

दिनांक .....को विधानसभा  
को प्रस्तुत की गई  
Presented to the Legislature  
on...16-3-2010.....

**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA**

**FOR THE YEAR ENDED 31 MARCH 2009**

**(CIVIL)  
PERFORMANCE AND TRANSACTION AUDIT  
GOVERNMENT OF HARYANA**

14-5-2010

## TABLE OF CONTENTS

	Reference to	
	Paragraphs	Page/ Remarks
<b>Preface</b>		vii
<b>Overview</b>		ix
<b>CHAPTER I</b>		
<b>PERFORMANCE AUDIT</b>		
<b>Health Department</b> National Rural Health Mission	<b>1.1</b>	1
<b>Home Department</b> Modernisation of Police Force	<b>1.2</b>	21
<b>Rural Development Department</b> Desert Development Programme	<b>1.3</b>	36
<b>Transport Department</b> Functioning of Haryana Roadways	<b>1.4</b>	56
<b>CHAPTER II</b>		
<b>AUDIT OF TRANSACTIONS</b>		
<b>Fraud/misappropriation/embezzlement/losses/ overpayments</b>	<b>2.1</b>	
<b>Health and Medical Education Department and Education Department</b> Suspected embezzlement	2.1.1	81
<b>Home and Jail Department</b> Fraudulent drawal of City Compensatory Allowance and House Rent Allowance	2.1.2	83
<b>Education Department</b> Loss due to non-utilisation of Central grant	2.1.3	85
<b>Education Department</b> <b>(Maharshi Dayanand University, Rohtak)</b> Loss due to non-availing of full Central assistance	2.1.4	86
<b>Public Works Department (Irrigation Branch)</b> Parking of funds outside the Government account	2.1.5	88

<b>Excess payment/wasteful/Infructuous expenditure</b>	<b>2.2</b>	
<b>Administration of Justice Department</b> Infructuous expenditure on empanelment of advocates	2.2.1	89
<b>Health Department</b> Unfruitful expenditure on purchase of food testing equipment	2.2.2	91
<b>Violation of contractual obligations/undue favour to contractors/avoidable expenditure</b>	<b>2.3</b>	
<b>Town and Country Planning Department (Haryana Urban Development Authority)</b> Avoidable expenditure due to non-maintenance of prescribed power factor and non-enhancement of contract demand	2.3.1	92
<b>Public Works Department (Buildings and Roads Branch)</b> Extra expenditure due to non-allotment of work	2.3.2	94
Extra expenditure due to delay in finalisation of drawings	2.3.3	95
<b>Public Works Department (Buildings and Roads Branch), Education Department (Maharshi Dayanand University, Rohtak and Guru Jambheshwar University, Hisar) and Agriculture Department (Haryana State Agricultural Marketing Board)</b> Undue benefit to the executing agencies	2.3.4	96
<b>Supplies and Disposals Department and Public Works Department (Water Supply and Sanitation Branch)</b> Extra expenditure on purchase of Ductile Iron pipes	2.3.5	98
<b>Public Works Department (Water Supply and Sanitation Branch)</b> Extra expenditure on acquisition of land	2.3.6	99
<b>Public Works Department (Buildings and Roads Branch)</b> Extra expenditure due to injudicious rejection of offer of the contractor	2.3.7	101
<b>Public Works Department (Irrigation Branch)</b> Extra expenditure due to incorrect assessment of land requirement by Irrigation Department	2.3.8	103
<b>Idle investments/idle establishment/blocking of funds</b>	<b>2.4</b>	
<b>Industries and Commerce Department</b> Blockage of funds	2.4.1	104

<b>Regulatory issues and others</b>	<b>2.5</b>	
<b>Revenue and Disaster Management Department</b> Management of Calamity Relief Fund	2.5.1	106
<b>General</b>	<b>2.6</b>	
<b>Finance Department and Agriculture Department</b> Follow-up on Audit Reports and non-responsiveness to audit findings and observations	2.6.1	111
<b>CHAPTER III</b>		
<b>INTERNAL CONTROL MECHANISM IN GOVERNMENT DEPARTMENT</b>		
<b>Higher Education Department</b> Internal controls in Higher Education Department	<b>3.1</b>	113

**APPENDICES**

Appendix		Reference to	
		Paragraph	Page
<b>I</b>	Statement showing selected CHCs, PHCs and Sub-Centres in 5 districts test checked	<b>1.1.5</b>	<b>131</b>
<b>II</b>	Statement showing shortage of Medical and para medical staff at CHC level (3 CHCs selected in each district) in 5 districts test checked	<b>1.1.8.2</b>	<b>133</b>
<b>III</b>	Statement showing shortage of Medical and para medical staff at PHC level (2 PHCs selected under each CHC) in 5 districts test checked	<b>1.1.8.2</b>	<b>134</b>
<b>IV</b>	Statement showing the details of pregnant women receiving IAF administration in test checked districts	<b>1.1.10.2</b>	<b>135</b>
<b>V</b>	Statement showing targets and achievements of institutional deliveries in test checked districts	<b>1.1.10.2</b>	<b>136</b>
<b>VI</b>	Statement showing targets and achievements under immunization in test checked districts	<b>1.1.10.5</b>	<b>137</b>
<b>VII</b>	Statement showing targets and achievements of Vitamin A administration in test checked districts	<b>1.1.10.5</b>	<b>138</b>
<b>VIII</b>	Statement showing details of cataract surgery performed in the State	<b>1.1.10.6</b>	<b>139</b>
<b>IX</b>	Statement showing details of Morbidity and Mortality due to various Vector Borne Diseases	<b>1.1.10.8</b>	<b>140</b>
<b>X</b>	Statement showing wasteland area in desert districts	<b>1.3.6</b>	<b>141</b>
<b>XI</b>	Statement showing delay in release of State share	<b>1.3.7</b>	<b>142</b>
<b>XII</b>	Statement showing targets and achievements of 5 <sup>th</sup> to 8 <sup>th</sup> batch of DDP and 1 <sup>st</sup> to 4 <sup>th</sup> batch of Hariyali of test checked districts	<b>1.3.8</b>	<b>144</b>
<b>XIII</b>	Statement showing delayed start of works due to late identification of watershed areas	<b>1.3.8.1</b>	<b>145</b>
<b>XIV</b>	Statement showing component wise expenditure incurred by watershed Committees selected for physical verification	<b>1.3.9</b>	<b>146</b>
<b>XV</b>	Statement showing operational performance of Haryana Roadways	<b>1.4.7</b>	<b>147</b>
<b>XVI</b>	Statement showing the amount recovered from the cashier and date of actual disbursement or deposited in treasury	<b>2.1.1</b>	<b>148</b>
<b>XVII</b>	Statement of loss of interest on retention of money outside the Government account	<b>2.1.5</b>	<b>149</b>
<b>XVIII</b>	Statement showing extra expenditure	<b>2.3.2</b>	<b>150</b>

<b>XIX</b>	Statement showing extra expenditure due to piecemeal purchases	<b>2.3.5</b>	<b>151</b>
<b>XX</b>	Details of unspent balances lying with the disbursing officers	<b>2.5.1.2</b>	<b>153</b>
<b>XXI</b>	Statement showing the names of Department where Action Taken Notes were awaited	<b>2.6.1</b>	<b>154</b>
<b>XXII</b>	List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Department	<b>2.6.1</b>	<b>155</b>
<b>XXIII</b>	Details of outstanding recommendations of Public Accounts Committee on which the Government is yet to take final decision	<b>2.6.1</b>	<b>156</b>
<b>XXIV</b>	Statement showing year-wise breakup of outstanding Inspection Reports and Paragraphs	<b>2.6.1</b>	<b>157</b>
<b>XXV</b>	Detail of serious irregularities pointed out through outstanding Inspection Reports	<b>2.6.1</b>	<b>158</b>
<b>XXVI</b>	Statement showing expenditure incurred beyond competency	<b>3.1.6.4</b>	<b>159</b>
<b>XXVII</b>	Statement showing variation in enrolment between the records of HEC and colleges	<b>3.1.8.3</b>	<b>160</b>
<b>GLOSSARY</b>		<b>161 to 166</b>	





## PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution of India.
2. Chapter I deals with the findings of performance audit in various departments while Chapter II deals with the findings of audit of transactions in the various departments including the Public Works and Irrigation Departments, audit of Autonomous Bodies and departmentally run commercial undertakings. Chapter III deals with the comments on internal control mechanism existing in selected departments in the State.
3. Audit observations on matter arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2009 are presented separately.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test-audit of accounts during the year 2008-09 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2008-09 have also been included wherever necessary.



# OVERVIEW



## OVERVIEW

The Report includes three Chapters containing five reviews and 18 paragraphs. Chapter I deals with the findings of performance audit in various departments while Chapter II deals with the findings of audit of transactions in the various departments including Autonomous Bodies and departmentally run commercial undertakings. Chapter III deals with the comments on internal control mechanism existing in selected department in the State.

The audit has been conducted in accordance with the internationally accepted Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on judgement basis. Audit conclusions have been drawn and recommendations made taking into consideration the views of the Government/auditee organisations.

A summary of audit findings is given below:

### 1. National Rural Health Mission

The National Rural Health Mission was launched in April 2005 with the main objective to bring about improvement in health status of the people, who live in rural areas. Performance audit of the Mission activities brought out deficiencies in completion of household and facility survey, non-preparation of perspective and annual plans and lack of planning as well as monitoring. Against the targets of construction of nine Community Health Centres (CHC), 79 Primary Health Centres (PHC) and 44 Sub Centres, no health centre was constructed during 2005-09. The services at CHCs and PHCs suffered for want of doctors, para-medical staff and other basic medical facilities. A large number of pregnant women did not show up for antenatal check ups. While there was shortfall of 17 *per cent* in targets of sterilisation, the shortfall in Vitamin A solution administration ranged between 17 and 67 *per cent*. Against detection of 36,487 cases of refractive errors, only 6,937 students were provided free spectacles in test checked districts. Annual Parasitic Incidence was higher than the stipulated rate of 0.5 per thousand. The achievement of targets, set for 2010 for infant mortality rate, maternal mortality rate, total fertility rate, sex ratio, etc. were far from satisfactory.

*(Paragraph 1.1)*

### 2. Modernisation of Police Force

The modernisation of Police Force scheme was launched to meet the challenges to internal security effectively and to overcome the deficiencies in residential and non-residential buildings, mobility, weapons, training, scientific aids, equipments,

etc. A performance audit of the scheme in the State brought out several areas of concern. Police force was not equipped with sophisticated modern weapons and continued to depend on outdated weapons. Cases such as non-preparation of five year perspective plan, delay in approval of annual action plans, diversion of funds, parking of funds with implementing agencies, etc. were observed. Utilisation certificates for Rs 182.89 crore were furnished to Government of India, though a sum of Rs 48.91 crore was lying unspent with implementing agencies. Despite availability of sufficient funds, 49 *per cent* of staff quarters and 35 *per cent* of non-residential buildings were not completed. Modernisation of weapons was inadequate as expenditure on procurement of weapons was only 2.23 *per cent* of the total approved plan during 2004-09. Suppression blankets worth Rs 48.79 lakh were not supplied by HARTRON despite advance payment of required amount in May 2003. Water cannon vehicles had not been purchased for more than two years despite availability of funds of Rs 5.35 crore. Against the sanction of 53,708 posts, 41,683 police personnel were in position leaving a gap of 12,025 posts (22 *per cent*). Strength of women police was negligible. In Forensic Science Laboratory, against the sanctioned strength of 152 technical staff, only 86 were in position. Seventy eight *per cent* of police personnel were not trained in use of modern weapons.

(Paragraph 1.2)

### **3. Desert Development Programme**

The main objective of Desert Development Programme was to develop wastelands and degraded lands, drought prone areas and desert areas having preponderance of common lands for the overall development and improvement in socio-economic conditions of the poor populace inhabiting these areas. The programme was brought under watershed mode in 1987. The programme was implemented under new guidelines called '*Hariyali*' with effect from April 2003. Performance audit of the programme brought out issues like long term perspective plan by using the thematic maps generated by Haryana Space Application Centre not being used in any of the test checked districts. The implementation of the programme was slow as out of 441 watershed projects, only 118 were completed. This resulted in non-receipt of full financial assistance from Government of India. Programmes related to soil and moisture conservation works were not taken up to develop degraded land. On the other hand, Rs 46.25 lakh were spent on sewer *nullahs* instead of spending the funds on drainage line treatments. The scheme on formation of Self Help Groups to uplift rural poor was a non-functional in test checked watershed projects. A sum of Rs 10.75 crore was spent on distribution of HDPE pipes among farmers instead of laying underground pipelines. Areas identified for ponds were not proper as six ponds dug up at a cost of Rs 10.50 lakh were without water as catchment area, source of re-charging, etc. were not conceptualised. The mechanism for post project maintenance, monitoring and evaluation was either not evolved or was not working effectively.

(Paragraph 1.3)

#### **4. Functioning of Haryana Roadways**

The performance audit of the Haryana Roadways disclosed that the Roadways suffered a loss of Rs 637.99 crore in 2004-09. The fleet utilisation of Roadways (95.54) in 2008-09 was higher than all India average (AIA) of 92 *per cent*. Its vehicle productivity at 366 kilometres per bus per day was also above the AIA of 313 kilometres. Similarly, load factor of 73 *per cent* remained above the AIA of 63 *per cent*. Though the Roadways did well on operational parameters, its 99.80 *per cent* routes were unprofitable due to high incidence of passenger tax and non reimbursement of cost of free/concessional traveling facilities by the State Government. The Roadways made recruitment of conductors/drivers in anticipation of induction of new fleet and incurred excess staff cost of Rs 8.05 crore during July 2008 to March 2009. The Roadways did not attain its own fuel consumption targets resulting in excess consumption of fuel valued at Rs 31.30 crore during 2004-09. The Roadways earned a net profit of Rs 4.32 crore during October 2005 to February 2008 from ten hired Volvo buses. As this arrangement has the potential to cut down the cost substantially, the Roadways needs to explore possibility of hiring ordinary buses to increase its fleet. Though the Government approves the fare increase, there is no scientific basis for its calculation. The Roadways has also not formed norms for providing services on uneconomical schedules. Thus, it would be desirable to have an independent regulatory to fix the fares, specify operations on uneconomical routes. The monitoring by top management fell short as it did not fix targets for various operational parameters.

*(Paragraph 1.4)*

#### **5. Internal Controls in Higher Education Department**

Internal Control is an integral component of an organisation's management processes which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently. A review of Internal Control in Higher Education Department brought out significant deficiencies in financial, budget and expenditure controls, programme implementation, human resource management and non-compliance with established monitoring mechanism. There were cases of preparation of budget estimates without any input from colleges/other field functionaries/units, non-deposit of unspent funds, deficient maintenance of cash-book, non-reconciliation of drawals with treasury schedules, ineffective implementation of placement cell scheme, etc. Funds amounting to Rs 1.92 crore were not only drawn in advance/excess of requirement but also were deposited in the bank outside the Government account. Non-distribution of computers to scheduled caste students resulted in blocking of funds of Rs 0.91 crore. Rupees 1.62 crore was paid to scheduled caste students in cash instead of providing text books. Due to deficiencies in manpower planning there were cases wherein students were without teachers and teachers without students

and irregular deployment of staff on deputation. Besides, internal audit of Government colleges and Directorate was not being conducted.

*(Paragraph 3.1)*

## **6. Results of Transaction Audit**

Audit of financial transactions, subjected to test-check, in various departments of the Government and their field functionaries revealed instances of losses and wasteful spending of Rs 22.23 crore as mentioned below:

There were two cases of loss of Rs 1.40 crore due to suspected embezzlement in Health and Medical Education Department, fraudulent drawal of City Compensatory Allowance and House Rent Allowance by Police and Jail Departments.

There were three cases of loss of Rs 5.16 crore due to non-utilisation of central grant, less availing of central assistance and keeping funds outside the Government account.

There were eight cases of infructuous, injudicious, avoidable and extra expenditure of Rs 8.46 crore which includes payment to advocates without assigning any work and piecemeal purchase of Ductile Iron pipes.

There were two cases of undue benefit to contractors and avoidable expenditure of Rs 3.94 crore which includes non deduction of labour cess, non-maintenance of prescribed power factor and non-enhancement of contract deed.

In one case, funds of Rs 2.66 crore were blocked due to delay in setting up of Export Exhibit Centre without ensuring the availability of land.

In management of Calamity Relief Funds, regulatory issues involving Rs 0.61 crore were noticed during audit which includes diversion of funds, payment of gratuitous relief, fraudulent distribution and double payment of relief funds.

### **Some of the major findings are summarised below:**

City Compensatory Allowance and House Rent Allowance amounting to Rs 1.33 crore were drawn and disbursed to employees posted at Bhondsi on the basis of a fraudulent letter by the Police and Jail Departments.

*(Paragraph 2.1.2)*

Significant amount of funds were kept outside the Government account in contravention of codal provisions by Public Works Department (irrigation Branch), resulted in loss of interest of Rs 4.47 crore.

*(Paragraph 2.1.5)*



Empanelment/engagement of standing counsels without assessing and assigning the volume of work by Administration of Justice Department resulted in infructuous expenditure of Rs 55.56 lakh on payment of retention fee.

*(Paragraph 2.2.1)*

Failure of Haryana Urban Development Authority in maintaining the prescribed power factor and getting the sanctioned load enhanced resulted in avoidable expenditure of Rs 3.41 crore on account of penalty and surcharge.

*(Paragraph 2.3.1)*

Due to failure on the part of Public Works Department (Buildings and Roads Branch) in processing and finalising the tender of first contractor within validity period, the department had to incur an extra expenditure of Rs 64.17 lakh.

*(Paragraph 2.3.2)*

Due to delay in providing approved drawings and design of the bridge to the executing agency, Public Works Department (Buildings and Roads Branch) had to incur extra expenditure of Rs 45.47 lakh as the agency left the work midway.

*(Paragraph 2.3.3)*

In violation of the Cess Act, Public Works Department (Buildings and Roads Branch), Maharshi Dayanand University, Guru Jambheshwar University and Haryana State Agricultural Marketing Board had not deducted cess from the bills of on going construction works which resulted in undue benefit of Rs 52.84 lakh to the executing agencies.

*(Paragraph 2.3.4)*

Injudicious rejection of the proposal of the contractor by Public Works Department (Buildings and Roads Branch) when increase in rates was already in the notice of the department resulted in an extra expenditure of Rs 26.09 lakh besides creation of liabilities of Rs 34.14 lakh on the unexecuted work.

*(Paragraph 2.3.7)*



# CHAPTER-I

## PERFORMANCE AUDIT

	Page
❖ National Rural Health Mission	1
❖ Modernisation of Police Force	21
❖ Desert Development Programme	36
❖ Functioning of Haryana Roadways	56



## CHAPTER I

### PERFORMANCE AUDIT

#### Health Department

#### 1.1 National Rural Health Mission

##### Highlights

*The National Rural Health Mission (NRHM) was launched in April 2005 with the objective to bring about improvement in health status of the people, especially those who live in rural areas. Performance audit of the Mission activities brought out deficiencies in completion of household and facility survey, non-preparation of perspective and annual plans, lack of planning as well as monitoring as a result of which 19 per cent of available funds remained unspent. Though the targets for construction of new health centres were formulated yet construction works had not been taken up. The services at Community Health Centres and Primary Health Centres suffered for want of doctors, para-medical staff and other basic medical facilities. A large number of pregnant women did not show up for antenatal check ups. While the shortfall in achievement of targets of sterilisation was 17 per cent, the shortfall in Vitamin A solution administration ranged between 17 and 67 per cent. Annual Parasitic Incidence was much higher than the stipulated rate of 0.5 per thousand. The achievement of targets, set for 2010 for infant mortality rate, maternal mortality rate, total fertility rate, sex ratio, etc. were far from satisfactory.*

- **Household survey to identify target groups though planned in 2007-08, had not been started and facility survey to assess deficiencies had not been completed. District perspective plan was not prepared in 11 out of 20 districts in the State.**

*(Paragraphs 1.1.6.1 and 1.1.6.2)*

- **Against the target of construction of 9 CHCs, 79 PHCs and 44 SCs, no health centre was constructed during 2005-09 inspite of availability of funds.**

*(Paragraph 1.1.8.1)*

- **There was shortage of 61 per cent of doctors and 50 per cent of para-medical staff in CHCs test checked and 43 per cent of doctors and 69 per cent of other staff in PHCs test checked. Besides, basic medical facilities were not available in large number of centres.**

*(Paragraphs 1.1.8.2 and 1.1.8.3)*

- **A large number of pregnant women did not register themselves for prescribed antenatal check ups. Even the registered pregnant women did not show up for antenatal check ups. Only 38, 48, 54 and 59 per cent deliveries took place in institutions during 2005-06, 2006-07, 2007-08 and 2008-09 respectively against the target of 50 per cent of total deliveries.**

(Paragraph 1.1.10.2)

- **There was shortfall in administration of Vitamin A during 2005-09 in test checked districts due to short supply of vitamin A solution at health centres.**

(Paragraph 1.1.10.5)

- **Against detection of 36,487 cases of refractive errors, only 6,937 students were provided free spectacles in test checked districts.**

(Paragraph 1.1.10.6)

- **The State was far behind in achievement of targets set for 2010 in regard to infant mortality rate, maternal mortality rate, sex ratio, etc.**

(Paragraph 1.1.12)

### **1.1.1 Introduction**

The National Rural Health Mission (NRHM) was launched in Haryana on 12 April 2005 with a view to provide accessible, affordable, accountable, effective and reliable healthcare facilities in the rural areas especially to poor and the vulnerable section of the population. The key strategy of the NRHM was to bridge gaps in healthcare facilities, facilitate decentralised planning in the health sector, provide an overarching umbrella to the existing programmes of Health and Family Welfare including Reproductive and Child Health-II, Vector Borne Disease Control Programme, Tuberculosis, Leprosy and Blindness Control Programmes and Integrated Disease Surveillance Project. The scheme was centrally sponsored upto 2006-07 and on cost sharing basis between Centre (85 per cent) and State (15 per cent) for the 11<sup>th</sup> plan period 2007-12.

### **1.1.2 Organisational set up**

At the state level, the NRHM functions under the overall guidance of the State Health Mission (SHM) headed by the Chief Minister. The activities under the Mission are to be carried out through the State Health and Family Welfare Society

(SHFWS). The governing body of the society is headed by Chief Secretary of the State. Its Executive Committee is headed by the Financial Commissioner and Principal Secretary, Health Department, Government of Haryana. The State Programme Management Support Unit headed by a Mission Director acts as the Secretariat to SHFWS.

At the district level, every district has a District Health and Family Welfare Society (DHFWS) headed by the Deputy Commissioner and its Executive Committee is headed by a Civil Surgeon (CS). Sub-centres (village level), Primary Health Centres (PHCs) and Community Health Centres (CHCs) deliver public health services in rural areas.

### **1.1.3 Audit objectives**

The main audit objectives of the performance audit were to ascertain whether:

- planning, monitoring and evaluation procedures of the Mission at the level of Village, Block, District, State and Centre were adequate and achieved its principal objectives;
- the Mission achieved capacity building and strengthening of physical and human infrastructure at different levels as planned and targeted;
- the information, education and communication (IEC) activities were efficient and resulted in increase of awareness about preventive aspects of healthcare;
- targets fixed specially in respect of reproductive and child healthcare, immunization and disease control programmes were achieved;
- public health delivery system for the targeted population, especially socially and economically deprived groups, women and children was created as envisaged.
- impact on key indicators had shown improvement upto the desired level.

### **1.1.4 Audit criteria**

With a view to achieve the audit objectives, following audit criteria were adopted:

- Government of India (GOI) guidelines on the scheme and instructions issued from time to time.
- Indian Public Health Standards (IPHS) for CHCs, PHCs and Sub-Centres.

- State Programme Implementation Plan (PIP) approved by GOI.
- Data of institutional deliveries, immunization, family planning cases, in-patients/ out-patients, morbidity and mortality cases, etc. and
- Monitoring and status reports.

### **1.1.5 Scope and methodology**

The Performance Audit was conducted (April 2009 to July 2009) covering the period from 2005-06 to 2008-09 by test-check of records in the Mission Directorate, five DHFWS (out of 20) alongwith 15 CHCs (out of 87), 30 PHCs (out of 420) and 60 SCs (out of 2,465) (*Appendix I*).

The sample for test-check were selected using probability proportionate to size sampling (PPS) method. An Entry Conference was held in March 2008 with the Project Director, in which important issues regarding implementation of the scheme, audit objectives and audit criteria were discussed. Exit conference was held in July 2009 with Financial Commissioner and Principal Secretary to Government of Haryana, Health Department to discuss audit findings and their views were considered while finalising the review report.

### **Audit findings**

#### **1.1.6. Planning**

##### **1.1.6.1 Base line survey**

As per Mission guidelines, a base line survey was to be conducted by 2008 to help the Mission in fixing goals and monitoring indicators. Accordingly, 50 per cent of the household and facility surveys were required to be completed by 2007 and 100 per cent by 2008. It was, however, noticed that though the Mission was launched in April 2005, the household survey was planned only in the State Programme Implementation Plan (PIP) for the year 2007-08. The facility survey of CHCs in three districts and all the PHCs and SCs in the State had not yet been completed (March 2009). Even data collected from the facility survey in respect of 17 districts relating to CHCs was not validated by the *Panchayati Raj* Institutions as envisaged under the programme.

Non-conducting of the household survey and non-completion of facilities survey impaired the planning process of the Mission as the healthcare needs of the rural population and deficiencies in the facilities in the health institutions could not be identified and hence not properly addressed.

The Mission Director stated (July 2009) that facility survey was conducted by

**Household survey was not conducted and facility survey in all the institutions was not completed.**



GOI during 2004 in 14 district hospitals, 13 Sub-District hospitals, 63 CHCs and 14 PHCs and entire Gurgaon district and that annual household survey was conducted by health workers at Sub-Centre (SC) level. The reply was not convincing as facility survey was not complete for the State as a whole. Further, household survey conducted by health workers was confined to identification of eligible couples, pregnant women and mothers only and did not cover other objectives of the Mission. As a result of this, the purpose for planning of all the Mission activities was not served.

### **1.1.6.2 Perspective and annual plans**

**District perspective plans were prepared in 9 out of 20 districts while annual action plans were not prepared at all during 2005-09.**

The DHFWS were required to prepare perspective plan for the entire Mission period 2005-2012 which were to be aggregated to form the PIP of the entire State. Besides, these societies were also required to prepare Annual District Health Action Plans. The Mission focused on the village as an important unit for planning. As the preparation of village level plans were started from 2007-08, the Block Health Action Plans, therefore, formed the basis of District Health Action Plan for the year 2005-06 and 2006-07. As a result of this, the deficiencies and problems at village level could not be identified. The preparation of perspective plans was taken up in 9 out of 20 districts in 2006-07 and was completed in September 2007. The perspective plans in the remaining 11 districts were not prepared as of March 2009. As perspective plans were not prepared in all the districts, the State PIP was not prepared by aggregating health action plans of all the districts during 2005-09. The districts prepared Annual District Health Action Plans only for the year 2009-10. No annual Action Plans were prepared for the period 2005-09. The effectiveness of the District Health Action Plans, prepared without conducting the household and facilities survey was debatable as there were number of deficiencies in providing facilities at CHC, PHC and Sub-centre level as discussed in paragraph 1.1.8. The lack of planning had a cascading effect on the implementation of the Mission, as is evident from the succeeding audit findings.

### **1.1.6.3 Public report on health**

**Annual public health report was not published by any district.**

As envisaged under the NRHM, each district was required to publish a public report on health annually. None of the 20 districts in the State had published such reports during 2005-09.

In the absence of dissemination of such relevant information, local communities, which were to be involved for planning and monitoring of the activities under the Mission, could not get information on the developments taking place in the district. Moreover, absence of a real-time management information system at the ground level impaired the ability of the Mission to initiate adequate and timely responses to correct the deficiencies noticed during execution of the programme at the base level.

**1.1.7 Financial management**

Only 81 per cent of the available funds were spent.

Funds are released by the Central Government to the States through two separate channels i.e. through State Finance Department and direct to the different health societies. The funds routed through the State Finance Department were required to be released quarterly depending on the norms prescribed for various activities under these schemes based on infrastructure available in the States. The position of opening balance, funds received from GOI, expenditure incurred thereagainst and closing balance for the period 2005-09 is tabulated below:

(Rupees in crore)

Year	Opening balance	Funds received from GOI	State share	Total	Expenditure incurred	Closing balance
2005-06	3.52 <sup>1</sup>	108.50	-	112.02	80.92	31.10
2006-07	31.10	161.04	-	192.14	97.27	94.87
2007-08	94.87	151.53	24.29	270.69	112.00	158.69
2008-09	158.69	211.59	0	370.28	244.77	125.51
<b>Total</b>		<b>632.66</b>	<b>24.29</b>		<b>534.96</b>	

About 19 per cent of total available funds of Rs 660.47 crore remained unutilised during 2005-09.

Annual budget was not prepared by DHFWSs and Sub-District Health Centres.

The funds remained unspent as the budget was prepared by SHFWS without any input from DHFWSs and Sub-District Health Centres as these societies/centres had not prepared their annual budget. Even the districts and blocks were not informed about availability of funds for various activities well in advance for planning. The funds to the districts and blocks were allocated on receipt of sanctions from GOI as per State PIP. However, the Mission Director stated (July 2009) that at the beginning of the Mission, a number of steps were required to be taken in terms of infrastructure, manpower and capacity building, therefore, the expenditure was less during this period. The reply is not convincing as during the year 2005-06 and 2006-07, the process of decentralisation which includes planning, implementation and monitoring up to village level had not been completed.

**1.1.7.1 Untied and annual maintenance grants**

VHSCs were not constituted in 111 villages.

As per Mission guidelines, an annual untied grant of Rs 10,000 to each Village Health and Sanitation Committee (VHSC), Rupees 10,000 to every SC, Rs 25,000 to every PHC and Rs 50,000 to every CHC was provided for local uses. Annual maintenance grant of Rs 10,000, Rs 50,000 and Rs 1,00,000 to each SC, PHC and CHC respectively was also to be provided.

As per timeline framed under the Mission, cent per cent of the VHSCs were to be formed by 2008. Against the target of constituting 6,393 VHSCs, 6,282 were

<sup>1</sup> Name of the Scheme	Amount
Revised National Tuberculosis Control Programme (RNTCP)	Rs 2.63 crore
National Programme for Control of Blindness (NPCB)	Rs 0.89 crore
<b>Total</b>	<b>Rs 3.52 crore</b>

formed as of March 2009 leaving a gap of 111 Committees. Out of the untied funds of Rs 11.34 crore released to VHSCs during 2007-09, only Rs 3.47 crore (31 per cent) had been utilised by the districts upto March 2009. The non-formation of VHSCs in all the villages coupled with inadequate spending of funds by the constituted VHSCs affected implementation of the Mission at grass root level. The Mission Director stated (July 2009) that a common committee of Women and Child Development and Health Department for constituting the Village Level Committee cum VHSCs was formed in July 2008. The reply is not convincing as the steps for constituting the committee were taken after a lapse of more than one year.

**Untied and annual maintenance grants remained unspent with VHSCs, CHCs, PHCs and SCs.**

Similarly, out of untied<sup>2</sup> grants of Rs 7.46 crore released to the SCs during 2006-09, an expenditure of Rs 5.20 crore (70 per cent) was incurred by the SCs upto March 2009 leaving an unspent balance of Rs 2.26 crore (30 per cent). Likewise, untied and annual<sup>3</sup> maintenance grants to the tune of Rs 5.50 crore for PHCs in all districts were released during 2005-09 and an expenditure of Rs 3.43 crore (62 per cent) was incurred as of March 2009 leaving an unspent balance of Rs 2.07 crore (38 per cent).

The Mission Director while admitting the inadequate spending stated (July 2009) that the expenditure at the initial stage of the Mission was less due to lack of infrastructure and awareness and that Mission activities had now geared up and expenditure has also increased. Thus, it is evident that the Mission was not geared up at the beginning of the Mission period.

## **1.1.8 Capacity building and strengthening of infrastructure**

### **1.1.8.1 Construction and upgradation of CHCs, PHCs and SCs**

The Mission provided for construction of new rural health centres and upgradation of existing facilities for delivery of better health services in the rural areas as per population norms of 2001 census. The targets set for construction of various centres and achievements thereagainst are tabulated below:

Sr. No.	Particulars	CHCs	PHCs	SCs
1.	Targets for new construction during 2007-08	9	79	44
2.	Achievements for new construction	Nil	Nil	Nil
3.	Targets for upgradation of CHCs as per IPHS norms and PHCs for providing 24X7 services upto 2007-08	26	126	-
4.	Achievements	2	106	-

**Against the target for construction of 9 CHCs, 79 PHCs and 44 SCs, no health centre was constructed.**

Audit observed that no health care centre could be constructed during 2007-08 as the funds amounting to Rs 24.28 crore were released for construction works only in January 2008. Administrative approval for construction of three CHCs was accorded in February/July 2008 and administrative approval for 32 PHCs was accorded in September/October 2008. Expenditure of Rs 12.14 crore had been

<sup>2</sup> Untied grant: Given for improvement of sanitary and hygienic conditions.

<sup>3</sup> Annual maintenance grant: Given for general maintenance of CHCs/PHCs/SCs.

incurred upto November 2008.

### **1.1.8.2 Shortage of staff at CHC and PHC level**

**Shortage of 61 per cent of doctors, 50 per cent of para-medical staff in test checked CHCs was observed.**

The manpower position in respect of CHCs test checked with reference to norms of Indian Public Health Standards (IPHS) is depicted in *Appendix II*. An analysis of the data revealed that against the requirement of 90 doctors (including specialists), only 35 doctors were in position indicating shortage of 55 doctors (61 per cent). Similarly, against the norm of 375 posts of Staff Nurses, Technicians, Dressers, Sweepers, Ward Boys, etc., only 186 were in position indicating shortage of 189 posts (50 per cent). Thus, there was substantial shortage of doctors and other staff in CHCs test checked. Audit further observed that there was no doctor or specialist available in CHC, Kairu and Jhojukalan in district Bhiwani and CHC, Bhattukalan in district Fatehabad during the review period.

**There was acute shortage of doctors and para-medical staff in PHCs.**

The position of manpower requirement as per IPHS, men-in-position and shortage in respect of PHCs test checked is depicted in *Appendix III*. Against the requirement of 60 doctors, only 34 were in position leaving a shortage of 26 doctors (43 per cent). Similarly, against the requirement of 480 staff<sup>4</sup>, only 150 were in position indicating shortage of 330 staff members (69 per cent).

The Mission Director stated (July 2009) that in order to avoid shortage of doctors and to reduce the time taken by Haryana Public Service Commission in selecting the doctors, the State Government had evolved the departmental appointment process of doctors which has enabled to recruit 825 doctors (out of which 525 specialists) during November 2008 to May 2009.

### **1.1.8.3 Lack of infrastructure and facilities at CHC, PHC and Sub-centre level**

**Basic facilities were not available in test checked CHCs.**

As per IPHS norms, a caesarian section, emergency care of sick children, safe abortion services, blood storage facility, surgery, pediatrics, new born care, ECG test, X-ray facility and Operation Theatre were to be provided at CHC level.

Audit observed that the caesarian section (10 out of 15), emergency care of sick children (11 out of 15), safe abortion services (10 out of 15), blood storage facility (14 out of 15), surgery (11 out of 15), pediatrics (12 out of 15), new born care (8 out of 15) and ECG (11 out of 15) were not available in the CHCs test checked. X-ray facility was available only in 8 out of 15 CHCs test checked. No Operation Theatre was available in any of the CHCs. Even the supply of drugs, medicines was inadequate in all the districts test checked. Only essential drugs were supplied for basic level treatment.

As per IPHS, cataract surgery, MTP, internal gynecological examination, nutrition services, emergency services, new born care, facilities of tubectomy and

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<sup>4</sup> Staff nurses, health educators, clerks, health assistants, class IV, etc.

vasectomy were to be provided at PHC level. Audit scrutiny revealed that these facilities/services were not provided in any of the PHCs test checked.

**Health Assistants/  
Lady Health  
Visitors did not visit  
27 per cent test  
checked SCs.**

Further, Health Assistants (male)/Lady Health Visitors (LHV) were required to visit the sub-centres at least once a week as per IPHS. But it was observed that no such visits were made by them in 16 SCs out of 60 SCs test checked. There was no labour room in 31 SCs and no telephone facility in 54 SCs, no public utilities in 37 SCs out of 60 test checked.

The Mission Director stated (July 2009) that there were limited funds for equipment and drugs for upgradation of facilities to IPHS as targeted. The reply was not fully convincing as there was 19 per cent shortfall in utilisation of funds under the Mission.

#### **1.1.8.4 24x7 delivery services**

**24x7 delivery services  
were not available in  
75 per cent PHCs  
in the State.**

The Mission envisaged provision of 24X7 delivery and emergency services at PHC level. As per information available at the SHFWS, out of total 420 PHCs, only 106 PHCs had facility of 24x7 delivery services. The facility assessment at 30 PHCs test checked revealed that the facility of 24 hour delivery services was available only at 8 PHCs. The reasons for non-availability of delivery services in other 22 PHCs were attributed to non-availability of staff nurses, labour rooms, etc.

#### **1.1.8.5 Trainings**

**There was shortfall of  
36 per cent in  
imparting training to  
health personnel.**

The Mission laid emphasis on imparting training for skill development to doctors, Auxiliary Nursing Midwives (ANM), nurses, para-medicals, Accredited Social Health Activist (ASHA) trainers, etc. for improving and strengthening of existing training infrastructure. Against the target of providing training to 9,000 ASHAs, 1,712 ANMs, 1,155 Staff Nurses, 363 Medical Officers, 7 Programme Managers, only 5,211 ASHAs, 1,437 ANMs, 817 Staff Nurses, 370 Medical Officers and 7 Programme Managers respectively were trained during 2005-08, leaving a shortfall of 4,395 personnel (36 per cent). None of the ASHAs were provided with drug-kits for dispensing medicines, contraceptives, ORS, etc. in the test checked districts.

The Mission Director stated (July 2009) that shortfall in providing training was due to shortage of trained manpower in State Health and Family Welfare Institute and steps had been taken to strengthen the training centres in terms of logistics, infrastructure and manpower. As regards providing the drug-kits to ASHA, it had been stated that drug-kits were not provided as training to ASHA was not provided.

#### **1.1.8.6 Mobile Medical Units**

**Mobile Medical Unit  
was not provided in  
any of the test  
checked districts.**

A mobile medical unit was to be provided in each district for providing outreach services. The Mission Director stated (July 2009) that six medical mobile units were working in various districts by Health Department. However, mobile medical units were not provided in any of the districts test checked.

### 1.1.8.7 State Health System Resource Centre

A State Health System Resource Centre (SHSRC) was to be established in each State to provide technical support to the Mission. The SHSRC was not established in the State. The Mission Director stated (July 2009) that proposal for establishing a State Health Resource Centre was under consideration and technical support was being obtained from various consultants.

This vast gap between the requirement of infrastructure, medical staff and medicines as per IPHS and that actually available was a severe bottleneck in delivering health services as envisaged under the Mission.

### 1.1.9 Information, Education and Communication (IEC)

#### 1.1.9.1 Under utilisation of funds

As per NRHM framework, IEC activities were to be carried out at grass root level to educate the rural population about preventive, promotive, curative and rehabilitative health care. For this purpose, Health Melas were to be organised in all the parliamentary constituencies. Grants of Rs 80 lakh for organisation of Swasthaya Melas in 10 parliamentary constituencies of the State were received from GOI and were placed at the disposal of concerned Civil Surgeons. However, only an amount of Rs 43.88 lakh was utilised upto March 2009. Thus, adequate attention was not paid towards IEC activities.

#### 1.1.10 Performance under various health care programmes

##### 1.1.10.1 Status of in-patient and out-patient cases

The number of in-patient and out-patient cases is an important indicator of the effectiveness of various activities under the NRHM. The data regarding number of patients reported at sub-centres was not maintained by SHFWS. The number of patients reaching the PHCs and CHCs of districts test checked for out-patient and in-patient services during 2005-09 were as under:

Name of the district	Health centres	Number of out-patient cases reported at health centres				Number of in-patient cases reported at health centres			
		2005-06	2006-07	2007-08	2008-09	2005-06	2006-07	2007-08	2008-09
Faridabad	PHCs	2,51,154	2,84,586	2,44,878	2,45,364	382	548	708	856
	CHCs	37,178	41,536	29,704	42,917	1,054	914	531	514
Ambala	PHCs	1,94,775	2,08,277	2,02,953	1,64,316	611	528	1,180	471
	CHCs	87,040	88,116	74,910	66,976	3,183	3,181	2,767	2,691
Bhiwani	PHCs	2,94,155	3,54,183	3,31,348	3,25,900	1,177	1,260	1,389	2,463
	CHCs	1,46,238	1,67,788	1,43,768	1,56,308	5,832	3,821	4,383	15,317
Fatehabad	PHCs	1,71,853	1,87,384	1,70,917	1,41,255	957	1,239	1,339	1,983
	CHCs	1,49,059	1,88,405	1,49,648	1,39,385	6,561	9,008	7,359	11,243
Sonipat	PHCs	2,63,194	2,63,116	2,63,052	2,29,778	436	234	372	412
	CHCs	2,17,942	2,45,127	2,77,735	2,49,143	9,375	8,350	7,964	9,376
Total	PHCs	11,75,131	12,97,546	12,13,148	11,06,613	3,563	3,809	4,988	6,185
	CHCs	6,37,457	7,30,972	6,75,765	6,54,729	26,005	25,274	23,004	39,141

Source of data: Annual Reports of the department.

As the main objective of the Mission was to provide accessible, affordable and

reliable health care in the rural areas, it was expected to attract more patients to the Sub-centres, PHCs and CHCs. Audit observed that there was nine *per cent* decline in out-patients in PHCs and three *per cent* decline in CHCs during 2008-09 due to lack of infrastructure and shortage of staff.

## Reproductive and Child Health (RCH)

### 1.1.10.2 Maternal health

#### Registration and check ups

Early detection of complications during pregnancy by four prescribed antenatal check-ups is important for preventing maternal mortality and morbidity. The status of registration and antenatal check-ups was as under:

A large number of pregnant women did not avail antenatal check ups.

Name of District	Year	Number of pregnant women registered	No. of registered pregnant women visited for check-ups			
			At the stage of registration	At around 26 <sup>th</sup> week	At around 32 <sup>nd</sup> week	At around 36 <sup>th</sup> week
Faridabad	2005-06	63,209	36,140	36,140	36,140	36,140
	2006-07	66,872	48,211	48,211	48,211	48,211
	2007-08	60,898	47,723	47,723	47,723	47,723
	2008-09	69,581	50,955	50,955	50,955	50,955
Ambala	2005-06	26,991	21,996	21,996	21,996	21,996
	2006-07	27,721	19,061	19,061	19,061	19,061
	2007-08	25,816	22,209	22,209	22,209	22,209
	2008-09	30,583	21,558	21,558	21,558	21,558
Bhiwani	2005-06	38,690	35,067	35,067	35,067	35,067
	2006-07	38,196	22,599	22,599	22,599	22,599
	2007-08	33,694	28,223	28,223	28,223	28,223
	2008-09	37,422	34,122	34,122	34,122	34,122
Fatehabad	2005-06	20,781	13,106	16,095	16,095	16,095
	2006-07	23,939	14,656	21,976	21,976	21,976
	2007-08	20,116	15,279	17,216	17,216	17,216
	2008-09	20,827	15,161	15,161	15,161	15,161
Sonipat	2005-06	29,556	26,267	26,267	26,267	26,267
	2006-07	32,146	27,074	27,074	27,074	27,074
	2007-08	33,261	28,318	28,318	28,318	28,318
	2008-09	29,153	25,714	25,714	25,714	25,714
<b>Total</b>	<b>2005-06</b>	<b>1,79,227</b>	<b>1,32,576</b>	<b>1,35,565</b>	<b>1,35,565</b>	<b>1,35,565</b>
	<b>2006-07</b>	<b>1,88,874</b>	<b>1,31,601</b>	<b>1,38,921</b>	<b>1,38,921</b>	<b>1,38,921</b>
	<b>2007-08</b>	<b>1,73,785</b>	<b>1,41,752</b>	<b>1,43,689</b>	<b>1,43,689</b>	<b>1,43,689</b>
	<b>2008-09</b>	<b>1,87,566</b>	<b>1,47,510</b>	<b>1,47,510</b>	<b>1,47,510</b>	<b>1,47,510</b>

Source: Annual Status Reports of the department.

It was a matter of concern that a large number of pregnant women did not show up for prescribed antenatal check-ups. The Mission Director stated (July 2009) that despite implementation of Village Health and Nutrition Day Scheme, ASHA and various behavior change control measures, a large number of pregnant women did not register and also did not come for prescribed antenatal check ups. Social system, lack of importance to women problems, poverty, lack of health education were the contributing factors for decreased antenatal registration and regular antenatal check ups. The reply indicates that despite presence of the Mission for last four years, still a lot of work to increase awareness about health care remain unattended.

• **Iron Folic Acid Administration**

Anaemia is considered as leading cause of maternal mortality and is an aggravating factor to hemorrhage, sepsis and toxemia. Prophylaxis against nutritional anaemia in a pregnant woman requires a daily dose of Iron Folic Acid (IFA) tablets for a period of 100 days. The status of pregnant women in test checked districts receiving IFA administration is given in **Appendix IV** which showed that there was shortfall in coverage of pregnant women during 2006-07 in Ambala, Fatehabad and Sonapat districts. The inadequate supply of IFA tablets was a major reason for low coverage of IFA administration. The department during the exit conference had assured adequate supply of IFA tablets.

• **Institutional delivery care**

To encourage institutional delivery, the Janani Suraksha Yojana provided all rural BPL pregnant women a cash compensation of Rs 700, urban BPL women Rs 600, rural SC women Rs 900, urban SC women Rs 800 for undergoing institutional delivery.

The target of institutional delivery in the State was 50 per cent of total deliveries. Against these targets, the actual institutional deliveries were 1,68,731 out of 4,38,581 (38 per cent) in 2005-06, 2,16,383, out of 4,52,018 (48 per cent) in 2006-07, 2,44,351, out of 4,54,683 (54 per cent) in 2007-08 and 2,66,916 out of 4,49,079 (59 per cent) in 2008-09.

The target and achievement of institutional deliveries in the test checked districts is depicted in **Appendix V** which showed that Ambala (2007-08), Fatehabad (2006-07 and 2007-08) and Sonapat (2008-09) districts had succeeded in achieving the targets of institutional deliveries but Bhiwani and Faridabad districts were far behind.

Reasons for shortfall in institutional deliveries were attributed to faith in local trained *daies*, non-availability of ANM 24 hours a day and lack of facility of delivery in SCs and PHCs.

• **Essential obstetric care**

Essential obstetric care which was required to be provided in CHCs and PHCs includes antenatal care, supply of essential obstetric drugs, neonatal resuscitation and equipment for new born, etc.

The audit observed that the emergency obstetric care, including the facility of caesarean section, were not available in any of 15 CHCs test checked. The reasons for non-availability of emergency obstetric care at the CHCs were non-functional operation theatre, lack of adequate infrastructure, blood storage facility, etc.

Test-check of records further revealed that out of 60 SCs, 30 PHCs and 15 CHCs,

Shortfall in achievement of targets for institutional deliveries was 12 and 2 per cent during 2005-06 and 2006-07 respectively.



none of the SCs, PHCs and CHCs were supplied Kit A<sup>5</sup> and Kit B<sup>5</sup> for normal delivery. The Mission Director stated (July 2009) that all essential medicines and equipments as well as Kit A and B had been made available in 160 PHCs and 40 CHCs and that there was significant shortage of specialists despite repeated advertisements. The reply is not convincing as facilities had been provided only in 38 *per cent* PHCs and 46 *per cent* CHCs, that too after the lapse of four years of the launch of Mission.

### 1.1.10.3 Reproductive health and care

Reproductive health and care includes facility for safe medical termination of pregnancy (MTP).

#### • Medical termination of pregnancy

The programme envisaged need based training to medical officers and nurses, provision of equipment and operation theatre and MTP kits at CHCs and PHCs. As per information at the SHFWS, 87 CHCs had the facilities for MTP whereas this facility was available only in 106 PHCs out of 420.

In the five test checked districts, 6 out of 15 CHCs and 7 out of 30 PHCs had the facilities of MTP. In remaining 9 CHCs and 23 PHCs, necessary equipments, trained doctors/nurses and MTP kits were not available.

The Mission Director stated (July 2009) that efforts were being made to improve the availability and uptake of MTP services up to PHC level.

### 1.1.10.4 Sterilization and spacing methods

To reduce Total Fertility Rate, an increased access to and utilisation of family planning services is one of the objectives of the NRHM. Targets and achievements of various components of family welfare planning for the period 2005-09 are tabulated below:

Year	Vasectomy		Tubectomy		Oral Pills Users		IUD Insertion		Condom Users	
	Workload	Achievement	Workload	Achievement	Workload	Achievement	Workload	Achievement	Workload	Achievement
2005-06	10,320	12,995	92,880	80,585	78,000	85,740	1,73,800	1,52,051	3,81,000	3,39,847
2006-07	16,660	10,949	87,640	74,057	79,000	80,134	1,76,800	1,54,428	3,84,000	3,78,837
2007-08	16,660	9,752	87,640	71,071	79,000	84,230	1,77,400	1,63,350	3,94,000	4,06,258
2008-09	16,660	10,030	87,640	77,409	81,600	92,553	1,79,600	1,76,650	4,06,000	3,90,480
<b>Total</b>	<b>60,300</b>	<b>43,726</b>	<b>3,55,800</b>	<b>3,03,122</b>	<b>3,17,600</b>	<b>3,42,657</b>	<b>7,07,600</b>	<b>6,46,479</b>	<b>15,65,000</b>	<b>15,15,422</b>

Source: Annual Status Reports of the department.

Shortfall in targets of sterilisation was 17 *per cent*.

There was shortfall of 17 *per cent* in targets for conducting sterilisation, nine *per cent* under IUD insertion and three *per cent* in respect of condom users. The Mission did well in improving the usage of oral pills as the actual users were eight *per cent* more than the target.

The Project Director stated (July 2009) that decrease/shortfall in achievements of

<sup>5</sup> Kit A contains medicines such as oral dehydration powder, IFA tablets, etc. while Kit B contains other medicines, cotton, bandages, ointments, etc.

IUD insertions and condom users was due to irregular supply of condoms and IUDs and shortage of manpower particularly MPHWS (male and female). Family Welfare programme suffered due to active involvement of health workers in Pulse Polio Immunisation Programme. The reply of the department was not convincing as the supply of condoms and IUDs should have been ensured by the department.

### 1.1.10.5 Immunisation and child health

#### • Routine Immunisation

The immunisation of children against six preventable diseases, namely tuberculosis, diphtheria, pertussis, tetanus, polio and measles has been the corner stone of routine immunisation not only under universal immunisation programme but also under NRHM. The details of targets and achievements under the routine immunisation are given below:

Year	Target	Achievement				FI <sup>6</sup>	DT		TT(10)		TT(16)	
		BCG	Measles	DPT	OPV		Target	Achievement	Target	Achievement	Target	Achievement
2005-06	5,71,099	5,83,438	5,29,636	5,48,404	5,48,346	5,83,438	5,67,647	5,51,492	5,95,114	5,02,144	5,26,447	4,17,117
2006-07	5,75,670	5,97,600	5,43,969	5,70,643	5,70,092	5,97,600	6,04,786	5,71,787	6,04,786	4,96,224	5,11,742	4,21,019
2007-08	5,56,839	5,95,719	5,52,045	5,59,352	5,58,569	5,95,719	6,14,276	5,92,747	6,14,276	5,01,969	5,19,772	4,01,451
2008-09	5,57,413	5,82,316	5,43,465	5,06,341	5,15,334	5,82,316	6,34,478	5,65,591	6,34,478	4,58,262	5,36,866	3,71,750
<b>Total</b>	<b>22,61,021</b>	<b>23,59,073</b>	<b>21,69,115</b>	<b>21,84,740</b>	<b>21,92,341</b>	<b>23,59,073</b>	<b>24,21,187</b>	<b>22,81,617</b>	<b>24,48,654</b>	<b>19,58,599</b>	<b>20,94,827</b>	<b>16,11,337</b>

Source: Annual Status Reports of the department.

Besides, for secondary immunisation, children in age group of 5 to 6 years were required to be administered DT (Diphtheria and Tetanus) and two doses of Tetanus Toxoid (TT) at the age of 10 and 16 years respectively. The shortfall from targets in the secondary immunisation ranged from 3 to 11 per cent for DT, 16 to 28 per cent for TT (10) and 18 to 31 per cent for TT (16).

The status of targets and achievements under immunisation in test checked districts is given in **Appendix VI** which indicated wide inter-district variations in achievements for immunisation.

#### • Vitamin A solution

Prophylaxis against blindness amongst children due to deficiency of Vitamin A requires the first dose at 9 months of age alongwith measles vaccine and second dose alongwith DPT/OPV and subsequently three doses at six monthly intervals. There was a shortfall of 17, 67, 20 and 54 per cent against the targets of vitamin A administration during 2005-06, 2006-07, 2007-08 and 2008-09 respectively in the State.

The status of targets and achievements for Vitamin A administration in test checked districts is depicted in **Appendix VII** which showed shortfall in achievement of targets in these districts also.

The main reason of shortfall in achievements was short supply of Vitamin A at health centres.

<sup>6</sup> Fully immunised: Achievement of full immunisation based on measles injection.

Shortfall in administration of vitamin 'A' was due to short supply of vitamin 'A' solution.

The Mission Director stated (July 2009) that vitamin A solution was supplied by GOI upto 2004-05 but thereafter supplies were discontinued. A special drive was launched by the State Government during 2008-09 and the supply had been made regular now.

#### **1.1.10.6 National Programme for Control of Blindness (NPCB)**

The NPCB aimed to reduce prevalence of blindness cases to 0.8 *per cent* by 2007 through increased cataract surgery, school eye screening, free distribution of spectacles, etc.

##### **• Cataract operation performance**

The details of cataract surgery performed in the State are given in **Appendix VIII**. Against the target of conducting 4.40 lakh cataract operations (1.10 lakh per year for four years), 4.84 lakh cataract operations were performed during 2005-09. Out of these, 22 *per cent* were performed in Government sectors, 31 *per cent* by NGOs while 47 *per cent* were performed by private practitioners. The ratio of cataract operations in Government and private sectors was required, as per Mission Guidelines, to be 1:1. Thus, there was shortfall of cataract operations in Government sectors.

The operations by private practitioners and NGOs were predominantly carried out in camps, where data on the rate of success and follow up was not available.

##### **• Refractive error and free distribution of spectacles**

The programme envisaged training of at least one teacher in Government and Government aided schools for screening refractive errors among students and free distribution of spectacles to the students having refractive errors. As against teachers of 14,651 schools in the State, only 11,545 teachers were trained. During 2005-06, 2006-07, 2007-08 and 2008-09, 1,402, 6,986, 9,149 and 2,994 spectacles respectively were issued against the total detection of 29,227, 47,686, 25,162 and 13,047 cases of refractive errors.

In five test checked districts, 36,487 cases of refractive errors were detected during 2005-09, but only 6,937 students were provided free spectacles. The Mission Director stated (July 2009) that spectacles were provided free of cost only to poor students. The reply was not in consonance with scheme guidelines as spectacles were to be provided free of cost to all the students having refractive error.

#### **1.1.10.7 Revised National Tuberculosis Control Programme (RNTCP)**

As per GOI guidelines, no targets for sputum examination are fixed under RNTCP. The year-wise details of targets and achievements in detection of new

**Spectacles were provided to only 19 per cent of students with refractive error.**

sputum positives were as under:-

Year	Sputum examination	Detection of new Sputum positives		
	Number	Target 70 per cent of these cases	Achievement	
			Number	Percentage
2005-06	1,51,478	15,410	12,715	82.51
2006-07	1,58,162	15,678	13,238	84.43
2007-08	1,64,289	15,879	13,119	82.61
2008-09	1,50,719	15,927	13,254	83.21
<b>Total</b>	<b>6,24,648</b>	<b>62,894</b>	<b>52,326</b>	<b>83.19</b>

Source: Annual Status Reports of the department.

The overall cure rate of 85 per cent was prescribed under the RNTCP. However, the department's achievement was 83 per cent.

• **Availability of diagnostic facilities and medicines**

As per the NRHM framework, full coverage for treatment of tuberculosis is guaranteed at CHCs and PHCs. The strategy was to provide quality assured diagnostic and treatment services through application of directly observed treatment short course (DOTS). As per information available with SHFWS, all the 87 CHCs and 345 PHCs out of 420 PHCs in the State were covered under DOTS scheme.

Audit analysis revealed that out of 15 CHCs and 30 PHCs test checked, full services for treatment of tuberculosis were available at all the 15 CHCs and only in 13 PHCs. The Mission Director stated (July 2009) that as per RNTCP guidelines diagnostic facilities were to be provided at designated microscope centres having population of one lakh. The reply was not in consonance with NRHM guidelines as these facilities were to be provided at all PHCs.

**1.1.10.8 National Vector Borne Disease Control Programme (NVBDCP)**

The NVBDCP aims to control vector borne diseases by reducing mortality and morbidity due to malaria, filaria, kala azar, dengue, chikungunia and japanese encephalitis in endemic areas through close surveillance, controlling breeding of mosquito, sand fly, etc. through indoor residual spray of larvicides and insecticides and improved diagnostic and treatment facilities at health centres provided annual blood examinations of persons with symptoms of malaria.

• **Annual Blood Examination Rate (ABER) and Annual Parasitic Incidence (API) for malaria**

The programme stipulated to achieve ABER<sup>7</sup> of 10 per cent and API<sup>8</sup> of less than 0.5 per thousand for the country. As per information available with the State, the ABER was 11.32, 11.87, 11 and 11.1 and API 1.48, 2.10, 1.36 and 1.50 during 2005-06, 2006-07, 2007-08 and 2008-09 respectively.

<sup>7</sup> Cumulative sum of monthly rate per 100 population under surveillance of blood examination during the year.

<sup>8</sup> Positive malaria cases per thousand population.

**Annual Parasitic Incidence was higher than the prescribed percentage.**

The records in test checked districts indicate that in two<sup>9</sup> districts, ABER was less than the State average during 2005-06, 2006-07 and 2008-09 and in Fatehabad district (9.5), it was also less than the State average during 2005-06. API was more than the State average during 2006-07 in Ambala (2.33), 2008-09 in Fatehabad (3.06), Bhiwani (1.70) and Fatehabad (3.12) districts. In Sonapat district (5.76, 5.49 and 1.80) API was more than the State average during 2005-06 to 2007-08.

#### • Incidence of vector borne diseases

There was no case of Kala Azar and Filaria in the State. During 2005-09 morbidity and mortality due to various vector borne diseases were as under:

Year	Malaria		Japanese Encephalitis		Dengue	
	Cases	Deaths	Cases	Deaths	Cases	Deaths
2005-06	33,204	0	4	2	183	1
2006-07	47,077	0	3	1	838	4
2007-08	30,985	0	32	18	365	11
2008-09	37,080	0	0	0	1,159	9
<b>Total</b>	<b>1,48,346</b>	<b>0</b>	<b>39</b>	<b>21</b>	<b>2,545</b>	<b>25</b>

Source: Annual Status Reports of the department.

The deaths due to vector borne diseases increased during 2005-08 but showed a marginal decline in 2008-09.

The position regarding morbidity and mortality due to vector borne disease in the districts test checked is given in *Appendix IX*.

The Mission Director stated (July 2009) that the spreading of diseases depends upon the circumstances like rains, stagnation of water, un-hygienic condition, etc. and the remedial measures were taken according to availability of staff.

#### *1.1.10.9 National Leprosy Elimination Programme (NLEP)*

The NLEP aimed to eliminate leprosy by the end of 11<sup>th</sup> plan i.e. by 2005. The State had achieved the status of elimination of leprosy i.e. less than one case per 10,000 population. However, the prevalence of NLEP in Haryana was 0.17 per 10,000 of the population as on 30 June 2009. The total number of people affected with leprosy in the State during 2005-06, 2006-07 and 2007-08 were 388, 474 and 319 respectively.

#### • Facilities at health centres

The NRHM stipulated facilities for diagnosis and treatment of leprosy at all health centres upto PHC level. As per data available at the SHFWS, out of 87 CHCs and 420 PHCs, the facility for diagnosis of leprosy was available in only 72 CHCs and 229 PHCs. In test checked districts the facility for diagnosis of leprosy was available at 9 CHCs and 18 PHCs.

<sup>9</sup> Ambala 8.3, 8.3, 5.5 and Faridabad 5.8, 6.7, 6.0.

### **1.1.11 Public health delivery to targeted population**

#### ***1.1.11.1 Identification of beneficiaries***

To provide health services to vulnerable sections of the community including SCs, STs and poor household in equitable manner, mapping of services, facility and household surveys for identification of beneficiaries was required to be carried out. Audit observed that such exercise was not done during 2005-09. In the absence of identification of beneficiaries, delivery of services to the targeted population could not be ensured.

The Mission Director stated (July 2009) that household survey for identification of eligible couples, antenatal check-ups etc. was conducted every year by ANMs and beneficiaries were identified at the time of antenatal check-ups. The reply was not convincing as the survey conducted by ANMs was confined to identification of eligible couples but people of vulnerable sections were not identified.

#### ***1.1.11.2 Social security to poor***

The Mission provides for availability of assured healthcare at reduced financial risk through community health insurance. It was observed that neither was health insurance scheme for rural population implemented nor were private insurance companies encouraged to bring in innovative insurance products till March 2008.

The Project Director stated (July 2009) that a health insurance scheme named Rastriya Swasthya Bima Yojana has been launched for BPL with effect from April 2008.

#### ***1.1.11.3 Health monitoring and planning committees***

As per the scheme, monitoring committees were to be constituted at Sub Centre, Block, District and State levels, but no such committees had been constituted at any level in the State. This had affected the planning and implementation process at primary level and consequent upward flow of information.

### **1.1.12 Impact assessment**

As per Mission guidelines, high infant mortality rate, maternal mortality rate and total fertility rate were to be arrested/checked while institutional deliveries were to be encouraged.

The details of these key indicators to assess the performance of health services at the starting of the Mission, upto the end of 2007-08 and targets set for 2010 are

**Health monitoring and planning committees at Sub-centre, block, district and State levels were not constituted.**

**Targets set for 2010 for improving the key health indicators may not be achieved.**

tabulated below:

	Work position at the beginning of 2005	Achievement of March 2008	Targets for 2010
Infant Mortality Rate (per thousand)	60	42	30
Maternal Mortality Rate (per lakh)	300	162	100
Total Fertility Rate ( <i>per cent</i> )	2.8	2.7	2.1
Institutional deliveries	23 <i>per cent</i>	39 <i>per cent</i>	80 <i>per cent</i>
Sex ratio (per thousand) (Female)	819 (2001)	860	875

Source: Annual Status Reports of the department.

Although there was improvement in key health indicators from the beginning of the Mission to the year 2008, yet the targets set for 2010 were unlikely to be achieved because of lack of infrastructure, shortage of staff, etc.

### 1.1.13 Conclusions

The National Rural Health Mission was launched with the objective of providing accessible, affordable, effective and reliable health care facilities in rural areas. Though launched in April 2005, the Mission was yet to take off fully in the State. Perspective plans were yet to be prepared for all the districts and those prepared were based on incomplete household and facilities data due to incomplete surveys. Consequently, the State Programme Implementation Plan, which was to be prepared by aggregating the district perspective plans, was not reflective of the ground position. This lack of planning had a cascading effect on the implementation of Mission. No district level and sub-district level budgets were prepared with the result that funds were allocated on receipt from GOI, without any reference to requirement which in turn resulted in moneys remaining unspent. The infrastructure development was far behind schedule. There was no augmentation of diagnostic and clinical facilities as per IPHS and most of the health centres lacked the full quorum of doctors, para-medical staff and nurses. As a result, targets for many components under various health care programmes could not be achieved with some programmes suffering from the lack of basic medicines or vaccines and improvement in key health indicators till March 2008 was indicative that the targets set to be met by 2010 were unlikely to be achieved.

### 1.1.14 Recommendations

- Perspective Plan for each district should be prepared for the period 2008-12 after conducting household and facility surveys.
- Construction of new health centres should be taken up on priority basis.
- Posts of doctors and para-medical staff should be filled up as per IPHS.
- Proper Health facilities should be provided at all the health centres as per IPHS.

- IEC activities need to be invigorated to educate rural population about health care awareness.

These points were reported demi-officially to the Financial Commissioner and Principal Secretary to Government of Haryana, Health Department in May 2009; reply had not been received (August 2009).



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**Home Department**


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**1.2 Modernisation of Police Force****Highlights**

*The Modernisation of Police Force scheme was launched to meet the challenges to internal security effectively and to overcome the deficiencies in the field of residential and non-residential buildings, mobility, weapons, training, scientific aids, equipments, etc. A performance audit of the scheme in the State brought out several areas of concern. Police force was not equipped with the sophisticated modern weapons and continued to depend on out-dated weapons and insufficient manpower. Non-preparation of five year perspective plan, delay in approval of annual action plans, diversion of funds, parking of funds with implementing agencies, delay in construction of buildings, etc. were other shortcomings noticed. Forensic Science Laboratory was ill equipped for want of equipments and manpower. There were cases of delays in purchase of weapons, water cannon vehicles, telecommunication equipments, etc.*

- **Five years perspective plan for the period 2005-10 for modernisation of police forces was not prepared. Submission of annual action plans was delayed by the department.**

(Paragraph 1.2.6)

- **Utilisation Certificates for Rs 182.89 crore were furnished to Government of India, though a sum of Rs 48.91 crore was lying unspent with implementing agencies.**

(Paragraph 1.2.7.1)

- **Proper records of advances to implementing agencies were not maintained, unspent balance of Rs 11 lakh was lying with HARTRON.**

(Paragraph 1.2.7.2)

- **Despite availability of sufficient funds, 49 per cent of staff quarters and 35 per cent of non-residential buildings were not completed. Interest earned on unutilised funds by HPHC was utilised on other purposes.**

(Paragraphs 1.2.8.1 and 1.2.7.3)

- **Modernisation of weapons was inadequate as expenditure on procurement of sophisticated weapons was only 2.23 per cent of the total approved plan during 2004-09.**

(Paragraph 1.2.11)

- **Suppression blankets worth Rs 48.79 lakh had not been supplied by HARTRON despite advance payment in May 2003. Water cannon vehicles had not been purchased for more than two years despite availability of funds of Rs 5.35 crore.**

(Paragraphs 1.2.11.1 and 1.2.12.1)

- **Against the sanction of 53,708 posts, 41,683 police personnel were in position leaving a gap of 12,025 posts (22 per cent). In Forensic Science Laboratory, against the sanctioned strength of 152 technical staff, only 86 were in position. Strength of women in the police force was negligible.**

(Paragraphs 1.2.14 and 1.2.14.1)

- **Rupees 1.12 crore provided for procurement of equipment for training were diverted towards construction works during 2004-05. Seventy eight per cent of police personnel were not trained in operation of modern weapons.**

(Paragraph 1.2.14.2)

### 1.2.1 Introduction

The Modernisation of Police Force (MOPF) scheme was launched by Government of India (GOI) in 1969 for modernising the police force in the country to face the emerging challenges to internal security effectively and efficiently. A revised scheme of cost sharing with 50:50 ratio between GOI and the State Governments remained in vogue throughout the country from 2000-01 to 2002-03. Thereafter, the States were divided into three categories viz. A, B1 and B2 with 100 per cent, 75 per cent and 60 per cent respectively as Central share. In 2005, the States were re-grouped into A and B categories with 100 per cent and 75 per cent respectively as central share. Haryana state was put into category B2 during 2003-04 and B from 1 September 2005.

The aims and objectives of this (non-plan) scheme were to meet the deficiencies in the State police forces and to achieve planned development and modernisation of State police forces. The main components of the scheme were construction of residential and non-residential buildings, mobility, weapons, training, scientific aids to investigation, equipments, traffic, communication, computerization, etc.

### **1.2.2 Organisational set up**

The Haryana Police Force is under the administrative charge of the Financial Commissioner and Principal Secretary to Government of Haryana, Home Department, who is responsible for implementation of MOPF scheme in the State. Director General of Police (DGP) is the Head of the Police Department. Inspector General (Modernisation and Welfare) is the incharge for implementation of the modernisation scheme. There is a State Level Empowered Committee (SLEC) under the Chairmanship of the Chief Secretary to Government, Haryana and DGP as Member Secretary to monitor the implementation of the scheme. The Annual Action Plan (AAP) prepared by DGP for requirement of funds is scrutinised by the SLEC before approval by the Ministry of Home Affairs (MHA).

### **1.2.3 Audit objectives**

The audit objectives were to assess whether:

- the planning was adequate and comprehensive and the perspective annual plans were prepared;
- the assessment of requirement of funds was done properly and the funds were utilised for the intended purposes;
- an appropriate, efficient and effective implementation strategy was in place;
- the construction and allotment of buildings and houses, procurement and allocation of vehicles, weapons, computers and forensic, traffic and training equipments were as per guidelines of the scheme; and
- the implementation/progress of the scheme was monitored effectively.

### **1.2.4 Audit criteria**

To achieve the audit objectives, the following audit criteria were adopted:

- Guidelines on the scheme and instructions issued by GOI from time to time;
- the Annual Action Plans approved by the MHA and release orders of GOI/State Government; and
- the Minutes of Meeting of SLEC.

### 1.2.5 Audit coverage and methodology

The implementation of the scheme was reviewed (February-May 2009) and information and data were collected from the police Headquarters and field offices after verification with reference to the original records/files. The records of Additional Director of Police (CID), Director, Forensic Science Laboratory, Director, Haryana Police Academy, Madhuban, Inspector General of Police, State Crime Record Bureau and Commandant General, Home Guards were also scrutinised. Forty one Police Stations located in four<sup>10</sup> districts were also selected for test-check.

An Entry Conference was held in March 2009 with the Assistant Inspector General of Police (Headquarters) and his team during which audit objectives and criteria were discussed. Exit conference was held in July 2009 with Inspector General of Police (Modernisation and Welfare) to discuss the audit findings. The views of the department were considered and incorporated while finalising the review report.

### Audit findings

#### 1.2.6 Planning

The scheme was extended by the GOI for a period of ten years starting from 2000-01. State Government was required to submit a five year perspective plan starting from 2000-01 for modernisation of its police forces to the MHA, indicating the specific projects intended to be implemented in each year. The scheme further required every State to propose an Annual Action Plan (AAP) to MHA. The Annual Action Plans were required to flow from the perspective plan. It was, however, observed that though five years perspective plan was prepared for the period 2000-05, the same was not prepared for the period 2005-10. The GOI continued to extend financial assistance on the basis of AAPs.

The Annual Action Plans were to be cleared by the SLEC before forwarding those to the MHA. Audit observed that there was considerable delay in submission of AAPs to MHA by State Government and approval of the AAPs by the MHA. Year-wise detail of date of submission and approval of AAPs is as below:

Year	Due date of submission to MHA	Actual date of submission to MHA	Date of approval by MHA
2004-05	15 June 2004	29 October 2004	24 November 2004
2005-06	15 May 2005	22 August 2005	14 September 2005
2006-07	05 May 2006	08 May 2006	07 September 2006
2007-08	30 April 2007	05 May 2007	26 July 2007
2008-09	31 December 2007	31 January 2008	25 July 2008

Due to delay in approval of AAPs less time remained available to auditee to

<sup>10</sup> Fatehabad, Faridabad, Hisar and Panchkula.

Five year perspective plan was not prepared for 2005-10.

There were substantial delays in approval of AAPs by SLEC.

utilise the approved outlays as the funds were to be drawn after the approval of AAPs. Annual Action Plans prepared were not need based and their delayed submission coupled with delayed approval by MHA (GOI) during the year 2004-05 and 2005-06 resulted in several deviations from approved plans.

The Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that delay in submission of AAPs during 2004-06 was due to calling of some extra information by GOI. The delay on account of furnishing additional information to GOI was not justifiable.

### 1.2.7 Financial management

**1.2.7.1** The funds under the modernisation scheme were to be shared in the ratio of 60:40 during 2004-05 and 75:25 thereafter between the Central and the State Governments respectively. Year-wise approved plan, central assistance released, the amounts released by State Government and expenditure shown as incurred thereagainst are given in the table below:

Year	Approved Plan	Central Assistance		State Releases	Total Funds available	Total Expenditure as per Finance Accounts	Total Expenditure shown as per UC
		Due	Released				
		2004-05	44.25				
2005-06	37.47	28.10	15.89	9.37	25.26	13.71	25.95
2006-07	22.86	17.14	19.14	5.72	24.86	29.05	22.82
2007-08	30.33	22.75	35.75	7.58	43.33	33.30	31.14
2008-09	29.33	22.00	39.77	17.77	57.54	38.65	57.54
<b>Total</b>	<b>164.24</b>	<b>116.54</b>	<b>131.77</b>	<b>58.14</b>	<b>189.91</b>	<b>139.49</b>	<b>182.89</b>

(Rupees in crore)

Source of data: Police Department and Finance Account

UCs for Rs 182.89 crore were furnished though Rs 48.91 crore remained unspent with implementing agencies.

Department failed to utilise about 27 per cent of funds that were released for implementation of the scheme. The reason for short utilisation given by the department was delayed release of funds to the implementing agencies/department. Audit further, observed that though the actual expenditure was Rs 139.49 crore during 2004-09, the expenditure reported to GOI was Rs 182.89 crore. Out of total expenditure of Rs 182.89 crore intimated to GOI through Utilisation Certificates (UCs), Rs 48.91 crore<sup>11</sup> remained unutilised with the implementing agencies. Thus, UCs submitted to GOI were incorrect to this extent. The Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that the funds would be utilised by the agencies for purchase of various items and construction of buildings.

#### 1.2.7.2 Records of advances not maintained

Proper records for advance payments made were not maintained.

The department was placing the funds at the disposal of HARTRON for supply of various items on the basis of provisions in the annual action plans without obtaining any proforma invoice from them. Further, the department was not maintaining accounts of the amounts advanced to HARTRON and material

<sup>11</sup> HPHC: Rs 22 crore and HARTRON: Rs 26.91 crore.

received thereagainst as evidenced from the following instance. A sum of Rs 1.51 crore was placed (March 2008) at the disposal of HARTRON for purchase of 300 computers. HARTRON supplied (October-December 2008) the material, the cost of which was Rs 1.40 crore including Rs 4.97 lakh on account of consultancy fee and taxes. Balance amount of Rs 0.11 crore was still lying with HARTRON. The unspent amount had neither been refunded by HARTRON nor demanded by the department (August 2009). The Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that the balance would be utilised for purchase of Uninterrupted Power Supply (UPSs).

Further, HARTRON was charging consultancy charges at four/six *per cent* (plus service tax) on the total value of the material. On the other hand, HARTRON was earning interest on the amounts placed at its disposal but no credit benefit was being passed on to the department. Since proper records of advances were not maintained, the quantum of interest could not be worked out.

### **1.2.7.3 Interest earned on scheme funds**

As of 31 March 2009, scheme funds to the tune of Rs 22 crore deposited with Haryana Police Housing Corporation (HPHC) for construction of Police Stations, Police Posts, etc. were parked in the banks by the HPHC and the interest (Rs 3.65 crore) earned on the unutilised funds was appropriated for other purposes.

Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that the funds would be treated part of the scheme funds and would be utilised on the scheme.

## **1.2.8 Construction of residential and non-residential buildings**

**An expenditure of Rs 13.56 crore was diverted irregularly from other components.**

As per GOI guidelines, high priority was to be given to the construction sector. The scheme laid special emphasis on construction of police station buildings and houses for police personnel closer to the Police Stations. A significant part of the scheme funds were allocated for this purpose. According to approved AAPs (2004-09), new construction works estimating to Rs 65.20 crore were approved by GOI. The audit observed that the Police Department transferred (2004-09) Rs 79.19 crore to HPHC for construction of residential and non-residential buildings which also includes a sum of Rs 13.56 crore (2004-05) diverted from other components such as modernisation of home guards, equipments for Government Railway Police/Commando, equipments for Forensic Science Laboratory, training, etc. without the approval of MHA. Apart from this, GOI in 2007-08 transferred Rs 11.65 crore directly to HPHC for construction of building for Police Stations so as to improve the policing in the National Capital Region of Haryana.

### 1.2.8.1 Delay/non-completion of building works

As against target of 1,348 residential buildings and 54 non-residential buildings, 667 and 18 buildings respectively remained incomplete.

During 2004-09, only 35 non-residential buildings (out of 54 sanctioned) were completed. Construction of 18 buildings was under progress while construction of one building was not started due to non availability of site. Similarly, out of 1,348 staff quarters sanctioned, 681 were constructed. The delay in completion of works ranged between one to four years. The details of status of residential and non-residential buildings are given below:

Year of allotment of funds	Residential buildings			Non-residential buildings		
	Total units	Completed	In progress	Total of buildings	Completed	In progress <sup>12</sup>
2004-05	344	344	Nil	19	17	1
2005-06	289	241	48	11	10	1
2006-07	326	96	230	7	6	1
2007-08	264	-	264	11	2	9
2008-09	125	-	125	6	Nil	6
<b>Total</b>	<b>1,348</b>	<b>681</b>	<b>667</b>	<b>54</b>	<b>35</b>	<b>18</b>

Audit analysis of following six works sanctioned at the cost of Rs 26.57 crore during 2004-07 revealed that even after incurring expenditure of Rs 35.09 crore i.e. Rs 8.52 crore in excess of sanctioned amount, the works were still incomplete (March 2009), as detailed below:

(Rupees in crore)

Sr. No.	Year of sanction	Name of buildings	Amount allotted	Actual Expenditure
1	2004-05	Construction of Administration Block of new hospital at Ambala, mess, barracks and houses for ORS, etc. at Ambala city.	1.50	3.32
2	2005-06	Construction of 10 Police Stations at various stations.	2.19	3.52
3	--do--	Training centre of Telecommunication at Panchkula and residential quarters at various stations.	9.35	11.09
4	2006-07	Construction of houses at various places.	8.93	10.15
5	--do--	Construction of RTC Bhondsi.	2.10	3.11
6	--do--	Construction of 5 Police Stations.	2.50	3.90
<b>Total</b>			<b>26.57</b>	<b>35.09</b>

The Superintending Engineer of HPHC stated (May 2009) that escalation in cost was due to increase in cost of building material and increase in the scope of work i.e. against the norm of covered area of 3,500 square feet for Police Station and 500 square feet for residential quarters for other ranks, actual covered area was 8,000 to 10,000 square feet and 700 square feet respectively. The funds provided did not commensurate with the covered area of the buildings. The reply was not convincing as funds were provided as per norms fixed by the GOI for the nation as a whole. The scope of the work should have been kept within the norms of MHA.

Similarly, against the norms of spending Rs 21.87 lakh and Rs 9.37 lakh for construction of a Police Station and a police post, agreement amount with contractors for construction of Police Station ranged between Rs 47.18 lakh and Rs 51.18 lakh and for construction of a Police Post, it ranged between Rs 12.85 lakh and Rs 13.40 lakh.

<sup>12</sup> Construction of one building was not taken up due to non-availability of site.

Expenditure on construction was in excess of prescribed norms of GOI.

The Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that additional funds were being demanded from the State Government through the budget for excess expenditure on buildings. The fact remained that the State Government had to bear extra burden due to flouting of norms fixed by GOI for construction of buildings.

#### 1.2.8.2 Non-commencement of works due to ill-planning

A sum of Rs 1.55 crore was provided to HPHC during 2004-05 for construction of two police lines for Indian Reserve Battalion at Bhondsi. The work could not be taken up as the area was falling under forest area. The Forest Department raised the objection and did not permit to carry out construction work. It was observed that the funds were deposited with HPHC without obtaining clearance of site from Forest Department. Thus, due to ill planning, Rs 1.55 crore remained unutilised with HPHC for the last four years and the purpose of providing the funds remained unachieved.

The Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that the matter regarding forest land was not in the notice of the department. The reply was not convincing as the area was declared as forest land under Punjab Land Preservation Act 1900 by the Supreme Court of India in March 2004 and the funds were released in March 2005.

#### 1.2.9 Forensic Science Laboratory

Forensic Science Laboratory (FSL) was providing technical and scientific assistance to the Police Department by analysing samples received/collected from the crime sites.

The number of samples received during 2004-08 increased from 6,904 to 8,641 and pending cases of samples ranged between 2,879 and 6,283 during the period as detailed below:

Year	Opening balance of the samples	Samples received during the year	Total	Samples disposed off during the year	Pending samples at end of (percentage) the year
2004	7,019	6,904	13,923	7,640	(45) 6,283
2005	6,283	7,098	13,381	7,244	(46) 6,137
2006	6,137	8,333	14,470	8,195	(43) 6,275
2007	6,275	7,799	14,074	8,798	(37) 5,276
2008	5,276	8,641	13,917	11,038	(21) 2,879

The MHA approved (2004-05) a plan of Rs 3.41 crore for purchase of equipments such as Petroleum Testing Apparatus, Scanning Electron Microscope, Cyber Forensic Workstation, Upgradation of Infrastructure of Toxicology Wing, Installation of Safety and Security System, etc. but the amount was diverted towards building works without the approval of the MHA. Thus, the FSL was not adequately equipped.



### 1.2.10 State Crime Record Bureau (SCRB)

The scheme envisages development of infrastructure for improving quality of crime investigation by lifting, storing and comparing finger prints. The SCRB was set up at Madhuban to assist in generating scientific evidence for criminal justice delivery system.

The MHA sanctioned (2004-05) Rs 2.77 lakh for purchasing finger print kits and chemicals for modernisation of SCRB in the State but the entire amount was diverted towards ongoing building works.

No technical staff was recruited in SCRB to conduct the technical work of analysis of finger prints and the work was being attended to by the non-technical police staff viz. Inspectors, Sub-Inspectors, Assistant Sub-Inspectors, Head Constables and Constables. In the absence of technical staff, there was likelihood of inaccurate results of tests. The department stated (May 2009) that practical training was imparted to the police officials after their deployment in SCRB. No record confirming the facts that the staff deployed was imparted practical training was produced to audit.

### 1.2.11 Weaponry

The modernisation of police force scheme offers to replace outdated and unserviceable weapons with sophisticated weapons. Against the sanctioned grant of Rs 3.90<sup>13</sup> crore during 2004-09, Rs 3.66 crore were spent on purchase of weapons. An amount of Rs 24 lakh approved for purchase of weapons during 2007-08 remained unutilised. Scrutiny of records revealed that though the AAP for 2007-08 was approved by MHA in July 2007, yet the department could not import the weapons from Germany during 2007-08 even after completing all the purchase formalities. Moreover, it was also observed that no funds were provided for weaponry in AAPs for the years 2004-05, 2006-07 and 2008-09.

According to Bureau of Police Research and Development guidelines, each Head Constable, Assistant Sub-Inspector, Sub-Inspector, Inspector and Gazetted officer posted at Police Station was to be provided with 9 mm Pistol/ .38 Revolver.

Scrutiny of records of Police Stations at Hisar and Fatehabad districts revealed that 307 Head constables/Assistant Sub-Inspector, Sub-Inspector, Inspector and Gazetted officers were posted, but none of these Police officers/officials were provided with 9 mm Pistol/.38 Revolver. Thus, the police force at Police Stations was not sufficiently armed.

<sup>13</sup> 2005-06: Rs 3.66 crore and 2007-08: Rs 0.24 crore.

Expenditure on weaponry was 2.23 per cent of the total outlay of modernisation during 2004-09.

Against the total approved plan of Rs 164.24 crore during 2004-09, the actual expenditure on weapons was only Rs 3.66 crore i.e. 2.23 per cent of the approved plan. Thus, adequate attention was not paid for modernisation of weapons in police force and the police force continued to depend on the outdated weapons. In the absence of five years perspective plan for the period 2005-10 and norms, adequacy of weapons with department could not be assessed in audit.

### 1.2.11.1 Bomb detection/disposal squads

Suppression blankets worth Rs 48.79 lakh had not been supplied by HARTRON despite receipt of advance payments.

To equip the bomb detection/disposal squads, a sum of Rs 1.85 crore was drawn from the treasury in March 2003 and was deposited with the HARTRON in May 2003 as advance payment for supply of seven security items<sup>14</sup>. Out of these items, Bomb Suppression Blankets worth Rs 48.79 lakh had not been supplied so far (March 2009). In the absence of Bomb Suppression Blankets, the preparedness of police force to meet the emerging challenges of internal security leaves much to be desired.

The Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that Bomb Suppression Blankets had become outdated, instead bomb inhibitors would be purchased for which the matter was under process. It is clear from the reply that there is substantial delay in purchase of bomb detection/disposal equipments.

### 1.2.12 Mobility

The scheme places great emphasis on mobility of police force as it recognises the principle that the increased mobility in field policing reduces the response time and enhances efficiency and effectiveness. Mobility is vital to the efficient and effective performance of police force. Mobility deficiency is nil when a well equipped police force has the ability to move the entire force at once.

Status and details of vehicles available in the Police Department at the beginning of 2004-05, vehicles purchased/condemned during 2004-09 and closing balance as on 31 March 2009 were as under:

		Number of vehicles			
		Jeeps	Motor cycles	Others	Total
1	Opening Balance	187	1,309	556	2,052
2	Purchased	442	421	368	1,231
3	Condemned	365	35	-	400
4	Closing Balance	264	1,695	924	2,883

*Note: Apart from above, the department had procured 795 other vehicles from other sources.*

Despite purchase of 442 Jeeps, net addition to Jeep fleet was only 77.

Despite purchase of 442 jeeps during 2004-09, the net addition to Jeeps was 77 as the new Jeeps were deployed for replacement of old Jeeps. However, the mobility of police force had increased.

<sup>14</sup> 1. Bomb Suppression Blanket, 2. Night Vision Device, 3. Polygraph Machine, 4. Bomb Disposal Equipment, 5. Explosive Detector, 6. Jackets, 7. X-Ray Baggage Scanner.

**1.2.12.1 Non procurement of water cannon vehicles**

**Water cannon vehicles were not purchased despite availability of funds.**

Under the scheme, an amount of Rs 5.35 crore<sup>15</sup> was deposited with the Defence Research and Development Organisation (DRDO), Ministry of Defence, New Delhi for purchase of 18 water cannon vehicles. The DRDO had shown their inability to deliver the vehicle because of increase in the prices of steel, etc. and to undertake fabrication of the water cannon system due to delayed finalisation of purchase order and accordingly returned/refunded the amount. Audit further observed that the refunded amount was deposited (March 2009) in the Government account by the department as 'revenue receipts' in contravention of provision of accounting rules. The vehicles had not been purchased as of June 2009.

**1.2.12.2 Response time**

Increase in mobility for field policing should result in reduction of response time. It was, however, seen that the State Government had not fixed any norms for measuring response time nor did it give any instructions for recording the time of visit to the site of offence in the crime diary. Scrutiny of record of 41 Police Stations test checked revealed that the time relating to visit of scene of offence by the police personnel was not noted in crime diary. As such there was no record to assess whether response time was reduced consequent upon modernisation.

**1.2.13 Increasing crime rate**

Increase in incidence of crime indicates the performance of police force. The number of reported crimes as well as number of pending criminal cases during 2004-09 is tabulated below:

Year	Number of cases pending at the beginning of the year		Number of cases registered during the year		Cases solved during the year		Number of cases pending at the end of the year	
	FIR	DDR	FIR	DDR	FIR	DDR	FIR	DDR
2004-05	7,624	1,009	61,487	16,377	60,349	16,064	8,762	1,322
2005-06	8,762	1,322	66,875	18,680	62,714	18,176	12,923	1,826
2006-07	12,923	1,826	72,844	21,081	70,799	20,937	14,968	1,970
2007-08	14,968	1,970	71,546	21,129	69,130	21,133	17,384	1,966
2008-09	17,384	1,966	64,692	23,017	63,831	22,053	18,245	2,930

**There was increase in number of crime cases during 2004-09.**

Though there was progress in solving the crime cases yet there was no improvement and reduction in crime rate and law and order situation despite implementation of the modernisation programme in the State. Rate of increase in criminal cases was more than the rate of disposal of criminal cases because of shortage of 22 per cent police force.

The data also suggested that there was increase in crime rate and its corresponding increase in pending cases would undermine the confidence of the people as it indicated incapability of the police to solve their cases. The DGP

<sup>15</sup> August 2006: Rs 4.66 crore and February 2007: Rs 0.69 crore.

(March 2009) stated that the huge pendency of cases was due to cases being under investigation and non-receipt of reports/results from FSL.

#### 1.2.14 Human resource management

The scheme emphasised the need to fill up vacancies in the State police force on priority so that the assistance made available was optimally utilised.

The combined working strength in various cadres of the department such as Inspectors, Sub-Inspectors, Assistant Sub-Inspectors, Head Constables, Constables, etc. was 41,683 as against the combined sanctioned strength of 53,708 and the vacancies varied from 18 per cent to 90 per cent in various cadres. The detail of vacancy position is depicted in the table below:

Cadre	Sanctioned	Posted	Vacant	Percentage of vacant post
<b>Male</b>				
Head Constable	7,764	5,376	2,388	31
Constable	36,545	29,826	6,719	18
ASI	4,049	2,984	1,065	26
SI	1,598	1,198	400	25
Inspector	749	608	141	19
<b>Total</b>	<b>50,705</b>	<b>39,992</b>	<b>10,713</b>	<b>21</b>
<b>Female</b>				
Head Constable	347	35	312	90
Constable	2,338	1,504	834	36
ASI	199	64	135	68
SI	93	72	21	23
Inspector	26	16	10	38
<b>Total</b>	<b>3,003</b>	<b>1,691</b>	<b>1,312</b>	<b>44</b>
<b>Grand Total</b>	<b>53,708</b>	<b>41,683</b>	<b>12,025</b>	<b>22</b>

**There was overall 22 per cent shortage of police personnel in the State.**

Apart from vacancies shown above, out of 35,202 Constables/Head Constables, 3,678 (10 per cent) Constables/Head Constables were working as drivers of police vehicles. Against the sanctioned strength of 661 posts of drivers, 162 drivers were in position.

In Forensic Science Laboratory, against sanctioned strength of 152 technical staff, only 86 persons were posted resulting in shortage of 66 persons (March 2009).

The Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that recruitment of 500 constable drivers, 5,456 constables, 1,100 lady constables, 202 constables (sports persons) and 23 Group 'C' staff for FSL was under process.

### 1.2.14.1 Appointment of Women Police

Due to increase in incidents of crime against women and children and greater involvement of females in criminal activities, MHA stressed the need to review the strength of Women Police (WP). The National Police Commission (NPC) recommended (November 1980) at least 10 *per cent* deployment of women police in the Police Stations.

The strength of WP in Haryana Police (March 2009) was negligible as against total strength of 41,683 personnel, only 1,691 women police were in position in the State (March 2009). In the absence of adequate representation of women police personnel in police force, it is difficult to deal with female criminals.

### 1.2.14.2 Training and practice

Training is an integral part of any police force as it keeps the police forces fit and ready to meet any challenges. In recognition of this, the scheme makes liberal allocations to support and equip the forces by creating training infrastructure. Against the allocation of Rs 11.01 crore, an amount of Rs 9.50 crore was spent on training during 2004-09. Audit scrutiny revealed that the GOI approved (2004-05) Rs 1.12 crore for procurement of equipments such as zen driving simulator, video and sound recording system, wireless laboratory, digital mini laboratory, equipment for training in weaponry and VIP security duty required for imparting training. The department, however, diverted the entire amount towards construction works without the approval of the MHA. Thus, the training centre remained ill equipped.

The number of police personnel imparted training in operation of modern weapons in Haryana Police Academy (HPA), Mudhuban was very low. The year wise number of police personnel who had undergone training in the modern weapons is given below:

Year	Personnel trained		
	Male	Female	Total
2004	2,117	41	2,158
2005	1,445	22	1,467
2006	3,057	25	3,082
2007	1,072	43	1,115
2008	1,443	55	1,498
<b>Total</b>	<b>9,134</b>	<b>186</b>	<b>9,320</b>

The percentage of personnel trained in modern weapons during the last five years (2004-08) was 22 as 9,320 police personnel were trained out of the total police personnel strength of 41,683 as of March 2009. Thus, sufficient number of police personnel were not trained in operating modern weapons.

The Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that an ultra modern indoor firing range was being set up in Haryana Police Academy, Madhuban under the scheme for imparting training to more persons.

The strength of women police was negligible in the State.

Seventy eight per cent police personnel are yet to be trained in modern weapons.

### **1.2.15 Communications**

#### ***1.2.15.1 Non-installation of digital turnkey and broadband outdoor surveillance systems***

Installation of effective Police Telecommunication Network equipment is a core component of the scheme and is essential for the police to share and transmit crime related data amongst the police stations within the State and across the country.

The department deposited (March 2008) Rs 6.19 crore with HARTRON for purchase of Digital Turnkey System (Rs 3.70 crore) and Broadband Outdoor Surveillance system (Rs 2.49 crore) for Faridabad district. Audit scrutiny revealed that despite a delay of 12 months (March 2009), the HARTRON has not yet floated even tenders for these items.

The Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that procurement and installation of equipments was in process with HARTRON. Thus, despite availability of funds, Digital Turnkey and Broadband Outdoor Surveillance Systems could not be installed.

#### ***1.2.15.2 State Wide Area Network of computers (SWAN)***

There were 258 police stations in Haryana, out of which only 206 police stations were functioning on SWAN on dial up network. Proposal for linking all police stations on SWAN on leased lines was still under process (March 2009). However, no time frame had been fixed to link all the police stations on SWAN.

The Financial Commissioner and Principal Secretary, Home Department while admitting the facts stated (August 2009) that matter regarding linking of all the police stations on SWAN was under process through HARTRON.

### **1.2.16 Monitoring**

The SLEC was responsible for approval of annual plans for onward submission to MHA. The progress of implementation of approved annual plans was to be monitored by the SLEC by holding monthly meetings and by deputing teams of officers to visit field offices and make periodic assessment and report the progress regarding implementation of the scheme. It was noticed that the implementation of the scheme was not reviewed/monitored by the SLEC as it met only for approval of annual plans. Further, monitoring reports of the field offices on implementation of the scheme were not available with the department.

The Financial Commissioner and Principal Secretary, Home Department stated (August 2009) that it had been decided to hold quarterly meetings with senior functionaries of HARTRON and HPHC to monitor the progress reports of works/activities assigned to those agencies.

### **1.2.17 Conclusions**

The various components of Modernisation of Police Force scheme were not implemented as per approved action plans as funds were diverted towards buildings works. Funds were drawn from treasury and parked with HARTRON and HPHC and were shown as expenditure in the utilisation certificates submitted to GOI. Despite availability of sufficient funds, significant number of staff- quarters and non-residential buildings were not completed which resulted in blockage of significant funds. Funds deposited with HARTRON for purchase of various articles, were lying unspent. Forensic Science Laboratory was understaffed. Funds intended for upgradation of facilities for training were diverted for other purposes. An efficient monitoring mechanism was lacking at SLEC level. Overall, the objectives of the scheme were not fully achieved.

### **1.2.18 Recommendations**

- Five years perspective plan should be prepared taking into account available infrastructure in the State.
- The pace of construction should be accelerated to ensure completion of the buildings in a time bound manner.
- Procurement of equipments through HARTRON should be expedited and a time frame should be fixed.
- Training should be imparted in modern weapons to sufficient number of police personnel.
- There is an urgent need to put in place a stringent monitoring mechanism both at the department and Government as well as SLEC level.

The Financial Commissioner and Principal Secretary, Home Department accepted (August 2009) all the above recommendations.

## Rural Development Department

### 1.3 Desert Development Programme

#### Highlights

*The main objective of Desert Development Programme (DDP) was to develop waste/degraded lands, drought prone and desert areas having preponderance of common lands for the overall development and improvement in socio-economic conditions of the poor populace inhabiting these areas. Performance audit of the programme brought out important issues like long term perspective plan not being prepared in any of the test checked districts. The implementation of the programme was slow as out of 441 projects, only 118 were completed. This led to short receipt of grants from Government of India (GOI). The programme management and execution of works were also deficient as there were cases of non-implementation of soil and moisture conservation works, non-formation of Self Help Groups for uplifting the rural poor, distribution of pipes to farmers instead of laying underground pipes, excavation of ponds without conceptualising source of water, etc. There was no significant decrease of wasteland in the project areas during 1997-2007. The mechanism for post project maintenance, monitoring and evaluation was either not evolved or was not working effectively.*

- **Long term perspective plans to develop wastelands, after identifying the areas from the wasteland atlas developed by Haryana Space Application Centre, was not prepared in the State.**

*(Paragraph 1.3.6)*

- **Due to slow implementation of the programme, full amount of grants was not released by GOI in Bhiwani, Hisar and Fatehabad districts.**

*(Paragraph 1.3.7)*

- **Out of 441 watershed projects sanctioned between 1999 and 2003 under DDP, only 118 were completed and none of the 535 projects under *Hariyali* could be completed.**

*(Paragraph 1.3.8.1)*

- **Soil and moisture conservation works were not taken up to develop degraded land. On the other hand, Rs 46.25 lakh were spent on sewer *nullahs* instead of spending the funds on drainage line treatments.**

*(Paragraphs 1.3.8.2 and 1.3.10.1)*



- **The SHGs required to be formed for upliftment of rural poor, either did not exist or were non-functional.**

(Paragraph 1.3.8.3)

- **A sum of Rs 10.75 crore was spent on distribution of HDPE pipes among farmers instead of laying underground pipelines.**

(Paragraph 1.3.9.1)

- **Six ponds dug up at a cost of Rs 10.50 lakh were without water as catchment area, source of re-charging, etc. were not conceptualised.**

(Paragraph 1.3.9.2)

### 1.3.1 Introduction

Desert Development Programme (DDP) was started in 1977-78 as a centrally sponsored scheme in the desert areas of Rajasthan, Gujarat and Haryana and cold desert of Jammu and Kashmir and Himachal Pradesh. The objective of the programme was to develop waste and degraded lands, drought prone areas and desert areas having preponderance of common lands for the overall development and improvement in socio-economic conditions of the poor and disadvantaged sections of the people inhabiting these areas and to alleviate poverty. Besides, the project aimed at combating drought and desertification, encouraging restoration of ecological balance by conserving, developing and harnessing the available natural resources such as land, water, livestock, human resources and vegetative cover. The Desert Development Programme (DDP) and Drought Prone Areas Programme were brought under the watershed scheme/programme in 1987. Integrated Wasteland Development Programme launched in 1989 for development of wastelands was also focused on watershed schemes/programmes. All these programmes were brought under the guidelines for watershed development in 1995. These guidelines were subsequently revised in August 2001 for focused project approach, greater flexibility in implementation, removal of overlaps, an effective role for the *Panchayati Raj* Institutions (PRIs), etc. for development of wasteland. In order to simplify procedure and to involve PRI in a more meaningful manner for planning and management of economic development activities of rural areas, these programmes were merged into new scheme called *Hariyali*. Projects sanctioned after April 2003 were implemented under *Hariyali*. In Haryana, DDP was implemented in seven<sup>16</sup> districts from 1977-78. The expenditure was shared between Central and State Government in the ratio of 75:25 for Haryana.

<sup>16</sup> Bhiwani, Fatehabad, Hisar, Jhajjar, Mahendragarh, Rewari and Sirsa.

### **1.3.2 Organisational set up**

The Financial Commissioner and Principal Secretary, Rural Development Department, Haryana Government is the administrative head at State level and is responsible for formulation of policies, programmes and their implementation through the department. The Director, Rural Development Department, Haryana is the head of the department and exercises general supervision over the functioning of the department. A State Watershed Development Committee (SWDC) was also constituted in January 1995 to monitor the progress of watershed works and training institutes. The projects are being implemented by District Rural Development Agencies (DRDAs) through Block Development and Panchayat Officers (BDPOs), Assistant Soil Conservation Officers (ASCOs) and Watershed Committees (WCs).

### **1.3.3 Audit objectives**

The main audit objectives for the performance audit were to ascertain whether:

- procedure adopted for preparing long term perspective plan for treatment of watersheds/degraded lands, drought prone and desert areas was adequate and effective;
- financial performance was as per action plans;
- performance of watershed projects was as per targets, self help groups were formed and were active and soil conservation measures, afforestation works were undertaken;
- execution of works was carried efficiently and economically; and
- exit protocol and proper monitoring mechanism existed to ensure utilisation of funds.

### **1.3.4 Audit criteria**

With a view to achieve the audit objectives, the following audit criteria were adopted:

- Guidelines for watershed development;
- Circulars, documents and instructions issued by Ministry of Rural Development and Director of Rural Development;
- Statistical Abstracts of Haryana Government; and
- Monthly progress reports of Directorate as well as DRDAs.

### 1.3.5 Audit sampling and coverage

Four<sup>17</sup> out of seven districts where DDP was in operation in Haryana were selected using Simple Random Sampling Without Replacement Method (SRSWOR) for test check. In order to assess the impact of works done by WCs at micro level and their conformity with the scheme guidelines, work wise expenditure incurred by 166 out of 183 WCs of 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> batch taken up during 1999-04 and scheduled to be completed from 2004 to 2009 was compiled from the basic records maintained by WCs and scrutinised.

To evaluate the outcome of projects objectively, 18<sup>18</sup> projects which received atleast five instalments from GOI were selected for physical verification using SRSWOR.

Audit of the relevant records of DRDAs, Additional Deputy Commissioners (ADCs), blocks and WCs for the period from April 1999 to March 2008 was conducted (September 2008-May 2009).

An introductory meeting was held in January 2009 with Special Secretary and Director, Rural Development, Haryana to discuss the implementation of the scheme, audit objective and audit criteria. Audit findings and recommendations were discussed in the exit conference held in July 2009 with Special Secretary and Director, Rural Development Department and their views were incorporated while finalising the review report.

### Audit findings

#### 1.3.6 Planning

##### *Non-preparation of long term perspective plan*

The Department of Land Resources in collaboration with National Remote Sensing Application Centre, Hyderabad had identified wastelands by satellite imaging and developed a wasteland atlas for India. Haryana Space Application Centre (HARSAC) also developed an atlas of wastelands for the State. The programme primarily aimed at treating these identified areas so as to bring more areas under cultivation. Scheme guidelines provided for codifying these areas and preparing a long term perspective plan for the treatment of these identified areas over a period of 15 years in a phased manner.

<sup>17</sup> Bhiwani, Fatehabad, Hisar and Rewari.

<sup>18</sup> District Bhiwani: Dudiwala Kishanpura; Dhani Hunat; Dwaraka; Kheri Sanwal; Matani and Roopgarh. District Hisar: Bagla; Bir Babrain; Daulatpur; Kharbla Pali; and Prabhuwala; District Rewari: Alawalpur, Chawwa, Dhamlawas, Kanhora, Kumrodha and Kishanpura, District Fatehabad: No selection was done as number of instalments received in 6<sup>th</sup> and 7<sup>th</sup> batches were 4 which was less than the selection criteria.

It was observed that neither wastelands were codified nor long-term perspective plans were prepared by DRDAs. Analysis of data of 166 out of 183 watersheds revealed that thematic maps generated by HARSAC were not used while preparing Annual Action plans and in the absence of any database and perspective plan, some of the projects were taken up predominantly in already cultivated area even though wastelands were available in the State.

Position of wastelands in these districts is tabulated in the *Appendix X* which showed that wasteland area in these districts remained almost the same during 1999-2007.

The Director, Rural Development Department attributed (September 2008) the non-preparation of perspective plan to lack of requisite data, absence of expertise of staff and non-availability of any other agency in the State to prepare such plans. Audit, however, observed that no efforts were made by DRDAs for identifying agencies with expertise in the preparation of perspective plans. Neither any advertisement was given in the newspapers for identifying such agencies nor was HARSAC, which was having expertise in this field, contacted to formulate such plans.

### 1.3.7 Financial performance

Year-wise release of funds by GOI and State Government in seven districts and utilisation thereof for the period 2004-09 was as under:

(Rupees in crore)

Year	Opening balance	GOI Share	State Share	Miscellaneous receipts	Total funds available	Expenditure	Closing balance
2004-05	12.22	16.07	5.03	0.23	33.55	15.27	18.28
2005-06	18.28	17.56	5.85	0.02	41.71	23.21	18.50
2006-07	18.50	11.99	3.86	0.09	34.44	18.00	16.44
2007-08	16.44	28.81	5.13	0.45	50.83	22.01	28.82
2008-09	28.82	10.59	8.14	0.01	47.56	19.67	27.89
		<b>85.02</b>	<b>28.01</b>	<b>0.80</b>		<b>98.16</b>	

(Source: Quarterly reports of Directorate office)

**Only 78 per cent of available funds were utilised during 2004-09.**

It would be seen from above that as against availability of Rs 126.05<sup>19</sup> crore during 2004-09, the department could utilise only Rs 98.16 crore (78 per cent).

Receipt of funds in four selected districts under 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> batches of DDP and 1<sup>st</sup> to 4<sup>th</sup> batch of *Hariyali* sanctioned during 1999-2006 along with

<sup>19</sup> Opening balance as on 01 April 2004: Rs 12.22 crore plus GOI share Rs 85.02 crore plus State share: Rs 28.01 crore plus miscellaneous receipt: Rs 0.80 crore.

expenditure up to 31 March 2009 was as under:

(Rupees in crore)					
District	Batch number	Allocation	Grants received	Expenditure	Percentage of total expenditure to allocation
<b>Hisar</b>					
<b>DDP</b>	6 <sup>th</sup> batch	13.20	11.80	11.28	85
	7 <sup>th</sup> batch	6.00	5.96	5.24	87
	8 <sup>th</sup> batch	7.20	4.29	3.98	55
<b>Hariyali</b>	1 <sup>st</sup> batch	6.90	3.10	3.01	44
	2 <sup>nd</sup> batch	6.90	3.08	3.83	56
	3 <sup>rd</sup> batch	7.80	3.49	1.19	15
	4 <sup>th</sup> batch	10.50	4.69	1.44	14
	<b>Sub total</b>	<b>58.50</b>	<b>36.41</b>	<b>29.97</b>	<b>51</b>
<b>Bhiwani</b>					
<b>DDP</b>	5 <sup>th</sup> batch	4.50	3.99	3.90	87
	6 <sup>th</sup> batch	6.60	5.87	5.41	82
	7 <sup>th</sup> batch	6.00	5.29	4.60	77
	8 <sup>th</sup> batch	8.10	3.72	3.67	45
<b>Hariyali</b>	1 <sup>st</sup> batch	8.10	6.06	3.28	40
	2 <sup>nd</sup> batch	8.10	3.59	3.56	44
	3 <sup>rd</sup> batch	10.80	4.83	2.67	25
	4 <sup>th</sup> batch	10.80	1.62	1.29	12
	<b>Sub total</b>	<b>63.00</b>	<b>34.97</b>	<b>28.38</b>	<b>45</b>
<b>Rewari</b>					
<b>DDP</b>	5 <sup>th</sup> batch	3.37	3.35	3.37	100
	6 <sup>th</sup> batch	3.90	2.91	2.45	63
	7 <sup>th</sup> batch	3.00	1.75	1.66	55
	8 <sup>th</sup> batch	3.00	2.11	1.85	62
<b>Hariyali</b>	1 <sup>st</sup> batch	3.00	2.23	1.88	63
	2 <sup>nd</sup> batch	3.00	1.33	1.08	36
	3 <sup>rd</sup> batch	3.00	1.34	1.35	45
	4 <sup>th</sup> batch	3.00	1.35	1.24	41
	<b>Sub total</b>	<b>25.27</b>	<b>16.37</b>	<b>14.88</b>	<b>59</b>
<b>Fatehabad</b>					
<b>DDP</b>	6 <sup>th</sup> batch	6.00	3.60	3.28	55
	7 <sup>th</sup> batch	3.30	1.98	1.80	54
	8 <sup>th</sup> batch	4.20	2.52	2.25	54
<b>Hariyali</b>	1 <sup>st</sup> batch	4.20	0.65	0.65	15
	2 <sup>nd</sup> batch	4.20	0.63	0.64	15
	3 <sup>rd</sup> batch	4.20	1.58	1.75	42
	4 <sup>th</sup> batch	4.20	0.63	0.19	5
	<b>Sub total</b>	<b>30.30</b>	<b>11.59</b>	<b>10.56</b>	<b>35</b>
<b>Grand Total</b>		<b>177.07</b>	<b>99.34</b>	<b>83.79</b>	<b>47</b>

(Source: Quarterly reports of Directorate office and DRDAs)

Due to slow implementation of programme, 44 per cent of grants could not be claimed from GOI.

Due to slow implementation of programme, the next instalment due was not released by GOI during 2005-06 and 2006-07 in Bhiwani district and 2006-07 in Hisar district for 5<sup>th</sup> to 7<sup>th</sup> batches sanctioned under DDP. In Fatehabad district, no instalment was released by GOI in 2003-04, 2004-05 and 2006-07 onwards for 6<sup>th</sup> batch and 2002-03, 2004-05 and 2006-07 onwards for 7<sup>th</sup> batch of DDP. The implementation of projects sanctioned under *Hariyali* was also slow. Out of four test checked districts, progress was dismal in Fatehabad district.

Further, as per guidelines of GOI, 25 per cent of State share was to be released by

State Government within 15 days from the date of release of Central share. No mechanism was evolved by State Government for automatic release of State share after the receipt of Central share. Test-check revealed that there was inordinate delay in release of State share which ranged between 14 to 468 days as shown in **Appendix XI**, this led to delay in completion of works.

The Director stated (August 2009) that delay in release of State share was due to lack of budget in the concerned financial year. The reply indicated that State Government did not assess the pending liabilities of State Government for making matching contribution in various centrally sponsored schemes while framing the budget proposals.

### **1.3.8 Programme management**

#### ***Physical performance***

The DDP projects are sanctioned by GOI every year after taking into consideration DDP coverage in each State, performance of the ongoing projects and capacity to absorb new projects. During the period 1999-2000 (5<sup>th</sup> batch of DDP) to 2006-07 (4<sup>th</sup> batch of *Hariyali*), 597 watershed projects were sanctioned under DDP and *Hariyali* scheme to treat an area of 3.03 lakh hectares in the test checked districts. DRDAs were expected to formulate Annual Action Plans so as to treat the targeted area of 500 hectare per watershed over a period of five years from the date of sanction. The targets vis-à-vis achievements of 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> batches of DDP and 1<sup>st</sup> to 4<sup>th</sup> batch of *Hariyali* sanctioned during 1999-2006 in test checked districts as of 31 March 2009 are given in **Appendix XII**. Analysis of the data in the **Appendix** revealed that physical progress did not commensurate with the Annual Action Plans. Further, 3.03 lakh hectares of wasteland area targeted for treatment was far more than the total wasteland area of 36,000 hectares available for treatment in these districts as shown in the statistical abstract for the year 1999-2000. This indicates that area under assured irrigation was also included in the areas targeted under the programme.

Further, two<sup>20</sup> watershed projects (6<sup>th</sup> and 7<sup>th</sup> batch) at an estimated cost of Rs 60 lakh were sanctioned for developing 2,000 acres of land belonging to seed farm of Haryana Agricultural University, Hisar. Out of these two watersheds, in Bir Babrain watershed (sanctioned under 7<sup>th</sup> batch), though a pond was already existing in the area, digging of another pond was sanctioned in the vicinity of existing pond and an expenditure of Rs 11.64 lakh was incurred upto 2005. Though Rs 2.01 lakh was lying unutilised, further grants were released and cumulative balance of Rs 9.75 lakh was lying unutilised as of March 2009. No work was carried out thereafter. In addition to above, honorarium of Rs 1,200 per month was being paid to the Secretary of the WC regularly for maintenance of cash book though work was lying abandoned for the last three years. Thus, basic

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<sup>20</sup> Bir Babrain and Bir Dandur.

objective of developing wastelands and alleviating poverty could not be achieved due to deficiencies in planning and co-ordination at grass root level for this watershed.

### 1.3.8.1 Abnormal delay in completion of projects

Under DDP, out of 441, only 118 watershed projects were completed.

The programme guidelines envisaged that projects were to be implemented over a period of five years from the date of sanction. Between 1999 and 2003, 441 watershed projects were sanctioned by GOI in the State. Out of these, only 118 (27 per cent) projects had been completed as detailed below:

Name	Number of projects sanctioned during					Total projects	Number of completed projects
	1999-00 5 <sup>th</sup> batch	2000-01 6 <sup>th</sup> batch	2001-02 7 <sup>th</sup> batch	2002-03 8 <sup>th</sup> batch			
Bhiwani	18	22	20	27	87	Nil	
Hisar	Nil	44	20	24	88	20 <sup>21</sup>	
Fatehabad	Nil	20	11	14	45	Nil	
Jhajjar	8	13	10	12	43	31 <sup>22</sup>	
Sirsa	18	19	18	23	78	Nil	
Mahendragarh	17	13	11	11	52	52 <sup>23</sup>	
Rewari	15	13	10	10	48	15 <sup>24</sup>	
<b>Total</b>	<b>76</b>	<b>144</b>	<b>100</b>	<b>121</b>	<b>441</b>	<b>118</b>	

(Source: Quarterly reports of Directorate office)

Apart from this, due to delay in implementation of projects, 50 watersheds of 4<sup>th</sup> batch sanctioned under DDP were closed as GOI refused to give further extension. Owing to this, central assistance to the tune of Rs 1.68 crore against allocation of Rs 12.01 crore could not be availed of, hence full benefits of the projects could not be derived.

Further, 535<sup>25</sup> watershed projects were sanctioned under *Hariyali* in the test checked districts during 2004-06. First batch sanctioned under *Hariyali* was due for completion by June 2008 but none of the 74 projects sanctioned in first batch in test checked districts were completed. Physical progress of these projects ranged between 18 and 56 per cent (refer *Appendix XII*).

Programme guidelines provided that eighty per cent of project funds would be released to WCs in seven instalments in five years from the date of sanction of project. DRDAs were required to prepare action plans for the project period as a whole while submitting proposal to GOI. It was observed that while submitting proposals to GOI, areas of watersheds were not identified as per scheme guidelines. Process of identification of areas, formation of WCs was started only after the receipt of first instalment of funds from GOI with the result that the projects were started after the delay of 243 to 748 days in watersheds test checked as shown in *Appendix XIII*. These cumulative delays resulted in slackness in the

<sup>21</sup> 7<sup>th</sup> batch: 20.

<sup>22</sup> 5<sup>th</sup> batch: 8; 6<sup>th</sup>: 13 and 7<sup>th</sup>: 10.

<sup>23</sup> 5<sup>th</sup>: 17; 6<sup>th</sup>: 13; 7<sup>th</sup>: 11 and 8<sup>th</sup>: 11.

<sup>24</sup> 5<sup>th</sup>: 15.

<sup>25</sup> 1<sup>st</sup> batch: 118; 2<sup>nd</sup> batch: 118; 3<sup>rd</sup> batch: 140 and 4<sup>th</sup> batch: 159.

Watershed areas were selected after a delay of 243 to 748 days of the receipt of grants from GOI.

implementation of the projects on time.

The ADC, Rewari stated (August 2009) that selection of watershed was to be done after the receipt of funds from GOI. The reply was not convincing because as per para 40 of Project guidelines, locations of Watershed Development Projects were to be identified at the time of initial sanction of the projects.

### **1.3.8.2 Non-implementation of soil conservation works**

With a view to develop degraded lands, *in-situ* soil and moisture conservation measures like contour and graded bunds fortified by plantation, nursery raising for fodder, timber, fuel wood, horticulture and non-timber species were to be taken up. Besides, biological measures such as crop cover, strip cropping, contour farming, mulching, rotation, conservation, etc were also required to be taken up simultaneously. It was noticed that no such works were taken up in any test checked watersheds.

**Soil conservation works were not taken up in test checked watersheds.**

The ADC, Bhiwani stated (August 2009) that these soil conservation works could not be taken up as people of the area were not interested in such activities. The reply was not convincing as these activities were to be taken up not only on private land but also on common lands. Therefore, these activities should have been carried out simultaneously to ensure proper development of degraded lands.

### **1.3.8.3 Role of Self Help Groups in implementing DDP objectives**

One of the objectives of the programme was to bring improvement in socio-economic conditions of the poor and disadvantaged sections of the people inhabiting these areas and to alleviate poverty.

In order to help villagers who are directly or indirectly dependent on the watershed area to undertake income generating activities, project guidelines envisage constitution of Self Help Groups (SHGs) with the help of Watershed Development Team. A revolving fund was to be operated with seed money not exceeding Rupees one lakh for vocational development of each watershed to undertake income generating activities. The members of SHGs were to be provided seed money not exceeding Rs 10,000. This seed money was to be recovered from the members of SHGs in six monthly instalments which could be re-invested to the same or other SHGs. The SHGs were, however, not functioning in any test checked districts as discussed below:

In Hisar district, SHGs were constituted in 8 out of 64 watersheds. However, all these 8 SHGs were defunct as the unutilised funds amounting to Rs 3.30<sup>26</sup> lakh advanced to the members of SHG were not returned till date (July 2009) though as per scheme guidelines this money was to be refunded within six months. The SHGs were not constituted in Rewari and Fatehabad districts.

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<sup>26</sup> Modakhera: Rs 0.40 lakh; Dobhi: Rs 0.10 lakh; Neolikalan: Rs 0.50 lakh; Khokha: Rupees one lakh; Kalirawan: Rs 0.50 lakh; Payal: Rs 0.40 lakh; Litani: Rs 0.10 lakh; Sundawas: Rs 0.20 lakh and Berlikhurd: Rs 0.10 lakh.

**In test checked districts, SHGs were not functional in any watershed project.**



In Bhiwani district, SHG was constituted only in watershed Kohad selected under 4<sup>th</sup> batch of the scheme. In this watershed, Rs 0.80 lakh was released to eight SHGs. The Agriculture Development Officer, Bhiwani, instead of issuing account payee cheque in the name of Self Help Groups, issued cheque for Rs 50,000 in the personal name of group leader of SHG, which was drawn by him and the amount was neither paid to the members of the SHG nor deposited in revolving fund. Out of remaining Rs 30,000, only Rs 2,700 had been recovered. After this incidence no Self Help Group was constituted in Bhiwani district. The ADC, Bhiwani stated (August 2009) that the case of recovery was under trial in the Civil Court, Bhiwani.

Therefore, the objective of uplifting disadvantaged sections of the society dependent on watershed area through this component could not be achieved.

The ADCs, Hisar, Rewari and Fatehabad stated (August 2009) that people were not interested in forming SHGs under the programme as formation of SHGs was more beneficial under *Swaranjayanti Gramin Swarozgar Yojana* (SGSY). The reply was not convincing as the department should have motivated the people to form SHGs under DDP to cover more beneficiaries.

#### 1.3.8.4 Non-realisation of beneficiary share

Beneficiaries of various activities under the project were to contribute at least 10 *per cent* of the cost of works done on individual land and five *per cent* of the works on community lands. In the case of SC/ST and persons identified under below poverty line (BPL), the contribution was to be restricted to only five *per cent* of cost of works. The beneficiary share realised was to be credited into watershed development fund and was to be used for maintenance of assets after the completion of project. As on 31 March 2009, beneficiary share of Rs 17.66<sup>27</sup> lakh was outstanding in test checked districts.

Records for proper accountal of 'Watershed Development Fund' had not been maintained in any test checked watersheds. As a result, accuracy of recovery of beneficiary share could not be verified during audit. In watershed Dwarka of Bhiwani district, cumulative earnings of Rs 2.10 lakh under 'watershed development fund' were spent<sup>28</sup> before the completion of the project in contravention of the guidelines with the result that no funds were left for the maintenance of the assets created after closure of the project. Chairman WC of Dwarka intimated (October 2008) that expenditure was incurred out of watershed development fund to adjust the excess expenditure incurred on entry point activities and pay *panchayat's* share for implementation of *Swajaldhara Yojana*. Reply was not convincing as these funds were to be spent after the completion of projects.

Further, contribution towards watershed development fund was not a one time

<sup>27</sup> As per information furnished by WCs.

<sup>28</sup> Swajaldhara Yojana: Rs 45,000; Doors and windows: Rs 7,961 and Digging of well: Rs 1,57,005.

measure but was organic in nature. Earnings from the income generating assets created out of DDP funds like development of pastures etc. was to be credited in this fund, which was to be used for maintenance of assets after the closure of projects. Since no such activity was carried out on community land, there was no accretion in the fund on this account.

The DRDAs, Bhiwani, Hisar and Rewari while admitting the facts stated (May and August 2009) that all the WCs would be directed to maintain cashbooks of beneficiary share and to recover the outstanding beneficiary share.

### 1.3.9 Execution of works

Activities being undertaken under DDP broadly fall under three components viz; water resource, land levelling and afforestation. Component wise expenditure of watersheds selected for physical verification (except two watersheds of Hisar district, records of which was partially available) is given in *Appendix XIV*. Physical verification of assets of 18 watersheds and analysis of data relating to 166 watershed projects since their inception to March 2009 revealed following deficiencies:

#### 1.3.9.1 Water resource activities

Water resource activities carried out under the programme aimed at equitable distribution of water resources and strengthening of water conveyance system by renovation and augmentation of available water resources, desiltation of tanks and raising of sub soil water table by development of small water harvesting structures such as percolation tanks, check dams, etc.

- **Purchase and distribution of HDPE pipes**

In test checked districts, out of total expenditure of Rs 27.87 crore incurred up to March 2009, Rs 10.75 crore<sup>29</sup> was incurred on purchase of HDPE pipes under this component.

In Fatehabad district, 97 per cent of the total expenditure was incurred on distribution of RCC and HDPE pipes as tabulated below:

Number of watersheds of 6 <sup>th</sup> and 7 <sup>th</sup> batch	Number of watersheds of which data was compiled	Expenditure on RCC pipes	Expenditure on HDPE pipes	Total expenditure on pipes	Total expenditure incurred up to March 2009	Percentage expenditure incurred on pipes to total expenditure
		(Rupees in crore)				
31	26	1.39	1.96	3.35	3.44	97

**The HDPE pipes worth Rs 10.75 crore procured to create infrastructure were distributed among farmers.**

Audit observed that no rate contract was finalised at Directorate level for the purchase of HDPE pipes to be distributed to the beneficiaries. These pipes were purchased by WCs of Hisar and Rewari districts from the source and at rates approved by the High Power Purchase Committee of Agriculture Department. It

<sup>29</sup> Hisar: Rs 4.27 crore; Bhiwani: Rs 3.74 crore; Rewari: Rs 0.78 crore and Fatehabad: Rs 1.96 crore.

was further observed that rates approved by Agriculture Department were to facilitate farmers to avail loans from banks under the loan schemes. These rates were higher than the prevailing market rates. The ADC, Bhiwani had purchased water pipes with identical specifications at the rate of Rs 284 per six metre pipe on the basis of quotations against the rate of Rs 585 to Rs 700 per pipe of the same size approved by High Power Purchase Committee of Agriculture department. These pipes were purchased in the bulk quantity, hence department should have followed the proper procedure for procurement of pipes by inviting tenders for getting competitive rates.

Further, these pipes were to be used as underground pipe lines to make optimum use of available water/water source. WCs, however, instead of using these pipes for laying underground pipelines, the same were distributed to the farmers free of cost in cultivated areas. During physical verification of selected watersheds, beneficiaries of watersheds Roopgarh, Dudiwala Kishanpura of Bhiwani district stated that due to adverse climatic conditions and sub-standard material of pipes, majority of the pipes were damaged and some of the pipes were stolen as these pipes were stacked in open.

It was further observed that quality of underground pipes was not assessed while finalising the purchase of pipes which were to be used for carrying water from tubewells. Pipes worth Rs 36.40 lakh were purchased in 6<sup>th</sup> and 7<sup>th</sup> batches in Hisar district for distribution in areas where water was saline hence not fit for irrigation purposes as detailed below:

Name of watershed	EC <sup>30</sup> value of underground water	Expenditure on pipes (Rupees in lakh)
Kalirawan	14,630	4.56
Durjanpur	9,680	8.00
Khokha	8,580	12.23
Matani	7,000	4.02
Dhani Hunat	7,000	7.59
<b>Total expenditure</b>		<b>36.40</b>

The ADC, Hisar stated (August 2009) that HDPE pipes in these watersheds were used by user groups after taking the water from adjoining areas where suitable water was available. The reply was not based on facts as these pipes were distributed amongst the farmers on the basis of their land holdings without keeping in view the distance from where the water was to be carried.

During physical verification, beneficiaries of watershed Matani and Dhani Hunat of Bhiwani district, where HDPE pipes worth Rs 11.61 lakh were distributed, stated that area being 'barani' (rainfed), majority of the tubewells had gone dry and ground water in the area was saline and brackish. As such HDPE pipes provided for water supply system were of no use to them.

Similarly, ground water in Fatehabad district was highly saline as per report of Central Ground Water Board. As such, HDPE pipes purchased at a cost of

<sup>30</sup> Water having EC value >2000 is not fit for agriculture purposes.

Rs 1.96 crore as discussed in paragraph 1.3.9.1 were of no use to the local farmers as the pipes were to be used predominantly to carry water from tubewells. Chairman, WC Rattangarh intimated (May 2009) that HDPE pipes worth Rs 1.74 lakh were lying with the Committee as farmers were not interested in taking them since they were of no use to the local farmers.

Therefore, expenditure of Rs 10.75 crore under this component became infructuous as this expenditure neither resulted in creation of any infrastructure in these areas nor its proper use could be ensured by DRDAs.

Further, following irregularities were also noticed in Hisar district:

Sr. No.	Name of watershed	Cost of pipes (Rupees in lakh)	Remarks
1.	Pabra	2.59 <sup>31</sup>	Ex-Secretary, WC had sold about 250 pipes costing Rs 2.59 lakh purchased out of DDP funds. This was accepted by Chairman, WC and intimated (October 2005) to BDPO Uklana, ADC and DC, Hisar. No action had been initiated against the ex-secretary of WC.
2.	Daulatpur	1.25	Audit observed that pipes worth Rs 1.25 lakh were purchased by new Committee from an unapproved source at the rate of Rs 2,857 per pipe whereas approved rate was Rs 1,030 per pipe. This had caused a loss of Rs 0.80 lakh.
3.	Khokha	0.33	Twenty one pipes worth Rs 0.33 lakh were shown as distributed to Gram Panchayat by ex-Chairman, WC. New Chairman reported that no such pipes were available with Gram Panchayat.

The ADC, Hisar in his reply stated (August 2009) that inquiry in these cases had been initiated by concerned BDPOs and report would be sent to the State Government after completion of inquiry.

#### • Expenditure on water channels

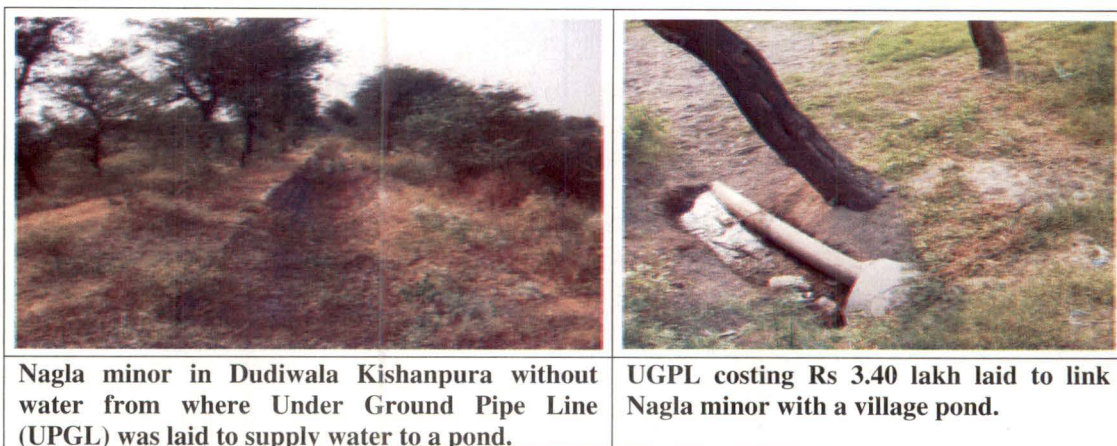
An expenditure of Rs 4.94 crore was incurred on water channels up to March 2009 in 166 watersheds of the test checked districts, further, works completed at a cost of Rs 49.31 lakh were physically verified by audit in selected watersheds.

It was observed that source of water was not selected after proper planning and ensuring/assessing availability of water while linking minors with village ponds. In Bhiwani district, Nagla minor (Bhiwani district) was in a damaged condition without water, however, a sum of Rs 4.40 lakh<sup>32</sup> was spent for laying pipe lines under Dudiwala Krishanpura watershed project for carrying water from this damaged minor to a nearby pond. Since the minor was without water, objective

<sup>31</sup> The cost worked out on the basis of approved rates as records were not made available to audit.

<sup>32</sup> Material and Labour: Rs 76,104 and Pipes: Rs 3,64,140.

of supplying water to the pond could not be achieved thus rendering the entire expenditure unfruitful.



Nagla minor in Dudiwala Kishanpura without water from where Under Ground Pipe Line (UGPL) was laid to supply water to a pond.

UGPL costing Rs 3.40 lakh laid to link Nagla minor with a village pond.

The ADC, Bhiwani stated (May 2009) that there was scarcity of water in the district. The reply was not convincing as the pipe lines were laid without ensuring the availability of water in the minor (the source).

Similarly, under watershed Chawa-Bhakli, Nahar block of Rewari district a pond was developed (2005-06) at a cost of Rs 12.43 lakh. In addition, a channel was also constructed (2006-07) at a cost of Rs 3.71 lakh to connect the pond with a near by distributary. During physical verification by audit, it was noticed that the channel had choked due to expansion of road and was in damaged condition. The pond was without water rendering the entire expenditure of Rs 16.14 lakh as unfruitful.

#### • Impact of water resource activities

Activities were undertaken under this component of the scheme for increasing irrigated area by distribution of pipes and linking minors with village ponds. However, this activity could not make any significant impact in increasing the irrigated areas in the said districts as depicted in the table below:

District	Net irrigated area (in thousand hectares)														
	2002-03			2003-04			2004-05			2005-06			2006-07		
	Canal	Tube well	Total	Canal	Tube well	Total	Canal	Tube well	Total	Canal	Tube well	Total	Canal	Tube well	Total
Rewari	2	108	110	--	101	101	2	108	110	2	107	109	2	94	96
Mahendragarh	2	119	121	2	119	121	2	119	121	2	32	34	8	77	85
Bhiwani	156	109	265	159	124	283	169	118	287	148	132	280	144	139	283
Hisar	238	22	260	208	9	217	218	9	227	218	9	227	218	23	241
Fatehabad	140	76	216	140	76	216	145	60	205	68	144	212	72	141	213
Sirsa	264	58	322	264	58	322	263	72	335	265	73	338	234	104	338
<b>Total</b>	<b>802</b>	<b>492</b>	<b>1,294</b>	<b>773</b>	<b>487</b>	<b>1,260</b>	<b>799</b>	<b>486</b>	<b>1,285</b>	<b>703</b>	<b>497</b>	<b>1,200</b>	<b>678</b>	<b>578</b>	<b>1,256</b>

(Source: Statistical abstract published by Government of Haryana)

It would be seen from the above table that the area under irrigation decreased from 1,294 thousand hectares to 1,256 thousand hectare during 2002-07 in these districts. The position was worst particularly in Rewari, Mahendragarh and Hisar

Area under irrigation decreased from 1,294 thousand hectare to 1.256 thousand hectare during 2002-07.

districts.

### 1.3.9.2 Percolation tanks







Six ponds excavated at a cost of Rs 10.50 lakh were without water.

An amount of Rs 3.01 crore was spent on construction of percolation tanks on community land in test checked districts. Out of this, a sum of Rs 46.83 lakh was spent on construction and maintenance of 12<sup>33</sup> percolation tanks on community land in 13 out of 16 watersheds test checked.

It was observed during physical verification of selected watersheds that important issues like catchment-area, source of recharging, etc. were not conceptualised in respect of six new ponds excavated under the selected watersheds as detailed below:

Sr. No.	Name of district	Name of watershed	Amount (Rupees in lakh)
1	Bhiwani	Roopgarh	1.05
2	-Do-	Kheri Sanwal	2.03
3	Hisar	Bagla	2.00
4	Rewari	Chawwa	1.61
5	-Do-	Chawwa	0.60
6	-Do-	Kishanpura	3.21
<b>Total</b>			<b>10.50</b>

As a result of improper catchment area, expenditure of Rs 10.50 lakh incurred on digging of these ponds was rendered unfruitful as these ponds were without water hence could not ensure increase in ground water table of the said area.

		
Pond excavated in watershed Kheri Sanwal in Bhiwani block.	Pond in Bagla (Hisar)	Pond excavated in watershed Roopgarh in Bhiwani block.
		
Pond and Khurra constructed at Chawwa in Rewari district	Desilting of Pond, construction of retaining wall and Khurra in Bhakli in front of school	Pond in Kishanpura

<sup>33</sup>

10 new and 2 old.

In Rewari district, Rs 75.13 lakh were spent on *khurra* making, retaining walls, etc.

It was further observed that plantation work was not taken up adjacent to the said ponds so as to stop soil erosion which was against the scheme guidelines. In Rewari district, instead of consolidating the embankments by plantation, a sum of Rs 75.13 lakh was spent on cement structures like *khurra* making, retaining walls which were not as per scheme guidelines as these concrete structures would neither increase the ground water table nor prevent soil erosion.

The ADC, Rewari stated (August 2009) that *khurra* making was necessary as soil erosion takes place when milch cattle enter the pond. The reply was not convincing as purpose of excavation of ponds was to recharge the ground water which was not served by *khurra* making.

The Special Secretary and Director, Rural Development, Haryana during inspection (June 2006) of two new ponds dug up under DDP in villages Agroha and Sisai in Hisar district also made similar observations and pointed out that location of these ponds was not proper as they were far from the *Abadi* and catchment-areas were not appropriate for filling up of ponds. However, no action was taken even on the report of the Director, Rural Development.

In addition, these works were neither codified nor  *khasra* number mentioned or shown in estimates where these ponds were dug up. Boards depicting source of funds had also not been displayed on such sites with the result, the expenditure was neither verified during audit nor could be subjected to social audit. On being pointed out, ADCs, Bhiwani and Hisar stated (August 2009) that displaying of information on the Boards had, now, been started.

### 1.3.9.3 Land resource activities

Project guidelines also envisage taking up land development work including in-situ soil and moisture conservation measures like contour and grounded bunds fortified by plantation, nursery raising, fuel wood horticulture and non-timber forest product species. A sum of Rs 5.33 crore was spent up to March 2009 in the test checked projects; under this component thirteen works executed at a cost of Rs 65.73 lakh were physically verified. Following deficiencies were noticed:

- **Land levelling**

In Bhiwani district, a sum of Rs 59.25 lakh was spent on land levelling in selected watersheds. Tractors were plied in the fields of all the farmers in the watershed area without identifying the problematic areas. The ADC, Bhiwani while approving these works, instructed the WCs to take photographs of sites before and after execution of these works. However, no photographs were taken by WCs hence actual work executed could not be verified by audit.

It was further noticed during audit that land levelling work worth Rs 27.55 lakh was executed by WCs prior to the year 2004-05 without obtaining prior permission of DRDA, Bhiwani and the amount was not paid to tractor owners. Five tractor owners whose tractors were hired by PIA, filed (January 2008) cases in court of law for making payment of Rs 5.12 lakh along with interest. No action was initiated/taken against WCs who got this work executed without proper

permission. The case was still pending in the court (July 2009).

As per action plans, for equitable distribution of benefits, barren and uncultivable land, which was of no use to the community/*panchayat*, was to be leased out to the landless labourers so that the said land can be converted into cultivable land by carrying out developmental activities out of project funds. However, no such work was undertaken in the test checked districts and, thus, the landless labourers could not be benefited from the scheme.

#### **1.3.9.4 Demonstration plots**

Programme guidelines envisaged demonstration of plots for popularizing new crops/varieties or innovative management practices. In Rewari and Fatehabad districts, this activity was not carried out in test checked watersheds. Out of 10 test checked watersheds of Bhiwani and Hisar districts, in three watersheds, seeds, gypsum and fertilisers worth Rs 3.12<sup>34</sup> lakh were distributed to farmers instead of organising demonstration plots. The ADC, Rewari stated (August 2009) that WCs had been directed to take up maximum demonstration plots in their projects.

#### **1.3.9.5 Afforestation activities**

Project guidelines envisaged undertaking block plantations, agro forestry and horticultural development, shelterbelt plantation, etc. for sand dune stabilisation in these areas. A sum of Rs 71.43 lakh was spent under test checked projects up to March 2009 on this component. Out of 16 selected watersheds, no plantation was carried out in 6 watersheds. In remaining 10 watersheds, an amount of Rs 5.56 lakh was spent on distribution of plants to the beneficiary farmers, but survival of plantation was not monitored by WCs.

### **1.3.10 Other topics of interest**

#### **1.3.10.1 Diversion of funds**

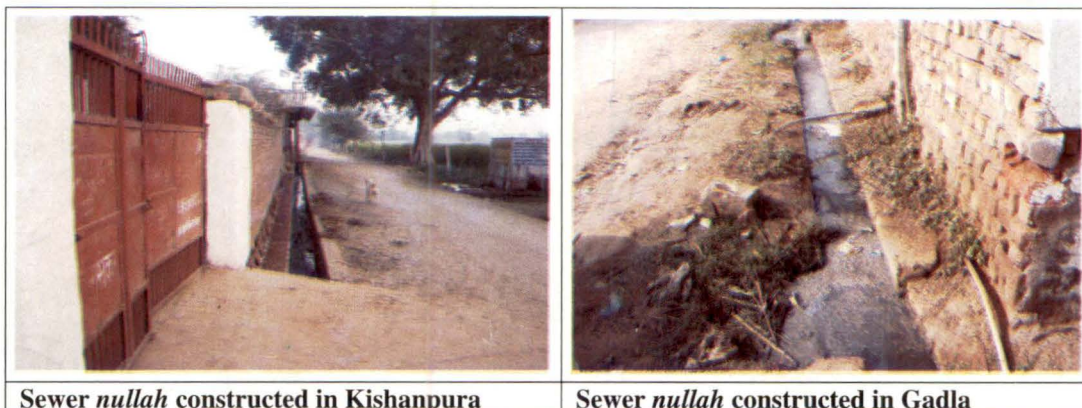
Programme guidelines also envisaged treatment of drainage line with a combination of vegetative and engineering structures in watershed areas. In Rewari district, cumulative expenditure of Rs 46.25 lakh was incurred during August 2000 and March 2009 on sewer *nullahs* for draining waste water on the village streets which was contrary to the programme guidelines as constructions of sewer *nullahs* had no relation with drainage line treatment. Thus, the objective of the scheme remained unachieved.

**Rupees 46.25 lakh were spent on sewer *nullahs* in violation of scheme guidelines.**

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<sup>34</sup> Bagla: Rs 1.18 lakh; Birbarain: Rs 0.95 lakh and Pali: Rs 0.99 lakh.





Sewer nullah constructed in Kishanpura

Sewer nullah constructed in Gadla

The ADC, Rewari stated (August 2009) that concerned WCs had been instructed not to take up such activities in future.

### 1.3.10.2 Maintenance of record

Cash-book, ledger and muster rolls are basic records which are required to be maintained so as to ensure proper utilisation of funds. It was, however, noticed that the ledgers were not maintained properly and cash-books were not being closed regularly. In watersheds of Daulatpur, Prabhuwala and Pabra of Uklana block, it was observed that previous records along with unspent cash balance had not been handed over to the new Chairmen. No record was produced by watershed Sisar-1 in Hansi-II block of Hisar district. In watershed Bagla of Adampur block, receipts and payments were entered on the same side of cash-book as a result of which accuracy of transactions could not be verified by audit.

The ADC, Hisar stated (August 2009) that instructions had been issued to all PIAs to maintain the cashbooks and ledgers properly.

In watershed Roshankhera of Hansi-II block of Hisar district, blank muster rolls with signatures of workers were kept by the Secretary of the watershed. The muster rolls were got signed from workers in advance without making any payment to them. The chances of mis-use of muster roll to misappropriate the funds could not be ruled out. Similarly, a payment of Rs 8,075 was made to workers without obtaining their signatures on muster rolls for the watershed work.

### 1.3.11 Exit protocol

No mechanism was evolved to ensure post project maintenance.

Programme guidelines envisaged that DRDAs in consultation with the State Government would evolve a proper exit protocol for the watershed projects. A mutually acceptable and operational mechanism for utilisation of watershed development funds for post project maintenance and its continuous augmentation was to be evolved. It was noticed that no mechanism was evolved for post project maintenance of completed projects.

The ADCs, Hisar and Rewari stated (August 2009) that in the absence of any methodology prescribed by the State Government, Gram Panchayats were verbally directed to maintain these assets. The reply was not in consonance with scheme guidelines as proper mechanism was required to be evolved for post project maintenance.

### 1.3.12 Monitoring and evaluation

Meeting of SWDC was not held for the last 10 years.

Programme guidelines provided constitution of SWDC to ensure coordination among various departments/institutions and voluntary agencies. The Committee was to meet twice a year. Though SWDC was constituted in January 1995, it was non-functional as no meeting of the Committee had been held for the past ten years.

State Government was responsible for regular monitoring and evaluation of watershed development projects. It was observed that proper mechanism for monitoring and evaluation had not been evolved. Records relating to physical progress of work done on individual, community and forest lands of watershed as envisaged in the annual action plan had not been maintained with the result the targets *vis-à-vis* achievements could neither be ascertained nor correlated with the financial progress.

Mid-term evaluation was meant to holistically assess the projects midway so as to identify and overcome deficiencies and improve implementation of the scheme. However, evaluation along with impact assessment on activities viz.; increase in water levels, additional area brought under cultivation, status of labour migration, enhancement of wage component, etc. was not done. It was observed that evaluation of the scheme was not conducted as per instructions of GOI as evaluators appointed by State Government could not ensure performance analysis of these vital aspects.

### 1.3.13 Conclusions

The objective of developing waste/degraded land, drought prone and desert areas was not achieved fully as total waste land did not decrease. The implementation of the programme suffered due to non-preparation of perspective plan, lack of monitoring, completion of only 118 watershed projects out of 441 projects identified, non-execution of soil and moisture conservation work and non-formation of SHGs. Free distribution of pipes among farmers instead of laying them underground, execution of ponds without conceptualising catchment area, non-organisation of demonstration plots, etc. were areas which could have been organised more effectively. Proper exit protocol was not evolved for post project maintenance. Monitoring and evaluation system was not working effectively.

**1.3.14 Recommendations**

- Perspective plan should be prepared after taking into account the wasteland atlas prepared by HARSAC.
- The WCs should prepare a time bound programme for completion of projects within the prescribed time frame.
- The projects should be implemented in a concerted manner covering all the aspects such as soil conservation, afforestation, etc.
- The SHGs should be formed in all watershed projects to take income generating activities.
- Instead of distributing pipes among farmers, HDPE pipes should be laid underground to create a durable infrastructure.
- Factors like catchment's area, source of recharging, etc. should be conceptualised before starting works.
- The systems for post project maintenance, monitoring and evaluation should be put in place effectively.

These points were referred to the Financial Commissioner and Principal Secretary to Government of Haryana, Rural Development Department in June 2009; reply had not been received (August 2009).

## Transport Department

### 1.4 Functioning of Haryana Roadways

#### Highlights

The performance audit of functioning of Haryana Roadways disclosed that the Roadways suffered a loss of Rs 637.99 crore in 2004-09. The fleet utilisation of Roadways (95.54) in 2008-09 was higher than all India average (AIA) of 92 per cent. Its vehicle productivity at 366 kilometres per bus per day was also above the AIA of 313 kilometres. Similarly, load factor of 73 per cent remained above the AIA of 63 per cent. Though the Roadways did well on operational parameters, its 99.80 per cent routes were unprofitable due to high incidence of passenger tax and non-reimbursement of cost of free/concessional travelling facilities by the State Government. The Roadways made recruitment of conductors/drivers in anticipation of induction of new fleet and incurred excess staff cost of Rs 8.05 crore during July 2008 to March 2009. The Roadways did not attain its own fuel consumption targets resulting in excess consumption of fuel valued at Rs 31.30 crore during 2004-09. The Roadways earned a net profit of Rs 4.32 crore during October 2005 to February 2008 from ten hired Volvo buses. As this arrangement has the potential to cut down the cost substantially, the Roadways needs to explore possibility of hiring ordinary buses to increase its fleet. Though the Government approves the fare increase, there is no scientific basis for its calculation. The Roadways has also not formed norms for providing services on uneconomical schedules. Thus, it would be desirable to have an independent regulatory to fix the fares, specify operations on uneconomical routes. The monitoring by top management fell short as it did not fix targets for various operational parameters.

- **Proforma Accounts of the Roadways were in arrears since 2003-04.**

(Paragraph 1.4.5)

- **The Roadways was not able to recover its cost of operations hence, suffered a loss of Rs 637.99 crore in 2004-09. The Roadways provided free and concessional travelling facilities to various categories at the instance of the State Government and incurred loss of Rs 477.99 crore during 2004-05 to 2007-08 on this account.**

(Paragraphs 1.4.5 and 1.4.18.1)

- **Due to cancellation of scheduled kilometres for want of crew and buses the Roadways lost net revenue of Rs 7.25 crore.**

(Paragraph 1.4.12.3)

- **Manpower cost was below AIA except during 2008-09. The Roadways recruited conductors and excess staff at additional cost of Rs 8.05 crore during 2008-09.**

*(Paragraph 1.4.14)*

- **Fuel efficiency was above AIA, however, due to non-achievement of internal targets of KMPL it consumed excess diesel valued at Rs 31.30 crore.**

*(Paragraph 1.4.15)*

- **The Roadways earned a net profit of Rs 4.32 crore during October 2005 to February 2008 from ten hired Volvo buses. As this arrangement has the potential to cut down the cost substantially, the Roadways did not explore possibility of hiring ordinary buses to increase its fleet.**

*(Paragraph 1.4.16)*

- **There was no scientific basis for fixing the fare on the basis of normative cost. The Roadways has also not formed norms for providing services on uneconomical schedules. Department needs to have an independent regulatory body (like State Electricity Regulatory Commission) to fix the fares, specify operations on uneconomical routes.**

*(Paragraphs 1.4.19.1 and 1.4.19.2)*

- **The Roadways did not set targets for important operational parameters i.e. fleet utilisation, vehicle productivity, staff productivity and load factor to improve performance through monitoring against targets.**

*(Paragraph 1.4.20)*

#### **1.4.1 Introduction**

In Haryana, the public road transport is primarily provided by Haryana Roadways, which is mandated to provide an efficient, adequate, economical and properly co-ordinated road transport. The State Government also allows the private operators to provide public transport. The Government has reserved certain routes exclusively for the Roadways and private operators. On other routes both the Roadways and private operators operate. The fare structure is controlled

by the Government which is uniform for both the Roadways and the private operators.

The Roadways was formed as commercial wing of Transport department in November 1966. The Financial Commissioner and Secretary to Government of Haryana is the administrative head of the Transport Department. The day-to-day operations are carried out by the Transport Commissioner (TC), who is the Chief Executive of the Roadways, with the assistance of two additional TCs, one Joint TC and five Deputy TCs. Each depot is managed by a General Manager. In addition, the department has a Transport Board which comprises of Transport Minister as Chairman, Secretaries Transport and Finance Departments as members and Transport Commissioner as Member Secretary. Besides deciding all cases relating to Transport Department, the Board approves the creation of all posts of drivers, conductors, workshop staff and ministerial staff. The Roadways has 20 Depots and two Central Workshops. The bus body building operation is carried out mainly through Haryana Roadways Engineering Corporation (HREC), a Government Company under the administrative control of Transport Department. The tyre retreading work is being done departmentally by the Roadways.

The Roadways had a fleet of 3,166 buses as on 31 March 2009. The Roadways carried an average of 10.78 lakh passengers *per day* during 2008-09. The Roadways' share in the passenger transport operations in the State was 71.82 *per cent* and the remaining 28.18 *per cent* was accounted for by private operators in 2008-09. The turnover of the Roadways was Rs 691.08 crore in 2007-08, which was equal to 0.45 *per cent* of the State Gross Domestic Product (*Rs 1,53,087.03 crore as per quick estimates*). The Roadways employed 18,299 employees as on 31 March 2009.

A review on "Human resources and material management in Haryana Roadways" was included in the Report of the Comptroller and Auditor General of India for the year 2001 (Civil), Government of Haryana. The report was discussed by Public Accounts Committee (PAC) during September 2006 and February 2007. The recommendations of PAC are contained in its 60<sup>th</sup> report presented to the State Legislature on 22 March 2007.

#### **1.4.2 Scope of audit and methodology**

The present review conducted during January 2009 to June 2009 covers the performance of the Roadways during the period from 2004-05 to 2008-09. The review mainly deals with operational efficiency, financial management, fare policy, fulfilment of social obligations and monitoring by top management of the Roadways. The audit examination involved scrutiny of records at the head office, one Central Workshop and six<sup>35</sup> out of 20 depots. The depots were listed on the basis of revenue and selected by simple random sampling without replacement

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<sup>35</sup>

Bhiwani, Delhi, Gurgaon, Karnal, Sirsa and Yamunanagar.

method. Operating revenue of the selected depots constituted 28.98 *per cent* of the total operating income of the Roadways.

The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining audit objectives to top management, scrutiny of records at head office and selected units, interaction with the auditee personnel, analysis of data with reference to audit criteria, raising of audit queries, discussion of audit findings with the Management and issue of draft review to the Management for comments.

### **1.4.3 Audit objectives**

The objectives of the performance audit were to assess:

#### **1.4.3.1 Operational performance**

- the extent to which the Roadways was able to keep pace with the growing demand for public transport;
- whether the Roadways succeeded in recovering the cost of operations;
- the extent to which the Roadways was running its operations efficiently;
- whether adequate maintenance was undertaken to keep the vehicles roadworthy; and
- the extent to which economy was ensured in cost of operations.

#### **1.4.3.2 Financial management**

- whether the Roadways was able to meet its commitments and recover its dues efficiently; and
- the possibility of realigning the business model of the Roadways to tap non-conventional sources of revenue and adopting innovative methods of accessing such funds.

#### **1.4.3.3 Fare policy and fulfilment of social obligations**

- the existence and adequacy of fare policy; and
- whether the Roadways operated adequately on uneconomical routes.

#### **1.4.3.4 Monitoring by top management**

- whether the monitoring by Roadways' top management was effective.

### **1.4.4 Audit criteria**

The audit criteria adopted for assessing the achievement of the audit objectives were:

- all India averages for performance parameters;

- performance standards and operational norms fixed by the Association of State Road Transport Undertakings (ASRTU);
- physical and financial targets/ norms fixed by the Management;
- manufacturers' specifications, norms for life of a bus, preventive maintenance schedule, fuel efficiency norms, etc.;
- instructions of the Government of India (GOI) and State Government and other relevant rules and regulations; and
- procedures laid down by the Roadways.

#### 1.4.5 Financial position and working results

The financial position of the Roadways for the five years upto 2008-09 could not be worked out as the proforma accounts are in arrears since 2003-04. The Management stated that the services of two retired officers have been hired to complete this job.

The details of tentative working results like operating revenue and expenditure, total revenue and expenditure, net surplus/loss and earnings and cost per kilometre of operation, based on data compiled by the head office on the basis of monthly reports received from the General Managers of depots are given below.

(Rupees in crore)						
Sr. No.	Description	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Total Revenue	643.75	680.80	708.50	691.08	721.89
2.	Operating Revenue <sup>36</sup>	624.17	658.21	689.23	668.61	698.23
3.	Total Expenditure	741.58	800.82	837.23	788.32	916.06
4.	Operating Expenditure <sup>37</sup>	712.59	759.10	806.58	754.04	881.60
5.	Operating Profit/Loss	(-)88.42	(-)100.89	(-)117.35	(-)85.43	(-)183.37
6.	Profit/Loss for the year	(-)97.83	(-)120.02	(-)128.73	(-)97.24	(-)194.17
7.	Accumulated Profit/Loss					
8.	Fixed Costs					
	(i.)Personnel Costs	196.77	200.04	216.48	229.01	323.26
	(ii.)Depreciation	30.82	30.61	31.87	31.94	31.69
	(iii.)Interest	20.06	24.06	21.92	22.18	22.92
	(iv.)Other Fixed Costs	26.43	36.28	33.09	35.07	30.06
	<b>Total Fixed Costs</b>	<b>274.08</b>	<b>290.99</b>	<b>303.36</b>	<b>318.20</b>	<b>407.93</b>
9.	Variable Costs					
	(i) Fuel and Lubricants	209.33	250.12	262.53	249.01	269.03
	(ii) Tyres and Tubes	14.28	14.33	19.89	23.04	23.47
	(iii) Other Items/spares	13.72	13.76	14.60	16.93	21.73
	(iv)Taxes (MV Tax, Passenger Tax, etc.)	185.62	187.74	191.40	125.45	136.32
	(v) Other Variable Costs	44.55	43.88	45.45	55.69	57.58
	<b>Total Variable Costs</b>	<b>467.50</b>	<b>509.83</b>	<b>533.87</b>	<b>470.12</b>	<b>508.13</b>

<sup>36</sup> Operating revenue includes sale of tickets, advance booking, reservation charges and contract services earnings, passes and season tickets, re-imbursement against concessional passes, fare realised from private operators under KM Scheme, etc.

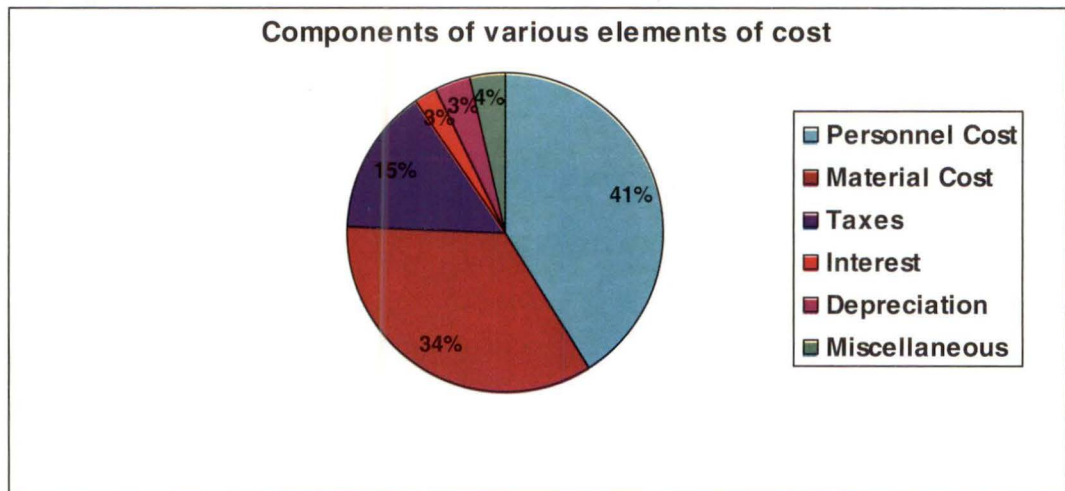
<sup>37</sup> Operating expenditure includes expenses relating to traffic, repair and maintenance, electricity, welfare and remuneration, licences and taxes, general administration expenses and depreciation on fleet.



Sr. No.	Description	2004-05	2005-06	2006-07	2007-08	2008-09
10.	Effective KMs operated (in Lakh)	4,116.51	4,147.63	4,062.41	3,920.71	3,926.05
11.	Earnings per KM (Rs) (1/10)	15.64	16.41	17.44	17.63	18.39
12.	Fixed Cost per KM (Rs) (8/10)	6.65	7.02	7.47	8.12	10.39
13.	Variable Cost per KM (Rs) (9/10)	11.36	12.29	13.14	11.99	12.94
14.	Cost per KM (Rs) (3/10)	18.01	19.31	20.61	20.11	23.33
15.	Net Earnings per KM (Rs) (11-14)	(-2.37)	(-2.90)	(-3.17)	(-2.48)	(-4.94)
16.	Traffic Revenue <sup>38</sup> (Rs in crore)	624.17	658.21	689.23	668.61	698.23
17.	Traffic Revenue per KM (Rs) (16/10)	15.16	15.87	16.97	17.05	17.78
18.	Operating loss per KM (Rs) (5/10)	(-2.15)	(-2.43)	(-2.89)	(-2.18)	(-4.67)

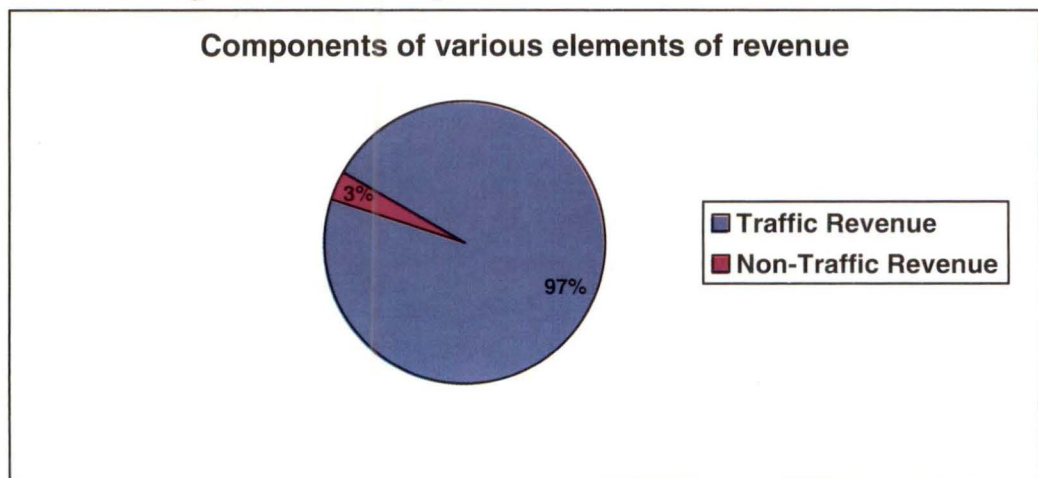
#### 1.4.5.1 Elements of cost

Personnel costs and material costs constitute the major elements of costs. The percentage break-up of costs for 2008-09 is given below in the pie-chart.



#### 1.4.5.2 Elements of revenue

The percentage break-up of revenue into traffic revenue and non-traffic revenue for 2008-09 is given below in the pie-chart.



<sup>38</sup> Separate data for operating revenue and traffic revenue is not available hence figure for operating revenue and traffic revenue are the same.

#### **1.4.6 Audit findings**

Audit explained the audit objectives to the Roadways during an 'entry conference' held on 10 March 2009. The audit findings were reported to the Government/Management in August 2009 and discussed in the Exit Conference held on 16 September 2009, which was attended by the Financial Commissioner and Secretary to Government of Haryana, Transport Department and Transport Commissioner, Haryana Roadways. Views of the Management have been considered while finalising the review. However, the Roadways did not furnish any formal reply to the audit findings. The audit findings are discussed in the succeeding paragraphs.

#### **1.4.7 Operational performance**

The operational performance of the Roadways for the five years ending 2008-09 is given in the *Appendix XV*. The operational performance of the Roadways was evaluated on various operational parameters as described below. It was also seen whether the Roadways was able to maintain pace with the growing demand of public transport. Audit findings in this regard are discussed in the subsequent paragraphs. These audit findings show that the losses were controllable and there is scope for improvement in performance.

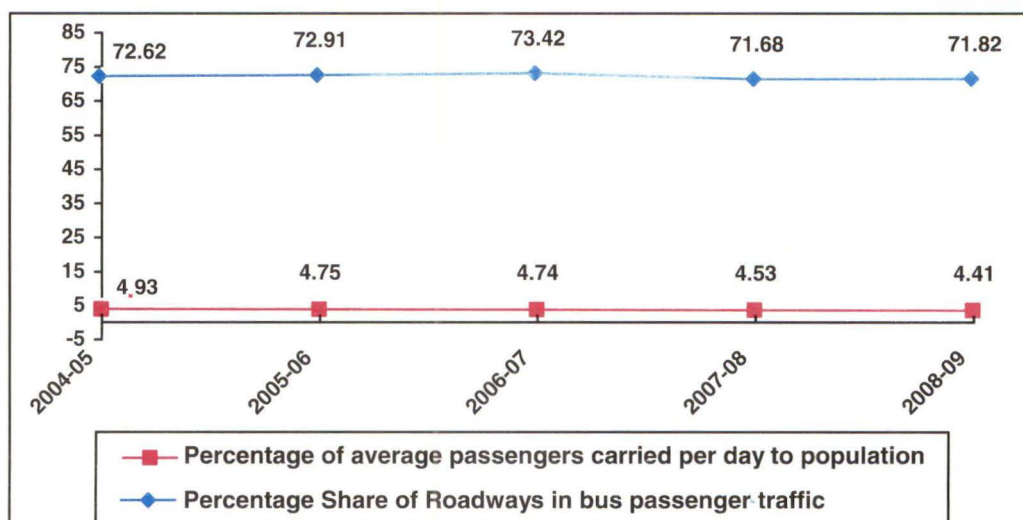
#### **1.4.8 Share of Roadways in public transport**

The State Government has not framed any transport policy fixing model mix of public transport. Upto 1992 there was 100 *per cent* nationalization of passenger transport in the State. However, the State Government under three schemes issued 974, 62 and 206 stage carriage permits in 1993, 2001, and 2004 respectively to private operators. Due to lack of transport policy, adequate public transport could not be provided as neither Roadways increased its fleet nor permits were issued to private operators after 2004 to match with the increasing population.

Line-graphs depicting the percentage share of the Roadways in the bus passenger traffic<sup>39</sup> of the State and percentage of average passengers carried per day by the Roadways to the population of the State during five years ending 2008-09 are given below:

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<sup>39</sup> Worked out by Audit on the basis of buses held by the Roadways vis-à-vis private operators.



The Management stated (September 2009) that increase in private transport had contributed in depletion of Roadways share.

The table below depicts the growth of public transport in the State.

Sr. No.	Particular	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Roadways buses including hired buses	3,294	3,342	3,430	3,143	3,166
2.	Private stage carriages	1,242	1,242	1,242	1,242	1,242
3.	Total buses for public transport	4,536	4,584	4,672	4,385	4,408
4.	Percentage share of Roadways	72.62	72.91	73.42	71.68	71.82
5.	Percentage share of private operators	27.38	27.09	26.58	28.32	28.18
6.	Estimated population (crore)	2.27	2.31	2.36	2.40	2.44
7.	Vehicle density <i>per</i> one lakh population	19.98	19.84	19.8	18.27	18.07

The Roadways has not been able to increase its share to keep pace with the growing demand for public transport. Against the sanctioned fleet of 3,500 buses, the average fleet held was 3,255 buses during 2004-05 which reduced to 3,073 buses during 2008-09. Shortage of buses with reference to sanctioned fleet ranged between 147 and 427 during 2004-09. The department has a target to increase the fleet strength to 4,500 buses during 11<sup>th</sup> Five Year Plan (commencing from 2007-08) by adding 1,000 new buses besides replacement of old buses. Despite the above target, the number of buses has reduced from 3,420 as on 31 March 2007 to 3,166 as on 31 March 2009. There was reduction in availability of bus service to the public and volume of operation reduced from 4,116.51 lakh effective kilometres operated in 2004-05 to 3,926.05 lakh kilometres in 2008-09.

Availability of Roadways buses per lakh of population reduced from 14.33 in 2004-05 to 12.58 buses in 2008-09. The percentage of passengers carried to total population has come down from 4.93 in 2004-05 to 4.41 in 2008-09. Resultantly the Roadways could not fully achieve its objective of providing adequate transport service to the public.

The Management stated that approximately 1,200 buses would be added in the fleet of Roadways by the end of March 2010.

The effective *per capita* KM operated *per year* is given below.

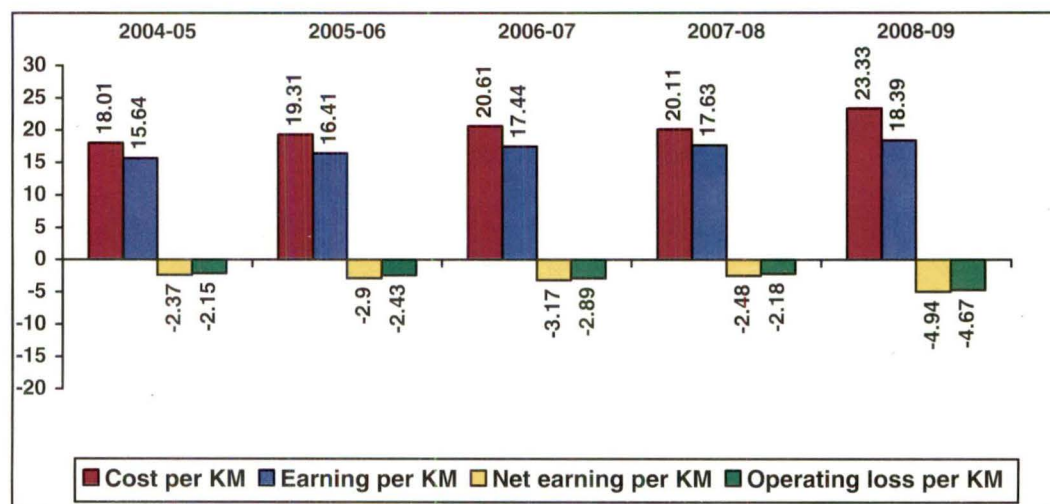
S. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1	Effective KM operated (lakh)	4,116.51	4,147.63	4,062.41	3,920.71	3,926.05
2	Estimated Population (Crore)	2.27	2.31	2.36	2.40	2.44
3	<i>Per Capita</i> KM <i>per year</i>	18.13	17.96	17.21	16.34	16.09

The above Table shows the decline in service by the Roadways. Public transport has definite benefits over personalised transport in terms of costs, congestion on roads and environmental impact. The public transport services have to be adequate to derive those benefits. In the instant case, the Roadways was not able to increase the volume of operation due to reduction in fleet strength and shortage of crew as described in the succeeding paragraphs.

### 1.4.9 Recovery of cost of operations

The operating loss per km increased from Rs. 2.15 in 2004-05 to Rs. 4.67 in 2008-09.

The Roadways was not able to recover its cost of operations. During the last five years ending 2008-09, the net earning showed a negative trend as given in the graph<sup>40</sup> below:



Above graph indicates the deteriorating performance of the Roadways over the period. The operating loss too has been increasing. The Roadways was not able to achieve the All India Averages for cost (Rs 19.94) and revenue (Rs 18.22) *per* KM. Main reasons for the losses were financial burden due to free and concessional travelling allowed to various sections of society by the Government; and high

**Orissa, Uttar Pradesh and Karnataka registered best net earnings *per* KM at Rs. 0.49, Rs. 0.47 and Rs. 0.34 respectively during 2006-07. (Source : STUs profile and performance 2006-07 by CIRT, Pune)**

<sup>40</sup> Cost per KM represents total expenditure divided by effective KM operated.  
 Revenue per KM is arrived at by dividing total revenue with effective KM operated.  
 Net Revenue per KM is revenue per KM reduced by cost per KM.  
 Operating loss per KM would be operating expenditure per KM reduced by operating income per KM.

incidence of passenger tax.

#### 1.4.10 Fleet strength and utilisation

##### 1.4.10.1 Fleet strength and its age profile

The Roadways has its own fleet of buses. It also hires buses from contractors. Audit findings in respect of hired buses are given in paragraph 1.4.16.

The ASRTU had prescribed (September 1997) the desirable age of a bus as eight years or five lakh kilometres, whichever was earlier. The table below shows the age-profile of the buses held by the Roadways for the period of five years ending 2008-09.

Sr. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1	Total No. of buses <sup>41</sup> at the beginning of the year	3,409	3,294	3,332	3,420	3,133
2	Additions during the year	493	559	199	157	245
3	Buses scrapped during the year	608	521	111	444	212
4	Buses held at the end of the year (1+2-3)	3,294	3,332	3,420	3,133	3,166
5	Of 4, No. of buses more than 8 years old	46	18	6	1	3
6	Percentage of overage buses to total buses	1.40	0.54	0.18	0.03	0.09

The above table shows that the Roadways was by and large able to achieve the norm of right age buses. During 2004-09, the Roadways purchased 1,653 new buses at a cost of Rs 233.81 crore. The expenditure was funded through budgetary allocation (Rs 147.01 crore) and loan (Rs 86.80 crore).

During the years 2004-09, the Roadways drew Rs 416.96 crore from treasury for repayment of loans and acquisition of fleet. To avoid lapse of budget grant, the Roadways had to draw funds amounting to Rs 152.24 crore in the month of March, which were placed at the disposal of HREC for making payment to suppliers in the next year. This practice was in contravention of State Financial Rules.

In order to increase operational efficiency the State Government reduced (January 2003) the life of a bus from eight to seven years subject to the condition that each bus would cover minimum of six lakh kilometres. The Roadways scrapped the buses without ensuring replacement of fleet. This resulted in depletion of fleet from 3409 as on 31 March 2004 to 3166 as on 31 March 2009. The age was again increased to 8 years from 6 November 2008 in order to arrest depletion of fleet.

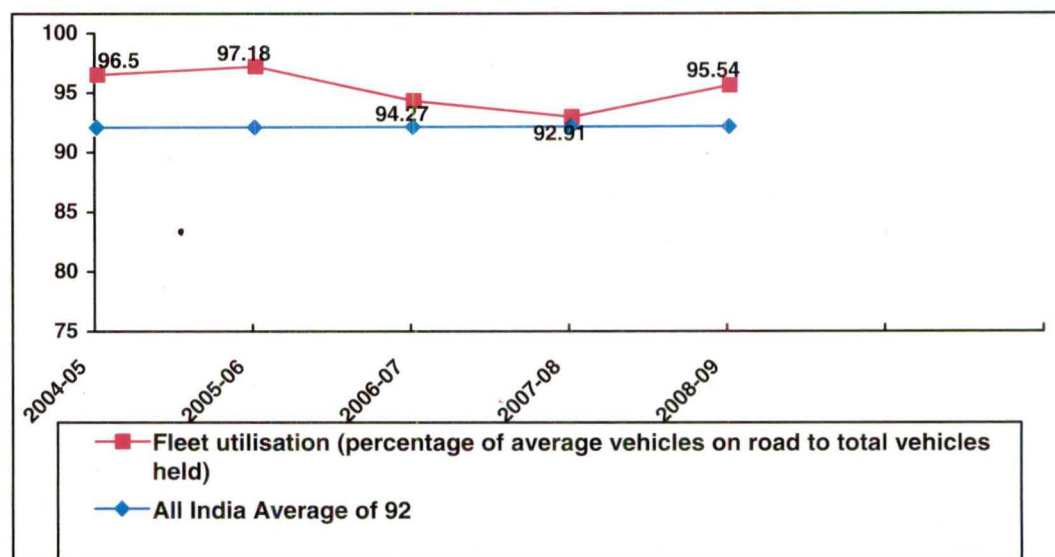
<sup>41</sup> Excludes hired buses.

### 1.4.10.2 Fleet utilisation

Andhra Pradesh, Tamil Nadu (Kumbakonam) and Tamil Nadu (Coimbatore) registered best fleet utilisation at 99.4, 98.4 and 98.3 per cent respectively during 2006-07. (Source: STUs profile and performance 2006-07 by CIRT, Pune)

Fleet utilisation represents the ratio of buses on the road to buses held by the Roadways. The Roadways had not set any target of fleet utilisation during the period from 2004-05 to 2008-09. The fleet utilisation of the Roadways varied from 96.50 per cent in 2004-05 to

95.54 per cent in 2008-09 as compared to the All India Average<sup>42</sup> of 92 per cent, as indicated in the graph given below.



The fleet utilisation of Roadways was higher than all India average during all the years under the review. However, despite better age profile, it was below the best performers whose utilisation ranged between 99.40 to 98.30 per cent. Thus, there was scope for improvement. The fleet utilization of the Roadways deteriorated during 2006-07 and 2007-08. The main reasons which contributed to this, as analysed by Audit, were as follow:

- ◆ Shortage of crew attributed cancellation of 98.69 lakh scheduled KMs as discussed in paragraph No. 1.4.12.3.
- ◆ Breakdown incidences were 6,941 leading to cancellation of 22.38 lakh scheduled KMs.
- ◆ Loss of 4,110 bus days due to delay in lifting fabricated buses during 2007-08 and 2008-09.

<sup>42</sup> All India Average is for the year 2006-07 which has been used for comparison for the period under review.

From the above, it can be concluded that the Roadways was not able to achieve an optimum utilisation of its fleet strength, which in turn impacted its operational performance.

#### 1.4.11 Vehicle productivity

Vehicle productivity refers to the average Kilometres run by each bus *per* day in a year. The vehicle productivity of the Roadways vis-à-vis the overage fleet for the five years ending 2008-09 is shown in the table below:

Sr. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Vehicle productivity (KMs run per day per bus)	359	363	352	355	366
2.	Overage fleet above eight years (percentage)	1.40	0.54	0.18	0.03	0.09

No targets of vehicle productivity have been fixed by the Roadways. The vehicle productivity declined during 2006-07 and 2007-08 due to shortage of operating crew and improved during 2008-09 after recruitment of operating crew. Compared to the All India Average of 313 KMs per day, the vehicle productivity of the Roadways

has been on higher side for all the years under review. However, it was far behind the best performers despite better age profile of the buses. The lower productivity was for want of crew and cancellation of scheduled KMs.

The Management stated that the Roadways operate in rural areas also which affects the vehicle productivity whereas the best performers are providing specialised service on long routes. The fact remains that the productivity could have been better but for the avoidable reasons.

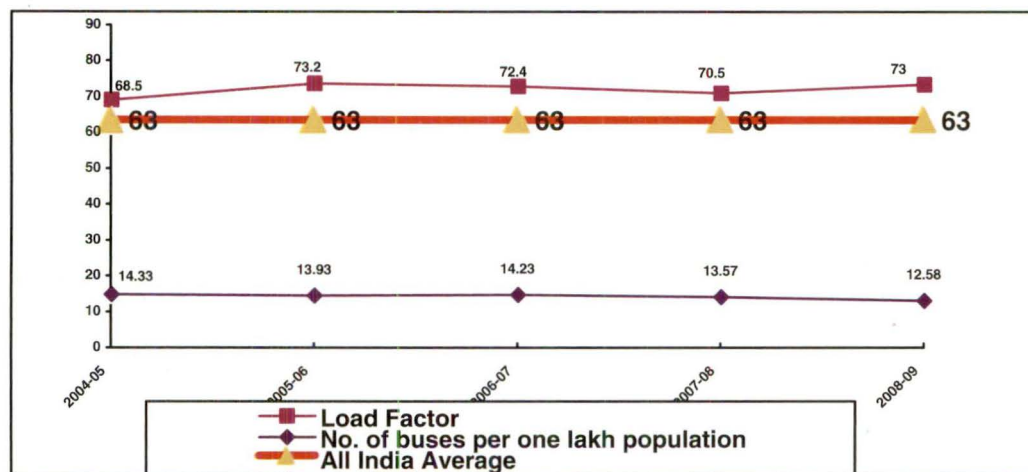
**Tamil Nadu (Villupuram) Tamil Nadu (Salem) and Tamil Nadu (Kumbakonam) registered best vehicle productivity at 474 469 and 462.8 KMs per day respectively during 2006-07. (Source : STUs profile and performance 2006-07 by CIRT, Pune)**

#### 1.4.12 Capacity utilisation

##### 1.4.12.1 Load factor

Capacity utilisation of a transport undertaking is measured in terms of Load Factor, which represents the percentage of passengers carried to seating capacity. The schedules to be operated are to be decided after proper study of routes and periodical reviews are necessary to improve the load factor. However, the Roadways has not conducted any survey of availability of passengers on different routes. The load factor of the Roadways increased from 68.5 *per cent* in 2004-05 to 73.00 *per cent* in 2008-09 against the All India Average of 63 *per cent*. A graph

depicting the Load factor vis-à-vis number of buses *per* one lakh population is given below.



The table below provides the details for break-even load factor (BELF) for traffic revenue as well as total revenue. Audit worked out this BELF at the given level of vehicle productivity and total cost per KM.

S. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Cost per KM (Rs)	18.01	19.31	20.61	20.11	23.33
2.	Traffic revenue per KM at 100 per cent load factor (Rs)	22.13	21.68	23.44	24.18	24.36
3.	Break – even Load Factor considering only traffic revenue	81.38	89.07	87.93	83.15	95.70

The break-even load factor is quite high and is not likely to be achieved given the present load factor and the fact that the Roadways is also required to operate uneconomical routes. Thus, while the scope to improve upon the load factor remains limited, there is tremendous scope to cut down costs of operations as explained in succeeding paragraphs.

#### 1.4.12.2 Route planning

Appropriate route planning to tap demand leads to higher load factor. The inter State routes are operated on the basis of bilateral agreements between the Transport Authorities of the respective States. Audit observed that no demand survey has been conducted by the Roadways for assessing availability of passengers within the State and the Roadways has not done proper route planning at corporate level as well as depot level in respect of routes within the state. As already mentioned in paragraph 1.4.8, the State Government issued 974, 62 and 206 stage carriage permits in 1993, 2001 and 2004 respectively to private operators. Of this, 974 routes were exclusively meant for private operators and 268 routes were to be operated jointly by Haryana Roadways and private operators. In all, Haryana Roadways has been operating total routes ranging from 1,516 to 1,545 during 2006-09, including inter State routes. The data of total



route kilometres and routes exclusively operated by Haryana Roadways were not compiled at head office.

Some routes are profitable while others are not. The Roadways has compiled the data of profit making and loss making routes from 2006-07 onwards. The position of three years ending 2008-09 in this regard is given in the Table below.

The percentage of profit making routes decreased from 4.88 in 2006-07 to 0.20 in 2008-09.

Particulars	Total No. of routes	No. of routes making profit	No. of routes not meeting total cost
2006-07	1,516	74 (4.88)	1,442 (95.12)
2007-08	1,471	51(3.47)	1,420 (96.53)
2008-09	1,545	3 (0.20)	1,542 (99.81 )

Due to increase in cost (fixed and variable) on account of revision of pay scales and increase in diesel price, the number of profit making routes have reduced from 4.88 *per cent* in 2006-07 to 0.20 *per cent* in 2008-09.

Though some of the routes now appearing unprofitable would become profitable once the Roadways improves its efficiency, there would still be some uneconomical routes. Given the scenario of mixed routes and obligation to serve uneconomical routes, an organization should decide an optimum quantum of services on different routes so as to optimise its revenue while serving the cause. However, no such exercise was carried out by the Roadways.

#### 1.4.12.3 Cancellation of scheduled kilometres

A review of the operations indicated that the scheduled kilometres were not fully operated mainly due to non-availability of adequate number of buses, shortage of crew and other factors like breakdowns, accidents, etc.

The details of scheduled kilometres, effective kilometres, cancelled kilometres calculated as difference between the scheduled kilometres and effective kilometres are furnished in the Table below:

(In lakh kilometres)

S. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Scheduled kilometres	4,189.74	4,209.91	4,165.05	4,013.31	4,005.62
2.	Effective kilometres	4,116.51	4,147.63	4,062.41	3,920.71	3,926.05
3.	Kilometres cancelled	73.23	62.28	102.64	92.60	79.57
4.	Percentage of cancellation	1.75	1.48	2.46	2.31	1.99
Cause-wise analysis						
5.	Want of buses			12.65	12.73	13.22
6.	Want of crew			37.71	60.98	19.68
7.	Others			52.28	18.89	46.67
8.	Contribution per KM (in Rs)			3.83	5.06	4.84
9.	Avoidable cancellation (want of buses and crew)			50.36	73.71	32.90
10.	Loss of contribution (8X9) (Rs in crore)			1.93	3.73	1.59

(Contribution= Traffic revenue minus variable cost)

Due to cancellation of scheduled kilometres for want of crew and buses the Roadways lost contribution of Rs. 7.25 crore.

It can be seen from the above table that the percentage of cancellation of scheduled kilometres varied from 1.48 to 2.46 during 2004-05 to 2008-09 and remained on the higher side as compared to the best performers. The head office of the Roadways has neither compiled and analysed cause wise kilometres cancelled nor reported to the management for taking corrective action.

Tamil Nadu (Salem), State Express Transport Corporation (Tamil Nadu) and Tamil Nadu (Villupuram) registered least cancellation of scheduled KMs at 0.45, 0.67 and 0.78 per cent respectively during 2006-07. (Source : STUs profile and performance 2006-07 by CIRT, Pune)

The data received from the depots relating to the years 2004-05 and 2005-06 was not available in the head office. The data for the years 2006-07 to 2008-09 received from the depots was compiled by Audit.

Due to cancellation of scheduled kilometres for want of buses and crew, the Roadways was deprived of traffic revenue of Rs 7.25 crore during 2006-07 to 2008-09 as worked out by Audit from the data supplied by the depots.

#### 1.4.13 Maintenance of vehicles

##### 1.4.13.1 Preventive maintenance

Preventive maintenance is essential to keep the buses in good running condition and to reduce breakdowns/other mechanical failures. The Roadways had Tata and Leyland make buses, for which the following schedule of maintenance has been prescribed by the Roadways.

Sr. No.	Particulars	Schedule
1.	<b>Brake Inspection (A service)</b>	
1 (a)	Tata make	Every 9,000 KMs
1 (b)	Leyland make	Every 8,000 KMs
2.	<b>Engine Oil change (B service)</b>	
2 (a)	Tata make	Every 18,000 KMs
2 (b)	Leyland make	Every 16,000 KMs

For ensuring compliance of the preventive maintenance schedule the depots were required to furnish the details of A and B service carried out each month to head office through monthly reports.

Audit observed that the required preventive maintenance schedules were not being adhered to. Further, records showing details of jobs carried out during A and B services have not been maintained by the depots. During test check of records of Yamunanagar, Karnal, Delhi, Gurgaon, Sirsa and Bhiwani depots it was seen that despite repeated instructions by head office, preventive maintenance schedule was not being adhered to by the depots. As per schedule, during 2004-09, 70,849 A services and 35,424 B services were required to be carried out but only 29,384 A (41 per cent) and 28,305 B (80 per cent) services were carried out in these depots. The reasons for shortfall in servicing were not found on record.

The Management stated that due to shortage of buses, the preventive maintenance schedule could not be adhered to and instructions have now been issued to follow the schedule strictly.

#### 1.4.13.2 Repairs and maintenance

A summarised position of fleet holding, over-aged buses, repairs and maintenance (R&M) expenditure for the last five years up to 2008-09 is given below.

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Total buses (No.) <sup>43</sup>	3,294	3,332	3,420	3,133	3,166
2.	Over-age buses (more than 8 years old)	46	18	6	1	3
3.	Percentage of over-age buses	1.40	0.54	0.18	0.03	0.09
4.	R&M Expenses <sup>44</sup> (Rs in crore)	13.72	13.76	14.60	16.93	21.73
5.	R&M Expenses per bus (in Rs) (4/1)	41,651	41,297	42,690	54,038	68,636

The expenditure on R&M has increased from Rs 13.72 crore in 2004-05 to Rs 21.73 crore in 2008-09 as the percentage of buses less than four year old has decreased from 64 *per cent* in 2004-05 to 43.49 *per cent* in 2008-09.

The Management stated that increase in cost of spare parts was one of the reasons for higher expenditure. In order to control expenditure on R&M the Roadways should treat it as a different cost centre. However, the Roadways has not been treating R&M expenditure as a different cost centre with the result proper cost data showing manpower cost and material cost has not been maintained. The data of R&M expenditure on right age and over-age buses has also not been maintained separately consequently effective cost control on this item of expenditure was not being exercised.

#### 1.4.14 Manpower cost

The cost structure of the organisation shows that manpower and fuel constitute 70.56 *per cent* of total cost. Interest, depreciation and taxes the costs which are not controllable in the short-term account for 20.84 *per cent*. Thus, the major cost saving can come only from manpower and fuel.

**Gujarat, Tamil Nadu (Villupuram) and Tamil Nadu (Salem) registered best performance at Rs. 6.10 Rs. 6.13 and Rs. 6.21 cost per effective KM respectively during 2006-07.**  
(Source : STUs profile and performance 2006-07 by CIRT, Pune)

Manpower is an important element of cost which constituted 41.19 *per cent* of total expenditure of the Roadways in 2008-09. Therefore, it is imperative that this cost is kept under control and the manpower is utilised optimally to achieve high productivity. The Table

<sup>43</sup> Excluding hired buses.

<sup>44</sup> Does not include staff cost of R/M officials.

below provides the details of manpower, its cost and productivity.

Sl.No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Total Manpower (Nos.)	18,675	18,016	17,240	16,699	18,299
2.	Manpower Cost (Rs in crore) <sup>45</sup>	236.33	241.65	260.08	280.43	377.38
3.	Effective KMs (in lakh)	4,116.51	4,147.63	4,062.41	3,920.71	3,926.05
4.	Cost per effective KM (Rs)	5.74	5.83	6.40	7.15	9.61
5.	Productivity per day per person (KMs) (3/1x365)	60.39	63.07	64.56	64.33	58.78
6.	Total Buses (No.)	3,294	3,332	3,420	3,133	3,166
7.	Manpower per bus (1/6)	5.67	5.41	5.04	5.33	5.78

The manpower productivity per day has decreased from 60.39 km in 2004-05 to 58.78 km in 2008-09 but was above all India average. Manpower cost was also

**North West Karnataka State Road Transport, Karnataka State Road Transport and Himachal Pradesh registered best performance at 4.89, 4.99 and 4.94 manpower per bus. (Source: STUs profile and performance 2006-07 by CIRT, Pune )**

below all India Average of Rs 7.50 per effective KM except during 2008-09. The bus staff ratio was below all India average of 6.52 per bus. However, the bus ratio of other staff ranged between 2.34 to 2.77 which was higher than the all India average of 2.04 per bus in 2006-07 which resulted in low manpower productivity.

The State Government has fixed norms of 1.4 for drivers and conductors each per bus. During 2005-08, there was shortage of drivers which resulted in non operation of buses and cancellation of 1.18 crore scheduled kilometres as discussed in paragraph 1.4.12.3. The Roadways implemented (January 2009) the recommendations of 6<sup>th</sup> pay commission with effect from January 2006 and paid 40 per cent arrear of pay upto 31 March 2009.

In addition, the Roadways in anticipation of induction of new fleet made recruitment of conductors (1,652) and drivers (810) in June/July 2008 though purchase orders for buses were placed in March 2009. It increased staff cost by Rs 8.05 crore on excess drivers (423) and conductors (1,597) during July 2008 to March 2009. Thus, the expenditure on manpower increased from Rs 280.43 crore in 2007-08 to Rs 377.38 crore in 2008-09 registering an increase of 34.57 per cent. Therefore, the element of manpower cost to total cost increased from 35.57 per cent in 2007-08 to 41.20 per cent in 2008-09.

The Management admitted that there was mismatch due to administrative reasons and now they have taken care to prevent this situation.

<sup>45</sup> It will not tally with personnel cost in table under paragraph 1.4.5 since above cost includes variable elements also viz overtime, TA etc.

**1.4.15 Fuel cost**

Fuel is a major cost element which constituted 29.37 per cent of total expenditure in 2008-09. Control of fuel costs by a road transport undertaking has a direct bearing on its productivity. The **Table** below gives the targets fixed by the Roadways for fuel consumption, actual consumption, mileage obtained *per litre* (Kilometre *per litre* i.e. KMPL), All India Average and estimated extra expenditure.

Sr. No.	Particulars		2004-05	2005-06	2006-07	2007-08	2008-09
1.	Gross Kilometres (in lakh)	for TATA buses	2,193.71	2,205.09	2,184.02	2,079.08	2,061.49
		for Leyland buses	2,000.96	2,021.66	1,960.65	1,859.44	1,818.59
		<b>Total</b>	<b>4,194.67</b>	<b>4,226.75</b>	<b>4,144.67</b>	<b>3,938.52<sup>46</sup></b>	<b>3,880.08<sup>46</sup></b>
2.	Actual consumption (in lakh litres)	for TATA buses	451.03	445.10	434.84	418.17	420.80
		for Leyland buses	408.97	410.09	389.80	374.77	370.87
		<b>Total</b>	<b>860.00</b>	<b>855.19</b>	<b>824.64</b>	<b>792.94</b>	<b>791.67</b>
3.	Kilometre obtained per litre (1/2)	4.88	4.94	5.03	4.97	4.90	
4.	Target of KMPL fixed by Roadways	for TATA buses	5.00	5.00	5.15	5.15	5.15
		for Leyland buses	5.00	5.00	5.10	5.10	5.10
5.	Consumption as per targets (litres) (1x4)	for TATA buses	438.74	441.02	424.08	403.7	400.29
		for Leyland buses	400.19	404.33	384.44	364.6	356.59
		<b>Total</b>	<b>838.93</b>	<b>845.35</b>	<b>808.52</b>	<b>768.3</b>	<b>756.88</b>
6.	Excess Consumption (in lakh litres) with respect to targets (2-5)	for TATA buses	12.29	4.08	10.76	14.47	20.51
		for Leyland buses	8.78	5.76	5.36	10.17	14.28
		<b>Total</b>	<b>21.07</b>	<b>9.84</b>	<b>16.12</b>	<b>24.64</b>	<b>34.79</b>
7.	Average cost per litre (in Rs)	23.29	28.05	30.55	30.05	32.51	
8.	Extra expenditure (Rs in crore) (7X6)	4.91	2.76	4.92	7.40	11.31	

Due to non-achievement of targets of KMPL the Roadways consumed excess diesel valued at Rs 31.30 crore

It was seen in Audit that the percentage of dead kilometres to total kilometres operated has increased from 1.86 per cent in 2004-05 to 2.03 per cent in 2008-09.

North East Karnataka State Road Transport, Uttar Pradesh and Andhra Pradesh registered mileage of 5.45, 5.33 and 5.26 KMPL. (Source : STUs profile and performance 2006-07 by CIRT, Pune)

The fuel efficiency of the Roadways was above the all India average during 2004-07 but still there is scope for improvement as it is below the best performers. It can be seen from the above table that the mileage obtained *per litre* has shown a rising trend from 2004-05 to 2006-07 but declined

during 2007-08 and 2008-09. The Roadways consumed 106.46 lakh litres of fuel in excess as compared to target fixed by the Roadways, considering the local situations, during 2004-05 to 2008-09 resulting in extra expenditure of Rs 31.30 crore.

For controlling fuel cost, the Roadways fixed the norms of consumption of diesel for other<sup>47</sup> than buses at one per cent of the total diesel consumed. It was noticed

<sup>46</sup> Excluding kilometres of CNG buses.

<sup>47</sup> Departmental vehicles, workshops and generators.

that during 2004-09, the depots consumed 63.35 lakh liters diesel in excess of norms resulting in extra diesel cost of Rs 18.25 crore.

#### **1.4.16 Cost effectiveness of hired buses**

The Roadways started in October 2005 hiring private Volvo buses on Kilometre payment basis (KM Scheme). Agreements with the private bus owners were initially entered into for a period of one year under KM scheme. The owners of these buses were required to provide buses with drivers and to incur all expenditure for the repair and maintenance of the buses. The Roadways was to provide diesel, conductors and make payment as per the actual Kilometres operated by the hired buses. During October 2005 to February 2008, the Roadways earned a net profit of Rs 4.32 crore from the operation of four to ten hired Volvo buses.

The sanctioned fleet strength of the Roadways is 3,500 buses which the Roadways has proposed to increase to 4,500 buses at the end of the 11<sup>th</sup> five year plan. Against this, the fleet strength was 3,409 buses as on 1 April 2004 which reduced to 3,166 buses as on 31 March 2009. Punjab Roadways had hired ordinary buses on kilometre basis and earned profit in all the years. The Roadways did not explore this option to fill the gap by hiring of ordinary buses also. By exercising this option the Roadways could have provided more bus services to the passengers besides earning net income.

The Management stated that buses were not available for short term operation and there was no policy decision to hire buses on long term basis. The fact, however, remains that there was shortage of fleet in all the five years and the State Government should have formulated policy and the Roadways should have exercised this option, being profitable.

#### **1.4.17 Body building**

The HREC purchases the bus chassis from manufacturers and after body fabrication, the buses are transferred to Haryana Roadways. The body fabrication is done on cost plus basis. The fabrication cost of ordinary bus was Rs 4.70 lakh and was economical when compared with the fabrication got done by Punjab State Bus Stand Management Company Limited (PUNBUS) through private contractors at Rs 5.72 lakh per bus during 2007-08.

#### **1.4.18 Financial management**

The section below deals with the Roadways' efficiency in raising claims and their recovery. This section also analyses whether an opportunity exists to realign the

business model to generate more resources without compromising on service delivery.

#### **1.4.18.1 Claims and dues**

The Roadways provide free/concessional passes to various categories of public like students, senior citizens, etc as per decision of the State Government from time to time. Free travel facility is available to freedom fighters, handicapped persons, journalists, MLA/MPs, widows of armed forces, etc. While ten single fares are charged from male students, five fares are charged from female students for a month. Sports persons are given 75 per cent concession. Police personnel are charged at the rate of Rs 80 per month. The depots intimate the estimated loss on this account and the same is compiled at head office. There is, however, no system of reimbursement of the financial burden by the Government. The Roadways has estimated the loss of Rs 477.99 crore during 2004-05 to 2007-08 on this account which was more than the net loss of Rs 443.83 crore during this period. The data of loss worked out by Roadways is not susceptible to audit verification in the absence of any system of accounting of free/concessional traveling by entitled categories. The issue pertaining to measurement of free/concessional travel by various categories of travellers and working out the modality of inter departmental fund transfer to Roadways for meeting the subsidized travel burden borne by the Roadways was discussed in the meeting chaired by the Chief Minister on 17 September 2008. It was decided that Financial Commissioner and Principal Secretary, Finance would convene meetings of sponsoring departments.

The Management stated that modalities for reimbursement from the respective departments have been worked out and budget provisions would be made from next year for reimbursement.

#### **1.4.19 Realignment of business model**

The Roadways is mandated to provide an efficient, adequate and economical road transport to public. Therefore, the Roadways cannot take an absolutely commercial view in running its operations. It has to cater to uneconomical routes to fulfil its mandate. It also has to keep the fares affordable. In such a situation, it is imperative for the Roadways to tap non-traffic revenue sources to cross-subsidise its operations. However, the share of non-traffic revenues was nominal at 3.12 per cent of total revenue during 2004-09. This revenue of Rs 107.57 crore during 2004-09 mainly came from advertisements and restaurant/shop rentals. Audit observed that the Roadways has non-traffic revenue sources which it has not tapped substantially.

Over a period of time, the Roadways has come to acquire sites at prime locations in cities, district and tehsil headquarters. The Roadways generally uses the ground floor/land for its operations, leaving an ample scope to construct and utilise

spaces above. Audit observed that the Roadways has land (mostly owned by Government) at important locations measuring about 18.86 lakh square metres as shown below.

Particulars	Cities (Municipal areas)	District HQrs.	Tehsil HQrs.	Total
Number of sites	20	21	47	88
Occupied Land (In lakh square metres)	4.28	8.11	6.47	18.86

It is, thus, possible for the Roadways to undertake projects on public private partnership (PPP) basis for construction of shopping complexes, malls, hotels, office spaces, etc. above (from first or second floor onwards) the existing sites so as to bring in a steady stream of revenues without any investment by it. Such projects can be executed without curtailing the existing area of operations of the Roadways. Such projects can yield substantial revenue for the Roadways which can only increase year after year. The policy to develop bus stands on Build, Operate and Transfer (BOT) basis was approved by the State Government in October 2005 and eight locations were selected in the first instance.

The Management stated that 12 more bus stands have been selected which would be developed through public private participation for which process has been initiated.

## **Fare policy and fulfilment of social obligations**

### **1.4.19.1 Existence and fairness of fare policy**

Integrated transport policy documents issued in April 2002 by Government of India, Ministry of Road Transport and Highways provided that the State Government should set up regulatory body/authority for fixation of tariff and ensuring road safety and regularity of service by transport operators. The State Government had not appointed an independent regulatory authority and the fare structure is decided by the State Government on the proposals sent by the Roadways. The fare<sup>48</sup> approved by the State Government is applicable to all the operators.

The Roadways proposed (April 2003) increase of 15 per cent in the fare against which the Government approved 12.5 per cent revision from August 2003. Further, against the proposal (July 2005) of 20 per cent increase, the State Government approved (March 2006) increase of 11.11 per cent from April 2006. The fare per KM was 45 paise during 2004-05 to 2005-06 and 50 paise thereafter. However, the minimum fare was Rs 2.00. The total fare charged from the passengers upto March 2007 included 60 per cent passenger tax on basic fare. The rate of passenger tax was reduced by the State Government from 60 to 25 per cent with effect from 1 April 2007 and this reduction in passenger tax was added in the basic fare without changing the fare charged from the passengers. With this the traffic receipt of operators increased by 8.75 paise per kilometre. Thus, traffic

<sup>48</sup> Fare includes passenger tax.



revenue of Roadways increased by Rs 219.94 crore during 2007-08 and 2008-09. However, tax burden is still on the higher side being 25 *per cent* of the basic fare.

#### **1.4.19.2 Loss due to non-revision of concessional fare**

The facility of concessional travelling to the police personnel (constable to inspector) was being allowed by the Government against payment of Rs 70 per personnel per month to the Roadways. While approving the increase in monthly recoveries from Rs 45 to Rs 70 from 1 April 2000, the Government had desired that in future the increase may be linked with increase in bus fare. It was noticed in audit that the bus fare was increased by 12.50 *per cent* with effect from 19 August 2003 and 11.11 *per cent* with effect from 1<sup>st</sup> April 2006. Despite the increase in bus fare twice, the monthly recovery was increased only from Rs 70 to Rs 80 with effect from 1<sup>st</sup> July 2005. Since recovery of concessional travel has not been linked with the increase in bus fare, Roadways suffered revenue loss Rs 1.45 crore during 2003-04 to 2007-08.

The above facts lead to conclude that it is necessary to regulate the fares on the basis of a normative cost and it would be desirable to have an independent regulatory body (like State Electricity Regulatory Commission) to fix the fares, specify operations on uneconomical routes and address the grievances of commuters.

The Management stated (September 2009) that there is no regulatory body/authority constituted to decide fair structure. The fair structure is decided by the State Government keeping in view various factors like operational cost, fair structure in the neighbouring State and affordability by the common man.

#### **1.4.19.3 Adequacy of services on uneconomical routes**

The profitable routes declined from 4.88 *per cent* in 2006-07 to 0.20 *per cent* in 2008-09 as shown in Table under paragraph 1.4.12.2. However, the position would change marginally if the Roadways improves its efficiency. Nonetheless, there would still be some routes which would be uneconomical. Though the Roadways is required to cater to these routes, the Roadways has not formulated norms for providing services on uneconomical routes. In the absence of norms, the adequacy of services on uneconomical routes cannot be ascertained in audit. There is no arrangement in vogue for reimbursement of excess cost on uneconomical routes operated by the Roadways. In the absence of such a system the loss suffered by the Roadways distracts it from ensuring adequacy and regularity of service on these routes.

The State Government had allocated 974 routes exclusively to private operators. In the depots test checked in Audit it was noticed that there was no mechanism to ensure adequacy/regularity in services by these operators. The desirability to have an independent regulatory body to specify the quantum of services on uneconomical routes, taking into account the specific needs of commuters, is further underlined.

#### **1.4.20 Monitoring by top management**

##### ***1.4.20.1 Management Information System data and monitoring of service parameters***

For an organisation like Roadways to succeed in operating economically, efficiently and effectively, there has to be written norms of operations, service standards and targets. Further, there has to be a Management Information System (MIS) to report on achievement of targets and norms. The achievements need to be reviewed to address deficiencies and also to set targets for subsequent years. The targets should generally be such that the achievement of which would make an organisation self-reliant. In the light of this, Audit reviewed the system obtaining in the Roadways. The status in this regard is given below.

The targets for physical parameters are set in the commercial officers (COs) meetings headed by the Transport Minister. The physical and financial data in respect of various performance parameters, elements of cost and revenue are submitted monthly by the depots to head office which compiles the data for review and monitoring by top management in COs meetings headed by Transport Minister wherein Secretary Transport, Transport Commissioner and all GMs and divisional heads are present. Minutes of the meetings are circulated to the GMs of the depots and concerned officers. The action taken on the decisions of the previous meeting is also discussed in the meeting and minutes.

Audit observed that the Roadways did not set targets for important operational parameters i.e. fleet utilisation, vehicle productivity, staff productivity and load factor to improve performance through monitoring against targets. Data of A and B services were not compiled and consolidated at head office level for monitoring preventive maintenance. Further, no norm of expenditure per bus on repairs and maintenance has been prescribed to control expenditure. The head office did not maintain data relating to number of routes, route kilometres and frequency of trips to work out exact number of scheduled kilometres each year. Moreover, Proforma Accounts of the Roadways were in arrears due to non monitoring by the top management.

The Management stated that in order to improve quality of data maintenance and monitoring of key physical and financial parameters the Roadways has developed a web based on-line integrated depot management system which has been implemented in two depots i.e. Hisar and Rohtak. The system will be implemented in the remaining depots.

#### **1.4.21 Conclusion**

##### ***1.4.21.1 Operational performance***

- Availability of Roadways buses per lakh of population reduced from 14.33 in 2004-05 to 12.58 buses in 2008-09.

- The Roadways could not recover the cost of operations in any of the five years under review. This was mainly due to non reimbursement of cost of concessional and free travelling allowed to various categories of society by the State Government besides higher element of passenger tax.
- The Roadways carried out preventive maintenance in 41 *per cent* cases for A services and 80 *per cent* cases for B services, as seen in selected depots.
- The Roadways has scope to improve its operations as its performance on important operational parameters such as fleet utilization, vehicle productivity and load factor was not up to performance of best STUs in respective categories though it was above all India averages.

#### **1.4.21.2 Financial management**

- The Roadways has tremendous potential to tap non-conventional sources of revenue on which the process has been initiated.

#### **1.4.21.3 Fulfilment of social obligations**

- The Roadways does not have any yardstick for adequacy of operation on uneconomical routes.

#### **1.4.21.4 Monitoring by top management**

- The monitoring by the top management was deficient.

### **1.4.22 Recommendations**

#### **1.4.22.1 The Roadways may:**

- explore the possibility of hiring ordinary buses to increase its fleet strength and share in passenger traffic;
- fix internal targets of physical and financial performance to improve its working; and
- accelerate the process for tapping non-conventional sources of revenue on a large scale.

#### **1.4.22.2 The State Government may:**

- consider creating a regulator to regulate fares and also services on uneconomical routes;
- devise a policy for time bound reimbursement of cost towards concessional travel;
- reduce passenger tax burden which is very high; and
- consider corporatisation of Roadways for flexibility in operations.



## **CHAPTER-II**

# **AUDIT OF TRANSACTIONS**



## Chapter II

### AUDIT OF TRANSACTIONS

Audit of the transactions of the Departments of Government, their field formations as well as that of the autonomous bodies brought out several instances of lapses in management of resources and failures in the observance of the norms with reference to regularity, propriety and economy. These have been presented in the succeeding paragraphs under broad objective heads.

#### 2.1 Fraud/misappropriation/embezzlement/losses/over payments

##### Health and Medical Education Department and Education Department

###### 2.1.1 Suspected embezzlement

Failure of the Drawing and Disbursing officers in observing prescribed financial checks resulted in suspected misappropriation of Rs 6,60,325.

Punjab Financial Rules (PFR) as applicable to Haryana, *inter-alia*, require the Drawing and Disbursing Officer (DDO) to satisfy himself that every payment voucher bears an acknowledgement of payment and all monetary transactions are entered in the cash-book as soon as they occur and the same are attested by the concerned DDO. Rules further provide that at the end of each month, the head of the office is required to verify the cash balance in the cash-book and record a signed and dated certificate to that effect. If a Government employee, who is not in-charge of cash-book, receives money on behalf of Government, he is required to remit the same at the earliest opportunity to the Government employee having a cash-book or deposit the amount to the treasury. The head of the office is also required to verify all the entries including total of all entries in the cash-book or have this done by some responsible official other than the writer of the cash-book and initial all entries as correct. All receipts should be credited into the treasury on the same day or on the next day at the latest and there should be a corresponding entry of the same on the payment side of the cash-book.

###### (a) Health and Medical Education Department

i) Scrutiny of records (September 2008) of Civil Surgeon (CS), Jind revealed that an amount of Rs 3,88,485 was drawn (between August 2007 and March 2008) from treasury under Devi Rupak Yojana (DRY) and Janani Suraksha Yojana (JSY) for payment to the Community Health Centres (CHC) and for payment of house tax to Municipal Committee, Jind. Out of this, an amount of Rs 1,62,185 was shown as disbursed (October 2007

and March 2008) in the cash-book but there were no proper receipts to confirm these disbursements. Further, Rs 1,80,500 were neither disbursed nor deposited in treasury till 2 September 2008 though the amount had been drawn five to twelve months in advance. Thus, these amounts were misappropriated by the cashier. On being pointed out during audit (03 September 2008), the CS, Jind recovered the amount from the cashier and the amounts were disbursed and deposited in the treasury as detailed in *Appendix XVI*. Failure of the DDO to check and attest the entries in the cash-book with the actual payee receipts and non-verification of cash balance with cash-book at the end of the month facilitated the suspected misappropriation of Rs 3,42,685. The Director General, Health Services, stated (January 2009) that the departmental disciplinary action was being taken against the defaulter but the final outcome was awaited (May 2009).

ii) Similarly, scrutiny of records (January/February 2009) of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak (PGIMS) which was upgraded as Pandit Bhagwat Dayal Sharma University of Health Sciences, Rohtak (University) vide Haryana Act 26 of 2008 dated 02 June 2008 revealed that cash was being collected by the cashier from patients against receipts in the radiology department of PGIMS/University on account of head scan, whole body scan, ultra sound, etc. As no cash-book was being maintained in the radiology department, the amount so collected was deposited in the cash branch of PGIMS/University for crediting the same to the Government account upto 20 July 2008 and thereafter in the bank account of the University. Further, scrutiny of daily receipt books and cash receipt registers as maintained by the radiology department revealed that there was a suspected misappropriation of Rs 2,58,235 wherein Rs 1,64,405 from October 2007 to 20 July 2008 and Rs 93,830 from 21 July 2008 to 16 January 2009 due to short/non-accountal of receipts in daily cash receipt registers including totalling errors and carrying forward of incorrect balances. Failure of the DDO to check the entries made in the cash receipt registers and to verify the totalling of the daily cash receipt registers facilitated the suspected misappropriation of Rs 2,58,235.

On being pointed out during audit (February 2009), the department conducted the internal audit and worked out the misappropriated amount as Rs 2,94,955. The Financial Commissioner and Principal Secretary to Government of Haryana, Health and Medical Education Department stated (July 2009) that the total misappropriated amount of Rs 2,94,955 has been recovered (May 2009) from the cashier and deposited (May 2009) in the University Bank Account. The then cashier of radiology department had been placed under suspension and charge sheet was being issued. However, final outcome of the case was awaited (June 2009).

**(b) Education Department**

Scrutiny of records (May 2008) of Block Education Officer (BEO), Jatusana (Rewari) revealed that an amount of Rs 22,685, on account of undisbursed



incentive money, was returned (between May 2006 and April 2008) by centre in-charges/school heads to the BEO's office. The amount was neither taken in the cash-book nor deposited in treasury. Thus, the amount of Rs 22,685 was misappropriated. On being pointed out in audit, the BEO, Jatusana intimated (February 2009) that Rs 22,685 have been recovered and deposited in treasury on 15 December 2008. However, no departmental action had been initiated against the defaulter.

Thus, due to failure of the DDOs in exercising the checks as prescribed under Financial Rules facilitated the suspected misappropriation of Rs 6,60,325. The entire amount has been recovered from the defaulters as stated above. Further, departmental action to fix the responsibility of the defaulting officials/officers was awaited.

All the above points were demi-officially referred to the Financial Commissioners and Principal Secretaries to Government of Haryana of the Departments concerned in November 2008 and March 2009; reply to sub-para (a) (i) and (b) had not been received (August 2009).

#### Home and Jail Department

##### 2.1.2 *Fraudulent drawal of City Compensatory Allowance and House Rent Allowance*

City Compensatory Allowance and House Rent Allowance amounting to Rs 1.33 crore was drawn and disbursed to employees posted at Bhondsi, on the basis of a fraudulent letter, by the Police and Jail Departments.

The State Government revised (1998) the rates of City Compensatory Allowance (CCA) and House Rent Allowance (HRA) for its employees. The rates of HRA were revised again in December 2004. The HRA and CCA were admissible to all the employees on the basis of classification of cities/towns/villages as notified by the State Government. As per this notification, village Bhondsi of district Gurgaon was not included in any area/city/town classified for entitlement of CCA and for the purpose of HRA it was covered in the category of unclassified cities/towns/villages.

Scrutiny of records (between June 2007 and March 2009) of the Commandants, 1<sup>st</sup> and 3<sup>rd</sup> India Reserve Battalions (IRBs), Inspector General of Police, Centre for Police Training and Research, Superintendent of Police, Recruit Training Centre (RTC), Superintendent, District Jail, Gurgaon and information collected (March 2009) from Commandant 2<sup>nd</sup> IRB (all offices situated at village Bhondsi) revealed that employees posted in these offices were paid CCA and HRA at the rates as were applicable for Gurgaon city. It was further noticed that these allowances were paid on the basis of a letter dated 2 July 2002 stated to be issued by the Financial Commissioner and Principal Secretary to Government of Haryana, Home Department authorising payment of CCA and HRA to the employees

of Police Training Centre, Bhondsi at Gurgaon city rates. Since Bhondsi falls outside the municipal limits of Gurgaon and is a gram panchayat, the payment of HRA and CCA at Gurgaon rates was objected by audit (June 2007 and March 2009) and simultaneously a reference was made to the Financial Commissioner and Principal Secretary to Government of Haryana, Home Department, seeking confirmation of the orders issued during July 2002. The Financial Commissioner clarified (January 2009) that no decision had yet been taken for granting CCA and HRA at the rates of Gurgaon city to police employees working at Bhondsi and intimated that the letter dated 2 July 2002 had been tampered with for which a separate inquiry was being conducted.

The CCA and HRA were drawn and paid at higher rates to all the police personnel posted in Bhondsi on the basis of a fake document/authority with effect from August 2002. This resulted in inadmissible payment of CCA and HRA amounting to Rs 1.33 crore (CCA Rs 0.94 crore plus HRA Rs 0.39 crore) during the period between November 2001 to February 2009. Against this inadmissible payment of CCA and HRA, a sum of Rs 0.89 crore had been recovered (February-June 2009) from the monthly salary and arrears of pay and allowances due to the employees.

On being pointed out during audit (January 2009), the Director General of Police, Haryana admitted the facts and stated (February 2009) that a First Information Report (FIR) had been registered (January 2009) at Police Station, Bhondsi and the investigation was being conducted by State Crime Branch, Panchkula. It was further stated that the directions had been issued to discontinue the inadmissible payment of CCA and HRA and to recover the excess amount already paid to the employees. The department intimated (August 2009) that no inadmissible payment was made after February 2009.

Thus, the City Compensatory Allowance and House Rent Allowance amounting to Rs 1.33 crore was drawn on the basis of a fraudulent letter by Police and Jail Departments and paid to the employees. Final outcome of the investigation and recovery of the amount paid was awaited (June 2009).

The matter was demi-officially reported to the Financial Commissioner and Principal Secretary to Government of Haryana, Home and Jail Department in January 2009; reply had not been received (August 2009).

## Education Department

### 2.1.3 Loss due to non-utilisation of Central grant

**Loss of interest amounting to Rs 19.20 lakh due to irregular retention of GOI grant of Rs 2.60 crore meant for implementation of Expanded Operation Blackboard Scheme in Schools for more than eight years in saving/current bank accounts.**

The 'Expanded Operation Blackboard' (OBB) scheme modified (June 1993) by Government of India (GOI) to cover upper primary schools was aimed to provide teaching-learning equipment i.e. text books, teacher guides, maps, education charts, children books, reference books, blackboard, chalk, duster, furniture, mats, play material, etc. Each school under the scheme was required to receive Rs 50,000 for its implementation. As the scheme envisaged community participation, Rs 10,000 were to be contributed by the *Gram Panchayat* (GP) and the balance Rs 40,000 by GOI. The GOI, Ministry of Human Resources Development (Department of Education) sanctioned a grant of Rs 4.60 crore on 26 March 1999 for implementing the scheme in 1,150 upper primary schools. As the funds were released at the fag end of the financial year, the GOI extended (April 2001) the period of utilisation of unspent balances upto 30 September 2001 failing which the unutilised amount was to be refunded.

Scrutiny of records (May 2002-January 2005) of nine<sup>1</sup> District Education Officers (DEOs) and relevant information collected (January/February 2009) from all the DEOs revealed that the Director, Secondary Education, Haryana (Directorate) released (September 2001) Rs 4.60 crore to 19 DEOs for purchase of teaching-learning equipment for 1,150 schools. As per instructions of Directorate (11 March 2002), these funds were to be utilised by 31 March 2002. An analysis of utilisation of funds by the DEOs revealed the following;

- Only five<sup>2</sup> DEOs were able to utilise completely the amount of Rs 1.28 crore released for 321 schools although matching contribution was not received from 126 GPs;
- Out of the total central grant of Rs 1.48 crore released to six<sup>3</sup> DEOs for 370 schools, only Rs 0.72 crore were spent although matching contribution from 49 GPs was not received. Matching grant of Rs 0.30 lakh also remained unspent;
- In the remaining eight districts, the DEOs had received central grant of Rs 1.84 crore for 459 schools but did not utilise the grant at all, although the matching grant of Rs 24.70 lakh was received from the GPs for 247 schools;

<sup>1</sup> DEOs: Bhiwani, Fatehabad, Kaithal, Karnal, Kurukshetra, Panipat, Sirsa, Narnaul and Yamunanagar.

<sup>2</sup> DEOs: Faridabad, Jind, Rewari, Sonipat and Yamunanagar.

<sup>3</sup> DEOs: Ambala (Rs 8.81 lakh), Bhiwani (Rs 26.70 lakh), Gurgaon (Rs 8.31 lakh), Mahendragarh (Rs 14 lakh), Panchkula (7.20 lakh) and Rohtak (Rs 6.97 lakh).

- Five<sup>4</sup> DEOs spent central grant of Rs 70.72 lakh on 175 schools even though the matching contribution had not been received from the concerned GPs.

Thus, the central grant of Rs 2.60 crore, apart from GPs contribution of Rs 0.25 crore remained unutilised (January 2009) for more than eight years. Out of central grant of Rs 2.60 crore, Rs 2.12 crore were kept in saving bank account and Rs 0.48 crore in current account. The department earned interest of Rs 0.49 crore on the amount in saving account, however, interest (Rs 19.20 lakh<sup>5</sup>) was not earned on Rs 48 lakh kept in current bank account.

The Commissioner and Director General, Secondary Education stated (December 2008) that the funds could not be utilised due to non receipt of share from GPs and GOI had been requested to extend the period of utilisation upto 31 March 2009. The GOI, however, refused (May 2009) to grant the extension and directed the State Government to refund the unutilised funds of the scheme with interest.

Thus, State Government failed to utilise the GOI grant of Rs 2.60 crore provided (September 2001) for implementation of Expanded Operation Blackboard Scheme in schools for more than eight years and also suffered a loss of interest of Rs 19.20 lakh due to parking of funds in the current bank accounts.

The matter was demi-officially reported to Financial Commissioner and Principal Secretary to Government of Haryana, Education Department in March 2009; reply had not been received (August 2009).

### **Education Department (Maharshi Dayanand University, Rohtak)**

#### **2.1.4 Loss due to non-availing of full Central assistance**

**Due to lack of planning and slackness in submitting the revised plans/ estimates to Government of India, Maharshi Dayanand University, Rohtak suffered a loss of Central assistance of Rs 49.88 lakh.**

In order to overcome the problem of affordable and safe accommodation for working women, Government of India, Ministry of Human Resource Development, Department of Women and Child Development (GOI) introduced (April 2001) a scheme to provide assistance by construction/expansion of hostel buildings for 100 inmates for working women with a day-care centre in cities, smaller towns and rural areas. The GOI was to provide 75 per cent of the cost of the building as grants-in-aid, out of which 90 per cent was to be paid in three equal instalments after receipt of utilisation certificate of previous instalments and the balance 10 per cent was to be released on the receipt of the completion

<sup>4</sup> DEOs: Bhiwani (Rs 20.32 lakh), Faridabad (Rs 12.40 lakh), Jind (Rs 19.20 lakh), Rewari (Rs 2.80 lakh) and Yamunanagar (Rs 16 lakh).

<sup>5</sup> Calculated at the rate of five per cent per annum for eight years i.e. from September 2001 to August 2009.

certificate and audited expenditure. The building was to be constructed strictly in accordance with the plan approved by GOI. No change in the plan was to be made without the prior approval of GOI. The work was to be completed within 24 months from the date of receipt of first instalment of grants-in-aid.

A proposal for construction of a working women hostel for only 48 inmates, submitted (May 2002) to GOI by Maharshi Dayanand University, Rohtak (MDU) was approved in October 2004 for a total estimated cost of Rs 45.70 lakh with a condition that no escalation would be allowed. In the meantime, the Vice-Chancellor (VC) desired (November 2004) that hostel be constructed for the capacity of 72 inmates. Though VC, MDU decided (December 2004) to process and submit the revised estimated cost to GOI for release of grant but the revised proposal was not submitted to GOI. Central assistance of Rs 34.28 lakh was sanctioned (May 2005) and two instalments amounting to Rs 20.57 lakh were received upto May 2007.

Scrutiny of records (November-December 2008) of the Registrar, MDU revealed that the work "Construction of Working Women Hostel with Day Care Centre for Children" was allotted (January 2006) to a contractor at an approximate cost of Rs 44 lakh with a completion time of 10 months. After commencement of the construction work for two storey hostel building, the revised rough cost estimate for construction of third floor was prepared and administrative approval of Rs 88.83 lakh (October 2006) was accorded. This was further enhanced to Rs 94.97 lakh in April 2007. But the revised building plan and estimates were not submitted to GOI for approval. The work was completed (June 2007) after incurring an expenditure of Rs 1.12 crore.

The above chronology of events depicted that the decision to add an extra floor to the building was taken after one month of GOI's approval of the proposal in October 2004 and much before the sanction and release of central assistance. The preparation and approval of revised cost estimate took almost two years. Due to this lack of planning and slackness, MDU suffered a loss of Rs 49.88 lakh<sup>6</sup> as it failed to avail the central assistance on the total cost of hostel building. Had MDU prepared the estimate for the complete building at the first instance itself or prepared the same as per revised cost immediately, this loss could have been avoided. Besides, even the balance amount of Rs 13.71 lakh from the approved estimates (Rs 34.28 lakh minus Rs 20.57 lakh) had not been received from GOI (May 2009).

On being pointed out by audit (December 2008), the Finance Officer of MDU while admitting the facts stated (May and August 2009) that the GOI had been requested (December 2008) to release the amount of Rs 63.59 lakh including Rs 13.71 lakh. Reply was not in consonance with the terms and conditions of GOI as the changes in the building plan had been made without consulting or obtaining prior approval of GOI, who had approved the proposal with the condition that no cost escalation would be allowed in future (October 2004).

<sup>6</sup> Rupees 84.16 lakh (75 per cent of Rs 112.21 lakh) minus Rs 34.28 lakh.

Thus, due to lack of planning and slackness on the part of MDU in submitting the revised plans/estimates, MDU suffered a loss of Rs 49.88 lakh as it failed to avail central assistance of Rs 49.88 lakh.

The matter was demi-officially reported to Financial Commissioner and Principal Secretary to Government of Haryana, Education Department in March 2009; reply had not been received (August 2009).

### **Public Works Department (Irrigation Branch)**

#### **2.1.5 Parking of funds outside the Government account**

**Significant funds were kept outside the Government account in contravention of Financial Rules/Treasury Rules which resulted in loss of interest of Rs 4.47 crore.**

As per Punjab Financial Rules/Punjab Subsidiary Treasury Rules as applicable to Haryana, the funds for the acquisition of land required for Public Works Department (PWD) are to be deposited with the concerned District Revenue Officer-cum-Land Acquisition Officer (DRO-cum-LAO), PWD (Irrigation Branch). The funds received by the DRO-cum-LAO for the acquisition of land are to be deposited in treasuries by operating a Revenue Deposit (RD) account for each project. Payments regarding land compensation to the land owners are to be made by drawing funds from the concerned RD account. Financial Rules further provides that no money should be drawn from the treasury unless it is required for immediate disbursement.

Scrutiny of records and information collected (October-November 2008 and June 2009) from 15<sup>7</sup> Divisional Officers (Irrigation and Water Supply & Sanitation Branches) and two DRO-cum-LAOs (Ambala and Rohtak) revealed that an amount of Rs 182.94 crore was deposited (between May 2006 and March 2009) by the Divisional Officers with the concerned DRO-cum-LAOs through bank drafts/cheques for acquisition of land required for the projects to be executed by the department. The DRO-cum-LAO Ambala and Rohtak deposited this amount with various public sector banks by opening eight accounts (three interest bearing and five non-interest bearing) instead of opening project-wise RD accounts in the treasuries. In addition to this, the DRO-cum-LAO, Rohtak withdrew (between November 2006 and February 2007) an amount of Rs 22.43 crore from the RD accounts in the treasury and deposited the same in the current/saving bank accounts. An amount of Rs 43.50 crore was still available

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<sup>7</sup> Water Services Division, Ambala; Water Services Division, Dadupur; Hathni Kund Barrage Division, Jagadhri; Water Services Division, Jagadhri; Water Services Division, Pundri; Kaithal Water Services Division, Kaithal; Construction Division, Kaithal; Construction Division, Kurukshetra; Water Services Division, Kurukshetra; Project Division, Panchkula; Construction Division No. 19, Rohtak; Water Services Feeder Division, Rohtak; Sampla Water Services Division, Rohtak; Rohtak Water Services Division, Rohtak and Water Supply and Sanitation Division, Rohtak.

(23-28 July 2009) with the concerned banks.

It was further noticed that significant balances were available in the said banks as the amounts so drawn were not immediately required for payment towards land compensations and hence the same remained outside the Government account during May 2006 to March 2009, this also resulted in loss of interest to the tune of Rs 4.47 crore (worked out at the prevailing Treasury Bills interest rate ranging between 6.11 *per cent* and 9.06 *per cent* after deducting interest earned in saving bank accounts) as per details given in *Appendix XVII*.

On being pointed out during Audit (December 2008), DRO-cum-LAO, Ambala stated (February 2009) that the amounts were kept in the saving bank account in view of the difficulties faced in maintaining the RD accounts in the treasury. The DRO-cum-LAO, Rohtak stated (February 2009) that in order to avoid delay due to shortage of staff in making payment of land compensation to the land owners, the bank accounts were opened. The reply was not in consonance with codal provisions as operation of such bank accounts for land compensation payments was contrary to provisions of treasury rules. Further, the shortage of staff was no excuse for deviation from the prescribed procedure.

Thus, keeping the huge amount outside Government account in contravention of codal provisions resulted in loss of interest of Rs 4.47 crore.

The matter was demi-officially referred to the Financial Commissioner and Principal Secretary to Government of Haryana, Irrigation Department in March 2009; reply had not been received (August 2009).

## **2.2 Excess payment/Wasteful/Infructuous expenditure**

### **Administration of Justice Department**

#### **2.2.1 *Infructuous expenditure on empanelment of advocates***

**Empanelment and engagement of standing counsels for State without assessing work resulted in infructuous expenditure of Rs 55.56 lakh on payment of retention fee.**

In order to defend/plead the cases on behalf of Haryana Government in the Supreme Court of India, Delhi High Court, District Courts, Central Administrative Tribunal, National Commission and other courts located at Delhi, the Financial Commissioner and Principal Secretary to Government of Haryana, Department of Administration and Justice empanels advocates such as Senior Additional Advocate General, Additional Advocate General, Deputy Advocate General, Assistant Advocate General, Standing Counsels, Additional Standing Counsels and Advocates on Record, on terms and conditions prescribed by the State Government. The authority to allocate cases in various courts at Delhi to

law officers/advocates from amongst the panel of advocates approved and circulated by the State Government has been vested (August 2007) with the concerned Administrative Secretary/Head of Departments in consultation with the office of the Advocate General of Haryana. Earlier, two advocates amongst the Standing Counsels were nominated and authorised to allocate cases among the counsels. Cases relating to Special Leave Petitions/review/reference/miscellaneous petitions to be filed in Supreme Court of India are required to be entrusted to the Standing Counsel/Additional Standing Counsel/Empanelled Advocates approved by the Government of Haryana.

In addition to professional fee prescribed (May 2002 and March 2004) by Haryana Government for attending to the cases of the State in various courts at Delhi, the Senior Additional Advocate General/Additional Advocate General were also paid retainership of Rs 52,000 and Rs 50,000 respectively per month. Further, Deputy Advocate General and Assistant Advocate General were also engaged on contract basis in the pay scale of Rs 18,400-500-22,400 and Rs 13,500-375-17,250 respectively and Standing Counsels/Additional Standing Counsels/Advocates on record were paid monthly fixed amount of Rs 9,000.

Scrutiny of records (February 2009) of Additional Director of Prosecution, Haryana Legal Cell, Haryana Bhawan, New Delhi revealed that 57 to 73 advocates were empanelled during the years 2005-09 to plead the cases in various courts at Delhi on behalf of Haryana Government. Of these, 26 advocates were not engaged to file any case in any court at Delhi, however, contractual/retention fee of Rs 55.56 lakh was paid to them during the years 2005-09. This depicted that there was no proper monitoring by the department on regular basis. It was also observed that out of these 26 advocates, 18 were paid retention fee for a period ranging between 2 to 4 years without assigning any work. It was also observed by audit that neither any criteria had been prescribed for determining the eligibility of advocates for empanelment nor any guidelines were issued for allocation of cases to the advocates so as to ensure equal distribution of work with the payment to the empanelled advocates on case to case basis.

On being pointed out during audit, Additional Director of Prosecution, Haryana Legal Cell, Haryana Bhawan, New Delhi, while admitting the facts stated (February 2009 and April 2009) that responsibility for distribution of cases among the empanelled advocates was entrusted to two nominated advocates up to August 2007 and thereafter with concerned Administrative Secretaries of the departments. However, the Government has now delegated (July 2009) the powers to the Additional Director of Prosecution for allocation of cases amongst the counsels and at present no advocate is without work.

Thus, empanelment/engagement of standing counsels without assessing the volume of work resulted in infructuous expenditure of Rs 55.56 lakh on payment of retention fee by the department.

The matter was demi-officially referred to the Financial Commissioner and Principal Secretary to Government of Haryana, Administration of Justice



Department in May 2009; reply had not been received (August 2009).

### Health Department

#### 2.2.2 Unfruitful expenditure on purchase of food testing equipment

**Purchase of food and drug testing equipment without keeping in view the prescribed methods for testing of samples in pharmacopoeia<sup>8</sup> resulted in unfruitful expenditure of Rs 17.90 lakh.**

The Government of India (GOI), Ministry of Health and Family Welfare proposed (December 1999) a “Capacity Building Project on Food Safety and Quality Control of Drugs” in Food and Drug sectors with the World Bank assistance. The objective of the project was to ensure high standards of quality, safety and efficiency of food and drugs, enhancing capacity and capability of laboratories in the Centre and States. The Project was the first systematic and comprehensive attempt to upgrade the infrastructure of food and drug laboratories of the States and for effective implementation of Prevention of Food Adulteration Act, 1954 and Drug Act, 1940.

Scrutiny of records (July 2008) of Government Analyst, Haryana, Chandigarh revealed that a comprehensive proposal under this project for supply of instruments/equipments for testing of food and drug samples was sent (March 2003) by the Director General, Health Services to the Financial Commissioner and Principal Secretary to Government of Haryana, Health Department for submission to GOI for acceptance. The proposal to acquire the equipments included the ‘High Performance Thin Layer Chromatograph’ (HPTLC). The equipment purchased at a cost of Rs 17.90 lakh was received (September 2005) by the State Drug Laboratory, Chandigarh and was installed in March 2006. It was further noticed during audit that the equipment was lying idle and had not been used for any useful purpose since its installation. Its warranty period of two years had also expired in March 2008.

On being pointed out by audit, the Government Analyst, Haryana while admitting the facts intimated (between July 2008 and April 2009) the following reasons for not utilising the equipment:

- The equipment was demanded by the then Government Analyst without consulting other Government Analysts and technical staff;
- The testing of drug samples by the instrument was not in accordance with official methods prescribed in the pharmacopoeia i.e. Indian Pharmacopoeia (IP), British Pharmacopoeia (BP) and United States Pharmacopoeia (USP), which was the standard for testing samples in the laboratory;

<sup>8</sup> Pharmacopoeia is an encyclopaedia giving information about pharmaceutical salts and equipments.

- Operational cost of the equipment was very high and the funds provided for this were significantly less; and
- Shortage of trained staff as the existing staff was not sufficient for testing the routine drug samples received in the laboratory.

It was, therefore, evident that the equipment had been demanded without assessing its applicability, utility and capacity. Further, the equipment was not able to meet the standards of pharmacopoeia followed in India. The operational cost of the equipment should have been kept under consideration before finalising the purchase. Further, the laboratory also did not have sufficient staff to carry out its routine testing, therefore, it was unlikely that the laboratory would get trained staff to operate this equipment effectively.

Thus, finalising the purchase of equipment without examining its operational applicability and capacity for testing of drug samples resulted in unfruitful expenditure of Rs 17.90 lakh.

The Financial Commissioner and Principal Secretary to Government of Haryana, Health Department while admitting the facts, stated (August 2009) that the instrument would be shifted in some other Government institution for research and development work.

### **2.3 Violation of contractual obligations/undue favour to contractors/avoidable expenditure**

#### **Town and Country Planning Department (Haryana Urban Development Authority)**

##### **2.3.1 *Avoidable expenditure due to non-maintenance of prescribed power factor and non-enhancement of contract demand***

**Failure in maintaining the prescribed power factor and getting the sanctioned load enhanced by Haryana Urban Development Authority resulted in avoidable expenditure of Rs 3.41 crore on account of penalty and surcharge.**

Haryana State Electricity Board now known as namely Dakshin Haryana Bijli Vitran Nigam (DHBVN) and Uttar Haryana Bijli Vitran Nigam (UHBVN)) issued instructions (June 1996 and January 1997) that every High Tension (HT) consumer should maintain the Monthly Average Power Factor (MAPF) at 90 per cent. In the event of failure to maintain MAPF, penalty equal to one per cent of energy charges for each one per cent fall in power factor between 90 and 80 per cent and thereafter at the rate of two per cent for each per cent decrease in power factor was to be imposed. In order to maintain the prescribed power factor, the consumer was required to install adequate capacitors. Further,

in case the demand of a consumer exceeded the contract demand during any month by more than five *per cent*, a surcharge of 25 *per cent* on energy consumption charges was to be levied.

Scrutiny of records (August-October 2008) of two divisions<sup>9</sup> of Haryana Urban Development Authority (HUDA) revealed that the contract demand of the HT Power connections under both the divisions exceeded the contract demand by more than five *per cent*. Further, the power factor of the said connections had also not been maintained within the prescribed limit. As a result, an additional amount of Rs 3.41 crore was levied as penalty/surcharge on electricity bills for the period from April 2005 to May 2009 as detailed below:

Sr. No.	Name of Division	Period	Surcharge/penalty for low Power Factor	Surcharge/penalty for exceeding contract demand	Total
			(Rupees in crore)		
1	HUDA Division No III, Gurgaon	April 2007 to May 2009	0.11	3.16	3.27
2	Construction Division HUDA, Sonipat	April 2005 to March 2009	0.06	0.08	0.14
<b>Total</b>			<b>0.17</b>	<b>3.24</b>	<b>3.41</b>

The Executive Engineer (EE), HUDA Division No. III, Gurgaon requested DHBVN (June 2007) to enhance the power load from 2,300 KVA to 3,500 KVA and an additional amount of Rs 28.41 lakh was deposited (August 2007) on receipt of initial demand from DHBVN as security amount. The DHBVN, however, demanded (May 2008) additional amount of Rs 1.12 crore for installation of 11 KV independent feeder for water treatment plant. But the said amount has not been deposited by the HUDA so far (August 2009).

On being pointed out by audit, the EE stated (April-June 2009) that the load had increased due to addition of more machinery, commissioning (April 2007) of second unit of water treatment plant to cope with the increased water supply demand. The power factor could not be maintained as the capacitors installed were very old and were not functioning due to mechanical fault. Therefore, the penalty was deposited to avoid disconnection. Similarly, the EE, Construction Division HUDA, Sonipat while admitting (February-May 2009) the facts stated that UHBVN had been requested (December 2008) to enhance the load and required amount had also been deposited. However, replies did not explain the reasons as to why the requisite amount was not deposited and load had not been enhanced for such a long period.

Thus, failure in maintaining the prescribed power factor and not processing the case of enhancement of sanctioned load led to avoidable expenditure of Rs 3.41 crore on account of penalty and surcharge. The extra expenditure could have been avoided had corrective measures in terms of enhancement of contract demand, maintenance of power factor by replacement of defective capacitors or installation of adequate capacitors as per instructions of the electricity company been taken in time.

<sup>9</sup> HUDA Division No. -III, Gurgaon and Construction Division HUDA, Sonipat.

The matter was demi-officially referred to Financial Commissioner and Principal Secretary to Government of Haryana, Town and Country Planning Department in February 2009; reply had not been received (August 2009).

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

#### **2.3.2 Extra expenditure due to non-allotment of work**

**Due to failure on the part of the department in processing and finalising the tender of first contractor within validity period, the department had to incur an extra expenditure of Rs 64.17 lakh.**

The Financial Commissioner and Principal Secretary to Government of Haryana, Public Works Department (PWD), Buildings and Roads Branch (B&R) administratively approved (January 2006) the work "Improvement by widening from Km 0 to 5.30 and widening and strengthening from Km 5.30 to 12.30 of Garhi Bawani Khera Road in Hisar/Bhiwani District" for Rs 3.65 crore under NABARD scheme. Detailed notice inviting tender amounting to Rs 2.40 crore was approved (February 2006) by the Engineer-in-Chief (EIC), Haryana, PWD (B&R). Tenders for the work were invited (17 February 2006) by the Superintending Engineer, Bhiwani Circle, PWD (B&R), Bhiwani (SE) and only one bid from a contractor<sup>10</sup> was received on 13 March 2006 with the bid price of Rs 2.81 crore and completion time of nine months. The validity period of the bid was 90 days from the date of receipt of tenders.

Scrutiny of records (May 2007) of the Executive Engineer, Provincial Division, PWD (B&R), Bhiwani revealed that the bid was sent to EIC on 28 April 2006 for approval. The bid was not approved by the EIC and tender case was returned to SE on 9 November 2006 with the direction to get the validity period of the tender extended and in case the agency did not agree, the tender should be re-invited. The agency refused (December 2006) to extend the validity period of the offer and the department re-invited the tender (January 2007), the work was allotted (July 2007) to another agency/contractor<sup>11</sup> for Rs 3.72 crore with a completion time limit of nine months. The work was completed (November 2008) after incurring expenditure of Rs 3.59 crore. Thus, on retendering, the work was allotted at higher rates than those offered by the first contractor in March 2006, which resulted in extra expenditure of Rs 64.17 lakh, as per details given in *Appendix XVIII*.

On being pointed out by audit, the EIC while confirming the facts stated (July 2008 and June 2009) that when the tender case of M/s Neeraj Builders was under process in his office, the case file got misplaced and was found in October 2006, after expiry of validity period. As such the tender could not be approved. The EIC further stated (July 2009) that inquiry is being conducted for

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<sup>10</sup> M/s Neeraj Builders, Sector-13, Hisar.

<sup>11</sup> Shri Ishwar Singh contractor, Vidhya Nagar, Bhiwani.

fixing the responsibility for loss of tender case file. However, the final outcome was awaited.

Thus, due to failure on the part of the department in timely processing the case and non-allotment of work to the first contractor within validity period, the department had to incur an extra expenditure of Rs 64.17 lakh.

The matter was demi-officially reported to Financial Commissioner and Principal Secretary to Government of Haryana, Public Works Department, Buildings and Roads Branch in April 2009; reply had not been received (August 2009).

### 2.3.3 *Extra expenditure due to delay in finalisation of drawings*

**Due to delay in providing approved drawings and design of the bridge to the agency, department had to incur extra expenditure of Rs 45.47 lakh as the agency left the work midway.**

Public Works Department Code provides that no work should commence unless detailed design is approved, estimate sanctioned, allotment of funds made and orders for its commencement issued by the competent authority. The Commissioner and Secretary to Government of Haryana, Public Works Department (PWD), Buildings and Roads Branch (B&R) accorded (March 2003) administrative approval for Rs 3.87 crore for construction of High Level (HL) Bridge over Ghaggar river crossing Dhandota-Baopur road including spillway, stone pitching and approaches in Kaithal district. As per the provisions of Manual of Orders of PWD (B&R), Indian Roads Congress (IRC) standard specification and code of practice for road bridge in India, the design of the road bridge was to be based on the basis of maximum discharge of the river during the last ten years.

Scrutiny of records (May 2008) of Executive Engineer, Provincial Division, PWD (B&R), Kaithal revealed that the work for construction of HL bridge was allotted (27 April 2004) to an agency for Rs 1.05 crore with the condition to complete the said work within ten months. However, the detailed estimates and design were not approved by the competent authority. The detailed design and structural drawings of the bridge were submitted in June 2003 to the Engineer-in-Chief (EIC), Haryana, PWD (B&R), Chandigarh by the Superintending Engineer, PWD (B&R), Jind circle and the same were approved and provided to contractor in March 2005, notwithstanding the fact that contract period had expired on 26 February 2005. The delay in approval of design and drawings was due to change in hydraulic data owing to floods of August 2004. The design and drawings was initially based on the average discharge of 81,000 cusecs as against the maximum discharge during last 10 years i.e. one lakh cusecs codal provisions of the revised design and drawings based on the maximum discharge of one lakh cusecs (recorded during August 2004 floods) was finally approved in March 2005. The agency started the work on 15 May 2005 and expressed its inability (March 2006) to complete the work within the allotted amount due to increase in the rates of material and labour. The agency executed the work upto the agreed amount and payment of Rs 1.05 crore was made to the agency upto

February 2008 for the work done. The department while closing the agreement imposed a penalty of Rs 10.50 lakh (June 2006) on the agency under clause 2 of the agreement which was reduced (June 2008) to Rs 0.50 lakh by SE. However, no recovery was made (May 2009). The balance work was allotted (September 2007) to another agency for Rs 1.13 crore with completion period of six months. Total expenditure of Rs 2.31 crore was incurred on the balance work upto 15 June 2009. Thus, due to delay in approval and providing drawings to the first agency coupled with higher rates allowed for the second agency in comparison to rates allowed to the first agency resulted in an extra expenditure of Rs 45.47 lakh on the execution of balance work.

On being pointed out during audit (June 2008), the EIC while admitting that drawings were made available to the agency late due to re-designing the bridge, stated (November 2008) that keeping in view the heavy floods during August 2004 structural drawings were re-designed by increasing the depth of foundation. Reply in itself is an admission that the design and drawings were not based on maximum discharge of the river. The design should have been based on the maximum discharge during the last ten years whereas, the department considered the average discharge instead of maximum discharge at the time of submission of design and drawings for approval. Moreover, the flood of September 2004, which necessitated the redesigning of the bridge, was of one lakh cusecs, while a similar flood of one lakh cusecs had occurred in 1993, which was ignored while designing the bridge initially.

Thus, adopting incorrect hydraulic data in preparing the design of the bridge at first stage resulted in an additional expenditure of Rs 45.47 lakh on execution of the balance work allotted to second agency at higher rates. Extra expenditure could have been avoided, had the department provided the design drawings to the agency within the contract period.

The matter was demi-officially referred to the Financial Commissioner and Principal Secretary to Government of Haryana, Public Works Department, (Buildings and Roads Branch) in April 2009; reply had not been received (August 2009).

**Public Works Department (Buildings and Roads Branch), Education Department (Maharshi Dayanand University, Rohtak and Guru Jambheshwar University, Hisar) and Agriculture Department (Haryana State Agricultural Marketing Board)**

#### **2.3.4 *Undue benefit to the executing agencies***

**Non-deduction of cess from the bills of ongoing construction works was a violation of the Cess Act and resulted in undue benefit of Rs 52.84 lakh to the executing agencies.**

Government of India (GOI) enacted the Building and Other Construction Workers

(Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act) and the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act). The main objective of the Acts was to regulate the employment and conditions of service for building and other construction workers. The GOI, Ministry of Labour vide notification dated 26 September 1996 specified that cess at the rate of one *per cent* of the total cost of construction to be levied on the employer. Accordingly, the Haryana Government framed (March 2005) the Haryana Building and Other Workers (Regulation of Employment and Conditions of Service) Rules, 2005 (Rules). Further, Haryana Government constituted (November 2006) Haryana Building and Other Construction Workers Welfare Board (Board) to carry out the welfare schemes for construction workers and imposed (February 2007) levy of cess at the rate of one *per cent* in accordance with the requirements of the Cess Act. As per the Cess Act, the cess was to be deducted at source on building or other construction works of Government or Public Sector Undertakings from the bills paid and the proceeds of the cess collected were to be transferred to the Board. The Engineer-in-Chief (EIC), Haryana Public Works Department (PWD), Buildings and Roads Branch (B&R) issued (May 2007) directions to all Superintending Engineers (SE) and Executive Engineers (EE) in the State to ensure appropriate action and compliance of the issue with immediate effect.

Scrutiny of records (November 2008-March 2009) of the EE, Provincial Division, PWD (B&R), Panipat, Maharshi Dayanand University (MDU), Rohtak and Haryana State Agricultural Marketing Board (HSAMB) Division, Hisar and further information collected (March-May 2009) from nine<sup>12</sup> divisions and Guru Jambheshwar University of Science and Technology (GJU), Hisar revealed that the said offices paid Rs 94.34 crore to various executing agencies on account of execution of 148 works allotted to them between April 2007 and December 2008 but cess amounting to Rs 0.94 crore, as detailed below, had not been deducted from the bills of the executing agencies by the concerned authorities.

Sr. No.	Name of Office	Number of Works	Months of allotment of work	Total amount paid	Amount of cess recoverable @ 1 per cent
				(Rupees in crore)	
1.	PWD (B&R)	19	May 07 to June 08	33.23	0.33
2.	EE, HSAMB, Hisar	95	May 07 to April 08	32.56	0.33
3.	MDU, Rohtak	25	May 07 to December 08	26.14	0.26
4.	GJU, Hisar	9	April 07 to July 08	2.41	0.02
<b>Total</b>		<b>148</b>		<b>94.34</b>	<b>0.94</b>

None of the agreements executed for the said works except one had a provision for deduction of cess. The EEs Chandigarh, Sirsa and Rewari stated (March-July 2009) that there was no provision of recovery of cess in the agreements

<sup>12</sup> Provincial Division No.2, Ambala Cantt.; Construction Division Haryana, PWD (B&R), Chandigarh; Provincial Division, Naraingarh; Construction Division (NH), PWD (B&R), Panchkula; Provincial Division No. 4, Rohtak; Provincial Division, Rewari; Provincial Division No. 1 and II, Sonapat; Provincial Division No. 2, Sirsa.

executed with the executing agencies. The EEs of six divisions<sup>13</sup> intimated (June-July 2009) that cess amounting to Rs 16.11 lakh had been recovered in respect of 12 cases pointed out by the audit. The GJU, HSAMB and MDU intimated (between December 2008 and May 2009) that clause of recovery had been inserted in the agreement from January 2008, June 2008 and December 2008 respectively. The Registrar, GJU, Hisar stated (July 2009) that an amount of Rs 2.16 lakh had been recovered. The EE (Works), MDU intimated (April-May 2009) that a sum of Rs 23.23 lakh had been recovered and notices for recovery of balance cess were being issued to the other executing agencies. The Chief Administrator, HSAMB intimated (July 2009) that all the EEs of the Board had been directed to calculate the amount of labour cess due for making payment to the department concerned. The replies were an admission of the lapse, as deduction of cess was a statutory requirement.

Thus, non-deduction of cess from the bills of ongoing construction works by PWD (B&R), HSAMB, MDU and GJU was a violation of the Cess Act, 1996 and resulted in undue benefit of Rs 52.84 lakh<sup>14</sup> to the executing agencies, which would have otherwise been spent on the welfare schemes/activities for construction workers.

The matter was demi-officially referred to Financial Commissioners and Principal Secretaries of the Departments concerned in May and June 2009; replies had not been received (August 2009).

**Supplies and Disposals Department and Public Works Department  
(Water Supply and Sanitation Branch)**

**2.3.5 Extra expenditure on purchase of Ductile Iron pipes**

**Purchase of Ductile Iron pipes in piece-meal by the Water Supply and Sanitation Department resulted in an extra expenditure of Rs 5.16 crore.**

Financial Rules provide that purchases should be made in most economical manner in accordance with the requirement of the public service. For the purchase of stores, the departments are required to approach the Directorate of Supplies and Disposals, Haryana (DSD), the purchasing agency for the State. Heads of departments are required to consolidate their requirements of stores of materials and place indents in a consolidated form with DSD.

Scrutiny of records (June 2008) of DSD revealed that instead of placing a consolidated indent, the Water Supply and Sanitation Department placed indents for the procurement of Ductile Iron (DI) pipes of various classes and sizes during

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<sup>13</sup> Provincial Division No.2, Ambala Cantt.; Provincial Division, Naraingarh; Construction Division, (NH) PWD (B&R), Panchkula; Provincial Division No. 4, Rohtak; Provincial Division No. 1 and II, Sonipat.

<sup>14</sup> PWD (B&R): Rs 17.12 lakh, HSAMB: Rs 32.56 lakh, MDU: Rs 2.91 lakh and GJU: Rs 0.25 lakh.



the year 2007-08 at frequent intervals<sup>15</sup> for which separate purchase orders<sup>16</sup> were placed by DSD time and again at short intervals. Thus, purchase of DI pipes in piece-meal rather than a consolidated purchase resulted in an extra expenditure of Rs 5.16 crore as per details given in *Appendix XIX*.

The DSD stated (March and July 2009) that it was reportedly not possible for indenting department to send the consolidated indents on annual or semi-annual basis as the requirements were received from field offices at different intervals due to approval of schemes and receipt of funds at different times and inventory in no case was to be built up for more than three months' requirements. The reply was not in consonance with the codal provisions as the DSD had inherent powers to ask the indenting departments to send the consolidated requirement of materials alongwith delivery schedule evenly spread over a prescribed period with a view to avoid accumulation of inventories. In cases of regular use, the DSD had authority to organise and operate rate contract. Further, as plan schemes to be implemented during the year 2007-08 alongwith the allocation of funds were approved by the State Sanitary Board in the month of June and July 2007, as such the department could easily make the assessment of its requirements.

Thus, due to purchase of DI pipes in piece-meal, the Water Supply and Sanitation Department had to incur an extra expenditure of Rs 5.16 crore, which could have been avoided had the indenting department placed a consolidated indent after assessing its requirement or the DSD had arranged the rate contract.

The matter was demi-officially referred to Financial Commissioner and Principal Secretaries of the Departments concerned in June 2009; reply had not been received (August 2009).

### **Public Works Department (Water Supply and Sanitation Branch)**

#### **2.3.6 Extra expenditure on acquisition of land**

**Delay in depositing the money by the department with the Land Acquisition Collector resulted in an extra expenditure of Rs 63.12 lakh on account of payment of land compensation at enhanced rates.**

For acquisition of land for public purpose, the State Government is required to issue a preliminary notification under Section 4 of the Land Acquisition Act, 1894 (the Act), showing its intention to acquire the land. After hearing and settling objections, if any, received from the public or the interested parties, a final gazette notification for acquiring land is required to be published under Section 6. Further, Section 23 of the Act stipulates that the amount of compensation payable to land owners shall be determined with reference to the market value of land prevailing on the date of notification published under Section 4.

<sup>15</sup> May 2007, July 2007, August 2007, December 2007 and March 2008.

<sup>16</sup> June 2007, August 2007, November 2007 and January-March 2008.

The State Sanitary Board approved (July 2005) an estimate of Rs 50.86 lakh for the work "Providing Sewage Treatment Plant (STP)" at Ganaur Town of Sonipat district and provided funds of Rs 25 lakh. Accordingly, notifications under Sections 4 and 6 of the Act were issued in November 2005 and January 2006 respectively for the acquisition of 11 acre 7 kanal 19 marla land from village Ganaur for construction of STP. In the meanwhile, the State Government decided (September 2006) that the project for providing Sewerage Scheme and STP of Ganaur Town may be transferred to National Capital Region Planning Board (NCRPB). Adequate arrangements were to be made. The estimates of Rs 14.26 crore were revised to Rs 15.08 crore in January 2008. The expenditure was to be met from the sanctioned budget of the department. The cost of the project was to be shared in the ratio of 75:25 between NCRPB and State Government. The NCRPB approved (March 2008) the detailed project report and released the first instalment of loan of Rs 2.82 crore out of sanctioned loan of Rs 11.31 crore. The balance cost of Rs 3.77 crore was to be borne by the State Government.

Scrutiny of records (April 2008) of the Executive Engineer, Water Supply and Sanitation Division No. II, Sonipat (EE) revealed that the Land Acquisition Collector (LAC), Sonipat requested<sup>17</sup> the EE to deposit Rs 2.24 crore in his office before 28 February 2007 so that the award could be announced. The amount demanded by LAC included land rate at the rate of Rs 12.50 lakh per acre and other allowances admissible under the Act. The EE requested (17 January 2007) the Superintending Engineer, PWD Public Health Circle, Sonipat for special allotment of Letter of Credit (LOC) of Rs 2.24 crore but no funds were allotted and hence the award was not announced. In the meantime, the State Government enhanced the land rates to Rs 16 lakh per acre with effect from 22 March 2007. The LAC, Sonipat revised the demand and requested (April 2007) the EE to deposit Rs 2.86 crore for announcing the award. The department released LOC for Rs 2.86 crore on 18 May 2007 in anticipation of approval of the project from NCRPB and the amount was deposited by the EE on 21 May 2007. The LAC, Sonipat announced (May 2007) the award of compensation amounting to Rs 2.86 crore for acquisition of land measuring 11 acre 7 kanal 19 marla at the rate of Rs 16 lakh per acre, prevailing at that time and 30 *per cent* compulsory acquisition charges with additional amount admissible under the Act, which was paid to land owners.

Thus, due to delay in depositing the money with LAC, the department ended up paying higher rates for the land and thereby incurring an extra expenditure of Rs 63.12 lakh i.e. Rs 67.22 lakh<sup>18</sup> minus Rs 4.10 lakh (interest at the borrowing rate of 7.33 *per cent* prevailing at that time).

On being pointed out during audit, the Engineer-in-Chief, Haryana, Public Health, Engineering Branch, Panchkula stated (February 2009) that as no funds were

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<sup>17</sup> 17 January 2007 and 23 February 2007.

<sup>18</sup> Cost of land: Rs 41.98 lakh plus compulsory acquisition charges: Rs 12.59 lakh plus additional amount: Rs 12.65 lakh.

allocated to the scheme during the year 2006-07 and estimate was also not approved by the NCRPB by that time, the LOC could not be issued to avoid any complication at any later stage. The reply was contrary to the ground realities as the payment made in May 2007 was without the approval of NCRPB. Moreover, the notifications under Section 4 and 6 for acquisition of land were issued before the onset of financial year 2006-07 in November 2005 and January 2006 respectively, further, the department was required to make a provision of funds in the budget estimates or revised estimates for the year 2006-07 towards payment of land compensation. The argument about lack of a budget provision is even otherwise bereft of merit in the larger context as the department incurred an expenditure of Rs 211.98 crore during 2006-07 on the ongoing and new projects against the final budget allotment of only Rs 50.50 crore under 'Urban Sanitation Services'.

The matter was demi-officially referred to the Financial Commissioner and Principal Secretary to Government of Haryana, Water Supply and Sanitation Department in April 2009; reply had not been received (August 2009).

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

##### **2.3.7 *Extra expenditure due to injudicious rejection of offer of the contractor***

**Injudicious rejection of offer of the contractor resulted in an extra expenditure of Rs 26.09 lakh besides creation of liabilities of Rs 34.14 lakh on the unexecuted work.**

The Financial Commissioner and Principal Secretary to Government of Haryana, Health and Medical Education Department accorded (February 2006) administrative approval of Rs 1.91 crore for construction of two storey building of Trauma Block Centre (Block B&C) in Post Graduate Institute of Medical Sciences, Rohtak (PGIMS). The work was allotted (May 2006) to an agency for Rs 1.25 crore with the condition to complete it within 15 months. Keeping in view the shortage of land in PGIMS for construction of additional hospital and other allied buildings, the Director, PGIMS sent the proposal (February 2006) for construction of four storey building. Accordingly, revised administrative approval for construction of four storey building was accorded (February 2007) by the Government for Rs 7.20 crore. As the scope of work was revised and the same was increased due to construction of four storey building instead of two storey, the agency offered (October 2006) to execute the additional work beyond the agreement amount subject to providing of cement and steel from the department for the additional work at the store issue rates prevailing on 24 January 2006 i.e. at the time of invitation of tenders for the work. The Executive Engineer, Provincial Division No IV, Public Works Department (PWD), Buildings and Roads Branch (B&R), Rohtak (EE) recommended (October 2006) to the Superintending Engineer, Rohtak Circle, PWD (B&R),

Rohtak (SE) that issuance of material beyond the agreement amount was in favour of the department as higher bids would be received on re-inviting the tenders due to the fact that the prevailing rates were higher than the approved rates. The proposal, however, was not accepted (February 2007) by the Tender Approval Committee on the grounds that the agency may not be able to complete the work on existing terms and conditions of agreement and fresh tenders for the balance work (beyond the original agreement amount) were invited (January 2008) and balance work was allotted (April 2008) to the same agency for Rs 5.77 crore with a completion period of 18 months. The cement and steel for execution of work was to be supplied by the department at the issue rates prevailing in January 2008. The agency had completed the work to the tune of Rs 2.38 crore upto April 2009.

Scrutiny of records (January 2009) of the EE revealed that higher rates were allowed on re-tendering as the Haryana Schedule of Rates was revised<sup>19</sup> whereas the earlier work was allotted on the rates applicable from 24 July 2003 on which the agency offered to execute the balance work. This resulted in an extra expenditure of Rs 26.09 lakh on the work done upto April 2009 besides creation of extra liabilities to the tune of Rs 34.14 lakh on the remaining unexecuted work as compared to originally allotted rates.

On being pointed out by audit, the Engineer-in-Chief, Haryana PWD (B&R) stated (June 2009) that the proposal to issue the cement and steel for the work beyond the financial statement of the agency was considered but the same was not accepted by the Tender Approval Committee/department as basic conditions of the contract could not be altered. The decision of re-inviting the tenders was based on the judgement of Hon'ble Supreme Court of India dated 28 August 1990 in the case of Harcharan Singh v/s Union of India wherein the liability of the contractor to execute the extra or additional quantities of tendered items was upto 20 *per cent* and for works in excess of that limit, rates were to be determined by the Engineer-in-Charge. The reply of the department was not acceptable as the decision of the Apex Court was not applicable in this case. The terms and conditions of the cited case were different as the contractor had demanded higher rates for execution of additional work, whereas in the present case, the agency had itself offered to execute the additional work at tender rates provided cement and steel were issued departmentally. It is worth noting that the premium on Haryana Schedule of Rates notified in March 2006 was already in operation when the agency had offered to execute the enhanced scope at the existing rates which were based on the premium of July 2003. The department was, therefore, aware that re-tendering would invariably attract higher rates.

Thus, due to rejection of the proposal of the contractor at the time when increase in rates was within the notice of the department resulted in an extra expenditure of Rs 26.09 lakh besides creation of liabilities of Rs 34.14 lakh on the unexecuted work.

The matter was demi-officially referred to Financial Commissioner and Principal

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<sup>19</sup> March 2006 and January 2008.

Secretary, Government of Haryana, Public Works Department (Buildings and Roads Branch) in May 2009; reply had not been received (August 2009).

### **Public Works Department (Irrigation Branch)**

#### **2.3.8 Extra expenditure due to incorrect assessment of land requirement by Irrigation Department**

**Due to incorrect assessment of land requirement for construction of irrigation channel, the department had to acquire additional land at enhanced rates which resulted in extra financial burden of Rs 23.91 lakh to the State exchequer.**

The Public Works Code provides that the preliminary operations including the survey should be completed before submission of a detailed project report. The Financial Commissioner and Principal Secretary to Government of Haryana, Irrigation Department accorded (November 2002) administrative approval of Rs 7.22 crore for construction of effluent channel from km 0 to 20.5 for providing irrigation from treated effluent of Sewage Treatment Plant (STP), Gurgaon. Notifications under Section 4 and 6 of the Land Acquisition Act, 1894 (the Act) were issued in June and October 2004 respectively for acquisition of land measuring 91.20 acre involving seven<sup>20</sup> villages of Gurgaon district for construction of irrigation channel for treated effluent discharge of STP from Km 4.500 to 12.100 and from Km 17.775 to 20.600. Due to revision (March 2005) of L-section, the department planned to acquire only 55.51 acre i.e. 35.69 acre less land to economise the project. Part of this land, measuring 17.63 acre, was stated to have been earlier acquired by Delhi Water Services Division (DWSD), Delhi for construction of Gurgaon Water Services (GWS) channel, whose alignment is parallel to the proposed irrigation channel. Based on the availability of land, the department worked out its requirement as 55.51 acre against 91.20 acre. The Land Acquisition Collector (LAC), Bhiwani announced (January and May 2006) award for acquisition of land measuring 54.22 acre at the rate of Rs 12.50 lakh per acre and the compensation amounting to Rs 10.24 crore which included 30 per cent compulsory acquisition charges and 12 per cent additional amount admissible under the Act was paid to the land owners.

Scrutiny of records (June 2008) of Executive Engineer, Construction Division No. 31, Gurgaon (EE) revealed that during the execution of work for irrigation channel, it was found that the land acquired for first phase for GWS channel was only 10.32 acre instead of 17.63 acre which necessitated the acquisition of additional land of 4.30 acre from these villages. It was observed during audit that the land of 17.63 acre acquired by the DWSD for construction of GWS channel was neither measured nor demarcated. Thus, fresh notifications under Section 4 and 6 of the Act for acquisition of additional land measuring 4.753 acre pertaining to three villages viz. Budhera, Kaliawas and Mankraula were issued in

<sup>20</sup> Budhera, Dhankot, Iqbalpur, Jhanjhraula, Kaliawas, Mankraula and Mubarakpur.

March 2007. The LAC, Bhiwani announced (May 2007 and November 2008) three awards for acquisition of 5.655 acre of land on actual measurement basis for these villages at the rate of Rs 16 lakh per acre prevailing at that time and compensation amounting to Rs 1.20 crore which included 30 *per cent* compulsory acquisition charges and additional amount admissible under the Act was paid to the land owners. Thus, by acquiring land at higher rates, the department had to incur extra expenditure of Rs 26.32 lakh<sup>21</sup>.

On being pointed out by audit, the EE stated (February 2009) that the land in these villages was acquired on the basis of land papers of GWS channel but during execution of channel, it was noticed that the land acquired was less than the actual requirement due to which it became necessary to acquire the extra land for constructing irrigation channel in this reach. The reply confirmed audit assumption that the department initially went ahead with acquisition of land without verifying the actual land in its possession.

Thus, without assessing and knowing the actual land requirement with reference to the land in possession, the department had to acquire additional land at enhanced rates which resulted in extra financial burden of Rs 23.91 lakh<sup>22</sup> on the State exchequer.

The matter was demi-officially reported to the Financial Commissioner and Principal Secretary to Government of Haryana, Irrigation Department in May 2009; reply had not been received (August 2009).

## **2.4 Idle investments/idle establishment/blocking of funds**

### **Industries and Commerce Department**

#### **2.4.1 Blockage of funds**

**Sanctioning the project without ensuring the availability of land resulted in blockage of Rs 2.66 crore, besides the objective of export growth could not be achieved.**

With a view to optimise the utilisation of resources and to achieve the objectives for export promotion, the Government of India (GOI), Ministry of Commerce and Industry, Department of Commerce approved (March 2002) the scheme for extending assistance to States for Developing Export Infrastructure and other Allied Activities (ASIDE). The land for the ASIDE projects was to be provided by the State Government. As per guidelines, 80 *per cent* of the funds (State

<sup>21</sup> Cost of land: Rs 19.80 lakh plus compulsory acquisition charges: Rs 5.94 lakh plus additional amount: Rs 0.58 lakh.

<sup>22</sup> Rupees 26.32 lakh minus Rs 2.41 lakh (compound interest at the rate of 7.33 *per cent* at the borrowing rates prevailing at that time).

Component) were required to be earmarked for allocation to the States on the basis of the approved criteria and were to be utilised for approved purposes. The balance 20 per cent (Central Component) and amount equivalent to un-utilised portion of the funds allocated to the States in the previous year(s), if any, were to be retained at the central level for the specified purposes.

Scrutiny of records (March 2009) of the Director of Industries and Commerce, Haryana (Directorate) revealed that a proposal for setting up an Export Exhibit Centre at Panipat under the ASIDE scheme by Tourism Department was approved (January 2005) at an estimated cost of Rs 2.96 crore by the State Level Export Promotion Committee (SLEPC). The land for the proposed project was to be obtained from Haryana Urban Development Authority (HUDA). The Directorate released Rs 2.66 crore<sup>23</sup> to the Tourism Department out of ASIDE funds released to State Government by GOI without ensuring the availability of land which was a mandatory requirement for the approval of the project under the scheme. The project could not be implemented by the Tourism Department due to non-allotment of land by HUDA as the Chairman of HUDA, the Chief Minister felt (March 2008) that there was no justification for involving Tourism Department in the process and instructed that the proposed project be handed over to the Industries Department. The Industries Department could independently apply to HUDA for allotment of land and utilise the services of Haryana State Industrial and Infrastructure Development Corporation (HSIIDC) to develop the facilities. Consequently, SLEPC decided (December 2008) that the funds be allowed to be spent by another implementing agency i.e. HSIIDC as a new project for which HUDA would provide a plot measuring more than one acre at Panipat. Accordingly, the Tourism Department refunded (January 2009) Rs 2.66 crore to the Directorate. These funds were further released (February 2009) to HSIIDC. Since the matter regarding allotment of plot at Panipat by HUDA was still pending (May 2009), the amount remained with the HSIIDC and no expenditure was incurred. Meanwhile, the Directorate forwarded (January/July 2007) utilisation certificate for Rs 2.66 crore to GOI.

Thus, sanctioning the project without ensuring the availability of land, which was a mandatory requirement of the programme, resulted in blockade of funds to the tune of Rs 2.66 crore. Besides, the objective of export growth could also not be achieved.

On being pointed out in audit, the Directorate stated (April/June 2009) that the Tourism Department was preferred as 12 shops for Export Exhibit Centre, two Eating Zones, Kitchen and Public Toilets were to be provided for the visitors. Utilisation certificates were sent to GOI as the nodal agency had already released the funds to the implementing agency. The reply did not explain as to why the availability of land was not ensured prior to sanction of the project. Further, merely release of funds did not constitute expenditure as the funds were not actually utilised but the department on its own sent an incorrect utilisation certificate to GOI.

<sup>23</sup> Rupees one crore (February 2005) and Rs 1.66 crore (March 2006).

The matter was demi officially referred to Financial Commissioner and Principal Secretary to Government of Haryana, Industries and Commerce Department in May 2009; reply had not been received (August 2009).

## **2.5 Regulatory issues and others**

### **Revenue and Disaster Management Department**

#### **2.5.1 Management of Calamity Relief Fund**

##### **2.5.1.1 Introduction**

Eleventh Finance Commission (EFC) recommended to the Government of India (GOI), Ministry of Finance, Department of Expenditure to extend (November 2000) the 'Calamity Relief Fund' (CRF) scheme for five years i.e. for financial years 2000-05. On the recommendations of Twelfth Finance Commission (TFC), the scheme was further extended (July 2005) for another five years i.e. upto financial years 2005-10. The funds were to be utilised for providing immediate relief to the victims of natural calamities such as cyclone, drought, earthquake, flood, tsunami, hailstorm, landslides, avalanche, cloud burst and pest attack. The scheme provided for the establishment of CRF in each State and fixed contribution for the fund every year. Under the scheme, the GOI was to contribute 75 per cent of total annual allocation in the form of non-plan grant and the balance 25 per cent was to be contributed by the concerned State Government. Records relating to CRF maintained by the Financial Commissioner and Principal Secretary to Government of Haryana, Revenue and Disaster Management Department (FCR), Line Departments<sup>24</sup> and their field offices in seven<sup>25</sup> districts were test checked between October 2007-April 2008 and January-July 2009. The deficiencies noticed in implementing the CRF scheme by the State Government are brought out in the succeeding paragraphs.

##### **2.5.1.2 Financial management**

The year-wise position of receipt, expenditure and investment made under CRF as

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<sup>24</sup> Engineer-in-Chief, Irrigation, Water Supply and Sanitation Department, Director General, Health Services (DGHS), Director General, Animal Husbandry and Dairying Department (DGAH).

<sup>25</sup> Hisar, Jind, Kaithal, Rohtak, Sirsa, Sonipat and Yamunanagar.



per Appropriation Accounts during the years 2004-09 are as below:

(Rupees in crore)

Year	Opening Balance	Receipts		Total	Expenditure	Balance funds	Investment in Banks	Balance
		GOI	State Government					
2004-05	311.52	74.12	24.71	410.35	20.76	389.59	215.80	173.79
2005-06	389.59	83.95	27.99	501.53	39.56	461.97	286.65	175.32
2006-07	461.97	107.28	35.76	605.01	29.99	575.02	485.31	89.71
2007-08	575.02	102.85	34.28	712.15	31.86	680.29	583.72	96.57
2008-09*	680.29	53.99	18.00	752.28	12.75	904.41*	811.37	93.04

\* This includes interest amounting to Rs. 164.88 crore earned on investments during current/previous years.

As is evident from above, significant funds remained in Government Accounts instead of investing the same in interest bearing instruments as per recommendations of TFC.

- The amount of expenditure shown in the above table represents the sanctioned amount and not the actual expenditure out of CRF. As such unspent balances received from field offices were credited into two separate saving bank accounts maintained by FCR instead of crediting the same to CRF. The year-wise<sup>26</sup> position of unspent balance available under this account ranged between Rs 0.55 crore and Rs 17.36 crore. Audit scrutiny revealed that funds ranging between Rs 0.05 crore to Rs 20.89 crore remained in these saving bank accounts during 2004-09. Interest amounting to Rs 1.47 crore could have been earned had this amount been invested in FDRs. The FCR stated (July 2009) that the unspent balances were initially deposited in the saving account of CRF and when the balances of this account became huge, it was invested as FDRs in banks.
- As per recommendations of the EFC, investment of accumulated fund was to be made in the Government of India securities, Treasury Bills, the State Government securities, the Government Public Sector bonds/units and the State Cooperative Banks. Contrary to this, during 2004-05 investments were made only in fixed deposits with banks. The TFC, while allowing the continuation of the CRF for the years 2005-10, recommended that as far as possible the investments be made in the dated securities of the Central Government (new issues). However, the Government continued to make all the investments in fixed deposits with banks. The FCR stated (July 2009) that investments could be made in any of the instruments and thus the balance funds were invested on FDRs in Nationalised/Scheduled Commercial Banks. The reply was not acceptable as guidelines clearly lay down the procedure to be adopted for fund management. The auction of treasury bills was to be first disposed of to the extent required and

**Investments of CRF were not made as per recommendation of TFC.**

<sup>26</sup> Rupees 1.56 crore, Rs 1.69 crore, Rs 0.55 crore, Rs 13.89 crore and Rs 17.36 crore at the end of 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008 and 31 March 2009 respectively.

thereafter committee should have considered the encashment of FDRs with local Scheduled Commercial Banks/Co-operative bank. The Central Government dated securities should have been sold only if the amount realised by sale of Treasury bills and the encashment of deposits was not adequate. Thus, from the above priorities, the procedure to be adopted for investments was clear.

- ***Non-refund of un-utilised balances of CRF***

The unspent balances in the CRF at the end of financial year were required to be refunded to FCR. Scrutiny of records revealed that the unspent balances amounting to Rs 6.24 crore was lying with the District Revenue Officers (DROs), Sub-Divisional Officers-Civil (SDOs) and City Magistrate (CTM) as detailed in **Appendix XX** which was not refunded to the FCR. In addition to this, the interest earned (Rs 13.75 lakh) by four<sup>27</sup> districts on the funds available in the bank accounts was required to be refunded to the CRF but the same has not been refunded so far (June 2009). Information from Deputy Commissioners (DC) of Gurgaon, Jhajjar and Sirsa is awaited (July 2009). The FCR stated (July 2009) that directions have been issued (August 2008) to all the DCs that the interest earned on the unspent balances should be refunded to CRF. But the unspent balances were still lying with the disbursing officers.

- ***Non-maintenance of records of CRF***

No specific records such as cash-books, ledger accounts, etc. were maintained for monitoring receipt of contributions, return of unspent balances from the field units, investment made in the banks and expenditure incurred therefrom. Audit scrutiny revealed that a sum of Rs 4.90 lakh drawn (between June 2005 and June 2007) from the bank by the FCR but there was no account of this expenditure on record. The FCR stated (July 2009) that the year-wise record of transactions has been maintained in the respective year's file. The reply of the department is not acceptable as in the absence of the cash-book, it is very difficult to keep the track of all the financial transactions viz. receipt of funds from GOI, State share, receipt of cheques of unspent balances, investment made in banks, receipt of interest thereto, expenditure incurred, etc. However, the fact remains that no detail of expenditure of Rs 4.90 lakh was provided by the FCR.

- ***Irregular diversion of funds***

De-watering operations in the eventuality of floods were funded out of CRF and were carried out by the Irrigation Department in rural areas and Water Supply and Sanitation Department in urban areas. It was noticed that a sum of Rs 2.49 crore<sup>28</sup> was allocated during 2004-08 for dewatering in Hisar and Rohtak districts against which Rs 1.39 crore<sup>29</sup> were spent. Scrutiny of hydrological data revealed that

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<sup>27</sup> Faridabad, Kaithal, Narnaul and Yamunanagar.

<sup>28</sup> Hisar Rs 1.54 crore and Rohtak Rs 0.95 crore.

<sup>29</sup> Hisar Rs 0.98 crore and Rohtak Rs 0.41 crore.

**Huge unspent funds of calamity relief were retained by disbursing officers instead of refunding to CRF.**

**A sum of Rs 1.39 crore was irregularly spent on de-watering in water-logged areas.**

there was normal rainfall during this period and no area was declared as flood affected. The expenditure was mainly incurred on dewatering of accumulated water in the water-logged areas adjoining canals and digging of temporary drains. These were the normal functions of the Irrigation Department and hence the expenditure was not to be charged to CRF and was, therefore, contrary to the guidelines of the fund.

- The Deputy Commissioner (DC), Kaithal released Rs 4.26 lakh to Executive Engineer, Kaithal Water Services Division, Kaithal who further released the amount to Sub-Divisional Officer Mechanical Division, Kaithal out of CRF during 2005-07 for dewatering operations in flood affected areas. The amount was, however, spent on operation and maintenance of vehicles instead of spending on dewatering operations.

### 2.5.1.3 Payment of gratuitous relief on contradictory reports

An amount of Rs 0.54 crore was paid as relief to farmers of Bhiwani district on account of damage of crops in water logged areas in contravention of fund guidelines.

As per guidelines, the farmers whose crops were damaged due to 'Chauva & Sem' i.e. water logging, were not entitled for gratuitous relief under CRF. However, scrutiny of records revealed that the FCR sanctioned (July 2008) Rs 2.66 crore<sup>30</sup> to DC, Bhiwani for distribution as gratuitous relief to the farmers whose standing crops were damaged due to 'Chauva & Sem'. Scrutiny of records (January 2009) revealed that these funds were sanctioned and released on contradictory reports of DC, Bhiwani. Firstly, it was stated (April 2007) that the damage was due to water logging i.e. 'Chauva & Sem' which occurred every year. But after one year, it was stated (March 2008) that land was already affected due to *Chauva & Sem* and could not bear the excess rain water. It was also mentioned therein that no damage occurred during the previous years. This was also contradictory to earlier reports. In spite of variance reports, the State Government after 15 months, sanctioned Rs 2.66 crore (July 2008) for distribution to the farmers in violation of scheme guidelines. The FCR stated (March 2009) that DC, Bhiwani had intimated (March 2008) that the crop was destroyed due to heavy rains in winter season on 'Chauva and Sem' land and there was no destruction of crops in the previous years. This reply of DC, Bhiwani is contradictory to its earlier reply (April 2007) in which it was stated that due to 'Chauva and Sem' crop was destroyed every year. Moreover, the funds were released without getting certification from special *girdawari*.

<sup>30</sup>

Rupees 0.54 crore from CRF and Rs 2.12 crore from State budget.

#### 2.5.1.4 Fraud in distribution and double payment of CRF

Rupees 5.86 lakh were paid to farmers having no land. Double payment of Rs 0.89 lakh to four farmers was also observed.

Scrutiny of records (February 2009) of DC, Mewat revealed that the payment from CRF amounting to Rs 5.86 lakh was made (March-April 2007) to the farmers of village and Tehsil Tauru who have no land as per land revenue records. Cases of double payment on the same land to four farmers were observed. This resulted in fraudulent payment of Rs 6.75 lakh including double payment of Rs 89,500 made in respect of four cases. On being pointed out by audit, the DC, Mewat intimated (June 2009) to FCR that FIR had been lodged (April 2009) against the concerned patwari. The FCR stated (July 2009) that outcome was awaited.

#### 2.5.1.5 Monitoring

According to guidelines of Flood Manual, the relief was to be given to the deserving cases keeping in view the nature and magnitude of the loss and the funds to be demanded/released as per details of relief measures and scales provided in the Manual. In case of damage to crops by hailstorms/heavy rains/drought, the relief was to be given to the affected farmers on the basis of special *girdawari* conducted by the concerned *Patwaris* as per direction of DC. The FCR had overall responsibility for co-ordinating and monitoring the preparedness for flood relief/disaster including monitoring of financial transaction of relief measures with the assistance of DCs. The grants for relief were released by the FCR to DCs, DGHS and DGAH without any proper assessment and demand of the departments. Reports showing sub-head wise expenditure incurred every month was required to be sent to Government by 10<sup>th</sup> of the following month through DCs and Head of the departments concerned. Adjustment of the funds allotted by FCR was to be made by surrendering the extra amount before 15 March each year and refunding the unspent balances before the close of the year. It was observed that none of the DC in the test checked districts had reported this expenditure within the prescribed time frame. The FCR stated (July 2009) that advance funds have to be released to Health and Animal Husbandry Departments for purchase of preventive medicines so that at the time of any epidemic due to flood, etc. affected people are provided medicines immediately. The relief to farmers for damaged crops by hails storm/heavy rains/drought was given on the basis of the special *girdawari*. It was further stated that department submitted expenditure statement on monthly basis to the accounts branch. At the close of each financial year, all the officers/officials of the concerned departments and DCs were called alongwith the details of head-wise expenditure incurred. The reply does not explain as to why the unspent balances lying with the field offices were not surrendered at the end of each financial year.

Rainfall data were not monitored as required for declaration of flood affected area in the State. Financial management during the process of relief was deficient.

Funds were released without assessing the requirements, resultantly, there was excess drawal of funds. Funds were also diverted to other works not related to flood relief.

With a view to proper monitoring of CRF, following recommendations are made:

- Amount lying in the CRF should be invested according to the recommendation of 12<sup>th</sup> Finance Commission.
- Reporting of monthly expenditure by the executing agencies for submission to Government needs urgent attention to monitor the progressive expenditure.

## 2.6 General

### Finance Department

#### 2.6.1 (a) Follow-up on Audit Reports

According to the instructions issued (October 1995) by the Finance Department and reiterated in March 1997 and July 2001, the administrative departments were to initiate *suo moto* positive and concrete action on all audit paragraphs and performance reviews featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether the cases were taken up for examination by the Public Accounts Committee or not. The administrative departments were also required to furnish detailed notes, duly vetted by audit indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the ARs to the Legislature.

A review of the position regarding receipt of Action Taken Notes (ATNs) on the paragraphs included in the ARs upto the period ended 31 March 2008 revealed that the ARs for the period 2003-04, 2004-05, 2006-07 and 2007-08 were presented<sup>31</sup> to state legislature. Of the 109 paragraphs and reviews of 27 administrative departments included in these ARs, ATNs on 45 paragraphs and reviews in case of 22 administrative departments were not submitted as per details given in the **Appendix XXI**. The administrative departments namely Public Works (Buildings and Roads Branch), Irrigation, Water Supply and Sanitation, Education, Finance and Home had not submitted the ATNs on 24 out of 45 paragraphs/reviews. Six administrative departments out of those who had submitted the ATNs, had not taken any action to recover the amount of Rs 207.27 crore in respect of 10 paragraphs and reviews as per details given in the **Appendix XXII**. Further, the response of administrative departments towards the recommendations of PAC was not encouraging as 395 recommendations relating

<sup>31</sup> Audit Report 2003-04: March 2005, Audit Report 2004-05: March 2006, Audit Report 2006-07: March 2008 and Audit Report 2007-08: February 2009.

to Audit Reports 1970-71 to 2002-03 and 2005-06 were still awaiting final action by the concerned administrative departments as per details given in **Appendix XXIII**.

### **Agriculture Department**

#### *(b) Non-responsiveness to audit findings and observations*

After periodical inspection of the Government Departments, Principal Accountant General (Audit) issues Inspection Reports (IRs) to the Heads of offices audited, with a copy to the next higher authorities. The executive authorities are expected to rectify promptly the defects and omissions pointed out and report compliance to the Principal Accountant General (Audit) within six weeks. A half-yearly report of IRs pending for more than six months is also sent to the concerned administrative Secretary of the Department to facilitate, monitor and finalise audit observations in the pending IRs.

A review of IRs issued upto March 2009 of various offices of Agriculture Department disclosed that 578 paragraphs of 256 IRs with money value of Rs 87.27 crore (**Appendix XXIV**) remained outstanding at the end of June 2009. Of these 158 paragraphs involving 89 IRs were more than 5 years old. Category wise details of irregularities pointed out through these IRs had not been settled as on 30 June 2009 are given in **Appendix XXV**.

The administrative Secretary of the Agriculture Department, who was informed of the position through half-yearly reports, failed to ensure prompt and timely action by the departmental officers.

The matter was demi-officially referred to the Financial Commissioner and Principal Secretary to Government of Haryana, Agriculture Department in June 2009; reply had not been received (August 2009).

## **CHAPTER-III**

# **INTERNAL CONTROL MECHANISM IN GOVERNMENT DEPARTMENT**





## CHAPTER III

### Internal Control Mechanism in Government Department

#### Higher Education Department

### 3.1 Internal Controls in Higher Education Department

#### Highlights

*Internal Control is an integral component of an organisation's management process which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently, financial reports and operational data are reliable and the applicable laws and regulations are complied with so as to achieve organizational objectives. A review of Internal Control in Higher Education Department brought out significant deficiencies in financial, budgetary and expenditure controls, programme implementation, human resource management and non-compliance with set monitoring mechanism. There were cases of unrealistic budget formulation, drawal of funds in advance of requirement, non-deposit of unspent funds, deficient maintenance of cash-book, non-reconciliation of drawals with treasury schedules and faulty implementation of schemes introduced for the benefit of students. Human Resource Management was lagging as cases such as students without teachers and teachers without students, irregular deployment of staff on deputation were noticed. Besides, internal audit of Government colleges and Directorate has not been conducted.*

- **Budget estimates were prepared without any input from colleges, etc. Expenditure incurred during March ranged upto 98 per cent because of non-maintenance of expenditure control register.**

*(Paragraphs 3.1.6.1 and 3.1.6.3)*

- **Funds amounting to Rs 1.92 crore were not only drawn in advance/excess of requirement but also were deposited in the bank outside the Government account.**

*(Paragraph 3.1.6.2)*

- **Maintenance of cash-book and its reconciliation with treasury schedules were found to be deficient.**

*(Paragraphs 3.1.6.6 and 3.1.6.7)*

- Rupees 1.62 crore were paid to SC students in cash instead of providing books. Further, incentive money to students taking remedial coaching were not paid due to paucity of funds.

(Paragraphs 3.1.7.1 and 3.1.7.4)

- Non-distribution of computers to SC students resulted in blocking of funds of Rs 0.91 crore.

(Paragraph 3.1.7.2)

- Setting up of placement cell in nine colleges did not help even a single student to get the job at campus.

(Paragraph 3.1.7.6)

- In violation of orders of Chief Secretary, 67 employees were deployed to other colleges but their pay and allowances were drawn from the original place of posting.

(Paragraph 3.1.8.5)

- Rupees 19.63 lakh were paid to teaching staff who were either posted in excess of sanctioned strength or were without any students.

(Paragraph 3.1.8.6)

- Internal audit wing was conducting internal audit of Government aided colleges but had not conducted internal audit of the department and Government colleges.

(Paragraph 3.1.9.3)

### **3.1.1 Introduction**

Internal Control is a system within an organisation that governs its activities to effectively achieve its objectives. A robust built-in internal control and strict adherence to statutes, codes and manuals provide reasonable assurance to the department about compliance of applicable norms and rules. This also helps in achieving reliability of financial reporting and effectiveness and efficiency in departmental operations.

Higher Education Department is responsible for providing quality higher education to the students especially for scheduled caste/scheduled tribe, weaker sections and girl students through the implementation of various schemes. Government colleges function under the administrative control of this department. Financial assistance to non-Government aided colleges and universities is also provided through this department.

### **3.1.2 Organisational set up**

Higher Education Department is under the administrative control of the Financial Commissioner and Principal Secretary to Government, Haryana, Education and Languages Department. The department is headed by the Higher Education Commissioner (HEC) and assisted by a Joint Director, an Additional Director, a Registrar Education, a Deputy Director, District Attorney and a Chief Accounts Officer alongwith the supporting staff. There are four universities, 75 Government colleges, 96 non-Government aided colleges and four academies. Besides this, there are 357 self-financed institutions in the State.

### **3.1.3 Audit objectives**

Audit objectives were to assess whether:

- the budgetary control and cash control were effective and efficient to ensure financial discipline;
- the operational controls were adequate to achieve the objectives of the department in an economic, efficient and effective manner;
- administration including establishment, manpower and inventory related controls were complied with; and
- the monitoring mechanism and internal audit were effective in ensuring smooth functioning of the department.

### **3.1.4 Audit Criteria**

To achieve the audit objectives, the following audit criteria were adopted:

- Budget Manual and Financial Rules;
- Guidelines of the various schemes being implemented by department;
- Haryana Education Code and University Grants Commission Act; and
- Rules, regulation and instructions of Government.

### **3.1.5 Scope of audit and methodology**

Records for the period 2006-09 of the HEC and 19<sup>1</sup> Government colleges out of

<sup>1</sup> Government colleges, Ambala Cantt., Barwala (Panchkula), Barwala (Hisar), Bhiwani, Chhachhrauli, Dubaldhan, Gharaunda, Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal, Karnal (Women), Mahendragarh, Nalwa, Panchkula (Women), Saha, Siwani and Tohana.

75 Government colleges in the State were test checked between January 2009 and May 2009. The selection of colleges for test check was made by adopting Simple Random Sampling with Replacement Method.

The methodology adopted was to test-check the records with reference to the provisions of the departmental codes, State Budget Manual, State Financial Rules, Treasury Rules, Government orders and instructions. The sample for audit *inter-alia* covered records relating to budget and expenditure, manpower policies, inventory control, internal audit and various prescribed control registers.

An introductory meeting was held on 6 January 2009 with the Higher Education Commissioner, Haryana in which important issues regarding working of the department, audit objectives and audit criteria were discussed. Audit findings and recommendations of audit were discussed in the exit conference held in July 2009 with the department and their views were incorporated while finalising the review report.

## Audit findings

### 3.1.6 Financial management and budgetary control

#### 3.1.6.1 Budget formulation and expenditure control

As laid down in para 5.3 of the Punjab Budget Manual and adopted by Government of Haryana, the budget estimates of ordinary expenditure<sup>2</sup> should be framed as accurately as possible. Budget for all items of expenditure that can be foreseen should be provided for and included under the proper sub-heads. Details of budget estimates, final appropriation and expenditure under Revenue and Capital Heads of Account during 2006-09 were as under:

(Rupees in crore)										
Year	Budget Estimates (BE)		Final grant after re-appropriation		Expenditure		Saving(-) /excess(+) with respect to BE		Saving(-) /excess(+) with respect to final grant after re-appropriation	
	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan
<b>Revenue</b>										
2006-07	35.05	237.92	49.85	220.64	49.85	219.54	(+)14.80	(-)18.38	-	(-)1.10
2007-08	98.53	259.41	242.77	254.76	242.77	228.31	(+)144.24	(-)31.10	-	(-)26.45
2008-09	126.73	268.43	177.19	276.88	176.72	269.55	(+)49.99	(+)1.12	(-)0.47	(-)7.33
<b>Capital</b>										
2006-07	15.00	-	15.81	-	15.67	-	(+)0.67	-	(-)0.14	-
2007-08	16.70	-	25.03	-	31.10	-	(+)14.40	-	(+)6.07	-
2008-09	23.50	-	37.30	-	42.33	-	(+)18.83	-	(+)5.03	-

Source: Detailed Appropriation Account

<sup>2</sup> Ordinary expenditure relate to such expenditure as is expected to be incurred during the year for normal working of the department with reference to existing sanctions.

**Budget estimates were not prepared on realistic basis.**

There was excess expenditure over original budget provision under plan both Revenue and Capital Head indicating that the budget estimates of plan expenditure were not prepared on realistic basis.

An analysis of the records further revealed that above savings and excesses with reference to budget estimates occurred under the following minor heads as detailed below:

(Rupees in crore)

Sr. No.	Head of account	Year	Original Budget	Actual expenditure	Savings (-) / excess (+) with reference to original budget	Percentage of savings (-)/ excess (+)
1.	2202-001 Direction and Administration	2006-07	13.46	10.67	(-) 2.79	(-) 21
		2007-08	17.36	9.50	(-) 7.86	(-) 45
		2008-09	17.17	12.43	(-) 4.74	(-) 28
2.	2202-103 Government colleges and Institutes	2006-07	87.04	66.84	(-) 20.20	(-) 23
		2007-08	101.19	68.67	(-) 32.52	(-) 32
		2008-09	99.36	99.46	(+)0.10	(+)0.1
3.	2202-105 Faculty Development Programme	2006-07	9.42	9.08	(-)0.34	(-)4
		2007-08	13.32	5.95	(-) 7.37	(-) 55
		2008-09	8.50	5.88	(-)2.62	(-)31
4.	2202-107 Scholarships	2006-07	1.91	1.35	(-) 0.56	(-) 29
		2007-08	16.98	19.32	(+) 2.34	(+) 14
		2008-09	2.77	1.66	(-) 1.11	(-) 40
5.	2202-102 Assistance to Universities	2006-07	48.15	66.58	(+) 18.43	(+) 38
		2007-08	93.16	249.36	(+) 156.20	(+) 168
		2008-09	100.96	173.67	(+) 72.71	(+) 72
6.	4202-203 University and Higher Education	2006-07	15.00	15.67	(+)0.67	(+)4
		2007-08	16.70	31.10	(+) 14.40	(+) 86
		2008-09	23.50	42.33	(+) 18.83	(+) 80

Source: Detailed Appropriation Account.

The HEC stated (July 2009) that excess expenditure during 2007-08 was due to release of additional grants-in-aid to Bhagat Phool Singh Mahila Vishwavidyalaya, Khanpur Kalan (Sonipat) for acquisition of land and construction thereof and to other universities<sup>3</sup> to enhance the intake capacity of students as well as to introduce new job oriented courses. The reply was not convincing as there were wide variations between original budget estimates and actual expenditure under different minor heads besides, the department should have anticipated such commitments/expenditure while preparing original budget estimates. As regards excess expenditure under capital head, the HEC stated that capital head was operated by Public Works Department and excess expenditure was incurred without their consent. This indicates lack of control over capital budget.

The deficiencies in the budgetary processes in the department may be attributed to the following factors:

<sup>3</sup> Kurukshetra University, Kurukshetra; Chaudhary Devi Lal University, Sirsa and Maharshi Dayanand University, Rohtak.

**Liability register was not maintained by 13 colleges.**

- **Non-maintenance of liability register**

Para 12.11 of the Budget Manual requires the Drawing and Disbursing Officer (DDO) to maintain a register of liabilities in a prescribed format. Liabilities at the time of budget preparation and those anticipated to arise during the year are to be incorporated in the register to facilitate both expenditure control and preparation of budget estimates. Liabilities register was, however, not being maintained in 13<sup>4</sup> colleges as a result of which provision for liabilities, if any, could not be made in the budget. The HEC while admitting the facts stated (July 2009) that all the Drawing and Disbursing Officers (DDOs) had been instructed to maintain liability register.

**Budget estimates were framed without any input from the colleges.**

- **Belated submission of budget estimates**

According to Budget Manual (Para 3.6 and 1.12) and instructions of Government from time to time, the head of the department is required to send budget estimates to Finance Department each year by 6 November. It was, however, noticed that submission of budget estimates was delayed by 23 to 77 days during 2006-09.

As per orders of HEC, Government colleges were to submit budget estimates to HEC by 28 August of each year. The submission of budget estimates was delayed upto 41 days during 2007-08 and 16 to 46 days during 2008-09. Thus, budget estimates were prepared by HEC without getting appropriate feed back/input from their field offices/colleges.

The HEC stated (July 2009) that care would be taken in preparing and timely submission of budget estimates in future.

- **Expenditure control register not maintained**

The HEC was responsible for monitoring the progress of expenditure with respect to allotment of funds. To ensure proper control over the approved/allocated budget grants, a register of expenditure was required to be maintained in Form B.M.-28 indicating the disbursing officer-wise allotment of funds and expenditure incurred thereagainst under each unit of appropriation/sub-heads, etc. The expenditure register was not maintained by the HEC. Non-maintenance of expenditure control register by the controlling officer resulted in unsatisfactory control over the expenditure showing saving/excess against original budget provision under various sub-heads. The HEC (May-July 2009) stated that required information were not received from field units. All the DDOs had been instructed to maintain Expenditure Control Registers.

**Expenditure control register was not maintained by HEC.**

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<sup>4</sup> Government colleges Barwala (Hisar), Chhachhrauli, Dubaldhan, Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal (women), Mahendergarh, Nalwa, Panchkula (women), Siwani and Tohana.

### 3.1.6.2 Drawal of funds in advance of requirement and retention of unspent funds outside Government Account

State Financial Rules (Rules 2.10 (b) (5)) provide that no money should be drawn from the treasury unless it is required for immediate disbursement or recoupment of the amount paid out of permanent advance. Further, the drawal of advance from the treasury for execution of work, the completion of which is likely to take considerable time, just to avoid the lapse of budget grant is not permissible. Retention of Government funds outside the Government Account is also irregular.

- During the years 2005-09, Government sanctioned Rs 1.40 crore<sup>5</sup> under 'Human Resource Development of Teacher and Taught and Supporting Staff' Scheme' for conducting training in specific subjects and overall development of the teaching staff. The HEC directed the Principal of the Government College, Panchkula to draw the said amounts from the treasury and to keep the amount with him till further orders. The Principal drew Rs 1.40 crore<sup>5</sup> and placed these amounts in bank account. The Principal used to issue cheques to different colleges from time to time for implementation of the scheme. A perusal of records revealed that a sum of Rs 66.95 lakh<sup>6</sup> was spent on the scheme upto March 2009 and balance sum of Rs 73.05 lakh was lying in bank account of the Principal, Government College, Panchkula. The orders of the HEC to draw the amount in lump sum were in violation of financial rules. Further, the Principal had not refunded the unspent funds into treasury. Due to non-adherence of financial rules, huge funds remained outside the Government Account. The HEC while admitting the facts stated (July 2009) that the Principal had been directed to deposit the unspent funds into treasury.
- Scrutiny of the records revealed that unspent funds of Rs 1.19 crore relating to scholarship\stipend\incentives money, etc. were lying in bank account of Principals as some students left the college, some had not passed the examination and some students had not opened their bank accounts. The details are given below:

Rupees 0.73 crore were drawn in advance of requirement.

Unspent funds were kept in bank account instead of depositing in Government Account.

(Rupees in crore)				
Year	Number of Colleges	Amount received	Amount disbursed	Balance amount
2006-07	8	0.76	0.69	0.07
2007-08	12	0.91	0.79	0.12
2008-09	17	4.43	3.43	1.00
<b>Total</b>		<b>6.10</b>	<b>4.91</b>	<b>1.19</b>

Thus, unspent funds were not deposited into the Government Account but were retained by Principals in violation of Financial Rules. The HEC stated (July 2009) that all the Principals had been directed to deposit unspent funds into treasury.

<sup>5</sup> August 2005: Rs 40 lakh, March 2006: Rs 10 lakh, March 2007: Rs 40 lakh, February 2008: Rs 25 lakh and September 2008: Rs 25 lakh.

<sup>6</sup> 2005-06: Rs 10.63 lakh; 2006-07: Rs 10 lakh and 2007-09: Rs 46.32 lakh.

### 3.1.6.3 *Rush of expenditure in March*

Budget Manual (para 1.31) provides that rush of expenditure in the month of March should be avoided. Expenditure on contingencies should be staggered throughout the year and should not exceed 8.33 per cent of the total budget provision in the month of March. Despite this, it was noticed during audit that there was rush of expenditure in the month of March. Although funds were released every year from time to time throughout the year, the percentage of expenditure in seven colleges ranged between 31 and 98 in March 2007, in 11 colleges it ranged between 9 and 97 in March 2008; and in 13 colleges it ranged between 20 and 96 in March 2009. Significant spending during the last month of the financial year was as result of non-maintenance of expenditure control register and was against financial prudence as it was likely to lead to incurring of the expenditure without proper planning and merely with the objective of exhausting budget provision. The HEC while admitting the facts stated (July 2009) that necessary instructions to observe the provisions of budget manual had been issued to all the Principals of the Government colleges.

### 3.1.6.4 *Incurring of expenditure beyond competency*

As per Government notification dated 12 March 2006, the head of the office was empowered to sanction non-recurring expenditure upto Rs 10,000 in each case. Scrutiny of records revealed that during the years 2006-09, 12<sup>7</sup> Government colleges purchased 209 store articles such as furniture, sports items, computer items, etc. worth Rs 1.56 crore from market (*Appendix XXVI*). Although the value of each item was more than Rs 10,000, the DDOs did not restrict the power of purchases within the prescribed limit and, thus, these purchases were irregular. No efforts were made by the Principals to obtain the sanction of higher authorities to regularise these purchases. The HEC stated (July 2009) that the explanations of the concerned Principals have been called for.

### 3.1.6.5 *Conditions of sanction of advances not adhered to*

As per terms and conditions mentioned in the sanctions of loans to Government employees, vehicles and computers should be purchased by the loanees within one and two months respectively after drawal of advance. Loanees are required to submit requisite documents i.e. seller's invoice, insurance policy, copy of registration of vehicle, etc. to the DDOs in token of having purchased the vehicles or computers. In case the vehicles or computers are not purchased within the stipulated period, the entire amount of advance is to be recovered in lump-sum along with penal interest.

Scrutiny of records revealed that necessary documents in respect of 31 cases involving advances of Rs 17.02 lakh were not submitted to HEC/Principals of Government College, Ambala Cantt., Bhiwani and Saha even after the expiry of

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<sup>7</sup> Government colleges, Barwala (Panchkula), Bhiwani, Dubaldhan, Hisar, Jatauli Haily Mandi, Jhajjar, Mahendragarh, Nalwa, Panchkula (Women), Saha, Siwani and Tohana.



prescribed period of one/two months. In the absence of these documents, the department could not ensure that the advances were used for the purposes for which they were drawn. The amount of advances along with penal interest had not been recovered in lump-sum from the concerned officers/officials. The HEC stated (July 2009) that the required documents would be obtained from the concerned officers/officials.

### **3.1.6.6 Deficiencies in the maintenance of the Cash-book**

Financial Rules (Rule 2.2 (iii)) provide that each head of office should check the totals of Cash-book or get it checked from a responsible subordinate other than the writer of the Cash-book and record a certificate in the Cash-book to this effect. Further Rule 2.2 (iv) provides that at the end of each month, the head of the office should verify the cash balance in the Cash-book and record a signed and dated certificate to that effect. Each and every entry on the receipt and payment side should be attested by the DDO.

**Surprise check of cash-book was not conducted.**

The examination of the Cash-books for the period 2006-09 revealed that the entries in the Cash-book on the Receipt side in office of the HEC and the entries on the receipt and payment sides of all the colleges except Government College Barwala (Hisar) and Chhachhrauli were not found attested by the DDOs. The totals of the Cash-book had not been checked by the head of the office or by an official other than the writer of the Cash-book. Further, monthly closing balance of the Cash-book had neither been verified nor signed by head of the office with a dated certificate in the Cash-book.

### **3.1.6.7 Reconciliation of treasury schedules with the Cash-book not done**

As provided in the financial rules (Rule 2.31), the head of office was required to ensure that all amounts drawn from the treasury were entered in the Cash-book. For the purpose, the head of office/DDO was required to obtain from the treasury by 15<sup>th</sup> of every month, a list of all bills (Treasury schedule) drawn by him during the previous month and check all the amounts in the Cash-book and record a certificate on the list of treasury schedules to that effect. During the years 2006-09, it was noticed in the office of HEC and all the colleges (except Government College Barwala of Hisar district and Chhachhrauli) though they obtained treasury schedules from the treasury, yet they did not reconcile the same with the Cash-book.

**Reconciliation of treasury schedules with cash-book was not done by five colleges and HEC office.**

In the absence of these stipulated controls, misappropriation of funds may go undetected. The HEC stated (July 2009) that all DDOs have been directed to comply with the provisions of Financial Rules.

## **3.1.7 Operational control**

Higher Education Department implemented 20 schemes during 2006-07, 27 schemes during 2007-08 and 24 schemes during 2008-09. Review of

implementation of these schemes revealed several deficiencies as discussed in the following paragraphs:

### **3.1.7.1 Providing of books to SC students studying in Government colleges**

In order to help and motivate SC student to pursue higher studies (except B.Ed. course), a complete set of text books was to be provided to 14,000 students through the concerned college valuing Rs 2,200 per student in each year. At the close of the year, the books were required to be returned, failing which 25 per cent cost of books was to be recovered.

During the period from October 2007 to March 2008 an amount of Rs 2.84 crore was drawn from the treasury by the HEC against the budget allocation of Rs 3.10 crore and the same was sent to the Principals of Government colleges through bank drafts.

Scrutiny of records revealed that the Principals of 42 colleges had paid Rs 1.62 crore to 7,354 students at the rate of Rs 2,200 per student in cash instead of providing books to students. It was noticed that neither the recovery of 25 per cent was made from the students nor the books were returned by the students. Had the books been provided to students, the books could have been re-used in the next session. Further, a sum of Rs 5.65 lakh pertaining to 257 students was lying in bank accounts of 12 Principals and Rs 16.19 lakh was deposited in treasury pertaining to 776 students by 17 colleges. A sum of Rs 1.37 crore was paid to the students in January and March 2008 when the college session was near completion. Thus, the department failed to implement the scheme in proper manner and also failed to achieve the targets. The HEC admitted the facts and stated (July 2009) that recovery of books from students was not practicable and might create problem for librarian to keep account of second hand books as they might be in a perishable condition. The reply was not convincing as the books should have either been taken back from students or recovery at the rate of 25 per cent of the cost of the books should have been made as per provision of the scheme.

### **3.1.7.2 Providing of computer systems to SC students**

A scheme of providing computers to Scheduled Caste (SC) students under the scheme 'Empowering the Scheduled Caste Students for Employability in Information Technology' was started in 2007-08. Under the scheme, a sum of Rs 6.87 crore was deposited (March 2008) for purchase of 2,117 computer systems (computer, printer and UPS) with Haryana State Electronics Development Corporation (HARTRON). HARTRON in turn supplied (May-August 2008) 2,117 computer systems at a cost of Rs 6.72 crore.

Scrutiny of records revealed that the nodal colleges had distributed only 1,830 out of 2,117 computer systems and balance 287 computer system had been lying with them. Thus, 287 computers had still not been distributed among the students resulting in blockage of Rs 0.91 crore.

**Rupees 1.62 crore were paid to SC students in cash instead of providing text-books.**

**Rupees 0.91 crore were blocked due to non-distribution of computers to students.**

Further, a sum of Rs 6.90 crore was deposited (March 2008) with HARTRON for imparting computer training to undergraduate SC students. Out of this, computer training worth Rs 4.57 crore had been imparted by HARTRON and balance amount of Rs 2.32 crore was still (August 2009) lying with HARTRON. The HEC stated (August 2009) that the amount would be utilised for purchase of computers, printers, UPSs and software. The reply was not convincing as amount was deposited for imparting training and the scheme had been closed during 2008-09.

Similarly, Government Colleges, Hisar, Panchkula (women) and HEC had drawn Rs 38.01 lakh (2006-07: Rs 5.10 lakh and 2007-08: Rs 32.91 lakh) and deposited the same with HARTRON for purchase of computers. HARTRON supplied the material worth Rs 34.86 lakh leaving a balance of Rs 3.15 lakh<sup>8</sup>. The balance amount was neither demanded by the department nor returned by HARTRON. The HEC stated (July 2009) that out of Rs 3.15 lakh, Rs 0.76 lakh had been adjusted through purchase of cartridges from HARTRON.

### 3.1.7.3 *Sports activities in Government colleges*

Under the scheme 'Sports Activities', Government colleges were to purchase sports equipments, maintain sports library and to encourage adventurous sports in the colleges. The Government sanctioned (January 2008) an amount of Rs 1.69 crore under the scheme. Out of 49 Government colleges to whom this amount was released, four<sup>9</sup> colleges did not utilise grants amounting to Rs 13.54 lakh. Thus, the students of these colleges were deprived of the benefits of the scheme. The HEC stated (July 2009) that the grants could not be utilised as the funds were released to the colleges in the last week of January 2008 and the supplier failed to supply this sports item in time. The reply was not convincing as reasons for belated release of funds were not explained by Government.

### 3.1.7.4 *Incentive to SC/BC and minority community students*

Under the scheme "remedial coaching to the students of SC/BC and minority community," an incentive to the teachers teaching English, Mathematics and Science was to be given at the rate of Rs 800 per subject per month per class and to students at the rate of Rs 200 per student per subject per month. Rupees 9.98 lakh and Rs 9.41 lakh were allocated to 47 and 55 Government Colleges during the year 2006-07 and 2007-08 respectively for implementation of the scheme.

It was noticed that 12<sup>10</sup> colleges in 2006-07 and five<sup>11</sup> colleges in 2007-08 could not organise required coaching classes. Though the incentive money was paid to

<sup>8</sup> Rs 1.41 lakh for 2006-07 and Rs 1.74 lakh for 2007-08.

<sup>9</sup> Government colleges Bhattu kalan, Narnaul (Women), Adampur and Sirsa.

<sup>10</sup> Government colleges Bahadurgarh, Bhattu kalan, Bhiwani, Dubaldhan, Gharaunda, Hisar, Hodal, Kalka, Naraingarh, Narwana, Siwani and Tauru.

<sup>11</sup> Government colleges Bodia Khera (Women), Gurgaon (Sector-14), Jatauli Haily Mandi, Kalka and Tigaon.

**Incentive money to students was not provided due to paucity of funds.**

the teachers, it was not paid to students during this period due to non-availability of adequate funds. Thus, the students of these communities were deprived of the benefit of the scheme. The HEC stated (July 2009) that students did not turn up to attend remedial coaching classes. The reply indicates that the department failed to motivate the students of SC/BC and minority community for remedial coaching.

### **3.1.7.5 Human resources development of students (earn while you learn)**

To harness the energy and capacity of young students to the advantage of both the institution and the students by providing on campus facility of Human Resource Development through providing an opportunity for earning while learning, a scheme for engaging students in small tasks in the college such as laboratories works, library jobs, assistance to the computer rooms of the college was introduced. For all these jobs, students were to be paid at the rate of Rs 50 per hour.

Scrutiny of the records of test checked colleges revealed that the students were engaged on the jobs such as office work, EDUSAT, house examination, sports and placement cell instead of deploying them on specified jobs by seven<sup>12</sup> colleges. An amount of Rs 3.99 lakh was paid to 109 students during 2006-09 which was irregular. The HEC stated (July 2009) that the reasons for deviation have been called for from the concerned Principals.

### **3.1.7.6 Setting up of placement cell in Government colleges**

With a view to provide job opportunities to the students pursuing higher education, a scheme setting up of placement cell was started in all the Government colleges. During the years 2006-09, an amount of Rs 49 lakh was provided under the scheme.

Scrutiny of records of test checked colleges revealed that while six<sup>13</sup> colleges succeeded in providing jobs to 326 students, nine<sup>14</sup> (out of 10,125 final year students) colleges could not provide job to students during 2006-09. No placement agency was invited and no workshop/seminar organised by these nine colleges despite availability of funds.

### **3.1.7.7 Strengthening of library services in Government colleges**

One of the objectives of the scheme 'Strengthening of Library Services' was to purchase e\_books and provide on line library service to the students. For this purpose, SOUL software was purchased during 2005-09. An expenditure of Rs 69.49 lakh was incurred by these colleges. Scrutiny of the records revealed

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<sup>12</sup> Government colleges Barwala (Panchkula), Jatauli Haily Mandi, Mahendragarh, Nalwa, Saha, Siwani and Tohana.

<sup>13</sup> Government colleges Ambala cantt., Jhajjar, Hisar, Karnal, Karnal (Women) and Tohana.

<sup>14</sup> Government colleges Barwala (Panchkula), Bhiwani, Dubaldhan, Gharaunda, Jatauli Haily Mandi, Mahendragarh, Nalwa, Saha and Siwani.

**Nine colleges could not provide job to students through placement cell.**

that 14<sup>15</sup> colleges purchased SOUL software, but none of these colleges could provide online library service to the students and also no e\_books had been purchased. Failure to purchase e\_books and provide on line library service to the students resulted into non-achievements of the objectives of the scheme. The HEC stated (July 2009) that sufficient funds were not provided by the Government to develop e\_books /e\_library.

### 3.1.7.8 Non-providing of adequate facilities to hostels of students

Adequate hostel facility was not provided to the students of Government College, Hisar.

As per provisions of Haryana Education Code, every college which enroll boarding/resident student is required to provide a suitable accommodation to all the boarders. The college authorities have to appoint one resident Superintendent to ensure that the boarding house premises are kept in a clean and good sanitary condition and a balanced food is served to the boarders. Scrutiny of records of Government College, Hisar revealed that hostel facilities were insufficient as 107 to 128 girl students (out of 1,452 to 1,621) were housed in 20 rooms during 2006-09. There was no prescribed norms for accommodating students in hostels. However, the Principal of the college stated that each room in the hostel had been provided with three almira, as such three girl students could be accommodated. Further, the Superintendent was not posted for the hostel. The HEC stated (July 2009) that excessive students were accommodated due to the pressure of the parents of girls students of remote area and that requisition for filling up the post of Hostel Superintendent had been sent to Haryana Staff Selection Commission.

## 3.1.8 Human resources management control

Codal provisions provide that the department should follow a sound system for manpower requirement, their regulation and their efficient and effective utilisation. A periodical review should be conducted to assess whether the sanctioned manpower is utilised for the purpose for which it was sanctioned.

### 3.1.8.1 Shortage of staff

The sanctioned strength and actual strength of 17 test checked colleges during 2006-09 was as under:

Sr. No.	Year Posts	2006-07			2007-08			2008-09		
		Number of posts			Number of posts			Number of posts		
		Sanctioned	Filled	Vacant	Sanctioned	Filled	Vacant	Sanctioned	Filled	Vacant
Number of Colleges		15			17			17		
1.	Principals	15	15	-	17	15	2	17	16	1
2.	Lecturers	674	637	37	730	677	53	728	650	78
3.	Non-teaching staff	393	287	106	425	326	99	422	315	107

The position of vacant post of teaching and non-teaching staff was high in

<sup>15</sup> Government colleges, Ambala Cantt., Barwala (Panchkula), Bhiwani, Dubaldhan, Gharaunda, Hisar, Jatauli Haily Mandi, Nalwa, Saha, Siwani, Tohana, Jhajjar, Mahendragarh and Panchkula (Women).

17<sup>16</sup> test checked Colleges. No post of teacher was sanctioned for two Government colleges located at Barwala (Hisar) and Chhachhrauli. However, the teaching work was arranged by diverting staff from other colleges.

The HEC stated (July 2009) that requisition for lecturers had been sent to Haryana Public Service Commission.

### **3.1.8.2 Uncovered study periods**

Scrutiny of work load statement of 14<sup>17</sup> colleges revealed that as per work load statement prepared by the colleges, the requirement of the lecturers was 805 for 21,774 students on roll against the sanctioned post of 677 during 2008-09. Further, against this, only 560 lecturers were posted. Thus, there was overall shortage of 245 lecturers. In spite of shortage, 45 lecturers were sent on deputation to other colleges with the result, the number of teaching hours remained uncovered without teachers which ultimately hampered the quality of education. Besides, although there was shortage of lecturers in sampled checked colleges, 14 lecturers were posted in excess in seven colleges. This indicates lack of manpower planning.

### **3.1.8.3 Students without lecturers**

Scrutiny of records revealed that 4,981 students during 2006-07, 6,359 during 2007-08 and 3,374 students during 2008-09 in 12 colleges in various subjects remained without lecturers as no lecturer was posted in concerned subject in these colleges during 2006-09 (*Appendix XXVII*)

The HEC admitted the facts and stated (July 2009) that a requisition to fill up the posts of lecturers had been sent to the Haryana Public Service Commission.

### **3.1.8.4 Deployment of lecturers without adhering to UGC norms**

As per University Grants Commission (UGC) norms fixed in September 1991, the lecturers should have a good academic record with at least 55 *per cent* marks or should possess an equivalent grade of master's degree level in the relevant subject. Besides fulfilling the above qualification, candidates should have cleared the eligibility test for lecturers conducted by the UGC, CSIR or similar test accredited by the UGC. Scrutiny of records revealed that in 12 colleges, 73 lecturers including guest faculty were not fulfilling the UGC norms. They were holding only Masters degree without qualifying the eligibility test being conducted by UGC although these lecturers were employed after September 1991. The HEC during exit conference stated that the case would be examined and factual position would be intimated.

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<sup>16</sup> Government colleges Ambala Cantt., Barwala (Panchkula), Bhiwani, Dubaldhan, Gharaunda, Hisar, Jatauli Haily Mandi, Jhajjar, Karnal, Karnal (Women), Kaithal, Mahendragarh, Nalwa, Panchkula (Women), Saha, Siwani and Tohana.

<sup>17</sup> Government colleges Ambala Cantt., Barwala (Panchkula), Bhiwani, Gharaunda, Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal, Karnal (Women), Mahendragarh, Saha, Siwani and Tohana.

### 3.1.8.5 Irregular adjustment of staff

Chief Secretary to Government of Haryana imposed (December 1996) a total ban on change of headquarters of the employees as this was considered as another kind of transfer.

Scrutiny of records of the HEC and 19 colleges revealed that 67 employees of 10<sup>18</sup> colleges (61 teaching staff and 6 non-teaching staff) had drawn pay and allowances from their original place of posting but these employees were deployed to other colleges on deputation for the period ranging between 2 and 19 months instead of regular posting after obtaining orders from the Government. The action of the HEC in sending the lecturers on deputation was irregular and against the orders of the Chief Secretary. The HEC stated (July 2009) that due to administrative exigencies, lecturers/other staff were deputed to other colleges where requirement existed. The reply was not convincing as deployment of lecturers to another place without regular transfer orders was against the existing orders.

### 3.1.8.6 Retention of excess staff/staff without work

In two colleges, the teaching staff was deployed in excess of sanctioned posts as detailed below:

Name of Government college	Subject	Sanction strength	Posted	Excess	Period	Pay and allowances (Rupees in lakh)
Jatauli Haily Mandi	Geography	2	3	1	July 2006 to June 2007	2.07
	English	3	4	1	August 2006 to August 2008	4.58
Mahendragarh	Economics	1	2	1	March 2006 to August 2007	6.06
	Commerce	3	6	3	October 2006 to February 2007 and September 2007 to February 2008	1.44
	Geography	3	4	1	September 2007 to February 2008	0.48
<b>Total</b>						<b>14.63</b>

One lecturer (Mathematics) in Government College, Dubaldhan (April 2006 to October 2006) and one Commerce lecturer in Government College, Siwani (May 2006 to September 2007) was posted though there was no student on roll for these subjects during this period. The department spent Rupees five lakh on their pay and allowances during this period. Thus, these lectures were idle without any classes/work in the colleges. No efforts were made either by the college Principals or the department to post them as per their requirement and to utilise their services meaningfully.

Sixty seven employees were deployed to other colleges in violation of orders of the Chief Secretary.

An amount of Rs 19.63 lakh was paid to teaching staff who were either posted in excess of sanctioned strength or without any student on roll.

<sup>18</sup> Government colleges Karnal; Karnal (Women); Bhiwani; Hisar; Jhajjar; Duabldhan; Mahendragarh; Jatauli Haily Mandi; Barwala (Panchkula) and Panchkula (Women).

### **3.1.9 Monitoring including internal audit**

#### **3.1.9.1 Monitoring**

According to instructions (April 1989) of Administrative Department, each Government office was required to maintain calendar of returns/charts of statement to ensure timely submission of returns and statements to the concerned higher authorities. Besides, each office was to maintain a complaint register in the prescribed form indicating total number of complaint cases at the beginning of the month, cases received/disposed off during the month and total number of complaints outstanding at the end of each month for monthly review of the complaint cases. Further, each Government office was required to use and attach calendar of dates/events in prescribed form while submitting the cases to higher authorities to ensure quick disposal of cases and avoid delay in their finalisation. It was noticed that the calendar of returns/charts of statement was not prepared in 13<sup>19</sup> colleges, system of calendar of dates/events was not followed in 11<sup>20</sup> colleges and 11<sup>21</sup> colleges had not maintained complaint registers. The HEC while admitting the facts stated (July 2009) that necessary instruction to comply with the Government Instructions had been issued to all the colleges.

#### **3.1.9.2 Non-preparation of Annual Administrative Report**

As per Government instructions (July 1991), Annual Administrative Report showing the annual activities of the department is to be prepared and placed before the council of Ministers every year. It was, however, noticed that the department had not prepared the Administrative Reports for the years 2007-08 and 2008-09. The Annual Administrative Report for the year 2006-07 had been prepared but the same had not been submitted to Government for approval. In the absence of Annual Administrative Reports, the activities/performance of the department during the year could not be made public.

The HEC stated (July 2009) that Administrative Report for 2007-08 was under process.

#### **3.1.9.3 Internal audit system**

With a view to improve over all quality of work, reduce errors/omissions and irregularities, the State Government introduced the system of internal audit. Internal audit wing was required to conduct audit of the department and its

<sup>19</sup> Government colleges Barwala (Hisar), Bhiwani, Chhachhrauli, Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal (Women), Mahendragarh, Nalwa, Panchkula (Women), Siwani and Tohana.

<sup>20</sup> Government colleges Barwala (Panchkula), Barwala (Hisar), Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal (Women), Mahendragarh, Nalwa, Panchkula (Women) and Tohana.

<sup>21</sup> Government colleges Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal (Women), Karnal, Mahendragarh, Nalwa, Panchkula (Women), Siwani and Tohana.

**Internal audit of HEC office and Government colleges was not conducted.**



subordinate offices. The post of one Chief Accounts Officer, two Accounts Officers, five Section Officers and one Auditor and two Junior Auditors were sanctioned in the department. Out of these sanctioned posts, one post of Auditor and one post of Junior Auditor were vacant. Internal audit wing was conducting audit of only non-Government aided colleges. The internal audit of the department alongwith Government Colleges was not conducted. There was no audit manual with the department to carry out its functions.

The HEC stated (July 2009) that internal audit staff posted was deployed for providing pension to teaching and non-teaching staff of non-Government aided colleges and supervising the work of pension of the staff. Thus, the internal audit staff was deployed for other than internal audit work. During exit conference the HEC stated the more staff would be sought from Government for internal audit.

### **3.1.10 Conclusions**

Internal control is an internationally accepted good practice and is an integrated component of an organisation's management processes which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently. There were weaknesses in financial management as cases of non-maintenance of liability register, non-maintenance of expenditure control register leading to excess expenditure over budget provision, drawal of funds in excess of requirement, non-deposit of unspent funds, non-reconciliation of cash-book with treasury schedules, in the absence of which misappropriation of funds may go undetected were noticed. Operational control was also deficient as students were paid in cash instead of providing text-books under 'providing of books to SC students scheme', 287 computers were lying undistributed under 'providing of computers systems to SC students scheme', funds for payment of incentive money to SC/BC and minority community students were not provided and scheme for setting up of placement cell in colleges was not effective. Human resource management was also not efficient as there were cases of teachers without students, students without teachers, irregular deployment of teachers on deputation in violation of orders of the Chief Secretary, etc. Further monitoring mechanism was also ineffective due to non-compliance of instructions and non-conducting of internal audit of the department and Government colleges.

### **3.1.11 Recommendations**

- The Department should maintain liability Register and Expenditure Control Register. The system of regular reconciliation of drawal of funds with treasury should be made effective so that misappropriation of funds may not go undetected.

- A proper system should be evolved to make sure that the unspent funds with HARTRON are refunded.
- To ensure accrual of intended benefits to the beneficiaries, proper planning to be adopted for implementation of the schemes.
- Posting of teaching staff needs to be rationalised to avoid the cases of students without teachers and teachers without students.
- Internal audit system should be strengthened to conduct audit of the department and Government colleges.

These points were demi-officially issued to the Financial Commissioner and Principal Secretary to Government of Haryana, Education Department in June 2009; reply had not been received (August 2009).



Chandigarh

Dated:

14 DEC 2009

(Sushama V. Dabak)  
Principal Accountant General (Audit),  
Haryana

Countersigned



New Delhi

Dated:

21 DEC 2009

(Vinod Rai)  
Comptroller and Auditor General of India

# APPENDICES



## Appendix I

(Reference: Paragraph 1.1.5; Page 4 )

**Statement showing selected CHCs, PHCs and Sub-Centres in 5 districts test checked**

District	CHC/Block	PHC	Sub Centre	
Faridabad	Kheri Kalan	Kheri Kalan	Kheri Kalan	
			Badoli	
		Palla	Palla	
			Wazirpur	
	Kurali	Kurali	Kurali	
			Fajjupur	
		Panhera	Panhera	
			Jahjru	
	Hodal	Hodal	Hodal	
			Hodal-I	
			Karman	
		Hasanpur	Hasanpur	
			Pingore	
	Ambala	Mullana	Mullana	Dhanoura
			Zaffarpur	
		Samlehri	Samlehri	
			Tepla	
		Bihta	Bihta	
			Sabga	
Chaurmastpur		Chaurmastpur	Chaurmastpur	
			Suller	
		Panjokhra	Panjokhra	
			Raiwali	
Shahjadpur		Shahjadpur	Shahjadpur	
			Bichpari	
Bhiwani		Jhokukan	Jhokukan	Jhokukan
				Dadibana
		Balkara	Balkara	
			Mauri	
	Kairu	Kairu	Kairu	
			Hetanpura	
		Jui	Jui	
			Chandawas	
	Tosham	Tosham	Tosham	
			Sungarpur	
		Jamalpur	Jamalpur	
			Sipper	
	Fatehabad	Bhuna	Bhuna	Bhuna-I
				Lehrian
		M. P. Rohi	M. P. Rohi	
			Khajuri	
Bhattu		Bhattu	Bhattu	
			Dhand	
		Bangaon	Bangaon	
			Kukdawali	
Ratia		Ratia	Ratia-I	
			Bhundrwash	
		Bhirdana	Bhirdana	
			Hanspur	

Sonipat	Gohana	Rukhi	Mahara
			Rabra
		Lath	Jouly
			Nagal
	Badkhalsa	Jakhouli	Jhundpur
			Khewra
		Halalpur	Katlupau
			Barota
	Juan	Murthal	Murthal
			Deepalpur
		Mahra	Barwasni
			Shahzadpur

**Appendix II**  
(Reference: Paragraph 1.1.8.2; Page 8 )  
**Statement showing shortage of Medical and para medical staff at CHC level**  
**(3 CHCs selected in each district) in 5 districts test checked**

Post	IPHS norms	Requirements in 15 CHCs in 5 districts	Availability					Total	Shortage
			Faridabad (3 CHC)	Ambala (3 CHC)	Fatehabad (3 CHC)	Bhiwani (3CHC)	Sonipat (3 CHC)		
<i>General Surgeon</i>	1	15	1	1	0	0	1	3	12
<i>Obstetrician/ Genealogist</i>	1	15	1	1	0	1	2	5	10
<i>Anesthetists</i>	1	15	1	1	1	0	1	4	11
<i>Other Specialist (if any)</i>	0	0	0	0	0	0	0	0	0
<i>Physician</i>	1	15	1	0	0	0	0	1	14
<i>Pediatrics</i>	1	15	0	0	1	1	1	3	12
<i>Eye Surgeon</i>	1	15	1	0	0	0	2	3	12
<i>General duty officer (MO)</i>	0	0	0	5	3	1	7	16	(+)16
<b>Total</b>		<b>90</b>	<b>5</b>	<b>8</b>	<b>5</b>	<b>3</b>	<b>14</b>	<b>35</b>	<b>55</b>
Public Health Programme Manager	1	15	1	0	0	0	0	1	14
ANM	1	15	1	1	3	6	3	14	1
Dresser	1	15	1	1	2	2	0	6	9
Lab. Technician	1	15	0	2	3	2	5	12	3
Ophthalmic Asstt.	1	15	2	1	2	2	2	9	6
Sweeper	3	45	2	6	7	3	5	23	22
OPD Attendant	1	15	0	0	2	3	1	6	9
Statistical Asstt./Data Entry Operator	1	15	1	0	3	2	3	9	6
Any Other staff (Information Asstt.)	0	0	2	0	0	0	0	2	(+)2
Staff Nurse	7	105	2	8	19	7	14	50	55
P H Nurse	1	15	0	0	1	0	1	2	13
Pharmacist/compo under	1	15	1	4	3	4	5	17	(+)2
Radiographer	1	15	1	0	3	2	2	8	7
Ward boys	2	30	0	1	6	4	3	14	16
Chowkidar	1	15	1	2	2	0	0	5	10
O T Attendant	1	15	0	2	1	1	0	4	11
Registration Clerk	1	15	0	2	2	0	0	4	11
<b>Total</b>		<b>375</b>	<b>15</b>	<b>30</b>	<b>59</b>	<b>38</b>	<b>44</b>	<b>186</b>	<b>189</b>

**Note:** *Italic* pertains to Medical Staff (Doctors).

Appendix III

(Reference: Paragraph 1.1.8.2; Page 8 )

Statement showing shortage of Medical and para medical staff at PHC level  
(2 PHCs selected under each CHC) in 5 districts test checked

Post	IPHS norms per PHC	Requirements in 30 PHCs in 5 districts	Availability					Total	Shortage
			Faridabad (6 PHC)	Ambala (6 PHC)	Fatehabad (6 PHC)	Bhiwani (6 PHC)	Sonipat (6 PHC)		
<i>Medical Officer</i>	2	60	7	9	3	4	11	34	26
Staff Nurse	3	90	2	7	2	7	8	26	64
Health Educator	1	30	0	0	0	0	0	0	30
Clerks	2	60	0	0	0	1	0	1	59
Driver	1	30	1	0	0	1	0	2	28
Pharmacist	1	30	2	5	3	5	6	21	9
Health Worker (Female)	1	30	4	6	3	6	7	26	4
Health Asstt (one male and one female)	2	60	2	1	1	1	4	9	51
Lab. Technician	1	30	1	3	2	5	4	15	15
Class-IV	4	120	12	9	4	15	10	50	70
<b>Total</b>	<b>18</b>	<b>540</b>	<b>31</b>	<b>40</b>	<b>18</b>	<b>45</b>	<b>50</b>	<b>184</b>	<b>356</b>

Note: **Italic** pertains to Medical Staff (Doctors).



## Appendix IV

(Reference: Paragraph: 1.1.10.2; Page: 12 )

Statement showing the details of pregnant women receiving IAF administration in test checked districts

Name of District	Year	No. of pregnant women registered	No. of registered pregnant women who received IFA administration		Total
			Prophylaxis	Therapeutic	
Faridabad	2005-06	63,209	38,342	32,058	70,400
	2006-07	66,872	38,608	27,860	66,468
	2007-08	60,898	45,338	38,392	83,730
	2008-09	69,581	45,998	21,426	67,424
Ambala	2005-06	26,991	9,930	17,682	27,612
	2006-07	27,721	6,335	5,813	12,148
	2007-08	25,816	19,889	6,882	26,771
	2008-09	30,583	15,317	6,394	21,711
Bhiwani	2005-06	38,690	35,067	30,792	65,859
	2006-07	38,196	22,599	17,873	40,472
	2007-08	33,694	28,223	21,251	49,474
	2008-09	37,422	13,970	10,820	24,790
Fatehabad	2005-06	20,781	12,618	8,986	21,604
	2006-07	23,939	8,267	6,357	14,624
	2007-08	20,116	11,581	7,753	19,334
	2008-09	20,827	2,980	7,905	10,885
Sonipat	2005-06	29,556	21,954	16,264	38,218
	2006-07	32,146	16,445	9,779	26,224
	2007-08	33,261	23,316	17,358	40,674
	2008-09	29,153	15,643	7,162	22,805
Total	2005-06	1,79,227	1,17,911	1,05,782	2,23,693
	2006-07	1,88,874	92,254	67,682	1,59,936
	2007-08	1,73,785	1,28,347	91,636	2,19,983
	2008-09	1,87,566	93,908	53,707	1,47,615

Source: Annual Status Reports of the department.

### Appendix V

(Reference: Paragraph 1.1.10.2; Page 12 )

Statement showing targets and achievements of institutional deliveries in test checked districts

Name of District audited	Year	Number of institutional deliveries		Shortfall in institutional deliveries
		Target	Achievement	
Faridabad	2005-06	27,980	25,911	2,069
	2006-07	28,574	24,940	3,634
	2007-08	32,047	29,382	2,665
	2008-09	36,930	33,284	3,646
Ambala	2005-06	11,946	9,185	2,761
	2006-07	11,842	11,667	175
	2007-08	13,584	14,212	(+) 628
	2008-09	27,000	16,092	10,908
Bhiwani	2005-06	17,124	7,929	9,195
	2006-07	16,317	5,976	10,341
	2007-08	17,730	8,647	9,083
	2008-09	18,068	15,981	2,087
Fatehabad	2005-06	9,198	6,573	2,625
	2006-07	10,227	11,261	(+) 1,034
	2007-08	10,585	12,833	(+) 2,248
	2008-09	14,448	14,337	111
Sonipat	2005-06	13,693	8,947	4,746
	2006-07	13,733	12,867	866
	2007-08	15,706	13,449	2,257
	2008-09	15,042	18,246	(+) 3,204
Total	<b>2005-06</b>	<b>79,941</b>	<b>58,545</b>	<b>21,396</b>
	<b>2006-07</b>	<b>80,693</b>	<b>66,711</b>	<b>13,982</b>
	<b>2007-08</b>	<b>89,652</b>	<b>78,523</b>	<b>11,129</b>
	<b>2008-09</b>	<b>1,11,488</b>	<b>97,940</b>	<b>13,548</b>

Source: Annual Status Reports of the department.

## Appendix VI

(Reference: Paragraph: 1.1.10.5; Page: 14 )

Statement showing targets and achievements under immunisation in test checked districts

Name of District audited	Year	Target for complete Immunizations	Actual achievement				
			Up to one Year (Complete course)	Above one and half year (DPT & OPV booster)	Above five years (DT only)	Above 10 years (TT)	Above 16 years (TT)
Faridabad	2005-06	52,572	52,323	48,108	51,684	44,752	42,218
	2006-07	54,321	54,414	42,385	53,567	49,576	43,792
	2007-08	60,793	52,755	42,267	48,396	34,825	25,358
	2008-09	52,598	50,608	53,134	46,681	27,717	19,458
Ambala	2005-06	26,516	24,920	23,925	26,485	26,226	23,735
	2006-07	26,804	26,200	23,810	28,290	26,685	23,453
	2007-08	28,558	25,487	24,317	28,027	28,535	25,265
	2008-09	30,505	26,622	24,584	29,658	27,522	24,179
Bhiwani	2005-06	38,589	38,761	32,800	34,027	31,944	29,368
	2006-07	38,897	35,419	32,279	30,988	29,138	21,662
	2007-08	38,632	37,438	34,543	34,297	32,385	24,362
	2008-09	37,664	35,110	31,266	31,516	28,105	21,043
Fatehabad	2005-06	20,012	20,528	19,175	22,076	18,775	16,422
	2006-07	20,012	20,031	18,409	20,443	18,341	14,989
	2007-08	22,012	19,723	18,421	21,306	17,278	14,375
	2008-09	21,314	19,882	14,268	21,578	15,887	12,352
Sonipat	2005-06	34,111	32,769	32,507	34,316	34,866	30,052
	2006-07	37,108	35,379	34,219	36,892	31,657	25,949
	2007-08	35,226	34,400	32,390	35,812	30,395	24,502
	2008-09	35,969	29,065	39,770	23,510	20,958	21,117
Total	2005-06	1,71,800	1,69,301	1,56,515	1,68,588	1,56,563	1,41,795
	2006-07	1,77,142	1,71,443	1,51,102	1,70,180	1,55,397	1,29,845
	2007-08	1,83,221	1,69,803	1,51,938	1,67,838	1,43,418	1,13,862
	2008-09	1,78,050	1,61,287	1,63,022	1,52,943	1,20,189	98,149

Source: Annual Status Reports of the department.

**Appendix VII**

(Reference: Paragraph 1.1.10.5; Page 14 )

**Statement showing targets and achievements of Vitamin A administration in test checked districts**

District audited	Year	Target	Actual achievement		
			1st dose	2 <sup>nd</sup> dose	3 <sup>rd</sup> to 5 <sup>th</sup> dose
Faridabad	2005-06	59,412	53,670	47,428	45,197
	2006-07	54,321	18,147	14,816	18,916
	2007-08	60,793	31,698	25,211	32,289
	2008-09	50,966	23,263	15,924	17,652
Ambala	2005-06	27,458	21,967	21,273	41,928
	2006-07	27,678	5,639	5,334	11,995
	2007-08	25,632	20,169	17,682	27,790
	2008-09	26,800	9,186	7,907	9,061
Bhiwani	2005-06	38,589	34,645	29,953	65,062
	2006-07	38,897	14,209	12,001	23,484
	2007-08	38,632	26,420	22,366	50,153
	2008-09	37,664	15,557	16,520	28,672
Fatehabad	2005-06	21,837	18,738	17,976	13,139
	2006-07	22,012	6,397	5,757	8,061
	2007-08	21,807	15,940	14,762	25,234
	2008-09	21,314	7,532	6,949	8,112
Sonipat	2005-06	34,641	26,936	27,307	30,585
	2006-07	34,918	6,722	5,724	8,580
	2007-08	31,199	31,690	25,751	17,650
	2008-09	8,926	13,299	13,488	15,535
<b>Total</b>	<b>2005-06</b>	<b>1,81,937</b>	<b>1,55,956</b>	<b>1,43,937</b>	<b>1,95,911</b>
	<b>2006-07</b>	<b>1,77,826</b>	<b>51,114</b>	<b>43,632</b>	<b>71,036</b>
	<b>2007-08</b>	<b>1,78,063</b>	<b>1,25,917</b>	<b>1,05,772</b>	<b>1,53,116</b>
	<b>2008-09</b>	<b>1,45,670</b>	<b>68,837</b>	<b>60,788</b>	<b>79,032</b>

Source: Annual Status Reports of the department.

## Appendix VIII

(Reference: Paragraph 1.1.10.6; Page 15 )  
Statement showing details of cataract surgery performed in the State

Year	Performance of cataract operations in Government sector		Performance of cataract operations in NGOs		Performance of cataract operations by private practitioners and others		Total cataract operations
	Number	Percentage	Number	Percentage	Number	Percentage	
2005-06	29,128	27	26,984	25	51,687	48	1,07,799
2006-07	24,477	22	34,260	30	54,157	48	1,12,894
2007-08	30,968	23	39,214	30	62,339	47	1,32,521
2008-09	20,697	16	47,969	37	62,160	47	1,30,826
<b>Total</b>	<b>1,05,270</b>	<b>22</b>	<b>1,48,427</b>	<b>31</b>	<b>2,30,343</b>	<b>47</b>	<b>4,84,040</b>

Source: Annual Status Reports of the department.

**Appendix IX**

(Reference: Paragraph 1.1.10.8; Page 17 )

**Statement showing details of Morbidity and Mortality due to various Vector Borne Diseases**

District	Malaria (2005-09)		Japanese Encephalitis (2005-09)		Dengue (2005-09)	
	Cases	Deaths	Cases	Deaths	Cases	Deaths
Faridabad	871	0	0	0	483	2
Ambala	689	0	6	4	25	0
Bhiwani	8,493	0	0	0	27	0
Fatehabad	6,501	1	0	0	37	0
Sonipat	17,765	0	0	0	99	5
<b>Total</b>	<b>34,319</b>	<b>1</b>	<b>6</b>	<b>4</b>	<b>671</b>	<b>7</b>

Source: Annual Status Reports of the department.

## Appendix X

(Refer paragraph: 1.3.6; page: 40 )

## Statement showing wasteland area in desert districts

Name of district	Position of wastelands in 1999-2000	2002-03	2003-04	2004-05	2005-06	2006-07
(Area in thousand hectares)						
Rewari	4	4	3	4	4	4
Bhiwani	23	22	20	20	20	20
Hisar	7	6	6	6	6	7
Fatehabad	2	3	2	2	2	2
<b>Total</b>	<b>36</b>	<b>35</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>33</b>

(Source: Statistical abstract published by Government of Haryana)

**Appendix XI**

(Refer paragraph: 1.3.7; page: 42 )

**Statement showing delay in release of State share**

(Rupees in lakh)

Date of release of GOI share	Amount	Date of release of state share	Amount	Delay (in days)
<b>Hisar (6<sup>th</sup> batch)</b>				
06/09/2000	58.13	06/12/2000	19.37	91
30/10/2000	29.06	02/03/2001	9.69	123
06/03/2001	24.38	11/06/2001	8.13	97
26/04/2001	12.88	25/06/2001	4.06	60
19/09/2001	24.74	13/12/2001	8.25	85
10/02/2003	148.50	14/03/2003	49.50	32
26/06/2003	147.47	28/08/2003	49.16	63
28/09/2004	147.47	08/11/2004	49.16	41
23/01/2006	146.59	21/02/2006	44.41	29
15/10/2007	146.33	10/03/2006	4.45	-
		29/05/2008	48.78	226
<b>Hisar (7<sup>th</sup> batch)</b>				
31/01/2001	67.50	29/05/2002	22.50	483
05/03/2003	67.50	31/03/2003	22.50	26
26/06/2003	67.50	28/08/2003	22.50	63
28/09/2004	66.70	08/11/2004	22.23	41
<b>Bhiwani (5<sup>th</sup> batch)</b>				
21/10/1999	33.75	04/02/2000	11.25	106
06/03/2000	16.88	12/05/2000	5.63	67
05/03/2001	33.75	10/10/2001	11.25	219
23/01/2002	67.50	05/03/2002	22.50	41
10/02/2003	66.22	17/03/2003	22.07	35
26/06/2003	49.74	28/08/2003	16.58	63
25/10/2007	31.44	02/01/2008	10.48	69
<b>Bhiwani (6<sup>th</sup> batch)</b>				
06/09/2000	13.13	06/12/2000	4.38	91
30/10/2000	6.57	02/03/2001	2.19	123



06/03/2001	28.13	11/06/2001	9.38	97
26/04/2001	14.06	25/06/2001	4.69	60
19/09/2001	12.37	13/12/2001	4.12	85
02/02/2002	74.25	29/05/2002	24.75	116
26/09/2002	74.25	24/02/2003	24.75	151
13/10/2003	73.08	10/12/2003	24.36	58
29/11/2004	74.22	31/03/2005	24.74	122
20/12/2007	70.02	15/02/2008	23.34	57
<b>Bhiwani (7<sup>th</sup> batch)</b>				
31/10/2001	67.50	29/05/2002	22.50	210
18/02/2003	67.50	21/03/2003	22.50	31
03/11/2003	66.58	18/12/2003	22.19	45
07/06/2004	67.50	04/08/2004	22.50	58
05/03/2008	60.16	19/05/2008	20.05	75

**Appendix XII**

(Refer paragraph: 1.3.8; page: 42, 43 )

**Statement showing targets and achievements of 5<sup>th</sup> to 8<sup>th</sup> batch of DDP and 1<sup>st</sup> to 4<sup>th</sup> batch of Hariyali of test checked districts**

District	Batch Number	Number of projects	Target area	Achievement	Percentage achievement
			(Private and Public)		
			(in hectares)		
<b>Hisar</b>					
DDP	6 <sup>th</sup>	44	22,213.00	20,971.00	94
	7 <sup>th</sup>	20	10,098.00	9,016.00	89
	8 <sup>th</sup>	24	12,000.00	5,642.00	47
Hariyali	1 <sup>st</sup>	23	11,500.00	4,979.00	43
	2 <sup>nd</sup>	23	11,500.00	2,958.00	26
	3 <sup>rd</sup>	26	13,000.00	1,232.00	9
	4 <sup>th</sup>	35	17,500.00	1,309.00	7
<b>Total</b>		<b>195</b>	<b>97,811.00</b>	<b>46,107.00</b>	<b>47</b>
<b>Rewari</b>					
DDP	5 <sup>th</sup>	15	7,578.83	7,554.00	100
	6 <sup>th</sup>	13	6,503.32	3,949.95	61
	7 <sup>th</sup>	10	5,048.17	2,942.25	58
	8 <sup>th</sup>	10	5,000.00	2,790.05	56
Hariyali	1 <sup>st</sup>	10	5,000.00	2,809.00	56
	2 <sup>nd</sup>	10	5,000.00	1,552.00	31
	3 <sup>rd</sup>	10	5,000.00	2,022.00	40
	4 <sup>th</sup>	10	5,000.00	1,856.00	37
<b>Total</b>		<b>88</b>	<b>44,130.32</b>	<b>25,475.25</b>	<b>58</b>
<b>Bhiwani</b>					
DDP	5 <sup>th</sup>	18	9,721.00	6,904.00	71
	6 <sup>th</sup>	22	11,908.00	9,326.00	78
	7 <sup>th</sup>	20	10,959.00	7,532.00	69
	8 <sup>th</sup>	27	13,500.00	7,184.00	53
Hariyali	1 <sup>st</sup>	27	13,500.00	7,069.00	52
	2 <sup>nd</sup>	27	13,500.00	4,498.00	33
	3 <sup>rd</sup>	36	18,000.00	7,260.00	40
	4 <sup>th</sup>	36	18,000.00	2,467.00	14
<b>Total</b>		<b>213</b>	<b>1,09,088.00</b>	<b>52,240.00</b>	<b>48</b>
<b>Fatehabad</b>					
DDP	6 <sup>th</sup>	20	10,690.00	4,908.00	46
	7 <sup>th</sup>	11	5,906.00	2,765.00	47
	8 <sup>th</sup>	14	7,000.00	4,466.14	64
Hariyali	1 <sup>st</sup>	14	7,000.00	1,282.00	18
	2 <sup>nd</sup>	14	7,000.00	1,220.00	17
	3 <sup>rd</sup>	14	7,000.00	3,305.00	47
	4 <sup>th</sup>	14	7,000.00	7,03.00	10
<b>Total</b>		<b>101</b>	<b>51,596.00</b>	<b>18,649.14</b>	<b>36</b>
<b>Grand total</b>		<b>597</b>	<b>30 2625.32</b>	<b>14 2471.39</b>	<b>47</b>

(Source: Quarterly reports of Directorate office and DRDAs)

**Appendix XIII**  
(Refer paragraph: 1.3.8.1; page: 43 )

**Statement showing delayed start of works due to late identification of watershed areas**

Name of watershed	Date of receipt of funds from GOI	Date of receipt of first instalment in watershed Committees	Delay (in days)
<b>Bhiwani district</b>			
Dwarka	10-December-99	30-March-01	476
Roopgarh	10- December -99	1-March-01	447
Dudiwala Kishanpura	23-October 2000	15-November-01	388
Matani-2	23-October 2000	14-March-02	507
Dhani Hunat	10- December -01	31-March-03	476
<b>Hisar district</b>			
Kharbla-1	10 April 2000	7-March-02	519
Bagla	10 April 2000	16-May-02	589
Pali	21 November, 2001	20- December -02	394
Birbaran	21 November, 2001	3- October 02	316
<b>Rewari district</b>			
Alawalpur-Tatarpur Khalsa	04- December -99	03-August-2000	243
Chhawwa	08- December -99	08-August-2000	244
Dhamlawas	24-March-01	11-April-2003	748
Kumroda	29-March-01	18-December-2002	629

**Appendix-XIV**  
(Refer paragraph: 1.3.9; page: 46 )

**Statement showing component-wise expenditure incurred by Watershed Committees selected for physical verification**

(Rupees in lakh)

Name	Fund released	Expenditure											Total	
		UGPL	Plantation	Sewer nullah	Land levelling	Percolation tank	Khurra/retaining wall	Channel/pipeline	Bunding	Pasture	Gypsum	Demonstration plot		
<b>Bhiwani</b>														
Dwarka	18.75	5.09	0.15	0.00	13.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.66
Roopgarh	15.65	5.33	0.00	0.00	7.55	1.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.14
Dudiwala Kishanpura	24.64	12.40	0.00	0.00	9.49	1.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.48
Matani-2	20.49	4.02	0.00	0.00	12.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.70
Dhani Hunat	24.00	7.59	0.48	0.00	9.60	0.00	0.00	5.11	0.00	0.00	0.00	0.00	0.00	22.78
Kheri Sanwal	18.50	8.94	0.00	0.00	6.51	2.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.96
<b>Sub-total</b>	<b>122.03</b>	<b>43.37</b>	<b>0.63</b>	<b>0.00</b>	<b>59.25</b>	<b>5.36</b>	<b>0.00</b>	<b>5.11</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>113.72</b>
<b>Hisar</b>														
Kharbla-1	21.60	2.50	0.22	0.00	0.93	1.66	0.00	12.34	0.00	0.00	0.00	0.00	0.00	17.65
Bagla	21.60	5.93	0.21	0.00	0.72	3.11	0.00	6.48	0.00	0.00	0.40	0.00	0.78	17.63
Pali	21.70	5.94	0.37	0.00	0.00	1.75	0.00	12.89	0.00	0.00	0.99	0.00	0.00	21.94
Birbaran	22.20	0.00	0.00	0.00	0.00	11.64	0.00	0.00	0.00	0.00	0.00	0.00	0.95	12.59
<b>Sub-total</b>	<b>87.10</b>	<b>14.37</b>	<b>0.80</b>	<b>0.00</b>	<b>1.65</b>	<b>18.16</b>	<b>0.00</b>	<b>31.71</b>	<b>0.00</b>	<b>0.00</b>	<b>1.39</b>	<b>0.00</b>	<b>1.73</b>	<b>69.81</b>
<b>Rewari</b>														
Alawalpur-Tatarpur Khalsa	17.38	7.32	1.14	0.02	0.13	0.57	4.79	0.00	1.88	0.00	0.00	0.00	0.00	15.85
Chhawwa	23.02	3.77	0.53	0.43	0.13	2.47	9.96	3.71	0.00	0.00	0.00	0.00	0.00	21.00
Kanhora	26.43	5.82	1.06	1.58	1.16	2.64	2.00	4.10	0.00	0.06	0.00	0.00	0.00	18.42
Dhamlawas	18.56	1.07	0.75	3.85	2.53	3.25	2.17	0.53	0.00	0.00	0.00	0.00	0.00	14.15
Kishanpur	17.75	0.00	0.00	1.52	0.00	8.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.97
Kumroda	21.90	0.11	0.66	1.22	0.88	5.93	6.50	4.15	0.00	0.00	0.00	0.00	0.00	19.45
<b>Sub-total</b>	<b>125.04</b>	<b>18.09</b>	<b>4.14</b>	<b>8.62</b>	<b>4.83</b>	<b>23.31</b>	<b>25.42</b>	<b>12.49</b>	<b>1.88</b>	<b>0.06</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>98.84</b>
<b>G. Total</b>	<b>334.17</b>	<b>75.83</b>	<b>5.57</b>	<b>8.62</b>	<b>65.73</b>	<b>46.83</b>	<b>25.42</b>	<b>49.31</b>	<b>1.88</b>	<b>0.06</b>	<b>1.39</b>	<b>0.00</b>	<b>1.73</b>	<b>282.37</b>

**Appendix XV**  
(Refer paragraph: 1.4.7; page: 62 )

**Statement showing operational performance of Haryana Roadways**

(Rupees in crore)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Fleet at the end of the year	3,294	3,332	3,420	3,133	3,166
Average number of vehicles held	3,255	3,223	3,353	3,257	3,073
Average number of vehicles on road	3,141	3,132	3,161	3,026	2,936
Percentage of utilisation of vehicles	96.50	97.18	94.27	92.91	95.54
Number of employees	18,675	18,016	17,240	16,699	18,299
Employee vehicle ratio	5.67	5.41	5.04	5.33	5.78
Number of routes operated at the end of the year	NA	NA	1,516	1471	1545
Route kilometres	NA	NA	NA	NA	NA
Kilometres operated (in lakh)					
Gross	4,194.67	4,226.75	4,144.67	4,001.42	4,007.42
Effective	4,116.51	4,147.63	4,062.41	3,920.71	3,926.05
Dead	78.16	79.12	82.26	80.71	81.37
Percentage of dead kilometres to gross kilometres	1.86	1.87	1.98	2.02	2.03
Average kilometres covered per bus per day	359	363	352	355	366
Average revenue per kilometre (Rs)	15.64	16.41	17.44	17.63	18.39
Average expenditure per kilometre (Rs)	18.01	19.31	20.61	20.11	23.33
Loss (-)/Profit (+) per kilometre (Rs)	(-)2.37	(-)2.90	(-)3.17	(-)2.48	(-)4.94
Number of operating depots	20	20	20	20	20
Average number of break-down per lakh kilometres	0.01	0.01	0.01	0.01	0.01
Average number of accidents per lakh kilometres	0.08	0.08	0.08	0.08	0.08
Passenger kilometre operated (in crore)	1,410	1,518	1,471	1,382	1,433
Occupancy ratio (Load Factor)	68.50	73.20	72.40	70.50	73.00
Kilometres obtained per litre of diesel oil	4.88	4.94	5.03	4.97	4.90

**Appendix XVI**  
**(Refer Paragraph 2.1.1; Page No. 82 )**

**Statement showing the amount recovered from the cashier and date of actual disbursement or deposited in treasury**

Sr. No.	Date of drawal from treasury	Name of scheme/ purpose of drawal	Amount (in Rupees)	Date of disbursement as shown in cash-book	Date of actual disbursement or deposited in treasury
1.	15 October 2007	House Tax	72,785	15 October 2007	The amount of Rs 72,000 was deposited with Municipal Committee, Jind on 03 September 2008 and Rs 785 on 14 November 2008
2.	31 March 2008	JSY	57,600	31 March 2008	The amount was disbursed to CHC, Julana on 08 September 2008
3.	31 March 2008	JSY	31,800	31 March 2008	The amount was disbursed to General Hospital, Narwana on 16 September 2008
4.	11 August 2007	DRY	50,000	--	The amount was disbursed to CHC, Kalwa on 08 September 2008.
5.	11 August 2007	DRY	4,200	--	Out of Rs 50,000 drawn on 11 August 2007, the amount of Rs 45,800 was deposited in post office on 22 February 2008 and the balance amount of Rs 4,200 was deposited in treasury vide challan No. 88 dated 14 November 2008
6.	15 October 2007	DRY	50,000	--	The amount was disbursed to CHC, Khark Ramji on 08 September 2008
7.	28 November 2007	DRY	50,000	--	The amount was disbursed to CHC, Uchana on 08 September 2008
8.	28 November 2007	DRY	26,300	--	The amount was disbursed to CHC, Uchana on 08 September 2008
<b>Total</b>			<b>3,42,685</b>		

## Appendix XVII

(Refer paragraph 2.1.5; page 89 )

## Statement of loss of interest on retention of money outside the Government account

(Rupees in lakh)

Sr. No.	Name of the bank	Account number	Name of account holder	Period of heavy balances in banks	Interest on treasury bill rate	Interest earned	Loss of interest
1.	Oriental Bank of Commerce (OBC), Civil Road, Rohtak	08432011006856	DRO-cum-LAO (IB), Rohtak	July 2007 to March 2009	82.83	NIL	82.83
2.	OBC, MDN Public School, Near Bus Stand, Rohtak	116810111000119	-do-	April 2007 to March 2009	3.65	NIL	3.65
3.	OBC, MDN Public School, Near Bus Stand, Rohtak	11681011000034	-do-	February 2007 to March 2009	14.65	NIL	14.65
4.	Allahabad Bank, Jhajjar Road, Rohtak	SB-15213	-do-	March 2007 to March 2009	4.68	1.96	2.72
5.	Punjab National Bank, Model Town, Rohtak	3341002100009104	-do-	January 2007 to March 2009	21.65	NIL	21.65
6.	Bank of Baroda, HUDA Complex, Rohtak	21400100005985	-do-	December 2006 to March 2009	17.07	2.56	14.51
7.	OBC, Civil Road, Rohtak	08432041000046	-do-	May 2008 to March 2009	35.57	NIL	35.57
8.	State Bank of India, Ambala City	SB-30046800579	DRO-cum-LAO (IB), Ambala City	May 2006 to March 2009	472.94	201.37	271.57
<b>Total</b>					<b>653.04</b>	<b>205.89</b>	<b>447.15</b>

**Appendix XVIII**  
**(Refer paragraph 2.3.2; page 94 )**  
**Statement showing extra expenditure**

(Amount in Rupees)

Sr. No.	Description of items executed	Quantity executed	Rates paid to Sh. Ishwar Singh Contractor	Amount	Rates offered by M/s Neeraj Builders	Amount
1.	Providing and Laying 22.5 mm thick GSB	4,901.31 cum	Rs 700-P/cum	34,30,917	Rs 600-P/cum	29,40,786
2.	Collection and Carriage of Stone Metal 90-45 mm Gauge.	3,274.15 cum	Rs 510-P/cum	16,69,817	Rs 450-P/cum	14,73,368
3.	Collection and Carriage of Stone Metal 63-45 mm Gauge	2,494.09 cum	Rs 560-P/cum	13,96,690	Rs 475-P/cum	11,84,693
4.	Collection and Carriage of Stone Metal 53-22 mm Gauge.	4,890.64 cum	Rs 585-P/cum	28,61,024	Rs 475-P/cum	23,23,054
5.	Providing and Laying tack coat on WBM surface at 75 kg.	46,320.18 Sqm	Rs 23-P/Sqm	10,65,364	Rs 16-P/Sqm	7,41,123
6.	Providing and Laying tack coat on WBM surface at 50 kg.	66,023.75 Sqm	Rs 18-P/Sqm	11,88,428	Rs 10.50-P/Sqm	6,93,249
7.	Providing and Laying 75 mm thick BUSG.	3,473.99 cum	Rs 2,400-P/cum	83,37,576	Rs 1,775-P/cum	61,66,332
8.	Providing and Laying 50 mm thick BM.	2,075.24 cum	Rs 3,750-P/cum	77,82,150	Rs 2,950-P/cum	61,21,958
9.	Providing and Laying 20 mm thick PC.	66,023.75 Sqm	Rs 80-P/Sqm	52,81,900	Rs 59-P/Sqm	38,95,401
10.	Providing and Laying Seal Coat type A.	66,024.00 Sqm	Rs 35-P/Sqm	23,10,840	Rs 27-P/Sqm	17,82,648
11.	Earth Work on berms	10,503.00 cum	Rs 80-P/cum	8,40,240	Rs 27-P/cum	2,83,581
12.	Laying and consolidation of stone soling	3,274.15 cum 2,494.09 cum	Rs 100-P/cum	5,76,824	Rs 80-P/cum	4,61,459
13.	Laying and consolidation of stone metal	4,890.64 cum	Rs 100-P/cum	4,89,064	Rs 95-P/cum	4,64,611
14.	C.C. 1:8:16	5.85 cum	Rs 1,500-P/cum	8,775	Rs 1,100-P/cum	6,435
15.	1 <sup>st</sup> class brick work laid in CSM 1:5	12.47 cum	Rs 1,800-P/cum	22,446	Rs 1,500-P/cum	18,705
16.	Laying RCC Pipe	42.50 mtr	Rs 70-P/mtr	2,975	Rs 65-P/mtr	2,763
17.	Supply of 2 dia RCC hume pipe	42.50 mtr	Rs 1,200-P/mtr	51,000	Rs 900-P/mtr	38,250
18.	Providing and Laying tack coat with bitumen 25 Kg of 60/70 grade	41,505.25 sqm	Rs 8- P/Sqm	3,32,042	Rs 5.25-P/Sqm	2,17,903
19.	Preparation of sub-grade	21,875.69 Sqm	Rs 2.50-P/Sqm	54,689	Rs 3-P/Sqm	65,627
20.	Collection and carriage of screening	383.40 cum	Rs 150-P/cum	57,510	Rs 200-P/cum	76,680
<b>Total</b>				<b>3,77,60,271</b>	<b>2,89,58,626</b>	
				<b>Less rebate 6.5%</b>	<b>24,54,418</b>	<b>Less rebate 0.24%</b>
				<b>3,53,05,853</b>	<b>2,88,89,125</b>	

Extra expenditure= Rs 3,53,05,853 less Rs 2,88,89,125 = Rs 64,16,728



**Appendix XIX**

(Refer paragraph 2.3.5; page 99 )

**Statement showing extra expenditure due to piecemeal purchases**

Size of DI pipes	Quantity* received against supply orders June-August 2007	Rate	Quantity received against supply orders November 2007	Difference			Quantity received against supply orders January/ February 2008	Difference			Quantity received against repeat order March 2008	Amount (In Rupees)
				Rate	(In Rupees)	Amount		Rate	(In Rupees)	Amount		
1	2	3	4	5	(5-3) = 6	7	8	9	(9-3) =10	11	12	13
<b>100/K-7</b>												
With ED	3,36,677	626	30,292	625	(-)1	(-)30,292	66,072	712	86	56,82,192	0	0
Without ED	1,22,857	565	0	565	0	0	0	619	54	0	0	0
<b>150/K-9</b>												
With ED	1,53,596	944	18,165	1,055	111	20,16,315	20,714	1,146	202	41,84,228	12,084	24,40,968
Without ED	93,346	846	0	0	0	0	0	997	151	0	0	0
<b>200/K-9</b>												
With ED	4,313	1,233	246	1,218	(-)15	(-)3,690	0	1,548	315	0	0	0
Without ED	1,06,200	1,095	19,742	1,125	30	5,92,260	12,390	1,346	251	31,09,890	4,610	11,57,110
<b>250/K-9</b>												
With ED	96	1,623	0	1,624	1	0	0	2,061	438	0	0	0
Without ED	36,816	1,416	10,476	1,509	93	9,74,268	10,300	1,792	376	38,72,800	931	3,50,056
<b>300/K-9</b>												
With ED	100	2,032	300	2,033	1	300	0	2,599	567	0	0	0
Without ED	19,491	1,795	11,163	1,880	85	9,48,855	7,875	2,260	465	36,61,875	0	0
<b>350/K-9</b>												
With ED	0	2,540	0	0	0	0	0	3,163	623	0	0	0
Without ED	9,299	2,236	0	0	0	0	6,032	2,750	514	31,00,448	0	0
<b>400/K-9</b>												
With ED	0	2,979	0	0	0	0	0	3,764	785	0	0	0
Without ED	9,435	2,672	0	0	0	0	1,847	3,361	689	12,72,583	0	0
<b>450/K-9</b>												
With ED	0	3,544	0	0	0	0	0	4,485	941	0	0	0
Without ED	5,796	3,153	0	0	0	0	3,570	3,900	747	26,66,790	0	0

Size of DI pipes	Quantity* received against supply orders June-August 2007	Rate	Quantity received against supply orders November 2007	(In Rupees)			Quantity received against supply orders January/ February 2008	(In Rupees)			Quantity received against repeat order March 2008	Amount (In Rupees)
				Rate	Difference	Amount		Rate	Difference	Amount		
1	2	3	4	5	(5-3) = 6	7	8	9	(9-3) = 10	11	12	13
<b>500/K-9</b>												
With ED	0	4,126	0	0	0	0	0	5,273	1,147	0	0	0
Without ED	1,413	3,697	0	0	0	0	2,515	4,585	888	22,33,320	0	0
<b>600/K-9</b>												
With ED	0	5,442	0	0	0	0	305	6,773	1,331	4,05,955	0	0
Without ED	8,544	4,785	0	0	0	0	10,275	6,047	1,262	1,29,67,050	0	0
Extra expenditure	0	0	0	0	0	44,98,016	0	0	0	4,31,57,131	0	39,48,134

\* Quantity in meters

Total extra expenditure

Rs 5,16,03,281

## Appendix XX

(Refer paragraph 2.5.1.2; page 108 )

## Details of unspent balances lying with the disbursing officers

(Rupees in crore)

Sr. No.	District	Disbursing officer	Year	Funds allocated	Expenditure	Amount surrendered	Unspent balance
1.	Faridabad	SDO (C), Palwal/Hodal	2004-05	0.20	0.18	-	.02
			2005-06	0.16	0.04	-	0.12
			2006-07	7.31	6.10	-	1.21*
			2007-08	23.04	22.03	-	1.01
			2008-09	0.19	0.13	-	0.06
			<b>Total</b>	<b>30.90</b>	<b>28.48</b>	-	<b>2.42</b>
2.	Gurgaon	DRO, Gurgaon	2004-05	0.95	0.73	-	0.22
			2007-08	9.82	8.22	-	1.60
			<b>Total</b>	<b>10.77</b>	<b>8.95</b>	-	<b>1.82</b>
3.	Jhajjar	SDO (C) Bahadurgarh	2007-09	<b>3.07</b>	<b>2.24</b>	<b>0.62</b>	<b>0.21</b>
4.	Kaithal	DRO, Kaithal	2006-08	<b>22.06</b>	<b>20.90</b>	<b>1.06</b>	<b>0.10</b>
5.	Narnaul	DRO, Narnaul, SDO (C), Narnaul, Mahendragarh CTM, Narnaul	2006-08	<b>18.54</b>	<b>18.33</b>	<b>0.05</b>	<b>0.16</b>
6.	Sirsa	DRO, Sirsa	2004-05	0.53	0.47	-	0.06
			2005-06	3.85	2.99	-	0.86
			2006-07	0.54	0.40	-	0.14
			2007-08	1.47	1.20	-	0.27
			2008-09	0.44	0.37	-	0.07
			<b>Total</b>	<b>6.83</b>	<b>5.43</b>	-	<b>1.40</b>
7.	Yamunanagar	DRO, Yamunanagar	2005-07	<b>4.74</b>	<b>4.61</b>	-	<b>0.13</b>
<b>Total</b>				<b>96.91</b>	<b>88.94</b>	<b>1.73</b>	<b>6.24</b>

\* Including difference of Rs 10,14,611 lying as on 31 March 2007 with SDO (C), Hodal is under investigation. Final outcome of inquiry is awaited (July 2009).

**Appendix XXI**

(Refer paragraph 2.6.1; page 111 )

**Statement showing the names of Department where Action Taken Notes were awaited**

Sr. No.	Name of Administrative Department	Years of Audit Report	Para number	Number of paragraphs	Total
1.	Animal Husbandry Department	2007-08	4.6.1(b) <sup>1</sup>	1	1
2.	Co-operation Department	2007-08	4.5.1	1	1
3.	Education Department	2006-07	3.4, 4.3.3	2	2
		2007-08	4.1.1 <sup>2</sup>	1	1
4.	Environment Department	2006-07	3.3, 4.2.3	2	2
5.	Finance Department	2006-07	4.5.7, 4.6.2	2	2
		2007-08	4.2.8, 4.6.1 (a) <sup>1</sup>	1	1
6.	Food and Supplies Department	2007-08	4.3.4	1	1
7.	Forest Department	2007-08	3.1	1	1
8.	General Administration Department	2006-07	4.4.2	1	1
9.	Home Department (Police)	2006-07	4.2.2 <sup>2</sup> , 4.3.6 <sup>1</sup> , 4.5.2 <sup>1</sup>	3	3
		2007-08	4.3.2, 4.3.6	2	2
10.	Housing Department	2007-08	3.3	1	1
11.	Irrigation Department	2006-07	4.2.1, 4.2.2 <sup>2</sup> , 4.5.5	2	2
		2007-08	4.1.1 <sup>2</sup> , 4.2.3, 4.2.7, 4.2.9, 4.4.2	4	4
12.	Industries Department	2006-07	5.1	1	1
13.	Industrial Training and Vocational Training Department	2007-08	4.1.1 <sup>2</sup>		
14.	Jail Department	2007-08	5.1	1	1
15.	Medical and Health Department	2006-07	4.3.6 <sup>1</sup> , 4.5.3, 4.6.1	2	2
16.	Public Works Department (Buildings and Roads Branch)	2007-08	4.1.3, 4.2.5, 4.3.1, 4.5.2 <sup>1</sup>	4	4
17.	Public Works Department (Water Supply and Sanitation Branch)	2006-07	3.2, 4.2.2 <sup>2</sup>	1	1
		2007-08	4.2.6, 4.4.1, 4.5.2 <sup>1</sup>	2	2
18.	Public Relation Department	2007-08	4.3.7	1	1
19.	Rural Development Department	2007-08	3.2, 4.2.2	2	2
20.	Social Justice and Empowerment Department	2007-08	4.3.5	1	1
21.	Town and Country Planning (HUDA)	2004-05	4.2.1	1	1
		2007-08	4.1.2, 4.2.1	2	2
22.	Transport Department	2007-08	4.2.4, 4.3.3	2	2
<b>Total</b>				<b>45</b>	<b>45</b>

<sup>1</sup> Paragraphs appearing against two departments.

<sup>2</sup> Paragraphs appearing against three departments.

**Appendix XXII**  
(Refer paragraph 2.6.1; page 111 )

**List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Department**

Sr. No.	Name of Administrative Department	Year of Audit Report	Paragraph Number	Amount (Rupees in lakh)
1.	Agriculture	2000-01	6.3	40.45
			6.6	30.60
2.	Animal Husbandry	2000-01	3.4	21.96
		2001-02	6.3	747.00
3.	Finance	2001-02	3.3	5.62
4.	Food and Supplies	2002-03	4.6.8	23.89
5.	Rural Development (DRDA)	2001-02	6.1.11	0.54
		2003-04	4.5.1	273.00
6.	Town and Country Planning (HUDA)	2000-01	3.16	15,529.00
		2001-02	6.10	4,055.00
<b>Total</b>			<b>10</b>	<b>20,727.06</b>

**Appendix XXIII**  
**(Refer paragraph 2.6.1; page 112 )**

**Details of outstanding recommendations of Public Accounts Committee on which the Government is yet to take final decision**

Sr. No.	PAC Report	Total number of outstanding recommendations
1.	7 <sup>th</sup>	1
2.	9 <sup>th</sup>	1
3.	14 <sup>th</sup>	1
4.	16 <sup>th</sup>	1
5.	18 <sup>th</sup>	1
6.	19 <sup>th</sup>	1
7.	21 <sup>st</sup>	1
8.	22 <sup>nd</sup>	3
9.	23 <sup>rd</sup>	2
10.	25 <sup>th</sup>	4
11.	26 <sup>th</sup>	2
12.	28 <sup>th</sup>	1
13.	29 <sup>th</sup>	4
14.	32 <sup>nd</sup>	8
15.	34 <sup>th</sup>	5
16.	36 <sup>th</sup>	9
17.	38 <sup>th</sup>	9
18.	40 <sup>th</sup>	10
19.	42 <sup>nd</sup>	13
20.	44 <sup>th</sup>	16
21.	46 <sup>th</sup>	7
22.	48 <sup>th</sup>	5
23.	50 <sup>th</sup>	40
24.	52 <sup>nd</sup>	25
25.	54 <sup>th</sup>	16
26.	56 <sup>th</sup>	22
27.	58 <sup>th</sup>	44
28.	60 <sup>th</sup>	59
29.	61 <sup>st</sup>	23
30.	62 <sup>nd</sup>	33
31.	63 <sup>rd</sup>	28
	<b>Total</b>	<b>395</b>

## Appendix XXIV

(Refer paragraph 2.6.1; page 112 )

**Statement showing year-wise breakup of outstanding Inspection Reports and Paragraphs**

Sr. No.	Year	Inspection Reports	Paragraphs	Amount (Rupees in crore)
1.	1998-99	5	5	1.38
2.	1999-2000	8	9	0.05
3.	2000-01	9	13	3.82
4.	2001-02	14	25	2.87
5.	2002-03	16	25	28.29
6.	2003-04	37	81	7.84
7.	2004-05	36	82	15.18
8.	2005-06	32	61	5.09
9.	2006-07	42	99	7.37
10.	2007-08	37	114	7.69
11.	2008-09	20	64	7.69
<b>Total</b>		<b>256</b>	<b>578</b>	<b>87.27</b>

**Appendix XXV**

(Refer paragraph 2.6.1; page 112 )

**Detail of serious irregularities pointed out through outstanding Inspection Reports**

<b>Sr. No.</b>	<b>Nature of Irregularities</b>	<b>Number of Paras</b>	<b>Amount (Rupees in crore)</b>	<b>Period</b>
1	Non-obtaining/non-production of utilisation certificate and wanting actual payees receipts from firms/departments	84	9.99	April 1998 to March 2009
2.	Non-recovery/short-recovery and outstanding recovery of loan/seed and margin money/interest free loan/subsidy	07	2.17	-do-
3.	Excess/irregular/wasteful expenditure on pay and allowances	75	2.34	-do-
4.	Irregular/wasteful/unfruitful expenditure	118	22.88	-do-
5.	Non-production/Non-maintenance of records	37	2.40	-do-
6.	Non-condemnation of old/unserviceable articles/vehicles and non-disposal of condemned store articles/vehicles	68	0.26	-do-
7.	Irregular retention/Misutilisation/Non-utilisation of Government money/funds/loans/blockade of Government funds and excess expenditure over budget	55	15.50	-do-
8.	Non-adjustment of advance payments/advances	28	1.82	-do-
9.	Miscellaneous irregularities/Cash-book	106	29.91	-do-
<b>Total</b>		<b>578</b>	<b>87.27</b>	



**Appendix XXVI**

(Refer paragraph 3.1.6.4; page 120 )

**Statement showing expenditure incurred beyond competency**

(Rupees in lakh)

Sr. No.	Name of Government colleges	2006-07		2007-08		2008-09		Total	
		Number of items	Amount	Number of items	Amount	Number of items	Amount	Number of items	Amount
1.	Bhiwani	3	0.94	6	1.76	-	-	9	2.70
2.	Hisar	10	14.62	3	1.87	15	35.00	28	51.49
3.	Jhajjar	25	9.54	2	1.03	11	4.03	38	14.60
4.	Nalwa	6	2.79	1	0.90	7	5.10	14	8.79
5.	Siwani	-	-	3	1.94	3	1.23	6	3.17
6.	Dubaldhan	2	1.18	2	1.01	3	1.53	7	3.72
7.	Tohana	2	1.59	4	3.43	3	3.82	9	8.84
8.	Jatauli Haily Mandi	2	0.80	4	1.87	1	0.33	7	3.00
9.	Panchkula (Women)	-	-	54	34.03	1	3.43	55	37.46
10.	Barwala (Panchkula)	1	0.44	9	7.69	-	-	10	8.13
11.	Saha	7	5.61	4	2.45	3	1.37	14	9.43
12.	Mahendragarh	8	3.81	4	1.00	-	-	12	4.81
<b>Total</b>		<b>66</b>	<b>41.32</b>	<b>96</b>	<b>58.98</b>	<b>47</b>	<b>55.84</b>	<b>209</b>	<b>156.14</b>

**Appendix XXVII**

(Refer paragraph 3.1.8.3; page 126 )

**Statement showing students without lecturers**

Sr. No.	Name of Government colleges	Subject	2006-07	2007-08	2008-09	Total
1.	Gharaunda	Hindi	544	419	355	1,318
2.	Karnal	Bio-technology	42	65	64	171
3.	Kaithal	Hindi	-	111	-	111
		Mass Communication	-	54	-	54
		Tourism Management	-	57	-	57
4.	Ambala Cantt.	Computer Science	140	288	-	428
		Physics	-	56	-	56
		Botany	-	8	17	25
		Electronics	-	62	36	98
		Library Science	-	18	-	18
5	Tohana	Computer Science	-	-	226	226
6	Siwani	Political Science	-	146	-	146
7	Jhajjar	Botany	-	-	46	46
		Zoology	-	-	46	46
		Physical Education	1,376	1,381	-	2,757
		Bachelor of Business Administration	-	-	40	40
		Music (Instrumental)	21	06	06	33
		Music (Vocal)	32	17	13	62
8	Hisar	Environment Studies	1,048	1,171	1,451	3,670
		Philosophy	8	-	-	8
9	Mahendragarh	Sanskrit	-	311	185	496
		Bachelor of Business Administration	61	95	178	334
		Physical Education	1,709	1,705	-	3,414
		Zoology	-	-	53	53
10	Jatauli Haily Mandi	Environment Studies	-	306	250	556
11	Karnal (W)	Punjabi	-	83	75	158
12	Barwala (Panchkula)	Hindi	-	-	333	333
	<b>Total</b>		<b>4,981</b>	<b>6,359</b>	<b>3,374</b>	<b>14,714</b>

# **GLOSSARY**



## GLOSSARY

AAP	Annual Action Plan
ABER	Annual Blood Examination Rate
ADCs	Additional Deputy Commissioners
AIA	All India Average
ANM	Auxiliary Nursing Midwife
API	Annual Parasitic Incidence
ASCOS	Assistant Soil Conservation Officers
ASHA	Accredited Social Health Activist
ASIDE	ASIDE Assistance to States for Developing Export Infrastructure and other Allied Activities
ASRTU	ASRTU Association of State Road Transport Undertakings
ATN	Action Taken Note
B&R	Buildings and Roads
BC	Backward Class
BDPOs	Block Development and <i>Pachayat</i> Officers
BE	Budget Estimate
BELF	Break Even Load Factor
BEO	Block Education Officer
BM	Budget Manual
BOCW	Buildings and other Construction Workers
BOT	Build Operate and Transfer
BP	British Pharmacopoeia
BPL	Below Poverty Line
CCA	City Compensatory Allowance
CCL	Cash Credit Limit
CHC	Community Health Centre
CID	Criminal Investigation Department
CIRT	Central Institute of Road Transport
CMP	Custom Milled Policy

CMR	Custom Milled Rice
CNG	Compressed Natural Gas
COs	Commercial Officers
CRF	Calamity Relief Fund
CS	Civil Surgeon
CSIR	Council of Scientific and Industrial Research
CTM	City Magistrate
DC	Deputy Commissioner
DDO	Drawing and Disbursing Officer
DDP	Desert Development Programme
DEO	District Education Officer
DFSC	District Food and Supplies Controller
DGAH	Director General Animal Husbandry and Dairying Department
DGHS	Director General Health Services
DGP	Director General of Police
DHBVNL	Dakshin Haryana Bijli Vitran Nigam Limited
DHFWS	District Health and Family Welfare Society
DI	Ductile Iron
DOTS	Directly Observed Treatment Short Course
DRDAs	District Rural Development Agencies
DRDO	Defence Research and Development Organization
DRO	District Revenue Officer
DRY	Devi Rupak Yojana
DSD	Directorate of Supplies and Disposal
DT	Diphtheria and Tetanus
DWSD	Delhi Water Services Division
EDUSAT	Education Through Satellite
EE	Executive Engineer
EFC	Eleventh Finance Commission
EIC	Engineer-in-Chief

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FCI	Food Corporation of India
FCR	Financial Commissioner and Principal Secretary to Government of Haryana, Revenue and Disaster Management Department
FDR	Fixed Deposit Reports
FI	Fully Immunised
FIR	First Information Report
FSD	Food and Supplies Department
FSL	Forensic Science Laboratory
GC	Government College
GJU	Guru Jambheshwar University of Science and Technology
GM	General Manager
GOI	Government of India
GP	<i>Gram Panchayat</i>
GWS	Gurgaon Water Services
HARSAC	Haryana Space Application Centre
HARTRON	Haryana State Electronics Development Corporations Limited.
HEC	Higher Education Commissioner
HL	High Level
HPA	Haryana Police Academy
HPHC	Haryana Police Housing Corporation
HPTLC	High Performance Twin Layer Chromatograph
HRA	House Rent Allowance
HREC	Haryana Roadways Engineering Corporation
HSAMB	Haryana State Agricultural Marketing Board
HSI IDC	Haryana State Industrial and Infrastructure Development Corporation
HT	High Tension
HUDA	Haryana Urban Development Authority
IEC	Information, Education and Communication
IFA	Iron and Folic Acid
IP	Indian Pharmacopoeia
IPHS	Indian Public Health Standard

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IR	Inspection Report
IRB	Indian Reserve Battalion
IRC	Indian Roads Congress
IT	Information Technology
IUD	Inter Uterine Contraceptive Device
JSY	Janani Suraksha Yojana
KM	Kilometre
KMPL	Kilometre Per Litre
KMS	Kharif Marketing Season
LAC	Land Acquisition Collector
LAO	Land Acquisition Officer
LHV	Lady Health Visitor
LOC	Letter of Credit
MAPF	Monthly Average Power Factor
MDU	Maharshi Dayanand University
MHA	Ministry of Home Affairs
MIS	Management Information System
MOPF	Modernisation of Police Force
MPHW	Multipurpose Health Worker
MSP	Minimum Support Price
MTP	Medical Termination of Pregnancy
NABARD	National Bank for Agriculture and Rural Development
NCRPB	National Capital Region Planning Board
NGO	Non-Government Organisation
NLEP	National Leprosy Elimination Programme
NPC	National Police Commission
NPCB	National Programme for Control of Blindness
NRHM	National Rural Health Mission
NVBDCP	National Vector Borne Disease Control Programme
OBB	Operation Black Board



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PAC	Public Accounts Committee
PFR	Punjab Financial Rules
PGIMS	Post-Graduate Institute of Medical Sciences
PHCS	Primary Health Centres
PI As	Project Implementing Agencies
PIP	Programme Implementation Plan
PPP	Public Private Partnership
PPS	Probability Proportionate to Size Sampling
PUNBUS	Punjab State Bus Stand Management Company Limited
PWD	Public Works Department
R&M	Repair and Maintenance
RCH	Reproductive and Child Health
RD	Revenue Deposit
RNTCP	Revised National Tuberculosis Control Programme
RTC	Recruit Training Centre
SC	Scheduled Caste
SCRB	State Crime Record Bureau
SCs	Sub-Centres
SDO	Sub-Divisional Officer
SE	Superintending Engineer
SGSY	Swaranjayanti Gramin Swarozgar Yojana
SHFWS	State Health and Family Welfare Society
SHGs	Self Help Groups
SHM	State Health Mission
SHSRC	State Health System Resource Centre
SLEC	State Level Empowered Committee
SLEPC	State Level Export Promotion Committee
SPK	Society for Promotion of Information Technology in Chandigarh
SRSWOR	Simple Random Sampling Without Replacement Method
ST	Scheduled Tribe

STP	Sewage Treatment Plant
STU	State Transport Undertaking
SWAN	State Wide Area Network of Computers
SWDC	State Watershed Development Committee
TC	Transport Commissioner
TFC	Twelfth Finance Commission
TT	Tetanus Toxoid
UC	Utilisation Certificate
UGC	University Grants Commission
UHBVNL	Uttar Haryana Bijli Vitran Nigam Limited
UPS	Uninterrupted Power Supply
USP	United States Pharmacopoeia
VHSC	Village Health and Sanitation Committee
WCs	Watershed Committees
WP	Women Police
XEN	Executive Engineer