, therefore, be vouchsafed in audit.

### **3.2.7                    *Child Survival and Safe Motherhood (CSSM)/ Reproductive Child Health (RCH) Programme***

In the Eighth Plan (1992-97), various programmes, viz. Universal Immunisation, Oral Rehydration Therapy (ORT) and other related programmes of Maternal and Child Health (MCH) were integrated under CSSM Programme. In Ninth Plan (1997-2002) CSSM programme was

renamed as RCH and included providing of facilities for treatment of Sexually Transmitted Diseases and Reproductive Tract Infections (RTI).

The objective of the programme was to ensure availability of services for assuring reproductive child health care to all citizens for achieving stable level of population for the country in the medium and long term.

Funds released by Government of India and expenditure incurred under CSSM and RCH were as under:

(Rs in lakh)

Year	Funds released by Government of India	Expenditure	Saving
<b>CSSM</b>			
1995-96	64.01	18.96	45.05
1996-97	48.59	25.91	22.68
1997-98	38.10	31.93	6.17
<b>Total</b>	<b>150.70</b>	<b>76.80</b>	<b>73.90</b>
<b>RCH</b>			
1998-99	9.53		
1999-2000	206.17	77.39	138.31
<b>Total</b>	<b>215.70</b>	<b>77.39</b>	<b>138.31</b>

The services were primarily aimed at pregnant women, infants and children up to the age of 5 years. For effective implementation of the programme, identification of the beneficiaries in the service area at sub-centres, PHCs, CHCs and district level centres was necessary. It was, however, seen in audit that none of the 15 Rural Family Welfare Centres, 1 Urban Family Welfare Centre and 6 PP Centres test-checked in audit had maintained a database of vulnerable women in the reproductive age group, infants and children with status of their immunisation nor had any action plans been prepared. The basis for the implementation of the programme and its effectiveness in absence of requisite data was not susceptible to verification in audit. Mother and Child Health Care Services were to be provided under the programme through two preventive treatment schemes. Daily dose of iron and folic acid for a period of 100 days to all pregnant women/mothers and vitamin A to infants up to 5 years age, was to be given (in 8 monthly doses) as a prophylactic measure against nutritional anaemia and blindness. Targets fixed and achievements thereof under the scheme for the period 1995-96 to 1999-2000 were as under:

**Database of target group not maintained**

(Numbers in lakh)

Prophylaxis against nutritional anaemia							Prophylaxis against blindness in children	
Year	Mothers			Children			Targets	Achievements
	Pregnant women*	Targets	Achievements (percentage)	Children up to 5 years of age	Targets	Achievements (percentage)		
1995-96	2.81	2.73	1.53 (56)	11.07	1.81	1.10 (61)	1.78	3.34
1996-97	2.89	2.73	1.13 (41)	11.38	1.81	0.93 (51)	1.78	2.93
1997-98	2.96	*	1.58	11.68	*	1.06	*	3.65
1998-99	3.04	*	1.06	12.00	*	1.40	*	3.98
1999-2000	3.13	*	1.40	12.32	*	1.70	*	12.93

**Achievements in administering preventive medicines against nutritional anaemia/blindness to mothers/children declined**

The estimated number of pregnant women and children up to 5 years of age during the years 1995-99 was not *prima facie* correct as increase in the number of children was much more than the increase in number of pregnant women during the corresponding period. Percentage achievement against targets in respect of prophylaxis against nutritional anaemia for mothers declined from 56 in 1995-96 to 41 in 1996-97 despite the fact that targets fixed did not cover the entire estimated population of the pregnant women. There was also sharp decline in respect of prophylaxis against nutritional anaemia for mothers in 1998-99. Similarly, the achievements against targets in respect of prophylaxis against nutritional anaemia for children declined from 61 *per cent* in 1995-96 to 51 *per cent* in 1996-97. The shortfall/declining trend was due to shortage of medicines, family welfare devices as discussed at para 3.2.10 and poor contact with the beneficiaries/follow up by the departmental functionaries. The achievements under prophylaxis against blindness in children during 1995-96 to June 1999 were overstated as these represented aggregate of eight doses administered to children.

For prophylaxis against blindness, eight monthly doses of Vitamin A were to be administered to children up to 5 years of age. Review of records relating to administration of Vitamin A to children during the period from 1995-96 to 1999-2000 (June 1999) revealed the following:

Year	Doses administered			Percentage of completed 8 <sup>th</sup> dose to 1 <sup>st</sup> dose
	Initiated 1 <sup>st</sup> Dose	Continuing 2 <sup>nd</sup> to 7 <sup>th</sup> dose <sup>§</sup>	Completed 8 <sup>th</sup> dose	
1995-96	144959	186269	2901	2
1996-97	135110	148627	9184	7
1997-98	152092	195875	16754	11
1998-99	156993	220429	21124	13
1999-2000 (ending June 1999)	36580	49351	3222	9

- Estimated number
- \* Target free approach
- § Aggregate of 2<sup>nd</sup> to 7<sup>th</sup> doses



**Full doses of Vitamin A not administered to 87 to 98 per cent of children covered**

It would be seen that only between 2 and 13 *per cent* of children receiving the 1st dose of Vitamin A were administered full doses during the period 1995-96 to 1999-2000 (June 1999) which was indicative of poor contacts with the beneficiaries and also deprived a large number of children, ranging from 87 to 98 *per cent*, of prophylaxis against blindness.

**Rupees 1.38 crore not utilised and kept in bank**

The programme merged with the Reproductive and Child Health Programme during the 9<sup>th</sup> plan, was taken up in the State from April 1998 and Rs 215.70 lakh were released by Government of India during the period from April 1998 to March 2000 for strengthening the infrastructure viz. execution of works and procurement of drugs, equipment and for imparting training, etc. Of this, Rs 20.68 lakh (office contingencies: Rs 6.00 lakh; medicines: Rs 0.32 lakh; other purposes: Rs 14.36 lakh) were utilised and Rs 56.71 lakh were advanced to various agencies for execution of civil works (Rs 43.50 lakh), payment of honorarium to laboratory technicians (Rs 8.40 lakh) and awareness generation training (Rs 4.81 lakh) up to March 2000. The balance of Rs 138.31 lakh was kept in a bank account as the same was to be utilised in a phased manner. The envisaged objective of the programme had not, thus, been achieved in the State.

### 3.2.8 Training

There are 11 training schools for imparting basic training to Health Workers and 1 Regional Health and Family Welfare Training Centre for providing in-service training to health personnel deployed under rural sector in the State. Funds released and expenditure incurred during 1995-96 to 1999-2000 were as under:

Category of Training		Funds released by GOI and expenditure incurred (Rs in lakh)	Period				
			1995-96	1996-97	1997-98	1998-99	1999-2000 (September 1999)
(i)	ANM/ LHV	Funds released Expenditure	15.98 31.35	16.00 36.65	30.00 44.04	51.00 50.08	NA 25.82
(ii)	In service training in Health and Family Welfare	Funds released Expenditure	9.61 21.18	11.00 18.36	13.00 21.04	14.63 16.99	NA 10.73
(iii)	Multipurpose worker	Funds released Expenditure	3.00 13.03	1.50 15.90	Nil 13.88	Nil 15.96	NA 8.55
(iv)	Village Health Guide (Orientation training of medical and para medical personnel)	Funds released Expenditure	1.00 Nil	0.25 Nil	Nil Nil	Nil Nil	NA Nil

Following points were noticed.

**(a) ANM/LHVs and MPW training schools**

**Basic training to Health Workers not imparted and idle wages of Rs 2.55 crore paid to staff of training schools**

All the eleven\* training schools set up for imparting basic training to Health Workers were non-functional as no training was imparted during the period 1995-96 to 1999-2000. This resulted in payment of idle wages of Rs 2.55 crore up to September 1999 to the staff comprising medical officers, public health workers and clerical staff in these schools. Reasons for not utilising the staff gainfully were not intimated. Besides, the objective of providing training facilities to the Basic Health Workers for improving efficiency and providing proper health services under the programme was not achieved.

**(b) Regional Health and Family Welfare (RHFV) Training Centre Srinagar**

Test-check of the records of RHFV Training Centre (intake capacity of 50 candidates) meant for providing in-service training to health personnel deployed under rural sector revealed as under:

Year	No. of courses to be imparted as per annual roster	No. of training courses actually held	Duration of training (in days)	No. of candidates
1995-96	No Roster framed	8	6 to 30	215
1996-97	No Roster framed	3	10 to 15	39
1997-98	Trainings-26 Workshops-7	2 -	15 -	60 -
1998-99	Trainings-17	9	6 to 10	172
1999-2000 (September 1999)	No Roster framed	20	1 to 15	648

**Idle wages of Rs 8.70 lakh paid to staff of a non-functional hostel**

It would be seen that there was shortfall in holding 32 training courses (74 per cent) during 1997-98 and 1998-99 and as against the target of holding 7 workshops in 1997-98, not a single workshop was held. Further, neither had funds been provided for training purposes nor was any vehicle provided to these centres as required under the scheme. It was further noticed that the hostel attached to the training centre was non-functional for want of repairs/renovations and lack of basic amenities and the hostel staff (2 wardens and 3 bearers) had been paid idle wages of Rs 8.70 lakh during 1995-96 to 1998-99.

**3.2.9 Information, Education and Communication**

Information, Education and Communication (IEC) play a significant role in the dissemination of information relating to family planning methods and in motivating eligible couples to adopt small family norms. The activities had to

\* Multipurpose workers training school: 3; Auxiliary nursing midwives/lady health visitors: 8

**99 per cent of the scheme funds utilised for payment of salaries**

be community-based and local-specific social objectives such as raising the age of marriage, neutralising the preference for male child, suitable spacing, etc. The activities had to be carried out at State/District and Peripheral level by organising camps, holding of exhibitions and installation of hoardings in prominent areas. An IEC cell with effective staff strength of 58 (State Bureax: 3; District Bureax: 55) was functioning in the State. Though the State cell had been submitting annual action plans for these activities, the same had not been implemented reportedly due to paucity of funds. It was, however, noticed in audit that out of Rs 97.18 lakh allocated by Government of India during 1995-96 to 1998-99 (1995-96: Rs 32.58 lakh; 1996-97: Rs 19.91 lakh; 1997-98: Rs 25.69 lakh; 1998-99: Rs 19.00 lakh) for the purpose, Rs 0.73 lakh only were spent on media activities during 1995-96 and the balance of Rs 96.45 lakh (99.25 per cent) was utilised for payment of salaries to the staff of Family Welfare Department. This evidently led to shortfall in achievement of objectives of the programme and consequent failure to motivate the beneficiaries to adopt small family norm. As per ORG-MARG study, the IEC component of the programme was quite weak and only 6 per cent of beneficiaries were aware about any IEC activities. The availability of IEC material at the family welfare institutions was also unsatisfactory.

### 3.2.10 Family Welfare Centres

Family welfare services in the State are primarily rendered through family welfare centres. Conventional contraceptives (CCs), Oral Pills (OPs), intra-uterine devices (IUD), fallopian rings, etc. and medicines/vaccines supplied by the Central Government are distributed/supplied free of cost to eligible couples through these centres. Out of 5 urban and 82 rural family welfare centres, records of 1 Urban (SMHS Hospital Srinagar) and 15\* Rural Family Welfare Centres including their sub-centres in 4 districts were test-checked which revealed as under:

#### (a) Staffing

The position of the sanctioned/available staff as on 31 March 1999 in respect of test-checked Urban and Rural Family Welfare Centres was as under:

	Rural Family Welfare Centres		Urban Family Welfare Centres	
	Sanctioned staff	In position	Sanctioned staff	In position
Medical	15	13	1	Nil
Paramedical	90	50	4	2
Others	15	17	1	1

\* Tikri, R.S.Pora, Kot Bhalwal, Dansal, Hiranagar, Parole, Akhnoor, Samba, Ramgarh, Bishnah, Sohanjana, Purmandal, Pallanwala, Katra and Reasi

No Medical Officer had been posted in the urban family welfare centre at Srinagar (SMHS Hospital) and Rural Family Welfare Centres at Pallanwalla and Reasi. 45 *per cent* of paramedical posts were vacant. Seven Rural Family Welfare Centres out of 15 were not provided with the services of ANMs. None of the Rural Family Welfare Centres were provided with the services of a female attendant for ANMs except at Akhnoor. As regards sub-centres, 435 sub-centres out of 1495 in the State were without services of ANMs. Survey conducted by ORG-MARG also revealed that only a few sub-centres were having ANMs who had, however, received training in Acute Respiratory Infection/Community Needs Assessment. Shortage of medical and para medical staff was bound to affect adversely immunisation and family planning activities under the programme.

**Database of eligible couples, mortality of pregnant ladies and occurrence of diseases, etc. not maintained for preparing Action Plans**

(b) Eligible couple registers, case card systems, records for neonatal/natal deaths, morbidity, mortality of pregnant ladies, reproductive tract infections and sexually transmitted diseases were not maintained in any of the test-checked Rural Family Welfare Centres. No proper system for visits by ANMs/LHVs in field areas was followed as no tour visit registers/diaries were maintained. This resulted in non-assessment of needs/requirements of the eligible families for preparing Action Plans and providing requisite services in the service areas. ORG-MARG survey revealed that visits of health workers to the households in rural areas were only 13 *per cent* and in urban areas, no visit of health workers had taken place in the last 12 months. Details of follow-up, date of expulsion of IUDs and number of couples protected through this method had not been maintained.

**Facilities for high risk deliveries not available**

(c) Facilities for high-risk deliveries, caesarian operations were not available at Ramgarh, R.S. Pura, Kotbalwal, Purmandal, Pallanwala, Dansal, Hiranagar, Katra and Parole centres.

**Laparoscopes not available in all centres and 43 *per cent* of available laparoscopes out of order**

(d) Against the requirement of 155 laparoscopes for 103 trained teams (1.50 laparoscope for each Rural, Urban and post-partum team), 121 laparoscopes (78 *per cent*) were available. Of these, 52 (43 *per cent*) were out of order since 1995-96. No steps had been taken by the Department for their replacement/repairs. Eight out of 15 rural centres were without laparoscopic equipment and trained teams. In 3 rural centres (Samba, Sohanjana and R.S.Pora), Karl Storz laparoscopes provided in November-December 1996 were lying idle for want of carbon dioxide cylinders and trained staff to operate these.

**Contraceptives/ medicines not available at the centres most of the time**

(e) Stocks of conventional contraceptives and IUDs were not available for periods ranging from one to 12 months. Fallopian rings for one to nine months, oral pills for one to 24 months and medicines (Iron tablets and vitamin A solution) for one to 17 months were also not available in stock. In the provincial stores at Srinagar/Jammu, however, 1.68 lakh packets of ORS, 5.83 lakh doses of T.Toxide, Oral Polio, measles vaccines and 4.31 lakh tablets of iron supplied by the Central Government during the period from

October 1994 to September 1999 had expired. In addition, 15765 IUDs in these stores had also expired which indicated poor inventory management of family welfare devices and medicines in the Department.

**3.2.11            *Monitoring and Evaluation***

The Programme was neither monitored at State/District level nor was ever evaluated at any stage although a Secretariat cell headed by an Under Secretary (Family Welfare) existed in Administrative Department since 1995-96. Regional Director Government of India had also not conducted any sample verification of family welfare acceptors from 1991-92 onwards nor monitored the Family Welfare, MCH& Immunization activities in the State.

**Programme not  
monitored/  
evaluated**

**3.2.12            *Recommendations***

The programme needs to be implemented in the State in a planned manner in accordance with guidelines of the Central Government, providing adequate funds regularly in the Budget. Monitoring of the programme at all levels needs to be ensured for achieving the objectives of the programme.

The above points were reported to Government/Department in July 2000; reply had not been received (December 2000).

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**Housing and Urban Development Department**
**3.3 Urban Employment Generation Programme 1995-2000***Highlights*

*Urban Employment Generation Programmes, aimed at alleviating urban poverty by providing employment to urban unemployed and under-employed poor through setting up of self employment ventures and providing of wage employment through creation of socially and economically useful assets, were under implementation in the State since October 1989. The programmes had, however, failed to achieve the desired result and had little impact on improving the quality of life of urban poor. This was due to lack of proper planning including poor/inadequate mechanism for identification of beneficiaries and extremely poor utilisation of funds. Unspent funds had increased by 110 per cent from Rs 3.23 crore (April 1995) to Rs 6.77 crore (March 2000). The activities regarding creation of socially and economically durable and useful community assets, through wage employment programme, had generally been ignored.*

- **Utilisation of funds under Urban Employment Generation Programme was poor and ranged between 11 and 43 per cent during the period 1995-96 to 1999-2000. There was increase of 110 per cent in unspent balances at the end of March 2000 over March 1995.**

(Paragraph: 3.3.4.2)

- **Poor utilisation of funds was mainly due to release of only 16 to 57 per cent of available funds by Nodal agency to the implementing agencies.**

(Paragraph: 3.3.4.2)

- **Matching share was not released by State Government and shortfall amounted to Rs 1.21 crore at the end of April 2000.**

(Paragraph: 3.3.4.4)

- **Rupees 1.09 crore were diverted and utilised on purchase of vehicles, repayment of HUDCO Loans, payment of telephone bills and other activities outside the purview/scope of programme.**

(Paragraph: 3.3.4.6)

- **No household survey for identifying beneficiaries for mapping or marking out of thrust areas was conducted nor had the lists of**

identified beneficiaries been prepared except by Jammu Municipality and TAC Udhampur.

(Paragraphs: 3.3.5 and 3.3.5.1)

- 114 'Above Poverty Line' ration card holders and 419 other ineligible beneficiaries were sponsored for assistance under the programmes.

(Paragraph: 3.3.5.1)

- The physical achievement of setting up of self employment units vis-à-vis targets was poor (30 per cent for NRY/PMIUPEP/SJSRY and 33 per cent under PMRY). The percentage of sponsored cases returned/rejected or pending with banks was high (between 39 and 69 per cent) which was mainly due to wrong selection of beneficiaries.

(Paragraph: 3.3.6.1)

- Coverage of women, SCs/STs and OBCs ranged between nil and 12 per cent against the prescribed percentage of 22.5 to 30.

(Paragraph: 3.3.6.4)

- Physical verification of the micro enterprises set up had not been conducted, except by DIC Udhampur, for assessing the functional health and ascertaining whether these units had actually been set up. Physical verification conducted by DIC Udhampur had revealed that 43 per cent of units surveyed were either closed, non-traceable, non-functional or had not been established at all.

(Paragraph: 3.3.6.5)

- Against the allotment of Rs 82.28 lakh and Rs 16.11 lakh for establishing 317 DWCUA groups and 297 Thrift and Credit Societies during the years 1997-98 to 1999-2000, Rs 7.64 lakh and Rs 0.22 lakh only were spent on establishing 9 DWCUA groups and 2 Thrift and Credit Societies. Balance amount (92 per cent) was lying unutilised with implementing agencies.

(Paragraph: 3.3.7)

- Training for skill upgradation was imparted to 10947 persons at a cost of Rs 1.56 crore through private institutes instead of ITIs, Polytechnics and other Government recognised training institutions. The general profile of the selected training institutes revealed that these were not fully equipped and suitable for imparting training.

(Paragraph: 3.3.8.1 (a))

- **There was no follow up of the training programme due to which none of the trained persons except 2 DWCUA group societies had set up any self employment ventures.**

**(Paragraph: 3.3.8.1(e))**

- **Forty Community Organisers and 17 SHASU recovery assistants were employed (salary paid: Rs 17.59 lakh) without observing norms for appointment.**

**(Paragraph: 3.3.11.1 (i) and (ii))**

### **3.3.1 Introduction**

Poverty alleviation has been one of the major goals of economic planning and for achieving this, various urban employment generation programmes were launched by the Government of India from time to time. The objective of these programmes was to provide employment to urban unemployed and underemployed poor, alleviate urban poverty, improve quality of life of urban poor and bring about a shift in sectoral distribution of work force through training and self employment. Nehru Rozgar Yojana (NRY), launched in October 1989, had been designed to provide employment through setting up of self employment ventures and provision of wage employment through creation of socially and economically useful assets and shelter upgradation. Prime Minister's Rozgar Yojana (PMRY) was introduced in October 1993 with the aim of providing employment to unemployed youth by setting up industry, service and business related micro enterprises. Subsequently, Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) was launched in November 1995 with emphasis on environmental improvement including improvement of hygiene and sanitation, shelter upgradation, community organisation and empowerment and strengthening of urban local bodies, etc. In December 1997 "Swarn Jayanti Shahri Rozgar Yojna" (SJSRY) was launched and all the ongoing urban poverty alleviation programmes/schemes except PMRY were merged into it.

While these schemes aimed at covering all the urban areas, the target group was urban poor with special emphasis on SC/ST beneficiaries. Thirty *per cent* of beneficiaries were to be women and 3 *per cent* physically disabled persons. PMRY was to cover all educated unemployed youth in the age group of 18-35 years with preference being given to women.

### **3.3.2 Organisational set up**

Jammu Urban Development Agency (JUDA) and Urban Development Agency Kashmir (UDAK) were responsible for the implementation of the Programmes at divisional (Jammu, Kashmir) and district levels under the overall supervision of Housing and Urban Development Department



(H&UDD). The State Urban Development Agency (SUDA) and District Urban Development Agencies (DUDAs) constituted<sup>=</sup> (January 1998) for effective implementation and monitoring of the programme were non-functional as of March 2000 owing to non-provision of staff. In Jammu division, staff was provided for 2 district level agencies (Kathua, Udhampur) in April 1999 and additional charge of the 3 districts (Poonch, Rajouri, Doda) was entrusted to the two Project Officers. At the micro level, the Programmes were implemented by respective Town Area/Notified Area Committees (TACs/NACs).

PMRY was implemented by District Industries Centres and Director Employment at the district and State level respectively.

### **3.3.3 *Audit coverage***

The implementation of the Programme was reviewed in audit during December 1999 to April 2000 through test-check of the records of Housing and Urban Development Department, Directorate of Employment, two each divisional (Jammu, Kashmir) and district level (Kathua, Udhampur) agencies, 9\* out of 33 TACs/NACs in Jammu Division and 4<sup>®</sup> out of 14 District Industries Centres for the period 1995-2000. Results thereof, supplemented by information obtained from 3<sup>®</sup> lead banks and their 8<sup>&</sup> branches in Jammu/Srinagar, are brought out in the succeeding paragraphs.

### **3.3.4 *Financial Outlay and expenditure***

#### **3.3.4.1 *Funding pattern***

The expenditure under NRY and PMIUPEP was to be shared between Central and State Governments on 60:40 basis except for certain components, for which 100 *per cent* assistance was released by Central Government and SJSRY was funded on 75:25 basis. PMRY was, however, funded entirely by Government of India. Major components of these schemes are credit linked/financed by banks/HUDCO and part of the project cost was met by the subsidy as indicated below:

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<sup>=</sup> Except in Leh and Kargil Districts  
<sup>\*</sup> Bishnah, Bari Brahmna, Ghomansa, Kathua, Parole, R.S. Pura, Ramgarh, Samba and Udhampur.  
<sup>®</sup> Srinagar, Jammu, Kathua and Udhampur  
<sup>®</sup> Punjab National Bank, State Bank of India, Jammu and Kashmir Bank.  
<sup>&</sup> Punjab National Bank: Shastri Nagar, Canal Road, Batmaloo; State Bank of India: Rehari, Janipur; Jammu and Kashmir Bank: Nanak Nagar, Nai Basti, Talab Tiloo

	Scheme	Project cost ceiling	Subsidy allowed	Admissible loan amount
(i)	NRY (setting up of micro enterprises and employment through shelter upgradation)	-	25 per cent subject to maximum of Rs 1000 to Rs 4000 per beneficiary	75 per cent of project cost
(ii)	PMIUPEP	Rs. 0.50 lakh	15 per cent of project cost subject to maximum of Rs 7500 to be credited against loan account	95 per cent and remaining 5 per cent was to be contributed by the beneficiaries as margin money.
(iii)	SJSRY	Rs 0.50 lakh	-do-	-do-
(iv)	PMRY	Rs. 1.00 lakh	-do-	-do-

### 3.3.4.2 Release of grants

The position of funds released by Government of India and State Government and expenditure incurred thereagainst during the period 1995-96 to 1999-2000 was as under:

(Rupees in crore)

Year	Total opening unspent balance	Funds released		Total funds available	Expenditure	Closing balance	Percentage of closing balance to total funds available
		GOI	State Govt.				
1995-96	3.23 (0.16)	2.43 (0.28)	0.40 -	6.06 (0.44)	1.29 (0.14)	4.77 (0.30)	79 (68)
1996-97	4.77 (0.30)	2.09 (0.17)	0.66 -	7.52 (0.47)	0.82 (0.09)	6.70 (0.38)	89 (81)
1997-98	6.70 (0.38)	1.99 (0.02)	1.28 -	10.45 <sup>N</sup> (0.40)	1.46 (0.11)	8.99 (0.29)	86 (73)
1998-99	8.99 (0.29)	0.73 (0.01)	0.52 -	10.24 (0.30)	2.48 (0.13)	7.76 (0.17)	76 (57)
1999-2000	7.76 (0.17)	0.15 (0.08)	1.43 -	9.34 (0.25)	2.57 (0.05)	6.77 (0.20)	72 (80)
<b>Total</b>		<b>7.39</b> <b>(0.56)</b>	<b>4.29</b> -	<b>43.61</b> <b>(1.86)</b>	<b>8.62</b> <b>(0.52)</b>		

(Position of funds under PMRY in brackets)

Scheme-wise position of grants released by Central/State Governments and expenditure incurred thereagainst is indicated in *Appendix-13*. Percentage utilisation of available funds under NRY/PMIUPEP/SJSRY during the years from 1995-96 to 1999-2000 ranged between 11 and 28 and between 19 and 43 in case of PMRY. Poor utilisation of funds resulted in increase of unspent balances from Rs 3.23 crore at the end of March 1995 to Rs 6.77 crore (increase of 110 per cent) at the end of March 2000 with the implementing agencies.

<sup>N</sup> Includes Rs 0.48 crore representing the unspent closing balance under UBSP transferred to SJSRY after closure of scheme from December 1997

**Poor utilisation of funds and delay in selection of beneficiaries**

Poor utilisation of funds, as seen in audit, was mainly due to release of only 16 to 57 per cent of available funds under NRY, PMIUPEP and SJSRY by the Nodal Agency (Housing and Urban Development Department) to the implementing agencies during the period 1995-2000 besides, tardy progress in selection of beneficiaries and sponsoring cases to banks and also large scale rejection (47 to 63 per cent) of the sponsored cases by banks as discussed in succeeding paragraphs.

**3.3.4.3 Delay in release of funds**

**Release of funds to implementing agencies delayed by 4 to 12 months**

Grants received from the Central Government were to be provided to Housing and Urban Development Department/implementing agencies promptly without any delay. Test-check revealed that funds aggregating Rs 4.44 crore released by the Government of India under PMIUPEP and NRY (Rs 3.96 crore) and PMRY (Rs 0.48 crore) during November 1995 to October 1999 were released by the Finance Department to the implementing agencies after delay of 4 to 12 months. Further, Rs 1.44 crore received during April 1998 to October 1999 under SJSRY (Rs 1.36 crore) and PMRY (Rs 0.08 crore) had not been released as of April 2000.

**Rs 1.34 crore blocked for over two years**

Test-check further revealed that funds aggregating Rs 1.34 crore released in favour of H&UDD\* on 30 March 1998 were converted into a *Hundi*<sup>ψ</sup> and had not been encashed up to April 2000. This resulted in blocking of Rs 1.34 crore outside Government accounts for over two years and loss of interest of Rs 25.17 lakh at the minimum rate of 9 per cent realised on investment made by the H&UDD.

**3.3.4.4 Non-release of State's share in full**

**Matching state share of Rs 1.21 crore not released**

Subsequent to the merging of NRY and PMIUPEP into SJSRY, the State Government was to ensure that the amount of its share due under these schemes was released in full by 30 November 1997. Test-check, however, revealed that matching share was not fully released by the State Government and shortfall at the end of April 2000 amounted to Rs 1.21 crore.

**3.3.4.5 Advances treated as final expenditure**

An amount of Rs 51.48 lakh advanced to 40<sup>Υ</sup> TACs/NACs (Jammu: 32, Kashmir: 8), etc. for execution of works under wage employment programme during 1995-96 to 1999-2000 was treated as final expenditure under UWEP<sup>Ξ</sup> by Urban Development Agencies (JUDA, UDAK and DUDAs) without

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\* Housing and Urban Development Department

ψ Government Promissory Note

Υ Main defaulting TACs/NACs: NAC Doda: Rs 2.05 lakh; Ganderbal: Rs 2.75 lakh; Handwara: Rs 2 lakh; Khansahib: Rs 2.40 lakh and Executive Officer Poonch: Rs 15 lakh

Ξ Urban Wage Employment Programme

obtaining the adjustment accounts or details of expenditure from the concerned agencies.

Similarly under SJSRY/NRY, Rs 1.12 crore were released by UDAK to various banks during the period from 1995-96 to 1998-99 towards subsidy component in respect of cases sponsored by it for grant of institutional finance. The subsidy amount deposited in banks had been booked as expenditure without conducting any reconciliation with the banks for ascertaining the amounts actually adjusted and those lying unutilised with banks.

### 3.3.4.6 *Diversion and misutilisation of funds*

The guidelines of NRY, PMIUPEP and PMRY prohibit diversion of funds from one scheme to another and the funds were not to be utilised on other activities. Interest earned on unspent balances of programme funds was to be utilised for providing infrastructure support to beneficiaries. It was, however, seen in test-check that funds amounting to Rs 1.09<sup>⊗</sup> crore were diverted and utilised on activities/items outside the purview/scope of the programmes as detailed below:

**Diversion of Rs 1.09 crore for activities/items outside the scope of the programme**

(Rupees in lakh)

S.No	Year	Agency	Amount	Purpose for which diverted
1.	1998-99	UDAK	11.31	Purchase of vehicles, camera, computers for Minister of H&UDD, Dy. Director (P&S) H&UDD and Administrator Municipality
2.	1995-96 to 1999-2000	DICs Srinagar, Jammu and Kathua H&UDD, UDAK	11.16	Payment of Telephone bills for telephones installed at residences of Ministers/ Commissioner Secretary H&UDD, purchase of furniture, office material, POL and clearance of liabilities of SULB <sup>φ</sup>
3.	1995-96	JUDA	0.17	Purchase of colour TV for District Development Commissioner Doda
4.	1998-2000	UDAK	34.16	Repayment of HUDCO Loan
5.	1998-99	H&UDD	9.49	On account of payment of honorarium to Dy. Secretary, Dy. Director (P&S), Private Secretary to Minister of H&UDD, Incharge Co-ordination of UBSP, Director Local Bodies and Payment of salaries to Dharat Inspector, Community Organisers
6.	1997-98	UDAK and JUDA	16.52	Payment of subsidy under NRY on SUME <sup>⊗</sup> out of PMIUPEP funds and on SHASU training out of UBSP <sup>ψ</sup> funds, etc
7.	1997-98	JUDA and UBSP	4.21	Loan to Poonch Municipality for meeting expenditure
8.	1997-98 to 1998-99	JUDA	22.23	Extension in duration of training courses run by Private institutions
	<b>Total</b>		<b>109.25</b>	

⊗ Includes Rs 75.23 lakh earned as interest on deposits of unspent programme funds

φ Strengthening of Urban Local Bodies

⊗ Scheme of Urban Micro Enterprises

ψ Urban Basic Services Programme

It was further observed that a vehicle purchased (May 1999) at a cost of Rs 3.89 lakh by CEO, UDAK to meet increased urgent work load in the field was actually placed at the disposal of personal section of Minister for H&UDD though vehicles for Ministers and personal staff were already provided from General Pool of the Government. Besides, out of Rs 4.20 lakh advanced to the dealer for purchase of vehicle, unspent balance of Rs 0.31 lakh had not been refunded as of December 1999. Similarly, a video camera purchased by UDAK in October 1998 at a cost of Rs 0.72 lakh for keeping evidence of various events and assets created was also placed at the disposal of personal section of Minister of H&UDD.

#### **3.3.4.7 Non-submission of utilisation certificates**

Utilisation certificates for funds released during 1995-96 to 1999-2000 under NRY and SJSRY were not submitted to Government of India. The State Government, while submitting the utilisation certificates up to 1997-98 for PMIUPEP had, however, reported (August 1998) a total expenditure of Rs 36.81 lakh (Rs 22 lakh out of Central and Rs 14.81 lakh out of State funds) though expenditure of only Rs 17.38 lakh was actually incurred. Further, it was seen that accounts had not been compiled by UDAK from 1992-93 and by JUDA from 1998-99 for audit/certification by chartered accountants. None of the implementing agencies including Urban Local Bodies (ULBs) had maintained separate cash books for each sub-scheme/component. Funds were being released to implementing agencies in a routine manner year after year without insisting upon submission of utilisation certificates.

#### **3.3.5 Planning**

For ensuring effective and purposeful implementation of the Urban poverty alleviation programmes, identification of target groups including Urban Poor Clusters, pockets of concentration of SCs/STs and other economically backward classes through surveys was a pre-requisite. The surveys would indicate, *inter-alia*, the income level of identified beneficiaries, their socio-economic status and spatial constraints in terms of potential access of Urban Poor to basic services, etc. No such surveys had been conducted for mapping or marking out of thrust areas. The desirability of integrating all the allied urban wage employment programmes having same components, objectives and target groups for avoiding overlapping and duplication of administrative machinery had also not been considered at any level. Similarly, mechanism for providing assistance in procurement/supply of raw-material to the beneficiaries and marketing tie-ups, as envisaged under the programme, had not been set-up. A proper system for determining the magnitude of unemployment among urban-poor had also not been evolved.

**Surveys for identification of target groups not conducted**

**Desirability of integrating all allied urban wage employment programmes not considered**

**Shelf of projects based on felt needs not prepared**

Besides, shelf of projects based on felt needs of the people, prioritisation of works/areas and action plan had not been prepared. With a view to ensuring and promoting community empowerment, the guidelines of the programmes envisaged constitution of Town Urban Poverty Eradication cells, Neighbourhood Groups (NHGs), Neighbourhood Committees (NHCs) and Community Development Societies (CDS) which were to be focal point for identification of beneficiaries, processing of applications, identification of viable projects and monitoring of recoveries, etc. The envisaged committees had not, however, been constituted due to which the intended objective of promoting community empowerment was not achieved.

**3.3.5.1 Identification of beneficiaries**

**Ineligible persons assisted**

Identification of individual beneficiaries on the basis of house to house surveys had not been done except by Jammu Municipality and TAC Udhampur. Selection of the beneficiaries was, however, done on the basis of an affidavit obtained from the beneficiaries affirming their “Below Poverty Line status” and income certificates from gazetted officers. In absence of surveys and details of economic status of beneficiaries, the correctness of providing assistance to the targetted beneficiaries could not be established in audit. A general review of the 990 assisted cases (including 370 cases under PMRY) revealed that in 533 cases (54 *per cent*) assistance had been extended to ineligible persons as indicated below:

**Beneficiaries covered included persons Above Poverty Line and children/spouse of serving/retired Government servants**

(i) Cross check of the particulars of 60 beneficiaries sponsored for training and self employment with the lists maintained by JUDA revealed that only one beneficiary figured in the survey list. Similarly, in 23 test-checked cases of TAC Udhampur, though the beneficiaries covered did not figure in the survey lists their cases had been sponsored by JUDA for assistance on the grounds of “their being below poverty line and that these were identified and would be included in the supplementary survey lists”.

(ii) 114 beneficiaries with ‘Above Poverty Line’ ration cards had been sponsored for assistance.

(iii) 142 individuals (including 10 under PMRY) having established shops/business were sponsored for expansion/improvement of their existing business.

(iv) 162 individuals declaring immovable property worth lakhs were sponsored.

(v) 49 cases of children/spouses of Government servants/retired Government servants were sponsored under PMRY.

(vi) 7 beneficiaries with educational qualifications of above IX class had been sponsored for self employment ventures irregularly under SJSRY.

Thus, by sponsoring 533 ineligible persons equal number of deserving needy persons were deprived of the intended benefits of the schemes.

### 3.3.6 Self Employment through setting up of Micro Enterprise and Skill Development

3.3.6.1 Under this component the identified beneficiaries were to be provided financial assistance in the form of subsidy at varying rates and institutional finance through public sector banks for setting up of self-employment ventures. The overall position of targets fixed and achievements made under self-employment component of NRY, PMIUPEP and SJSRY and PMRY<sup>φ</sup> during the period 1995-2000 was as under:

#### NRY, PMIUPEP and SJSRY

(Rupees in lakh)

Year	Target	No. of cases sponsored	Cases returned/ rejected by banks or pending	Cases sanctioned (percentage of cases sanctioned to cases sponsored)	Amount of Loan disbursed and subsidy released to banks			
					Cases	Loan	Subsidy	
1995-96	J	850	917	408	509 (56)	440	53.25	17.28
	U	1036	1022	456	566 (55)	NA	NA	22.50
1996-97	J	766	721	345	376 (52)	318	36.83	12.20
	U	1006	1391	964	427 (31)	NA	NA	17.08
1997-98	J	2022	1214	832	382 (31)	264	41.26	10.81
	U	1500	1183	466	717 (61)	NA	NA	32.11
1998-99	J	2200	2528	1643	885 (35)	690	250	45.84
	U	3237	2297	1351	946 (41)	NA	NA	71.61
1999-2000	J	2175	2313	1531	782 (34)	653	NA	41.59
	U	3262	1999 <sup>=</sup>	956	1043 (52)	453	NA	64.60

(J: JUDA; U:UDAK)

#### PMRY

Year	Target	Applications		Cases sanctioned		Amount of Loan disbursed (In lakh rupees)	
		Received	Sponsored	Number	Amount	Number	Amount
1995-96	3100	8283	5588	2586 (46)	1727.60	862	653.08
1996-97	3500	6832	4094	1632 (40)	1333.80	817	663.87
1997-98	5000	8114	4940	2637 (53)	2056.07	1501	760.05
1998-99	5000	7862	5717	2950 (52)	2397.49	1974	1488.04
1999-2000	5000	NA	7421	2774 (37)	2432.87	2000	1427.54
Total	21600	-	27760	12579 (45)	9947.83	7154	4992.58

(Figures in bracket represent percentage of cases sanctioned to cases sponsored)

<sup>φ</sup> Implemented in both rural and urban areas

<sup>=</sup> 3300 cases as per records of Administrative Department (Housing and Urban Development Department)

**Shortfall in setting up of self-employment enterprises**

There was shortfall in achievement of targets fixed for setting up of self-employment enterprises. Urban Development Agency Kashmir had not monitored the details of cases in which loans had been sanctioned/released by financial institutions. In Jammu region, against a target of setting up 8013 units under NRY, PMIUPEP and SJSRY during the period 1995-96 to 1999-2000, loan had been disbursed in only 2365 cases (30 *per cent*). Similarly, under PMRY achievement was only 33 *per cent* as loan had been disbursed for setting up 7154 units against 21600 cases targeted. Test-check revealed that the percentage of cases returned/rejected or pending with banks compared to cases sponsored during the period 1995-96 to 1999-2000 was very high and ranged between 47 and 63 under PMRY and 39 to 69 under NRY, PMIUPEP and SJSRY. Poor performance was attributed by the Department and Urban Development Agencies to poor response from banks. However, the main reasons for rejection of loan cases by the banks as seen in audit were: -(i) non-viability of the projects (ii) loans having already been availed of by the beneficiaries or their family members under other schemes and having defaulted in repayment (iii) beneficiaries having established units and being gainfully employed (iv) beneficiaries or their parents being already employed either in Government Service or in other organised sector (v) income of identified beneficiaries being more than the prescribed ceiling and (vi) beneficiaries not coming forward for completion of requisite formalities at bank. This indicated defective system of selection of beneficiaries and improper/ inadequate planning as already mentioned at para 3.3.5.1. Had identification of beneficiaries been done properly, considerable number of eligible persons could have been benefited under the Programme.

**Percentage of cases returned/rejected/ pending with banks high**

The operational guidelines of PMRY stipulated that number of applications sponsored to the banks should be around 100 *per cent* more than the target to take care of rejections by the banks. It was seen that the number of applications actually sponsored by executing agencies during 1997-98 was less than the target fixed and only 80, 17, 14 and 48 *per cent* more than the targets fixed during the years 1995-96, 1996-97, 1998-99 and 1999-2000 respectively.

**43 per cent cases sanctioned by bank did not avail loan**

The number of cases sponsored, sanctioned and loan disbursed as reported by DICs<sup>®</sup>, Director Employment and lead banks were found to be at variance with each other and variations had not been reconciled (April 2000). The details of variations are given in *Appendix-14*. The figures communicated by executing agencies to nodal department and to Government of India were not, thus, correct. It was also seen that out of 12579 cases sanctioned by banks for grant of loan; only 7154 (57 *per cent*) had availed of loan facilities which was attributed by the banks to delay in release of subsidy by implementing agencies and the beneficiaries not turning up after loans were sanctioned in their favour.

<sup>®</sup> District Industries Centres



**3.3.6.2 Selection of activities**

**Ventures set up in 2 to 4 activities only against 36 to 137 activities identified for self employment**

Under PMRY not more than 30 per cent of self employment ventures were to be set up in business sector. Audit scrutiny in test-checked districts, however, revealed that 62 to 77 per cent of ventures had been set up in business sector alone. Test-check of 1032 self employment ventures set up under NRY, PMIUPEP and SJSRY revealed that 423 provision stores (41 per cent), 104 readymade garment (10 per cent) and 88 cutting and tailoring (9 per cent) units had been set up and manufacturing and service sectors were largely ignored. The majority of self employment ventures had been set up under 2-4 activities only against 36 to 137 activities identified under various schemes of the programme. The objective of providing employment to the cross section of the society depending upon their traditional skills and aptitudes, etc. was not, thus, achieved fully.

**3.3.6.3 Delay in disbursement of loans**

There was considerable delay ranging up to 30 months in sanctioning of cases by banks as indicated below:

Agency	NO. of cases checked	Extent of delay in months				
		3-6	6-9	9-12	12-18	18-30
JUDA	248	163	44	26	14	1

The delay was indicative of lack of co-ordination and follow up action by concerned agency with banks concerned. No such information was available in the case of UDAK as the banks had not furnished details.

**3.3.6.4 Coverage of SC/ST/OBC and women beneficiaries**

**Low coverage of women, SCs/STs and OBCs**

The schemes envisaged that 30, 22.5 and 27 per cent of the beneficiaries should be women, SCs/STs and OBCs respectively so that basic change in their socio-economic profile/status could be brought about. However, it was noticed that prescribed percentage of coverage for women, SCs/STs and OBCs in test-checked districts was not followed. The actual coverage ranged between 4 and 12 per cent for women beneficiaries, 2 and 12 per cent for SCs/STs and nil and 7 per cent for OBCs. Reasons for low coverage were not intimated to Audit. Failure to cover the prescribed percentage of the special target groups had defeated the very basic objective of the programme.

**3.3.6.5 Repayment of loans and functional status of units**

**Physical verification of established self employment ventures not conducted**

Subsequent to release of loan to the beneficiaries and crediting of subsidy to their loan accounts for setting up of self-employment ventures, none of the implementing agencies had conducted physical verification for ascertaining whether the beneficiaries had actually set up the intended units and assessing their functional health for gainful employment. Thus, proper utilisation of loan of Rs 53.74 crore paid during 1995-96 to 1999-2000 and crediting of subsidy

**54 per cent  
loanees defaulted  
in repayment**

amounting to Rs 3.36<sup>^</sup> crore granted during the same period could not be ensured. None of the lead banks had maintained consolidated record for monitoring the status of repayment of loans by the assisted beneficiaries. Test-check of the position of repayment of loans in 550 cases in two districts (Jammu and Srinagar) as on 31 March 2000 revealed that 297 beneficiaries constituting 54 per cent of the sample to whom loan assistance of Rs 1.40 crore had been released, had defaulted in its repayment. The banks had registered 216 of these cases (Rs 89.93 lakh) as non-performing assets.

**43 per cent  
assisted  
enterprises non-  
traceable/non-  
functional/not  
established**

A survey of 196 assisted micro enterprises conducted by DIC Udhampur during 1999-2000 revealed that 23 units (12 per cent) were closed and non-traceable, 52 units (27 per cent) were non-functional and 74 units (4 per cent) had not been established at all. The impact of the setting up of self employment units in the remaining 57 per cent cases on improving the financial status of identified beneficiaries and incremental income generated, etc. had not been assessed or monitored.

### 3.3.7 **Development of Women and Children in Urban Areas (DWCUA) and constitution of Thrift and Credit societies**

With a view to empowering urban poor women and making them economically independent and creating congenial atmosphere for their self employment, the SJSRY envisaged grant of subsidy of Rs 1.25 lakh or 50 per cent of project cost to urban poor women desirous of setting up self employment ventures in groups in areas suited to their skill, training, aptitude and local conditions. These groups were further entitled to grant of Rs 25000 as revolving fund for purchase of raw material, etc. in case they organised themselves into a Thrift and Credit society. The position of availability of funds and expenditure incurred thereagainst during 1997-98 to 1999-2000 was as under:-

(Rupees in lakh)

	DWCUA				Thrift and Credit societies			
	Financial		Physical		Financial		Physical	
	Allocation	Expenditure	Targets	Achievements	Allocation	Expenditure	Targets	Achievements
JUDA	14.20	6.39	103	8	1.30	0.11	97	1
UDAK	66.58	Nil	214	Nil	14.50	Nil	200	Nil
DUDAs	1.50	1.25	NA	1	0.31	0.11	NA	1
<b>Total</b>	<b>82.28</b>	<b>7.64</b>	<b>317</b>	<b>9</b>	<b>16.11</b>	<b>0.22</b>	<b>297</b>	<b>2</b>

**Very low  
achievements in  
setting up of  
DWCUA groups  
and Thrift and  
Credit societies  
despite availability  
of sufficient funds**

As would be seen, the financial and physical achievements were very poor and only 9 (3 per cent) out of 317 targetted DWCUA groups and 2 (1 per cent) out of 297 targetted Thrift and Credit societies had been set up despite availability of sufficient funds with the implementing agencies. This depicted lack of motivation in establishing and promoting community organisations and structures so as to provide supporting mechanism for local development.

<sup>^</sup> Excludes figures of subsidy released in case of PMRY

Test-check further revealed that out of 9 DWCUA assisted groups, subsidy of Rs 1.15 lakh and Rs 1.25 lakh was released by JUDA to 2 groups which had already set up self employment ventures after obtaining financial assistance from State Women Development Corporation under *Rashtriya Mahila Kosh Scheme*. The prescribed guidelines regarding electing an organiser from amongst the group had also not been followed in the two cases as the proprietors of the training centres had been elected as organisers and authorised to manage the groups.

### **3.3.8 Training for skill upgradation**

**3.3.8.1** NRY, PMIUPEP and SJSRY envisaged providing training to beneficiaries for acquisition and upgradation of skills in a variety of services, manufacturing trades as well as local skills and crafts to enable them to set up self employment ventures or seek employment with better wages. Under PMRY the training was to be imparted to such beneficiaries who had been sanctioned loans by banks for setting up self employment units. During 1995-96 to 1999-2000, 10947 identified beneficiaries had been imparted training in different skills/trades under SUME, USEP\* and SHASU<sup>‡</sup> at an expenditure of Rs 1.56 crore. Following points were noticed in audit:

(a) The identification and selection of trainees was to be done on the basis of household survey and after assessing profile, aptitude and skills, etc. of the potential candidates. No plans were formulated by the agencies for imparting training to upgrade the skills of selected beneficiaries. While the selected beneficiaries under PMRY were imparted training before release of loans, no such training was imparted under SJSRY. In Jammu division trainees had, however, been identified, selected and sponsored by private training centres. These training centres had either forwarded lists of selected trainees to JUDA for approval or submitted lists of trainees, reportedly trained, for disbursement of training expenses. In Kashmir division out of 64 test-checked training courses, the trainees were nominated by Ministers in 6 cases, MLAs/MLCs in 31 cases, functionaries of political parties and religious and social trusts in 7 cases, owners of private training centres in 11 cases and by others in 9 cases. Selection of training centres/trainees had also been done on the recommendation of these agencies. Though UDAK had, after sanction of courses, called for proper applications with photographs of beneficiaries, etc. no such records/details were ever called for/obtained by JUDA. Records did not indicate that the implementing agencies had conducted, at any stage, any assessment/survey of the infrastructural facilities including faculty available and training modules devised, etc. in these private training institutes.

Guidelines of the schemes had suggested imparting of training through ITIs, Polytechnics, Shramik Vidyapeeths, Engineering Colleges and building

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\* Urban Self Employment Programme  
‡ Scheme for Housing and Shelter Upgradation

**Training not imparted under SJSRY**

**Trainees identified/nominated by private training centres, Ministers, MLAs/MLCs, etc.**

**Training not imparted through Government/voluntary organisations**

**Training imparted at private institutes which lacked expertise/infrastructure**

centres of the State and other suitable training institutions run by Government/private or voluntary organisations. No efforts had been made to involve Government ITIs, Polytechnics, etc. in the training programme for utilising their available capacity despite some of these institutions having volunteered to impart such training. Similarly, a large number of training courses were conducted in handicrafts, cutting, tailoring, etc. through private training institutes despite the fact that State Handicrafts and Social Welfare Department had sufficient infrastructure and outreach with over 600 training centres in these trades/crafts spread over the entire State. Only in Udhampur district one training course for 20 beneficiaries was conducted in 1999-2000 through Handicrafts Department which was in progress as of April 2000. The profile of the private training institutes commissioned for imparting training revealed that these bodies lacked, *prima-facie*, the requisite expertise, infrastructure and did not fulfil the prescribed criteria. Details of some such cases are indicated in the following table:

(Rupees in lakh)

S.No	Name of the training institute	No of candidates/courses	Trade	Period	Training expenses	Remarks
1.	Timber Merchant and General Order Supplier Jammu	140	Carpentry	1996-98	2.35	The Institute was functioning as a commission agent
2.	Industrial unit engaged in manufacture of steel doors and windows	2 training courses (50 candidates)	Electric fitting	1996-97	0.75	Unit was actually dealing in manufacture of doors/windows/ fan boxes
3.	Four shop keepers of Rajouri engaged in trading of hardware, paint, manufacture of furniture, etc.	50 candidates	Brick Making/Carpentry/Welding and shoe repairs	1995-96	0.75	General order suppliers
4.	Private Polytechnic at Baramulla recognised for 3 year Diploma courses in Computer, Agriculture, instrumentation, Dairy and Pharmacy	19 courses (496 candidates)	Cutting and tailoring, Radio/ TV repairs, Carpentry, Plumbing, etc.	1996-97 to 1999-2000	7.53	Though the polytechnic is functional at Baramulla, the courses were conducted at Srinagar
5.	Private Institute at R.S.Pora recognised for stenography, Computer, Electric trade and Draftsman/ Surveyors Course	6 courses (120 candidates)	Plumbing, Painting and glass fittings, etc.	1996-97	2.25 <sup>φ</sup>	The private institute was not registered for the trade in which training was imparted

Similarly, a training centre of Jammu advertising itself as a coaching centre for Medical/Engineering Entrance Examination, private tuitions for class IX to XII and English speaking courses, was allotted training courses in various trades including handicrafts, fashion and dress designing for a consideration of Rs 6.33 lakh. In view of above, the efficacy and genuineness of the total expenditure of Rs 19.96 lakh was, therefore, doubtful.

<sup>φ</sup> Includes amount of Rs 0.25 lakh for infrastructural support for each course

(b) Contrary to the approved pattern of the schemes, the prescribed duration of 3 to 6 months (minimum of 300 hours) of each training course was extended by JUDA during 1997-98 and 1998-99 in 14 cases from 6 months to 1 year in favour of some selected institutions resulting in extra expenditure of Rs 17.03 lakh. The same courses had been conducted through other training centres for 3 months only. The extra expenditure on such courses was met by diversion of interest income earned on deposit of unspent programme funds. Three such training centres were also reimbursed non-recurring expenses of Rs 1.32 lakh during each year in 1997-98 and 1998-99 for purchase of sewing machines, tools and equipment and furniture.

(c) There was no uniformity in the payment of training expenses to training centres. In the Valley area training allowance ranging from Rs 0.36 lakh to Rs 0.50 lakh per batch of 25 trainees was paid to training centres based on an analysis of requirement of raw material, instructors fee, stipend, etc. However, in Jammu division Rs 0.50 lakh had been paid uniformly for all identical courses without any analysis/break-up of actual requirement. Consequently, the training institutions, while submitting detailed accounts showed varying rates of stipend, instructors fee, etc. for similar courses apart from including items such as salary of chowkidar, peon, rent of premises, purchase of POL, etc. in order to account for entire amount of Rs 0.50 lakh.

(d) Finished products generated in training centres were to be deposited with the implementing agencies. In 15 test-checked cases in Kashmir division final payment was released by UDAK to training centres without obtaining the finished goods. In Jammu division there was no system of receiving back finished products although in 30 of the test-checked cases raw material valuing Rs 5.92 lakh had reportedly been consumed. Consequently, proper system for control over consumption of raw material was not exercised nor could the quality of training be monitored.

(e) None of the beneficiaries imparted training under the programmes had set up self employment ventures under SUME/USEP schemes except for 2 DWCUA group societies. The basic objective of imparting training for skill upgradation to 10945 beneficiaries for employment was not, thus, achieved.

**Objective of imparting skill upgradation training not achieved**

### **3.3.9 Urban Wage Employment Programme**

**3.3.9.1** The Urban Wage Employment component of the Programmes was designed to provide wage employment to urban poor beneficiaries through creation of socially and economically useful public assets. The works were to be executed by the identified urban poor beneficiaries or their groups/associations, etc. The works to be executed related to low cost water supply, pour flush community latrines, community facilities like parks, play grounds, community centres, drainage related works, neighbourhood clinics and ICDS feeding centres, etc.

**Details of expenditure incurred on execution of works and employment generated not monitored**

Against the funds of Rs 1.29 crore made available under wage employment programmes of NRY, PMIUPEP and SJSRY an amount of Rs 1.09 crore was released to the implementing agencies (JUDA: Rs 38.96 lakh; UDAK: Rs 60.88 lakh; DUDAs: Rs 9.30 lakh) during the years from 1995-96 to 1999-2000. The implementing agencies in turn released only 47 *per cent* funds aggregating Rs 51.48 lakh (JUDA: Rs 29.62 lakh; UDAK: Rs 10.41 lakh; DUDAs: Rs 11.45 lakh) to 32 and 9 TACs/NACs in Jammu and Kashmir areas for execution of various works and clearance of past liabilities (Rs. 6.48 lakh). Actual expenditure incurred by the local bodies, works executed and employment generated was not monitored at any level. Muster sheets had also not been maintained by any of Urban Development Agencies due to which the utilisation of funds for providing employment to urban poor could not be vouchsafed in audit. The local bodies were to draw up lists of basic minimum services available in their areas and identify missing basic services and other requirements of physical infrastructure. It was, however, seen that a proper system of identification and prioritisation of works to be taken up had not been evolved. The basis for selecting and taking up of works was not, thus, clear. Following further points were also noticed in test-check:

**Identification and prioritisation of works to be taken up not done**

(i) No groups/associations of identified beneficiaries were framed as envisaged and works were executed mainly by contractors/*mates* resulting in part of programme funds being paid as profit to contractors/*mates*.

(ii) Against a variety of need-based useful assets to be created under the programme, construction of drains/lanes only had been undertaken in all the test-checked TACs/NACs.

**Distribution of funds among TACs/NACs not uniform**

(iii) There was no uniformity in the distribution of funds among TACs/NACs based on population. Test-check revealed that no funds had been provided to 25 TACs/NACs (Kashmir division) and 2 TACs/NACs (Jammu division) since 1995-96 till 1998-99. While 22 TACs/NACs in Jammu division were paid funds far in excess of amounts due on the basis of their population; less grants were released to four TACs/NACs.

(iv) Consolidated records of assets created under the programme had not been maintained at any level nor had the register of assets been maintained in any of the test-checked TACs/NACs.

### **3.3.10 Employment through Housing and Shelter Upgradation**

**3.3.10.1** Under this component economically weaker sections of the society were to be provided a loan assistance of Rs 4000 under NRY and Rs 10000 under PMIUPEP, at the interest rate of 10.5 *per cent* recoverable in 120 months and subsidy (25 *per cent* subject to a maximum of Rs 1000 under NRY and Rs 2500 under PMIUPEP) for construction or upgradation of their dwelling units utilising their own labour. While Jammu and Kashmir State Housing Board (JKHB) was the nodal agency for drawal of loan under the

**Out of housing loan of Rs 5.35 crore obtained from HUDCO, Rs 3.85 crore only disbursed and balance invested in bank deposits**

schemes from HUDCO up to December 1995, Chief Executive Officers of JUDA and UDAK were made the nodal officers thereafter. During the period November 1997 to March 1998 the State Government obtained loan of Rs 5.35 crore from HUDCO for further disbursement to identified beneficiaries. Against 11639 beneficiaries proposed to be covered under this scheme, loan had been sanctioned in 4419 cases (38 *per cent*). Test-check revealed that amount of loan actually disbursed during this period was Rs 3.85 crore only (subsidy amount: Rs 25.75 lakh) and the balance unspent amount of Rs 1.50 crore had been invested in bank deposits. Consolidated records indicating total number of beneficiaries identified under this component, number of persons to whom loan assistance/subsidy was paid and details of construction/upgradation works executed had not been maintained at any level. Test-check of the records in various TACs/NACs, however, revealed as under:

(i) The loan assistance was released by JUDA to various TACs/NACs for further disbursement to the concerned beneficiaries. The assistance had, however, been disbursed after delays of 2-6 months from the date of receipt of funds. In case of NAC R.S. Pura and TAC Kathua amounts of Rs 1.59 lakh and Rs 0.75 lakh sanctioned in 24 cases and received in September 1999 and May 1999 respectively had not been released to the beneficiaries as of April 2000.

**Irregular disbursement of loan assistance**

(ii) In NAC Reasi, 28 State Government/Notified Area Committee employees had been provided loan of Rs 4000 each in June 1994 which was irregular. The outstanding loan amount of Rs 1.12 lakh alongwith interest of Rs 0.68 lakh was neither recovered nor any action initiated against officials responsible for the irregularity as of March 2000.

**Loan sanctioned in 188 ineligible cases**

(iii) Out of 200 cases test-checked in audit, loan had been sanctioned in 132 cases to such persons who were possessing *pucca* single or multi storey dwelling units and another 56 beneficiaries had 'Above Poverty Line' ration cards. It was also seen that application forms in majority of cases were generally blank in respect of columns seeking vital information regarding the socio-economic profile of the applicants having bearing on sanction of loans. Certificates of survey of the dwelling units by field staff of ULBs was not recorded on application forms in any of the TACs/NACs test-checked.

(iv) UDAK had not effected recovery of loan amounts in full from beneficiaries despite appointment of eleven Recovery Assistants. While an amount of Rs 4.81 lakh (against Rs 12.09 lakh as principal and Rs 7.19 lakh as interest due) was recovered up to November 1999, an expenditure of Rs 2.14 lakh was incurred on payment of wages to Recovery Assistants from October 1998 to November 1999. Accounts indicating loan amounts due for recovery from the beneficiaries along with interest had not been maintained by JUDA.

Out of Rs 6.25 lakh recovered from beneficiaries by 9 test-checked TACs/NACs during the period September 1998 to April 2000, an amount of Rs 3.51 lakh was remitted to JUDA and balance amount of Rs 2.74 lakh had been retained for periods ranging from 1 to 20 months. NAC Bishnah had utilised part of recovered loan (Rs. 0.13 lakh) on purchase of stationery.

### **3.3.11 Other Important points**

#### **3.3.11.1 Irregularity in appointments**

(i) Under SJSRY, a Community Organiser could be engaged for 2000 identified low income households for conducting survey of beneficiaries living below poverty line. The organisers were to be women as far as possible and they were to be appointed by transfer from any Government Department on deputation or by appointment on adhoc/contract basis. Test-check of records revealed that, without laying down any eligibility criteria i.e. qualification, etc. and without advertising the posts or inviting applications, etc., CEO, UDAK appointed 25 community organisers of which only 11 were women (salary paid: Rs 9.16 lakh) on a consolidated pay of Rs 2300 per month in November 1998 on the basis of list of names forwarded by Minister of H&UDD to CEO UDAK for issuance of orders. Orders were issued without verification of educational qualifications, etc. as a result of which it was subsequently found that even a non-matriculate had been appointed as community organiser who was eventually disengaged but at the same time appointed as Recovery Assistant under SHASU. In JUDA also 15 community organisers (7 women) were appointed (salary paid: Rs 4.30 lakh) in similar manner up to March 2000.

**Community organisers appointed on the recommendation of Minister without fixing eligible criteria**

**17 Recovery Assistants appointed on orders of Minister without creation of posts**

(ii) Seventeen SHASU Recovery Assistants (11 in UDAK and 6 in JUDA) were engaged (salary paid: Rs 4.13 lakh) for recovery of loans, etc. on a consolidated pay of Rs 1650 per month from September 1998 to March 2000 on the orders of Minister of Housing and Urban Development Department without advertising the posts or obtaining sanction to the creation of posts from Planning and Finance Departments.

**Irregular appointments made**

(iii) Assistant Project Officer DUDA Baramulla and a videographer in UDAK were appointed (July 1999) on consolidated wages of Rs 5000 and Rs 3500 per month respectively. Their services were subsequently regularised in November 1999 and placed in regular grades of Rs 6500-10500 and Rs 4000-6000. Another person appointed as typist in H&UDD on consolidated wages was also regularised against the post of Junior Assistant in DUDA Pulwama and placed in the grade of Rs 4000-6000 from December 1999. The initial appointment and subsequent regularisation of the officials was made without observing prescribed recruitment procedures like advertising the posts, inviting applications and formal selection by competent authority.



**3.3.12            *Monitoring and evaluation***

The programmes were neither monitored at State level nor at District level by any State Nodal Agency or Urban District Development Agencies.

**Programmes not  
monitored/  
evaluated**

The impact of the Programmes on the alleviation of urban poverty had also not been evaluated at any stage by any Government or independent agency although Ministry of Industries, GOI had released Rs 0.50 lakh for evaluation of PMRY which had, however, not been utilised for the purpose.

The above points were reported to Government/Department in August 2000; reply had not been received (December 2000).

<b>Planning and Development Department</b>
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<b>3.4</b>	<b>Members of Parliament Local Area Development Scheme and Constituency Development Scheme</b>
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**Highlights**

*Under the Members of Parliament Local Area Development and Constituency Development Schemes (MPLADS and CDS) the legislators had the choice of suggesting execution of works in their respective constituencies based on locally felt needs. The objective could not, however, largely be achieved due to non-utilisation of funds by the District Development Commissioners and delay in finalisation/approval of the cost estimates of individual works. Unauthorised diversion of scheme funds, delay in execution of works and retention of unspent balances by the implementing agencies contributed to the improper implementation of the schemes.*

- Out of Rs 33.50 crore and Rs 59.12 crore released under MPLADS and CDS respectively during 1996-2000, Rs 21.48 crore (64 per cent) and Rs 24.79 crore (42 per cent) remained unutilised at the end of March 2000.

(Paragraph: 3.4.4)

- Adjustment accounts for Rs 16.10 crore advanced during 1997-98 to 1999-2000 to implementing agencies for execution of works under CDS in four test-checked districts had not been obtained as of March 2000. Besides, unspent balance of Rs 49.65 lakh (MPLADS: Rs 9.53 lakh; CDS: Rs 40.12 lakh) in respect of 345 works (MPLADS: 74; CDS: 271) completed up to March 2000 had not been recovered from various implementing agencies as of July 2000.

(Paragraph: 3.4.4 (b))

- Rupees 48.85 lakh (MPLADS: Rs 30.16 lakh; CDS: Rs 18.69 lakh) were diverted in the test-checked districts on purchase of inventory, execution of soil conservation works for individual beneficiaries, etc. in contravention of the guidelines of the schemes.

(Paragraph: 3.4.4 (c))

- Of the 1954 works (MPLADS: 281; CDS: 1673) sanctioned during 1996-99, 143 works (MPLADS: 8; CDS: 135) (7 per cent) had not been started despite availability of funds. Further 287 works (16 per cent) out of 1811 works taken up during 1996-99 had not been completed

even after lapse of 13 to 38 months from the date(s) of release of funds for these works.

(Paragraphs: 3.4.5 and 3.4.6)

- Four works, having estimated cost of Rs 25.03 lakh (3 MPLADS: Rs 24.03 lakh; 1 CDS: Rs 1.00 lakh) for which Rs 18.93 lakh (MPLADS: Rs 17.93 lakh; CDS: Rs 1.00 lakh) were released to the implementing agencies, had been abandoned after incurring an expenditure of Rs 7.73 lakh (MPLADS: Rs 7.07 lakh; CDS: Rs 0.66 lakh).

(Paragraph: 3.4.7 (a) to 3.4.7 (d))

- One hundred ninety nine works (estimated cost: Rs 2.56 crore) relating to places of religious worship (46), private institutions, trusts and registered societies, etc. (58) and repair and maintenance of existing assets (95) were irregularly taken up for execution in violation of the guidelines of the schemes.

(Paragraph: 3.4.8)

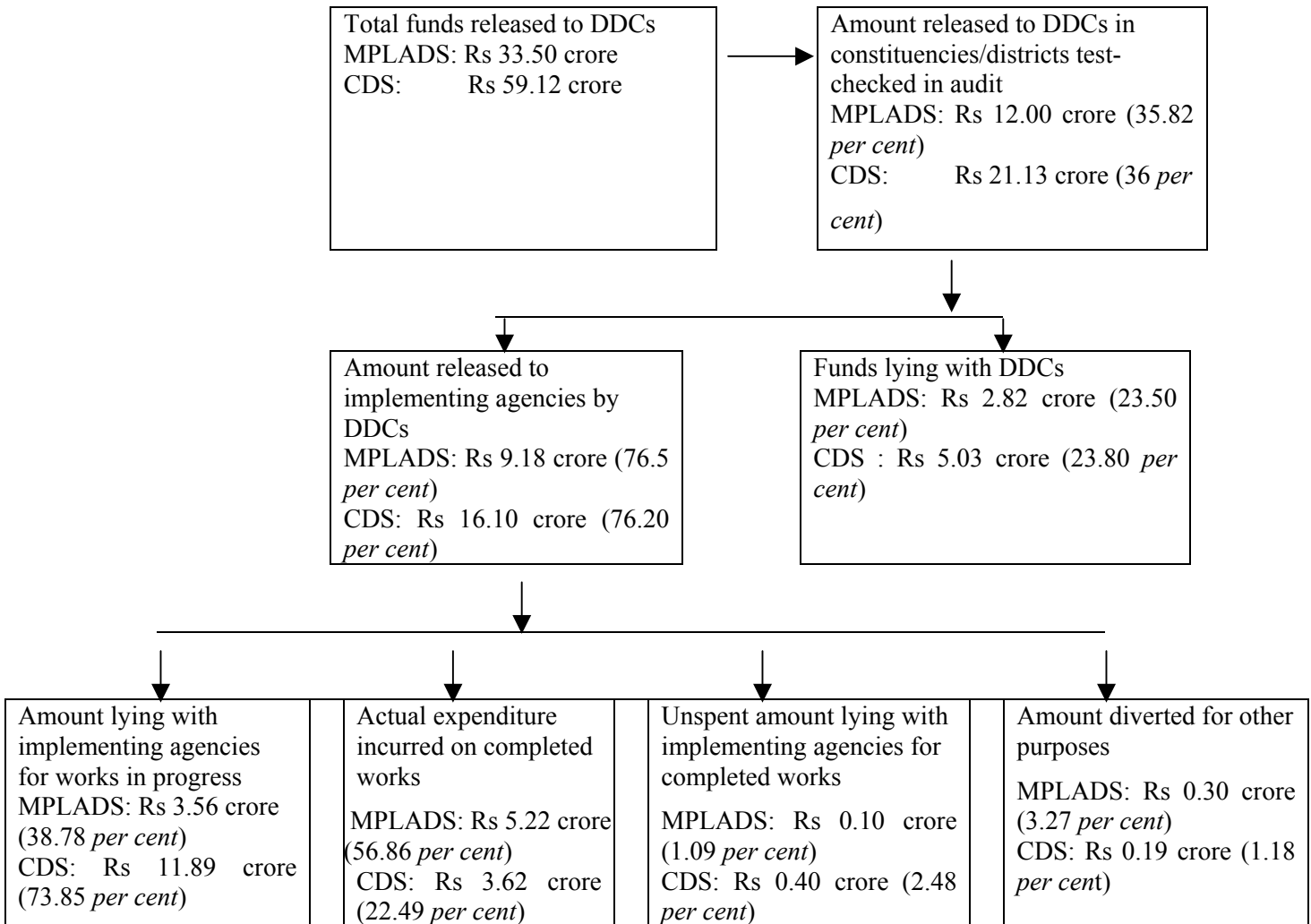
- Record of assets created under the two schemes had not been maintained.

(Paragraph: 3.4.9)

- The implementation of programme was not properly monitored nor had prescribed minimum 10 *per cent* of works been inspected.

(Paragraph: 3.4.10)

### Finance Inverse Tree



#### 3.4.1 Introduction

Members of Parliament Local Area Development Scheme (MPLADS) introduced during 1993-94 was implemented in the State from 1996-97 after Lok Sabha elections held in May 1996. Under this scheme, each Member of Parliament had the choice of suggesting to the District Development Commissioner small works of capital and developmental nature based on locally felt needs in his/her constituency within a cost limit of Rs 10 lakh in respect of each work and a total cost ceiling of Rs 1 crore in respect of the constituency as a whole (Rs 2 crore per year from 1998-99). Elected members of the Rajya Sabha were allowed to select works for implementation in one or more districts as they might choose. On the analogy of this scheme, the State

Government also introduced (April 1997) a Constituency Development Scheme (CDS) for the Members of Legislative Assembly and Legislative Council. Under CDS, each member had the choice of suggesting to the DDC<sup>v</sup> works within a cost limit of Rs one lakh for each work with a cost ceiling of Rs 25 lakh in a year for the constituency as a whole. In Jammu and Kashmir there are 6 Members of Lok Sabha, 4 of Rajya Sabha and 118 MLAs/MLCs.

#### **3.4.2 Organizational set up**

The schemes were implemented by DDCs through line departments including Block Development Officers and Local Bodies like Municipalities, etc. The State Planning and Development Department was the nodal agency for the overall control, supervision and co-ordination of the schemes at the State level.

#### **3.4.3 Audit coverage**

Implementation of the schemes during 1996-97 to 1999-2000 was reviewed in audit between October 1999 and February 2000 through test-check of records of Planning and Development Department at the State level and in 2<sup>€</sup> constituencies each (40 *per cent*) out of 6 Lok Sabha and 4 Rajya Sabha Constituencies and 50 out of 118 MLAs/MLCs under CDS. The important points noticed are mentioned in the succeeding paragraphs.

#### **3.4.4 Financial outlay and expenditure**

While funds under MPLADS<sup>♦</sup> were provided to the respective DDCs directly by the Central Government, funds under CDS were released by the Planning/Finance Department to the DDCs. Funds released under these schemes were kept in separate bank accounts by each District Development Commissioner for release to different executing agencies from time to time. Interest received from the banks was also to be utilised for execution of works under the schemes.

Against Rs 33.50<sup>φ</sup> crore and Rs 59.12<sup>\*</sup> crore released by Central and State Governments respectively during the period 1996-97 to 1999-2000<sup>€</sup>, expenditure of only Rs 12.02 crore (36 *per cent*) and Rs 34.33 crore (58 *per cent*) was incurred during the corresponding period. The shortfall in utilisation of funds was due to non-release of funds by the DDCs and tardy execution of works by implementing agencies as discussed in the following paragraphs. Failure of the DDCs to release funds to the implementing agencies was

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<sup>v</sup> District Development Commissioner  
<sup>€</sup> Srinagar-Budgam; Jammu- Rajouri- Poonch  
<sup>♦</sup> Members of Parliament Local Area Development Scheme  
<sup>φ</sup> Year-wise break-up not available  
<sup>\*</sup> Excludes releases of Budgam, Poonch and Kargil districts for the year 1999-2000  
<sup>€</sup> Up to February 2000 in respect of MPLADS

**Poor utilisation of funds and tardy execution of works**

attributed to the delays in selection of works by the legislators. The reasons offered were not entirely correct. The selected works were to be sanctioned by the DDCs within 45 days of their identification by the MPs. However, test-check revealed that 64 MPLADS works were sanctioned by the respective DDCs after delays up to 5 months. Further, funds for 79 works had been released to implementing agencies 4 to 15 months after the date (s) of sanctioning works. Test-check further revealed that 66 works sanctioned by DDC Jammu in April/September 1999, for which Rs 18.80 lakh were released to DDC Poonch in December 1999, had not been taken up (April 2000) as funds had not been released by DDC Poonch to the implementing agencies. Reasons for this were awaited (July 2000). This indicated that the poor utilisation of funds and tardy execution of works was mainly due to the failure of the DDCs to monitor and oversee the implementation of schemes closely. Following points also emerged as a result of audit analysis: -

**(a) Improper maintenance of records**

The funds released under the scheme were to be kept separately for each MP/MLA in a saving bank account. The funds were, however, kept in current accounts in 2<sup>#</sup> and 11<sup>€</sup> cases respectively under MPLADS and CDS. At the level of implementing agencies also separate records of MPLADS and CDS were not maintained in Rural Development Department due to which position of funds/expenditure was not separately identifiable. Test-check also revealed that cash books had not been maintained by DDCs Jammu and Udhampur for these funds nor was reconciliation of cheques issued to implementing agencies conducted in any of the test-checked districts. Bank reconciliation had also not been carried out at any stage. Due to this bank balance of Rs 3.58 lakh (MPLADS: Rs 1.47 lakh; CDS: Rs 2.11 lakh) appearing in accounts of Block Development Officer R.S.Pura (Jammu district) at the end of March 2000 was at variance with the balance of Rs 5.46 lakh (MPLADS: Rs 1.54 lakh; CDS: Rs 3.92 lakh) as per bank scrolls. Reasons for variations had not been investigated (July 2000).

**(b) Non-remittance of detailed accounts**

**Detailed accounts for Rs 16.10 crore not obtained from 63 implementing agencies**

Financial Rules of the State Government provide for submission of detailed accounts to the Accountant General in support of all advances drawn from the treasuries. The CDS funds are drawn from the treasuries by the respective DDCs and released to implementing agencies from whom detailed accounts are required to be obtained. In the test-checked districts, Rs 16.10 crore were advanced to 63 implementing agencies during 1997-98 to 1999-2000 but detailed accounts had not been obtained for scrutiny and submission to Accountant General. In respect of MPLADS, statements of expenditure required to be sent to the Accountant General by the end of May of the

<sup>#</sup> DDC Srinagar and DDC Poonch

<sup>€</sup> DDC Srinagar

following year were not sent by any of the five test-checked DDCs. Utilisation certificates had also not been sent to Government of India in any case.

**Unutilised funds of Rs 49.65 lakh in respect of completed works not refunded**

Due to non-maintenance of proper accounts, refund of savings from completed works and interest money lying with implementing agencies had not been monitored. Test-check revealed that unutilised amount of Rs 49.65 lakh (MPLADS: Rs 9.53 lakh; CDS: Rs 40.12 lakh) was lying (July 2000) with various implementing agencies in respect of 345<sup>φ</sup> works completed as of March 2000. In another 7 CDS and 5 MPLADS works executed through BDO Purmandal, funds aggregating Rs 17.29 lakh (MPLADS: Rs 7.37 lakh; CDS: Rs 9.92 lakh) released up to March 2000 were shown as fully spent although actual expenditure was Rs 13.67 lakh only (MPLADS: Rs 3.99 lakh; CDS: Rs 9.68 lakh). Further, unutilised interest amount of Rs 34.65 lakh (MPLADS: Rs 17.97 lakh; CDS: Rs 16.68 lakh) was lying with the test-checked DDCs (Rs 32.84 lakh) and implementing agencies (Rs 1.81 lakh) as of March 2000 which had neither been utilised on sanctioned works nor refunded.

**(c) Diversion of funds**

**Rs 48.85 lakh diverted on activities not covered under the schemes**

The guidelines of the schemes prohibit utilisation of funds for incurring revenue expenditure, purchase of store/stock or creation of assets for individual beneficiaries. Works which were developmental in nature and resulted in creation of durable assets were only to be taken up for execution. Test-check, however, revealed that funds aggregating Rs 48.85 lakh (MPLADS: Rs 30.16 lakh; CDS: Rs 18.69 lakh) were unauthorisedly diverted and utilised during 1996-2000 on activities/ purchase of inventory, etc. as indicated below:

(Rs in lakh)

S.No	District	Purpose for which diverted	Amount	Scheme
1.	Srinagar, Jammu, Rajouri and Udhampur	Revenue expenditure including purchase of POL, shifting of electric sub-station, etc.	4.53	MPLADS: 2.29 CDS: 2.24
2.	Srinagar	Purchase of material for rehabilitation of victims of militancy	6.75	MPLADS
3.	Rajouri	Purchase of fax machines, electronic typewriter	0.95	CDS
4.	Jammu, Rajouri and Udhampur	Purchase of tipper, vehicle, computers and books.	10.12	MPLADS
5.	Jammu	Execution of Jawahar Rozgar Yojna works	11.00	MPLADS
6.	Udhampur	Soil conservation works for 253 individual beneficiaries	15.50	CDS
	<b>Total</b>		<b>48.85</b>	

<sup>φ</sup> MPLADS: 74; CDS: 271

Responsibility for diversion of funds and execution of works in violation of the guidelines of the two schemes had not been fixed nor had the amounts spent, unauthorisedly, been recouped (March 2000).

### 3.4.5 *Physical performance*

The overall year-wise details of works suggested by MPs/MLAs/MLCs for execution, works sanctioned by DDCs with their cost estimates, funds released, expenditure incurred and physical status of these works was not monitored at any stage either by Planning and Development Department at the State level or by DDCs at district level. It was, however, noticed in audit that in the test-checked constituencies<sup>ψ</sup>, out of 1954 works (MPLADS: 281; CDS: 1673) sanctioned during 1996-97 to 1998-99, only 1524 works (MPLADS: 206; CDS: 1318) constituting 78 *per cent* of the approved works had been completed up to March 2000. Of the remaining 430 works, 143 works (MPLADS: 8; CDS: 135) had not been taken up despite availability<sup>φ</sup> of Rs 0.80 crore, Rs 4.07 crore and Rs 2.76 crore with the DDCs at the end of March 1997, March 1998 and March 1999 respectively. Reasons for not taking up all the sanctioned works were awaited (April 2000).

### 3.4.6 *Delay in execution of works*

Under the schemes only those works are to be taken up which can generally be completed within one year. Test-check, however, revealed that out of 1811 works taken up during 1996-97 to 1998-99, 287 works (MPLADS: 67 works/estimated cost: Rs 14.87 crore; CDS: 220 works/estimated cost: Rs 4.75 crore) on which an expenditure of Rs 2.51 crore (MPLADS: Rs 0.82 crore; CDS: Rs 1.69 crore) had been incurred, were at different stages of execution even after lapse of 13 to 38 months from the date (s) of release of funds for these works. Reasons for delay had not been ascertained by the respective DDCs. Further, execution of 4 additional works under CDS (estimated cost: Rs 2.67 lakh) and 15 works under MPLADS (estimated cost: Rs 24.41 lakh), for which Rs 1.99 lakh and Rs 19.43 lakh were released during December 1997 to March 2000, had not been taken up as of March 2000. Reasons for not taking up these works even after the release of funds were not intimated.

**Physical and financial performance of works not monitored**

**Works not taken up despite release of Rs 21.42 lakh**

<sup>ψ</sup> Excluding Srinagar-Budgam constituency

(Rs in crore)

<sup>φ</sup> Scheme	March 1997	March 1998	March 1999
MPLADS	0.80	0.63	1.35
CDS	-	3.44	1.41



**3.4.7 Works taken up without obtaining administrative approval and technical sanction**

**Rs 4.43 crore released for 376 works without issue of administrative approval/technical sanction**

The financial rules and guidelines of the two schemes provide that no work shall be taken up unless administratively approved and technically sanctioned. However, in Udhampur and Rajouri districts the respective DDCs released funds aggregating Rs 4.43 crore (MPLADS: Rs 1.66 crore; CDS: Rs 2.77 crore) for 376 works (MPLADS: 123; CDS: 253) during 1996-97 to 1999-2000 without issuing administrative approvals and obtaining technical sanctions.

According to the guidelines of the schemes, individual works costing not more than Rs 10 lakh per work under MPLADS and not more than Rs 1 lakh under CDS were to be taken up and deviations were to be made only in special/exceptional cases. Test-check, however, revealed that out of 3018 works (MPLADS: 748; CDS: 2270) sanctioned in the test-checked constituencies ending March 2000, 670 works (MPLADS: 5; CDS: 665) constituting 22 per cent of the total works were sanctioned at estimated cost exceeding the prescribed limits. These included two CDS works viz. 52 metre foot suspension bridge at Koughe in Udhampur district (estimated cost: Rs 44.39 lakh) for which Rs 2.50 lakh were released in 1998-99 and construction of high school building in Kishtwar (estimated cost: Rs 91.93 lakh) for which Rs 21 lakh had been released in September 1999. Reasons for taking up works in excess of the prescribed cost ceilings were not intimated.

The execution of works without obtaining administrative approval and technical sanction, improper/inadequate monitoring and co-ordination at various levels resulted in wasteful/infructuous expenditure. Some of the important instances are discussed below:

(a) DDC Jammu released Rs 1.09 lakh to Block Development Officer Dansal in April 1998 for execution of three works (construction of breast wall of high school Dansal; repair of Panchayat Ghar at Bamial; water tank at Khoda Mohalla Gujran) under MPLADS. These works had, however, already been executed under other (State/Central plan) schemes. Out of Rs 1.09 lakh, an amount of Rs 0.86 lakh was refunded in April 2000 at the instance of Audit (December 1999) while Rs 0.23 lakh had yet to be recovered (July 2000).

(b) Construction of two rooms with verandah at SPM Rajput high school Jammu (estimated cost: Rs 9.70 lakh) was sanctioned by DDC Jammu under MPLADS in December 1997 and Rs 7.23 lakh were released to Executive Engineer, R&B Division No II, Jammu in March 1998. The work was allotted by R&B Division No II to J&KPCC<sup>®</sup> Ltd. (a Government Company) and Rs 7.23 lakh were advanced to it in August 1998. The work

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<sup>®</sup> Jammu and Kashmir Project Construction Corporation

**Wasteful expenditure of Rs 3 lakh on unauthorised execution of work**

taken up by the Company in November 1998 was abandoned in February 1999, after an expenditure of Rs 3 lakh had been incurred, following objections raised by Jammu Municipality to the raising of the building as the drawings for its construction had not been got approved from them. The work had not been resumed up to March 2000. Another MPLADS work of constructing Surankote-Sangla road (estimated cost: Rs 10 lakh) for which Rs 7.45 lakh were released (June 1997) to Block Development Officer Surankote (Poonch district) had been abandoned due to land dispute rendering expenditure of Rs 3 lakh incurred up to March 2000 unfruitful. Another work relating to construction of approach road/drain of Gujjar Mohalla Ambedkar Chowk, Jammu (estimated cost: Rs 4.33 lakh) allotted (May 1998) to Jammu Municipality was abandoned in July 1998 after construction of 882 rft drain at a cost of Rs 1.07 lakh against Rs 3.25 lakh released to it in May 1998. Reasons for abandoning the work of construction of road were neither on record nor was the unspent balance recovered up to March 2000.

**Unfruitful expenditure of Rs 4.07 lakh on abandoned works**

(c) Construction of *bowli*-cum-bath room at Saroh (estimated cost: Rs 0.15 lakh), community centre at Sair (estimated cost: Rs 2 lakh) and community hall in village Chakli (estimated cost: Rs 0.30 lakh) in Rajouri district under CDS, for which funds were released in June 1998, had not been taken up due to land disputes and non-identification of alternative sites. Similarly, the work of constructing stadium/library at Bagnoti in Rajouri district (estimated cost: Rs 1.50 lakh) for which CDS funds were released in February 1999 without ensuring availability of land had also not been taken up (March 2000). Construction of a road from *bowli* behind airfield to Gujjar Basti, Dhanidhar (Rajouri district) for which Rs 1 lakh was released (April 1999) to Executive Engineer (R&B), Rajouri in anticipation of administrative approval and technical sanction, had to be abandoned due to land dispute with defence authorities and expenditure of Rs 0.66 lakh incurred up to October 1999 was rendered unfruitful.

**Works not taken up due to land disputes/ non-identification of sites**

(d) Audit scrutiny further revealed that three road works were also executed and were paid for by Block Development Officer Purmandal through *mates* under CDS in June 1998, March 1999 and April 1999. However, while making payment of final bills, cost of 15.61 Mt of bitumen (Rs 2.17 lakh) supplied departmentally had not been accounted for while arriving at actual payments due to the *mates*. This resulted in excess payment of Rs 2.17 lakh which had not been recovered (July 2000).

**Excess payment of Rs 2.17 lakh**

### **3.4.8 Execution of works not covered under the scheme**

**Works relating to places of religious worship, trusts, etc. sanctioned in violation of scheme guidelines**

The scheme prohibits execution of works relating to places of religious worship, trusts, registered societies and private institutions. Repair and maintenance works are also not to be taken up. However, 46 works having estimated cost of Rs 50.75 lakh (19 MPLADS: Rs 30.17 lakh; 27 CDS: Rs 20.58 lakh) relating to places of religious worship suggested by MPs/MLAs/MLCs were sanctioned by respective DDCs and funds

aggregating Rs 48.17 lakh (MPLADS: Rs 28.21 lakh; CDS: Rs 19.96 lakh) were released ending March 2000 in violation of the guidelines of the schemes. Further, 95 repair and maintenance works estimated to cost Rs 92.60 lakh (5 MPLADS: Rs 3.63 lakh; 90 CDS: Rs 88.97 lakh) were also taken up for execution in the test-checked districts ending March 2000 in violation of the guidelines of the schemes. Besides, 17 MPLADS works (estimated cost: Rs 47.12 lakh) and 41 CDS works (estimated cost: Rs 65.36 lakh) of land levelling and those pertaining to trusts, registered Societies and private institutions were also executed in violation of the guidelines. Reasons for taking up these works were not intimated.

### **3.4.9 Maintenance of Asset Registers**

Record of assets created/acquired under the schemes including computers and vehicles had not been maintained by District Development Commissioners in any of the test-checked districts reasons for which were not intimated. Completion reports of works executed had also not been obtained. In absence of these records, the position of assets created and whether these assets were handed over to line departments for maintenance was not monitored by the DDCs. The impact of the assets created on overall development of the constituencies and the needs of the general public had also not been monitored.

### **3.4.10 Monitoring**

The State Planning and Development Department is to monitor the execution of works under the schemes. The DDCs are to visit and inspect at least 10 *per cent* of the works every year. Schedule of inspections prescribing the minimum number of field visits for each supervisory level of the implementing agencies was to be drawn up by the State Planning Department. State Planning Department had, however, neither prescribed any such schedules nor had issued any instructions to that effect (October 1999). The implementation of MPLADS was not monitored at all by the Planning and Development Department except for holding one meeting at State level in March 1999. In the test-checked districts, the prescribed 10 *per cent* inspection of works was not carried out by the DDCs and no record of inspections, if any, carried out was kept. No record of inspections carried out by each supervisory level was also maintained. Work registers had also not been maintained by the DDCs.

The above points were reported to the Government/Department in August 2000; reply had not been received (December 2000).

- **Data base of assets created not maintained**
- **Impact of assets created on development of constituencies not monitored**

**Implementation not monitored and no record of works inspected maintained**

<b>Revenue Department</b>
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<b>3.5 Assistance to migrants</b>
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**Highlights**

*Relief Organisation was set up in March 1990 for carrying out relief operations in the State for the militancy affected families which migrated to Jammu region from the valley. Six migrant camps had been established in Jammu and Udhampur districts and 31913 families had been registered in the State up to March 2000 out of which 15329 families were provided cash relief and free rations for Rs 167.77 crore during the period 1995-96 to 1999-2000. The expenditure incurred on cash relief, free rations and development of infrastructure in migrant camps was reimbursed by the Central Government.*

- The expenditure on cash assistance was overstated by Rs 1.49 crore, Rs 0.57 crore and Rs 2.20 crore during the years 1997-98 to 1999-2000 respectively. Detailed adjustment accounts for Rs 2.58 crore advanced to various departments, zonal/camp officers, etc. and utilisation certificates for Rs 4.37 crore were awaited (August 2000).

(Paragraph: 3.5.4 (a) and (c))

- Norms for administrative expenses had not been fixed by the Organisation. The administrative expenditure of the Organisation increased from Rs 726 in 1995-96 to Rs 1247 per family during 1999-2000.

(Paragraph: 3.5.4.1)

- Due to non-adherence to the prescribed procedures for registration of migrants and poor control mechanism, 26000 families registered by the Organisation were found to be fake, up to March 1998. Irregular assistance of Rs 40.88 crore had been paid to these families against which Rs 3.62 crore (9 per cent) only had been recovered.

(Paragraph:3.5.5(a))

- Cash assistance of Rs 7.24 crore had been paid to 779 migrant political activists from April 1996 to March 2000 whose antecedents had not been verified properly. Of this, Rs 1.12 crore had been paid even after the committee constituted (April 1999) by the Government failed to establish or verify the genuineness of these cases.

(Paragraph: 3.5.5(b))

- **Accounts of free rations provided to migrant families had not been reconciled with the Food and Supplies Department. Test-check revealed a variation of Rs 3.98 crore between the accounts of Food and Supplies Department and Relief Organisation during the period from 1995-96 to 1999-2000.**

**(Paragraph: 3.5.6)**

- **Out of 4588 one room tenements constructed for migrants during the period from 1990-91 to 1997-98, 2131 tenements (46 per cent) constructed during 1991 to 1994 (cost: Rs 7.30 crore) were defective and developed cracks in walls/RCC roofs immediately after these were occupied. The defects had not been set right (October 2000).**

**(Paragraph: 3.5.8)**

### **3.5.1 Introduction**

Due to militancy in Kashmir valley, migration of people to Jammu region and other places in the country started in the year 1990 and continued thereafter. A Relief Organisation was created (March 1990) temporarily in the Revenue Department for carrying out relief operations like arrangements for accommodation, payment of cash assistance, issue of free rations, etc. In all 31913\* families had been registered by the Organisation in the State up to March 2000. Of these, 15329 families (62206 persons) were getting cash relief at the rates notified from time to time and free rations (rice:9 kgs; wheat: 2 kgs; sugar: 1 kg).The remaining families belonging to the employees of the State/Central Government, public sector undertakings/local bodies and pensioners drawing pension equal to or more than the amount of cash relief were, however, not entitled to cash relief and free rations. The Government also provided ex-gratia relief to migrant families for loss/damage to immovable property due to militancy.

The expenditure incurred on Assistance to Migrants and Improvement of Infrastructure facilities in migrant camps was reimbursed by the Central Government as part of Security Related Expenditure.

### **3.5.2 Organisational set-up**

Relief Commissioner, Jammu was responsible for carrying out relief operations for the migrants under the overall control of Revenue Department. He was assisted by two Deputy Commissioners, three Assistant Commissioners, a Chief Accounts Officer and fifty three camp commandants/zonal officers. Free rations were provided to the registered families through sale depots of the Food and Supplies Department on ration

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\* Includes 3731 families registered during 1995-2000

slips issued by the camp commandants/zonal officers. Works relating to improvement/maintenance of infrastructure, sanitation works, etc. at camps were executed mainly by various Line Departments viz., Public Works/Public Health Engineering/Power Development Departments, Jammu Development Authority and Jammu Municipality. Health care facilities at camps were provided by the Health and Medical Education Department.

### 3.5.3 *Audit Coverage*

The activities of the Relief Organisation were last reviewed by Audit during September 1990 to August 1992 and comments included in Paragraph 3.5 of the Report of the Comptroller and Auditor General of India for the year ended March 1992.

The present review, covering the period from 1995-96 to 1999-2000, was conducted during July-September 2000 by test-check of records maintained by Relief Commissioner, Jammu and 12<sup>#</sup> camps/zones out of 53 camps/zones. Important points noticed are contained in succeeding paragraphs.

### 3.5.4 *Allocation and expenditure*

The position of funds allocated to the Organisation and expenditure incurred thereagainst during the years from 1995-96 to 1999-2000 was as under:

Particulars	1995-96		1996-97		1997-98	
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure
Cash assistance	22.00	21.53	25.50	25.14	28.55	28.42
Free Rations	4.50	4.50	5.30	5.31	5.60	5.42
Improvement to infrastructure/health care	0.60	0.49	7.28	1.02	7.28*	7.09*
Ex-gratia relief	-	-	14.36 <sup>§</sup>	14.36 <sup>§</sup>	5.00	5.00
Administrative Expenses	1.30	0.95 (73)	1.47	1.07 (73)	1.69	1.35 (80)
Miscellaneous	0.96 <sup>¶</sup>	0.90	0.36	0.33	0.65	0.65
<b>Total</b>	<b>29.36</b>	<b>28.37 (97)</b>	<b>54.27</b>	<b>47.23 (87)</b>	<b>48.77</b>	<b>47.93 (98)</b>
Particulars	1998-99		1999-2000			
	Allocation	Expenditure	Allocation	Expenditure		
Cash assistance	29.16	28.42	38.00	38.12		
Free Rations	6.00	6.00	5.00	4.91 <sup>¶</sup>		
Improvement to infrastructure/ Health care	4.05	3.66	3.44	3.11		
Ex-gratia relief	2.74	0.50	4.95	4.95		
Administrative Expenses	1.99	1.41 (71)	2.22	1.91 (86)		
Miscellaneous	0.78	0.68	0.50	0.50		
<b>Total</b>	<b>44.72</b>	<b>40.67 (91)</b>	<b>54.11</b>	<b>53.50 (99)</b>		

# Jhiri, Mishriwala, Udampur, Reasi, Kathua, Janipur I & II, Sarwal II & III, Muthi III, DC's Office (I & II)

\* Includes Rs 6.22 crore out of PM's package of Rs 6.60 crore provided during 1996-97 and revalidated during 1997-98

§ Includes Rs 3 crore transferred by DC Jammu for payment of ex-gratia relief

¶ Includes cost of tents/ORTs and expenditure on maintenance/protection works

¶ Excludes Rs 3.60 crore (approximately) representing unpaid liability for the year

Of the total allocation of Rs 231.23 crore made during the years 1995-96 to 1999-2000, expenditure of Rs 217.70 crore (94 per cent) had been incurred by the organisation under the programme. Following further points were noticed:

**(a) Overstatement of expenditure and drawals in excess of requirement**

The expenditure incurred was overstated as it included advances drawn from the treasury and paid to various camp commandants/zonal officers and other implementing agencies for further disbursement/execution of works. Against the reported expenditure of Rs 28.42 crore each during 1997-98 and 1998-99 and Rs 38.12 crore during 1999-2000 on cash assistance, expenditure actually incurred amounted to Rs 26.93 crore, Rs 27.85 crore and Rs 35.92 crore respectively during these years. The balance amounts of Rs 1.49 crore, Rs 0.57 crore and Rs 2.20 crore were either locked up in bank accounts (Rs 1.21 lakh at the end of March 2000) of the camp/zonal functionaries or had subsequently been refunded to the Chief Accounts Officer, Relief Organisation. This also indicated that the amounts were drawn from the treasury and advanced to camp commandants/zonal officers without assessing actual and immediate requirements. Similarly, Rs 2.76 crore representing undisbursed ex-gratia payments, though booked as final expenditure, were also lying in the bank account at the end of March 2000.

**(b) Unauthorised retention and diversion of funds**

The Organisation advanced (March 1995) Rs 3.50 crore to Jammu and Kashmir Projects Construction Corporation (a State Government company) for construction of one room tenements (ORTs) for the migrants. The company utilised Rs 50.17 lakh on construction of 166 ORTs during 1995-96, following which it was decided (February 1996) to construct pre-fabricated ORTs and the corporation was accordingly requested to refund the unspent balance of Rs 299.83 lakh along with interest thereon. Rupees 290.84<sup>ψ</sup> lakh only were, however, refunded by the company during the period from March 1996 to October 1997. The balance of Rs 8.99 lakh and interest of Rs 9.96<sup>#</sup> lakh (up to March 2000) due from the Company had not been recovered as of August 2000 for which no reasons were intimated. It was further observed that out of the amount refunded, Rs 1.67 crore meant for construction of ORTs were diverted and utilised on sanitation works, land acquisition, etc. and Rs 13.44 lakh were lying (August 2000) unspent in the deposit account opened by the Organisation without the approval of the Finance Department.

**Unspent amounts kept in bank accounts and booked as expenditure**

**Rs 1.67 crore allotted for construction of ORTs diverted and Rs 13.44 lakh kept in deposit account unauthorisedly**

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<sup>ψ</sup> March 1996: Rs 50 lakh; June 1996: Rs 100 lakh; August 1996: Rs 50 lakh; March 1997: Rs 50 lakh and October 1997: Rs 40.84 lakh

<sup>#</sup> Calculated at minimum saving bank interest rate of 4.5 per cent during the period 1995-96 to 1999-2000

**(c) Adjustment accounts/utilisation certificates not submitted**

**Detailed adjustment accounts not obtained/rendered to Accountant General**

**Utilisation certificates also not obtained**

Adjustment accounts for Rs 1.36 crore advanced to Jammu Municipality during the period from March 1990 to March 2000 for execution of sanitation works and providing sanitation services in 4 migrant camps in Jammu had not been obtained and furnished to the Accountant General. Eight zonal/camp officers had also not rendered (October 2000) adjustment accounts in support of disbursement of cash assistance of Rs 7.53 lakh, Rs 33.92 lakh and Rs 80.64 lakh during 1997-98, 1998-99 and 1999-2000 respectively at the respective camps for submission to the Accountant General. In the absence of detailed adjustment accounts the correctness of the expenditure incurred could not be verified. Similarly, utilisation certificates for Rs 4.37 crore advanced during the period 1995-96 to 1999-2000 to various line<sup>φ</sup> departments and an NGO for infrastructure development in the camps had not been obtained (August 2000).

**(d) Non-reconciliation of bank accounts/remittances**

**Bank reconciliation not carried out**

Reconciliation of bank accounts operated by zone/camp officers, Chief Accounts Officer and the Accounts Officer of the Organisation for disbursement of cash assistance and ex-gratia payments had not been carried out since inception. While the cash book and bank balances revealed a variation of Rs 5.81 lakh in respect of the account operated by Chief Accounts Officer, variation in other cases could not be worked out in the absence of bank statements/pass books. Further, cash book for the period 28 August 1996 to 31 December 1996 in respect of ex-gratia payments had not been maintained by the Organisation, reasons for which were not intimated. Remittances of unspent cash assistance made by the zonal/camp offices into the account of Chief Accounts Officer had also not been reconciled.

**3.5.4.1 Administrative expenses**

Administrative expenses incurred for carrying out relief operations vis-à-vis number of registered families receiving cash assistance during the periods 1995-96 to 1999-2000 was as under:

Year	Administrative expenditure (Rs in lakh)	Total number of families assisted	Administrative expenses per family (in Rupees)
1995-96	95.38	13133	726
1996-97	107.18	14075	761
1997-98	135.06	14654	922
1998-99	140.51	16278	863
1999-2000	191.13	15329	1247

<sup>φ</sup> Public Health Engineering: Rs 1.52 crore; Power Development Department: Rs 1.51 crore; Urban Environmental Engineering Department: Rs 1.20 crore and Irrigation and Flood Control Department: Rs 0.11 crore and NGO: Rs 0.03 crore



**Norms for  
Administrative  
expenses not fixed**

Norms for administrative expenses had not been fixed though the Organisation had been running for over 10 years now. Administrative expenses incurred mainly for payment/disbursement of cash/ex-gratia relief ranged from Rs 726 to Rs 1247 per family during the period 1995-96 to 1999-2000 which was obviously high considering the fact that distribution of free rations to migrant families and execution of works for infrastructure development were undertaken through Public Distribution System and line departments of the State Government respectively. Audit scrutiny revealed that no norms for creation of zones had been prescribed and separate zones had been established for catering to small number of families (11 zones out of 53 had less than 20 families to cater) leading to increased administrative expenses of the Organisation. The cost of providing cash relief per family was likely to be more, in case the expenditure incurred on the salary of the staff on deputation (number not intimated) with the Organisation whose salary was debited to Security Related Expenditure by their parent departments was also considered. Measures taken/proposed to improve operational efficiency of the Organisation, though called for, were not intimated (August 2000).

**3.5.5                    *Registration of migrant families and payment of cash assistance***

Package of relief for migrants, sanctioned by Government in March 1990, included ad-hoc cash assistance of Rs 500 per family/month. The amount was, however, revised to Rs 300 and further to Rs 375 per head/month subject to a maximum of Rs 1000 and Rs 1500 per family/month from April 1990 and February 1994 respectively. The amount of cash assistance was further revised to Rs 450 and Rs 600 per head/month subject to maximum of Rs 1800 and Rs 2400 per month/family from June 1996 and April 1999 respectively. Audit scrutiny revealed following points:

(a)                    The registration of migrant families for grant of relief was to be made on the basis of on the spot inspection under the supervision of an Assistant Commissioner (Revenue). Further, verification on random basis to detect any fake cases for their prosecution under law was required to be conducted by the Relief Commissioner. A committee of migrant families was also to be formulated to assist the Organisation in registration of genuine migrant families.

**Centralised  
database of families  
registered  
in/outside the State  
not maintained**

**Registration of fake  
migrant families  
made due to non-  
adherence to  
prescribed  
procedures**

An effective system for registration of bonafide migrant families had, however, not been evolved. A centralised data base indicating particulars of migrant families registered in various camps/zones in the State and places/stations outside the State viz., Delhi, Himachal Pradesh, etc. had not been maintained. In absence of this, the possibility of a migrant family being registered at more than one station for the purpose of drawing relief could not be ruled out. It was seen that the prescribed procedure of on the spot verification by Assistant Commissioner at the time of initial registration and subsequent random check by Relief Commissioner had also not been

**Registration of 26000 fake migrant families detected upto March 1998**

followed. In the absence of a proper and effective mechanism, irregular registration of 26000 fake migrant families was detected by the Organisation from time to time up to March 1998 following verification of the antecedents of registered migrants with the electoral rolls and obtaining joint photographs of families, etc.

**Out of Rs 40.88 crore paid as cash assistance, free ration, etc. to 26000 registered fake families, Rs 3.62 crore only recovered**

Cash assistance (Rs 31.61 crore) and assistance in the form of tents, beds, fans, etc. (Rs 0.59 crore) had been provided to these fake migrant families. In addition, free rations<sup>5</sup> valued at Rs 8.68 crore had also been issued to them. Against this, Rs 3.62 crore only had been recovered in 1958 cases and 953 cases had been referred to the crime branch/vigilance organisation up to August 2000 for investigation and initiating criminal proceedings. Action to recover the balance amount of assistance paid to remaining 23089 fake migrant families had not been initiated as of August 2000. Responsibility for the lapses in registering the fake migrant families had also not been fixed (October 2000).

**(b) Cash assistance to political activists**

The Organisation also registered 2532 families of political activists during the period March 1996 to September 1999 who migrated from the valley under security threat perception. In view of the reports regarding fabricated/fraudulent threat perception certificates of CID produced by some of these migrants, the Government appointed (April 1999) a committee of three officers to physically verify the families of registered migrant political activists. Out of 779 families whose whereabouts were verified (October 1999), the committee failed to locate even a single family/person at the locations declared in the application forms. In 142 out of 779 cases, threat perception certificates purportedly obtained from CID were also found to be fake. The committee concluded that genuineness of these families could not be verified/established. Cash assistance of Rs 6.12 crore (April 1996 to September 1999) had been provided in these 779 cases.

**Irregular payment of Rs 7.24 crore to ingenuine migrant political activists**

Action to cancel the registration of these political migrant families in the light of committee's report had not been taken and further cash assistance of Rs 1.12 crore had been paid to these families during the period October 1999 to March 2000. However, in supersession of all its previous orders, the Government constituted (April 2000) another committee for physical verification of all registered migrant families which was to report within three months. Further developments were awaited (October 2000).

<sup>5</sup> Rice: 95139 qtls; Atta: 21172 qtls; Sugar: 3341 qtls. valued at average sale price for the years 1995-96 to 1999-2000

**(c) Payment of arrears of cash relief**

The relief package sanctioned by the Government from March 1990 envisaged payment of cash relief at the prescribed rates every month to such migrant families who had no source of assured income. Accordingly, the question of releasing arrears of cash assistance did not arise as the relief was meant for their immediate sustenance. However, arrears of cash relief, aggregating Rs 28.75 lakh for periods ranging from 2 to 67 months had been paid during the period 1995-96 to 1999-2000 in 64 cases test-checked, which was irregular. The arrears paid were found to be mainly on account of revival of suspended/cancelled ration cards with retrospective effect.

**Irregular payment of Rs 28.75 lakh as arrears of cash assistance**

**3.5.6 Free rations**

Free rations (rice, atta and sugar) were issued each month to migrant ration card holders, on the basis of ration slips issued by the zonal/camp officers, through sale depots of the Food and Supplies Department which raised bills therefor against the Organisation.

**Excess billing of Rs 3.98 crore by Food and Supplies Department for ration supplied to the Organisation**

Test-check revealed that no system/mechanism was followed for reconciling periodically (quarterly or annually) the quantity of rations authorised for issue by the zonal/camp officers to migrant families and that actually issued by the Food and Supplies Department as per bills raised. Perusal of the records of the Relief Commissioner revealed that the Food and Supplies Department had raised bills for supply of rice, atta and sugar to migrant families in excess by 38525 quintals, 11105 quintals and 600 quintals respectively (value: Rs 3.98 crore)\* during the period 1995-96 to 1999-2000. The year-wise details of the quantity of rations authorised by the Relief Organisation and the quantities billed for by Food and Supplies Department are indicated in *Appendix-15*. Huge variations detected in audit and non-reconciliation of the free ration accounts from March 1990 is fraught with the risk of misappropriation/embezzlement of foodgrains.

**Reconciliation of free ration accounts not carried out**

**3.5.7 Ex-gratia payments in respect of immovable property damaged by militancy**

Based on the loss assessed by the respective Deputy Commissioners in whose jurisdiction the immovable property of a migrant family had been gutted/damaged, 50 per cent of the assessed loss or Rs 1 lakh whichever is less, for each structure, is sanctioned as ex-gratia relief. Scrutiny in audit revealed that 34 per cent of test-checked ex-gratia cases were sanctioned by the DCs 6 years after filing of First Information Report (FIR) and 53 per cent cases after delay of 1-6 years. Only 13 per cent cases were sanctioned within 1 year of filing of the FIRs. The disbursement of the ex-gratia payments by the

**Delay in sanction and disbursement of ex-gratia relief**

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\* At average sale price for the period 1995-96 to 1999-2000

Relief Organisation<sup>▼</sup> to the owners/legal heirs was also made after a delay of up to 3 months (11 *per cent*), four months to one year (48 *per cent*) and more than a year (41 *per cent*) from the date of sanction. A proper monitoring mechanism had not been devised by the Organisation to streamline the procedures and avoid delays at various levels. Abnormal delay in sanction/disbursement of ex-gratia payments to migrants defeated the very objective of providing timely relief/succour to migrant families.

### 3.5.8 *Improvements to infrastructure*

Six migrant camps were established in the year 1990 and thereafter in Jammu region for providing suitable accommodation to the migrants who had been temporarily accommodated in tents and Government/semi-Government buildings. A total of 4588 one room tenements (ORTs) had been constructed by the Organisation mainly through Jammu Development Authority, Jammu and Kashmir Projects Construction Corporation and Public Works Department during the period from 1990-91 to 1997-98 at a cost of Rs 13.57 crore. The Organisation had not framed any guidelines, etc. for ensuring allotment of ORTs to most needy migrant families. Records indicating the details of families to whom such accommodation was allotted both under relief and non-relief (Government/semi-Government employees) categories and the position of vacant/unallotted ORTs from time to time had also not been maintained. As of August 2000, 260 families had not been allotted accommodation and they were being put up in Government/semi-Government buildings. The Organisation, in September 2000 had, however, sought administrative approval of the Department for construction of 304, 2 bed room flats at an estimated cost of Rs 15.53 crore at Purkhoo, Jammu which was awaited (October 2000). Following points were noticed in test-check.

#### (a) *Sub-standard/defective construction of one room tenements*

Jammu and Kashmir Projects Construction Corporation (a Government Company) had constructed 1632 ORTs in a phased manner during the years 1992-96 at a cost of Rs 6.49 crore for accommodating migrant families putting up in tents at four camps viz. Purkhoo, Mishriwala, Nagrota (Jammu district) and Battal Ballian (Udhampur district).

These tenements developed cracks in walls and RCC roofing immediately after their occupation by the migrant families between 1993 and 1995 and started leaking during the monsoon seasons. The Managing Director of the company attributed (August 1995) these defects to highly economic specification of construction keeping in view expected early return of migrants to Kashmir valley and further stated that the specifications would be

▼ Disbursement of ex-gratia was made by respective DCs up to May 1996 and by Relief Organisation thereafter

**Records indicating allotment of ORTs not maintained**

**All needy families not provided ORTs**

**The walls and RCC roofing of 1632 ORTs constructed at a cost of Rs 6.49 crore developed cracks and leaked immediately after their occupation**

improved upon in future constructions. Accordingly, the Managing Director proposed (August 1995) water proofing of the ORTs at a cost of Rs 6.25 per sft (revised to Rs 7.25). The Relief Commissioner Jammu, however, declined (October 1995) to bear the additional cost of water proofing and informed the Company that economy in construction left no scope for poor specifications and requested for early removal of defects at no extra cost to the Organisation. No action to remove these defects was, however, taken by the Company. The Relief Commissioner, however, projected (April 2000) additional requirement of Rs 22 lakh to Ministry of Home Affairs, Government of India for the proposed leak proofing of the defective ORTs. Further developments were awaited (September 2000).

**Sub-standard construction of 499 one room tenements by Jammu Development Authority**

Similarly, 499 one room tenements (geodesic dome type) constructed in May 1991 by Jammu Development Authority at a cost of Rs 80.56 lakh (migrant camp Muthi, Jammu) also started leaking immediately after occupation by migrant families. The Chief Engineer, PWD (R&B) Jammu to whom the matter was referred (1994) for exploring the possibility of repairing the defects, proposed bitumen treatment (estimated cost: Rs 15.33 lakh) whose effect would last for only 2 to 3 years. Though Rs 15 lakh had been placed at the disposal of Chief Engineer, PWD (R&B) in June 2000, the work had not been started as of October 2000.

Due to non-rectification of the defects in the ORTs, the migrant families could not get proper housing accommodation despite expenditure of Rs 7.30 crore incurred by the Relief Organisation.

**(b) Non-construction/completion of ORTs**

During 1993-94, the Relief Organisation advanced Rs 2.78 crore to JKPC for construction of 812 one room tenements at Mishriwala migrant camp in Jammu district (estimated cost: Rs 34326 per ORT). Out of 812 ORTs, construction of 48 ORTs was not taken up by the Company due to non-availability of land which had not been identified by the Relief Organisation as of August 2000. As a result of the defective planning, Government funds amounting to Rs 16.43 lakh in respect of 48 ORTs advanced to the Company in March 1994 remained locked up with it, besides depriving the migrant families of the benefit of housing accommodation.

**Rs 22.97 lakh locked up due to non completion of 98 ORTs**

The remaining 764 ORTs (cost: Rs 2.39 crore) were constructed by the Company at Mishriwala camp during 1994, out of which 98 ORTs were without partition walls, internal plaster, internal wiring, flooring and glass panes (cost of balance works: Rs 22.97 lakh). These ORTs were handed over as such alongwith other 666 ORTs in the year 1994 directly to the camp commandant of Mishriwala zone. In view of non-availability of accommodation, the migrant families occupied these incomplete ORTs in the year 1994 itself. The Company to whom the matter was referred for completing the ORTs with the funds already available with it, stated

(December 1998) that the shortcomings could not be set right due to continued occupation of ORTs by the migrant families. No further action was taken by the Organisation (October 2000) as a result of which Rs 22.97 lakh also remained locked up with the Company. The Relief Organisation had also not initiated any action to get the amount refunded (October 2000).

**(c) Sanitation facilities**

**Inadequate sanitation facilities in camps**

To provide sanitation facilities in the relief camps, the Relief Commissioner allotted (June 1997) the job of constructing 19 toilet blocks at various migrant camps in Jammu to Sulabh-International at an estimated cost of Rs 76 lakh. Construction of 17 blocks was completed by the NGO during the year 1997-98 and the work on the remaining two blocks at Mishriwala migrant camp in Jammu district could not be executed due to dispute over land. The land dispute had not been settled (August 2000). It was also seen in audit that sanitation facilities like toilets and bath rooms had not been provided in camps on a uniform scale, based on the number of migrants living in each camp. While each toilet constructed catered to 14 to 29 persons, each bath room catered to 22 to 312 persons, indicating inadequate sanitation facilities in camps.

**(d) Health care**

**Inadequate health care facilities in camps**

The Organisation had provided two-room dispensaries at each camp site. The dispensaries run by the Health and Medical Education Department were provided with adequate medical (between 4 and 8 medical officers including dental surgeons) and para-medical (between 28 and 46 persons including dental, ophthalmic and laboratory technicians and sanitary inspectors) staff. However, related infrastructural facilities/equipment had not been provided which resulted in the non/under-utilisation of the available manpower. The dispensaries were also lacking in first-aid equipment/dressing material like forceps, scissors, needle holders, etc. and medicines (which were supplied irregularly) affecting the functioning of the dispensaries and consequent delivery of health care services in camps.

**3.5.9 Other points of interest**

(i) Despite mention of non-maintenance of a centralised inventory of camp equipment viz. tents, cots, fans, blankets, TV sets, etc. in the Report of the Comptroller and Auditor General of India for the year ended March 1992 (Paragraph: 3.5), the inventory register had not been prepared as of October 2000. Physical verification of these items and identification of dead stock articles purchased since creation of the Organisation had also not been conducted.

(ii) Asset register in respect of assets created by the Organisation had not been maintained at any level.

**Service tax of Rs 8 lakh not recovered from a contractor**

(iii) The State Government levied (July 1997) service tax on services rendered by the contractors at the rate of 2 *per cent* of the gross amount received by them. Test-check revealed that the recovery of service tax amounting to Rs 8 lakh had not been effected from the payments made between October 1997 and December 1998. On this being pointed out (August 2000) in audit, the Organisation stated (September 2000) that the matter had been taken up with the contractor for recovery of the amount from the deposits lying with it. It was, however, seen that the amount (Rs 4.44 lakh) lying in the deposit account of the contractor was not sufficient to compensate the full amount of recovery.

**3.5.10 Recommendations**

The Organisation should prepare a centralised data base for all migrants in and outside the State and re-verify their antecedents to eliminate bogus/fake migrants and recover irregular payment of cash assistance and cost of free rations issued. The free ration account should also be reconciled with the Food and Supplies Department for ensuring proper control as also the issue of rations be regulated in accordance with the scale laid down under PDS. The Organisation should also improve its internal control mechanism to avoid delays in payment of ex-gratia, etc. and ensure quality in construction of ORTs.

The above points were reported to Government/Department in September 2000; reply had not been received (December 2000).

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**Social Welfare Department**
**3.6 Integrated Audit of Social Welfare Department***Highlights*

*The basic objective of the Social Welfare Department is to promote welfare activities among weaker sections of society especially scheduled castes, scheduled tribes and other under privileged like destitutes handicapped persons, widows, etc. The transfer of benefits to the targetted segments of the population was, however, not satisfactory due to poor planning and faulty implementation of various programmes. Absence of manpower management control resulted in irregular, unauthorised and fake appointments/promotions and consequent avoidable litigations. Non-adherence to the prescribed controls, systems and mechanism for financial management/monitoring was also observed which facilitated misappropriation, diversions of programme funds and incurring of avoidable expenditure.*

- Register of grants/appropriations and other budgetary control records for monitoring and controlling expenditure on monthly basis and at the end of each year had not been maintained by the controlling officers. This led to excess expenditure of Rs 2.23 crore over budget allotments in respect of 24 schemes/sub-heads of account and saving of Rs 1.64 crore under 6 schemes during 1995-2000.

(Paragraph: 3.6.4.2)

- Detailed accounts in support of Rs 28.80 crore advanced to various Tehsil Social Welfare Officers in 5 test-checked districts for disbursement of stipend, scholarship, pension and other payments had not been obtained and submitted to the Accountant General for check.

(Paragraph: 3.6.4.3)

- Rupees 19.62 lakh charged in the cash books of two DSWOs (Rajouri and Poonch) under Integrated Social Security Scheme during March 1996 to August 1999 had not been accounted for in the books of recipient Tehsil Social Welfare Officers nor was any record in support of disbursements made available in these offices. No action had been taken in case of embezzlement of Rs 1.38 lakh in Tehsil Social Welfare Office, Budhal.

(Paragraph: 3.6.4.5(a) &amp; (b))



- Funds aggregating Rs 16.64 lakh meant for National Old Age Pension and Integrated Social Security Schemes were diverted during 1995-2000 by 11 DSWOs for purchase of computers, fax machines and payment of carriage charges, etc. pertaining to other schemes.

(Paragraph: 3.6.4.6)

- No mechanism for monitoring the cadre-wise position of sanctioned and effective manpower existed in the Department for proper control and management. This facilitated unauthorised/irregular appointment of 169 officials during the period 1989-99 for which responsibility had not been fixed.

(Paragraphs: 3.6.5.1 and 3.6.5.2)

- Leave availed of by 103 officials in 5 test-checked districts was not found debited to the leave accounts of the officials although salary of Rs 2.70 lakh was paid to the leave substitutes appointed against them during 1990 to 1999.

Further, efficacy of expenditure of Rs 7.26 lakh incurred on the salary of 259 leave substitutes employed in 7 districts during 1990 to 1999 against technical and specialised posts was doubtful as appointments were made without assessing technical capability of the candidates.

(Paragraph: 3.6.5.2.1)

- The State was deprived of central assistance of Rs 27.16 crore due to incorrect projection of parameters and indicators determining the eligibility of central assistance under 4 centrally sponsored schemes.

(Paragraph: 3.6.6.1)

- Detailed accounts/utilisation certificates in support of Rs 2.28 crore released by the Department to 356 heads of educational institutions during 1995-96 and 1997-2000 for disbursement as scholarships had not been obtained as of March 2000.

(Paragraph: 3.6.6.2(ii))

- Under Integrated Social Security Scheme, pension payments amounting to Rs 66.52 lakh were made by the TSWOs during 1995-98 to 2636 ineligible beneficiaries who were either employed, triple/double pension recipients or were not destitute widows.

(Paragraph: 3.6.6.4)

- Idle wages of Rs 30.38 lakh were paid during 1995-2000 to staff employed in 3 Cottage Industries Centres.

(Paragraph: 3.6.6.5.2)

- Purchase of various store/stock items by the Department during 1998-2000 was in excess by 23 to 1863 *per cent* of the tendered quantity which indicated poor inventory management. Store items valued at Rs 2.09 crore were purchased at negotiated rates instead of lowest tendered rates which resulted in extra expenditure of Rs 55.73 lakh during 1997-99.

(Paragraphs: 3.6.7 & 3.6.7.1)

### 3.6.1 *Introduction*

The main objective of the Department of Social Welfare is to provide social security and promote welfare among weaker sections of the society especially scheduled castes, scheduled tribes and other under-privileged people viz. destitutes, handicapped persons, widows, etc. For achieving these objectives the Department implements various State level and Centrally sponsored schemes viz. Integrated Social Security Scheme (ISSS), Pre-Matric and Post Matric scholarship schemes for SC/ST/OBC students, National Social Assistance Programme (NSAP) and Rehabilitation of victims of militancy, etc. in the State.

### 3.6.2 *Organisational set up*

Director Social Welfare is responsible for the implementation of various programmes/schemes and is assisted by two Deputy Directors at divisional level (Kashmir, Jammu) and 14 District Social Welfare Officers (DSWOs) at the district level. The Department functions under the overall control and supervision of Principal Secretary/Commissioner, Social Welfare Department.

### 3.6.3 *Audit coverage*

The working of the Department during the period from 1995-96 to 1999-2000 was reviewed in audit during November 1999 to May 2000 through test-check of records maintained by the Administrative Department, Director Social Welfare, 2 provincial Deputy Directors and 5<sup>ψ</sup> out of 14 DSWOs who accounted for an expenditure of Rs 57.99 crore (31 *per cent* of total expenditure of Rs 187.44 crore). Results of the review are discussed in the succeeding paragraphs.

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<sup>ψ</sup> Pulwama, Jammu, Kathua, Rajouri and Poonch

### 3.6.4 Financial Management and Control

#### 3.6.4.1 Allocation of Funds and Expenditure

The position of funds provided to the Department and expenditure incurred thereagainst during the years 1995-96 to 1999-2000 is tabulated below:-

(Rupees in crore)

Year	Allocation <sup>&amp;</sup>			Expenditure	Percentage Utilisation of Funds
	State Government	Central Government	Total funds available		
1995-96	24.99	2.23	27.22	23.24	85
1996-97	28.43	3.81	32.24	31.44	98
1997-98	43.29	3.39	46.68	43.79	94
1998-99	44.62	4.03	48.65	41.43	85
99-2000	46.25	4.48	50.73	47.54	94
<b>Total</b>	<b>187.58</b>	<b>17.94</b>	<b>205.52</b>	<b>187.44</b>	<b>91</b>

The overall utilisation of available funds during 1995-2000 was 91 per cent. The expenditure on establishment constituted between 15 and 26 per cent of the total expenditure during this period.

#### 3.6.4.2 Control over expenditure

The State Budget Manual lays down that Head of the department shall maintain a register of grants and appropriations in Form 18 for recording original grants, their distribution amongst drawing and disbursing officers and record modifications made from time to time. Controlling officers and Head of the department are also required to maintain a separate register in Form B-12 for each minor or sub-head of account for recording transactions. Progress of expenditure against allotment made is to be monitored by the controlling officer on a monthly basis. No such records had been maintained either by the Administrative Department/Directorate or by any of the 5 test-checked DSWOs and two provincial Deputy Directors. Due to non-maintenance of control records and failure of Director Social Welfare to monitor expenditure of the subordinate offices, excess expenditure of Rs 2.23 crore over the budget allocations was incurred in respect of 24 schemes/sub-heads of account during 1995-2000 and persistent savings of Rs 1.64 crore during 1995-99 under 6<sup>φ</sup> important social welfare oriented schemes (non-plan).

Further against allocations of Rs 9.24 crore during the years 1997-2000 under 20 plan schemes/sub-heads, an expenditure of Rs 6.61 crore constituting 72

<sup>&</sup> Excludes position of ICDS which was reviewed and included in the Audit Report for the year ended 31 March 1999

<sup>φ</sup> Scholarship and stipend, Pre-matric scholarship (OBC), Pre-matric scholarship (SC), Post Matric Scholarship (OBC), Diet charges (Residential homes), Bedding and clothing (Residential homes)

**Required budget control records not maintained for effective control over expenditure**

per cent of allocations, was incurred while against an allocation of Rs 0.68 crore under other 12 plan schemes/sub-heads, no expenditure was incurred during the same period as per details given in *Appendices-16* and *17*. Test-check also revealed that the figures of allocations and expenditure at the end of each year from 1995-96 to 1998-99, as emerging from the records of Administrative Department, were at variance with those appearing in the records of Director Social Welfare. Instances of variations noticed in test-check are indicated in *Appendix-18*.

**Reconciliation of expenditure booked not carried out by controlling officers with Accountant General (A&E)**

According to the financial rules of the State Government the expenditure booked by the controlling officers on the basis of statements of expenditure furnished by each DDO are to be reconciled periodically with the expenditure figures booked by the Accountant General (A&E). Such reconciliation enables the controlling officers to exercise control over expenditure and also acts as a check against frauds, embezzlements/mis-appropriations, etc. The reconciliation had, however, not been conducted in any year during 1995-2000.

### **3.6.4.3 Retention of huge funds in bank accounts**

According to financial rules of the State Government, no money is to be withdrawn from treasury unless required for immediate disbursement and no money is to be kept outside the Government account. The rules further prohibit opening of bank accounts by the DDOs except in exceptional cases with the approval of Finance Department. The records of the test-checked DSWOs, however, revealed that bank accounts had been opened by them unauthorisedly without the approval of the Finance Department. Further, drawals made from the treasury and released to Tehsil Social Welfare Officers (TSWOs) through cheques for disbursement of stipend, scholarship, pension and other payments were charged in the cash books in lump in anticipation of actual disbursement.

**Detailed accounts of Rs 28.80 crore advanced to TSWOs not obtained**

It was also seen in test-check that detailed accounts in support of Rs 28.80 crore drawn from treasury and advanced to various TSWOs in 5 test-checked districts had not been obtained by the DSWOs for submission to the Accountant General. Refund of undisbursed amounts of Rs 57.18 lakh had been made into treasuries by 16 TSWOs during 1995-96 to 1999-2000 without routing the same through the cash books of DSWOs. The unspent balances held in the bank accounts of 18 TSWOs in 5 test-checked districts at the end of years 1995-96 to 1998-99 ranged between Rs 2.10 lakh and Rs 81.65 lakh which besides being violative of rules, indicated lack of control over expenditure. While DSWO Pulwama did not produce the bank pass book, etc. the cash balances at the close of the financial years 1995-96 to 1998-99 in the bank accounts of DSWOs of 4 test-checked districts ranged between Rs 3.26 lakh and Rs 1.04 crore. Substantial scheme funds, thus, remained unspent for long periods and this also contributed to the overstating of expenditure during these years.

**3.6.4.4 Drawal of funds to avoid their lapsing**

**Rs 1.63 crore kept in bank accounts/deposits during 1995-99 to avoid lapsing of funds**

Test-check of records of Director Social Welfare, Deputy Director Jammu, DSWO Rajouri and DSWO Poonch revealed that Rs 1.63 crore were drawn on last days of financial years 1995-96 to 1998-99. These amounts were credited to bank accounts/civil deposit or converted into *Hundis* and kept outside Government accounts in violation of financial rules to avoid their lapsing. The amounts were subsequently utilised during ensuing years.

**3.6.4.5 Irregularities in maintenance of Cash books and Drawal registers**

**Accounts records not maintained properly and prescribed financial controls not adhered to**

Test-check of cash books/drawal registers in the test-checked districts revealed that entries in the cash books had not been attested by DDOs as required under rules. Similarly drawals made from the treasuries had either not been verified from the treasuries at the end of each month or had been verified belatedly after delays ranging up to 25 months. Further, the totals of the cash book had never been got checked by a person other than the writer of the cash book nor was cash security obtained from the cashiers. Test-check also revealed that stock account of receipt books/cheque books had not been maintained nor were the cash balances at the close of each month physically verified by the Head of the offices as required under rules. There was no uniformity in making payments to the beneficiaries at the Tehsil level as the disbursements were made both in cash and by cheque. Non-adherence to the systems/control mechanism prescribed in the financial rules resulted in irregularities/suspected misappropriation as discussed below:

**Non-accountal of Rs 19.62 lakh by TSWOs**

(a) Expenditure of Rs 19.62 lakh reflected in the cash books of 2 DSWOs (Rajouri; Poonch) under Integrated Social Security Scheme during March 1996 to August 1999 had not been accounted for in the accounts of recipient TSWOs nor was any record of disbursements made to beneficiaries available in these offices.

**Rs 1.38 lakh embezzled by TSWO Rajouri**

(b) While holding additional charge of Tehsil Budhal, TSWO Rajouri credited the drawals relating to the Budhal Tehsil irregularly in his personal bank account at Rajouri and subsequently embezzled Rs 1.38 lakh. The embezzlement was not reported by the District Social Welfare Officer Rajouri to the Head of Department/Government and the Accountant General as required under Rule 2.51 of J&K Financial Code Vol.I. No departmental enquiry was conducted and no proceedings were initiated against the officer in the embezzlement case.

(c) TSWO Kotranka (Rajouri District) made a temporary misappropriation of Rs 1.05 lakh in September 1996 and October 1996. Out of this, only Rs 0.75 lakh had been recovered from the TSWO and remitted into treasury (January 1999). Neither had the balance amount of Rs 0.30 lakh been

recovered nor had any departmental proceedings been initiated against the TSWO for temporary mis-appropriation/undue retention of cash for long spell.

#### 3.6.4.6 *Diversion of funds*

**Rs 16.64 lakh  
diverted**

Rupees 16.64 lakh (NOAP<sup>ψ</sup>: Rs 4.04 lakh; ISSS<sup>φ</sup>: Rs 12.60 lakh) were diverted during 1995-2000 by 11\* DSWOs for purchase of computers, fax machines (Rs 3.32 lakh) and organisation of camps, carriage charges, etc. (Rs 13.32 lakh) for other schemes without any proper authority.

#### 3.6.5 *Manpower Management*

##### 3.6.5.1 *Staff position*

**Employees posted  
in excess of  
sanctioned strength**

The Department did not have any mechanism for monitoring the cadre-wise position of sanctioned and effective manpower at appropriate intervals for their proper management. Norms for assessment of manpower requirements had also not been determined and requirement of staff continued to be assessed on *ad hoc* basis. Test-check revealed that as of March 1999, 23 employees (19 orderlies, 2 conductresses, 1 craft assistant and 1 cook) were posted in excess of the sanctioned strength of 79 employees in the three districts (Srinagar, Budgam and Doda).

##### 3.6.5.2 *Irregular appointments*

**Inadequate  
manpower  
management  
facilitated  
unauthorised  
appointments**

The position of posts lying vacant in various subordinate offices of the Department was not monitored at any stage either by Deputy Directors at divisional level or by Director/Secretary-Commissioner of the Department at State level. System of ascertaining the vacancy position from the district/provincial/state level offices and intimating the same to the recruitment agencies like State Subordinate Services Recruitment Board (SSSRB)/Public Service Commission/Recruitment Boards was not followed by the Department. Inadequate manpower management facilitated unauthorised appointments of 169 persons as discussed below:

**Irregular  
appointments  
against 49 class-III  
posts**

Test-check revealed that appointments against 49<sup>&</sup> class-III posts, required to be made on the recommendations of the SSSRB, were made irregularly by District officers (28), Provincial Deputy Directors (7), Director Social Welfare (9) and Commissioner Secretary (5) during 1989-99. The irregular appointments had not been got regularised (March 2000).

<sup>ψ</sup> National Old Age Pension Scheme

<sup>φ</sup> Integrated Social Security Scheme

\* Jammu, Kathua, Poonch, Rajouri, Srinagar, Anantnag, Budgam, Kupwara, Baramulla, Doda and Udhampur

& Social Workers: 3; Supervisors: 4; Assistant Manager: 1; Craft Assistants: 15; Junior Assistants: 18; Care takers: 4; Drivers:4

**Unauthorised/irregular appointment of 120 class IV employees**

It was, further seen in audit that 120 class IV employees (62 Orderlies, 49 Conductresses, 8 Cooks and 1 *Aya*) were appointed unauthorisedly at district/provincial level by various officers of the Department. Of these 9 appointments in various cadres were made at the behest of Ministers in the Government. Another 43 appointments in class IV grade were made in the Directorate during 1996 to December 1998 but records thereof were not produced to Audit. Some of the cases of irregular/unauthorised appointments made are discussed below:

**DSWO Poonch appointed his sisters based on doubtful letter/orders**

(i) Shri Mohammad Tariq DSWO Poonch appointed (December 1995) his sister (Ms Shakeela Begum) as conductress on the basis of a photocopy of letter of recommendation (July 1995) of Secretary to Government, Social Welfare Department. Deputy Director Social Welfare Department, Jammu informed (August 1997) the Director that the copy of order was *prima-facie* doubtful in view of incompatibility in date(s)/addresses and the fact that original copy of the order was not on record. The district officer further appointed (November 1996) his 2 sisters as craft teachers on the basis of xerox copies of the orders of District Development Commissioner dated 26/28 November 1996. Records of the District Development Commissioner revealed that no such orders had been issued from that office. The appointees did not possess technical/academic qualification for the post on the date of their appointment. Salary aggregating Rs 5.38 lakh was paid to the three sisters during December 1996 to March 2000 records for which period were available. The DSWO had also made appointment of 2 conductresses earlier in March/September 1995 unauthorisedly. The Deputy Director Social Welfare Jammu had recommended (August 1997) to the Director for conducting a vigilance probe into the appointments made in the District. No further action had been taken (March 2000) and the officer was subsequently inducted in Kashmir Administrative Service.

**Probe against irregular appointments not done**

(ii) Sh. Mohammad Yaqoob Khan Project Officer Langate, appointed unauthorisedly his niece as supervisor in April 1998 who continued up to January 1999 (salary: Rs 0.46 lakh) after which her services were terminated on a complaint lodged against the officer. Similarly, Shri Mohd Yousuf Bhat DSWO Pulwama, appointed (1996) his brother as Junior Assistant unauthorisedly on the basis of fake matriculation certificate. The Junior Assistant, however, resigned after two years when the fact of fake academic certificate came to the notice of the department. No departmental action was, however, taken against the Project officer/DSWO.

**Unauthorised appointment of relatives**

**Unauthorised appointment followed by promotion under fake order**

Similarly, a conductress was appointed (October 1987) unauthorisedly by DSWO Poonch. The conductress was also subsequently promoted as Craft Teacher on fictitious/fake order. The Deputy Director Social Welfare Jammu recommended (August 1997) to the Director Social Welfare for referring the case to vigilance organisation but no action had been taken (April 2000).

(iii) In 5 districts (Srinagar, Pulwama, Budgam, Baramulla, Anantnag) it was seen in audit that unauthorised adhoc appointment of 28 employees (Social Workers: 3; Craft Assistants: 12; Conductresses/ Orderlies: 11; Junior Assistants: 2) had been made by the district officers against posts fallen vacant due to migration of employees. The appointments were made during 1990-93 in contravention of Rule 14 of Jammu and Kashmir Civil Services (CCA) Rules 1956 (as amended in July 1989) and specific directives (June 1993, March 1998, October 1998) of the State Government banning adhoc appointments. No departmental action had been taken against the officers who made these appointments even though Government had directed (March 1998) to initiate disciplinary action against all the officers who had made appointments in violation of rules. Director Social Welfare stated (April 2000) that the appointments were made by the field officers without proper approval who were being identified for appropriate action. Further developments were awaited (July 2000).

### **3.6.5.2.1 Appointment of leave substitutes**

**Leave availed of not debited to leave accounts**

The department was making temporary appointments against leave vacancies. Test-check revealed that in 5 districts (Jammu, Kathua, Rajouri, Pulwama and Budgam) out of 460 officials, against whom leave substitutes were appointed during the period January 1990 to October 1999, leave availed of by 103 officials was not found debited to their leave accounts/service records. Thus, the genuineness of engaging leave substitutes (salary paid: Rs 2.70 lakh) could not be vouchsafed in audit. The correctness of payment of Rs 0.57 lakh paid as salary to 15 leave substitutes in Poonch district during June 1995 to September 1999 was also doubtful as the particulars of the employees against whom these appointments were made, were not available on record. It was also seen that 259 leave substitutes were appointed in 7<sup>w</sup> districts during January 1990 to October 1999 against technical and specialised posts without assessing capability of the substitutes. The efficacy of the expenditure of Rs 7.26 lakh incurred on salary of these leave substitutes was, therefore, doubtful.

**Leave substitutes appointed against technical/ specialised posts without assessing their capability**

### **3.6.5.2.2 Promotion without clearance by Departmental promotion Committee**

**Adhoc promotions continue for many years without clearance by DPCs**

According to the Jammu and Kashmir Civil Service (CCA) Rules, 1956 appointment of a Government servant to a higher post is to be made only after clearance by Departmental Promotion Committee (DPC). Government servants can, however, be promoted in public interest for a period of 3 months in their own pay and grade (with a charge allowance for holding the higher post) pending clearance by DPC. Test-check revealed that a system of adhocism in promotions was prevalent in the Department and 31 promoted employees continued to hold higher posts (March 2000) for periods ranging from 16 months to 8 years without clearance by the DPCs.

<sup>w</sup> Doda, Jammu, Kathua, Budgam, Rajouri, Pulwama and Baramulla



Test-check revealed that in one case (Sh. Mohd Raiz), a matriculate clerk cum storekeeper was promoted as Senior Assistant vide orders dated 18 April 1983. Under another order bearing same number and date the official was also shown as promoted to executive post of Residential Teacher though he was not in line of promotion and did not possess the educational qualification prescribed for the post. The appointment was challenged (1990) in the High Court which directed (October 1991) the department to inquire into the case. The enquiry had not, however, been finalised as of April 2000. Meanwhile the official was promoted (August 1994) as Tehsil Social Welfare Officer.

### **3.6.5.2.3 Attachment of staff members**

Thirty three employees including 2 Child Development Project Officers remained attached with Directorate, divisional offices, etc. in addition to their regular strength during 1996-2000 for periods ranging from 4 months to 4 years. No reasons for the attachment were placed on record nor intimated. In respect of 9 such officials the Department paid idle wages of Rs 7.40 lakh for the periods of attachment. Reasons for not adjusting these officials/officers against regular posts for utilising their services gainfully were not intimated to Audit.

### **3.6.5.2.4 Avoidable litigations**

Poor and inadequate management/monitoring of the manpower resources at various levels coupled with the failure to maintain/update cadre wise seniority lists on yearly basis resulted in illegal/irregular appointments and promotions in the Department from time to time. This also led to avoidable litigations as 86 cases of appointments and 18 cases of promotions were pending in the courts against the Department as of January 2000. The Court cases on service matters constituted 85 *per cent* of the cases filed in various courts against the Department and three legal cells, one each in Administrative Department and Deputy Directorates (Kashmir and Jammu) were functioning in the Department. Had the Department devised a proper manpower management policy including control system, the illegal/ unauthorised appointments/promotions and consequent litigations could have been avoided.

### **3.6.6 Programme implementation**

Thirtythree State Sector Plan and Non-plan Schemes (including 5 Centrally Sponsored Schemes) were being implemented by the Department for the welfare of SCs/STs (11), OBCs (8) and for other underprivileged sections (14).

Expenditure of Rs 104.51 crore was incurred on implementation of these schemes during the years 1995-2000. Overall position of the persons assisted under each of these schemes was not monitored/maintained by the

**Idle wages of Rs 7.40 lakh paid to 9 officials**

**Incidence of litigation cases high due to improper manpower management**

**Data base of SCs/STs, OBCs and implementation of welfare schemes not maintained**

Department. A test-check in audit of the implementation of the schemes revealed following points:

### 3.6.6.1 Centrally sponsored schemes

A cent *per cent* Centrally sponsored National Social Assistance Programme (NSAP), comprising three<sup>Y</sup> sub-schemes, was introduced in 1995-96. An expenditure of Rs 11.74 crore was incurred on this programme during the period 1995-2000. The programme envisaged social protection by providing cash assistance of Rs 75 per month per beneficiary under National Old Age Pension Scheme (NOAP), Rs 5000 (natural death) and Rs 10,000 (accidental death) to destitute families in the event of death of primary bread earner under National Family Benefit Scheme (NFBS) and Rs 300 (raised to Rs 500 from August 1998) per pregnancy up to first two live births under National Maternity Benefit Scheme (NMBS).

Test-check revealed that, based on various parameters and indicators laid down by the Central Government viz. population projections, poverty ratio, age specific mortality, etc. the State was eligible for Central assistance of Rs 39.68 crore. However, the Department had not made the projections of parameters and indicators correctly to the Central Government due to which Central assistance of Rs 12.52 crore only had been released by Government of India. The State was, thus, deprived of the Central assistance of Rs 27.16 crore during 1995-2000 and denial of intended benefits to targeted beneficiaries. Assistance of Rs 47.95 lakh under NMBS had been released during 1995-2000 in the 5 test-checked districts. The fact that these benefits were allowed only to first two live births could not be verified in audit in absence of any records/monitoring done by the department. It was further seen that undisbursed programme funds aggregating Rs 17.96 lakh were lying in the bank accounts of 13 test-checked TSWOs as on March 2000. Besides, cheques amounting to Rs 0.76 lakh issued between April 1997 and December 1999 were not handed over to the beneficiaries and were instead retained by 2 TSWOs (Hiranagar and Kathua) and had become time barred. In 4 test-checked districts (Jammu, Poonch, Rajouri and Pulwama) against a physical target of 8321 beneficiaries under NOAP, based on allocations made to DSWOs during 1995-99, the actual coverage was raised to 16530 beneficiaries unauthorisedly without obtaining additional financial allocation. This not only resulted in creation of committed liability of Rs 83.10 lakh (ending March 2000) in 4 districts but also delayed disbursement of assistance to the needy and indigent by about 2 to 18 months.

**State deprived of central assistance of Rs 27.16 crore due to incorrect projections**

**Liability of Rs 83.10 lakh created unauthorisedly**

<sup>Y</sup> (i) National Old Age Pension Scheme (NOAP), (ii) National Family Benefit Scheme (NFBS) and (iii) National Maternity Benefit Scheme (NMBS)

**3.6.6.2 Post-Matric Scholarship and Book Bank schemes for SC/ST students**

In order to encourage SC/ST and other backward class students to pursue post-matric courses, the Central/State Government introduced Post-Matric Scholarship/Book Bank schemes. The objective of the schemes was to grant scholarship to poor students of these communities so as to provide maintenance expenses and access to books. Following points were noticed:

(i) Against Rs 1.58 crore released by Government of India during 1995-96 and 1996-97 under Post-Matric Scholarship, the State Government did not release any matching share as no provision was kept in the Budget for this. Due to non-release of matching share during 1995-97 and underutilisation of Central assistance released during the same period, Government of India released Rs 44.85 lakh on *ad hoc* basis during 1998-99 and withheld releases during 1999-2000 thereby depriving the students of the benefits of the scheme. Assistance of Rs 1.21 crore out of Rs 2.03 crore, received from Government of India during the corresponding period, was released by the Administrative Department to implementing agencies after delay of 3 to 9 months which affected adversely the timely release of scholarship to the needy students. Besides, Rs 32.75 lakh released (July 1998) by Government of India for scholarship to SC/ST students had not been released by the Finance Department as of August 2000. Reasons for this were awaited (September 2000).

**Non-release of State share in full led to withholding of central share**

(ii) While records relating to disbursement of Scholarships for 1996-97 were not produced to Audit, test-check revealed that Rs 2.28\* crore were released by the Department during 1995-96 and 1997-2000 to 356 heads of educational institutions but detailed accounts/utilisation certificates had not been obtained from them as of March 2000. Similarly, detailed accounts/utilisation certificates for Rs 1.50 crore placed at the disposal of various subordinate offices during the above period were also not obtained by these offices from the concerned educational institutions.

**Detailed accounts for Rs 3.78 crore not obtained from educational institutions**

**3.6.6.3 Non-implementation of various Centrally sponsored schemes**

Four Centrally sponsored schemes for construction of hostels, residential schools and grant of pre-matric/post-matric scholarships for upliftment of OBCs sanctioned by Government of India during 9<sup>th</sup> Plan were not taken up for implementation (April 2000) because neither provision for State's contribution (at 50 *per cent* for three schemes) was kept in the budget nor was a commitment made to Government of India for meeting the committed liabilities under the schemes.

**Four centrally sponsored schemes not implemented**

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\* Includes State share funds released during 1997-2000

### 3.6.6.4 State sponsored schemes

#### 3.6.6.4.1 Integrated Social Security Scheme

With a view to providing social cover to the destitutes and handicapped having no source of livelihood, the State Government launched Integrated Social Security Scheme (ISSS) in June 1994. The scheme envisaged financial assistance of Rs 150 per month as pension/relief to each identified beneficiary. As on March 1999, 1.04 lakh beneficiaries were being assisted under the scheme.

**Data base of eligible beneficiaries under ISS scheme not prepared**

**Quarterly/annual review to weed out ineligible beneficiaries, not carried out**

**Responsibility for irregular payment of pension of Rs 66.52 lakh not fixed**

**Pension not disbursed regularly to weaker sections of the society**

The district level committees with District Development Commissioners as Chairmen were to sanction pension/relief to the identified beneficiaries on the basis of verification conducted by TSWOs. No data of eligible beneficiaries based on below poverty line lists prepared by Rural Development/Food and Supplies Department had been prepared at any level in absence of which the genuineness of the recommended beneficiaries was not susceptible to check. For weeding out ineligible beneficiaries who had become self dependent, the District level committees were to undertake quarterly and annual review of all the cases. The requisite reviews/checks had not, however, been made in the 5 test-checked districts. Instead, Administrative Department on one occasion constituted (December 1997) Tehsil level committees for weeding out ineligible cases. The exercise was to be carried out under the overall supervision of the respective DDCs and completed within one month. It was seen in test-check that the Tehsil Committees constituted (December 1997) did not undertake the weeding out exercise in any of the 5 test-checked districts. The TSWOs instead carried out the exercise at their own level weeding out 8203 cases by March 1998. Due to non-involvement of the Tehsil level committee the impartiality and transparency in weeding out exercise could not be ensured as it was done by the same officers who had allowed the benefits in the first instance. Test-check of the records of 16 TSWOs<sup>#</sup> revealed that the beneficiaries assisted included 2636 ineligible persons who were not widows as envisaged or were employed, triple/double pension recipients, etc. which involved irregular payment of pension amounting to Rs 66.52 lakh during 1995-98 (December 1997) to these ineligible persons. No steps had been taken to recover the amounts drawn unauthorisedly or fix responsibility for irregular payments.

Monthly disbursement of pension was also not ensured by the Department. In 11 test-checked Tehsils of 3 districts (Rajouri, Kathua and Poonch) lump sum drawals for periods ranging from 2 to 8 months were made during 1996-2000. The delayed payments defeated the very purpose of providing timely assistance to the needy sections of the society.

<sup>#</sup> Jammu: Bishnah, Jammu, R.S.Pora; Udhampur: Udhampur, Ramnagar; Rajouri: Rajouri, Budhal, Thanamandi, Kalakote; Poonch: Poonch Haveli, Sarankote, Mendhar; Doda: Doda, Bhaderwah, Thathri, Kishtwar

**3.6.6.5 Working of Residential Homes/Social Welfare Centres/ CICs , etc.**

**3.6.6.5.1 Residential Homes**

**Vocational training not imparted for rehabilitation**

Free board and lodge facilities to the underprivileged/ handicapped sections of the society were being provided by the Department through 34 Bal Ashrams, Nari Niketans, Blind Homes and Observation Homes. The diet charges of Rs 15 per day per beneficiary were sanctioned by the Government more than a decade back. Out of 11 test-checked homes, cutting and tailoring training was provided in only one residential home. The vocational training in handicrafts, handlooms, raising of vegetables, etc. for rehabilitating the inmates through self employment programmes were not undertaken in any centre (March 2000). The action plan for undertaking diagnostic analysis of areas of weaknesses for providing sensitized and humane management to promote creativity was also not prepared (1995-2000).

**3.6.6.5.2 Social Welfare Centres/Cottage Industries Centres (CICs)**

**Idle wages of Rs 30.38 lakh paid to staff of Cottage Industries Centres of Rajouri district**

Poor women in the age group of 14 to 35 years were to be trained in various crafts and trades including new trades like electronics, computer, fashion designing, etc. at Social Welfare Centres for independent living. In 3 CICs of Rajouri District idle wages of Rs 30.38 lakh were paid to staff (Six craft assistants and six orderlies) as no training was imparted during 1995-2000 (ending December 1999) owing to non-availability of raw material. On this being pointed out in audit, the DSWO Rajouri stated (March 2000) that the centres would be revived. Rehabilitation of 2668 persons trained in 24 test-checked centres during 1995-2000 was also not monitored as none of the trainee was sponsored for setting up of income generating unit under self-employment programmes.

**No trainee sponsored for setting up of income generating unit**

**3.6.6.6 Rehabilitation of victims of militancy**

With a view to rehabilitating the victims of militancy, including rehabilitation of migrants and providing assistance to orphans/women and girl students/handicapped/aged persons through provision of scholarship and reimbursement of tuition fee and setting up of hostel for girl students at Jammu, a three tier structure of Governing Council, Executive Council and District Level Committees was set up (February 1996) with Special Secretary Social Welfare Department as its nodal officer. A corpus fund of Rs 20 crore to be contributed by Government of India and State Government on 50:50 basis was to be created for the Council. The income on account of investment of the corpus fund was to be utilized for functioning of the Council. In audit it was seen that:-

(i) Against the envisaged contribution of Rs 10 crore each by Central and State Government, the Central Government released Rs 7 crore

**Detailed accounts in support of Rs 1.47 crore advanced to district committees not obtained**

(1995-96: Rs 1.50 crore; 1996-97: Rs 3.50 crore and 1999-2000: Rs 2 crore) to the corpus fund while the State Government contributed only Rs 1.38 crore during 1995-2000. Rupees 2 crore contributed by Government of India in March 1999 were released by the Administrative Department to the Council after 1 year (Rs 1 crore in February 2000 and Rs 1 crore in March 2000) which led to loss of interest of Rs 19.16 lakh for the period 1 April 1999 to end of March 2000 to the Council fund. The accounts of the Council fund had not been drawn up since 1996-97 in absence of which its financial position was not ascertainable. Identification of victims of militancy had not been done as of March 2000. During test-check it was seen that detailed accounts for Rs 1.47 crore advanced to 12 district committees for disbursement among victims of militancy (widows and orphans) had not been obtained. It was, however, noticed that funds to the extent of Rs 3.42 lakh were irregularly diverted from the corpus fund during 1996-98 for holding of camps for handicapped under a separate scheme of ADIP<sup>w</sup>.

**Various rehabilitation activities not undertaken**

(ii) In 5 test-checked districts it was noticed that activities viz. rehabilitation of migrants, providing of scholarship to students and reimbursement of tuition fee, financial assistance to handicapped/girl students/aged persons and setting up of hostel for girl students in Jammu were not undertaken due to non-release of funds by the Council.

### **3.6.7 Purchase system**

**Purchase of store/stock items exceeded tendered quantities**

Purchases of various items required for implementation of programmes were made by the Department during 1995-2000 centrally at the Directorate level except for nutrition items for which rate contracts were finalised at district level. The Department did not have any system of assessing the requirements of the stores/stocks based on actual requisitions/requirements projected by the field offices and availability of stores in various homes/ashrams run by the department. Purchases of different store/stock items (value: Rs 3.33 crore) made by the Directorate during 1998-2000 was in excess by 23 to 1863 *per cent* of the tendered quantity which indicated improper assessment of actual requirements.

#### **3.6.7.1 Extra expenditure due to irregular purchases**

**Stores valuing Rs 2.09 crore purchased at negotiated rates after ignoring lowest tendered rates**

The purchase system adopted by Director Social Welfare was defective as purchase of various items was not ensured at the lowest competitive rates. During 1997-98 to 1999-2000 items of different stores valuing Rs 2.09 crore were purchased at negotiated rates after ignoring lowest tendered rates. Some cases are discussed below:

(a) Assistance of Rs 3500 was to be paid to each identified beneficiary under ISSS in the shape of sewing machine or hand driven looms

<sup>w</sup> Assistance to disabled persons for fitting/purchase of Aids and appliances

or kit and trays for mushroom cultivation and rearing equipment for silk worms. Without assessing the requirements of equipment on the basis of identified beneficiaries for different trades and crafts, Director Social Welfare purchased 7417 sewing machines and 3798 iron presses during 1997-98 and 1998-99 after diverting funds earmarked for purchase of weaving/silkworm/mushroom cultivation equipment. Of the total purchases of 7417 sewing machines, only 551 (7 per cent) were purchased from the lowest tenderer at the rate of Rs 890 per machine. The remaining sewing machines had been purchased at higher rates with excess ranging from Rs 205 to Rs 402 per machine during 1997-99 which resulted in an extra expenditure of Rs 23.27 lakh. Similarly, 3798 iron presses were purchased from a local firm at a higher rate of Rs 380 per piece during 1998-99 against lowest tendered rate of Rs 135 per piece which resulted in a further extra expenditure of Rs 9.31 lakh. Reasons for not making the purchases at the lowest tendered rates were not intimated. The decision to purchase sewing machines during 1998-99 at higher rates was taken by Director Social Welfare, though four out of seven members of the purchase committee had not agreed to the purchases. During 1999-2000 the Department purchased sewing machines and iron presses for Rs 65.40 lakh without calling any tender(s) and after by-passing the duly constituted Departmental Purchase Committee. The utilisation of the purchased equipment issued to various district offices had also not been ascertained/monitored in absence of which impact of the scheme could not be evaluated in audit.

**(b) *Purchase of pre-school material***

The tenders for purchase of pre-school material (nursery books/toys, etc.) invited (February 1998) did not indicate the specifications of the material in absence of which the intending tenderers quoted more than one rate for each item. The Purchase Committee constituted (February 1998 & March 1998) to finalise the contract(s) did not finalise the purchases and subsequently the Directorate negotiated with some selected firms and finalised the rate contract at its own level. Audit scrutiny revealed that the Department incurred an extra expenditure of Rs 23.15 lakh on purchase of the material at rates higher than the lowest tendered rates for items of same specifications. Approval of the purchase rates sought in March 1998 from the Administrative Department had also not been accorded as of April 2000. Though the material was shown to have been issued to various centres during 1998-99, no records indicating actual issue of the material to the intended beneficiaries were made available to Audit.

**3.6.8 *Monitoring and Evaluation***

The Department had not evolved any mechanism for ensuring continuous monitoring of the programme implementation nor were the results of the implementation of the schemes got evaluated through Government or outside agency. Improper monitoring resulted in poor planning, defective selection of

**Implementation  
of schemes not  
evaluated**

beneficiaries and poor implementation of schemes due to which envisaged benefits did not reach the needy and socially deprived sections of population fully. There was also complete lack of control over manpower, appointments, promotions and proper vigilance over staff.

The above points were reported to Government/Department in August 2000; reply had not been received (December 2000).



**Section-B-Audit Paragraphs**

**Agriculture Production and Rural Development Department**

**3.7 Unfruitful expenditure on purchase of land and escalation of estimated cost**

**Release of funds, without proper identification of site, for setting up of milk chilling plant in Pulwama District, resulted in locking up of Rs 10.05 lakh for periods over 5 to 8 years, besides depriving the milk producers of the envisaged facilities**

District Development Board Pulwama approved (June 1991) setting up of a milk chilling plant in the district. The plant with a capacity of chilling 2000 litres of milk per hour and holding capacity of 5000 litres was to be completed at an estimated cost of Rs 21.06 lakh in four years and operated under the technical and administrative control of the Kashmir Milk Producers Co-operative Federation Srinagar.

Test-check (July 1999) of the records of Chief Animal Husbandry Officer Pulwama, revealed that the Department placed Rs 2 lakh at the disposal of Assistant Commissioner (Revenue) in March 1992 for purchase of land and also released Rs 4 lakh to the Milk Federation for purchase of machinery and equipment for the plant. The site for the setting up of plant, identified by the Department in March 1994, was acquired by the Revenue Department at a cost of Rs 6.04 lakh. The amount of Rs 4 lakh released to the Milk Federation earlier in March 1992 by the Department was received back and paid to the Revenue Department in October 1994 towards balance cost of the land. An amount of Rs 4.05 lakh was released to the Milk Federation subsequently in March 1995 for purchase and installation of the plant at the acquired site.

Action to acquire/install the plant was not taken till February 1997 when the District Development Board observed that the site selected being very close to the Administrative Block of the District Development Commissioner was unsuitable for the construction of the chilling plant and that the acquired land be utilised for the construction of proposed Veterinary Complex (Administrative office of the Animal Husbandry Department). However, as of July 2000, neither had the Veterinary Complex come up nor had any alternative site been identified for construction of the milk chilling plant. Meanwhile, the estimated cost of construction of the chilling plant had increased from Rs 21.06 lakh to Rs 70 lakh.

Thus, unplanned release of funds by the Department without proper identification of land for setting up of the plant, resulted in locking up of Rs 10.05 lakh for a period of over 5 to 8 years and escalation in the estimated cost

of the plant from Rs 21.06 lakh during 1991 to Rs 70 lakh in 1997 and denial of intended facility to the milk producers of the district.

The matter was reported to the Government/Department in May 2000; reply had not been received (December 2000).

### Education Department

#### 3.8 Nugatory expenditure on idle staff

##### Idle wages amounting to Rs 10.11 lakh paid to staff of a non-functional hostel

The Government sanctioned (October 1987) staff (9<sup>ψ</sup> posts) for girls hostel of Government Polytechnic College for Women Jammu. The hostel housed in a hired private building started functioning in November 1988 but was closed down in September 1993 due to poor occupancy. The hostel staff comprising cook, helper, attendant, watcher, etc. rendered surplus had not been adjusted as of April 2000. On this being pointed out (April 2000) in audit, the Director Technical Education stated (April 2000) that the staff was deployed on comparable posts in college laboratories, workshop, etc. pending approval of Government to create additional posts of non-teaching staff. The reply is not tenable as the college had full complement of sanctioned staff in these sections and there was little scope for creation of additional posts in view of the declining trend of admissions which came down from 43 students in 1995-96 to only 28 students in 1999-2000. Failure to adjust the surplus staff resulted in payment of idle wages of Rs 10.11 lakh from September 1993 to March 2000.

The matter was reported to Government/Department in July 2000; reply had not been received (December 2000).

<sup>ψ</sup> Warden- 1, Plumber- 1, Store Keeper-1, Hostel Cook-1, Hostel Watcher-1, Nursing Orderly-1, Helper-1, Hostel Attendant-1 and Safaiwala-1

**Health and Medical Education Department**

**3.9 Idle investment on purchase of equipment**

**Failure of the Health and Medical Education Department to get the spectrophotometer repaired or replaced by the supplier resulted in investment of Rs 7.91 lakh made on its purchase remaining idle for more than 5 years and avoidable expenditure on conducting tests outside the State**

Test-check of records of the Health and Medical Education Department during July 1998 revealed that the Controller, Drug and Food Control Organisation, Jammu and Kashmir placed (December 1993) orders for import of a Spectrophotometer, FT-IR with an Italian firm for analysis of drugs in its laboratory at Jammu. Sanction for advance drawal of Rs 7.91 lakh to meet the cost of equipment and for opening a letter of credit in favour of the supplier was accorded by Government in February 1994. The equipment received in October 1994 was found short of some important accessories. The missing accessories supplied in July 1995 being incompatible with the original equipment were replaced by the firm in December 1995. The spectrophotometer, however, did not function and developed (January 1996) major defects. The supplier with whom the matter for repairing the equipment was taken up belatedly in February/March 1998 i.e. after a delay of over 2 years, refused to repair the same free of cost as the warranty period of 12 months from the date of purchase of equipment had expired. It, however, offered (April 1998) to supply the required spares at a discount of 50 *per cent* (Rs 0.85 lakh) which offer was valid for two months. The Controller, sought Government sanction for replacement of defective parts in December 1998, only after the issue was raised in audit, by which time the validity period of the offer had expired. No further action had been taken as of March 2000. Meanwhile, the organisation continued to get the requisite analysis of the drugs conducted at laboratories outside the State. The amount spent on these tests was not intimated.

The matter was reported to the Government/Department in June 2000; reply had not been received (December 2000).

**Health and Medical Education and Labour and  
Employment Departments**

**3.10 Wasteful expenditure and locking up of funds due to defective selection of sites**

**Construction of a PHC<sup>w</sup> at a protected site at Burzahom in violation of Ancient Monuments, Archaeological Sites and Remains Act, 1958, and a labour *sarai* at an unsuitable site resulted in infructuous expenditure of Rs 5.45 lakh besides locking up of Rs 7.96 lakh for over two to five years**

Unplanned construction of a PHC and labour *Sarai* taken up by Health and Medical Education Department and Labour and Employment Department respectively without assessing the suitability of the identified sites is discussed below:

(a) Burzahom, situated about 17 kms North East of Srinagar, is an archaeological site of ancient human settlements of Neolithic period (2375 BC). Burzahom, being an archaeological site of national importance, is protected under the provisions of the Ancient Monuments, Archaeological Sites and Remains Act, 1958 and Rules thereunder since August 1965. As per provisions of the Act and the Rules, no construction can be undertaken in the protected/prohibited or regulated area of the site/monument.

Test-check of records of the Executive Engineer, Construction Division No. 3 Srinagar revealed that the Division, without obtaining the administrative approval, allotted (November 1995) the work of construction of a PHC building in Burzahom village at a site identified by Health and Medical Education Department. The work was taken up (December 1995) despite objections raised by Archaeological Survey of India that the site was within the notified/protected area. The execution of work was stopped and finally abandoned in January 1996 after the matter was brought to the notice of Advisor to the Governor by the Archaeological Department. By that time expenditure of Rs 3.41 lakh had been incurred. The proposed health centre was constructed thereafter at a different location in Safapora, rendering the expenditure at Burzahom site wasteful. The circumstances under which the site falling in protected area was identified initially for construction of the health centre were not intimated nor had responsibility for the same been fixed.

Thus, identification of the site in protected area initially and taking up of the construction work despite objections raised by the Archaeological Department subsequently resulted in wasteful expenditure of Rs 3.41 lakh.

<sup>w</sup> Primary Health Centre

(b) In March 1994, Labour Department advanced Rs 5 lakh to Notified Area Committee (NAC) Katra for purchase of land and construction of a labour *sarai*-cum-welfare centre at Katra. The NAC purchased 4 Kanals and 12 Marlas of land at a cost of Rs 0.98 lakh and transferred (April 1997) the balance amount of Rs 4.02 lakh to Mata Vaishno Devi Shrine Board to whom proposed construction had been entrusted. A further amount of Rs 5 lakh was paid (March 1997) to the Shrine Board for the construction, administratively approved for Rs 12.93 lakh. The Board after utilising Rs 1.06 lakh on construction of approach road and boundary wall expressed (August 1997) their inability to complete the work owing to busy works programme of its construction division. Consequently, the work was entrusted (August 1997) to Public Works Department and unspent amount of Rs 7.96 lakh was transferred to it by the Shrine Board in November 1997. The Public Works Department, however, did not commence the work as the site was reportedly unsuitable and the Department was advised (July 1998) to acquire an alternative site. Meanwhile, the estimated cost of construction was revised (February 1998) by the Public Works Department to Rs 29.35 lakh.

On this being pointed out (February 2000) in audit, the Labour and Employment Department stated that the site was found fit for construction on the basis of spot inspection carried out by it. The reply is, however, not tenable because the cost of the building would increase considerably due to proper soil treatment to be provided in the basement as observed (February 2000) by the CE, PWD (R&B). No final decision had, however, been taken by the Department as of May 2000.

The above points were reported to the Government/Department in May 2000; reply had not been received (December 2000).

## Home Department

### 3.11 Excess payment of Honorarium

#### **Excess payment of Honorarium of Rs 72.03 lakh to the police personnel engaged on election duty had not been recovered despite instructions issued to Drawing and Disbursing Officers by the Administrative Department and Director General of Police**

Government accorded sanction (March 1997) for the payment of Honorarium, equivalent to one months' pay and allowances<sup>&</sup>, to the police personnel deployed for the conduct of Parliamentary and State Assembly elections of 1996.

A test-check (July 1997 to July 1998) in audit of the records of 17 Drawing and Disbursing Officers of the Police Department, however, revealed that Honorarium paid to police personnel deployed on election duty also included special allowances like Ration Money, House Rent, City Compensatory, Kit maintenance and two and a half days pay paid to police personnel for performing duties on roster basis on Sundays/holidays. This resulted in excess payment of Rs 72.03 lakh during April 1997. At the instance of Audit, the Administrative Department and the Director General of Police directed (August 1997, October 1997, March 2000) all the Drawing and Disbursing Officers to recover the excess amount. Further progress in the matter was awaited (June 2000).

The matter was reported to the Government/Department in June 2000; reply had not been received (December 2000).

## Industries and Commerce Department

### 3.12 Infertuous expenditure on pay and allowances of idle staff

#### **Idle wages amounting to Rs 6.51 lakh were paid to 2 drivers who were without any work**

Two vehicles provided to District Industries Centre Udhampur were rendered non-functional from March and April 1991 respectively due to an accident and uneconomical running. Consequently, the two drivers deployed on these vehicles became surplus. Test-check (September 1999/March 2000) in audit revealed that while services of one driver were utilised for the running of a

<sup>&</sup> Dearness allowance, Additional DA, Interim Relief and Medical allowance

new vehicle purchased during 1991, the other driver remained idle, except for the period from July 1992 to June 1993 when he was temporarily transferred to Handloom Development Department. Idle wages paid to the driver during the period April 1991 to June 1992 and July 1993 to March 2000 amounted to Rs 4.76 lakh.

Test-check (March 2000) of the records of District Industries Centre Kathua further revealed that although a regular driver stood appointed in the Centre for operating the only vehicle available at the centre, the General Manager employed another driver in June 1993 on daily wage basis. The services of the driver were subsequently placed (March 1997) in a regular scale and regularised from October 1999. Appointment of driver without any work was irregular and resulted in payment of idle wages of Rs 1.75 lakh as of March 2000.

The matter was reported to the Government/Department in July 2000; reply had not been received (December 2000).

### **3.13 Locking up of funds and avoidable expenditure**

#### **Failure of the Sericulture Department to properly plan the construction of cold store resulted in cost escalation of Rs 13.50 lakh, locking up of Rs 12 lakh for 3 to 15 years and avoidable expenditure of Rs 12.97 lakh on procurement of ice for storage of silkworm seeds**

Production and distribution of silkworm seeds under controlled conditions is done at the basic seed stations of the Sericulture Department. A mention about unfruitful expenditure of Rs 3.50 lakh on construction of the building of a cold store at seed station, Batote and locking up of Rs 1 lakh due to non-procurement of air conditioning plant was made in Paragraph 3.12 of the Report of the Comptroller and Auditor General of India for the year ended March 1993.

Test-check (August 1998 and February 2000) of the records of Additional Director Sericulture, Jammu further revealed that the air conditioning plant had not been procured and installed at basic seed station, Batote by the Mechanical Division, Udhampur as of February 2000 despite release of Rs 12<sup>&</sup> lakh to it during the period November 1984 to December 1996. It was also seen that though the Division had invited tenders for the purchase and installation of the plant on eight occasions between January 1985 and October 1998, the work had not been allotted. Non-finalisation of tenders last invited in October 1998 was attributed (October 1998 and February 2000) by the Mechanical Division Udhampur to frequent changes in the design parameters of the plant relating to its holding capacity/temperature regulation and non-

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<sup>&</sup> November 1984: Rs 2.50 lakh; March 1987: Rs 1 lakh; December 1996: Rs 8.50 lakh

provision of funds in time by the Sericulture Department. The estimated cost of the plant meanwhile increased from Rs 5 lakh in August 1987 to Rs 11 lakh in July 1996 and to Rs 18.50 lakh in February 2000. The unspent funds of Rs 12 lakh were also locked up in Public Works Deposits. In absence of cold storage facilities, the silkworm seed was stored by the Department in ice boxes and Rs 12.97 lakh had been spent by the Department on purchase of ice during 1986-87 to December 1999, which could have been avoided, had the cold storage plant been installed and commissioned.

Thus, failure of the Department to properly plan construction of the cold store resulted in escalation of the cost of plant from Rs 5 lakh in August 1987 to Rs 18.50 lakh in February 2000, locking up of funds aggregating Rs 12 lakh and avoidable expenditure of Rs 12.97 lakh on purchase of ice.

The matter was reported to the Government/Department in May 2000; reply had not been received (December 2000).

### **Stationery and Office Supplies Department**

#### **3.14 Idle investment due to inadequate monitoring and co-ordination**

#### **Failure of the Stationery and Office Supplies Department to monitor and co-ordinate the construction of office complex resulted in idle investment of Rs 34 lakh for more than 4 years on semi-constructed structure**

Department of Stationery and Office Supplies mooted (December 1985) a proposal for construction of an office-cum-store complex at Srinagar. Accordingly, Director Stationery and Office Supplies requested Srinagar Development Authority (SDA) for allotment of land adjacent to Srinagar city for operational convenience of the user Departments which were located mainly in or around Srinagar city. Funds aggregating Rs 4 lakh were released to the SDA during the period March 1986 to April 1989 towards cost of land (Rs 2.40 lakh) and fencing. The construction of the complex (estimated cost: Rs 46.41 lakh) was also entrusted (February 1988) to SDA for completion by May 1996 for which funds aggregating Rs 29.99 lakh were released between March 1991 and March 1996. The execution of the work was, however, taken up only in May 1992 and after incurring expenditure of Rs 34.01 lakh up to October 1995, SDA revised the cost estimates to Rs 60.20 lakh. In the review meetings held (January 1996/February 1997) by Planning and Development Department it was decided to terminate the contract with SDA and allot the balance work to Jammu and Kashmir Project Construction Corporation (a Government Company). Director Stationery and Office Supplies was also



directed to verify the physical achievements of the semi-constructed structure and report thereon.

A team of officers headed by Director of Stationery and Office Supplies inspected (March 1997 and May 1998) the work and reported that the land allotted for the complex being about 7 kilometres away from Srinagar city was unsuitable and not in consonance with the requirements of the Department. Substantial mismatch between the reported expenditure and actual physical achievements were also reported (September 1999) as the semi-completed building raised up to roof level was without flooring, doors, windows and sanitary/electrical fittings. While justifying the termination of the contract, the team suggested a detailed probe by the Vigilance Department or other Committee. No further action to complete the building had been taken as of April 2000 as neither detailed accounts for Rs 34 lakh were made available by Srinagar Development Authority nor had the semi-constructed structure been handed over. On this being pointed out in audit (July 2000), the Commissioner Secretary, Administrative Reforms/Stationery and Printing Department stated (August 2000) that the subsequent view of the Director Stationery and Office Supplies regarding unsuitability of site, who was not associated with the earlier decision, has not been upheld by the Government. It was further stated that decision of the Government for completion of complex and its proper use is expected shortly. Further developments were awaited (September 2000).

Thus, due to failure of Stationery and Office Supplies Department to properly monitor and co-ordinate construction of the complex, the expenditure of Rs 34 lakh was rendered idle for more than 4 years. In the meantime the semi-constructed structure was facing vagaries of weather and was without any watch and ward since 1995.

The matter was reported to Government/Department in July 2000; reply had not been received (December 2000).