Overview

This Audit Report contains 27 Audit paragraphs and 6 Audit Reviews apart from comments on the Finance and Appropriation Accounts. As per existing arrangement, copies of the draft audit paragraphs and draft Audit Reviews are sent to the concerned Secretary to the State Government by the Accountant General, demi-officially with a request to furnish replies within 6 weeks. However despite such efforts, in 24 Audit Paragraphs out of the total number of 27 and in 6 Reviews, out of 6 Reviews, no response were received from the concerned Secretary of the State Government. The matter was also brought to notice of Chief Secretary by the Accountant General. Reply is still awaited.

I. Review of the State's Finances

- The assets of the State Government grew by only 14 per cent during 2000-2001 while the liabilities grew by 17 per cent, mainly as a result of 20.57 per cent growth in the deficit on the Government account. The net receipts from Public Accounts decreased from 10.67 per cent in 1999-2000 to 4.99 per cent in 2000-2001. The share of revenue receipts in total sources of State Government went up from 64.41 per cent in 1999-2000 to 67.84 per cent during 2000-2001 and the receipts from Public Debt correspondingly went up from 22.52 per cent to 25.91 per cent.

- Though the share of revenue expenditure to total expenditure decreased from 94.65 per cent in 1999-2000 to 87.36 per cent in 2000-2001 yet it was significantly higher than the share of revenue receipts, leading to revenue deficit of Rs.2335.97 crore during 2000-2001. Balance from current Revenues was negative and remained at high level indicating that the Government had to depend only on borrowings to meet its plan expenditure.

- Interest payments though decreased by 11 per cent during the year 2000-2001, it increased by 43 per cent from Rs.1635 crore in 1996-97 to Rs.2343 crore in 2000-2001 mainly due to increase in public debt. It constituted 20 per cent of revenue expenditure.

- The ratio between capital outlay and capital receipts declined from 0.32 in 1997-98 to 0.27 in 2000-2001 indicating a worsening position, as a substantial part of the capital receipts was not available for capital formation or investment.

- As on 31 March 2001, 14 out of 23 Government companies, in which Government invested Rs.284.95 crore, were running at loss and the accumulated loss amounted to Rs.335.16 crore up to March 2001. Even the profit making Companies, Corporations and Co-operative Institutions, etc., gave insignificant returns of less than one per cent during 1996-2001. Thus, while the Government was raising high cost borrowing (at 10.52 per cent to 13.85 per cent rate of interest) from the market, its investment fetched practically no returns.

- Revenue of Rs.9.03 crore realised from 9 major irrigation projects with a total capital outlay of Rs.208.40 crore was only 4.33 per cent of the capital outlay and was not sufficient to cover even the direct working expenses of Rs.94.02 crore (excluding interest charges of Rs.14.36 crore). The projects suffered a net loss of Rs.99.35 crore in 2000-2001.

- The fiscal deficit of Rs.3904 crore (consisting of revenue deficit of Rs. 2336 crore) was financed by net proceeds of the Public Debt (Rs.3528 crore), and partly from surplus from Public Account (Rs.690 crore). Though the ratio of revenue deficit to fiscal deficit decreased from 0.93 in 1996-97 to 0.60 in 2000-2001 yet it was substantially of high indicating that a larger share of borrowings was applied to meet the revenue expenditure. There was no net receipt out of loans and advances received from Government of India (Rs.624 crore) due to repayments (Rs. 1820 crore).

- The outstanding guarantees has increased from Rs. 5732 crore in 1996-97 to Rs. 8990 in 2000-2001 and amounted to 96 per cent of the Revenue Receipts (Rs. 9377 crore) indicating that the Government was taking an unacceptable risk in giving guarantees.

- Persistent negative BCR, almost stagnant tax GSDP ratio and lukewarm approach by Government to implement the fiscal reforms programme (MOU) to reduce expenditure, coupled with huge revenue pending collection, increased fiscal deficit by 22 per cent during the year and forced State Government to borrow more and more. Resultantly, the outstanding Government debt now accounts for 42 per cent of GSDP. Apparent improvement as a result of decline in the interest ratio and Capital repayment Vs Capital borrowings ratio conceals the real debt burden that will arise in future when moratorium of five years granted by the GOI on repayment of Special Term Loans and interest thereon is over. This may put serious constraints on State resources during the subsequent years. if the growth of public debt is not arrested. Most of the increase in capital expenditure during the year was under non-plan (Rs. 695.37 crore) on procurement of foodgrains. While this has increased the capital expenditure to that extent, but the fact remains that no durable capital assets has been created and the potential loss as a result of prolonged storage at high storage cost cannot also be ruled out. Thus most of the borrowings are being spent on non-productive expenditure like revenue expenditure (60 per cent) and non-plan Capital expenditure (17 per cent) and there is little scope of new investments taking place. Since the government investments are yielding virtually nothing and its financial management leaves much to be desired, the sustainability of its finances is severely impaired and current year's improvement masks medium term problems due to maintenance and debt repayments.

(Paragraphs 1.1 to 1.12)

II Appropriation Audit and Control over expenditure

- During 2000-2001, expenditure of Rs.20027.96 crore was incurred against the total grants and appropriations of Rs.23928.57 crore resulting in a saving of Rs.3900.61 crore (16.30 per cent). The overall saving of Rs.3900.61 crore was the result of saving of Rs.4467.46 crore in 68 cases of grants and appropriation, offset by excess of Rs.566.85 crore under 8 cases of grants and appropriations. The excess of Rs.566.85 crore required regularisation by the Legislature under Article 205 of the Constitution.
- Supplementary provision of Rs.818.28 crore obtained during 2000-2001, which constituted 3.54 per cent of the original budget provision of Rs.23110.29 crore proved unnecessary as the expenditure fell short of even the original budget. Supplementary provision of Rs.285.48 crore obtained in 21 cases of grants and appropriations proved unnecessary in view of the final saving in each grant/appropriation being more than the supplementary provision. On the other hand in 2 cases, supplementary provision of Rs.222.22 crore proved insufficient by more than one crore resulting in uncovered excess expenditure of Rs.349.33 crore.
- Significant excess was persistent in 6 cases under one grant (Grant No.21-Public works).
- In 33 cases of grants/appropriations, there was saving exceeding rupees one crore in each case and also by more than 20 per cent of the total provision amounted to Rs.3729.58 crore. In 4 of the above cases, the entire provision totaling Rs.27.98 crore was not utilized.
- Injudicious re-appropriation of funds resulted in saving of more than Rs.10 lakh each in 29 cases; out of which in 16 cases, the saving was more than Rs.1 crore.
- In 10 cases, expenditure of Rs.1056.04 crore incurred during March 2001 was 53 per cent of the total expenditure (Rs.2008.66 crore), indicating rush of expenditure during the last month of the financial year.

(Paragraphs 2.1 to 2.10)

III Performance review of schemes

1. Veterinary and Animal Health Services

The main objective of the department is to provide veterinary and animal health services to livestock through clinical treatment, regular vaccinations, artificial inseminations and castration of bulls. For achievement of this goal 9 polyclinics, 1364 veterinary hospitals, 1431 veterinary dispensaries and 45 mobile units have been established in the State. A review of veterinary and animal health services indicated poor implementation of plan schemes. The health care service provided at the doorstep of farmers through mobile units had almost collapsed because only 4 out of 22 mobile vans were in working order. There was shortfall of 80 per cent in foot and mouth disease (FMD) vaccinations. Consequently FMD broke out in 1998 and 1073 cattle head perished. Some significant findings are given below:

- Of the total Plan provision of Rs.143.28 crore during 1996-2001, Rs.90.52 crore (63 per cent) remained unutilized. Non-plan expenditure, increased by 101 per cent over the same period.

- While Central assistance ranging between Rs. 1.56 crore and Rs. 7.45 crore was retained by Government during 1996-97 to 2000-01, the unplanned implementation of schemes resulted in blockade of money (Rs.63.83 lakh), unproductive investment (Rs.4.24 crore) and unfruitful expenditure of Rs. 24.38 lakh.

- Shortfall in treatment of animals ranged between 32 and 44 per cent. Due to inadequate FMD vaccinations, 1073 cattle head perished.

- Expenditure on medicines decreased from Rs.4.88 crore in 1997-98 to Rs.0.89 crore in 2000-2001, which was indicative of deterioration in animal health services.

- Department drew Rs. 3.69 crore on 61 abstract contingent bills for purchase of material, machinery and equipments from Government treasuries during 1994-2001, but did not submit detailed contingent bills. Inordinate delay in submission of bills indicated lack of control and monitoring at Director's level.

- Polyclinics in districts of Amritsar, Mansa and Moga were lying incomplete for the last 3 to 7 years resulting in blockade of Rs.0.73 crore.

- The scheme of providing animal health care at the door steps of the farmers through mobile health care units had not yielded desired results, as out of 22 mobile vans only 4 were in working order.

- Poor planning in deployment of veterinary staff not only resulted in irregular expenditure of Rs.1.65 crore but also deprived the animals of the veterinary care.

(Paragraph 3.1)

2. Working of Internal Audit Organisation

With a view to improve overall quality of work, reduce errors, omissions and irregularities, the State Government introduced (1982) the system of Internal Audit in revenue receipts. The focus was, however, shifted (1991) to some expenditure heads. The review conducted on the working of Internal Audit Organisation (IAO) revealed several deficiencies. There was heavy arrear in audit, inordinate delay in issue of audit notes, absence of monitoring to ensure settlement of objections raised by the IAO within a reasonable period. Paragraphs relating to shortfall in revenue receipts aggregating Rs.60.44 crore pointed out prior to discontinuance of audit of revenue receipts were lying unattended. Lack of effectiveness was persisting as the outstanding paragraphs had increased over the period. There was lukewarm response to the audit objections from the auditee organizations. The departments continued to commit irregularities which were pointed out in the Statutory test check. Some of the significant findings are given below:

- Of 1055 units to be audited annually, the IAO failed to conduct audit of 588 units and delay ranged from 1 to 5 years.

- 822 audit notes were issued late and delay ranged between 16 and 362 days.

- The follow up action on Internal Audit observations was lacking and 4059 audit notes containing 13277 paragraphs with money value of Rs.256.78 crore were pending for settlement.

- Utilisation of 368 mandays in excess of norms and non-utilisation of 1460 mandays because of poor planning, IAO incurred ungainful expenditure of Rs. 10.99 lakh on the pay and allowances.

- The shift in focus of IAO from revenue to expenditure audit proved to be ineffective as during the period under review 9520 cases of irregularities involving revenue effect of Rs.268 crore were detected by Statutory Audit.

- Internal Audit highlighted irregularities valuing Rs.45.68 lakh, which were already highlighted by Statutory Audit.

(Paragraph 3.2)

3. Prevention and Control of Diseases

Government of India launched several centrally sponsored programmes for prevention and control of diseases, namely National AIDS Control Programme in 1992 and National Programme for Control of Blindness in 1976. A review on the performance of these programmes during 1996-2001 in Punjab state revealed the following:

3.1 National AIDS Control Programme

To contain the spread of the HIV infection in India and to strengthen India’s capacity to respond to the HIV/AIDS as a long term basis, the Government of India (GOI) launched a hundred per cent centrally sponsored National AIDS Control Programme in 1992. The review of the programme revealed several deficiencies in its management and implementation. The implementation was poor in the State as 82 per cent of the available funds remained unutilized during 1996-97. The achievements under sub-components of the programme were not substantial and in most of the cases targets were not fixed. The task of identifying groups of high-risk population remained ineffective as against the coverage of whole State, only 4 towns were covered and only base line data was compiled. Peer counseling, treatment of STIs and client programmes were virtually absent. The training programme was not complete in all respects as no training was given to medical and para-medical staff in the field.

The National programme for control of blindness, a cent per cent Centrally sponsored programme, was launched in 1976 to achieve the goal of reducing the prevalence of blindness upto 3 per thousand of population by year ending 2000. The review of the programme revealed gross deficiencies in programme implementation. The achievements fixed for cataract surgery were inflated by 30 to 45 per cent and funds released by Government of India (GOI) to Director Health Services (DHS) and DBCSs remained unutilized. There was a lack of monitoring and evaluation of the programme at State level.

Some significant irregularities are given below:

- Out of funds of Rs.292.53 lakh, released by Government of India, Rs.51.21 lakh (18 per cent) only were utilized for the implementation of the programme during 1996-97.

- The achievements under priority targeted intervention for groups at high risk and low cost AIDS care components were negligible as only Rs.0.26 crore (19 per cent) were expended out of available funds of Rs.1.35 crore during 1999-2001

- Condom delivery system failed to take off due to non-purchase of condoms/purchase of defective condom vending machines, beside wasteful expenditure of Rs.22.61 lakh.

- Non-transfer of IEC material worth Rs. 7.11 lakh by the State AIDS Cell to the State AIDS Control Society affected the awareness campaign adversely.

- Equipments worth Rs.12.39 lakh were purchased in contravention of the guidelines issued by NACO.

- Out of Rs.1.60 crore received by the State Government from GOI for the implementation of the programme during 1996-2001, Rs.1.48 crore (92 per cent) were not released by the State Government.

- Achievements of cataract operations by the Government hospitals were inflated by 34 to 45 per cent during 1996-2001 by including the operations conducted by NGOs in the reports.

- Central purchase of material and equipments was not made by the State Government and funds amounting to Rs. 1.03 crore released by GOI for the purpose were retained by the State Government for meeting its own expenditure.

- Irregular and excess expenditure of Rs. 14.40 lakh was incurred on purchase of medicines, non-consumables and payment to NGOs.

(Paragraph 3.3)

4. Drinking water

Implementation of the Rural Water Supply Programme was not effective as 366 problem villages remained uncovered as of March 2001 despite the availability of funds. Many schemes remained non-functional due to poor maintenance. No control mechanism existed to monitor the drawal of water samples at prescribed intervals. Water was being supplied to many rural areas with Chemical contents beyond the prescribed limit. Under Urban Water Supply programme, none of the projects taken up during 1997-2000 could be completed as of March 2001 as a result of which supply of potable water continued to remain a distant dream for these towns. At Government level, no monitoring and evaluation of any of the programmes was done. Some of the significant findings are mentioned below :-

- In violation of guidelines, the Government delayed release of Rs.63.41 crore by one to six months to Public Health Department during 1997-2001

- Out of 1021 problem villages targetted to be covered during 1997-2001, 366 villages (36 per cent) remained uncovered.

- While Rs.7.71 crore were spent on 53 schemes without getting their detailed estimates sanctioned, Rs.3.45 crore were spent on 86 schemes in excess of sanctioned estimates.

- 35 RWS schemes commissioned at a cost of Rs. 5.60 crore remained non functional from 4 to 42 months due to poor O&M of schemes.

- Chemical contents of water being supplied through 10 schemes commissioned at a cost of Rs.1.45 crore were in excess of permissible limits and unsafe drinking water was being supplied to inhabitants.

- Despite receipt of funds from GOI, no activities under IEC and MIS were undertaken.

- Central assistance of Rs. 1.84 crore for water supply in 4 towns during 1993-94 to 1996-97 was released by State Government to implementing agency after 5 years.

- Of the 12 towns to be provided with drinking water during 1997-2000, projects of only 9 towns were taken up but none of them was completed as of March 2001.

- After incurring an expenditure of Rs. 20.82 lakh under a State Plan Scheme, the project was taken up irregularly under AUWSP thus depriving other deserving towns of the benefit of AUWSP.

- The cost of 2 Urban Water Supply Schemes was over estimated by Rs. 21.29 lakh due to inclusion of undeveloped area in the DPR.

- Levy of departmental charges in excess of prescribed limit resulted in excess expenditure of Rs. 12.15 lakh on the programme.

- Non-realisation of requisite share from the Municipal Committees for any of the schemes of AUWSP resulted in extra burden of Rs. 12.60 lakh on State exchequer.

(Paragraph 4.1)

5. Integrated Audit of Irrigation Department including Manpower Management

The State of Punjab had a total length of 14,482 kms of canals and distributaries at the end of March 2001. A review on integrated audit of Irrigation Department including Manpower management indicated several deficiencies in the planning and execution of works. The budgetary control in the department was deficient. Even after lining 1092.06 kms of channels, the area irrigated from canal water had decreased during 1996-2000. Proper evaluation and effective monitoring of various schemes had not been undertaken. Some of the significant findings are given below:

- Budgetary control was deficient in the department. Budget estimates were prepared on adhoc basis and budget demands were 26 to 747 per cent higher than expenditure in respect of each year during 1996-2001.

- Though no expenditure was incurred against original grants, the department granted funds through supplementary grants of Rs. 31.74 crore (8 schemes) and re-appropriation of Rs. 48.94 crore (16 schemes) during 1996-2000.

- Though State Government was not providing adequate funds for ongoing schemes, 18 new schemes were taken up during 1998-2001 without increase in annual budget allocations.

- Although Government incurred expenditure of Rs. 231.08 crore on lining of 1092.06 kms of channels but area under canal irrigation had decreased from 16.28 lakh hectares to 9.77 lakh hectares during 1996-2000.

- Even after spending Rs. 14.23 crore on raising and lining of 127.59 kms of Bhakra Main Line canal, its discharge capacity could not be increased.

- Despite utilisation of Central Assistance of Rs 4.22 crore, the Centrally sponsored schemes could not be completed, as the State Government did not release its share.

- Improper survey study to tackle water logging in Muktsar led to abandonment of scheme which resulted in ungainful expenditure of Rs.5.21 crore on installation of 280 tubewells.

- Failure to adhere to the provisions of the Land Acquisition Act, department had incurred an avoidable expenditure of Rs. 1.93 crore besides creating a liability of Rs.17.15 crore.

- 4 Executive Engineers got works executed from private contractors at a cost of Rs. 2.82 crore whereas departmental machinery remained unutilised during 1997-2000.

- Rs. 100.79 crore were spent on pay and allowances of idle staff of SYL and Canal Lining projects.

- Training was deficient even after incurring expenditure of Rs.3.52 crore on infrastructure and Rs 31.73 lakh on establishment of Training Institute.

(Paragraph 4.2)

6. Punjabi University

Punjabi University, Patiala was established with the objective of advancement of Punjabi studies and development of Punjabi language as a medium of instructions and for promotion of higher education and research. In addition to the funds generated by the University, State Government provides maintenance grants and the University Grants Commission (UGC) provides funds for various research projects. University maintains a number of revolving fund accounts which are not included in the budget proposals and thus do not depict the true and fair financial position of the University. Neither any system of quality control was in existence nor the activities of the University and impact of implementation of various programmes had ever been evaluated. Some of the significant findings are given below. There was an accumulated balance of unutilized funds of Rs. 5.54 crore as on March 2001. In addition, accumulated balances of revolving funds (Rs.14.68 crore) and funds for self-supporting correspondence courses (Rs.3.27 crore) were also lying unspent which were not depicted in the budget.

- University has not prepared the required balance sheets since its inception. Temporary advances amounting to Rs. 5.50 crore remained unadjusted.

- The services of the teaching staff were under utilized (25 per cent) having financial implication of Rs.7.62 crore.

- 69 programmes produced were found to be unworthy of telecast resulting in wasteful expenditure of Rs.1.07 crore.

- Out of grant amounting to Rs.81.15 lakh provided by UGC during March 1998 for implementation of 2 projects, Rs. 72.26 lakh remained unutilized.

(Paragraphs 6.1.)

7. Stores & stock accounts

To achieve the objective of the Jail department of protecting society through correction, resocialisation and rehabilitation of offenders, the department provides institutional and non-institutional treatment by imparting training in furniture manufacturing, tents preparing, cloth weaving and soap making etc. Significant findings, as a result of test check, are given below:-

- Instead of purchasing fuel wood from Punjab State Forest Development Corporation Ltd. (PSFDC), the department resorted to local purchase which resulted in extra expenditure of Rs. 18.12 lakh.
- Purchase of wheat in off season resulted in avoidable expenditure of Rs. 10.07 lakh.
- Lack of proper planning and coordination resulted in avoidable loss of Rs. 5. 55 lakh on sale of dairy milk.
- Purchases of yarn and wood in excess of requirements resulted in blockade of Rs. 75.97 lakh.
- Manufactured goods and other stores worth Rs. 80.91 lakh and Rs.59.33 lakh respectively were lying undisposed.
- Consumption of material for preparation of tea in excess of norms resulted in extra expenditure of Rs. 99.69 lakh.
- Non-obtaining of security deposit in 117 cases resulted in undue financial aid of Rs. 55.71 lakh.
- Close Circuit Television system installed in 2 Jails at a cost of Rs.61.11 lakh remained non-functional and resulted in idle investment.

(Paragraph 5.1)

8. Material Management and Inventory Control of Punjab Roadways

The Punjab Roadways was established with the objective of providing road transport to the public in an economic and efficient manner. Significant audit findings are given below:-

- Non-observation of the provision of Sales Tax Act resulted in avoidable payment of Rs. 92.85 lakh.
- Non-availing of DGS&D rates resulted in extra expenditure of Rs.18.57 lakh on procurement of 6189 tyres.
- Non-levy of liquidated damages on delayed supplies resulted into loss of Rs. 11.60 lakh.

- On the basis of highest KMPL achieved in a depot there was excess consumption of lubricants of Rs. 2.06 crore. Further, due to non-fixation of norms for major assemblies, there was excess consumption of assemblies worth Rs. 57.72 lakh.

- Non-fixation of norms for recovery of burnt engine oil resulted in short recovery of Rs. 8.10 lakh.

- Rejection of competitive rates offered by MSTC resulted in undue stocking of stores of Rs. 41.10 lakh.

(Paragraph 7.1)

IV. AUDIT PARAGRAPH

1. Non-achievement of objectives

(i) The expenditure of Rs.50.15 lakh incurred on the construction of buildings to set up soil testing laboratories, purchase of material and equipment remained ungainful and no tangible benefit could be provided to farmers for 2 to 4 years as buildings could not be made functional.

(Paragraph 3.4)

(ii) Failure of the Government to provide funds for electricity connections resulted in ungainful expenditure of Rs.15.41 lakh incurred on lift irrigation project besides depriving the beneficiaries of the intended benefit since October 1998

(Paragraph 3.13)

(iii) Injudicious action of public works authorities to enhance the scope of work beyond administrative approval resulted in idle expenditure of Rs.42.85 lakh on construction of DIET building for over ten years. Besides, the intended benefit of DIET building also remained unachieved.

(Paragraph 4.4)

(iv) Inordinate delay in completion of inquiry of sub-standard execution of retaining walls of a road resulted in abandonment of work for over seven years even after spending Rs.26.87 lakh besides depriving the intended benefits of roads to the inhabitants of rural areas.

(Paragraph 4.5)

2. Inadmissible/excess/irregular payments

(i) Non-payment of loan in time by the Government resulted in extra liability of Rs.1.68 crore.

(Paragraph 3.5)

(ii) The user charges of Rs.25.40 lakh collected from the patients were utilised irregularly for the payment of electricity and telephone bills.

(Paragraph 3.8)

(iii) Two units were paid investment incentive of Rs.33.73 lakh in the absence of lease deed or title of land.

(Paragraph 3.10)

(iv) Expenditure of Rs.81.58 lakh incurred on the work not specified in the item of expenditure under Calamity Relief Fund was not justified.

(Paragraph 3.12)

(v) Adoption of rate of application of tack coat other than MOST resulted in additional expenditure of Rs.26.53 lakh.

(Paragraph 4.7)

(vi) Non-adherence to rules had resulted in incurring irregular expenditure and non-recovery of expenditure of Rs.15.21 lakh on repairs of watercourses.

(Paragraph 4.9)

(vii) Payment of interest on the solatium of the balance enhanced compensation in contravention of the Hon'ble Supreme Court of India decision (Civil Appeal no. 2872 of 1996) resulted in excess payment of interest of Rs. 50.85 lakh.

(Paragraph 6.4)

3. Infructuous expenditure

(i) Expenditure of Rs.90.88 lakh incurred on pay and allowances of 11 Science Lecturers and 11 Senior Laboratory Attendants deployed in 5 schools rendered unfruitful due to non starting of science classes.

(Paragraph 3.6)

(ii) Non-functioning of new building of ESI hospital at Ludhiana resulted in infructuous expenditure of Rs.54.86 lakh on electricity charges.

(Paragraph 3.7)

(iii) Retention of sub-jail staff without any under-trial in the sub-jail resulted in ungainful expenditure of Rs. 34.05 lakh.

(Paragraph 3.9)

(iv) Wood Seasoning Plant, Kartarpur was closed down from January 1999 but staff was paid wages of Rs.25.75 lakh between January 1999 and April 2001 without any work and therefore infructuous.

(Paragraph 3.11)

(v) Ungainful expenditure of Rs. 66.81 lakh on construction of Government Polytechnics at Rahon and Muktsar due to abandonment of work.

(Paragraph 3.14)

(vi) Indecision of the Government to either entrust additional work to a sub-division at New Delhi or order its closure had resulted in ungainful expenditure of Rs.72.24 lakhs on the pay and allowances of idle staff.

(Paragraph 4.3)

4. Avoidable expenditure

(i) Failure of the Executive Engineer in ensuring clear site before allotment of work resulted in avoidable expenditure of Rs.24.11 lakh towards compensation.

(Paragraph 4.6)

(ii) Delay of 2 years in processing and arrangement of funds resulted in avoidable payment of interest of Rs. 18.90 lakh.

(Paragraph 4.8)

5. Loss of money

(i) Investment of Rs. 4 crore of GPF/CPF/Pension Fund made by Punjab Agricultural University in PUNWIRE in violation of Government instructions resulted in loss of entire investment and interest of Rs. 2.11 crore.

(Paragraph 6.2)

(ii) Injudicious investment of Rs. 1.65 crore in PUNWIRE in disregard to Government instructions resulted in loss of investment of Rs. 97 lakh alongwith interest/penal interest of Rs. 52.53 lakh.

(Paragraph 6.3)

(iii) Delay in applying treatment for quality control measures coupled with non-despatch of 6864.25 qtls. of wheat in time resulted into loss of Rs.31.21 lakh.

(Paragraph 7.3)

6. Blockade of funds

(i) Longer storage of paddy coupled with non-milling thereof resulted in blockade of Rs. 42.47 lakh and extra cost of Rs. 5.16 lakh on storage.

(Paragraph 7.2)