

CHAPTER- III
CIVIL DEPARTMENTS
SECTION-A: REVIEWS

**MEDICAL, HEALTH AND FAMILY WELFARE
DEPARTMENT**

3.1 National AIDS Control Programme

Highlights

The Uttaranchal AIDS Control Society was constituted in April 2001 to implement National AIDS Control Programme in Uttaranchal State. National AIDS Control Organisation (NACO) provided funds for various components of the programme. A review of the implementation of the programme by Audit revealed that the Society failed in meeting its objectives due to lack of equipment, shortage of trained staff, irregular procurement of medicines, non-participation of non-government organisations, non-existence of facilities viz. blood bank, sexually transmitted disease clinics, Voluntary Counselling and Testing Centres (VCTC), blood testing centers, and failure to generate awareness among the people against HIV/AIDS. The main findings are highlighted below:

- *No targets for AIDS control were fixed for any of the groups at high risk by identifying the target population nor was support of NGOs sought. Rs.15.26 lakh received for NGO support (July 2002) remained unutilized.*

[Paragraph 3.1.5]

- *No Drug De-addiction Centre had been established in the State to generate awareness among intravenous drug users.*

[Paragraph 3.1.5]

- *Rs.2.36 lakh was paid in excess on purchases of drugs without following the financial provisions and rules.*

[Paragraph 3.1.6]

- *A comparison of data of two rounds of Family Health Awareness Campaign (FHAC) camps held in May 2001 and March 2002 showed 64 per cent increase in Reproductive Tract Infection (RTI)/Sexually Transmitted Infection (STI) infected persons, although the targeted population had declined by 3.8 per cent.*

[Paragraph 3.1.7]

- *In three districts Rudraprayag, Bageshwar and Champawat no blood bank was established. No blood component separation facility existed in the State. In 23 cases blood samples were found HIV positive and destroyed but the donors concerned were not informed.*

[Paragraph 3.1.9]

- *Programme for prevention of transmission of HIV/AIDS from pregnant women to children was not implemented. Rs.2.07 lakh provided (July 2002) for implementation of the programme remained unutilized.*

[Paragraph 3.1.10]

- *10 AIDS cases were found in the State during the period 2001-02 to 2002-03.*

[Paragraph 3.1.12]

- *Rs.15.25 lakh provided for purchase of equipment (July 2002) remained unutilized. Lack of equipment hindered accurate blood analysis-leaving HIV/AIDS infected persons undetected.*

[Paragraph 3.1.15]

Introduction

3.1.1 National AIDS Control Programme (NACP) was initiated (1992-93) to control the Acquired Immunodeficiency Syndrome (AIDS), a severe life threatening condition which represents the late clinical stage of infection with Human Immunodeficiency Retro Viruses (HIV). It often results in progressive damage to the immune system and central nervous system. HIV virus is transmitted through sexual contact, sharing contaminated needles and syringes, multiple blood transfusion of infected persons' blood, transmission from infected mother to child, before, during or after birth.

The State of Uttaranchal came into existence on 9 November 2000 on the reorganisation of Uttar Pradesh and comprises 13 districts of the erstwhile state of Uttar Pradesh. Based on sentinel surveillance data collected (1999), the HIV infection in high risk groups (STD patients) was less than five *per cent* and less than one *per cent* in antenatal women. Uttar Pradesh was categorized as a low prevalence state i.e. under group III.

The first case of HIV/AIDS in the districts now part of Uttaranchal was detected in the year 1995. AIDS control activities started in the year 1992-93 under the direction of National AIDS Control Organization (NACO) covering the period 1992-98 (NACP-I) and 1999-2004 (NACP-II).

The objectives of the programme were:

- To slow the spread of HIV.
- To minimize socio economic impacts of HIV infection.

- iii. To decrease morbidity and mortality associated with HIV infection.
- iv. To strengthen India's capacity to respond to HIV/AIDS on a long term basis.

The review covers the period since the formation of Uttaranchal in November 2000.

Organizational Set up:

3.1.2 Uttaranchal State AIDS Control Society (UASACS) was registered under the Societies Act, in April 2001 under the chairmanship of the Chief Secretary, Government of Uttaranchal, Dehradun. The Project Director (PD) was responsible for programme management at the State level. At the district level, a District Empowered Committee for National Programme of Medical Health and Family Welfare (AIDS Control) was established in all the districts of the State under the chairmanship of the respective District Magistrate. Monitoring of the programme at district level is done by Chief Medical Officer (CMO) as nodal officer.

Audit Coverage:

3.1.3 Records of Project Director (UASACS) Dehradun and three* out of 13 districts, having a population of 34.86 lakh out of State's total population of 84.80 lakh, were test checked in August/ September 2003 covering the period 2001-2003 and an expenditure of Rs. 59.98 lakh out of Rs. 140.09 lakh spent during these years.

Financial Arrangement:

3.1.4 According to information furnished by Project Director the position of funds received from NACO was as under:-

| (Rs. in lakh) | | | |
|----------------------|------------------------|-------------------------|------------------------|
| Year | Budget Estimate | Revised Estimate | Amount Released |
| 2001-02 | NA | NA | 104.45 |
| 2002-03 | 512.00 | 280.49 | 114.00 |
| Total | 512.00 | 280.49 | 218.45 |

Expenditure incurred on various programme was as under:-

* Dehradun, Hardwar and Nainital

(Rs. in lakh)

| Phase-II | 2001-02 | | 2002-03 | | Total |
|---|-----------|-------------|--------------|--------------|---------------|
| | Advance | Expenditure | Advance | Expenditure | |
| Priority target intervention | -- | -- | 10.03 | 0.80 | 10.83 |
| Preventive intervention for General Community | -- | -- | 29.50 | 34.65 | 64.15 |
| Low cost AIDS care | -- | -- | 0.66 | -- | 0.66 |
| Institutional strengthening | -- | 5.54 | 25.27 | 33.64 | 64.45 |
| Intersectoral collaboration | -- | -- | -- | -- | -- |
| Total | -- | 5.54 | 65.46 | 69.09 | 140.09 |

During audit it was observed that the UASACS could not utilize the funds available to it (Rs.50.84 lakh) in the year 2001-02 and NACO curtailed Rs.26 lakh from the release of the funds for the year 2002-03. In addition, utilization certificate for advances of Rs.65.46 lakh released in 2002-2003 for implementing various components of the programme were awaited from Chief Medical Officers (CMOs) and Chief Medical Superintendents of 13 districts.

Programme Implementation

Priority targeted interventions for groups at High Risk

3.1.5 The project aims at reducing the spread of HIV in groups at high risk by identifying target populations and providing peer counselling, condom promotion, treatment of Sexually Transmitted Infection (STI) and client programmes, and setting up of drug de-addiction centres etc. These objectives were to be delivered largely through Non-Government Organizations (NGOs), Community Based Organizations (CBOs) and the public sector setting intervention programmes in the targeted marginalized groups.

However, no target was fixed for any of the group at high risk by identifying target population and no NGO was selected nor was any drug de-addiction center established to generate awareness among Intravenous Drug Users (IVDU). Rs.15.26 lakh received (July 2002) for NGO support for targeted interventions, remained unutilised (September 2003). As such community participation through NGOs could not be achieved.

It was also seen that while there was no social marketing or commercial sale of condoms, free distribution of 78,000 condoms was initiated only in the year 2002-03. NACO had released Rupees one lakh (July 2002) for condom promotion and procurement which were not utilized by the UASACS (September 2003).

Sexually Transmitted Disease Clinics

3.1.6 As sexually transmitted diseases (STDs) increase the chances of HIV infection, STD control has been given a major role in programme strategy. The main focus is to provide treatment to STD patients and ensure their protection

from AIDS. It was observed that only nine STD clinics were established in the state and four* districts still remain without the services of such clinics. 15,138 STD patients had received treatment in nine STD clinics during 2001-03 (2001: 6,969 cases; 2002: 6,707 cases; 2003: 1,462 cases). UASACS provided Rs.10 lakh (2002-03) for STD clinics. Eighty *per cent* of this amount was earmarked for purchase of STD drugs. STD drugs were however purchased without following financial provisions and rules, which resulted in excess payment of Rs.2.36^o lakh (Rs.1.29 lakh in three test check districts).

Scrutiny further revealed that Rs.0.75 lakh (42 *per cent*) was utilized on purchase of drugs for STD at Nainital which were not included in the approved list of STD drugs. Only Rs.0.44 lakh (19 *per cent*) were utilized (Dehradun) out of the funds received (Rs.2.80 lakh) for purchase of STD drugs during the period 1998-99 to 2002-03 thus reducing the availability of STD medicines to patients.

Information, Education, Communication (IEC) and awareness activities for prevention among low risk group

3.1.7 For creating awareness among low risk group category, the following activities were envisaged:

- i) Conducting mass media campaign at the state and municipal level.
- ii) Conducting local campaign using traditional media such as folk arts and street theatre.
- iii) Promoting advocacy campaigns.
- iv) Conducting awareness programmes geared towards youth and college students.
- v) Organising Family Health Awareness campaign.

It was observed that against the approved action plan for 2002-03, a sum of Rs.35.27 lakh was allocated for these activities but only Rs.15.76 lakh were utilized. The reason for shortfall was attributed (September 2003) by UASACS to non-posting of IEC programme officer.

Since formation of the state i.e. November 2000, upto March 2002, two rounds of Family Health Awareness Campaign (FHAC) camps for persons in the 15-49 age group were held (May 2001 & March 2002) for prevention and control of Reproductive Tract Infection (RTI)/Sexually Transmitted Infection (STI)/HIV/AIDS in rural and urban slum areas. Six lakh seventy thousand people attended the camps and 0.66 lakh patients were treated.

* Bageshwar, Champawat, Rudraparyag and Udham Singh Nagar.

| | |
|--|----------------------|
| ^o Medicines purchased in 2002-03 | Rs. 8.00 lakh |
| Less excise duty @ 16 <i>per cent</i> | <u>Rs. 1.28 lakh</u> |
| Total | Rs. 6.72 lakh |
| Less 16 <i>per cent</i> discount | <u>Rs. 1.08 lakh</u> |
| Excess payment (8.00 – 5.64) = Rs. 2.36 lakh | Rs. 5.64 lakh |

Although the targeted population declined from 33.70 lakh to 32.43 lakh (3.8 per cent), the infected population increased from 0.25 lakh to 0.41 lakh (64 per cent) which reflects adversely upon the awareness campaign.

It was observed that in two of the three test checked districts[^], the number of camps organised was much below the target fixed for the year 2001-02. As a result, the percentage of the target population which attended the camps was negligible as shown in the table below:

| Name of District | Target fixed | No. of camps held | Percentage of col. 3 to 2 | Total estimated Targeted population | No. of camp attendants | Percentage of 6 to 5 |
|------------------|--------------|-------------------|---------------------------|-------------------------------------|------------------------|----------------------|
| Nainital | 400 | 95 | 24 | 288825 | 15038 | 5.20 |
| Hardwar | 280 | 143 | 51 | 523422 | 9289 | 1.77 |

Providing voluntary testing and counselling

3.1.8 Providing voluntary testing and counselling involved:

- increasing availability of voluntary testing facilities especially joint testing of couples,
- training grass root level workers in HIV/AIDS counselling and providing counselling services through all blood banks in the state and through STD clinics.

It was observed that the number of cases of counselling done at 12 Voluntary Testing and Counselling centers in the year 2001-2002 and 2002-2003 were 56 and 1663 respectively. It was also observed that in 243 cases, voluntary HIV testing was done in the year 2002-03 and 23 cases were found HIV positive.

As per guidelines of NACO issued in June 2001 for Voluntary Testing and Counselling Centres (VCTC), the HIV positive detected/infected persons were to be informed in post counselling at VCTC about safety measures to be taken. For this purpose, the person being tested was required to fill in pre/post test counselling form which however was not available in the test checked districts. Thus it could not be ensured by Audit whether pre/post counselling was carried out.

Scrutiny revealed that out of 12 VCTCs established in the State, two (Champawat and Pithoragarh) were non functional since 2001-02 as no testing was done at these centres. Rs. 1.55 lakh was however, provided (2002-03) to these centres. Two districts (Bageshwar and Rudraprayag) in the state had no VCTC facility as of September 2003.

[^] Dehradun, Hardwar and Nainital.

Modernisation of Blood Banks and testing facility

3.1.9 Although there are 17 blood banks in the State (Government:11, others:06) it was observed that out of 13 districts in the State, blood banks have been established in 10 districts only. In the remaining three districts *viz.*, Bageshwar, Champawat and Rudraprayag no blood bank was established. As such the target of having at least one modernized blood bank in every district by 2002 (as envisaged in Project Implementation Plan) remained unachieved as of date. No blood component separation facility existed in the State. Seriously ailing patients were thereby deprived of the benefits of transfusion of Platelets, Plasmas, RBCs, WBCs.

16,479 units of blood were donated by (2001-02:8280; 2002-03:8199) donors in blood banks. It was observed that after collection of blood, when these blood samples were tested, 23 samples were found infected with HIV. These were, however, destroyed without informing the concerned person about his/her being infected with HIV. It thus left the person ignorant about the infection and free to spread the infection to others. On this being pointed out in audit, the units stated that there was no direction from NACO in this regard, ignoring the fact that the infected persons are to be informed in post counselling at VCTC about safety measures to be adopted.

Setting up of centrally coordinated National Blood Transfusion Service is one of the major goals of Blood Safety Programme. UASACS could not furnish detailed information about Model Blood Bank being set up in Dehradun for which Rs.2.72 lakh was provided (August 2002) by the UASACS.

UASACS provided funds to blood banks to facilitate collection and testing of blood for which necessary kits, reagents, glass ware and blood bags were to be purchased. Scrutiny of test checked districts revealed that Rs.3.05 lakh were not utilized (Nainital; Rs.2.67 lakh unutilized since 2000-01; Hardwar: Rs.0.38 lakh refunded in April 2002). On this being pointed out, it was stated that funds remained unutilized due to shortage of staff.

It was observed that UASACS had provided test kits to the districts where ELISA Readers were either non functional since November 1999 (Hardwar: two kits in June 2003) or not available (Udham Singh Nagar: two kits in September 2002). Notwithstanding the fact that ELISA Reader was not functional, the Chief Medical Superintendent (Male Hospital) Hardwar purchased (November, 2001) five kits (cost Rs. 0.30 lakh) which could not be put to use. NACO had instructed (May 2001) that blood samples be tested from blood banks where ELISA Reader was functioning but 1,160 blood samples collected between 2001-02 & 2002-03 in Hardwar were not sent for ELISA tests to functional units. Consequently, HIV infections, if any, remained unconfirmed.

It was observed that expired kits were used at Nainital for 224 tests. Use of expired kits rendered the results of HIV testing doubtful. It was stated (September 2003) that due to non-availability of new kits, expired kits were used.

Prevention of Mother to Child Transmission of infection

3.1.10 To control HIV infection amongst antenatal women, a programme “Prevention of Mother to Child Transmission (PMTCT)” was to be implemented in the State to keep the prevalence of HIV infection among pregnant women low and reduce the mother to child transmission. It was observed that no such programme was initiated in the State and Rs.2.07 lakh released (July 2002) by NACO remained unutilized (September 2003).

Low cost AIDS Care

3.1.11 These activities were to provide for home based and community based care including increasing the availability of cost effective interventions for common opportunistic infections at district hospitals and imparting training at selected State level hospitals for the provision of referral services.

Uttaranchal State had no community care centre to meet such needs.

UASACS intimated (September 2003) that training has been imparted to medical and para medical staff to take care of HIV/AIDS patients. However, it was unaware of the utilization of Rs.0.66 lakh released in the year 2002-03 for treatment of opportunistic infection.

STI/HIV/AIDS Sentinel Surveillance

3.1.12 The objective of this activity was to develop an effective surveillance system generating a set of reliable data. It was seen that except STD and Ante Natal Clinic (ANC) no Intravenous Drug Users (IVDU), Commercial Sex Workers (CSW), Intensive Drug Users (IDU), Men having sex with Men (MSM) etc., sentinel centers were opened in the state.

Behavioral surveillance was conducted by ORG Marg Research Centre New Delhi. However, the report was not furnished to Audit. It was observed that 10 AIDS cases were found in screening 1123 cases in STD and ANCs during the period 2001-02 to 2002-03.

Building capacity for monitoring and evaluating programme activities

3.1.13 AIDS Control Society was envisaged to have its own Monitoring and Evaluation Officer (MEO). The activities included i) Computerized Management Information System (CMIS); ii) training NACO Staff and Health Specialists in evidence based health programme management; iii) conducting base line, mid-term and final evaluation; and, iv) conducting a National Performance Review.

The target date, achievement and results of above activities concerning UASACS was not available nor was any base line, mid-term or final evaluation carried out, as no MEO was posted (September 2003).

Intersectoral Collaboration

3.1.14 Intersectoral collaboration amongst public, private and voluntary sectors required focus on learning from innovative programmes under-going in one sector and sharing it for betterment of other sector. This necessitated chalking out of definite terms, signing of Memorandum of Understanding and evolving feed back system which, however, were not taken up by UASACS nor any reasons assigned there for.

Procurement of Equipment and other stores

3.1.15 NACO provided Rs.15.25 lakh (July 2002) for purchase of equipment (STD clinics; Rs.5.25 lakh, blood safety units; Rs.5.00 lakh and VCTC; Rs.5.00 lakh). No equipment was purchased by the UASACS and Rs.15.25 lakh remained unutilised (September 2003). Society stated (September 2003) that bids could not be finalized due to non-availability of the specification. Hence the procurement could not be done.

Scrutiny of three test checked districts revealed that 16 major equipment (*Appendix VIII*) were either non functional (6) or not available (10) which included ELISA Reader, Incubator Refrigerator, Automated Cell washer etc. This deprived people of accurate blood analysis and resulted in AIDS victims, if any, remaining undetected and free to spread the infection.

The matter was reported to the Government in December 2003; reply was awaited (May 2004).

RURAL DEVELOPMENT DEPARTMENT

3.2 District Rural Development Agency Administration Scheme

To strengthen and professionalise the District Rural Development Agencies (DRDAs), the DRDA Administration Scheme was introduced by the Government of India from 1 April 1999. An indicative staffing structure consisting of self-employment wing, wage-employment wing, engineering wing etc. was prescribed by the Government of India for strengthening the DRDA. Audit scrutiny revealed that no such wings were established in any DRDAs test-checked. In order to make the DRDA a professional agency, prudent personnel policies viz., taking employees on deputation, drawing 3-5 years plan for absorption of staff borne on DRDAs into line departments, ensuring a minimum tenure of 2-3 years for the project personnel was envisaged. But none of the staff borne on DRDA was absorbed in line departments nor was compliance of minimum tenure of 2-3 years for the project personnel ensured and instances of 2-3 years tenure were nominal. A review of institutional functioning of DRDAs revealed that the State Government had not made any efforts to man the DRDAs as per new staffing pattern as of November 2003. Although the Scheme is in its fifth year of implementation, the objectives of strengthening and professionalising the DRDAs has not been achieved so far (November 2003). The following points were also noticed in test-check:

- (i) Audit scrutiny revealed that Rs 1.87 crore (2000-01) in district Almora and Rs. 2.09 crore (Rs 1.59 crore: 2000-01; Rs 49.76 lakh: 2001-02) in district Pithoragarh were deducted under Jawahar Gram Samridhi Yojana (JGSY) by Government of India due to late receipt of proposals from the DRDAs concerned. This resulted in loss of Central assistance aggregating Rs. 3.96 crore.
- (ii) Under JGSY's norms, 22.5 *per cent* of funds allocated during the year were to be earmarked for the beneficiaries belonging to Scheduled Castes and Scheduled Tribes. Due to non-observance of these norms, Government of India deducted Rs.1.09 crore (2000-01) and Rs.57.46 lakh (2000-01) in Almora and Pithoragarh districts respectively.
- (iii) In Pithoragarh district, a cut of Rs. 6.61 lakh (2000-01) was imposed under JGSY by Government of India due to carry-over of funds in excess of the permissible limit of 15 *per cent* of funds received during the year.
- (iv) There was shortfall of Rs. 43.93* lakh in the release of State's share under the scheme during 1999-2003.
- (v) Under the Scheme, a maximum of 30 *per cent* of the salary cost was allowed to be spent on contingencies. Expenditure on contingencies,

* Almora: Rs. 7.35 lakh (2001-2002), Chamoli : Rs. 3.63 lakh (1999-2000), Champawat : Rs. 5.23 lakh (1999-2000), Pithoragarh : Rs. 8.49 lakh (2000-2003), Rudraprayag : Rs. 5.23 lakh (1999-2000) and Tehri : Rs. 14 lakh (1999-2003).

however, exceeded the admissible limit by 10 to 155 *per cent* during 1999-2003 in district Champawat, 35 to 60 *per cent* during 1999-2003 in district Pithoragarh, 191 to 334 *per cent* during 2001-2003 in district Rudraprayag and 11 *per cent* during 1999-2000 in district Tehri. DRDAs thus failed to control expenditure on contingencies.

- (vi) DRDAs Pithoragarh and Almora had diverted Swarnjayanti Gram Swarozgar Yojana funds amounting to Rs. 30 lakh (2001-02) and Rs.13.81 lakh (1999-2000) respectively for meeting administrative costs. Diversion of funds from poverty alleviation programme adversely affected these programmes.
- (vii) During scrutiny of records in Rudraprayag district, it was observed that Government of India sanctioned (November 2000) a project of Rs. 41.16 lakh under Employment Assurance Scheme (EAS) for completion of on-going watershed projects taken up prior to 1 April 1999. There were no such incomplete works prior to 1 April 1999 under EAS. Instead of surrendering the money to the Central Government, DRDA Rudraprayag released Rs. 28.82 lakh during 2000-01 to Lucknow based NGOs (Gramin Anchal Sewa: Rs. 17.51 lakh and Water and Land Resource Development Agency: Rs. 11.31 lakh) for treatment of 8,225 hectare of waste land in Agastyamuni and Jakholi blocks without obtaining detailed project reports and assessing the technical know-how and financial status of NGOs. On complaints from public representatives, DM instituted an enquiry (April 2001). It was reported that Gramin Anchal Sewa had done work valuing Rs. 6.95 lakh and Water and Land Resources Development Society had completed work valuing Rs. 3.60 lakh. It was also brought out that Rs. 10.56 lakh and Rs. 7.71 lakh respectively has been embezzled by Gramin Anchal Sewa and Water and Land Resources Development Society respectively. A first information report for recovery of Rs. 18.27 lakh (Rs. 10.56 lakh + Rs. 7.71 lakh) was lodged (May 2002) with the police against the agencies. Final report was awaited (October 2003). Remaining work was reported to have been completed through other agencies. The embezzlement could have been minimized if the amounts had been released after adequate scrutiny and with proper safeguards.
- (viii) To enable the DRDAs to oversee, coordinate and evaluate effectively the implementation of various programmes, Government of India prescribed new staffing pattern (*Appendix-IX*) for DRDAs from April 1999. The revised staffing pattern was based on categorization of districts on the basis of number of blocks falling in each district. The State Government was required to sanction the posts accordingly, with modifications if necessary, but without altering the basic structure prescribed. It was, however, seen that staff as per revised norms had not been sanctioned/provided in any of the test-checked DRDAs as of October 2003. The position of sanctioned strength (SS)/estimated sanctioned strength (ESS) worked out by audit on the basis of new staffing pattern and persons-in-position (PIP) as on 01 April 1999 and 01 April 2003 respectively in the test-checked districts was as given below:

| Name of the district | SS prior to 1.4.99 | PIP as on 1.4.99 | Shortfall | ESS as per new pattern from 1.4.99 | PIP as on 1.4.03 | Shortfall | Persons engaged on contract |
|----------------------|--------------------|------------------|-----------|------------------------------------|------------------|-----------|-----------------------------|
| Almora | 32 | 23 | 09 | 54 | 23 | 31 | 01 |
| Chamoli | 38 | 31 | 07 | 47 | 27 | 20 | 02 |
| Champawat | 15 | 03 | 12 | 37 | 06 | 31 | 03 |
| Pithoragarh | 31 | 23 | 08 | 47 | 23 | 24 | 03 |
| Rudraprayag | 15 | 04 | 11 | 37 | 08 | 29 | 09 |
| Tehri | 41 | 27 | 14 | 47 | 26 | 21 | NA |

As would be seen, sanctioned strength of each DRDA as per new staffing pattern was more than the sanctioned strength, prior to 01 April 1999. There was a heavy shortfall in persons-in-position prior to the launch of the Scheme. This continued even after introduction of new DRDA Administration Scheme. Test-check of records also revealed that apart from one computer operator, Clerk-cum-Typists were engaged on contract basis with the approval of governing body by the DRDAs. In district Rudraprayag, the number of persons engaged on contract were more than persons available on regular basis.

- (ix) For effective implementation of the programmes, physical monitoring through field inspections was envisaged in the programmes guidelines. For this purpose, programmes prescribed the quantum of field inspections to be carried out by each supervisory level functionary viz. Chief Development Officer, Project Director, Project Economist, Assistant Engineer, etc. with DRDA. No register of inspections was maintained in the DRDAs test checked, making it difficult to determine whether the prescribed quantum of field inspection were performed. Further, no records were being maintained to show that follow up action was taken on the basis of inspection notes.

The matter was reported to the Government in December 2003; reply was awaited (May 2004).

Social Welfare Department

3.3 Scholarships to Scheduled Caste/Scheduled Tribe students

Highlights

The scheme of Scholarship (Pre-matric and Post-matric) to Scheduled Caste (SC) and Scheduled Tribe (ST) students envisaged (1995-96) grant of scholarship to all SC and ST students to enable them to complete their education without economic constraints. Review of records for the period 1997-98 to 2002-03, revealed that the physical achievement of the programme was 58 per cent during the period 1997-98 to 2000-01 before increasing to 98 to 100 per cent during the years 2001-02 and 2002-03. It suffered set-backs due to inadequate planning and budgeting and deficiencies in allotments and disbursement of scholarships. Faulty identification of beneficiaries, delays in issue of sanctions and disbursement of scholarships and lack of physical verification were also noticed. There was no evidence of any monitoring and evaluation. The highlights of the review are given below:

- *Payment of Rs. 2.41 crore during 1997-2000 to the students of class I to 8, was doubtful as the number of SC/ST students shown to have been paid scholarships exceeded the number of SC/ST students enrolled by 0.78 lakh.*

(Paragraph 3.3.10)

- *3.86 lakh students (Pre-matric) were deprived of scholarships (Rs. 13.58 crore) during 1997-2003 due to defective planning.*

(Paragraph 3.3.11)

- *An amount of Rs. 2.95 crore meant for distribution of scholarships during 1997-2002 remained unutilized with educational institutions/panchayats.*

(Paragraph 3.3.17)

- *The benefit of scholarships could not be extended to 19,557 students due to non-revalidation of lapsed cheques of Rs. 0.71 crore.*

(Paragraph 3.3.18)

- *There was avoidable refund of scholarship amount of Rs. 1.12 crore.*

(Paragraph 3.3.20)

- *The actual disbursement of scholarships could not be verified because utilization certificates for Rs.6.14 crore were not furnished by the receiving authorities/institutions, etc.*

(Paragraph 3.3.21)

- *A scheme for Pre-matric scholarship to the children of those engaged in unclean occupation was not implemented for 10 years upto 2000-2001. Eighty four per cent of the potential beneficiaries were denied the intended benefits due to inadequate budgeting during 2001-2002.*

(Paragraph 3.3.22)

Introduction

3.3.1 To facilitate the education of Scheduled Caste (SC) and Scheduled Tribe (ST) students and to raise their social and economic standards, a scheme of scholarships was launched in 1958. The state of Uttaranchal comprising 13 districts^α was created in November 2000 from the erstwhile state of Uttar Pradesh. According to the 2001 census, out of a total population of 84.80 lakh in the State, the population of SC/STs was 17.38 lakh (SC: 14.84 lakh and ST: 2.54 lakh). Literacy among the SC/ST population was only 46.65 per cent, much below that for the State as a whole, viz. 72.28 per cent.

Salient Features of the Scheme

The salient features, including eligibility criteria of the Scheme were as under:

| Components | Rate | Eligibility |
|---|---|---|
| (a) <i>Pre-matric</i> (i) Class 1 to 5 | At the rate of Rs. 12.00 per month through account payee cheque upto 1996-97. At the rate of Rs. 25.00 per month cash payment from 1997-98 onwards. | Two students per class upto 1994-95 on poverty-cum-merit basis. All SC/ST students in a class from 1995-96 |
| (ii) Class 6 to 8 | At the rate of Rs. 20.00 per month through account payee cheques upto 1996-97. At the rate of Rs. 40.00 per month from 1997-98 through bearer cheques. | Two students per class upto 1994-95 and all SC/ST students from 1995-96. |
| (iii) Class 9 to 10 | Rs. 30.00 per month through account payee cheques upto 1996-97. From 1997-98 onwards through bearer cheque as under: Non hosteller Rs. 50 Per month; Hosteller Rs. 60 Per month. | Income limit upto Rs. 1000 per month. Income limit upto Rs. 2500 per month. |

| Components | Rate | Eligibility |
|-------------------|-------------|--------------------|
|-------------------|-------------|--------------------|

^α 1. Almora 2. Bageshwar 3. Champawat 4. Chamoli 5. Dehradun 6. Hardwar 7. Nainital 8. Pauri Garhwal 9. Pithoragarh 10. Rudrapur 11. Tehri Garhwal 12. Udham Singh Nagar 13. Uttarkashi.

| | | | |
|--|--|---------------------------------------|--|
| <i>(b) Post-matric Intermediate</i> Class 11 to 12, Graduation First year (BA, BSc, B.com) | <u>Non hosteller</u> Rs. 90 per month | <u>Hosteller</u> Rs. 150 per month | Full scholarship on income ceiling upto Rs. 38,220 per annum till 1999-2000 and upto Rs. 45,760 per annum from 2000-2001 onwards. Half scholarship on income ceiling upto Rs. 50,920 per annum till 1999-2000 and upto Rs. 60,000 per annum from 2000-2001 onwards. |
| Graduation Second/Third year (BA, BSc, B.com) | Rs. 120 per month | Rs. 230 per month | |
| P.G Degree Diploma/Polytechnic | Rs. 190 per month | Rs. 290 per month | |
| Technical/Commercial Curriculum Degree level (Medical, Engineering, MBA etc.) | Rs. 190 per month | Rs. 425 per month | |

Organizational set up

3.3.2 The Secretary to the Government of Uttaranchal, Social Welfare Department, assisted by Director, Social Welfare, administers the scheme. It is implemented by 13 District Social Welfare Officers DSWOs, one in each district, who release the funds to educational institutions for distribution of scholarship to the eligible students enrolled in these institutions.

Audit coverage

3.3.3 Records for the period from 1997-98 to 2002-2003 relating to the programme (50 *per cent* of total expenditure) were audited/reviewed in the offices of the Secretary to the Government of Uttaranchal (Department of Social Welfare), Director, (Social Welfare Department) and 5 District Social Welfare Officers (District Social Welfare Officers) out of 13 District Social Welfare Officers viz, Almora, Dehradun, Hardwar, Nainital and Udham Singh Nagar. 66 *per cent* of the SC and 85 *per cent* of the ST population of the State resides in the five districts test checked.

Procedures of sanctions and disbursements of Scholarships

3.3.4 Educational Committees in educational institutions select eligible students on the basis of applications. Lists of eligible students are sent to District Social Welfare Officers DSWOs after proper verification and countersignature by the concerned Basic Shiksha Adhikaris (BSAs) (for classes I to VIII) and District Inspector of Schools(DIOS) (for classes IX to degree levels). Lists of university students are verified by Supervisors working under the DSWOs. Funds for scholarships are advanced, accordingly, to educational institutions and panchayats for disbursement to eligible students.

Funding Pattern

3.3.5 Scholarships for Pre-matric students were wholly financed by the State Government except for students belonging to families engaged in unclean

occupations^β which were funded in the ratio of 50 : 50 by the State and the Central Governments. Post-matric scholarships were fully funded by the Central Government under the Plan.

Financial/Physical Progress

3.3.6 Overall Target and achievement (Physical and Financial) for the State for pre-matric and post-matric (SC/ST) is given below which is based on Monthly Progress Report (MPR) compiled at Directorate Social Welfare.

Pre-matric

| Year | Target | | Achievement | | | |
|-----------|-------------|-----------------|-------------|------------|-----------------|------------|
| | Financial | Physical | Financial | Percentage | Physical | Percentage |
| | Rs. in lakh | Numbers in lakh | Rs. in lakh | | Numbers in lakh | |
| 2000-2001 | SC 1350.29 | 3.65 | 787.84 | 58 | 1.72 | 47 |
| | ST 186.34 | 0.54 | 86.27 | 46 | 0.26 | 48 |
| 2001-2002 | SC 1572.56 | 3.74 | 1394.10 | 89 | 3.64 | 97 |
| | ST 191.46 | 0.49 | 188.65 | 99 | 0.48 | 98 |
| 2002-2003 | SC 1344.90 | 3.63 | 1340.37 | 100 | 3.63 | 100 |
| | ST 208.62 | 0.53 | 207.40 | 99 | 0.53 | 100 |

Post-matric

| Year | Target | | Achievement | | | Percentage |
|-----------|-------------|-----------------|-------------|------------|-----------------|------------|
| | Financial | Physical | Financial | Percentage | Physical | |
| | Rs. in lakh | Numbers in lakh | Rs. in lakh | | Numbers in lakh | |
| 2000-2001 | SC 406.37 | 0.28 | 211.67 | 52 | 0.16 | 57 |
| | ST 89.89 | 0.07 | 35.81 | 40 | 0.03 | 43 |
| 2001-2002 | SC 427.58 | 0.28 | 365.72 | 86 | 0.28 | 100 |
| | ST 113.82 | 0.09 | 113.79 | 100 | 0.09 | 100 |
| 2002-2003 | SC 427.52 | 0.24 | 372.15 | 87 | 0.24 | 100 |
| | ST 139.94 | 0.09 | 137.80 | 98 | 0.09 | 100 |

The above tables indicated that during 2000-01 the utilization of funds was 58 and 46 *per cent* for pre-matric (SC/ST) students with a physical achievement of 47 and 48 *per cent* while the financial achievement was 52 and 40 *per cent* for post matric (SC/ST) students with physical achievement of 57 and 43 *per cent* respectively. During 2001-2002, only 60 *per cent* funds for High School SC students were actually utilized. In the year 2002-2003, 87 *per cent* funds for post matric SC students were utilized whereas physical achievement was shown as 100 *per cent*. Class-wise details of target and achievement are given in *Appendix-X*.

3.3.7 A scrutiny of records revealed that against a physical target of 24,400 post matric SC students, a financial target of Rs 4.28 crore was set in 2002-03. Even if all these 24,400 students were hostellers, the requirement of funds

^β Scavengers, Tanners, Flayers and Shoe-makers etc.

would work out to Rs 3.67 crore at the rate of Rs 150 per student per month. The basis for the financial targets was thus not correct.

Appendix XI depicting status report of 5 districts test checked, revealed that during 1997-2003 against the total budget allotment of Rs.63.62 crore for SC and Rs.10.74 crore for ST students, the expenditure was Rs.55.75 crore (88 *per cent*) and Rs.9.72 crore (91 *per cent*) respectively. Physical achievement varied between 65 to 100 *per cent* for SC students and between 52 to 100 *per cent* for ST students. There was a marked improvement in the achievement of targets during 2002-03.

The allotment of funds for scholarship should be based on actual number of students intimated by Educational/Panchayat institutions. The Scholarship (SC/ST) Scheme required actual verification of beneficiaries through physical checking of institutions and students by Social Welfare Supervisors and Assistant Development Officers Samaj Kalyan, Regional Deputy Directors of the Department. The required verification was not done by the department resulting in excess allotment of scholarship which remained unutilized at the end of the year, as indicated in the table below:-

| Year | Allotment of Scholarship(SC/ST) (Rs. in crore) | Distribution during the year (Rs. in crore) | Excess allotment (Rs. in crore) |
|---------|---|--|------------------------------------|
| 2000-01 | 17.11 | 11.25 | 5.86 |
| 2001-02 | 21.03 | 20.01 | 1.02 |
| 2002-03 | 21.21 | 20.58 | 0.63 |

Failure in obtaining and utilizing Central assistance

3.3.8 Post Matric Scholarships were funded by Central Government on the basis of regular submission of proposals and utilization certificates.

Utilization Certificates (UCs) were not received from the district level in time and hence could not be submitted in time to the Central Government. This resulted in non-receipt of Central assistance during 2000-2001. The Government of India released (March 2002) a sum of Rs. 4.12 crore for 2001-02 (including Central assistance of Rs. 1.20 crore for 2000-01, after deducting the committed liability* of Rs. 1.97 crore from the total demand of Rs. 4.89 crore) for SC and Rs. 1.67 crore for ST (2001-02) for distribution of Post Matric Scholarship. Rs. 3.66 crore were distributed to SC students and Rs. 1.14 crore were distributed to ST students and Rs. 99.02 lakh (SC: Rs.46.02 lakh & ST: Rs.53.00 lakh) remained unutilized. In the year 2002-03, the State Government distributed Rs. 3.72 crore to SC and Rs. 1.38 crore to ST students in anticipation of receipt of Central assistance.

* The level of Committed Liability of respective State Government for a year is equivalent to the level of actual expenditure incurred by them under the scheme during the terminal year of the last Five Year Plan period and is required to be borne by them for which they are required to make provision in their own budget.

Defective Planning/Identification of Beneficiaries

3.3.9 It was seen during test check of records that the number of beneficiaries did not tally with the eligible/enrolled students. Details are given in *Appendix-XII*.

Doubtful payments

3.3.10 The scheme envisaged the preparation and submission of lists of eligible students from every educational institution of the districts and their submission to District Social Welfare Officers annually, after proper verification by Basic Shiksha Adhikari/District Inspector of Schools with a copy to the respective Panchayats. It was noticed that District Social Welfare Officers did not ensure verification of these lists resulting in a doubtful payment of Rs.2.41 crore shown as having been made to 0.78 lakh SC/ST students in excess of the number of enrolled SC/ST students in class 1 to 5 and 6 to 8 during 1997-2000 as indicated in the *Appendix-XII and XIII*. Details of enrolled students for the years 2000-2003 could not be produced to audit.

Eligible students deprived of Scholarship

3.3.11 As a result of defective planning/identification of eligible students, 1.93 lakh students (class 1 to 8) were deprived of scholarships amounting to Rs.7.35 crore during 1997-2000. Similarly, 1.74 lakh students (class 1 to 8) were deprived of scholarships of Rs.5.87 crore in 2000-01 and 0.06 lakh students were deprived of scholarships of Rs.0.20 crore (class 1 to 8) in 2001-02. During 2002-2003, in 4 districts, 0.13 lakh students were deprived of scholarships amounting to Rs.0.16 crore. Thus, due to defective planning 3.86 lakh pre-matric students were deprived of scholarship (Rs.13.58 crore) in the category of class 1 to 8 as indicated in the *Appendix-XIV*.

Non-maintenance of proper scholarship records

3.3.12 DSWOs were required to maintain a subsidiary cash book for scholarships, cheque book register, grant register, refund register, subsidiary register along with a register to watch the adjustment of advances made to the institutions, number of students, class-wise distribution of scholarship to eligible students and refund of undistributed scholarship.

It was seen that these registers were incomplete. Transactions/drawals from the Treasury were not entered in the subsidiary Cash Book. As a result, advances to the educational institutions could not be watched to ascertain the position of adjustments against them. On this being pointed out the department intimated (December 2003) that suitable instructions are being issued to all DSWOs.

Programme Management

Release of scholarship without proper sanction/demands

3.3.13 DSWOs were required to release amounts of scholarships to Panchayats/educational institutions on receipt of proper demand from the Panchayat Committees/Educational Committees of the institutions. It was observed that Rs.1.57 crore (Dehradun: Rs.0.47 crore, Nainital: Rs.1.10 crore) out of total allotments of Rs.10.12 crore (Rs. 4.71 crore and Rs. 5.41 crore respectively) were released in excess of demand which resulted in surrender of funds at the close of the financial years during the period 1999-2002.

Drawal of scholarship without scrutiny of demands

3.3.14 Financial rules envisage that money should not be drawn from the treasury unless it is urgently required for payments. The scheme also required proper scrutiny of demand and release of advances of scholarship in each financial year.

It was observed that Rs.0.52 crore (1998-99) and Rs. 1.48 crore (2000-2001) were drawn by the DSWO, Hardwar and deposited in a bank account. As a result 48,823 students (Pre-matric) were deprived of scholarship as of June 2002. During test check, it was observed that in 2002-2003, cheques totalling Rs.2.58 lakh in three districts (Dehradun: Rs.0.2 lakh, Pauri:Rs.1.88 lakh and Udham Singh Nagar: Rs.0.5 lakh) had lapsed and had not been revalidated.

Lack of coverage

3.3.15 The lists of students eligible for scholarship were required to be sent to District Social Welfare Officers by all primary schools of districts with a copy to the Panchayats concerned within the first quarter of the session.

In 1999-2002 there were 42,700 students eligible for scholarship in 957 primary schools in Hardwar. Scrutiny of records revealed that out of 957 Primary schools in Hardwar, lists from 479 schools were not submitted to DSWO. On the basis of estimates the District Magistrate, Hardwar demanded scholarship fund of Rs.1.50 crore (18 March 2002) against which Rs. 0.84 crore were allocated on 30 March 2002. Out of this, Rs.0.56 crore were released for distribution of scholarship to 18,710 students of 309 schools without any demand. Utilisation Certificates had not been received (June 2002).

Release of funds on the last day of the financial year

3.3.16 Government order envisages that allotment of funds should be made to the districts in time for disbursement of scholarship within the financial year.

The State Government released scholarship amount of Rs. 6.56 crore on March 31 of the financial year 2000-2001. The amount was drawn and advanced to the districts in the next financial year i.e. 2001-2002. Utilisation certificates for the advances had not been received (June 2002). On this being pointed out it was stated that the utilization certificates have been called for from the DSWOs.

Distribution of scholarship

3.3.17 The time schedule for distribution of scholarship was not followed as mentioned in the following paragraphs.

District Social Welfare Officers were required to advance the scholarship amounts to the educational institutions/ Panchayats in the respective financial years. Unutilized balances of Rs. 84.61 lakh were, however, irregularly kept in banks by the DSWOs during the period 1997-98 to 2002-03 as shown below:

Scholarship amounts lying in banks

(Rs. in lakh)

| District | As on 1.4.1998 | As on 1.4.1999 | As on 1.4.2000 | As on 1.4.2001 | As on 1.4.2002 | As on 1.4.2003 |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Almora | 9.06 | 6.54 | 9.03 | 6.88 | 18.14 | 17.10 |
| Dehradun | ---- | ---- | ---- | ---- | 3.12 | --- |
| Nainital | ---- | ---- | 3.91 | 10.83 | ---- | --- |
| Total | 9.06 | 6.54 | 12.94 | 17.71 | 21.26 | 17.10 |

Rs.2.95 crore of scholarship funds were lying undisbursed with the Educational Institutions/Panchayats during 1997-2002 in the test checked Districts as per details given below:

(Rs. in crore)

| Year | Advance | Disbursement | Balance |
|--------------|--------------|--------------|-------------|
| 1997-98 | 8.44 | 7.71 | 0.73 |
| 1998-99 | 8.60 | 7.76 | 0.84 |
| 1999-2000 | 9.79 | 8.87 | 0.92 |
| 2000-2001 | 10.78 | 10.32 | 0.46 |
| 2001-2002 | 10.79 | 10.79 | -- |
| Total | 48.40 | 45.45 | 2.95 |

Source : Directorate Social Welfare

Students were thus deprived of scholarships during the said period due to inaction by the disbursing officers.

Non-revalidation of lapsed cheques

3.3.18 Cheques were issued by DSWOs to Panchayats/Educational Institutions at the end of the financial year. Delay in encashing of the cheques by Panchayats/Educational Institutions and their non-revalidation had resulted in dishonouring of Government cheques totalling Rs. 0.68 crore in the 5 test checked districts. Consequently, 18,731 students were thereby deprived of the benefits of scholarship during 1999-2001. During test check it was observed that in 2002-2003, Government cheques totalling Rs. 2.58 lakh in three districts (Dehradun: Rs. 0.21 lakh, Pauri: Rs. 1.88 lakh and Udham Singh Nagar: Rs. 0.5 lakh for 826 students) lapsed without revalidation. The benefit of scholarships could not be extended to 19,557 students due to non-revalidation of lapsed cheques of Rs.0.71 crore.

Non-utilisation of scholarship funds by District Social Welfare Officers

3.3.19 Allotment of fund was to be made to districts as per their demands and the drawing officers were required to utilize funds within respective financial year.

Audit scrutiny revealed that Rs. 3.32 crore could not be utilized by the District Social Welfare Officers in 3 districts[#] during 1999-2002 within the financial years. Reasons for non-utilisation were not on record.

Avoidable refund of scholarship amounts

3.3.20 As per provisions of the scheme, the amount of scholarship received in advance as per demand of institutions should invariably be distributed to beneficiaries.

Scholarships amounting to Rs. 1.12 crore remained undistributed during 1997-98 to 2001-02. These were incorrectly deposited under the receipt head (0250-Other Services) instead of the correct head (0225-Social Welfare) by the DSWOs (Almora, Dehradun, Nainital and Udham Singh Nagar). As the funds could not be utilised they had to be refunded.

Year-wise refunds by District Social Welfare Officers

(Rs. in crore)

| District | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | Total |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Almora | 0.14 | ---- | 0.18 | 0.9 | 0.06 | 0.47 |
| Dehradun | 0.02 | 0.03 | 0.16 | 0.39 | ---- | 0.60 |
| Nainital | 0.02 | ---- | ---- | ---- | ---- | 0.02 |
| Udham Singh Nagar | 0.03 | ---- | ---- | ---- | ---- | 0.03 |
| Total | 0.21 | 0.03 | 0.34 | 0.48 | 0.06 | 1.12 |

Had efforts been made by the DSWOs to distribute the scholarships, the refunds could have been avoided.

Inordinate delay in furnishing Utilisation Certificates (UCs)

3.3.21 The Block Development Officers (BDOs) are responsible for furnishing utilisation certificates in support of actual disbursement of scholarship to beneficiaries studying in Classes 1 to 8 of village schools alongwith certificates of attendance and acknowledgement of beneficiaries. It was seen that utilisation certificates for Rs.6.14 crore were not sent to the District Social Welfare Officers concerned as indicated below:

[#] Hardwar,
(Rs. 1.65 crore)

Nainital and
(Rs. 1.09 crore)

Udham Singh Nagar
(Rs. 0.58 crore)

| Year | No. of district | Amount for which UCs have not been sent to the DSWOs |
|-----------|-----------------|--|
| 2000-2001 | 2 | 0.87 |
| 2001-2002 | 5 | 4.29 |
| 2002-2003 | 4 | 0.98 |
| Total | 11 | 6.14 |

It was not clear how progress of the scheme was verified in the absence of these documents.

Supporting Schemes

Scheme for children of those engaged in unclean occupations

3.3.22 A state level scheme for scholarship to children of those engaged in unclean occupations, being implemented in the erstwhile State of U.P. since 1977-78, was not found in operation in any of the test checked districts of the state of Uttaranchal upto 2000-2001. Government of India approved (February 2002) an expenditure of Rs. 17.83 lakh on the scheme to benefit 2,062 students during 2001-2002. The expenditure was to be shared by the Central and State Government on 50:50 basis. State Government could only provide Rs. 2.21 lakh in their State budget for the year 2001-2002. Accordingly, Central assistance was proportionately scaled down to Rs.2.21 lakh. The State Government spent only Rs. 2.06 lakh to 329 students which was only 16 *per cent* of the total potential beneficiaries. Thus, 84 *per cent* of the potential beneficiaries were denied the benefit of the scheme. Scaling down the budget provision resulted in denial of the benefit of the scheme to 84 *per cent* of the potential beneficiaries.

Negligence in implementation of Merit Upgradation Scholarship

3.3.23 Merit Upgradation Scholarship scheme (a Centrally Sponsored Scheme) was launched in two Government colleges (Nainital and Pauri). Five meritorious students were to be selected from each class (9 to 12) i.e. 20 students in each college or a total of 40 students in Uttaranchal and were to be provided a scholarship of Rs.8,000 per student per annum.

Scrutiny revealed that only five students were given scholarship in 2001-02 and only one student was given scholarship in 2002-03 against the target of 40 students per annum. Reason for not selecting more students was not given by the department.

Excess expenditure on Ashram Paddhati Schools

3.3.24 The scheme for running Ashram Paddhati schools envisaged free education including boarding, lodging, clothing, text books, stationery and medical facilities etc. for poor SC/ST students. The scheme provided free food (Rs.550 per student per month) in addition to clothing (Rs.300), bedding

(Rs.100) & stationery (Rs.100) per annum per student along with free lodging and schooling facility i.e. an expenditure of Rs.600 (approx) per month per student. There were five Ashram Type Schools for SC and 15 such schools for ST in five test checked districts.

In Ashram Paddhati School the State government incurs about Rs.600 per student per month (Rs.550 per month per student for food besides Rs.300 for clothing, Rs.100 for bedding, and Rs.100 for stationery per annum). In 2001-02 the number of beneficiaries were 2,607 so the expenditure on them should have been Rs.1.88 crore. However, the actual expenditure was Rs.4.08 crore. Thus there was an excess expenditure of Rs.2.20 crore in the year 2001-02. Similarly, in the year 2002-03, since the number of beneficiaries were 2,732, the expenditure on them should have been Rs.1.97 crore but the actual expenditure was Rs.3.41 crore. Thus, there was an excess expenditure of Rs.1.44 crore in the year 2002-03. Thus, during 2001-2003 there was an excess expenditure of Rs.3.64 crore on Ashram Paddhati Schools in the State.

Unfruitful expenditure on Ashram Paddhati Schools Scheme

3.3.25 It was noticed that at Ashram Type School, Jainti, Almora district, Rs.61.69 lakh were spent during 1997-2003, whereas, the students numbered between 14 and 22 *per cent* of the total capacity of 60 students per annum during the said period. There were no teachers in the school since 1993. The department could not explain as to how students were taught without teachers. The entire expenditure of Rs. 61.69 lakh thus proved unfruitful. Similarly, at Ashram Padhati School, Srinagar, Pauri, Rs.14.69 lakh were spent during 2001-03 whereas the students numbered only 15 *per cent* of the total capacity of 60 students per annum, which shows that the expenditure per student was Rs.6,900 per month instead of Rs.600 per month(approx) resulting in excess expenditure of Rs.13.26 lakh.

Similarly, at Ashram Paddhati School, Joshimath, Chamoli, Rs.43.01 lakh were spent during 2001-2003 whereas the students were only 26 *per cent* of the total capacity resulting in expenditure of Rs.3,900 per student per month instead of Rs.600 per month(approx) which resulted in excess expenditure of Rs.36.34 lakh during 2001-2003. Thus Rs.1.11 crore (0.13 + 0.36 + 0.62) was incurred in excess in three schools above during 2001-2003 which remained unfruitful.

Monitoring and Evaluation

3.3.26 Monitoring and evaluation are the most important aspect of this scheme. Government was required to ascertain whether the scheme was fool proof right from the stage of sanctioning of scholarship to the stage of disbursement of scholarship through monitoring and evaluation. In absence of reporting mechanism, it is difficult to say whether proper monitoring by the concerned officers was actually done and whether evaluation of the scheme was done by

any agency. The absence of monitoring and evaluation revealed the following loopholes and weaknesses in the implementation of this scheme.

- (a) Lack of physical verification/checking as prescribed by the Department viz. Social Welfare Supervisors and ADO Samaj Kalyan (100 *per cent*), DSWO's (15 *per cent*), Regional Directors (five *per cent*).
- (b) Lack of any records/data bank to show the dropouts among the beneficiaries.
- (c) Lack of any records/data bank to indicate the number of students from among initial beneficiaries who actually took the school leaving examinations.
- (d) Lack of records/data bank to indicate the amount of outstanding advances against the institutions in each district.
- (e) Lack of any records/data bank to show the unutilized fund by DSWO's in each year.
- (f) Lack of proper verification of income of guardians resulting in payment of scholarship to students despite the income of their guardians being far in excess of the permissible limit.

The matter was reported to Government (December 2003); reply has not been received (May 2004).

SECTION – B: PARAGRAPHS

FOREST DEPARTMENT

3.4 Excess expenditure on Pay and allowances

Excess expenditure of Rs. 4.14 crore was incurred on pay and allowances of the staff of Soil Conservation Division, Ranikhet.

To prevent land degradation and soil loss in the catchment areas of rivers, a River Valley Project and Flood Prone Areas Scheme (RVP & FPR) was started in 1961-62 by the Government of India, Ministry of Agriculture and Cooperation by providing 50 *per cent* assistance by way of grant and 50 *per cent* loans to State. Guidelines issued by the Government of India in October 1992, inter alia, stipulated that the expenditure on pay and allowances of the staff should not exceed 25 *per cent* of the total outlay.

Test check (June 2002) of the records of Divisional Forest Officer (DFO), Soil Conservation Division, Ranikhet (Division) and further information collected (April 2004) revealed that out of a total expenditure of Rs. 14.03 crore incurred on the project between 1991-92 to 2002-03, expenditure on pay and allowances of staff was Rs. 7.65 crore (54.53 *per cent*). The expenditure of Rs. 4.14 crore (Rs. 7.65 crore – Rs. 3.51 crore) incurred on establishment in excess of the prescribed percentage was at the cost of project activities.

On this being pointed out, the DFO stated that funds for establishment and works were allotted by State Government and the expenditure was incurred accordingly. The reply was not tenable as the excess allotment was not in accordance with the guidelines issued by the Government of India.

The matter was reported to Government (December 2003); reply was awaited (May 2004).

3.5 Non-utilisation of fund for river protection work

Rs. 2.67 crore collected for Gola river training work were not utilized immediately, with the likelihood of soil erosion and damage to the surrounding areas.

At the request of State Government (June 1999), the Government of India (Ministry of Environment and Forest) accorded (November 1999) approval for the collection of boulders, bajri and sand from four river beds (Gola, Sarada, Dabaca and Lower Koshi) under West Circle, Nainital for a period of ten years. The terms and conditions of the approval, inter-alia, stipulated that river training work (to ensure the flow of the river in a desired/particular direction)

was to be carried out every year, utilizing 25 per cent of the royalty collected from the sale/disposal of material per year.

Test check (April 2002 and May 2003) of the records of Divisional Forest Officer (DFO), Tarai East Forest Division, Haldwani revealed that an amount of Rs. 2.67 crore was kept in forest deposit for river training work in Gola river during three years (1999-2000 to 2001-02) out of the royalty of Rs. 7.69 crore received during these years. The Irrigation Department started river training work as late as 12 June 2001 leaving the area exposed to soil erosion during the monsoon with damage to the river bed and surrounding areas. The Gola river had already caused damage through floods to Hada Village, Bindu Khatta during the period from 1998 to 2000.

On this being pointed out, the DFO stated (August 2002) that the river training work had been started and an expenditure of Rs. 36.11 lakh incurred on this account upto August 2002 with reference to some points of river Gola. For other points, the work would be taken up after the final approval of project from Irrigation Department. The reply is not tenable, as the delay in river training work left the river bed and surrounding areas exposed to flood waters.

Thus, inaction on the part of Forest Department/State Government not only violated the terms and conditions of Government of India's approval but also defeated the objective of safeguarding the exposed river bed before the next rainy season.

The matter was referred to Government (December 2003); reply was awaited (May 2004).

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.6 Non –recovery of cost of materials found short

There was a loss to Government of Rs. 62.80 lakh due to shortage in stores remaining unrecovered.

Financial Rules provide that the stock register be closed and physically verified at least once in a year. Shortages in stock, if any, should be immediately investigated, departmental inquiry instituted and proper steps taken for recovery of the property or its write off by competent authority.

Test check (October 2002) of records of Regional Senior Accounts Officer (RSAO) Food, Kumaon Division, Haldwani revealed that charges of 5 centres/stores (Marari, Saran, Karmi, Ungia and Baghar) were entrusted to only one store keeper during the year 1998-99 to 1999-2000. Physical verification of stock as stipulated in the rules, were not carried out during the aforesaid period. Consequently shortage in stock, if any, remained undetected. However, at the time of handing over of stock by the Store Keeper in January 2000, shortages of food grains worth Rs. 62.80 lakh, as detailed below, came to notice:

| Year | Sugar | | Wheat | | Rice | | Total cost (Rs. In lakh) |
|--------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------------|
| | Qty (in quintals) | Cost (Rs. In lakh) | Qty (in quintals) | Cost (Rs. In lakh) | Qty (in quintals) | Cost (Rs. In lakh) | |
| 1998-1999 | - | - | 269.15 | 2.00 | 202.31 | 1.50 | 3.50 |
| 1999-2000 | 301.00 | 3.60 | 3647.14 | 26.40 | 3943.74 | 29.30 | 59.30 |
| Total | 301.00 | 3.60 | 3916.29 | 28.40 | 4146.05 | 30.80 | 62.80 |

On this being pointed out Regional Food Commissioner, Kumaon Division, Haldwani, stated (April 2004) that the matter had been reported to Government/Commissioner, Food and Civil Supplies and FIR lodged with the Police and the erring official was sent to jail. The matter was also reported to be pending in the court of Chief Judicial Magistrate, Bageshwar. However, no justification was forthcoming regarding non-carrying out of physical verifications of stock as required under rules.

The matter was referred to Government (December 2003); reply was awaited (May 2004).

MEDICAL HEALTH AND FAMILY WELFARE DEPARTMENT

3.7 Idle investment on Blood Bank at District Hospital, Hardwar

Investment of Rs. 19.90 lakh in a blood bank proved idle in the absence of license and staff.

Government sanctioned (February 1997) the setting up of a blood bank at District Hospital, Hardwar by October 1997 at a cost of Rs. 20.94 lakh (Rs.8.85 lakh for apparatus, Rs.3 lakh for repair works and Rs.9.09 lakh for construction of building).

Test check (May 2003) of records of the Chief Medical Superintendent, District Hospital, Hardwar revealed that the building was completed by UP Avas Evam Vikas Parishad in October 1997 at a cost of Rs. 9.07 lakh and handed over to the Department in January 1998. Apparatus worth Rs. 8.44 lakh was purchased, Rs. 1.11 lakh was spent on repair of the newly constructed building and Rs.1.28 lakh on electricity charges up to December 2002. The blood bank, however, remained non-functional despite the expenditure of Rs. 19.90 lakh.

On this being pointed out (May 2003), the Department stated that the blood bank was non-functional as no license (applied for in October 1997) was accorded by the Drug Controller and no staff (proposed in November 1997) had been sanctioned by the Government as of May 2003.

Thus, the expenditure of Rs. 19.90 lakh incurred on establishing the blood bank remained idle from January 1998 to May 2003, denying an important medical facility to the people.

The matter was referred to Government (September 2003); reply was awaited (May 2004).

3.8 Idle investment on construction of Primary Health Centre

Delay of 4 years in construction of Primary Health Centre, Shama, Bageshwar led to an idle investment of Rs. 47.00 lakh.

Government accorded administrative approval and financial sanction of Rs.47.00 lakh (March 1997) for the establishment of an additional Primary Health Centre at Shama in Bageshwar District. The amount was drawn (July 1977) by the Chief Medical Officer (CMO), Bageshwar and transferred to the executing agency, Uttar Pradesh Jal Nigam. The land was made available to the Nigam in November 1997 with the instructions to complete the work by October 1999.

Test check (April 2003) of records of CMO, Bageshwar revealed that the work was still incomplete in respect of safety walls, electrical and water connections and other shortcomings in construction after incurring an expenditure of Rs 49 lakh as at the end of December 2003. The District Magistrate, Bageshwar ordered (June 2002) that the work be completed by July 2002 and the building handed over to the Department. The Nigam instead submitted (July 2002) a revised estimate of Rs.73.68 lakh. This was forwarded by the CMO, Bageshwar to the Government for sanction, which was awaited (April 2003).

On this being pointed out (April 2003), it was stated by CMO, Bageshwar that due to the approach road to Shama being damaged, work started late (March 1998) and due to escalation of cost of material and labour, it was not possible to complete the work within the original sanctioned cost.

The reply was not tenable in view of the fact that the delay of 4 months in the start of work cannot be a valid reason for a delay of more than 4 years in construction. Had the work been executed in time, the escalation in cost of material and labour could have been avoided.

Tardy execution thus resulted in an investment of Rs.47.00 lakh lying idle, thereby denying medical facilities to the people of the rural area.

The matter was referred to Government (October 2003); reply was awaited (May 2004).

3.9 Unfruitful expenditure due to inadequate estimates

Faulty estimates for the construction of State Allopathic Dispensary (SAD) and Sub-Centre at Basantpur resulted in unfruitful expenditure of Rs. 46.97 lakh.

Financial rules (para no.375 Financial Hand Book vol VI) provide that work should be commenced only after the design and estimate based on proper

investigation and survey of site conditions have been sanctioned by the competent authority.

Administrative approval and financial sanction of Rs. 46.97 lakh was accorded (September 1997)[▲] for construction of residential and non-residential buildings of State Allopathic Dispensary (SAD) and Sub-Centre, Basantpur, Pauri.

The work was awarded to the UP Jal Nigam in March 1998 and Rs. 46.97 lakh were released in lump (March 1998). The work was to be started in September 1998 and completed by March 2000.

Scrutiny of the records (September 2002) of the Chief Medical Officer, (CMO), Pauri revealed that the Nigam had incurred an expenditure of Rs. 35.00 lakh on site development against the provision of Rs. 5.08 lakh and Rs. 11.97 lakh on construction of 60 *per cent* of the main building and 25 *per cent* of the approach road upto October 1999. The entire sanctioned amount of Rs. 46.97 lakh had been spent leaving the work incomplete. The Nigam submitted (January 1999) a revised estimate of Rs. 1.39 crore to the CMO, Pauri for completion of the balance work.

The District Magistrate (DM), Pauri who inspected the site (September 1999) on the direction of the Government, reported (October 1999) that the estimate had been prepared without any site inspection and at rates much higher than those in the schedule of rates of the Public Works Department. The revised estimate was not recommended for sanction by the DM. The Department subsequently obtained an estimate of Rs. 31.97 lakh from another agency i.e. Samaj Kalyan Nirman Nigam Limited (September 2002) for completion of residual works without finalizing the contract executed with the Jal Nigam.

Inadequate and faulty estimation, thus, resulted in expenditure of Rs. 46.97 lakh remaining unfruitful, denying primary health care facilities to the local residents.

The matter was referred to Government (October 2003); reply was awaited (May 2004).

SPORTS AND YOUTH WELFARE DEPARTMENT

3.10 Idle Investment on an incomplete Stadium at Manera, Uttarkashi

Non-completion of sports stadium at Manera, Uttarkashi resulted in idle investment of Rs.75.06 lakh and non-achievement of objectives.

[▲] Main building Rs. 9.67 lakh; Medical Officer residential building Rs. 5.67 lakh; Type-II building Rs. 4.65 lakh; Type-I building Rs. 5.18 lakh; approach road and boundary wall (2 jobs) Rs. 3.58 lakh; site development (1 job) Rs. 5.08 lakh; External water supply and external electrification (2 jobs) Rs. 2.54 lakh; contingencies Rs. 4.38 lakh; others Rs. 6.11 lakh.

Government sanctioned (July 1993) the construction of a stadium at Manera (Dilsaur), Uttarkashi at a cost of Rs. 52.25 lakh to promote sports activities among the youth. The work was awarded to Executive Engineer, Provincial Division, Public Works Department, Uttarkashi (EE). The work was started in May 1994 and was to be completed by June 1996.

Test check (May 2002) of the records of District Sports Officer, Uttarkashi revealed that some basic items of work such as leveling of field and construction of tennis court etc which were scheduled to be completed within the sanctioned amount of Rs. 52.25 lakh were not completed. Land for approach road had also not been acquired. A revised estimates for Rs.85.06 lakh was sanctioned by the Government in March 1998. Against this, an expenditure of Rs.75.06 lakh was incurred upto May 2002, leaving the work of leveling of field and construction of approach road incomplete. The funds released (Rs.85.06 lakh) by State Government included Rs.10 lakh sanctioned (April 1998) to Director, Sports and Youth Welfare, Lucknow for transferring the same to the EE for completion of leftover works. The amount of Rs.10 lakh had not, however, been received by the EE (as of December 2003). No efforts had been made to trace this amount.

The stadium which was to be completed by June 1996, could not be commissioned even 10 years after the commencement of work. This defeated the object of promoting sports activities in the area and rendered the investment of Rs.75.06 lakh idle. Further, embezzlement of Rs.10.00 lakh could also not be ruled out.

The matter was reported to Government (September 2003); reply was awaited (May 2004).