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Government of Uttarakhand Report No. 2 of the year 2013



**Report of
the Comptroller and Auditor General of India
on
District Nainital**

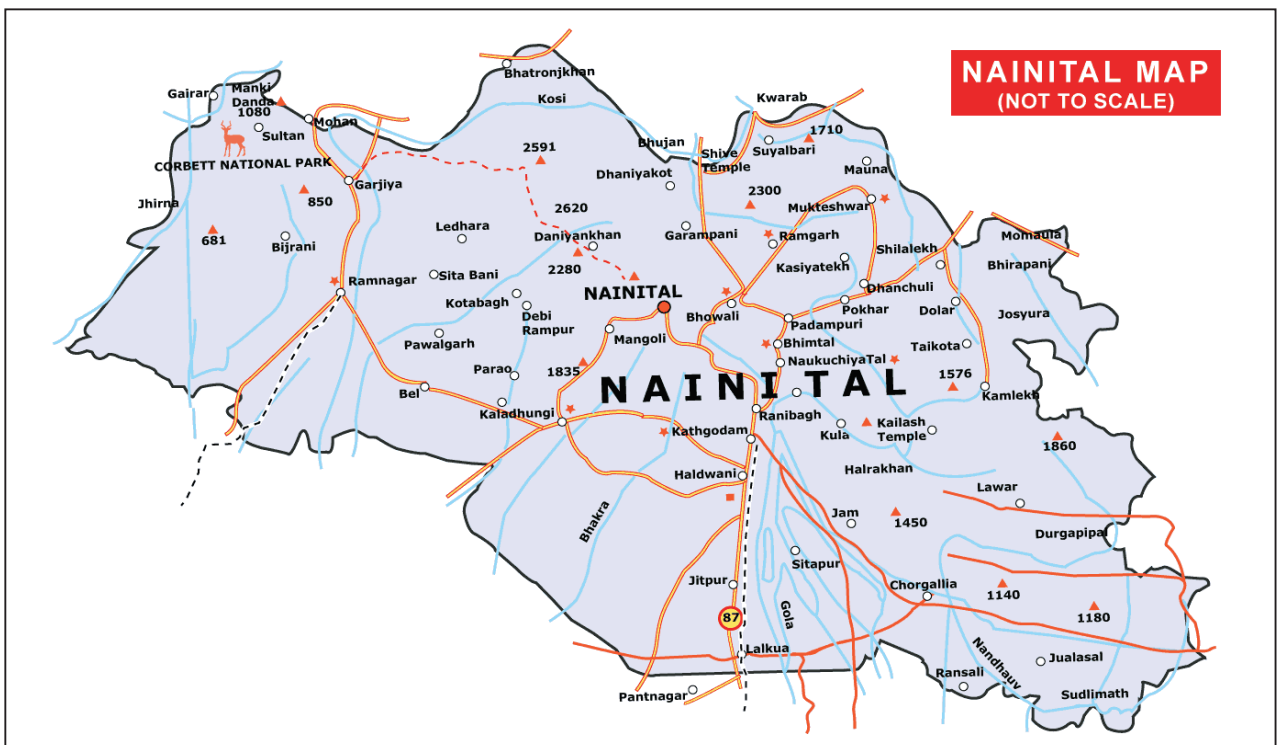
for the year ended 31 March 2012



**Government of Uttarakhand
Report No. 2 of the year 2013**



Source: Maps of India.com



Source: Maps of India.com

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PREFACE

1. This Report of the Comptroller and Auditor General of India contains the results of audit of Nainital District in Uttarakhand. The Report has been prepared for submission to the Governor of the State of Uttarakhand under Article 151 (2) of the Constitution of India.
2. Audit conducted a review of the significant socio-economic developmental programmes implemented in Nainital District during the period 2007 to 2012. The audit process involved test-check of records pertaining to Nainital District in the District Economic and Statistical Office, District Panchayati Raj Office, District Development Office, selected blocks, Gram Panchayats, Municipal Corporation and boards, line departments and various district level implementing agencies.
3. The audit has been conducted in conformity with the Auditing Standards issued (2002) by the Comptroller and Auditor General of India.

Introduction

1.1 General Profile of the District

Nainital District is located in the Kumaon Division of Uttarakhand. The District is spread over hilly as well as plains areas. Nainital District has earned the epithet of Lake District of India due to the presence of many big and small lakes in the vicinity. It is surrounded by Almora District in north, Udham Singh Nagar District in south, Champawat District in east and District Pauri Garhwal in the west. The most prominent of the lakes is Naini Lake ringed by hills. Nainital has a varied topography. Some of the important places in the District are Nainital, Haldwani, Kaladhungi, Ramgarh, Bhowali, Ramnagar, Mukteshwar, Bhimtal, Sattal and Naukuchiatal.

The District spans an area of 3,853 sq km, which is 7.20 *per cent* of the total area of the State (53,483 sq km) and has its headquarter at Nainital. The District comprises of eight tehsils. To cater to rural development, the District has been divided into eight Community Development Blocks¹ covering 460 Gram Panchayats (GPs), three Nagar Palika Parishad (NPP)², three Nagar Panchayats (NP)³ and Nagar Nigam (NN) Haldwani. Out of 1.41 lakh families⁴ of the District, 31 *per cent* (0.43 lakh families) live below the poverty line (BPL). The status of Human Resources Development Infrastructure and significant developmental schemes in the district are given in **Appendix-1.1**. The profile of the District is described in **Table 1.1** below:

Table 1.1: Demographic profile

Features of Profile	District	State
Total population (in lakh)	9.55	101.16
Male population (in lakh)	4.94	51.54
Female Population (in lakh)	4.61	49.62
Sex Ratio	933	963
Total literacy rate	84.85	79.63
Male literacy rate	91.09	88.33
Female literacy rate	78.21	70.70
Infant Mortality Rate (IMR) per 1000 lives	31	43
Maternal Mortality Ratio (MMR) per 1,00,000 live births	183	188
Total Fertility Rate (children per woman)	2.1	2.3

Source: Census 2011, Annual Health Survey, 2010-11

¹ Bhimtal, Ramgarh, Dhari, Okhalkanda, Betalghat, Haldwani, Ramnagar & Kotabagh.

² Nagar Palika Parishad- Nainital, Ramnagar & Bhowali.

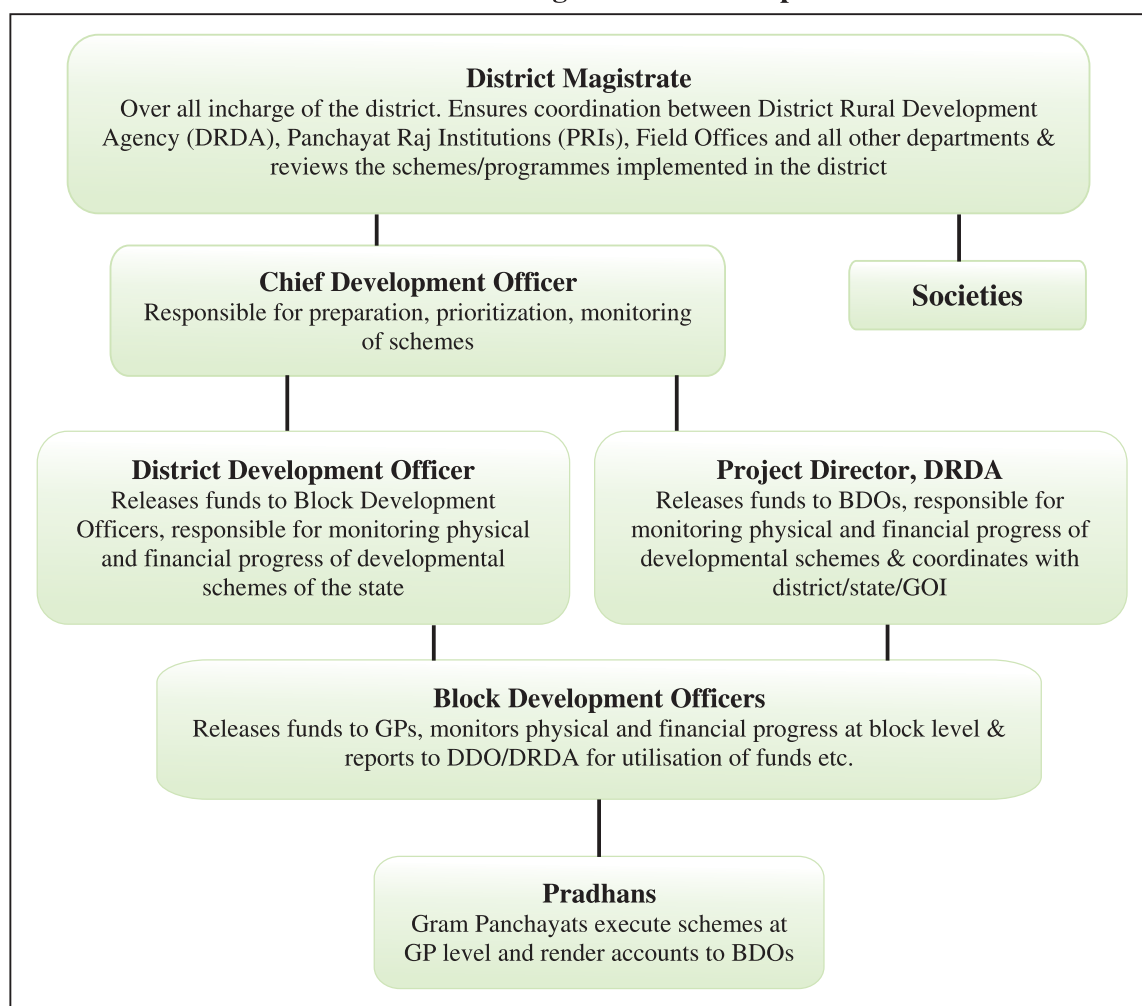
³ Nagar Panchayat- Bhimtal, Kaladhungi & Lalkuwan.

⁴ As per census 2001.

1.2 Organisational set-up

The District Magistrate is the head of the district administration. He is assisted by the Chief Development Officer (CDO) in formulation of district plan and the Project Director, District Rural Development Agency (DRDA) in implementation of different developmental programmes in the district. In addition to above, he supervises and monitors different sectoral programmes implemented by the district level heads of the line departments, the structure of which is given below. However, the District Planning Committee (DPC) is the apex plan approving and monitoring body in the district.

Chart 1.1: Organizational set-up



Chapter-1: Executive Summary

The Planning Commission, Government of India (GOI), has been according considerable importance to a district-centric approach in the devolution of finances for integrated local area development for the district. Similarly, the State Government has also been devolving funds district wise for holistic development of a district. Recognizing the importance of such district oriented development, a district-centric audit of Nainital district was carried out to assess the status and impact of implementation of various socio-economic developmental programmes in the district during 2007-12. The review covered key social sector programmes relating to health, water supply, watershed development (an externally aided project) and other developmental programmes of economic sector like employment generation, irrigation and forestation under National Afforestation Programme. Besides, General services relating to civic amenities by municipal administration and Lake Conservation Programme were also covered.

District Planning

The district planning in Nainital was deficient due to delayed constitution of District Planning Committee (DPC) and delay in framing of rules and regulations. DPC did not hold quarterly meetings after it was constituted in November 2010.

The DPC had not prepared any Perspective Plan or even a shelf of schemes for the overall development of the district. The local levels of the government were not involved in providing any inputs to the planning process. The State Government during 2007-08 to 2011-12 had released ₹ 187.15 crore towards District Development Plan (DDP) of Nainital District without assessing linkage to the bottom-up planning projection. Thus, the functions of the DPC remained incomplete and perfunctory in absence of ground level participation.

[Paragraph 3.1]

Recommendations

The Government may consider to ensure:

- *Preparing holistic perspective and integrated plans for the district, based on a structured process of obtaining inputs from local bodies and shelf of projects for a more realistic assessment of the district.*
- *Regular meeting of the DPC for more effective planning and monitoring of the various schemes in the district.*

Financial Management

There is no integrated reporting mechanism of scheme wise physical and financial status of the district available in the district or at the State Government level. There was mismatch of figures in certain schemes provided in the compiled data of District Economic and Statistical Office (DESTO) with respect to the information collected from various departments individually by

Audit. Audit noticed mismatch in the opening and closing balances of the available compiled figures by DESTO.

[Paragraph 3.2 and 3.3]

Recommendations

The State Government may consider to ensure:

- *Introducing a mechanism of an integrated reporting system at district and State level to monitor funds flows, deployment of funds and expenditure of the different developmental programmes/ schemes.*

Decentralised Governance

The empowerment of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) as envisaged in the XIth schedule of the Constitution has not been completely achieved even after a lapse of 19 years from Constitutional amendment. The integrated annual plans of Zila Parishad (ZP) and ULBs had not been submitted to DPC for integration with district development plan. In the district, only 98 Village Development Officers (VDOs)/ Multi-purpose workers (MPWs) were working for 460 GPs. The shortage of VDOs/ MPWs resulted in non-maintenance of accounting formats, assets registers *etc.* No monitoring or supervision was carried out by ZP in respect of the works carried out by the GPs and KPs.

[Paragraph 4.1]

Recommendations

The State Government/ District Administration may consider to ensure:

- *Devolving all the subjects to PRIs and ULBs as envisaged in the XIth and XIIth schedules of the Constitution.*
- *Integration of district development plan with the plans prepared by PRIs and ULBs.*

Social Services

National Rural Health Mission (NRHM)

The District Health Society (DHS) met infrequently and no Perspective Plan was prepared for the mission period (2005-12). District Plans were prepared without inputs from Villages and Blocks. Maternity Mortality Rate (MMR) and Infant Mortality Rate (IMR) stood at 183 and 31 against the NRHM targets of a maximum of 100 and 28 respectively by the end of Mission period 2012, which was an area of concern for the district. Tardy implementation of health programmes, shortage of doctors and paramedical staff and inadequate infrastructure as per IPHS norms were the main reasons behind underachievement of targets. Integration of AYUSH as envisaged under NRHM was not achieved in all the health centres of the district.

[Paragraph 5.1]

Recommendations

The State Government/ District Administration may consider to ensure:

- *Equipping all health centres with adequate and skilled manpower as per IPHS norms.*
- *Community involvement at every stage of planning, implementation and monitoring of the programme.*

National Rural Drinking Water Programme

The objective to cover all habitations by providing safe and potable drinking water by the end of 2009 as per the target envisaged in the Eleventh Five Year Plan could not be achieved in the district. Although, significant number of habitations has been covered during the last five years, regular water quality testing was not carried out regularly to ensure quality of drinking water.

[Paragraph 5.2]

Recommendation

The State Government/ District Administration may consider to ensure:

- *Fixing timeline for covering all habitations with safe and potable drinking water.*
- *Conducting regular testing of Water quality as per norms to ensure supply of safe and potable drinking water to the people.*

Externally Aided Project (Uttarakhand Decentralized Watershed Development Project)

The selection of watershed areas was made by the project authorities in a non-transparent manner. Annual Work Plans were approved post facto on the basis of expenditure incurred during the year and were therefore not based on actual need. Budget caps of Gram Panchayats were enhanced arbitrarily. Works under the project in the district suffered from cost and time overruns.

[Paragraph 5.4]

Economic Services

Mahatma Gandhi National Rural Employment Guarantee Scheme

The primary objective of ensuring livelihood security by providing 100 days of annual employment to the targeted community was not achieved at all as only up to four *per cent* of registered households were provided 100 days of employment during the period of 2007-08 to 2011-12. The scheme suffered from non-approval of Perspective Plan, delay in submission of Annual Plans, unrealistic labour budgets, delay in payment of wages to the beneficiaries and poor monitoring. The mismatch between the data of MIS and MPR indicated non-existence of any mechanism to verify the authenticity of data before being uploaded to the MGNREGS

website. Shortage of human resource in GRS and JE cadres ranged from 97 to 70 per cent. There were shortfalls in conducting Social Audits, Inspections and Monitoring of works in the district.

[Paragraph 6.1]

Recommendations

The State Government/ District Administration may consider to ensure:

- *Deployment of adequate human resources for effective implementation of scheme.*
- *Increasing the awareness about the scheme in rural population so that every registered household is aware about employment on demand within 15 days, unemployment allowance in case of non-employment in scheduled time frame, compensation in case of delayed payment etc.*
- *Paying special attention to check the existing mismatch between MPR and MIS data.*

Accelerated Irrigation Benefit Scheme

The schemes of Irrigation Department and Minor Irrigation Department for the period 2007-12 in the district suffered from lack of planning and survey which led to under utilisation of funds, delay in implementation of the various schemes, non-achievement of the objectives of irrigating the targeted area and non-maintenance of completed schemes.

[Paragraph 6.2]

Recommendations

The State Government/ District Administration may consider to ensure:

- *Putting in place monitoring mechanisms for proper operation and maintenance of completed schemes.*
- *Preparing revenue village wise data base of canals and guls for better planning.*

National Afforestation Programme

Although plantation works have been completed in most of the projects in the district but yearly survival rate of plantations was not being assessed by the Forest Development Agencies (FDA).

[Paragraph 6.3]

Recommendations

The State Government/ District Administration may consider to ensure:

- *Timely release of funds for maintenance, watch and ward of the raised plantation as per norms.*
- *Maintaining and monitoring the yearly survival rate of plantations by the FDAs.*

General Services

Civic Amenities by Municipal Administration

The construction of 923 houses under Integrated Housing Slum Development Project (IHSDP) and 200 houses under Basic Service to the Urban Poor (BSUP) scheme of Haldwani and Nainital towns could not be completed by the executing agencies despite availability of adequate funds. Construction of 141 houses under BSUP scheme for Nainital town could not be started due to non-availability of land.

Municipal waste was not being handled in accordance to MSW Act, 2000 and the waste collected by the municipalities was finally dumped at nearby forest areas and in rivers. Failure to obtain grant for modernization of the slaughter houses led to animals being slaughtered in open.

[Paragraph 7.1]

Recommendations

The State Government/ District Administration may consider to ensure:

- *Availability of land before taking up of housing projects related to slum areas.*
- *Completion of the projects for management of solid wastes in all the four ULBs.*

National Lake Conservation Plan

There were instances of irregular and unfruitful expenditure in various components of the project like Solid Waste Management, Low Cost Sanitation and Social Awareness etc. Due to non-preparation of Program Evaluation Review Technique chart, the project works were executed without fixed timelines which led to delayed execution and works remaining incomplete even after a lapse of six years from the stipulated date of completion. However, an improvement in lake water quality parameters was noticed.

[Paragraph 7.2]

Human Resource Management and Internal Control System

There were shortages of staff in all the sample selected agencies of the district. Shortages were noticed in every office, especially in key posts such as doctors, engineers and forest security staff, which adversely affected the progress of the schemes. Besides, no internal auditing mechanism was found to be established in majority of the departments. Multiple bank accounts were being operated by ULBs, UJS and NLRSA. Monitoring and supervision of the progress of implementation of various schemes at all tiers of local administration in the district was perfunctory, which impacted progress of the schemes.

[Paragraphs 8.1 to 8.2.7]

Recommendations

The State Government/ District Administration may consider to ensure:

- *Strengthening monitoring and supervision at all the tiers of local district administration so that the programmes are executed on time and well within cost.*
- *periodical assessment of sanctioned strength, postings of functionary at each level, especially in key post like doctors, engineers and forest security staff for smooth implementation of the programmes/ schemes.*

Conclusion

Planning was not based on structural process of obtaining inputs from Blocks, Gram Panchayats and other stakeholders. There is multiplicity of programme and scheme and even larger number of implementing agencies, making it difficult for the district administration to effectively co-ordinate monitoring and supervise the developmental activities. While almost all the developmental programmes are targeted at the same set of beneficiaries, the existence of myriad programmes without an integrated focus, had led to each of them being implemented in a standalone mode.

The District Administration needs to put in place a robust District Centric Planning Process by mapping the gaps in infrastructure under various sectors like health, employment generation, drinking water, etc though inputs from all tiers of local administration and Public at large. A clear roadmap to achieve the targets set through such plans for the development indicators to gauge the extent of development and the effectiveness of various schemes being implemented by the state in the district should be evolved by the State Government. People's participation is essential for ensuring sustainable development of the district.

Chapter-2 Audit Framework

2.1 Audit Objectives

The Audit objectives were to ascertain whether:

- Planning for implementation of programmes and schemes was effective;
- Financial Management was efficient;
- Implementation of the Social, Economic and General Sector programmes and schemes were efficient, effective and economical;
- Decentralisation was carried out efficiently;
- The extent of organisational cohesion and intra-agency synergy in the district against a variety of bodies such as DDOs, Parallel Bodies, Local Bodies and Autonomous Bodies was appropriate;
- Human Resource Management was efficient to carry out the implementation of the programmes and schemes;
- Internal Control System was efficient and effective; and
- Monitoring mechanism was in place and effective.

2.2 Audit Mandate

The audit of schemes and programmes implemented in the district was conducted under Sections 13, 14, 20 (1) of the CAG's DPC Act, 1971.

2.3 Audit Criteria

The audit criteria applied for assessing the performance of various development schemes/ programmes was derived from the following sources:

- District plans and annual plans;
- Guidelines of the concerned programmes/ schemes issued by the Central/ State Government;
- Provisions of State Financial Rules, Procurement Rules, 2008 and supplementary instructions/ orders issued by the Central and State Government from time to time;
- Department Manuals; and
- Prescribed monitoring mechanism.

2.4 Audit Scope and methodology

The Performance Audit of district Nainital involved a review of seven significant socio-economic development programmes and schemes implemented by the different departments during the period 2007-08 to 2011-12. The Sector wise programmes/ schemes selected for audit are listed in **Appendix -2.1**. The audit was undertaken during May 2012 to September 2012.

Before the commencement of audit, discussions were held with the District Magistrate (DM) and other district level officers present in an entry conference on 20th April 2012 wherein the audit objectives and scope of audit were discussed and inputs relating to various development programmes/schemes were obtained. Separate meetings were also held with district, Block level officers and Gram Panchayats by the team.

The district has eight Development Blocks and 460 Gram Panchayats. Blocks within the district were stratified into two groups as hill and plain out of which 50 *per cent* blocks of the district were selected by Simple Random Sampling Without Replacement (SRSWOR) using Random Number Table. In each sampled block, 10 *per cent* Gram Panchayat/Nagar Palika/Nagar Nigam were selected using the aforesaid method.

Audit was based on the scrutiny of the records of District Development Officer (DDO), local bodies, parallel bodies and district heads of the line departments of the sampled schemes in the selected blocks¹ during May to September 2012. Information relating to district sector planning and monitoring mechanism was also sought from the District Economic & Statistical Office (DESTO) and District Panchayat Raj Officer (DPRO). The satisfaction level of the beneficiaries on different parameters was evaluated by using detailed questionnaires devised by audit from minimum 20 beneficiary/villagers of the selected 24 Gram Panchayats. Photographic evidence and results of joint physical verification were used to substantiate audit observations.

Audit findings were discussed with the District Magistrate and the departmental functionaries in the exit conference held on 26 February 2013 and their views have been incorporated in the Report at appropriate places. The updated audit findings are discussed in the succeeding chapters.

2.5 Acknowledgement

The office of the Principal Accountant General (Audit), Uttarakhand acknowledges the cooperation extended by the District Magistrate, Chief Development Officer and district heads of the concerned departments in conducting this audit.

¹ Bhimtal, Ramgarh, Ramnagar and Haldwani.

Chapter-3 District Planning and Financial Management

3.1 District Planning Committee and District Plan

The 74th constitutional amendment inserted Article 243 ZD in the Constitution which states that "there shall be constituted in every State at the district level a District Planning Committee (DPC) to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole". It exhorts the State Legislature to "make provision with respect to the composition of the District Planning Committees and the manner in which the seats in such Committees shall be filled."

Prior to the formation of District Planning Committee, the District Planning & Monitoring Committee (DPMC) was an alternate body in place of DPC in the district. The DPMC comprised of Cabinet Minister as the Chairperson, Members of Parliament and Legislative Assembly belonging to the district, the District Magistrate (DM) and the Chief Development Officer (CDO) as members. It was to meet, on quarterly basis, to review/ monitor the progress of the schemes implemented in the district and was mandated to finalise the Perspective and Annual District Plans.

Pursuant to the constitutional provisions, Uttarakhand (UK) Legislature passed the Uttarakhand District Planning Committee Act, 2007 (July 2007) after seven years of its creation as a new State. The Government framed rules under the Act in March 2010, i.e. after three years of enactment of the Act. In Nainital, DPC² came into existence in November 2010.

3.1.1 Functions of District Planning Committee

District Planning Committees functions include: framing policies for preparation of the draft development plan for the district as a whole; preparation of data base of all natural and human resources with the lists of facilities available in each village, block and district; listing out activities to be undertaken; revision and consolidation of development plans prepared by Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) and holding quarterly meetings to review the progress of implementation of the district development plan (DDP).

The salient points of DPC rules were: (a) DPC should prepare the DDP taking into account the resources of PRIs including funds sanctioned by Government; (b) every Gram Panchayat (GP) should prepare its development plan (DP) after discussing it in Gram Sabha (GS) and submit it to Kshetra Panchayat (KP); (c) KP should integrate all DPs received from GPs in its DP and prepare one DP for the entire KP for submission to Zila Panchayat (ZP); and (d) ZP should consolidate all DPs received from KPs in its DP to prepare one draft development plan for the

² Twenty six member committee comprising of State Cabinet Minister, Chairperson-ZP, District Magistrate, two members nominated by the State Government and 21 elected members of ZP and Urban Local Bodies (ULBs). The Chief Development Officer (CDO) and District Economic and Statistical Officer (DESTO) provide secretarial assistance to DPC.

district. Similarly, all ULBs should send their DPs to DPC. Thus, the district planning process was envisaged to be a bottom-up process. Audit findings on the functioning of DPC/ DPMC were as follows:

- In the absence of District Planning Committee (DPC), District Planning & Monitoring Committee (DPMC) had not prepared any Perspective Plan or shelf of schemes for overall development of the district on the basis of a need analysis in various areas/ sectors. The DPMC approved the proposals of various district level offices for inclusion in the annual district plan, only with reference to the budgetary allocation of the previous years during the period 2007-08 to 2011-12.
- Since the constitution of DPC, only one meeting against the required six was held. The district plan for the year 2012-13 was scheduled to be submitted to the State Planning Commission by November 2011. It was noticed that the tentative district plan was submitted (February 2012) to the State Planning Commission without the approval of DPC and was then placed (May 2012) before DPC for approval.
- DPMC did not hold any quarterly meeting as prescribed and, consequently, could not review the progress of the schemes.
- District Planning Committee was required to determine a strategy for the development of the district as a whole and accordingly provide guidelines to the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) for formulating their Plans. Nothing was found to have been done by the Committee in this regard since its formation.
- The State Government during 2007-08 to 2011-12 had released ₹ 187.15 crore³ towards DDP of Nainital District without assessing linkage to the bottom-up planning projection. It was further noticed that no funds were released to GPs and KPs out of the released funds for executing development plans of their own.
- PRIs and ULBs did not prepare any DPs during the period 2007-08 to 2011-12.

In exit conference, the facts were accepted by the District Magistrate. It was further stated that quarterly meetings could not be held due to time constraints faced by the Honorable Ministers. However, monthly meetings were held at DM level to ascertain the progress of schemes. The reply was not acceptable as no records relating to monthly meetings held by the District Magistrate were provided to Audit.

³ Information provided by District Economic and Statistical Officer (DESTO).

Recommendations

The Government may consider to ensure:

- *Preparing holistic perspective and integrated plans for the district, based on a structured process of obtaining inputs from local bodies and shelf of projects for a more realistic assessment of the district.*
- *Regular meeting of the DPC for more effective planning and monitoring of the various schemes in the district.*

3.2 Financial Management

Funds are allocated to the district through the State budget for various developmental activities. In addition, funds are directly released to District Rural Development Agency (DRDA) and implementing agencies for various socio-economic programmes by the State and GOI. The DRDA releases funds to the Blocks and other executing agencies based on the approved allocation for individual schemes.

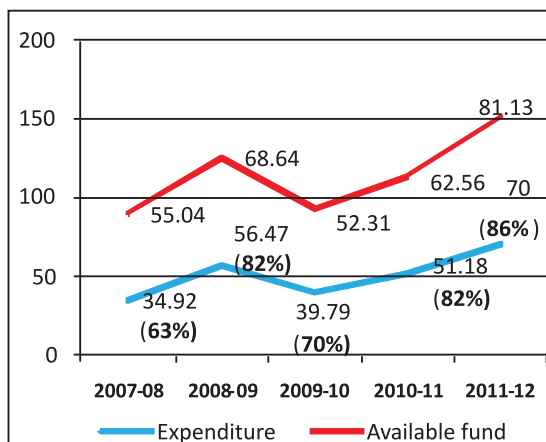
3.2.1 Reliability and completeness of the financial data

In the district, Department wise allocation and expenditure was compiled by the District Economic and Statistical Office (DESTO) for the monitoring of District Magistrate. The financial data in the DESTO did not contain segregated figures on annual receipts from various sources like 11th Plan, Central Finance Commission, State Finance Commission, devolution to local bodies and various flagship programmes. Further, audit noticed a mismatch in the opening and closing balances of the available compiled figures as can be seen in **Appendix-3.1**. Thus, audit could not get information regarding totality of Government investments in the various development schemes in the district. However, information on funds received and expenditure incurred during 2007-08 to 2011-12 in respect of certain significant departments and programmes was ₹ 511.34 crore and ₹ 483.91 crore respectively as detailed in **Appendix -3.2** along with **Pie chart**.

Out of the total expenditure of ₹ 483.91 crore, an expenditure of ₹ 252.36 crore (52 per cent) was incurred on the test checked schemes as shown in **Appendix -3.3**. The trends of availability⁴ of funds and expenditure thereon and scheme wise expenditure of funds of the test checked schemes/ programmes are shown in the **line chart-1 and pie chart-2 below** respectively.

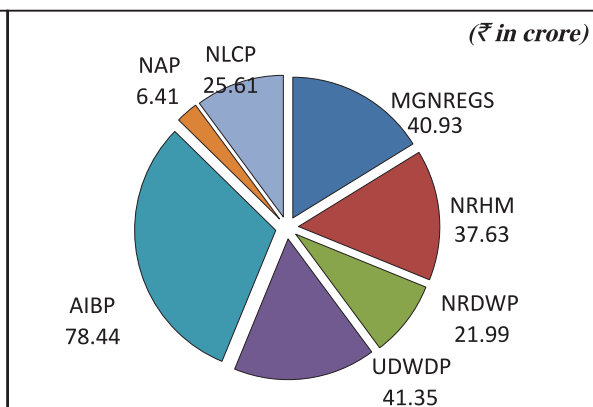
⁴ Includes closing balance of the last year.

Line Chart-1



Line chart-1: Trends of available fund and expenditure of selected schemes (₹ in crore).
Source: Departmental figures

Pie Chart-2



Pie chart-2: Scheme wise expenditure of the selected schemes.
Source: Departmental figures

The above chart-1 indicates that expenditure ranging from 63 to 86 per cent against the available funds were utilized in test checked schemes/ programmes. A few significant observations on financial management in the implementation of the test checked schemes have been discussed in the succeeding chapters.

In exit conference, the District Magistrate accepted the facts and stated that it is difficult to compile the data at one place as the funds under various schemes such as CFC, SFC, EAP and Centrally Sponsored Schemes are directly released to the PRIs, ULBs and parallel bodies etc. However, receipt and expenditure of certain significant Centrally Sponsored Schemes are now being maintained by the District Economic and Statistical Office (DESTO).

Recommendations

The State Government may consider to ensure:

- Introducing a mechanism of an integrated reporting system at district and State level to monitor funds flows, deployment of funds and expenditure of the different developmental programmes/ schemes.

Chapter-4 Decentralised Governance

The 73rd Constitution Amendment Act envisaged establishment of a democratic decentralised development process through people's participation in decision making, implementation and delivery with devolution of powers and responsibilities upon Panchayats at appropriate levels. Further, 74th Constitutional Amendment paved the way for decentralisation of powers, transfer and devolution of more functions and funds to the Urban Local Bodies (ULBs).

Prior to the bifurcation of the State of Uttar Pradesh, the enabling Act governing the Panchayat Raj System was Uttar Pradesh Panchayati Raj Act, 1947 and the Uttar Pradesh Kshetra Panchayat and Zila Panchayat Act, 1961 and the rules framed thereunder, which formed the legal basis for Gram Panchayats (GPs), Kshetra Panchayats (KPs) and Zila Panchayats (ZPs), respectively. The system of democratic governance down to grass root level in Urban Local Bodies (ULBs) was implemented through Uttar Pradesh Municipal Corporation Act, 1959 and Uttar Pradesh Municipalities Act, 1916. The operation of these Act(s) continued in Uttarakhand after its formation and were amended through Uttaranchal Tristariya Panchayat Raj Amendment Act, 2002 and Uttar Pradesh Municipalities Act (Uttarakhand Amendment) Act, 2001. In the State, a draft Municipal Bill, 2008 was prepared to amend Uttar Pradesh Municipalities Act, 1916 but the same is pending approval of the Cabinet as on date (November 2012).

In the district, for implementation and delivery of democratic decentralised development process through people's participation, there exists one ZP, eight KPs and 460 GPs and one Nagar Nigam (NN), three Nagar Palika Parishads (NPPs) and three Nagar Panchayats (NPs).

4.1 Decentralisation

The Eleventh Schedule in the Constitution contains a list of twenty nine subjects which State Legislature may, by law, transfer to the PRIs. In respect of ULBs, the State Legislature may, by law, transfer 18 functions as listed in the XIIth Schedule. The Government of Uttarakhand had entrusted only 14 subjects⁵ to PRIs in the year 2003 and thereafter no subject was devolved to PRIs. In case of ULBs, only thirteen⁶ functions have been transferred till date. With regard to the performance in empowerment of the PRIs and arrangements for their accountability in discharge of their functions, the State is ranked at number 14 amongst all the States as per the cumulative ranking of Devolution Index assessed (2011-12) by the Ministry of Panchayati Raj, GOI.

⁵ Drinking Water; Rural Housing; Poverty Alleviation; Primary Education; Prardh Evam Anupcharik Shiksha; Library; Cultural Activities; Family Welfare; Health and Sanitation Programme; Women & Child Development; Social Welfare; Public Distribution System; Minor Irrigation and Agriculture (watershed).

⁶ Registration of Death and Birth; Slum Improvement; Urban Poverty Alleviation; Provision of Urban Amenities; Burial Ground; Cattle Pounds; Regulation of Slaughter Houses; Public Amenities; Safeguarding the Interest of Weaker Sections; Promotion of Cultural, Educational & Aesthetic Aspect; Urban Forestry; Roads & Bridges and Public Health.

4.2 Organisational arrangements in PRIs and ULBs

The organisational arrangements of PRIs and ULBs in Nainital District including at the State level is given below:

At the State level, the Principal Secretary cum Forest and Rural Development Commissioner (FRDC) heads the PRIs while, the Secretary Panchayati Raj and the Secretary Rural Development Department are the Chief Controlling Officers. In the district, District Panchayati Raj Officer reports to the Joint Director, Panchayati Raj while KPs fall within the purview of the Rural Development Department. The organisational chart of PRIs is given in **Appendix-4.1**.

At the State level, the Urban Development Department coordinates the functioning of all ULBs as shown in the chart in **Appendix-4.2**. The ULBs perform its duties as per Section 7 of the UP Municipalities Act, 1916. Besides, the ULBs may, where so required, under Section 104 of the UP Municipalities Act, 1916 decide to perform its functions through committees by making their regulations, exercising such powers and performing such duties or discharging such functions as may be delegated to the committee under Section 112 of the UP Municipalities Act, 1916.

4.2.1 Availability of Village Development Officers

Both Government of India (GOI) and State Government are implementing schemes through GPs such as works under SSA, MGNREGS, Single Village Schemes under NRDWP and NRHM activities, *etc.* As a result, the outlay of the GPs had considerably increased and it has become vital to provide adequate staff to the GPs.

In the district, only 98 Village Development Officers (VDOs)/ Multi-purpose workers (MPWs) were working for 460 GPs. Consequently, one VDO/ MPW on an average was looking after the task of more than four GPs. In the test checked blocks, it was noticed that one VDO was looking after the charge of five GPs. The shortage of VDOs/ MPWs resulted in non-maintenance of accounting formats, asset registers *etc.*

In exit conference, it was stated by the District Magistrate that recruitment process is underway to meet the shortage.

4.3 Planning

4.3.1 Holding of Meetings

As per Para 61 & 84 of UP Zila Panchayat Act, 1961 and Para 11 of UP Panchayati Raj Act, 1947, ZP and KPs should ordinarily meet for the transaction of business at least once in every two months while GPs were to convene two general body meetings in a year.

Test-check of the records of ZP, KPs and GPs for the period 2007-08 to 2011-12 revealed the following:

- General body of the ZP met only 11 times⁷ as against the required 30 times.
- Records of four KPs revealed that only 67 meetings were held as against the required 120.
- Records of 24 GPs revealed that they had held meetings as per prescribed norms except for two GPs which had met once in the year while two other GPs could not produce the supporting records.

4.3.2 Preparation of plans

As per Paragraph 63 of UP Panchayati Raj Act, 1961, the ZP was required to integrate annual plans of the KPs with its plan and to submit it to the DPC for further integration with the District Development Plan. But no such activity was carried out by it during the period 2007-08 to 2011-12. On this being pointed out, the Apar Mukhya Adhikari of Zila Panchayat stated (September 2012) that no such plan was being prepared.

Section 127-B of the UP Municipalities Act, 1916 envisages for the preparation of plans by ULBs and submit it to DPC for integration with district development plans. Scrutiny revealed that the ULBs also did not prepare and submit their annual plans to DPC in any of the years. The annual performance/ working reports were also not being prepared by the ULBs.

4.4 Financial Management

The main sources of revenue/ income for PRIs and ULBs in the State are funds devolved by GOI under the various Centrally Sponsored Schemes (CSS)⁸, Grants received from the State Government besides grants recommended by the Twelfth Finance Commission (TFC) and Thirteenth Finance Commission (ThFC) for specific purposes. In addition, PRIs and ULBs are also required to mobilize resources from own sources such as taxes, rents, license fees *etc.*

Test-check of records of PRIs⁹ and ULBs¹⁰ revealed that 15 *per cent* and six *per cent* funds were lying unutilised respectively at the end of March 2012 (**Appendix-4.3**). During the period 2007-12 an amount of ₹ 4.91 crore and ₹ 34.99 crore were realized by the PRIs and ULBs respectively from their own resources. However, it was found in audit that PRIs and ULBs failed to collect an amount of ₹ three crore leviable on house tax, rent, hat bazaar, animal fare *etc.* during the period 2007-08 to 2011-12. The ULBs apprised that recoveries were being made while ZP intimated that notices for ₹ 0.15 crore had been issued. The replies were not justifiable as the recoverable amount was piling up from year to year.

4.4.1 Utilisation certificates

Government of India and State Government released grants to ZPs, KPs and GPs for implementation of various schemes. A total amount of ₹ 56.47 crore were received by the PRIs

⁷ Meetings held in 2007-08 not available

⁸ CFC, JNNURM, MP & MLALAD, MNREGS, SSA, NRHM *etc.*

⁹ GPs-24, KPs-4 & ZP-1

¹⁰ NN-1, NPP-2 & NP-1

during the period 2007-08 to 2011-12. The details of funds received under SFC, TFC and ThFC by the PRIs in Nainital District is given in **Appendix-4.4**.

As per Government Order (November 2006), the District Panchayati Raj Officer (DPRO) is required to submit Utilisation Certificates, duly countersigned by the DM, to the Finance Department along with the statement of works against the released funds and for further release of next installment.

Scrutiny of the records revealed that District Panchayati Raj Officer (DPRO) received ₹ 44 crore for further release to KPs and GPs of the district during the period 2007-08 to 2011-12. In contravention of the financial rules, the released amounts were reported as utilized without ensuring actual expenditure incurred by the KPs and GPs and statement of works as required in the Government Orders (GO). Besides, an unspent balance of ₹ 42.35 lakh was lying in the accounts of DPRO pertaining to the SFC funds released in 2007-08 for which UCs had already been submitted.

The DPRO stated (July 2012) that efforts were made to collect UCs and the blocked funds would be released only after information from BDOs regarding status of executed works and amount due to each GP is received. The reply itself indicates that UCs were submitted by the DPRO despite funds remaining unutilised. Further, records of the ZP revealed that ₹ 2.96 crore remained unspent as of March 2012 under SFC, TFC and ThFC due to incomplete construction works.

4.5 Maintenance of Accounts

The Comptroller and Auditor General of India had prescribed the accounting formats, with coding pattern for each tier of PRIs, to strengthen their accounting system and enable the authorities to monitor the progress of receipts and expenditure under different schemes. Test-check of records of 24 GPs, four KPs and one Zila Panchayat revealed as under:

- **Gram Panchayats:** They were required to maintain, *inter alia*, cash book, asset register, stock register, register of movable and immovable properties and Measurement Book (MB). However, none of the 24 sampled GPs maintained their accounts in these formats. It was found that due to shortage of staff only Cash Book could be maintained by these GPs.
- **Kshetra Panchayats:** KPs did not maintain Bank Reconciliation Statement while the Cash Book was not maintained properly.
- **Zila Panchayat:** Asset register was not properly maintained or updated.

4.5.1 Panchayati Raj Institutions

The Ministry of Panchayati Raj, GOI in consultation with the Comptroller and Auditor General of India and State Governments prepared a Model Accounting System (MAS) for the PRIs to ensure transparency and accountability in their operations. Directions were issued

(September 2010) by the GOI to adopt MAS for Panchayat Accounting System by the PRIs. Accordingly, *PRIA Soft-Accounting Software* for PRIs was introduced from 1 April 2011.

Scrutiny of records revealed that ZP was not using this software. Entry of only 164 out of 460 GPs and three out of eight KPs were found uploaded (July 2012) after a lapse of one year. It was also observed that broadband facility was not installed in the DPRO (July 2012) to upload online entries of approved plans and funds received/ utilized by the GPs. The DPRO stated that due to insufficient infrastructure and supporting staff, data could not be uploaded in the MAS; while, ZP was in the process of uploading the data.

4.5.2 Urban Local Bodies

The Ministry of Urban Development, in consultation with the Comptroller and Auditor General of India, developed National Municipal Accounting Manual (NMAM). The Government of Uttarakhand had introduced (2009-10) the same only in mission city Nainital under Jawaharlal Nehru National Urban Renewal Mission (JnNURM). The other three selected ULBs had not adopted double entry system of accounting as of November 2012.

4.6 Monitoring of executed works

As per the directions issued (September 2011) by the Director Panchayati Raj, ten works per month, executed by the Village Panchayats, were to be physically visited and inspected by the DPRO while *cent per cent* works were to be physically inspected and verified by the Assistant Development Officers (Panchayat) posted in the blocks. A report was to be submitted monthly for each physically inspected work to the Director, Panchayati Raj¹¹. No records were produced before audit to confirm that inspections were carried out by these authorities and that reports were submitted to the Director, Panchayati Raj. However, the DPRO produced few inspection reports carried under twenty point programme in support but the same had no relation with the works executed by the PRIs.

Paragraph 33 (iii) of U.P. Zila Panchayat Act, 1961 envisages that ZP should supervise the activities of KPs and GPs. Scrutiny revealed that no monitoring or supervision was carried out by ZP in respect of the works carried out by the GPs and KPs. The Zila Panchayat admitted the facts.

Recommendations

The State Government/ District Administration may consider to ensure:

- *Devolving all the subjects to PRIs and ULBs as envisaged in the XIth and XIIth schedules of the Constitution.*
- *Integration of district development plan with the plans prepared by PRIs and ULBs.*

¹¹ As per order of Director, Panchayati Raj dated September 2011.

Chapter-5 Social Services

Various flagship programmes like Sarva Shiksha Abhiyan (SSA), National Rural Health Mission (NRHM), National Rural Drinking Water Programme (NRDWP), Total Sanitation Campaign (TSC), Old Age Pension Scheme, Integrated Child Development Scheme (ICDS) and Uttarakhand Decentralisation Watershed Development Programme (UDWDP) were implemented in the district. Out of these, three schemes namely NRHM, NRDWP and an externally aided project, namely UDWDP, were selected for detailed scrutiny and results thereof are discussed in this chapter.

Health Services

5.1 National Rural Health Mission

Government of India (GOI) launched (April 2005) National Rural Health Mission (NRHM) for providing accessible, affordable, accountable, effective and reliable health care facilities in the rural areas with community participation. In Uttarakhand it was launched in October 2005.

In Nainital, the programmes were to be implemented through District Hospitals (Male & Female), five sub district Hospitals¹², four Community Health Centres (CHCs), 19 Primary Health Centres (PHCs), 136 Sub Centres (SCs). Of these, one district hospital, four sub district hospitals, one CHC, four PHCs and 24 Sub Centres were selected for test-check. The implementation of various Disease Control Programmes (DCPs) were to be supervised by the respective heads of the DCPs.

The District Health Mission (DHM) under the Chairperson, Zila Parishad (ZP) was the apex body at the district level to control, guide and manage all public health institutions in the district. The District Health Society (DHS) was to prepare the annual plans and proposals for consideration and approval of DHM. The Chief Medical Officer (CMO) headed the executive body of DHS.

5.1.1 Planning

As per guidelines, the Perspective Plan was required to be prepared for the entire mission period (2005-12). It was observed that no such plan was prepared and the fact was also confirmed by the DHS (June 2012).

5.1.1.1 District Health Society (DHS)

The Governing body of the DHS was required to meet at least once in every three months as envisaged in the bylaws to provide valuable inputs, monitoring, framing policies and guidance for the preparation and implementation of Annual Working Plans.

¹² Including one Base Hospital

Although DHS was registered in December 2005 but its registration had not been renewed since July 2007. It was further seen that the Governing Body of the DHS, Nainital did not meet as per bylaws. Against the total of 20 meetings required, only six meetings were held during the period 2007-08 to 2011-12. On this being pointed out, the facts were confirmed (June 2012) by the DHS but failed to provide any reasons for not holding the meetings. Thus, the scheme lacked valuable inputs, monitoring and guidance from the said body.

5.1.1.2 District Health Action Plan

The District Health Action Plans (DHAPs) were required to be prepared on the basis of the Village and Block Health Action Plans (BHAPs) and approved by the District Health Mission¹³ (DHM) before submission to the State Health Society (SHS).

Audit scrutiny revealed that in all the five years, the DHAPs were prepared without receipt of Village and BHAPs and were submitted to the State Health Society without approval of DHM. No DHAP was provided to audit for the year 2007-08.

5.1.1.3 Institutional arrangements for monitoring

Monitoring and planning committees¹⁴ at district, block and PHC levels to ensure regular community based monitoring of activities and facilitating relevant inputs for integrated planning covering other determinants of health like drinking water, sanitation *etc.* had not been formed.

5.1.1.4 Community participation

The mission activities were to be converged with programmes of other departments and working of non-government stakeholders, Village Health and Sanitation Committees (VHSCs) and *Rogi Kalyan Samities* (RKSs) or *Chikitsa Prabandhan Samities* (CPSs). As per guidelines, VHSCs and RKSs/ CPSs at village and CHC levels were to be formed by 2008 and 2009 respectively for planning and monitoring.

Scrutiny revealed that 1,078 VHSCs¹⁵ were formed against 1,082 revenue villages in the year 2009-10, with a delay of upto two years, due to late approval accorded by the State Government. Further, funds of ₹ 1.09 crore in 2009-10 could also not be utilized by the VHSCs due to its late release¹⁶ by DHS.

¹³ Zila Panchayat Adhyaksh, District Magistrate as convener and all relevant departments, NGOs, private professionals *etc.*

¹⁴ District Committee: 30 *per cent* members of Zilla Parishad members, 25 *per cent* health officials, 15 *per cent* members of Block health committees, 20 *per cent* NGOs/ eminent citizens, and 10 *per cent*-members of CHCs RKSs.

Block Committees: 30 *per cent* members of Block Panchayat, 20 *per cent* members of PHC health committees, 20 *per cent* NGOs/ eminent citizens, 20 *per cent* health officials and 10 *per cent* members of PHCs/ RKSs.

PHC Committee: 30 *per cent* members of Panchayat Samities, 20 *per cent* members of village health sanitation committees, 20 *per cent* NGO/ eminent citizen, 20 *per cent*- health officials.

¹⁵ Reduced to 1,071 in 2010-11.

¹⁶ January and February 2010.

Thus, due to delay in formation of the VHSCs and late release of funds, the villages were not only deprived of untied grants of ₹ 10,000 each but the role of VHSC in taking initiative for nutrition; sanitation; and Information, Education & Communication (IEC) activities and other public health measures also remained unfulfilled for more than two years. However, RKSs/ CPSs in all four CHCs were formed well in time.

5.1.2 Financial Management

The details of funds available and expenditure incurred under NRHM during 2007-08 to 2011-12 in the district is shown in **Table 5.1** below:

Table 5.1: Funds available and expenditure incurred under NRHM during 2007-08 to 2011-12

(₹ in crore)

Year	Available fund (includes CB and interest) ¹⁷	Expenditure	Unspent at the close of year	Expenditure (Per cent)
2007-08	4.17	3.07	1.10	74
2008-09	7.60	5.92	1.68	78
2009-10	10.75	6.38	4.37	59
2010-11	14.03	11.14	2.89	79
2011-12	15.67	11.12	4.55	71

Source: CMO, Nainital

The above table shows that utilisation of NRHM funds was 59 to 79 *per cent* of the total available funds during 2007-12, leaving an unspent balance of ₹ 4.55 crore at the close of March 2012. Further, it was observed that out of ₹ 3.22 crore released to VHSCs during 2009-10 to 2011-12, utilisation certificates of ₹ 1.80 crore remained pending as of June 2012 and yet the entire amount was booked as final expenditure in the books of accounts.

5.1.2.1 Irregular release of funds

A State Level Training Centre at Motinagar, Haldwani costing ₹ 2.88 crore was approved on 23 November 2006. Records revealed that even after incurring an expenditure of ₹ 3.50 crore, the centre had not been completed (June 2012) despite scheduled date of completion being December 2010. Further, scrutiny revealed that estimates of the building were submitted for revision¹⁸ twice during the period 2009-10 and 2010-11. However, the Department, in anticipation of approval of the revised estimates, irregularly released (February 2010) ₹ 75 lakh in excess of the approved estimates.

5.1.2.2 Blockade of funds

An amount of ₹ 6.80 lakh¹⁹ released for the construction of a residential building of G.B.Pant Hospital, Nainital was lying unutilized in the current account of CMO, Nainital since 2007 due to failure of the Director, Medical Health and Family Welfare in finalizing the construction agency.

¹⁷ Mismatch in opening and closing balance of 2008-09 and 2009-10.

¹⁸ Ist revised estimate on March 2010 for ₹ 3.78 crore and IInd in October 2010 for ₹4.12 crore.

¹⁹ Excludes ₹ 20 thousand utilized on survey work.

5.1.3 Infrastructure

5.1.3.1 Status of Health Centres

As per census 2011, the total population of the district was 9.55 lakh. Out of this, 5.83 lakh (61 per cent) population was rural. Accordingly, a total of 194 SCs, 29 PHCs and seven CHCs were required²⁰ to be set up in the district. The status of the infrastructure at the end of 2011-12 against the requirement is depicted in **Table-5.2** below:

Table 5.2: Shortfall in Health Centres

Name of Health Centres	Requirement	Available	Shortfall
Community Health Centre	07	04	03
Primary Health Centre	29	19	10
Sub-Centre	194	136	58

As can be seen from the above table there was shortage of 58 Sub-Centres, 10 PHCs and three CHCs in the district as of March 2012.

In order to reduce the gaps in the number of CHCs, upgradation works of four PHCs/ additional PHCs²¹ into CHC were taken up between 2004 and 2006 and the construction works of the same were completed²² between 2008 and 2012. Audit scrutiny revealed that these centres were not functioning as CHCs (as of March 2012) due to non-sanctioning of requisite staff for these CHCs.

5.1.3.2 Basic minimum infrastructure at CHCs/ PHCs/ SCs

Test-check of one CHC, four PHCs and 24 Sub-Centres showed deficiencies in infrastructure and basic health care facilities as can be seen in **Table 5.3** below:

Table 5.3: Deficiency in the availability of infrastructure and basic health care facilities in Health Centres

Particulars of infrastructure							
Availability of infrastructure facilities in the test checked health centres	CHCs		PHCs		SCs		
	1	%	4	%	24	%	
(i) Status of Infrastructure	Centres where services was not available						
Labour Room	-	-	-	-	18	75	
Separate ward for men and women	-	-	2	50	NA	NA	
Operation theatre	-	-	-	-	NA	NA	
Residential facilities for staff	-	-	1	25	8	33	
Government Building	-	-	-	-	8	33	
Power supply	-	-	-	-	7	29	

²⁰ One SC for 3,000 population, one PHC for 20,000 population and one CHC for 80,000 population.

²¹ Main buildings of PHC, Bhimtal, Add. PHC Ramgarh, Suyalbari & Kaladungi.

²² PHC, Bhimtal in 2010, Add. PHC Ramgarh in October 2008, Suyalbari in June 2011 & Kaladungi in 2011-12.

Water Supply	-	-	-	-	13	54
No provision of storage of water	-	-	2	50	24	100
Separate utilities for men and women	-	-	2	50	20	83
Nurse Rest Room	-	-	2	50	NA	NA
(ii) Basic health care services						
New born care	-	-	-	-	NA	NA
24X7 deliveries	-	-	-	-	NA	NA
Intra- natal examination of gynaecological conditions	-	-	2	50	NA	NA
Cataract Surgery	-	-	3	75	NA	NA
Family planning (Tubectomy and Vasectomy)	-	-	-	-	NA	NA

Source: Result of survey and health centres records

NA-Not applicable and (-) stands for having facility

The following deficiencies were also noticed in the health centres:

- In the sampled CHC, operations were not conducted despite the presence of Operation Theatre (OT) as no Anaesthetist was posted in the Health Centre.
- The Operation Theater of the CHC was not equipped with items like Cardiac Monitor, Ventilator, EMO Machine, Vertical High Pressure Sterilizer, Shadow less Lamp for Ceiling Track Mounted, Defibrillator, OT care/ fumigation apparatus and Horizontal High Pressure Sterilizer. Further, the CHC had X-ray Machine but it was also non-functional since August 2011 due to non-posting of X-Ray technician in the health centre (June 2012).
- PHC, Bailparao (Ramnagar) was provided X-ray machine and Semi Auto Analyzer worth ₹ 3.24 lakh in March 2005 and July 2005 respectively but these equipments were non-functional (July 2012) due to non-availability of X-ray and lab-technician.

5.1.3.3 Maintenance of cold chain storage

Cold chain management was to be ensured in all the CHCs and PHCs to support the immunization programme. Availability of cold chain was a prerequisite to maintain the potency of the vaccines. Test-check of records of Dy. CMO, Immunization revealed that out of 1830 pieces²³ of cold chain equipments such as large Ice Line Refrigerators (ILR), Deep Freezers (DFs), stabilizers, cold boxes and vaccine carriers, only 1233 items were functional and 597 items were non-functional in the district as of June 2012. Scrutiny of records further revealed that five cold chain points²⁴ were partially functional due to damaged ILRs and Deep freezer. Annual maintenance contract for maintaining the cold chain equipments was not done in the district. Further, only one refrigerator mechanic was available for the maintenance of the cold chain. The Dy. CMO, Immunization stated (July 2012) that demand had been placed to the State Immunization Officer for replacement of damaged cold chain equipment and the process for Annual Maintenance Contract (AMC) of the equipments will be initiated.

²³ Excludes Ice Packs.

²⁴ Kania, Motahald, Chorgaliya, Ramgarh and Lalkuan.

5.1.4 Human Resources

5.1.4.1 Insufficient Doctors in CHCs and PHCs

As per Indian Public Health Standards (IPHS) norms, seven specialist doctors *viz.* Physician, General Surgeon, Obstetrician/ Gynaecologist, Paediatrician, Dentist, Anaesthetist and Eye Surgeon were to be posted at each CHC and two Medical Officers at each PHC.

Test-check of records of CMO revealed the following:

- Out of four CHCs, two were not having Paediatricians, two were not having General Surgeons and two were not having Gynaecologists. No Anaesthetist, Eye Surgeon or Physician were provided to any CHCs (March 2012). In the test checked CHC no Anaesthetist, Physician, Paediatricians or Eye Surgeon were posted.
- Eleven out of 19 PHCs/ Additional Primary Health Centres had only one Medical Officer (MO) while two²⁵ had no MO posted (March 2012). All four test checked PHCs were provided with two medical officers as per IPHS norms.

5.1.4.2 Deployment of Staff Nurse and ANM

As per IPHS norms, nine staff nurse in each CHC, three Staff nurse in each PHC and 2 ANMs in each Sub-Centre was required to be posted. Audit noticed that the sanctioned strength to these health centres were not provided as per IPHS norms. Against the required sanctioned strength of 93 Staff Nurses in four CHCs and 19 PHCs/ APHCs and 272 ANMs for 136 SCs only 39 regular posts of staff nurse and 173 ANMs were sanctioned in the district. It was further noticed as under:

- None of the CHCs were provided with the required nine Staff Nurses. In the test checked CHC, three staff Nurses were posted as against the required nine.
- Twelve out of 19 PHCs/ Additional PHCs did not have any Staff Nurse. Three staff nurses in each test checked four PHCs were posted as per IPHS norms.
- Two out of five PHCs²⁶ working as 24x7 with delivery facility did not have three Staff Nurses.
- Only 19 SCs out of total 136 SCs were provided with two ANMs. Out of the test checked 24 SCs only one SC was having more than one ANM posted.

5.1.5 Performance Indicators

Eleventh Five Year Plan and NRHM had a time bound goal to be achieved by 2011–12 for the following indicators.

- Reducing Maternal Mortality Rate (MMR) to 100 per 1,00,000 live births.
- Reducing Infant Mortality Rate (IMR) to 28 per 1,000 live births.
- Reducing Total Fertility Rate (TFR) to 2.1.

²⁵ Add. PHC, Unchakot and Add. PHC Josuda.

²⁶ PHC Okhalkanda and Dhari.

NRHM had launched a number of initiatives such as safe motherhood through Ante-Natal Care (ANC), immunization and family planning to reduce MMR, IMR and TFR. However, it was observed that targets for MMR and IMR could not be achieved as discussed in the succeeding paragraphs.

5.1.5.1 Antenatal Care of pregnant women

In order to provide safe motherhood, pregnant women were to be registered and provided with three antenatal checkups, 100 days intake of Iron Folic Acid (IFA) tablets to protect pregnant women from anaemia and two doses of Tetanus Toxoid (TT). The detail of antenatal care provided to pregnant women during 2007-12 is shown in **Table 5.4** below:

Table 5.4: Position of antenatal care

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	Total
Registered pregnant women	20,598	20,785	20,794	20,854	20,870	1,03,901
Provided with three ANC's	NA	18,811 (91%)	17,232 (83%)	17,104 (82%)	17,881 (86%)	71,028
Provided two doses of TT	19,321 (94%)	19,743 (95%)	20,561 (99%)	20,457 (98%)	20,672 (99%)	1,00,754
Provided with 100 IFA tablets ²⁷	8,910 (43%)	3,138 (15%)	13,049 (63%)	15,923 (77%)	2,660 (13%)	43,680

Source: CMO, Nainital

As can be seen from the above table, the administration of two doses of Tetanus Toxoid (TT) had almost been achieved. The marginal difference was justified by Dy CMO, Immunization on account of migrations and pregnant women preferring to go to their maternal place for better care.

In the records of the CMO, the overall shortfall in providing ANC to pregnant women was 9 to 18 *per cent* and in respect of IFA the shortfall was 23 to 87 *per cent*. Audit observed that the main reason for shortfall in providing IFA was non-availability of adequate stock of IFA in the Central Medical Store Department.

As per Annual Health Survey, 2011 of Registrar General of India, the district had not achieved target of Maternal Mortality Rate and Infant Mortality Rate which stood at 183 and 31 respectively.

5.1.5.2 Institutional deliveries

One of the important interventions of the Reproductive and Child Health (RCH) programmes were to promote institutional delivery rather than domiciliary delivery in order to reduce maternal mortality and neo natal mortality. The detail of total deliveries carried out in the district during 2007-12 is given in the **Table 5.5** below:

²⁷ Excludes pregnant ladies given initial dose of IFA.

Table 5.5: Position of institutional delivery in the district

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Total deliveries (TD)	16,796	17,847	17,203	16,330	15,542
Institutional deliveries (ID)	6,295	7,874	9,006	9,318	9,835
Per cent of ID against TD	37	44	52	57	63
Per cent of Domiciliary deliveries against TD	63	56	48	43	37

Source: CMO Nainital

The above table shows that there is a continuous increase in institutional deliveries which is appreciated.

5.1.5.3 Janani Suraksha Yojana

Janani Suraksha Yojana (JSY) was introduced under NRHM to encourage pregnant women to opt for institutional delivery by providing cash assistance of ₹ 1,400 and ₹ 1,000 to mothers in rural and urban areas respectively and ₹ 600 to Accredited Social Health Activist (ASHA). This assistance was to be provided within seven days of the delivery.

Records of the test checked PHCs revealed that payments to 611 beneficiaries were made with the delay ranging from one to six months. No payments were made in 17 cases during the period 2008-09 to 2011-12. No initiative was taken by the Medical Officers in-charge (MOIC) to make payment to these 17 beneficiaries. The MOIC, while accepting the facts, attributed (June 2012) the delay to non-availability of funds under JSY and delay in submission of requisite papers by the beneficiaries.

In the exit conference, the Chief Medical Officer while accepting the fact stated that action will be taken for early release of payments to these 17 beneficiaries.

5.1.5.4 Administering Vitamin A

In the district, there was a shortfall in achievement of target fixed for administering the first dose of Vitamin A. The shortfall ranged between 8 and 92 per cent during the period 2007-08 to 2011-12 as can be seen in the **Table 5.6** below:

Table 5.6: Administering Vitamin A

Year	Target	Achievement (per cent)
		1 st Dose
2007-08	18,968	5,388 (28%)
2008-09	18,371	1,460 (8%)
2009-10	19,500	17,015 (87%)
2010-11	19,143	17,573 (92%)
2011-12	18,905	8,462 (45%)

Source: CMO Nainital

As can be seen from the above table, the targets were not achieved in any of the years. On this being pointed out, the Dy. CMO, Immunisation attributed the shortfall in achievement to the shortage of Vitamin A. Audit observed that the targets were not achieved despite availability of stock of Vitamin A during the period 2009-10 to 2011-12.

5.1.5.5 Health and Family Welfare

Terminal Methods and Spacing Methods are used to control the total fertility rate and improving the couple protection ratio. The detail of targets and achievement during 2007-12 under these methods is given in the **Table 5.7** below:

Table No 5.7: Targets and Achievement under Terminal and Spacing Method

Year	Terminal Method		Spacing Method (IUD)	
	Target	Achieved (<i>per cent</i>)	Target	Achieved (<i>per cent</i>)
2007-08	2,805	2,865(102)	7,000	6,869(98)
2008-09	3,393	3,086(91)	7,490	7,000(93)
2009-10	3,009	2,707(90)	7,490	6,866(92)
2010-11	2,950	2,548(86)	7,078	7,144(101)
2011-12	3,100	2,587(83)	9,551	8,406 (88)

Source: CMO Nainital

As can be seen from the above table that targets in respect of total sterilization for the period 2008-09 to 2011-12 were never achieved and the achievement ranged between 83 and 91 *per cent*. The CMO stated (June 2012) that due to geographical conditions, shortage of doctors and prevalence of alternative modern contraceptives, the targets under sterilization could not be achieved.

As per Annual Health Survey, 2011 of Registrar General of India, the district had achieved the target of TFR by reducing it to 2.1, which is appreciated.

5.1.6 National Programme for Control of Blindness

5.1.6.1 Achievement of target

The National Programme for Control of Blindness (NPCB) aimed to reduce the prevalence of blindness to 0.8 *per cent* by 2007 through increased cataract surgery, eye screening of school children, collection of donated eyes, creation of donation centres, eye bank and strengthening of infrastructure *etc.*

Audit scrutiny revealed that the district had achieved the targets set for cataract surgery during the period 2007-08 to 2011-12 and the achievement ranged between 102 and 120 per cent which is appreciated.

5.1.6.2 Distribution of free spectacles

The programme envisaged screening of school children for refractive errors and free distribution of spectacles to the students having refractive errors. Out of 65,492 students screened in 825 schools of the district during 2007-12, 3,115 students were found with refractive errors and only 457 (15 *per cent*) students were provided with free spectacles. Further, the targets fixed for screening children for the year 2010-11 and 2011-12 were also not achieved. The CMO stated that the targets could not be achieved due to availability of only four Ophthalmic Assistants in eight blocks, geographical conditions of the district and long distances between the schools.

5.1.7 National Leprosy Eradication Programme

The National Leprosy Eradication Programme (NLEP) aimed at eliminating leprosy by the end of Eleventh Plan Period and to ensure that the leprosy prevalence rate is less than one per 10,000. The total number of leprosy patients undergoing treatment in the district during 2007-12 was 237 out of which 181 were identified during the last five years. The rate of prevalence of leprosy in the district during 2007-12, was 0.52, 0.25, 0.23, 0.22 and 0.23 per 10,000 population respectively.

The district achieved the goal of Leprosy elimination during the last five years, which is appreciated.

5.1.8 Ayurveda Yoga Unani Siddha and Homoeopathy

In Nainital District, thirteen Ayurveda Yoga Unani Siddha and Homoeopathy (AYUSH) wings were functioning in eleven PHCs and two CHCs against the sanctioned 14 wings under NRHM. The reason for non-functioning of one AYUSH wing was that Doctor and Pharmacist were not posted since January 2011.

5.1.8.1 Human resources for AYUSH

As per the guidelines, each wing of PHC was to be provided with one Doctor, one Pharmacist and one Ward Boy and each CHC with two Doctors, two Pharmacists and two Ward Boys to run the AYUSH wings.

Scrutiny of records of the District Ayurvedic and Unani Officer (DAO), Nainital revealed the following deficiencies:

- Two CHCs were provided with only one Doctor and one Pharmacist which was contrary to the guidelines.
- The appointments of Doctors and Pharmacist were made on contractual basis with a delay ranging from 6 to 33 months.
- AYUSH wings functional in two PHCs²⁸ were not provided with Doctors at all and were being run by Pharmacists since 2010.
- The agreements of deployed Doctors and Pharmacists were not renewed since March 2012. However, they were performing their duties without renewal of agreement till the date of audit (July 2012) which was highly irregular.

The DAO, Nainital stated (July 2012) that all the decisions related to the posting of staff and other matters, as pointed out by audit, were taken by the Director, Ayurvedic and Unani (DAU).

5.1.8.2 Creation of infrastructure

To provide adequate infrastructure to AYUSH wing, District Ayurvedic and Unani Officer (DAO), Nainital was directed (January 2008) by the DAU to prepare estimates at a cost of

²⁸ PHC, Okhalkanda since September 2010 & PHC, Kaladungi since July 2010.

₹ five lakh and ₹ three lakh for each functional CHC and PHC respectively for building repair, renovation, alteration and partitioning *etc.*

Scrutiny of records revealed that the estimates for construction of nine AYUSH wings were prepared and submitted by DAO (March 2008) to the DAU for sanction. No action was initiated by DAU on these estimates and the DAO resubmitted estimates for seven wings in June 2011. These estimates were yet to be sanctioned by the DAU and meanwhile the AYUSH wings were functioning with inadequate space.

In exit conference, the District Ayurvedic Officer stated that directions were issued to get estimates prepared from an authorized construction agency instead of Junior Engineer, Health Department. Further, it was also stated that the estimates of two wings could not be prepared due to non-availability of land for the said purpose.

5.1.8.3 *Equipment lying idle*

Audit scrutiny revealed that purchases of equipment and furniture for the AYUSH wings were made by the Directorate without any actual demand being received from them. Audit noticed that many equipment and furniture worth ₹ 6.87 lakh purchased by the DAU were lying idle as can be seen in the photographs below. On this being pointed out, the DAO and concerned MOIC of the AYUSH wings accepted (July 2012) the facts and attributed it to insufficient space and non-utility of some equipment²⁹ meant for emergency cases. Further, it was also noticed that two AYUSH wings³⁰ functioning since May 2010 were not provided basic furniture³¹ as demanded by them (April 2011 to 2012) which reflects that the purchasing were done without planning.



Partition kept unused at PHC Garam Pani



Nadi Shwedan Yantra kept packed at CHC Garam Pani

Recommendations

The State Government/ District Administration may consider to ensure:

- *Equipping all health centres with adequate and skilled man power as per IPHS norms.*
- *Community involvement at every stage of planning, implementation and monitoring of the programme.*

²⁹ Wheel chair, Dressing Drum, Sterilizer and Cylinder Trolley *etc.*

³⁰ Kaladungi and Suyalbari.

³¹ Doctors' table and chair, visitors chair *etc.*

Drinking Water

5.2 National Rural Drinking Water Programme

Accelerated Rural Water Supply Programme (ARWSP) was reintroduced with Rajiv Gandhi National Drinking Water Mission (RGNDWM) in 1991 with the following objectives:

- To ensure coverage of all rural habitations especially to reach the un-reached with access to safe drinking water.
- To preserve quality of water by institutionalising water quality monitoring and surveillance through a Catchment Area approach.

The ARWSP was renamed (April 2009) National Rural Drinking Water Programme (NRDWP) and its guidelines further envisaged:

- Delivery of services by the system for its entire design period of quality of water in conformity with the prescribed standards both at the supply and consumption points.
- To provide enabling environment for Panchayati Raj Institutions and local communities to manage their own drinking water sources and systems.
- To provide access to information through online reporting mechanism with information placed in public domain to bring in transparency, accountability and informed decision making.

Under NRDWP, GOI was to release funds for implementation of Rural Water Supply (RWS) schemes in the ratio of 50:50 i.e. the GOI was to provide an amount equal to the amount invested by the State Government. In the programme, 15 *per cent* of the allocation was earmarked for Operation and Maintenance (O&M) and 35 *per cent* was to be spent on the coverage of SC/ ST habitations.

In Nainital District, the schemes under NRDWP were implemented by three divisions³² of Uttaranchal Peyjal Sansadhan Vikas Avam Nirman Nigam (UJN). The completed multi village water supply schemes were handed over to Uttaranchal Jal Sansthan (UJS) for O&M. O&M of single village water supply schemes was the responsibility of Village Water and Sanitation Committee (VWSC) of GPs under supervision of the Rural Development Department (RDD).

5.2.1 Coverage of habitations

The target of the Eleventh Five Year Plan was to provide safe and potable water for all by 2009 and ensure that there were no slip-backs of habitations by the end of the Eleventh Plan. Audit scrutiny revealed that as on March 2012, out of 2,748 habitations of the district, 347 (SC-44; ST-2; Gen-301) remained partially covered. The details of partially covered habitations are depicted in **Table 5.8** below:

³² Construction Division, Peyjal Nigam, Bhimtal, Construction Division, Peyjal Nigam, Haldwani and Construction Division, Peyjal Nigam, Ramnagar.

Table 5.8: Coverage of Habitation

Total habitation	Fully covered as on		Number of partially covered habitations as of March 2012 disaggregated on population coverage percentage				
	April 2007	March 2012	Total	0-24	25-49	50-74	75-99
2748	1,852	2,401	347	113	192	18	24

Source: Divisional data and Integrated Management Information System (IMIS)

Further, it was noticed that 108 habitations slipped back from Fully Covered (FC) to Partially Covered (PC) during 2010-12 due to population migration, drying of source, less supply at delivery point and age of system *etc.* Thus, the target set under Eleventh Plan could not be achieved in the district.

The Executive Engineers (EEs) stated that all the habitations could not be covered due to non-availability of sufficient technical staff and higher per capita cost of the schemes.

5.2.2 Dovetailing of schemes under NRDWP

The Government of India (GOI) allowed (March 2008) the State Government to dovetail State sponsored Rural Water Supply (RWS) schemes with NRDWP with the following conditions:

- RWS schemes should be covering NC/ PC habitations;
- RWS schemes should be ongoing; and
- RWS schemes were to be selected after the approval of the State Level Scheme Sanctioning Committee (SLSSC) headed by the Chief Secretary, Government of Uttarakhand.

A total of 35 State RWS schemes {20 under Minimum Need Programme (MNP) and 15 under State Sector Rural (SSR)} were dovetailed with NRDWP. Out of these, 22 schemes pertained to sampled blocks of which ten schemes of 24 GPs were selected for detailed audit scrutiny. Test-check of the dovetailed schemes under NRDWP revealed the following:

- Five schemes³³ costing ₹ 3.61 crore were dovetailed even as these schemes were completed and handed over to Uttarakhand Jal Sansthan/ Gram Panchayat before March 2008. Out of these five schemes, two pertained to Fully Covered habitations. Besides, one schemes *viz.* Dabaliya rain water harvesting scheme costing ₹ 12.15 lakh was also dovetailed although it pertained to FC habitation.
- 13 State Sponsored RWS schemes costing ₹ 8.76 crore were not considered for dovetailing despite being ongoing schemes for which only ₹ 4.18 crore was released till March 2008.

The EEs accepted the above facts and stated that the decision for dovetailing of State RWS schemes was taken at the State level. The reply was not acceptable as the Managing Director, Uttarakhand Jal Nigam was also a member of the SLSSC.

³³ Kanakpur scheme (₹ 98.35 lakh), Dharampur Auliya scheme (₹ 82.15 lakh), Dhamola scheme (₹ 67.71 lakh), Titoli scheme (₹ 17.18 lakh) of CD, Ramnagar and Fatehpur part- I scheme (₹ 95.97 lakh) of CD, Haldwani.

5.2.3 Financial Management and control

The details of budgetary allotment and expenditure incurred on all the schemes under NRDWP during 2007-08 to 2011-12 is shown in the **Table 5.9** below:

Table 5.9: Allotment and Expenditure incurred (₹ in crore)

Financial year	Opening balance	Receipt	Total available funds	Expenditure	Closing balance
2007-08	3.56	9.30	12.86	6.37	6.49
2008-09	6.49	3.01	9.50	8.33	1.17
2009-10	1.17	0.94	2.11	2.97	(-)0.86
2010-11	(-)0.86	1.41	0.55	1.06	(-)0.51
2011-12	(-)0.51	3.90	3.39	3.09	0.30
Total		18.56		21.82	

Source: Divisional figures

During the period 2007-08 to 2011-12, 47 schemes against a total of 51 schemes were completed under NRDWP. An expenditure of ₹ 21.82 crore was incurred against the available funds of ₹ 22.12 crore on these schemes. No new schemes under NRDWP were sanctioned during 2007-10, while 35 RWS schemes were dovetailed with NRDWP in the year 2007-08 and three new schemes³⁴ under NRDWP were sanctioned by GOI in 2010-12.

5.2.3.1 Excess deduction of centage charges

As per the instructions issued by the State Government, departmental centage was to be charged/ deducted according to decided norms of 12.50 *per cent* of the basic cost of State sponsored RWS schemes. Scrutiny of four dovetailed schemes of sampled blocks³⁵ revealed that the divisions deducted excess centage charges amounting to ₹ 7.68 lakh against the norms as detailed in **Table 5.10** below:

Table 5.10: Excess deduction of Centage Charges (₹ in lakh)

Name of scheme	Sanctioned cost			Expenditure incurred on Centage charges	Excess Centage charges
	Basic cost	Centage charges	Total		
Motinagar part – I	88.48	11.06	99.54	12.44	1.38
Damuadunga part – II	88.74	11.09	99.83	12.34	1.25
Fatehpur part I	85.31	10.66	95.97	13.12	2.46
Kaniya chilkiya Zone A	88.47	11.06	99.53	13.65	2.59
Total	351.00	43.87	394.87	51.55	7.68

Source: Divisional figures

On this being pointed out, the EEs replied that expenditure incurred on the schemes was within the sanctioned cost. The reply was not acceptable as excess centage charges were deducted against the norms.

³⁴ CD, Haldwani was sanctioned two schemes in 2010-12 while Ramnagar was sanctioned one scheme in 2010-11.

³⁵ Bhimtal, Haldwani, Ramgarh and Ramnagar block.

5.2.3.2 Excess expenditure on Work Charged Establishment

In State Sponsored Schemes, provision for Work Charged Establishment (WCE) @ two *per cent* of the Basic Cost (BC) is included in the estimates.

While scrutinising the schemes of the selected blocks, it was noticed that an amount of ₹ 41 lakh was charged as WCE in excess of the norms as detailed in the **Table 5.11** below:

Table 5.11: Excess expenditure on work charged Establishment (₹ in lakh)

Name of scheme	Basic Cost (BC) as per sanction	Amount of WCE included in BC	Total WCE charged on BC	Excess WCE
Fatehpur part - II	88.71	1.68	6.39	4.71
Damuadunga part - II	88.74	1.69	2.50	0.81
Motinagar part II	88.22	1.67	5.73	4.06
Paniyali part II	88.72	1.68	3.77	2.09
Nathuakhan	183.11	3.64	19.48	15.84
Dungro-mungro	162.22	3.34	11.31	7.97
Mauna	35.40	0.65	3.77	3.12
Kulgad sirsa	35.41	0.65	2.18	1.53
Dharampur auliya	73.02	1.39	2.26	0.87
Total	843.55	16.39	57.39	41.00

Source: Divisional figures.

In exit conference, the Executive Engineer while admitting the facts stated that expenditure on WCE was incurred on actual basis. The reply was not acceptable as the WCE was charged beyond the prescribed limit of two *per cent* of the basic cost of estimates resulting in an excess expenditure of ₹ 41 lakh.

5.2.4 Programme Implementation

5.2.4.1 Physical progress of schemes

As per DPRs/ estimates, the State Sponsored schemes were to be completed within two years. It was noticed that the completion period of the schemes ranged between 20 to 83 months in 34 schemes out of 35 test checked schemes as can be seen in the **Table 5.12** below:

Table 5.12: Physical progress of schemes

Division	Plan	No. of Schemes	Sanction period	Range of completion period (in months)	Incomplete schemes
CD, Haldwani	MNP	06	2004-07	30 to 66	0
	SSR	01	2000-01	63	0
CD, Bhimtal	MNP	07	2004-07	20 to 65	0
	SSR	05	2005-07	29 to 68	1
CD, Ramnagar	MNP	07	2001-07	30 to 83	0
	SSR	09	2003-07	28 to 57	0

Source: Divisions records

The divisions admitted the facts and stated that schemes could not be completed in time due to delay in release of funds to the divisions by State Government/ MD, UJN.

5.2.4.2 Closing of accounts of schemes

As per departmental procedure, the executing divisions send Advice of Transfer Debit (ATD) to the Finance Director, UJN for closing of accounts of the scheme and after receipt of Advice of Transfer Credit (ATC) the accounts of schemes are closed.

Scrutiny of records of test checked divisions revealed that out of total 34 handed over schemes, accounts of only 27 schemes were closed with delay ranging from two to 59 months from the date of handing over of the schemes.

In the test checked Gram Panchayats, there was a delay in closing the accounts of eight schemes while the accounts of two schemes were still to be closed as indicated in the **Table 5.13** below:

Table 5.13: Delay in closing of accounts

Name of division	Name of schemes	Date of				Delay in months from	
		Sanction	Completion	Handing over	Closure of accounts	Completion	Handing over
Construction Division, Ramnagar	Dharampur Auliya	31.05.03	02/2006	03/2006	02/2011	59	58
	Gojani	22.09.03	06/2008	06/2009	03/2011	32	20
	Kaniya Zone 'A'	03.08.01	07/2008	06/2009	02/2011	30	19
	Dhamola	31.05.03	01/2007	NA	01/2011	47	NA
Construction Division, Haldwani	Fatehpur part I	15.09.00	12/2005	07/2007	01/2010	48	29
	Moti nagar part I	03.09.04	03/2010	06/2010	07/2011	15	08
	Paniyali part II	22.06.06	05/2009	07/2009	08/2011	26	24
	Fatehpur part II	25.09.06	03/2009	07/2009	08/2011	28	24
Construction Division, Bhimtal	Nathuakhan	11.07.05	01/2011	03/2011	Not closed	--	--
	Mungro Dungro	25.05.05	01/2011	03/2011	Not closed	--	--

Source: Divisional figures

It can be seen from the above table that there was a delay ranging from eight to 58 months in closing the accounts of eight schemes from the date of handing over of the schemes. On this being pointed out, the EEs stated that accounts could not be closed due to pending adjustment of materials booked on the schemes. The reply is not acceptable as the delay in closing the accounts of the schemes could provide scope for irregular adjustments.

5.2.4.3 Operation and Maintenance of the schemes

Operation and Maintenance (O&M) work of Single Village water supply scheme (SVS) was entrusted to the concerned Gram Panchayat/ Village Water Sanitation Committee (GP/ VWSC). Funds were released for the purpose of O&M of these SVSs through District Development Officer (DDO) by the Commissioner, RDD on cost sharing basis of 90:10.

Test-check of records of DDO, Nainital revealed that O&M works of 20 SVSs were sanctioned during 2009-10 at an estimated cost of ₹ 45.54 lakh³⁶ in order to ensure continuous drinking water supply to 878 families. It was noticed that only 12 works were completed till July 2010 at a cost of ₹ 19.70 lakh. The remaining eight SVSs³⁷ costing ₹ 25.84 lakh (excluding 10 per cent

³⁶ Excludes 10 per cent share of SVS.

³⁷ Okhalkanda 6 and Bhimtal 2.

community contribution) were to be completed by March 2011. However, no record was available (July 2012) with the DDO regarding status of completion of these works.

It was noticed that an amount of ₹ 13.10 lakh was not released (July 2012) by RDD for want of UCs amounting to ₹ 12.74 lakh. On this being pointed out, the DDO stated that letters to furnish UCs had been sent to the concerned VWSCs.

5.2.5 Coverage of Rural population

The status of coverage of rural population of the district with the normative requirement of 40 Liter Per Capita Per day (lpcd) of water supply at the close of Eleventh Five year Plan is shown in **Table 5.14** below:

Table 5.14: Coverage of Rural Population

District/ Block	Total population				Population fully covered				Shortfall (Per cent)
	SC	ST	General	Total	SC	ST	General	Total	
Nainital	1,23,495	4,649	4,19,006	5,47,150	94,400	3,865	2,91,880	3,90,145	29
Sampled blocks									
Bhimtal	14,341	72	43,384	57,797	13,393	72	37,263	50,728	12
Haldwani	25,558	887	1,57,834	1,84,279	9,160	297	65,375	74,832	59
Ramgarh	11,714	54	30,200	41,968	11,289	54	26,763	38,106	09
Ramnagar	28,471	3,366	63,800	95,637	20,394	3,172	49,343	72,909	24
Total	80,084	4,379	2,95,218	3,79,681	54,236	3,595	1,78,744	2,36,575	38

Source: IMIS

It can be seen from the above table that 29 *per cent* of the rural population in the district and 38 *per cent* of the rural population in the sampled blocks were not provided the minimum of 40 lpcd of drinking water. Further, audit noticed that in 50 localities of the sampled blocks, drinking water had to be supplied by water tankers in summer 2011-12.

5.3 National Rural Drinking Water Quality Monitoring and Surveillance Programme

The National Rural Drinking Water Quality Monitoring and Surveillance Programme (NRDWQM & SP) was launched in February 2006 with the prime objective of institutionalisation of community participation and involvement of PRIs for water quality monitoring and surveillance. The guidelines envisaged providing one Field Test Kit (FTK) to each GP to test chemical parameters of all sources, Human Resource Development (HRD) activities aimed to impart training to the PRIs functionaries in water quality monitoring and surveillance and specific Information, Education and Communication (IEC) activities involving PRIs. The programme was implemented by Project Management Unit (PMU), *Swajal Project* at the State level and through District Project Management Unit (DPMU) at the District level. The programme was fully funded by GOI.

5.3.1 Utilization of funds

The NRDWQM & SP was initiated in the year 2005-06 whereas the funds were released to the DPMU for the first time in the year 2008-09. The details of year-wise allotment and expenditure incurred there against are shown in **Table 5.15** below:

Table 5.15: Utilisation of funds (₹ in lakh)

Year	Opening balance	Released fund	Interest	Total fund	Expenditure				Closing balance
					IEC	HRD	M&S ³⁸	Total	
2008-09	Nil	4.57*	0.06	4.63	0.02	1.39	0.12	1.53	3.10
2009-10	3.10	9.90 [#]	0.05	13.05	--	1.05	--	1.05	12.00 [@]
2010-11	9.00	4.47 ^{\$}	0.15	13.62	--	12.00	--	12.00	1.62
2011-12	1.62	0	0.03	1.65	1.17	0	--	1.17	0.48

Source: figures taken from DPMU

* Includes IEC: ₹ 2.23 lakh, HRD: ₹ 1.89 lakh, M&S: ₹ 0.45 lakh; # Under HRD; \$ Includes IEC: ₹ 1.47 lakh and HRD: ₹ 3 lakh.

@ ₹ 3 lakh was surrendered to PMU.

From the above table it may be seen that an amount of ₹ 16.23 lakh were available under the programme against which an expenditure of ₹ 15.75 lakh was incurred, leaving an unspent balance of ₹ 0.48 lakh at the end March 2012.

5.3.2 Programme implementation

5.3.2.1 IEC Activities

As per guidelines, the main purpose of IEC activities was to bring awareness about water quality monitoring and surveillance at all levels i.e. district, block and especially at GP level through various mediums like advertising through hoardings, folk media/ village performance functions, audio-visual programmes, inter personal communication (door to door interaction), mass media campaign (GP and Block level), wall painting, distribution of posters and pamphlets, radio talk and audio visual clippings *etc.*

Test-check of records at blocks and GPs level revealed that only ₹ 2,080 out of total available funds amounting to ₹ 3.70 lakh was expended on folk media, village performance, functions, distribution of posters/ pamphlets during the period 2008-11 and ₹ 1.17 lakh (32 *per cent*) was utilised by DPMU in the year 2011-12. The annual targets of 500 for inter-personal communication at GP level were not achieved during the period 2008-12. The shortfall ranged between 19 to 72 *per cent*.

The Project Manager (PM), DPMU replied that IEC activities were done under a World Bank Aided programme called Sector Wide Approach (SWAp). The reply was not acceptable as IEC activities under SWAp were limited to only a few habitations.

³⁸ Monitoring and surveillance.

5.3.2.2 HRD activities

Under NRDWQM & SP guidelines, HRD activities aimed to impart training to district, block and GP level functionaries in respect of water quality issues including health related diseases, water quality monitoring, sanitation and hygiene. Further, four persons at district, five at block level and at least five persons at GP level preferably school teachers, health workers, Anganwadi workers were to be trained for this purpose.

It was noticed that training at district and block level were imparted as per norms. Further, scrutiny of records revealed that DPMU misreported (March 2011) that all 460 GPs had been covered despite the fact that five GPs had not been covered for HRD training. The following short comings were noticed:

- In 131 GPs out of 455 GPs in the district, only 445 functionaries (68 *per cent*) were provided training against the requirement of providing training to a minimum of 655 functionaries.
- Preference in training for water quality monitoring and surveillance was to be given to school teachers, health workers (ASHA) and Anganwadi workers. It was found that out of selected 24 GPs, training to ASHA in 22 GPs, teachers in 24 GPs and Anganwadi workers in 21 GPs was not provided.

The Project Manager, DPMU replied (August 2012) that all functionaries could not participate in HRD training due to difficult terrain of the district. The reply was not acceptable as 68 *per cent* functionaries who resided in these very GPs participated in the training programmes.

5.3.2.3 Distribution of Field Test Kits

Field Testing Kits (FTKs) were to be distributed by DPMU to 460 GPs for testing the quality of water sources. Test-check of records revealed that 495 FTKs out of 515 FTKs³⁹ were provided to 460 GPs by DPMU (March 2012). Further, scrutiny revealed that the reagent⁴⁰ of 186 distributed FTKs were expired on March 2010 and July 2011 as these were procured by the PMU in 2008-09 and 2010-11 respectively with expiry date of reagent of each FTK being after one year. Moreover, the reagent had not been procured for refilling of FTKs till the date of audit (August 2012).

While accepting the facts in exit conference, the District Project Manager stated that refills for 311 FTKs have now been distributed (January 2013) and assured that regular tests in all sources will be carried out to check out chemical and bacteriological contamination.

³⁹ 36 FTKs in 2008-09; 150 FTKs in September 2010; and 329 FTKs in October 2011.

⁴⁰ Chemicals in FTKs which are used in water testing to show the level & type of contamination.

5.3.3 Water Quality Testing of Water Source

Programme guidelines envisaged that all sources would be tested once a year for chemical contamination and twice a year (pre and post monsoon) for bacteriological contamination by GPs. Audit scrutiny revealed the shortfall in number of tests to be carried out in respect of chemical and bacteriological testing of water sources in the district is given in the **Table 5.16** below:

Table 5.16: Status of water testing

No. of water source	No. of tests to be carried out(2008-12)		No. of tests conducted (2008-12)		Contaminated sources	
	Chemical	Bacteriological	Chemical	Bacteriological	Chemical	Bacteriological
2,690	10,760 (2690x4)	21,520 (2690x8)	1,465	1,465	0	0
Short fall in per cents			(86%)	(93%)		

Source: Data provided by DPMU

It is evident from the above table that only 14 *per cent* and seven *per cent* sources were tested for chemical and bacteriological contamination respectively in four years. However, as per water testing report uploaded in the IMIS it was noticed that eight out of 115 sources were contaminated with faecal coliform in 2011-12. On this being pointed out, the DPMU while accepting the fact stated that all water sources could not be tested due to non availabilities of FTKs at GP level.

Recommendations

The State Government/ District Administration may consider to ensure:

- *Fixing timeline for covering all habitations with safe and potable drinking water.*
- *Conducting regular testing of Water quality as per norms to ensure supply of safe and potable drinking water to the people.*

Watershed Development

5.4 Uttarakhand Decentralised Watershed Development Project

An agreement for borrowing loan amounting to ₹ 405 crore from the World Bank for implementation of Uttarakhand Decentralised Watershed⁴¹ Project (UDWDP) was signed between World Bank and Government of Uttarakhand on 30 July 2004. The period of agreement was from 24 September 2004 to 31 March 2012. The project was to be implemented by Uttarakhand Watershed Management Directorate (WMD). The focus of this project was on development of rural population and watersheds with special emphasis on enhancement of productivity through socially inclusive, institutionally and environmentally sustainable approaches. Therefore, areas of the State facing problems like erosion, poverty and lack of infrastructure

⁴¹ The term watershed refers to the geographic boundaries of a particular water body, its ecosystem and the land that drains to it.

facilities were chosen to select the target Gram Panchayats. The project had three components; Watershed treatment; enhancing and improving livelihood opportunities with a focus on increasing income levels and institutional strengthening.

In Nainital District, the project authority selected (December 2004) 28 GPs of Okhalkanda and six GPs of Dhari blocks for implementing the project⁴². Out of these, four Gram Panchayats (GPs)⁴³ were selected for audit.

5.4.1 Planning

5.4.1.1 Annual Working Plan

The loan agreement entered into between the State Government and the World Bank envisaged that “Uttarakhand shall (a) Not later than January 31 each year, furnish to the association for its review and comments, a proposed annual work programme and budget for the following fiscal year, giving details of its proposed work programme activities and budget estimates for the project and (b) proceed thereafter to implement the annual work programme and budget, taking into account such comments as may have been made thereon by the Association.”

Scrutiny of the process of preparation and implementation of Annual Work Plan (AWP) showed that the prescribed procedure for budget estimation and actual expenditure was not followed. The details of AWP during the period 2007-08 to 2011-12 are shown in the **Table 5.17** below:

Table 5.17: Approval of AWP (₹ in crore)

Year	Budgeted Estimates Submitted	Proposed AWP	Post facto approval of AWP based on Actual Expenditure [next FY]
2007-08	4.50	6.58	5.64 (09.06.2008)
2008-09	6.80	6.29	4.75 (02.09.2009)
2009-10	6.00	5.57	5.84 (23.08.2010)
2010-11	4.00	2.45	4.42 (28.06.2011)
2011-12	3.60	8.06	6.82 (19.07.2012)
Total	24.90	28.95	27.47

It is evident from the above table that during 2007-08 and 2011-12, against BE of ₹ 4.50 crore and ₹ 3.60 crore, the WMD proposed an amount of ₹ 6.58 crore and ₹ 8.06 crore in the AWP respectively. Further, even the amount approved in the AWP could not be utilised by the Deputy Project Director (DPD) and expenditure of only ₹ 5.64 crore and ₹ 6.82 crore could be incurred in 2007-08 and 2011-12 respectively. It was further noticed that the DPD incurred excess expenditure against the Budget Estimates submitted during 2007-08 and 2011-12. DPD stated that the budget was utilized according to budget released by controlling authority. This indicated that Annual Work Plans were not need based.

The AWP was being approved *post facto* by the State Steering Committee on the basis of actual expenditure incurred by the project authority.

⁴² Revised to 39 GPs of Okhalkanda and Dhari Block in May 2006.

⁴³ Manjuli, Dholigoun, Kaana and Talla Kanda.

5.4.1.2 Selection of watershed areas

While selecting watershed areas under the project, a weightage of 50 *per cent* was to be given to erosion intensity, 25 *per cent* to socio-economic status of communities and 25 *per cent* to caste and remote villages. Areas where any such schemes were already in operation and areas falling under National Parks and Sanctuaries were to be excluded for coverage under the project.

Scrutiny of base data/ information for selection of watersheds at Deputy Project Director (DPD), UDWDP Nainital revealed that the selection of Okhalkanda block was not made on the basis of points earned on the above mentioned three parameters. There was only a database⁴⁴ available for eight hilly districts of the State showing categories of the erosion intensity of agriculture, forest and blank land use, under which the selection of these blocks in the district was made. It was noticed that in the two selected sub watershed⁴⁵ areas, three micro watersheds namely; *Dautagad*, *Khujetigad* and *Sunkot* involving 16 GPs⁴⁶ of Okhalkanda block had not earned any points under erosion intensity⁴⁷, which had a weightage of 50 *per cent* in selection, while no detailed data of socio-economic and backward and deprived areas parameters⁴⁸ (which had a weightage of 25 *per cent* each) were available in the DPD office.

On this being pointed out, the DPD replied that the selection of blocks and GPs was made by the WMD on the basis of fixed parameters. The reply of the DPD is not acceptable as the DPD/WMD failed to furnish the detailed information of socio-economic status of communities and caste and remote villages', on which the selection of the blocks and areas of GPs were made. Thus, the selection of micro watersheds (blocks and areas of GPs) in Nainital district was not done in a transparent manner.

5.4.2 Project Implementation

5.4.2.1 Cost escalation of ₹2.37 crore

The project was target oriented with a fixed time frame for completion of each component. Audit revealed that works proposed in the AWP of the district could not be completed within the stipulated period despite availability of adequate funds and were completed with a delay of two years. This forced WMD to revise the time schedule of Gram Panchayat Watershed Development Plans and resulted in cost escalation of ₹2.37⁴⁹ crore in respect of works undertaken by the GPs.

In the four test checked GPs, an excess expenditure of ₹25.60 lakh was incurred due to revision of Standard Schedule of Rates (SSR) as detailed in **Appendix 5.1**.

⁴⁴ Prepared by Forest Department in January 1992.

⁴⁵ Ladhia and Kalsagola.

⁴⁶ Dautagad-4GPs, Khujetigad-5 GPs, Sunkot-7 GPs=16 GPs.

⁴⁷ Erosion Intensity of Agriculture, Forest and blank land.

⁴⁸ BPL families, SCs, STs and women etc. in accordance to the last paragraph of para 2.2 of the operational guidelines.

⁴⁹ Original approved cost ₹12.02 crore & revised to ₹14.39 Crore in respect of works of thirty nine village Panchayats.

5.4.2.2 Component wise expenditure of the district

As per the Project Approval Document (PAD), the Deputy Project Directors (DPDs) were required to incur expenditure on the above three components in the ratio of 63:16:19 and two *per cent* of the total funds were earmarked for physical and financial contingency. During the entire project period (2005-12), DPD, Nainital incurred total expenditure of ₹ 46.75 crore in the ratio of 61:29:10 on these components. The component wise expenditure incurred by the DPD during 2005-12 is shown in **Appendix 5.2**. The DPD attributed the disproportionate expenditure on need and demands.

Low expenditure on 'Institutional Strengthening' could deprive the department of consolidating the gains made during the project period and reaping long term benefits.

5.4.2.3 Irregular revision of budget caps of selected GPs

As per Operation Manual for implementation of UDWDP, the ceiling for allocation of funds to a GP was to be fixed as per standard formula of calculation. Paragraph 7.1 also envisaged that if any shortcoming is found or if the GPWDP proposes to spend beyond the financial ceiling set for the GP, then the DPD will send it back to the Water and Watershed Committee (WWC) with written observations and recommendations for carrying out necessary changes in the proposal.

It was noticed that the Government of Uttarakhand approved (December 2004) budget caps of ₹ 9.80 crore for the implementation of the project⁵⁰ in the district and accordingly the DPD was directed to prepare the Gram Panchayat Watershed Development Plans (GPWDP). Details of actual expenditure incurred under GPWDPs of selected GPs are given in **Table 5.18** below:

Table 5.18 : Budget caps of GPs (₹ in crore)

Name of the GP	Approved budget cap	GPWDP Outlay	Revised budget cap	Additional works approved	Revised enhanced Cap	Actual Expenditure incurred
Year	Dec. 2004	NA*	Jan.2010	June 2010	June 2010	Mar. 2012
Manjuli	0.48	0.48	0.68	0.29	0.97	0.89
Dholigaon	0.46	0.51	0.60	0.11	0.71	0.69
Katna	0.54	0.60	0.67	0.17	0.84	0.91
Talla Kanda	0.38	0.42	0.45	0.11	0.56	0.69
Total	1.86	2.01	2.40	0.68	3.08	3.18

Source: DPD records

*NA=Not Available

It is evident from the above table that contrary to the provisions and approved budget caps, the GPWDP outlays were arbitrarily enhanced on the basis of revised budget caps. The DPD justified the enhancement and attributed it to the devaluation of Indian Rupee (INR) against the US\$ and increase in SSR (Standard Schedule of Rates). The reply was not acceptable because as per standard formula, budget caps were to be based on population and area of GPs and were not linked to the devaluation of INR and revision of SSR.

⁵⁰ For the entire project period of 2005-12.

5.4.3 Impact analysis

As per the project agreement, a third party midterm and final review/evaluation was assigned to M/s Energy and Resources Institute (TERI), New Delhi. Component wise significant results are being narrated below:

Watershed treatment: This improved the productive potential of natural resources. The increase in irrigated area (21 *per cent*) and value (27 *per cent*) were significantly higher than the target values.

Enhancing and improving livelihood opportunities: Holdings of improved breed of cows and buffaloes increased by 19 *per cent* and 191 *per cent* respectively, while dependency on fodder from forests and feed purchased from market had declined by eight *per cent* and five *per cent* respectively.

Institutional Strengthening: Enhancing the capacity of GPs and village community members led to a sharp increase in the participation in Gram Sabha and Gram Panchayat meetings.



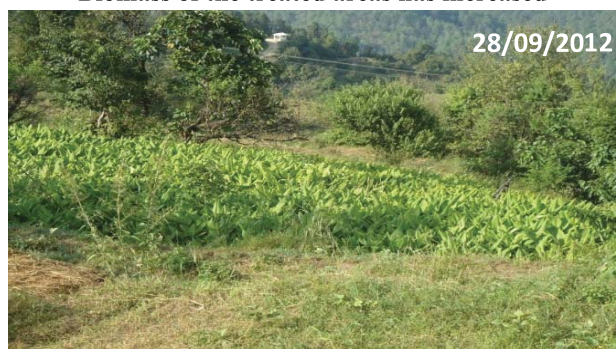
Traditional Naulas have been renovated



Biomass of the treated areas has increased



Livestock of improved breeds increase



Farming of cash crops

During joint physical inspection (September 2012) of the test checked GPs, performance of sub components were found satisfactory.

Chapter-6 Economic Services

Various schemes viz. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) Accelerated Irrigation Benefit Programme (AIBP), Indira Awas Yojana (IAY), Pradhan Mantri Grameen Sadak Yojana (PMGSY), Rajeev Gandhi Grameen Vidyutikaran Yojana (RGGVY), National Afforestation Programme (NAP), Jawaharlal Nehru National Urban Renewal Mission (JnNURM) *etc.* were implemented in the district. Out of these, three schemes namely MGNREGS, AIBP and NAP were selected for detailed scrutiny and the results thereof are discussed in this chapter.

Employment generation

6.1 Mahatma Gandhi National Rural Employment Guarantee Scheme

The National Rural Employment Guarantee Act, 2005 (NREGA) guarantees 100 days employment in a financial year to every registered household on demand. In Nainital, Government of India (GOI) launched the scheme from 1st April 2008. District Programme Coordinator (DPC) at district level, Programme officer (PO) at block level and Gram Rozgar Sahayak (GRS) at Gram Panchayat (GP) level are responsible for its implementation.

Under MGNREGS, the wages of skilled and semi-skilled workers and cost of material is shared in the ratio of 75:25 between GOI and the State Government. In addition, the State Government bears the cost of unemployment allowance and the administrative expenses of State Employment Guarantee Council.

6.1.1 Ensuring livelihood security in rural areas

The year wise position of employment provided under the scheme during the period 2008-09 to 2011-12 is indicated in **Table 6.1** below:

Table 6.1: Employment generation

Year	Number of		Number of household provided		Person days of employment per rural household	Share of women in employment (in %)
	Household registered	Job cards issued	Employment	100 days employment		
2008-09	31,210	31,210	4,980	1 (0%)	52.71	8.57
2009-10	35,951	35,951	9,657	14 (0.1%)	58.83	15.71
2010-11	38,674	38,674	21,898	816 (3.7%)	36.06	19.84
2011-12	40,499	40,499	15,266	500 (3.3%)	47.37	16.95

Source: DPC, Nainital

(i) During the period 2008-12, employment provided to households ranged between 36 to 59 person days per rural households, while households that were provided 100 days of employment ranged from 0 to 3.7 *per cent*. Thus, targets of employment as outlined in the Act could not be achieved in the district.

(ii) Participation of women in employment ranged from 8.57 *per cent* to 19.84 *per cent* against the required norm of 33 *per cent*. Thus, target of share of women in employment specified under the Act could not be achieved in the district.

(iii) It was observed that the format of application for seeking employment under the scheme did not contain a column for 'Date from which the employment was sought'. Thus, delay in providing employment to beneficiaries could not be ascertained in audit. During beneficiary survey, all the 480 surveyed beneficiaries responded that application for demanding work was taken from them only after availability of works at GPs level.

6.1.2 Planning

Nainital received (November 2007) ₹ 10 lakh for the preparation of District Perspective Plan (DPP) for the period 2008-09 to 2011-12. Audit found that the DPP was prepared (November 2009) by an NGO⁵¹ and was forwarded (November 2009) to the State Employment Guarantee Council (SEGC) for approval. The same had not been approved by the SEGC till the date of audit (August 2012). Moreover, as per the MOU executed (June 2008) with the NGO, the final payment, against the total agreed cost of ₹ 7.60 lakh, was to be made only after approval of the plan. However, the District Planning Committee (DPC) made (February 2012) full payment to the NGO without the Plan being approved by the SEGC. The DPC stated (August 2012) that entire payment was made to the firm in anticipation of approval of DPP. The reply was not acceptable as payment was made in contravention of the provisions of the MOU.

6.1.2.1 Preparation of Annual Development Plans

Each Gram Panchayat was required to prepare an Annual Development Plan that would include assessment of labour demand, estimated cost of works and wages and identification of works to meet the estimated labour demand. The following deficiencies were noticed in the preparation of Annual Development Plans:

- (i) There was no assessment of labour demand, estimated cost of works and wages, and proper identification of works in the plan. Test checked GPs stated that same could not be worked out due to lack of technical expertise at GP level.
- (ii) A time frame (October 02 to January 31 each year) existed for the planning process in respect of preparation of shelf of projects and projection of labour budget on it with clearly demarcated timelines for GPs, Blocks, District and finally the State Government.

Although, the test checked blocks and GPs furnished the details regarding dates of preparation, approval and submission of plan; yet no supporting documents in this regard were furnished to audit. The dates of submission of plans by GPs were cross-checked with the dates of receiving of GP plans at block level and the same did not match. In view of the above facts, audit could not ascertain the delay, if any, in submission of plans. Further, it was found that DPC was submitting the block wise shelf of projects and labour budget to Zila Panchayat in the months of

⁵¹ Society for Uttaranchal Development & Himalayan Action (SUDHA).

May to July during the period 2008-12; whereas, the same should have been sent by December 15 of the year preceding the year for which the shelf of project was being formulated.

6.1.2.2 Nominal Role of District Panchayat in implementation of scheme

MGNREGS Operational Guidelines clearly stated that the block wise shelf of projects and labour budget based on it were to be submitted to the District Panchayat by the DPC for approval and modification, if necessary. Further, the District Panchayat was to monitor all aspects of implementation, especially timely issue of Job Cards, provision of employment, social audits, fund flow, progress and quality of works.

During the test-check of records, it was found that District Panchayat was only according the approval of Annual Work Plan, leaving out the monitoring of scheme.

6.1.3 Financial Management

As per the financial statement provided to audit, an amount of ₹ 41.78 crore⁵², including opening balance of ₹ 0.31 crore of Sampoorna Gramin Rozgar Yojna (SGRY), were available during 2007-08 to 2011-12, against which an expenditure of ₹ 40.93 crore was incurred in the district; leaving an unspent balance of ₹ 0.85 crore at the end of March 2012. Receipt, expenditure and utilization of funds could not be verified either at DPC or Blocks or GPs as the records were neither completed nor maintained properly. Further, financial statement for the period 2009-12 provided to audit did not match either with the Monthly Progress Report (MPR) or Management Information System (MIS) data.

6.1.3.1 Blockade of funds

Government of Uttarakhand released (October 2009) ₹ 3.82 lakh to the DPC for setting up rolling fund at Post Office so that payments to workers could be made on time. It was observed that this fund was not utilised by the DPC and remained blocked for three years. However, the rolling fund at Post Office was set up (November 2012) at the instance of audit.

6.1.3.2 Unrealistic labour budget

District was to formulate labour budget on the basis of labour demand, identification of works to meet this demand and estimated cost of works and wages in the GP development plan giving due consideration to the actual achievement trends of previous years in terms of households' demands, days of employment demanded and expenditure incurred. Audit observed (November 2012) that the DPC estimated creating 67.42 lakh man days in labour budget during 2008-12 against which only 23.45 lakh man days could be generated. Thus, the average projected man days were 187 *per cent* higher than the actual man days generated. In 2009-10, the projection stood at 813 *per cent* higher than the actual achievement trend of employment generation of previous years. District Development Officer attributed variation to the actual demand raised by rural households and delay in release of funds by the centre. The reply was

⁵² Central share:-₹ 37.14 crore, State share:-₹ 3.93 crore and Miscellaneous Receipt:-₹ 0.40 crore.

not justifiable as the actual achievement trend of employment generation of previous years should have been taken into account prior to formulation of labour budget.

6.1.3.3 Delay in payment of wages

As per guidelines, payment of wages was to be made on weekly basis and in no case, later than 15 days of such payment becoming due. In case of any delay, labourers were entitled to compensation. During the test-check of 101 works of 24 Gram Panchayats in four blocks, it was noticed that there was an average delay of 48 days in 51 works with a maximum delay of 347 days in making payment to the beneficiaries. No amount was found to have been paid as compensation to any worker in 24 test-checked GPs.

The DPC admitted (December 2012) the above facts and attributed the reason for delay in payment of wages to non-availability of funds at GPs level.

6.1.4 Inadequate staff

Audit scrutiny of records of test-checked Blocks and GPs revealed (September, 2012) that there was acute shortage of staff at both the levels as detailed below:

- Full time dedicated Programme Officers were not posted in the four test checked Blocks. Instead BDOs were entrusted the work of MGNREGS in addition to their regular duties.
- Paragraph 3.1.1 of MGNREGS operational guidelines states that there should be one GRS in each GP to maintain the records and to ensure that Gram Sabha meetings are held regularly. In contravention of the guidelines, the State Government notified (July 2009) that there would be one GRS for four GPs in hills and six GPs in plains. It was found that only four GRSs were posted in Nainital District against the requirement of a minimum of 115 GRSs. Due to non availability of adequate number of GRSs at GP level, VDOs/GPAs were entrusted MGNREGS works in addition to their original duties.
- One VDO on an average is looking after the work of more than four GPs⁵³.
- In the district, only 13 Junior Engineers (JEs) (30 *per cent*) have been posted against the Sanctioned Strength (SS) of 44 while in test-checked four blocks only four JEs (17 *per cent*) were posted against the SS of 24. Thus, one JE on an average was looking after the works of 35 GPs⁵⁴ as against the norm of 11 GPs⁵⁵.

6.1.5 Maintenance of records

6.1.5.1 Non-maintenance of records

Scrutiny of records of test checked 24 GPs, four POs and DPC revealed the following:

⁵³ 460 GPs/98 VDOs=4.69GPs.

⁵⁴ 460 GPs /13JEs=35GPs.

⁵⁵ 460 GPs/ 44 SS of JEs in Nyay Panchayat=11GPs.

- **Job Card registers** were not maintained at *Bhavanipur khulbe* and *Nathupur* Gram Panchayats of Ramnagar Block.
- **Muster Roll Receipt Registers** had not been maintained in nine out of 24 GPs. In the absence of same audit failed to reconcile Muster Roll account.
- **Complaint Registers** were to be maintained at DPC and POs levels for receiving and disposing of complaints within 15 days from the date of receipts. Although, the DPC and four POs provided the details of complaints received and disposed off the complaint registers were not provided to audit. In the absence of complaint registers, audit could not ascertain the delay in disposal of complaints.
- **Cash book at the GP level** were not being maintained properly and closing of the cash books was not being done on daily/monthly basis. Receipts were being shown on payment side and vice versa in some of the GPs. Cash book of *Chiyori* GP showed negative balance of ₹ 1,177, which was due to drawal of cheques in spite of non availability of funds in the bank.
- **Cash book at the DPC and blocks level** are not being maintained in the prescribed form. Cash book of Haldwani Block only showed entries in respect of payments through cheques, leaving out entries of receipts and payments in cash while some entries of receipts and payments were not entered in the cash book of Ramnagar Block.
- During the scrutiny of 712 Muster Rolls (MRs) used in 101 works, cuttings were found in 28, erasing in 24 and over writing in four MRs.
- During the scrutiny of job card registers, involving 1,743 Households of 24 test checked GPs, it was noticed that photos of 172 beneficiaries (10 *per cent*) had not been pasted, signatures of 361 beneficiaries (21 *per cent*), signatures of VDOs in respect of 206 beneficiaries (12 *per cent*) and Bank/ Post Office Account number had not been recorded in 608 (35 *per cent*) cases.

6.1.5.2 Non-Issue of wage slips to the workers

For every payment due to the workers, a wage slip in prescribed format (Annexure B-3 (i) of the guidelines) was required to be issued by the implementing agency to the workers stating the amount and the period for which the work was done. Test-check of the records of 24 GPs revealed (September 2012) that none of the GPs had issued wage slips.

6.1.6 Mismatch between Management Information System and Monthly Progress Report data

Reliability of data uploaded in the website (<http://www.nrega.nic.in>) pertaining to selected four blocks, was cross checked with the data available in the MPRs for the years 2009-10 to 2011-12 and it was found that there was marked mismatch between data uploaded in MIS with that of the MPR. The details are given in the **Table 6.2** below:

Table 6 2: Mismatch between MIS and MPR data (As on September 2012)

Block		Ramgarh			Bhimtal			Haldwani			Ramnagar		
		2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
No of HH issued job card	MIS	4,428	4,503	4,605	5,412	5,576	5,611	4,308	4,626	4,901	3,770	4,019	4,236
	MPR	3,860	5,243	5,251	4,942	4,977	4,977	3,880	4,348	4,884	3,348	3,770	4,180
	Diff (%)	12.82	16.32	14.02	8.68	10.74	11.29	9.93	6.00	.34	11.19	6.19	1.3
Cumulative No of HH demanded employment	MIS	1,008	2,767	2,263	694	2,242	1,974	372	1,278	1,594	341	2,178	2,381
	MPR	2,000	920	1,612	1,700	1,800	1,750	800	1,210	1,434	377	967	1,398
	Diff (%)	98.41	66.75	28.76	144.95	19.71	11.34	115.05	5.32	10.03	10.05	55.08	42.40
Cumulative No of HH provided employment	MIS	1,008	2,750	2,260	673	2,240	1,971	338	1,277	1,592	300	2,116	2,318
	MPR	2,000	920	1,612	1,700	1,800	1,750	800	1,210	1,434	377	967	1,398
	Diff (%)	98.41	66.54	28.67	152.60	19.64	11.21	136.68	5.24	9.92	25.66	54.30	18.11
Man days generated	MIS	16,957	95,714	84,941	18,674	78,756	77,077	6,923	46,101	73,729	5,134	76,904	87,194
	MPR	97,470	77,445	81,965	71,090	69,418	71,400	41,639	56,232	74,500	56,807	73,560	95,845
	Diff (%)	474.43	19.07	3.50	280.68	11.85	7.36	501.45	21.97	1.04	1,006.64	4.34	9.92

Source: Scheme website and DPC Nainital

It is evident from the above table that there was a difference, ranging from 0.34 *per cent* to 1,006 *per cent* between MIS & MPR data. The DPC accepted (November 2012) the facts and replied that due to shortage of staff and resources at block level, the data could not be uploaded timely.

6.1.7 Social Audit

The Act provided for Social Audit to be conducted in each Gram Panchayat twice in a year with an objective to ensure transparency and public accountability in the implementation of the scheme. Besides, Social audit meetings were to be chaired by a person who is not part of Panchayat or any other implementing agencies.

Scrutiny of records of test-checked 24 GPs revealed that Social Audit had been conducted only once in a year in 12 GPs; while, in eight GPs number of Social Audits conducted could not be ascertained due to non-maintenance of records in this regard. Besides, contrary to the provision of the Act, the meetings were chaired by Gram Pradhans.

6.1.8 Worksite facilities

Beneficiary survey of 480 beneficiaries of 24 test-checked GPs revealed that the facilities of Shed, Drinking Water and Crèche were not provided to 480, 339 and 480 beneficiaries respectively. Thus, worksite facilities were not provided to a majority of beneficiaries.

6.1.9 Lack of supervision of works and monitoring

The details of inspections carried out in District and sampled Blocks are shown in **Table 6.3** below:

Table 6.3: Inspection of MGNREGS works

Year	Total works	District			Sampled block		
		Norms (10 % of total works)	Inspected	Shortfall (%)	Norms (100 % of total works)	Inspected	Shortfall (%)
2008-09	639	63	62	1.58	639	269	57.90
2009-10	1,632	163	56	65.64	1,632	861	47.24
2010-11	2,289	229	168	26.63	2,289	1,340	41.45
2011-12	2,381	238	602	--	2,381	1,646	30.86

Source: DPC, Nainital

It is evident from the table above, that shortfall in number of works inspected ranged from 1.58 per cent to 65.64 per cent at District level; while it ranged from 30.86 per cent to 57.90 per cent at block level. The DPC stated (November 2012) that shortfall in supervision and monitoring occurred due to shortage of staff and non appointment of separate staff for MGNREGS.

6.1.10 Non-formation of Technical Resource System

As per MGNREGS guidelines, Technical Resource System (TRS) comprising agencies and institutions was to be set up at district level for simplifying the process of estimate preparation to enable Panchayats and non technical persons to prepare estimates for works and assess requirement of labour and materials. The Secretaries of Panchayats and members of PRIs were to be trained by TRS for estimation, quality control and monitoring. Scrutiny of records of DPC revealed (August 2012) that no TRS was formed in the district.

6.1.11 Maintenance of Assets

During joint physical verification of 101 works executed by GPs during 2008-09 to 2011-12, it was found that 51 works on land development, *Sampark marg*, water conservation *etc.* costing ₹ 40.55 lakh were damaged for which no reasons were on records. Besides, in 76 cases, worksite sign boards costing ₹ 1000 each were also not found in place. There was no provision of funds for maintenance of created assets.

Recommendations

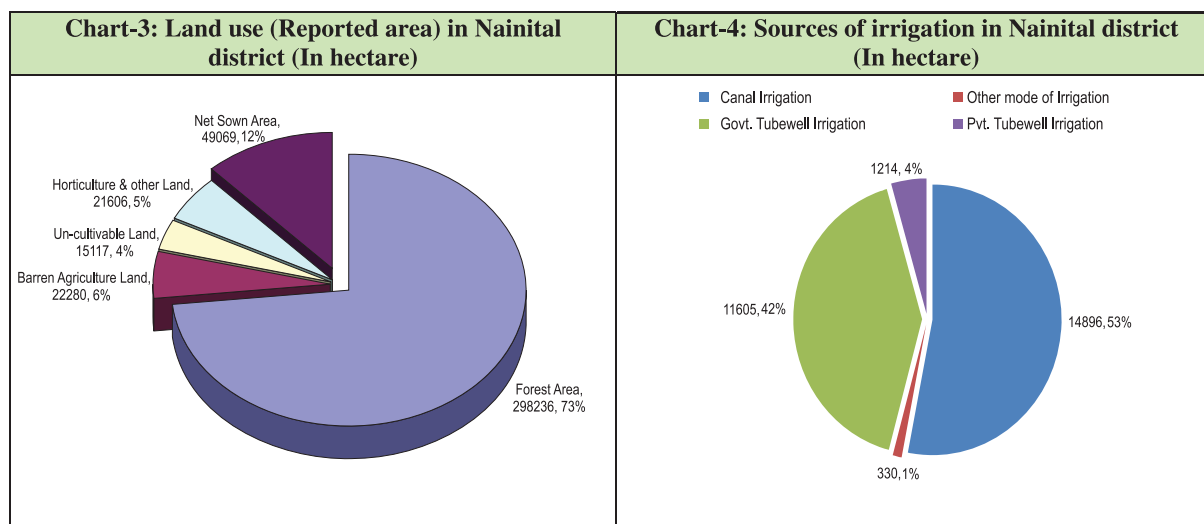
The State Government/ District Administration may consider to ensure:

- Deployment of adequate human resources for effective implementation of scheme.
- Increasing the awareness about the scheme in rural population so that every registered household is aware about employment on demand within 15 days, unemployment allowance in case of non-employment in scheduled time frame, compensation in case of delayed payment *etc.*
- Paying special attention to check the existing mismatch between MPR and MIS data.

Irrigation

6.2 Accelerated Irrigation Benefit Programme

In the Nainital district, net sown area was only 12 *per cent* (49,069 hectare) against the total area of 406,308 hectare, of which 57 *per cent* (28045 hectare) of sown area was irrigated through various irrigation sources as shown in the **Pie Charts 3 and 4** below:



Source: Chief Agriculture Officer, Nainital

Nainital district had a net irrigated area of 28,326 hectare in 2007-08 which decreased to 27,695 hectare⁵⁶ in 2009-10 and again increased to 28,045 hectare in 2010-11.

Accelerated Irrigation Benefit Programme (AIBP) was launched (1996-97) by GOI to accelerate creation of Irrigation Potential (IP) by providing financial assistance to State Governments. Surface Minor Irrigation Schemes (both new and ongoing) were included for grant of assistance under AIBP from the year 2001-02. Projects which were already being funded from external/ domestic agencies such as NABARD *etc.* were not eligible under AIBP. Projects under the programme were to be routed and approved by the State Technical Advisory Committee (TAC) before its submission to GOI.

Surface Minor Irrigation (MI) schemes were to be funded under AIBP, provided that the proposed schemes met the following pre-conditions:

- The project cost of these schemes per hectare should not exceed ₹ 1.50 lakh; and
- Individual schemes should benefit at least 20 hectare (ha) and group of schemes (within a radius of 5 kms) should benefit at least 50 ha.

Projects for Extension, Renovation and Modernization (ERM) were also included under the programme from December 2006.

⁵⁶ As per Statistical Diary, 2011.

AIBP schemes were implemented by two different departments in the district i.e. Minor Irrigation Department (MID) and Irrigation Department (ID). In Nainital, there were one Minor Irrigation division and three Irrigation divisions, headed by Executive Engineers (EEs). These divisions executed 162 schemes at the sanctioned cost of ₹ 106.92 crore with a view to create/regenerate Irrigation Potential (IP) for 12,790 hectare under AIBP during 2007-12 in the district. The division wise break-up is given in **Table 6.4** below:

Table 6.4: Division wise break-up of AIBP schemes

Name of Division	No. of schemes	No. of sub-schemes	Sanctioned cost (₹ in crore)	IP to be created/ regenerated (in hectare)
Tarai Irrigation Division (TID), Nainital	09	115	34.03	3,521
Kosi Construction Division-2 (KCD-2), Ramnagar	06	20	19.69	1,733
Irrigation Division, Haldwani (IDH)	01	6	1.04	70
Minor Irrigation Division (MI Division), Bhimtal	146	737 ⁵⁷	52.16	7,466
Total	162	878	106.92	12,790

Source: Department figures

During the year 2007-12, 162 schemes were sanctioned under AIBP, out of which, five schemes of Irrigation Divisions falling within four selected⁵⁸ blocks and 41 sub schemes of MI Division out of 737 sub schemes falling within 24 test-checked Gram Panchayats (GPs) of these blocks were selected for detailed scrutiny. Audit findings pertaining to these AIBP schemes are discussed in succeeding paragraphs.

6.2.1 Planning

6.2.1.1 Submission of proposals

As per State Government instructions (March 2005), proposals for construction of irrigation schemes should be passed in the Gram Sabha (GS) meeting before preparation of Detailed Project Report (DPR).

Scrutiny of the selected schemes/ sub-schemes revealed (June 2012) that MI Division and Irrigation Divisions prepared DPRs of the schemes/ sub-schemes on the basis of proposals submitted by individual beneficiaries, Gram Pradhans, public representatives and by the departments on their own accord. The divisions stated (June 2012) that the proposals of the schemes were received through Gram Sabha/ Gram Panchayat (GS/GP) but they failed to produce any records confirming the same.

6.2.1.2 Formulation and approval of schemes

AIBP guidelines envisaged that the DPRs of the schemes should be prepared after a detailed survey on water requirements with an assessment on hydrological, meteorological,

⁵⁷ Includes 77 sub schemes costing ₹ 3.10 crore executed against 66 dropped sub-schemes having money value of ₹ 2.69 crore .

⁵⁸ Ramnagar, Ramgarh, Bhimtal and Haldwani Blocks.

environmental and ecological aspects of the project and should reflect the detailed cost estimates and other economic parameters such as Culturable Command Area (CCA), annual irrigation, intensity of irrigation *etc.*

Test-check of DPRs of the schemes/ sub schemes pertaining to sampled blocks and GPs revealed (June 2012) that although the divisions had incorporated the aforementioned requirements, yet the data included in the DPRs were not supported by relevant documents⁵⁹. Audit scrutiny revealed following further shortcomings in the process of formulation and approval of schemes:

- A. Keeping in view priorities given in 11th Five Year Plan, Government of Uttarakhand issued (August 2007) instructions to Department for preparation of shelf of projects to cover such areas where enhancing of Irrigation Potential (IP) was essential. Scrutiny of the records revealed that no shelf of projects was prepared by the Irrigation Division during the review period. Divisions replied (June 2012) that no action was required at the division level in this regard. The reply was not acceptable as the State Government had clearly instructed that shelf of projects was to be prepared at the division and circle levels.
- B. The State Government accorded (October 2007) administrative approval and financial sanction for 419 sub-schemes of 89 schemes of MI Division costing ₹ 23.86 crore for implementation in the block year 2007-09. Out of these, 66 sub-schemes costing ₹ 2.69 crore were dropped (March 2011) by the Department due to reasons like non-availability of water at source, *guls* constructed by other departments and disputes among the villagers.
- C. Four schemes costing ₹ 82.83 lakh of MI division for the block year 2007-09 were sanctioned (October 2007) with combined CCA of 123.70 hectare against the required norms of 170 hectare⁶⁰. Thus, at the formulation stage, the CCA of proposed schemes were neither checked at the division level nor at the levels of Chief Engineer (regional level) and Technical Advisory Committee (TAC) while sanctioning the schemes.
- D. Irrigation Division, KCD-2 Ramnagar, submitted (September 2007) two DPRs⁶¹ to SE for executing two schemes (IP of 155 hectare) amounting to ₹ 1.5 crore for approval of the State Government. The administrative approval and financial sanction⁶² of ₹ 1.31 crore for the same was accorded (September 2009) by the State Government. Audit scrutiny revealed (June 2012) that the Executive Engineer (EE), KCD-2 Ramnagar reduced the scope of work by 44 and 46 *per cent* respectively due to revision of schedule of rates. Consequently, the IP of these schemes was reduced to 87 hectare from the originally planned IP of 155 hectare without the approval of higher authorities.

⁵⁹ Detailed survey report, seasonal discharge of water and demarcated area (*Khasra*) *etc.*

⁶⁰ CCA of one single scheme = 1x20 hectare and CCA of three group of schemes = 3x50 ha.[20hectare + 150hectare=170 hectare].

⁶¹ Lining of *guls* in Mansa devi and Beljudi canals ₹95.78 lakh and lining of *guls* in Jassa Ganja and Satgaon canals ₹ 53.91 lakh.

⁶² Lining of *guls* in Mansa devi and Beljudi canals ₹82.52 lakh and lining of *guls* in Jassa Ganja and Satgaon canals ₹ 48.97 lakh.

E. AIBP guidelines envisaged that eligible schemes covered under the programme during previous years would get preference over new schemes proposed for inclusion during the current year. Further, schemes should be completed in two financial years. Despite the fact that 150 out of 419 sub-schemes of MI Division, Bhimtal, was sanctioned in biennium 2007-09 and remained incomplete as of March 2010, the MI Division took up 307 new sub-schemes for implementation in the biennium 2010-12.

6.2.2 Financial Management

Total available funds under the schemes during 2007-12 were ₹ 78.44 crore against the sanctioned cost of ₹ 106.92 crore and the same were fully utilized by the four divisions. Shortcomings in financial management of these funds are discussed below:

6.2.2.1 Under utilization of funds

The MI Division, Bhimtal formulated 89 MI schemes for the block period 2007-09 for which ₹ 23.86 crore were sanctioned. Funds were to be released quarterly, based on the actual expenditure incurred by the Division. Audit scrutiny revealed (June 2012) that the division could only utilize funds amounting to ₹ 16.41 crore in the block period 2007-09.

The Executive Engineer stated (June 2012) that basic preparations like constitution of Water User Associations (WUAs), procurement of stocks and stores and disputes among the villagers affected timely utilisation of funds.

6.2.2.2 Updation of Stock Account

Audit scrutiny revealed that (June 2012) MI division, Nainital had not updated stock accounts since March 2008. Consequently, actual utilization of ₹ 17.51 lakh booked against material pertaining to 13 sub-schemes of the block year 2007-09 which were later declared dropped in the year 2010-11, could not be verified in audit.

6.2.3 Execution of schemes

6.2.3.1 Delay in completion of schemes

As per the guidelines, the AIBP schemes were to be completed in two financial years. Scrutiny of records revealed (June 2012) that a total of 156 schemes⁶³ were sanctioned during the period 2007-11. Status of the completion of schemes/ sub-schemes is given in the **Table 6.5** below:

⁶³ 146 schemes for MI Division and 10 schemes for Irrigation Divisions.

Table 6.5: Delay in completion of schemes

Year	No. of sanctioned Schemes		Number of schemes completed							
			Within scheduled time		After scheduled time with delays					
					Upto one year		Between one and two years		More than two years	
	S	Ss	S	Ss	S	Ss	S	Ss	S	Ss
2007-08	93 ⁶⁴	475	37 ⁶⁵	225	25	89	8	42	23	119
2008-09	2	32	2	32	--	--	--	--	--	--
2009-10	4	28	3	19	1	9	--	--	--	--
2010-11	57	307	17*	200*	--	--	--	--	--	--
Total	156	842	59	476	26	98	8	42	23	119

Source: Departmental figures. S for Scheme and Ss for Sub-schemes.

*rest of the schemes and sub-schemes are in progress as of March 2012.

It is evident from the above table that 57 schemes⁶⁶ (37 per cent) were completed with delays ranging from one to more than two years.

The Executive Engineer, MI Division accepted (June 2012) the facts and attributed the delay in completion of schemes to disputes among the villagers. However, audit noticed that apart from dispute among villagers, the other reasons such as faulty preparation of DPRs, delay in approval of schemes and under-utilisation of funds also contributed to these delays as discussed in the paragraphs 6.2.1.2 & 6.2.2.1.

6.2.3.2 Non-achievement of Irrigation Potential

AIBP guidelines envisaged that 10 per cent irrigation potential (IP) will be achieved in first year and 100 per cent in second year of implementation of a scheme.

Sixteen schemes costing ₹ 54.76 crore were sanctioned for the Irrigation divisions during the period 2007-12 for regeneration of additional IP of 5,324 hectare. Against this, the divisions reported regeneration of 3,438 hectare (up to March 2012) with an expenditure of ₹ 34.63 crore. Despite regeneration of additional IP, actual irrigated area decreased by 395 hectare during the period 2007-08 to 2011-12 as shown in the **Table 6.6** below:

Table 6.6: Decline in irrigated area

Name of Division	Irrigated area (In hectare)						Difference in total irrigation
	In 2007-08			In 2011-12			
	Kharif	Rabi	Total	Kharif	Rabi	Total	
TID, Nainital*	1,329	1,837	3,166	1,020	1,595	2,615	(-) 551
KCD-2, Ramnagar	8,814	6,995	15,809	8,896	7,067	15,963	(+) 154
ID, Haldwani*	690	865	1,555	701	856	1,557	(+) 2
Total	10,833	9,697	20,530	10,617	9,518	20,135	(-) 395

Source: Department figures.

* Details of actual irrigation except Bhawar canals pertaining to Kham area where actual irrigated area is not recorded.

⁶⁴ 89 (MI Division)+4 (Irrigation Divisions)=93.

⁶⁵ 33 (MI Division)+4(Irrigation Divisions)=37.

⁶⁶ 56 schemes for MI Division and one scheme for Irrigation Divisions.

Five selected schemes (having 36 sub-schemes) were undertaken by the Irrigation divisions during the period 2007-10 for regeneration of additional IP of 497 hectare. Audit observed that the actual irrigated area decreased by 125 hectare during the period 2007-12. Thus, there was an overall shortfall of 622 hectare⁶⁷ in achievement of IP. The following shortcomings in implementation of selected schemes were noticed (June 2012) during audit:

- A. Two field *guls* were constructed (2007-10) in 20 hectare (CCA) of selected *Gethiya* canal to regenerate 28 hectare additional IP and the same were completed during the aforesaid period despite damaged state of canal prior to formation of field *guls*. Records of the division revealed that canal was irrigating only four hectare since 2010-11 against the target of 28 hectare.
- B. Field *guls* costing ₹ 27.25 lakh were constructed (2007-10) under three sub schemes in three canals⁶⁸ to regenerate 28.40 Ha despite scarcity of water at the source of canals resulting in decline of irrigation potential. This was corroborated during physical verification of the two canals as can be seen in the **photographs** below:



Non-functional Alchauna Canal



Non-functional Sarna Canal

- C. Scrutiny of the DPRs revealed that the additional IP of one sub scheme formulated (2007-08) in *Kulgad* canal was calculated on the basis of assumption factor⁶⁹ to regenerate the IP of 12.24 hectare while the CCA of the canal was only three hectare. The IP of canal could have been increased to a maximum of six hectare, taking into consideration the two crop seasons (*Kharif* and *Rabi*). Audit analysis revealed that the calculation of additional IP to be regenerated was independent of the CCA of the canal/*gul*.

⁶⁷ Short fall of 622 hectare= actual Irrigated area in 2007-08(12093 hectare)+Under taken for regeneration of additional IP (497 hectare)- Irrigated area in 2011-12(11968 hectare)

⁶⁸ Nalena (₹ 4.37 lakh, 5 Ha), Alchauna (₹ 17.06 lakh, 20.40 Ha) & Sarana canals(₹ 5.82 lakh, 3 Ha).

⁶⁹ In the factor, it was assumed that loss of water in construction of Kuccha gul and pucca gul of 1 Km will be 0.45 cusec and 0.15 cusec respectively. Thus after converting one km. kuchha into pucca gul it will save 0.30 cusec. It was further assumed that one cusec will irrigate 14 Ha in Kharif and 20 Ha in Rabi season. Thus, saved 0.30 cusec water will regenerate 4.20 (14x0.30) Ha and 6.0 (20x0.30) Ha additional IP in Kharif and Rabi seasons respectively. on the above basis divisions finally assumed that after converting one km. kuchha into pucca gul they will regenerate 10.20 Ha (4.20 + 6.0) additional IP in both seasons.

D. In Ramnagar, 11 sub-schemes for regeneration of 302.90 hectare was formulated (2007-10) in 11 canals which were already irrigating more area than the Proposed Potential Area (PPA) as well as CCA as shown in **Appendix- 6.1**.

In exit conference, the EEs, while accepting the facts, attributed the non-achievement of irrigation potential (IP) to crop rotation, migration and less discharge of water at source. As these facts were not taken into consideration before preparation of estimates, it indicates poor planning of the department.

6.2.4 Operation and Maintenance

The guidelines envisaged that the State Government should provide sufficient Operation and Maintenance (O&M) funds for completed AIBP schemes. Accordingly, State Government issued instructions (March 2005) under which it was provided that three *per cent* provision of labour component for O&M was to be collected from the members of the Water User Association before completion of the scheme which was to be deposited in a joint bank account of the Gram Pradhan and Junior Engineer of the concerned division.

Audit scrutiny revealed that the MI Division could collect only ₹ 1.84 lakh against the required amount of ₹ 38.11 lakh⁷⁰ as O&M fund of the schemes implemented in 2007-09 biennium. Further, it was found that no provision was made for O&M in 307 sub-schemes of 2010-12 biennium and 77 new sub-schemes of 2007-09 awarded to the contractor on tendering basis.

Moreover, during physical verification of 14 out of 30⁷¹ completed sub-schemes of the selected GPs, it was found that six sub-schemes were non-functional due to damaged *guls/ pipelines etc.* as depicted in the following photographs.

 <p>Debris over the Pichaltana kulu gul</p>	 <p>Hauz at Sakuna-I without connecting pipeline</p>
<p><i>Pichhaltana Kulu gul</i>, constructed (October 2011) at a cost of ₹ 5.13 lakh to create 4.50 hectare CCA, was non-functional due to damages caused by landslide.</p>	<p><i>Sakuna-I hauz</i> and pipeline, constructed (January 2011) at a cost of ₹ 2.09 lakh to create 2.40 hectare CCA was non-functional as the pipes were not connected to the <i>hauz</i>.</p>

Recommendations

The State Government/ District Administration may consider to ensure:

- *Putting in place monitoring mechanisms for proper operation and maintenance of completed schemes.*
- *Preparing revenue village wise data base of canals and guls for better planning.*

⁷⁰ Required amount= ₹2117.41 lakh x 60 % x 3% = ₹38.11 lakh.

⁷¹ Out of 41 sub-schemes of selected GPs, 30 sub-schemes were completed upto March 2012.

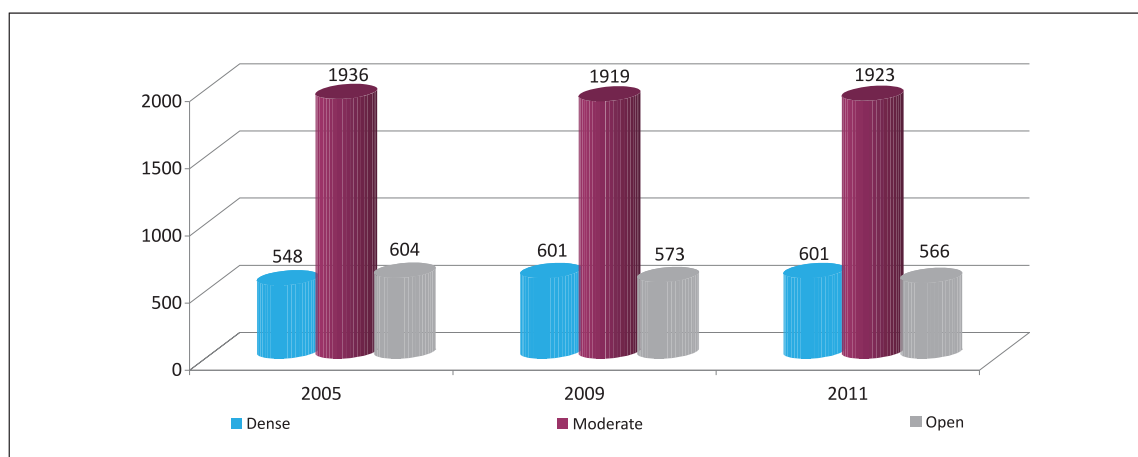
Forestry

6.3 National Afforestation Programme

Total geographical area of the Nainital District is 4,251 sq. km, out of which 2,982.36 sq. km (70 *per cent*) is recorded under forests. Out of the total forest area, 2,574.45 sq. km (86 *per cent*) is managed by the Forest Department, while 111.89 sq. km. (3.75 *per cent*), 280.68 sq. km. (9.41 *per cent*) is controlled and managed by Revenue Department (Civil & Soyam) and Van Panchayats (a locally existing statutory institution of the State) and under private/other agencies 15.34 sq. km (0.51 *per cent*). In the district, there are 495 Van Panchayats falling within the territorial area of six forest divisions⁷².

As per “State of Forest Report 2011”, the forest cover of the district has slightly increased as compared to 2005. The trend of forest cover of the district since 2005 to 2011 is shown in the **Chart 6.1** below:

Chart 6 1: Trends of forest covers (in sq Km)



National Afforestation Programme (NAP) is a Central Sector Scheme. The main purpose of NAP programme is rehabilitation of degraded forests and other areas by institutionalizing decentralized/ participatory forest management and supplementing livelihood improvement processes with a goal to increase and/ or improve the forest and tree cover and alongwith sustainable development and management of forest resources.

6.3.1 Programme Implementation

As per the programme guidelines, NAP was to be implemented by the Forest Development Agency (FDA) through Joint Forest Management Committees (JFMC) at village level. The constituted FDAs were to be registered societies while the JFMCs/ Eco Development

⁷² DFO, Nainital Division-285, DFO, Soil Conservation Division, Nainital -105, DFO, Haldwani Division-10, DFO Ramnagar Division-37, DFO Champawat Division-30 & DFO Almora Division-28.

Committees were to be registered with the Conservator of Forests. It was noticed that six⁷³ out of total seven FDAs in the district were functioning with expired registrations.

A total of ₹ 7.18 crore was available with seven FDAs during the coverage period against which ₹ 6.41 crore⁷⁴ were utilized by them **Appendix-6.2**. However, only three FDAs⁷⁵ had running projects during the period 2007-12.

Audit findings pertaining to the implementation of the programme are discussed in the following paragraphs.

6.3.1.1 FDA, Ramnagar

FDA, Ramnagar Division had proposed (2006-07) a project costing ₹ 1.65 crore to treat degraded forest land of 740 hectare for a period of five years (March 2011) through 10 JFMCs. An amount of ₹ 95.89 lakh⁷⁶ was released by GOI during 2006-07 & 2007-08 for the purpose. Audit scrutiny revealed the following:

- Against the target of 740 hectare, plantation work in only 656 hectare could be taken up as one JFMC could not take up the work due to internal disputes. It was noticed that the maintenance of the project was not taken up after 2008-09 due to non-release of funds by GOI/ State Government for the said purpose.
- FDAs were required to take necessary steps to ensure at least 60 *per cent* survival of plants by the end of first to third year, 55 *per cent* by the end of fourth year and 50 *per cent* by the end of 5th year. However, as per assessment of the project carried out by Amity University, Noida in 2008-09, the survival rate of plantation was only 43 *per cent*.
- Out of total unspent balance of ₹ 23 lakh (including interest) lying with the FDA and defunct JFMCs, the FDA obtained (September 2012) a bank draft of ₹ 14.99 lakh to surrender the amount to Pramukh Van Sanrakshak Van Panchayat Uttarakhand after a lapse of three years from the close of the project; while, funds amounting to ₹ 7.55 lakh were still lying with the defunct JFMCs. The FDA, Ramnagar stated (September 2012) that funds for maintenance were not released by GOI and recovery of the blocked funds from the defunct JFMC was being initiated.

6.3.1.2 FDA, Nainital

The GOI approved (2006-07) plantation work in 700 hectare⁷⁷ costing ₹1.63 crore, to be implemented through 35 JFMCs, for FDA, Nainital division. The project was to be completed by 2012. An amount of ₹ 1.25 crore was released for the project by the GOI up to 2009-10. Audit scrutiny revealed (September 2012) the following:

⁷³ FDA-Tarai West Division, Tarai East Division, Tarai Central Division, Haldwani Division, Nainital Division & Soil Conservation Division, Nainital.

⁷⁴ Includes amount of ₹ 0.46 crore to the project not covered during 2007-12, the details of which have been discussed in para 7.3.1.4.

⁷⁵ FDA Soil Conservation Division, Nainital; FDA, Nainital Division and FDA, Ramnagar Division.

⁷⁶ Includes excess release of ₹10 lakh by GOI.

⁷⁷ Project approved for 950 hectare. and was revised to 700 hectare.

- Plantation of 700 hectare were carried out through 35 JFMCs during 2007-08 to 2008-09, but no records to show that survival rate was monitored annually at division level were made available to audit.
- UCs amounting to ₹ 9.84 lakh were pending with the 35 JFMCs since 2009-10.

6.3.1.3 FDA, Soil Conservation Division, Nainital

The GOI approved (2006-07) plantation work in 1,200 hectare for implementation through 74 JFMCs. The plantation work was carried out in 2007-08. As per the project plan, maintenance work was to be carried out in 2008-09, 2009-10 & 2010-11. Audit scrutiny revealed (September 2012) that only ₹ 0.32 crore were released (March 2011) by the GOI as against the requirement of ₹ 0.57 crore⁷⁸ at the closing of project period (March 2011). No records to show the yearly survival rate of the plantation carried under the project was available with the division. The FDA stated that periodical checks are carried out by Range Officers and instructions have been issued to them to furnish information on survival rate of the plantation.

6.3.1.4 FDA, Tarai West Division, Ramnagar

Government of India (GOI) had approved a project in 2004-05 costing ₹ 1.73 crore for treating a total area of 1,274 hectare of degraded forest area through 21 JFMCs. As per the sanction order, the interest accrued on the released funds should form part of FDA's additional resources and was to be adjusted towards further installment of the grant. The project was initially approved for three years *i.e.* up to March 2007. An amount of ₹1.09 crore was released during 2004-05 and 2005-06 and the project was closed (March 2007) after spending ₹ 0.63 crore⁷⁹. In the implementation of the project, Audit noticed the following:

- Against the target of 1,274 hectare, plantation work was taken up in only 804 hectare. The plantation was subsequently declared unsuccessful by the FDA due to very low survival rate (30 *per cent*) of plants in the first year because of failures in plant protection work by JFMCs and lack of interest shown by them for its improvement.
- Against a provision of ₹9.88 lakh for monitoring & evaluation, fencing, awareness raising *etc.*, the FDA could utilize only ₹ 3.21 lakh during the period 2004-07.
- Out of total unspent balance of ₹ 55.12 lakh (including interest), the FDA surrendered (May 2011) ₹ 45.60 lakh after the close (March 2007) of the project. The interest of ₹ 9.52 lakh earned on the unspent grant amount was retained by the FDA in violation of the Sanction Order and was lying in their bank accounts (September 2012).
- UCs for ₹ 0.42 lakh were also not obtained (September 2012) from the JFMCs.

Thus, in the implementation of the project, ₹ 35.90 lakh spent on forestry in 804 hectare was rendered wasteful while no afforestation could take place in 470 hectare. Besides, ₹ 10 lakh (*i.e.* ₹ 9.52 lakh as bank balance and pending UCs of ₹ 0.42 lakh) are still blocked with the FDA, Tarai West Division (August 2012).

⁷⁸ Calculated on the basis of sanction.

⁷⁹ Afforestation, Entry Point Activities, Monitoring & Micro Planning, overhead expenses *etc.*

Recommendations

The State Government/ District Administration may consider to ensure:

- *Timely release of funds for maintenance, watch and ward of the raised plantation as per norms.*
- *Maintaining and monitoring the yearly survival rate of plantations by the FDAs.*

Chapter-7 General Services

General services include District Administration, Law & Order, Civic Amenities, Management of Solid Waste, e-Governance, Conservation of Lake *etc.* Of these, Civic Amenities and Conservation of Lakes were selected for detailed scrutiny and the results thereof are discussed in this chapter.

7.1 Civic Amenities

Out of the total population (9.55 lakh) of Nainital District (as per 2011 census), 39 *per cent* live in urban regions. Nainital District has one Nagar Nigam (NN) at Haldwani, three Nagar Palika Parishads (NPPs) at Nainital, Ramnagar, Bhowali and three Nagar Panchayats (NPs) at Bhimtal, Lalkuwan, Kaladhungi. The NN, NPP and NP function as institutions of self governance and receive grants and funds from the Government. These institutions also earn revenue through taxes, rents, issue of licenses, parking fees *etc.* and are mandated to utilize these funds for provision of adequate civic amenities like parking spaces, street lights, parks, disposal of waste, houses for urban poor and slaughter houses *etc.* Four Urban Local Bodies⁸⁰ (ULBs) were selected for detailed scrutiny in audit.

Test-check of the records of four selected ULBs revealed that five project works⁸¹ under Jawahar Lal Nehru National Urban Renewal Mission (JnNURM) flagship scheme were sanctioned for Nainital District by GOI during the period 2007-11. Of these, four project works *viz.*, IHSDP Haldwani (costing ₹ 25.32 crore), BSUP, Durgapur and Narainnagar (costing ₹ 9.30 crore and ₹ 10.49 crore) and Management of solid waste of Nainital town (costing ₹ 9.31 crore) were selected for detailed scrutiny. Further, 'Modernization of slaughter houses' at Ramnagar was also scrutinized. The results there of are discussed in the succeeding paragraphs.

7.1.1 Housing to urban poor

7.1.1.1 Excess release of funds

Nagar Nigam, Haldwani entered into two agreements (July 2010) with U P Project Corporation Ltd., Roorkee, amounting to ₹ 12.55 crore and ₹ 14.37 crore for construction of 422 and 501 houses respectively, for urban poor residing in the slum areas of Haldwani city under IHSDP, against which ₹ 6.64 crore was released as of March 2012. Details of release of funds are indicated in **Table 7.1** below:

⁸⁰ Nagar Nigam Haldwani, Nagar Palika Parishad Ramnagar, Nagar Palika Parishad, Nainital and Nagar Panchayat Bhimtal.

⁸¹ Integrated Housing and Slum Development Project (IHSDP), Haldwani (₹ 25.32 crore-2010-11), Basic Service to the Urban Poor (BSUP), Durgapur Nainital (₹ 9.30 crore-2007-08), BSUP, Narainnagar, Nainital (₹ 10.49 crore-2009-10), Reorganization of Nainital water supply (₹ 5.47 crore-2007-08), Sewerage System Nainital (₹ 19.60 crore) and Management of Solid Waste, Nainital (₹ 9.31 crore-2010-11).

Table-7.1: Detail of fund released under IHSDP project

(₹ in crore)

Funds released by State Government		Funds released by Nigam to executing agency	
Date of release	Amount	Date of release	Amount
20 January 2011	6.68	26 February 2011	2.64
20 January 2011	5.84	11 July 2011	3.00
		23 January 2012	1.00
Total	12.52		6.64

Source: Nagar Nigam Data

Clause 3 of the agreement envisaged that the Nagar Nigam, Haldwani will ensure adequate fund flow to the construction agency commensurate with the physical progress and financial progress of previously released funds/ last disbursement. The stipulated date of starting of construction work was July 2010 and the work was scheduled to be completed by December 2011. Accordingly, the site was handed over (August 2010) to the executing agency.

Audit scrutiny revealed that the executing agency started construction work of only 166 (18 per cent) houses against the required 923 houses and only 84 houses were completed (May 2012) at a cost of ₹ 1.89 crore after a delay of six months. The completed houses had various infrastructural problems such as non-construction of toilet pits, stairs and seepage in the rooms. The beneficiaries had taken possession of these houses. It was noticed that contrary to the agreement, funds released by Nigam to the executing agency were not proportionate to the physical progress of the construction, which resulted in excess release/ payment of ₹ 3.12 crore.⁸²

Further, as per the agreement, penalty was to be levied on the centage charges paid to the executing agency in case of delay in completion of works. It was found that penalty amounting to ₹ 0.77 lakh was not deducted from the centage charges by the Nigam.

In exit conference, the District Magistrate while accepting the facts intimated that the agreement with the executing agency has been cancelled (December 2012) and a new agency will be selected for construction of the remaining houses and recovery of the excess amount from the defaulter executing agency is being initiated.

7.1.1.2 Delay in construction

The Government of Uttarakhand accorded (March 2008) approval for construction of 200 houses, for 64 poor families of *Dhobighat* and 136 families of *Harinagar* slum areas, costing ₹ 9.30 crore under BSUP programme in Durgapur, Nainital town. Accordingly, the State Government selected (August 2008) PWD as the executing agency and Nagar Palika Parishad, Nainital (NPPN) as the nodal agency. The scheduled date of start of the project was August 2008 and the stipulated date of completion was November 2009. The site was handed over belatedly (September 2009) to the executing agency. It was noticed that against an amount of

⁸² Cost of 84 completed houses was ₹1.89 crore, while 82 houses were under construction- {₹2.25 lakh x 75 per cent} ₹1.68 lakh x 82 houses = ₹1.38 crore + ₹1.89 crore = ₹3.27 crore and centage @ 7.5 per cent on ₹3.27 = ₹25 lakh [₹1.89 + ₹1.38 + ₹0.25 = ₹3.52 crore]. Hence excess release was ₹6.64 crore - ₹3.52 crore = ₹3.12 crore.

₹ 2.33 crore received by the nodal agency, only ₹ 2.30 crore was released (2009-10 & 2011-12) to the executing agency.

Audit scrutiny revealed that the executing agency had started (July 2010) construction of 112 houses against the required 200. It was noticed that none of the houses were completed till the date of audit (September 2012). Even though the completion of the project was already delayed by 34 months, no initiative was taken by the nodal agency to fix the time line for completion of this project.

The Nagar Palika Parishad, Nainital replied that due to hilly area, time was taken in selection of the site and attributed the delay to the internal affairs of the executing agency. The reply was not acceptable as the NPPN had spent 18 months in selection of site from the date of approval of the project.

7.1.1.3 Non-starting of the BSUP, Narainnagar housing project

Government of Uttarakhand accorded (July 2010) approval for construction of 141 houses, for 16 poor families of *Narainnagar*, 71 of *Breside*, one family of *bakery* compound, five of *Mangawali*, four of *Rajpura*, 13 of *Jublihaal compound* and 31 of *Sukhatal* slum areas, under BSUP programme in Narainnagar, Nainital town. The approved cost of the project was ₹ 10.49 crore.

The NPPN selected (July 2010) UP Project Corporation Ltd., Roorkee as executing agency from the approved panel of executing agencies prepared by the State Government. The State Government released ₹ 2.18 crore for the project to the NPPN whereas the NPPN released (March 2011) only ₹ 2.44 lakh⁸³ to the executing agency and IIT Roorkee toward inception of project work and survey works. But the construction work had not been started even after a lapse of 25 months (September 2012) due to non-availability of land and led to dropping of the project; thus, depriving the poor urban families of housing facility.

7.1.2 Management of Solid Waste

Municipal Solid Waste (Management and Handling) Rules, 2000 make every municipal authority within the territorial area of municipality responsible for the implementation of the provisions of these rules and for any infrastructure development for collection⁸⁴, segregation⁸⁵, storage⁸⁶, transportation⁸⁷, processing⁸⁸ and disposal⁸⁹ of municipal solid waste. Management of Solid Waste (MSW) works were test checked in four out of seven ULBs of the district and the results thereof are discussed in the succeeding paragraphs.

⁸³ ₹ two lakh to executing agency for inception of project and ₹0.44 lakh to IIT Roorkee for geological survey.

⁸⁴ "Collection" means lifting and removal of solid wastes from collection point or any other location.

⁸⁵ "Segregation" means to separate the municipal wastes into the groups of organic, inorganic, recyclable and hazardous wastes.

⁸⁶ "Storage" means the temporary containment of municipal solid waste in a manner so as to prevent littering, attraction to vectors, stray animals and excessive foul odour.

⁸⁷ "Transportation" means conveyance of municipal solid waste from place to place hygienically through specially designed transport system so as to prevent foul odour, littering, unsightly conditions and accessibility to vectors.

⁸⁸ "Processing" means the process by which solid waste are transformed into new or recycled product.

⁸⁹ "Disposal" means final disposal of municipal solid waste in term of the specified measures to prevent contamination of ground water and ambient air quality.

7.1.2.1 Blockade of funds

Paragraph 48 of Chapter III of Uttarakhand Procurement Rules, 2008 envisaged that ordinarily, advances to contractors are prohibited and payments should be made only against the work actually done. However, exceptions may be permitted in a few cases or only with the sanction of the Government, subject to payment of interest till the amount is deducted or adjusted.

The NPPN entered (December 2011) into an agreement with M/s A 2 Z Maintenance and Engineering, Gurgaon, Haryana for ₹ 13.49 crore for handling of solid waste of Nainital town. Audit scrutiny revealed that prior to signing of the agreement, a complaint by an advocate against the selected firm was received (April 2011) at the NPPN intimating therein the failure of the aforesaid firm in executing MSW works of Bihar Sharif Municipal Corporation and the matter being pending in a Court of Law.

On this being pointed out that legal opinion should have been obtained before entering into the agreement, the NPPN stated that as the case of the firm was pending before the Court of Law and had not been decided, the firm could not be considered a defaulter. Audit observed that entering into an agreement with a tainted firm was inappropriate in the first place.

Further, it was found that NPPN released (December 2011) interest free advance of ₹ 80 lakh (10 per cent of the capital cost) to the firm. As per agreement schedule, the firm was required to complete the construction within a year of the agreement, but even after lapse of nine months (September 2012), the firm had neither procured any items nor started the construction works and the amount was lying unspent (September 2012) with the firm.

Audit noticed that despite various instructions issued by the Executive Officer, NPPN, the firm had not started the work and municipal waste was not being collected.

Thus, the NPPN, despite being aware of the conduct of the firm, selected a tainted firm, who had not started the work after a delay of nine months despite the availability of funds of ₹ 80 lakh, which remained blocked with the agency.

7.1.2.2 Insufficient infrastructure for handling of Waste

The four selected ULBs having population of 3.05 lakh⁹⁰ were generating (2011-12) 95 MT⁹¹ of waste per day. The details of requirements and availability of equipment to handle the waste is shown in **Table 7.2** below:

Table-7.2: Requirement and availability of equipment in ULBs

Name of item	Haldwani		Nainital		Ramnagar		Bhimtal	
	Req	Avl	Req	Avl	Req	Avl	Req	Avl
Dumper Placer	5	3	5	3	4	2	0	0
Refuse collector bins	2	1	0	0	0	0	0	0
Tipper	1	1	2	1	0	0	1	0
Tractor Trolley	2	2	0	0	2	1	1	1
Utility Jeep/ Tempo	3	1	1	1	2	1	4	1
Dustbins (RCC, Large)	150	42	40	40	24	24	40	40

Source: ULBs figures

Avl- Available, Req- Total Required.

⁹⁰ Information provided by ULBs (2011-12)-Nainital-41461, Bhimtal-7718, Haldwani-201433 and Ramnagar-54812=305424.

⁹¹ Nainital:-16 MT, Haldwani:-60 MT, Ramnagar:-18 MT and Bhimtal:-1 MT.

As can be seen from the above table that the ULBs were not having adequate infrastructure such as dumper placer, tipper and refuse collection bins to handle the generated waste. It was also noticed that the waste was handled by ULB employees without protective gears and was finally dumped in nearby forest areas and river banks. Besides, open transportation was used to carry the waste in contravention to the MSW Rule as can be seen in the photograph below:



Handling of waste without protective gears and disposing it near *Saladi* village in NP Bhimtal



Transportation of municipal waste un-hygienically at Nagar Nigam, Haldwani

Audit further noticed that projects for management of solid waste had not taken off in any of the four ULBs and were still in formulation stage in three ULBs⁹² even after a decade of enactment of MSW Rules, 2000.

7.1.2.3 Handling of municipal waste

(A) Nagar Nigam Haldwani

As per MSW Rules, an authorisation is to be sought by the municipalities from SPCB for handling MSW waste. It was noticed that SPCB had not issued authorisation to Nagar Nigam, Haldwani. Further, NN Haldwani had prepared (March 2012) a Detailed Project Report (DPR) costing ₹ 16.46 crore for Management of Solid Waste which was not sanctioned by the State Government as of August 2012. It was further noticed that NN Haldwani was dumping generated waste in un-segregated manner at *Gola Rokhar* dumping ground (as can be seen in the photographs below).

⁹² NN Haldwani, NPP Ramnagar and NP Bhimtal



**Unsegregated dumped waste at *Gola Rokhar*,
Haldwani**



**Waste being washed away by flood in *Gola river*
Haldwani (old dumping site)**

During joint physical verification, audit came across with the evidences of waste being washed away in the Gola River (as can be seen in the photograph above) thus, polluting the river water.

(B) *Nagar Palika Parishad, Ramnagar*

Nagar Palika Parishad, Ramnagar had submitted (April 2012) a proposal for trenching ground on forest land which was rejected (July 2012) by the Forest Department. Test-check of records of NPP, Ramnagar revealed that door to door collection of segregated biodegradable and non-biodegradable waste were initiated by the NPP (August 2012). In the preliminary stage only five wards out of 15 wards were selected for the collection through *Mohalla Swachhata Samitis*. However, physical verification revealed that the waste of the remaining ten wards were being collected in an un-segregated manner and dumped on the *Kosi River* bank causing the contamination of the river water: The facts were accepted by the NNP authorities. The **photographs** below show the un-segregated waste dumped on the bank of *Kosi River*.



Un-segregated dumped waste at *Kosi River*, Ramnagar



Dumped waste overflowed to *Kosi River*

(C) *Nagar Palika Parishad Nainital*

Nagar Palika Parishad, Nainital failed to start the Management of Solid Waste works even after a lapse of nine months despite entering into an agreement with a firm as discussed in Paragraph 7.1.2.1. Meanwhile the ULB engaged a firm which was earlier working in Nainital area under National Lake Conservation Plan project to continue with collection and segregation of the

⁹³ Lok Chetna Manch.

waste. It was observed that the firm was collecting un-segregated waste and dumping it in the forest land near *Hanumangarhi* temple thus, polluting the forest area as shown in the photographs below:



Collection of un-segregated waste by the firm



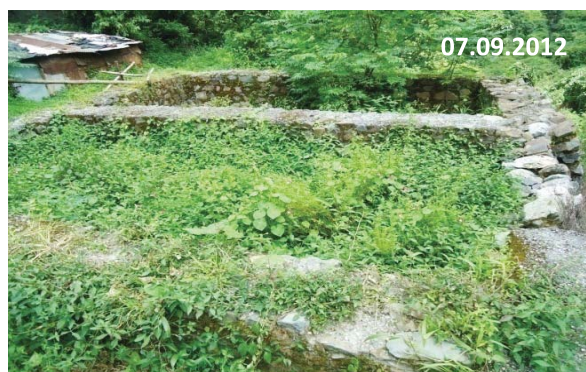
Un-segregated waste dumped at forest land near Hanumangarhi temple.

(D) Nagar Panchayat, Bhimtal

Nagar Panchayat, Bhimtal had neither prepared any plan for MSW work nor formed *Mohalla Swachhata Samitis* for door to door collection and segregation of waste. On this being pointed out, the NP, Bhimtal stated that they had no land for composting the waste thus, no plans could be formulated. However, audit noticed that NP, Bhimtal had constructed (April 2007) a trenching ground in a populated area from *Awasthapana Nidhi* at a cost of ₹ 5.79 lakh but the same was not being used for disposing off the waste as shown in the photographs below:



Un segregated waste dumped at hill slope near Saladi village



Unused Trenching Ground constructed besides NP Bhimtal

As this trenching ground was not used for the intended purpose, the entire waste was being dumped unauthorisedly at the slopes near *Saladi* village on Bhimtal-Haldwani road as shown in the above photographs.

Thus, all the selected ULBs were not following MSW rules, 2000 and collected waste were finally dumped at nearby forest areas and in river banks causing pollution to the environment.

7.1.3 Modernization of abattoir⁹⁴

Ministry of Food Processing Industries, GOI, had launched a scheme for modernization of abattoirs during 2008-09. It was a comprehensive scheme, which included modernization of existing abattoirs with higher level of financial assistance of 75 per cent for difficult areas such as Uttarakhand State. The regulatory functions of the scheme were to be discharged through local bodies.

Audit scrutiny revealed that NPP Ramnagar prepared a DPR amounting to ₹ 1.70 crore for modernization of abattoir at *Khatari* locality and forwarded (February 2009) it to the State Government. The State Government directed (March 2009) and issued reminders (June, August and October 2009) to NPP, Ramnagar to submit elaborated financial viability assessment (as required under paragraphs 4.3 (b) and 5 of the guidelines), report/ comments of the Veterinary Department and approved proposals of the Municipal Board in the DPR.

Audit observed that NPP, Ramnagar failed to submit the same in proper format as required by the Authorities, which led to non-approval of the DPR even after 29 months from the date of submission of proposal. Physical inspection during audit revealed that the animals were openly being slaughtered daily in unhygienic conditions as shown in the photographs below and waste was flowing directly into the *Nallah*.



The NPP, Ramnagar stated that foolproof proposal was submitted to the Directorate of Urban Development, Uttarakhand, but no sanction was communicated till date (September 2012). It was further stated that action will be taken against the unauthorized persons involved in slaughtering of animals in the open. The reply of NPP Ramnagar was not acceptable as elaborated financial viability assessment report was not submitted with DPR as required under the guidelines.

In the exit conference, the Executive officer accepted the facts and stated that notices were issued to responsible persons and slaughtering in open has been stopped since January 2013.

⁹⁴ Slaughter house.

Thus, the indifferent approach of the functionaries deprived NPP Ramnagar of grants for modernization of the slaughter house amounting to ₹ 1.70 crore. Slaughtering of animals was being done in an unscientific and unhygienic manner, which remains a serious health hazard.

Recommendations

The State Government/ District Administration may consider to ensure:

- *Availability of land before taking up of housing projects related to slum areas.*
- *Completion of the projects for management of solid waste in all the four ULBs.*

Conservation of lakes

7.2 National Lake Conservation Plan

Recognizing the importance of lakes, the National River Conservation Directorate (NRCD), Ministry of Environment and Forests (MOEF), Government of India (GOI) launched (2001) National Lake Conservation Plan (NLCP), a Centrally Sponsored Scheme, with the objective of conserving urban and semi-urban lakes degraded due to waste water discharge into the lakes and restoring other unique fresh water ecosystems through an integrated ecosystem approach.

Nainital District has earned the epithet – ‘Lake District of India’. GOI sanctioned (June 2003 and August 2003) projects amounting to ₹ 16.85 crore for conservation and management of four lakes namely *Bhimtal*, *Naukuchiyatal*, *Sattal* & *Khurpatal* and ₹ 47.97 crore for Nainital Lake under NLCP. The Nainital Lake Region Special Area Development Authority (NLRSDA), Nainital with Divisional Commissioner, Kumaon as its ex-officio chairperson, was selected (September 2003) as nodal agency to execute and monitor the works. A total of 29 project works⁹⁵ were to be executed under the project at a cost of ₹ 64.82 crore. The projects were to be completed within August 2006.

7.2.1 Financial Management

The scheme was funded by the Centre and State on 70:30 cost sharing basis. The 30 *per cent* State share included the share of local bodies (up to 10 *per cent*) for ensuring public participation in the project.

The GOI and State Government released ₹ 61.55 crore to the nodal agency up to September 2010. Against this, the executing agencies incurred expenditure amounting to ₹ 56.59 crore up to March 2012. An amount of ₹ 7.76 crore⁹⁶ was lying unspent with the nodal agency and ₹ 2.05 crore was lying with the executing agencies as of March 2012. Apart from this, an interest of ₹ 4.86 crore was accrued on the unspent balance at the nodal office. The status of release of funds by GOI *vis-a-vis* State share is depicted in **Table 7.3** below:

⁹⁵ 10 project works of other four lakes and 19 project works of Nainital Lake.

⁹⁶ ₹ 2.90 crore project amount pending for release with nodal agency + ₹ 4.86 crore interest.

Table- 7.3: Details of State Share under NLCP (*₹ in crore*)

Year	Fund released for Nainital Lake works				Fund released for other four lakes works			
	GOI share	State Share			GOI share	State Share		
		Required	Actual	Shortfall		Required	Actual	Shortfall
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1997-03	0	14.39	10.75	(-)3.51	0	5.06	0	3.51
2003-04	5.60		6.40 ⁹⁷		2.00		0.85	
2004-05	10.00		0.75		3.00		00	
2005-06	00		00		00		00	
2006-07	7.33		00		3.50		00	
2007-08	1.60		00		2.68		0.70	
2008-09	3.40		00		00		00	
2009-10	00		00		00		00	
2010-11	3.00		00		00		00	
Total	30.93	14.39	17.90	(-)3.51(24%)	11.18	5.06	1.55	3.51 (69%)

Source: Records of NLRSA

It is evident from the above table that there was a shortfall (69 per cent) in release of the State share for other four lakes and an excess amount (24 per cent) was released in case of Nainital Lake.

7.2.1.1 Irregular expenditure

Mentioned was made in Paragraph 3.1.5 of the Report of C&AG of India for the year ended 31 March 2011, Government of Uttarakhand that the Nainital Lake Region Special Area Development Authority, without obtaining approval from the GOI, constructed an aquarium costing ₹ 1.40 crore at Bhimtal Lake. The cost of the aquarium was met by diverting funds meant for soil conservation works (₹ 80 lakh), Low Cost Sanitation (LCS) and dredging works (₹ 25 lakh each) and ₹ 10 lakh from Miscellaneous Funds allocated for other four lakes under NLCP.

Audit scrutiny further revealed that two works costing ₹ 28.32 lakh⁹⁸ were irregularly executed by the orders of Project Monitoring Committee headed by Divisional Commissioner by diverting funds meant for NLCP. These works were neither included in the Detailed Project Report of NLCP nor approved by the National River Conservation Directorate.

Thus, in contravention to financial rules the funds under the NLCP project were diverted without approval of the GOI.

7.2.2 Project implementation

7.2.2.1 Non submission of Program Evaluation Review Technique (PERT) chart

As per instructions contained in the sanction orders of the projects, the PERT chart⁹⁹ for implementation of the schemes was required to be submitted by the NLRSA to National

⁹⁷ ₹ 2.40 crore (November 2003) plus ₹ 4.00 crore (December 2003).

⁹⁸ Repairs, renovation and railing work of Nainital-Almora B-2 road through PWD: ₹ 16.32 lakh, Installation of CCTV cameras in and around Nainital Lake through SSP Nainital: ₹ 12.00 lakh.

⁹⁹ A PERT (Program Evaluation Review Technique) chart is a project management tool used to schedule, organize and coordinate tasks within a project.

River Conservation Directorate. It was noticed that the NLRSA had not prepared or submitted the PERT chart as required under the project and submitted (July 2004) only the up-to-date physical and financial progress of the projects. Thus, in absence of PERT chart, the project works were taken up by the executing agencies without fixed timelines.

7.2.2.2 Delay in completion of project works

Audit scrutiny revealed that out of a total of 29 works sanctioned under NLCP in the district, 11 works remained incomplete as of March 2012 even as six years had elapsed from their scheduled date of completion. Details of incomplete works are shown in the **Table 7.4** below:

Name of Component	Sanctioned amount	Number of works	Status of works		Works not started
			Completed	Incomplete	
(1)	(2)	(3)	(4)	(5)	(6)
Nainital Lake					
Sewerage system	15.20	3	3	0	0
Hydraulic Works	15.87	3	1	0	2
Restoration & Dev. Works	7.44	4	4	0	0
Catchment Conservation works	1.25	2	2	0	0
Infrastructure facilities	3.80	6	2	1	3
Social Awareness	0.87	1	0	1	0
Unforeseen Misc.exp.	3.55	0	0	0	0
Total (A)	47.98	19	12	2	5
Other four lakes					
Soil Conservation & Watershed Mgmt.	5.91	1	1	0	0
Sewerage & Sanitation works	4.63	3	3	0	0
Hydraulic & Restoration works	2.42	2	1	0	1
Bio-manipulation & developmental works	2.48	2	0	2	0
Water conservation & Infrastructure facilities	0.14	1	1	0	0
Social Awareness	0.46	1	0	1	0
Unforeseen Misc.exp.	0.80	0	0	0	0
Total (B)	16.84	10	6	3	1
Grand total (A+B)	64.82	29	18	5	6

Source: NLRSA records.

The NLRSA admitted the above facts and attributed the delay to geographical conditions and atmosphere of the lake areas. The reply was not acceptable as the DPRs of the project works should have been prepared with due consideration to the atmosphere of the lake areas. Moreover, if the PERT chart had been prepared, the project works could have been completed within stipulated period.

Thus, the nodal agency could not complete the sanctioned works even after considerable delay of six years from the scheduled date of completion.

7.2.2.3 Management of Solid Waste

Government of India sanctioned ₹ 81 lakh (August 2003) and ₹ 70 lakh (June 2003) for the purchase of equipment for handling of waste in Nainital Lake and other four lakes area respectively. Against this, NLRSA prepared a comprehensive plan for Management of Solid Waste¹⁰⁰ and spent an amount of ₹ 4.14 crore for the work. The additional amount of ₹ 2.63 crore¹⁰¹ was met out by diverting funds from other components¹⁰² of NLCP. Audit scrutiny revealed the following deficiencies in execution of the comprehensive MSW plan:

- Out of ₹ 1.51 crore NLRSA spent only ₹ 68.30 lakh on the purchase of equipment while an amount of ₹ 82.70 lakh was spent on other works for which separate account was not kept.
- An agreement, for three years (2008-11) was entered into with Lok Chetna Manch for door to door collection and segregation of waste of Nainital Lake area and areas surrounding the other four lakes to minimize the bin/receptors culture, composting the biodegradable waste and scientific end use disposal of non-biodegradable waste. An amount of ₹ 68.30 lakh and ₹ 81.25 lakh were spent on purchase of equipment and Operation and Maintenance (O&M) works respectively. It was noticed that the firm could collect only 7,100 MT (50 *per cent*) of waste against the total 14,100 MT generated. Further, the firm was able to segregate only 4,615 MT (65 *per cent*) of collected waste, of which, only 180 MT (six *per cent*) of bio-degradable waste and 2.43 MT (0.21 *per cent*) non-biodegradable wastes could be disposed off scientifically. Thus, the expenditure incurred on O&M (₹ 81 lakh) remained unfruitful as the firm could dispose only 1.3 *per cent* of the total generated waste.
- In violation of the Forest Conservation Act, 1980, the NLRSA constructed composting pits costing ₹ 41.77 lakh on the forest land without its transfer from the Forest Department at Narain Nagar. It was noticed that the firm could compost only 180 MT waste out of a total of 3,230 MT bio-degradable waste. Further, during joint physical verification, it was noticed that the site had not been in use since May 2011 as shown in the photograph below:



Unused composting pit at Narain Nagar, Nainital

¹⁰⁰ Door to door collection, segregation, composting and recycling of waste generated in Nainital Lake and other four lake areas.

¹⁰¹ Total expenditure of ₹ 4.14 crore-₹ 1.51 crore (₹ 0.81 crore+₹ 0.70 crore).

¹⁰² ₹ two crore from low cost sanitation, ₹ 80 lakh from soil conservation works and ₹ 50 lakh from unforeseen miscellaneous fund.

On this being pointed out, NLR SADA replied that the pit, now transferred to NPPN, was not found suitable for composting due its inadequate size and water retention capacity. The reply of the NLR SADA was not acceptable as these factors should have been considered at the time of construction of the pits. Further, use of forest land without the approval of GOI was in violation of the Act. Thus, the expenditure of ₹ 41.77 lakh remained unfruitful.

- An amount of ₹ 1.79 lakh was spent on construction of trenching ground at Bhimtal for composting of bio-degradable waste generated. The trench was not being used by the firm due to non-collection of waste and non-formation of *Mohalla Swachhta Samitis*. Thus, expenditure incurred on construction of trenching ground remained unfruitful.
- A Recycling plant costing ₹ 2.21 crore was constructed (March 2010) at Kathgodam (Haldwani) for recycling the non-biodegradable waste generated in Nainital district. ULBs of the district were to segregate non-biodegradable waste which was to be recycled through this plant. Audit scrutiny revealed that due to erratic supply of electricity to the plant since inception and non-posting of operator, the plant remained non-functional till August 2012. Further, it was also observed that the ULBs have failed¹⁰³ to segregate the municipal waste into bio-degradable and non-bio-degradable so as to supply (referred to in Paragraph 7.1.2.3 above) adequate raw material to the plant. Thus, the expenditure incurred on the recycling plant remained unfruitful.

Thus, only 1.3 per cent of the total generated waste could be processed even after incurring an expenditure of ₹ 4.14 crore¹⁰⁴.

7.2.2.4 Low Cost Sanitation

Low Cost Sanitation means conversion of the existing dry latrines into low cost flush latrines and to construct new ones where none exist. Due to inadequate sewerage lines in the district, National River Conservation Directorate, GOI sanctioned (August and June 2003) ₹ 3.54 crore for Nainital Lake and ₹ 2.59 crore for other four lakes for construction of household toilets, community toilets and urinal blocks.

- Audit scrutiny of LCS works of Nainital Lake revealed that against 1,574 sanctioned household toilets, no toilets were constructed. It was also observed that against 16 sanctioned community toilets, 27 were constructed at a cost of ₹ 1.16 crore, which included 14 toilets constructed at unapproved places. Further, during joint physical verification, audit found that the LCS constructed had various infrastructural problems like broken seats and urinal pots.

¹⁰³ Due to expiry of MSW agreement with Lok Chetna Manch and the firm was handling municipal waste without segregation.

¹⁰⁴ ₹ 68.30 lakh (Purchase of Equipment) + ₹ 81.25 lakh (O&M) + ₹ 41.77 lakh (construction of composting pits at Nainital) + ₹ 1.79 lakh (construction of composting pits at Bhimtal) + ₹ 2.21 crore (construction of Recycling plant).

- Audit scrutiny of LCS works of other four lakes revealed that no household toilets against the sanctioned 943 were constructed. Against 13 sanctioned community toilets, only nine were constructed.

In reply, NLRSDA attributed the non-construction of household toilets to laying of sewer lines in catchment area of Nainital lake and stated that the construction of community toilets were made as per requirement felt in joint physical inspection by the municipal ward members and various departmental delegates. The reply was not acceptable as the decision to not construct household/community toilets should have been communicated to GOI.

7.2.2.5 Social Awareness

(A) Government of India approved (August and June 2003) ₹ 87.09 lakh and ₹ 45.79 lakh for Public Awareness programme under NLCP for Nainital lake and four other lakes respectively. Activities under this programme included group meetings, slide shows and audio visual films for local community, educational cum entertainment programmes, Tourist Information Centres and access to literature on eco-tourism for tourists.

Scrutiny of the records revealed that the NLRSDA could spend only ₹ 36.74 lakh¹⁰⁵ (42 per cent) against the sanctioned amount of ₹ 87.09 lakh for Nainital Lake. Further, NLRSDA had not proposed various activities for local communities; tourists *etc.* in its public awareness plan in the DPR even after a lapse of six years of the approval of the project.

On this being pointed out, the NLRSDA replied that the Social awareness programme, being a continuous process, funds were utilized as and when required. The reply was not acceptable as all the sanctioned project works were to be completed within August 2006, which cannot be spent for indefinite period.

(B) The GOI accorded approval of ₹ 45.79 lakh for public awareness programmes under other four lakes projects. Scrutiny of records revealed that the Chairman (Divisional Commissioner), Project Monitoring Committee (PMC), approved (December 2005) construction of hall-cum-office below the parking of the Bhimtal Lake for public awareness which was not provided for under public awareness programmes. The construction work was arbitrarily¹⁰⁶ assigned, without adopting tendering process, to a firm¹⁰⁷ on turnkey¹⁰⁸ basis. The NLRSDA released (March to August 2006) advance payments of ₹ 20 lakh to the executing agency. The firm had partly constructed the building at a cost of ₹ 12.88 lakh and left the remaining works incomplete (August 2007). The balance amount of ₹ 7.12 lakh was lying with the firm since

¹⁰⁵ ₹ 33.41 lakh on print media and ₹ 3.33 lakh (₹ 2.31 lakh on glow sign board and ₹ 1.02 lakh on Lake Warden programme).

¹⁰⁶ The selection of the construction firm without calling for tenders was in violation of paragraph 360 of Financial Hand Book (FHB) Volume-VI.

¹⁰⁷ M/s Design & Development Forum, New Delhi.

¹⁰⁸ Turnkey is a product or service that is designed, supplied, built or installed fully complete and ready to operate. The term implies that the end user just has to turnkey and start using the product or service.

last six years. The firm had not responded to the correspondence made in this regard by NLR SADA and no effort was made by NLR SADA to take action against the concerned firm.

The NLR SADA stated that the balance amount will be recovered from other works undertaken by the firm. The reply was not acceptable as NLR SADA had not made any correspondence with the firm since last two years. Moreover, it failed to produce any documentary evidence for making efforts to recover the said amount from another project.

7.2.2.6 Operation and Maintenance

The guidelines envisaged that the O&M shall be a part of the project and the cost thereon shall be borne entirely by the State/ local bodies for which additional resources have to be demonstrably raised and committed to O&M. Further, the assets created under NLCP shall be handed over to local bodies after completion and construction agency shall continue to maintain assets on contract basis till such time the local body acquires the necessary technical expertise for this purpose.

Scrutiny of records revealed that the State Government did not mobilize the share of the local bodies for O&M and issued orders, contrary to the instructions, for maintaining the assets by executing agencies. The maintenance of assets by executing agencies was to be a temporary arrangement till the local bodies attained technical expertise. It was noticed that the local bodies were not handed over assets barring two Low Cost Sanitation and few equipment of MSW and the assets were being maintained by the executing agencies from one to six years as of March 2012.

In exit conference, the District Magistrate stated that instructions were issued to NLR SADA to hand over the assets to the concerned municipalities.

7.2.3 Water quality

National Lake Conservation Plan guidelines envisaged that in the absence of specific water quality criteria developed in respect of lakes, designated best use criteria for surface water for bathing quality as given in Central Pollution Control Boards (CPCB) norms shall be the target for lake water quality. Scrutiny of records of NLR SADA revealed that during the audit period, testing of quality of water in other four lakes was conducted only in the year 2010-11. A comparison of various indicators of pollution at the time of initiation (2003-04) of NLCP and in 2010-11 showed an improving trend of water quality. Water quality data maintained by NLR SADA is shown **Table 7.5** below:

Table 7.5 : Water quality of lakes

Name of Lake	pH		Dissolved Oxygen (mg/l)		Bio chemical Oxygen Demand (mg/l)	
Normative Requirement	Between 6.5 and 8.5		5mg/l or more		6mg/l or less	
(1)	(2)		(3)		(4)	
Year	2003-04	2010-11	2003-04	2010-11	2003-04	2010-11
Nainital	8.10	8.02	4.63	9.45	21.00	7.15
Bhimtal	8.00	8.20	6.80	5.20	7.00	6.20
Naukuchiyatal	8.88	8.50	10.00	6.90	20.00	15.2
Sattal	8.42	8.20	9.40	7.50	13.40	12.50
Khurpatal	8.23	8.20	5.90	8.50	8.83	6.50

Source: Records of NLRSDA

It is evident from the above table that the water quality of Nainital lake has improved, as the Dissolved Oxygen parameter rose from 4.63 mg/l to 9.45 mg/l while, the presence of Bio-chemical oxygen demand has reduced from 21 mg/l to 7.15 mg/l from 2003-04 (i.e. since inception) to 2010-11. Further, in other four lakes (Bhimtal, Naukuchiyatal, Sattal and Khurpatal) the presence of Bio-chemical oxygen demand have also decreased ranging from 20 mg/l to 6.20 mg/l during 2003-04 to 2010-11.

Thus, the water quality of the all lakes has improved after the initiation of lake conservation project under National lake Conservation Plan.

Chapter-8 Human Resource Management and Internal Control System

8.1 Human Resource Management

The sufficiency of staff is necessary for successful implementation of schemes/ programmes. The overall Sanctioned Strength (SS) and Men-in-Position (MIP) of all the departments in the district was not available. However, data relating to 21 line departments out of 52 line departments of Nainital District was compiled (2012) by the District Economic & Statistical Officer as shown in **Table 8.1** below:

Table 8.1: Details of Sanctioned Strength and Men in Position of 21 departments of Nainital District

Sl. No.	Department	Group-‘A’ & ‘B’			Group-‘C’ & ‘D’		
		Sanctioned Strength	Men in Position	Shortage (per cent)	Sanctioned Strength	Men in Position	Shortage (per cent)
1	Line departments	753	603	150(20)	9780	8273	1507(15)
2	PRIs	3	1	2(67)	506	135	371(73)
3	ULBs ¹⁰⁹	0	2	0	1446	904	542(37)
4	Other (UDWDP)	17	9	8(47)	28	29	-1
Total		773	615	160(20)	11760	9341	2419(21)

Source: District Economic & Statistical Officer

Audit noticed that even this data was not complete as information relating to various units within the 21 departments was not included. The shortage in these line departments ranged between 11 to 57 *per cent* for Group ‘A’ and ‘B’ cadre and 02 to 52 *per cent* in ‘C’ and ‘D’ cadre as shown in **Appendix–8.1**. The shortage was noticed especially in key posts, i.e. Assistant Engineers (AEs), Junior Engineers (JEs), Doctors, Teachers and *Gram Rojgar Sahayak* (GRS) as discussed in the subsequent paragraphs.

8.1.1 Non-revision of Sanctioned Strength

Test-check of selected departments/ divisions revealed that despite considerable increase in budgets¹¹⁰ for implementation of various schemes, the deployment of staff was not according to the sanctioned strength during 2007-08 to 2011-12 in respect of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Urban Local Bodies (ULBs), Forest, Nainital Lake Region Special Area Development Authority (NLRSA), Medical Department, District Ayurvedic & Unani Office, Uttarakhand Jal Nigam (UJN)/ Uttarakhand Jan Sansthan (UJS) and Uttarakhand Decentralised Watershed Development Project (UDWDP), as shown in the **Appendix–8.2**. The deficiency of staff ranged from 5 to 83 *per cent* against the Sanction Strength (SS) in these departments/ divisions. Besides, no revisions in the staff strength was done in respect of the test checked ULBs.

¹⁰⁹ {SS=ZP-49, GP-460} {MIP=ZP -38, GP-98}

¹¹⁰ ₹ 55.02 crore in 2007-08 and ₹ 80.12 crore in 2011-12

8.1.2 Shortage of key functionaries

The doctors and para medical staff are responsible for providing adequate health services to the people and perform its role as key functionaries in the Medical Health and Family Welfare Department, while Assistant Engineers (AE) and Junior Engineers (JE) are the key functionaries for executing civil works in various engineering departments which are executing different flagship schemes. The Range Officer, *Van Daroga* and Forest Guard are meant for protection of forest. Besides, *Gram Rozgar Sahayaks* are responsible for implementation of MGNREGS works at GP level. The shortage noticed against key posts is detailed in **Table 8.2** below:

Table - 8.2: Status of shortage in key posts

Name of selected schemes	Key Post	Sanctioned Strength	Men In position	Shortage	Percentage
Irrigation divisions	Assistant Engineer	14	13	1	07
	Junior Engineer	58	39	19	33
Medical Health & Family Welfare	Doctors	203	143	60	30
	X-Ray technician	13	5	8	62
	Lab Technician	24	16	8	33
	Pharmacist	93	82	11	12
Ayurvedic & Unani Office	Doctors	53	40	13	25
	Pharmacist	37	14	23	62
UJN & UJS	Assistant Engineer	23	15	8	35
	Junior Engineer	69	36	33	48
	Fitter & Draftsman	130	88	42	32
UDWDP (EAP)	Unit Officer	4	3	1	25
	Asstt. Development Officer	4	3	1	25
Forest Department	Ranger	51	11	40	78
	Dy. Ranger	92	69	23	25
	Van Daroga	337	205	132	39
	Forest Guard	923	510	413	45
	Surveyor	6	0	6	100
ULBs	Junior Engineer	2	1	1	50
	Sweeper	688	560	128	19
NLRSA	Assistant Engineer	3	1	2	67
	Junior Engineer	6	4	2	33
MGNREGS	Gram Rojgar Sahayak	115	4	111	97
	Junior Engineer	44	13	31	70

Source: Departments figures

Scrutiny of records revealed the following:

- In Minor Irrigation Division, Bhimtal, an AE was looking after the works of two sub-divisions (Nainital & Dhari) having responsibility for execution of 350 schemes

(₹ 17.38 crore) of five blocks during 2007-12. An Additional Assistant Engineer (AAE) was also looking after the charge of AE, Haldwani sub division and monitoring his own work of 201 schemes amounting to ₹ 19.60 crore. Further, the duty of Draughtsman, responsible for technical assistance to Executive Engineer, was being performed by a ministerial staff i.e. by Head Assistant;

- In NLRSA no Project Implementing Unit (PIU) was established as envisaged in the NLCP guidelines. Only one project engineer was deployed on contract basis for implementing the project works.

8.1.3 Capacity building-Training

Training is a continuous process for improvement of the skills of an organization's manpower. Training assumes greater significance in the public service departments because of rising public expectations.

Audit observed lack of/inadequate incidence of training under the selected schemes/ implementing departments and local bodies except in projects such as UDWD and SWAJAL, who had prepared their training plan and nominated the staff for training. The staff of MGNREG scheme was provided training only at the beginning of the scheme in the year 2007-08. While in NRDWQM & S, out of a total 655 functionaries of 131 GPs, 210 functionaries (32 per cent) had not been provided training. Moreover, in NRHM, 920 Accredited Social Health Activists (ASHA) against the total of 940 ASHAs were successfully trained up to March 2012.

8.2 Internal control

Internal control is an integral part of an organization's operations which provides an excellent tool for managers to ensure efficient, effective and economic utilisation of resources. It also ensures that financial interests and resources are safeguarded and reliable information is available to the administration. Internal audit (IA), as an independent entity, examines and evaluates the level of compliance to the Departmental rules and procedures and provides independent assurance to management on the adequacy or otherwise of the existing internal controls.

8.2.1 Internal audit

It was noticed that the audit of all the eight *Kshetra Panchayats* (KPs) of the district had not been conducted and the audit of *Gram Panchayats* (GPs) had declined from 85 to three since 2007-08 to 2011-12. The shortfall in conducting audit by District Local Fund Audit (DLFA) and Co-operative & Panchayat Audit (CPA) against the units planned during the period 2007-08 to 2011-12 ranged between 71 to 93 per cent and 45 to 62 per cent respectively as indicated in **Appendix-8.3**. A total number of 6,986 Audit paragraphs of DLFA and 7463 Paragraphs of CPA were outstanding as of March 2012. On this being pointed out, the District Local Fund Audit (DLFA) attributed the shortfall in conducting inspections to the shortage of manpower.

Scrutiny of internal audit in test checked schemes revealed that no records of Internal Audit (IA) existed in majority of the selected units. In NRHM the balance sheet was prepared by Chartered Accountants up to 2011-12. No details of internal audit were provided by the District Programme coordinator (DPC) in respect of MGNREG scheme.

8.2.2 Accounts and reconciliation

Effective management of accounts and reconciliation activities greatly increases the department's ability to proactively identify lapses, if any, and resolve other issues related to accounts. Accounting information and reconciliation enable the authorities to monitor the progress of receipts and expenditure under different schemes/ programmes.

Scrutiny of records of implementing agencies of selected schemes/ programme revealed the following deficiencies in the maintenance of accounts.

8.2.2.1 Multiple Bank Accounts: The departments, namely ULBs, UJS and NLRSAIDA did not maintain scheme specific accounts and deposited the funds of various schemes in multiple bank accounts.

8.2.2.2 Bank Reconciliation Statement (BRS): BRSs were not maintained by six units namely NP Bhimtal, UJS Nainital, NLRSAIDA, PHC Bhimtal, Female Hospital Haldwani and B D Pandey (Female) Hospital, Nainital. BRS for MGNREG scheme was also not maintained either at DPC, Blocks and GP level.

8.2.2.3 Accounting system: The Ministry of Urban Development, in consultation with the Comptroller & Auditor General of India, developed National Municipal Accounting Manual (NMAM) for double entry system of accounting for ULBs. None of the selected ULBs had adopted the same as of November 2012.

8.2.2.4 Cash Book: Cash Book of MGNREG scheme was not being made as per format in the DPC, Blocks and GPs.

8.2.2.5 Other Accounts: Minor Irrigation Bhimtal and Kosi Construction Division-2 Ramnagar did not maintain Form 63, in the absence of which, Audit could not ascertain and verify the actual expenditure incurred on various works/ schemes. Further, Female Hospital, Haldwani had not maintained the details of expenditure (₹1.78 Lakh) incurred in Pulse Polio programme. Moreover, vouchers were being made on plain papers and were not being countersigned/ certified by the Medical Officer-in-Charge.

8.2.3 Upkeep of records

Record keeping is a fundamental activity of public administration without which, there can be no rule of law and no accountability. Public servants must have information to carry out their work. Further, records provide a reliable and legally verifiable source of evidence of decisions and actions.

Scrutiny of records of implementing agencies of selected schemes/ programmes revealed the following:

- None of the test checked ULBs had updated their assets register.
- NPP Ramnagar maintained non-consumable and consumable stock in the same stock register. The ULB had not worked out the closing balance of the stocks nor verified stock as required by the financial rules.
- Minor Irrigation division, Bhimtal had neither maintained the assets register nor monitored the created assets. Further, the stock account had also not been updated since March 2008.
- The District Ayurvedic & Unani Officer (DAO), Nainital had not maintained the stock register as per prescribed norms, in the absence of which audit could not ascertain the closing balance of medicines.
- In MGNREGS, Job card registers were not maintained at *Bhavanipur Khulbe* and *Nathupur* GPs of Ramnagar Block while nine out of 24 selected GPs did not maintain the Muster Roll Receipt Registers. Thus, the Muster Rolls issued by the blocks could not be reconciled at GPs level.

8.2.4 Right to Information

Right to Information (RTI) was enacted in all the departments/ executing agencies and was working effectively. A total of 3661 RTIs, 161 appeals and 55 cases had been filed and disposed of, while in four cases the penalty was also imposed.

8.2.5 Citizens charter

As per “Citizens Right to Grievance Redress Bill, 2011” every public authority shall publish a Citizens Charter within six months of the commencement of the Act. Scrutiny of the records of public authorities in respect of sampled schemes¹¹¹ showed that DPC, Jal Sansthan, NLRSA and ULBs had not displayed citizens charter while in Medical Department, citizens charter was found to have been placed in two out of four selected PHCs and in three out of 24 selected Sub Centers only.

8.2.6 Public grievance mechanism

As per Citizens Right to Grievance Redress Bill, 2011 every public authority shall establish Information and Facilitation Centre for efficient and effective delivery of services and redressal of grievances which may include establishment of customer care centre, call center, help desk, people’s support center *etc.*

Audit scrutiny of the records of implementing agencies of the selected schemes revealed that no complaint registers were maintained in B. D Pandey Female Hospital, Nainital, CHC Bhowali and four PHCs¹¹². Similarly, no grievance redressal mechanism was found in existence in ULBs and NLRSA. However, UJS divisions had maintained complaint register and compliances

¹¹¹ MH&FW, UJBs, LDA and UJS.

¹¹² Bhimtal, Motahald, Bailparao and Ramgarh.

were made accordingly. Besides, a help line had been established at DPC level for Grievance Redressal of MGNREGS but no register was maintained for the same.

8.2.7 Monitoring Mechanism

The District Project Monitoring Committee (DPMC), in the absence of the statutory DPC, was required to review/monitor the progress of schemes on quarterly basis. In addition, the State Government constituted a District Task Force to supervise major flagship schemes in the district. Each member of the task force was to physically verify 25 units in a month. The details of target and achievement of inspections carried out by DPMC during the period 2007-12 is indicated in **Table 8.3** below:

Table 8.3: Detail of Monitoring by DPMC

Year	2007-08	2008-09	2009-10	2010-11	2011-12
Target	2400	2400	2400	2400	1800
Achievement (Per cent)	1234 (51)	911(38)	720(30)	1854(77)	1510(84)

Source: Records of DESTO

From the above table it may be seen that there was a shortfall in the supervision of schemes ranging between 16 to 17 *per cent* during 2007-08 to 2011-12. Scrutiny revealed that during 2010-12, members of the task force verified large numbers of units in the month of March which was disproportionate to the normative requirement of 25 units in a month. The DESTO stated that due to heavy departmental workload the targets could not be achieved. Besides, the DPMC convened only five meetings against the requirement of 20 during 2007-12. Thus, the monitoring and supervision of the progress of implementation of various schemes in the district was perfunctory.

Scrutiny of records revealed the following shortcomings in monitoring of the schemes/programmes:

- In MGNREGS only 4116 (59 *per cent*) works against total 6,976 were inspected at block level during period 2008-12.
- In NRHM no monitoring and planning committees were formed in the district, blocks and PHC. The Governing body of the DHS met only six times (2007-12) to assess and examine the implementation and progress of NRHM scheme as against the required 20 meetings.
- In NLCP no Steering Committee and Scientific Advisory committees were formed as required.
- Under Irrigation Department, the State Level Monitoring Cell and State Level Technical Advisory Committee for monitoring and evaluation of AIBP schemes were constituted in July 2011, after a lapse of eight years¹¹³ from the launch of the programme. Besides, inter-department coordination committee meant to coordinate all concerning departments to

¹¹³ From 2002-03 i.e. the year when AIBP launched in the State.

facilitate pre and post benefit of irrigation facility was constituted by State Government in January 2011, after nine years of launching of the scheme/ programme.

Recommendations

The State Government/ District Administration may consider to ensure:

- *Strengthening monitoring and supervision is strengthened at all the tiers of local district administration so that the programmes are executed on time and well within cost.*
- *Periodical assessment of sanctioned strength, postings of functionary at each level, especially in key post like doctors, engineers and forest security staff for smooth implementation of the programmes/ schemes.*

Chapter-9 Impact of Schemes and Services

The Audit team visited the selected 24 Gram Panchayats of four sample selected blocks to assess the impact of various rural developmental schemes implemented in the district. Responses on six services namely: Infrastructure, Poverty Alleviation through Employment Generation, Education, Drinking Water and Sanitation, Irrigation and Health were elicited from 480 people¹¹⁴ and the results thereof are summarized in the **Table 9.1** below:

Table 9.1: Results of beneficiary survey

Sl. No.	Parameters	Response	Percentage
1	Whether meetings held by Gram Panchayat to discuss development plans	Yes No	99 1
Infrastructure			
2	Benefitted by Indira Awas Yojana and Deen Dayal Upadhyay Awas Yojana etc.	Yes No	32 68
3	Existence of Ration shop in the village	Yes No	82 18
4	Existence of Bank Branch in the village	Yes No	24 76
5	Electricity supply	No 5 to 10 hours 10 to 12 hours 24 hours	9 43 47 1
6	Condition of Roads connecting the village to block headquarters and district headquarters.	No road Bad condition Good condition Required repair	1 26 41 32

¹¹⁴ 480 people= 20 people each in selected 24 GPs.

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7	Regular Bus services between the villages, village and block headquarters and district town	Sufficient- Not sufficient Not available	18 33 49
8	Availability of cooking gas (LPG)	Regular Irregular Not available	4 25 71
Poverty Alleviation/Employment			
9	Existence of Small scale/ Handicrafts/Kutir industries in the village	No	100
10	Whether adequate employment opportunities provided by Government	Yes No	48 52
Education			
11	Education facility (upto class VIII)	Yes	100
12	Adequacy of teachers posted in the schools	Yes No	53 47
13	Whether satisfied with the facilities provided by Government for education.	Yes No	83 17
14	Whether Mid Day Meal provided to students in the school	Yes	100
Drinking Water & Sanitation			
15	Source of water	Domestic pipe line Public hand pump Hand pump Natural source	66 7 9 18
16	Distance of water source from home	100 to 200 metre 200 to 500 metre More than 500 metre	20 52 28

17	Duration of drinking water supply	24 hours Morning and evening Only morning Daily After interval of few days	44 43 4 2 7
18	Awareness about Village Health and Sanitation Committee (VHSC)	Yes No	35 65
19	Regular VHSC meetings held	Yes No Not Aware	19 18 63
20	Whether satisfied with water and sanitation facility provided by Government	Yes No	68 32
Irrigation			
21	Types of irrigation facility available in the village	No Canal Guls Govt. Tube well Private Tube well Minor Lift Irrigation	28 6 33 20 9 4
22	Availability of water for irrigation throughout the year	Yes No Not Applicable	20 71 9
23	Whether dependant on rain water for irrigation	Yes No	59 41
24	Whether satisfied with the irrigation facility provided by Government	Yes No	55 45

Health			
25	Proximity of health centre	Near Far	63 37
26	Availability of medicines	Sufficient Inadequate Not Available	18 81 1
27	Whether satisfied with the work of ASHA and ANMs.	Yes No	99 1
28	Whether awareness spread by health workers to adopt modern contraceptives.	Yes No Not Aware	56 19 25
29	Whether availability of Contraceptive was adequate	Yes No Not Aware	56 11 33
30	Whether aware about Janani Suraksha Yojana	Yes No Not Aware	51 12 37
31	Whether Cash assistance provided after delivery	No Just after leaving hospital After 1 week After 15 days After 1 month Not Applicable	1 1 5 9 14 70
32	Polio dose is administered at door step or at booth centre	At door step At polio booth	49 51

The responses indicate that meetings were regularly held by the Gram Panchayats to discuss development of the village. The education facilities provided up to class eighth level and provision of Mid Day Meal was also very satisfactory in the District. However, the facilities in respect of road conditions, bus services, irrigation, availability of cooking gas and bank services needs to be improved further.

Recommendations

The State Government/ District Administration may consider to ensure:

- *Implementation of the developmental programmes efficiently in order to improve the quality of rural people in the District.*

Conclusion

Planning was not based on structural process of obtaining inputs from Blocks, Gram Panchayats and other Stakeholders. There is multiplicity of programme and scheme and even larger number of implementing agencies, making it difficult for the district administration to effectively co-ordinate monitoring and supervise the developmental activities. While almost all the developmental programmes are targeted at the same set of beneficiaries, the existence of myriad programmes without an integrated focus, had led to each of them being implemented in a standalone mode.

The District Administration needs to put in place a robust District Centric Planning Process by mapping the gaps in infrastructure under various sectors like health, employment generation, drinking water, etc through inputs from all tiers of local administration and Public at large. A clear roadmap to achieve the targets set through such plans for the development indicators to gauge the extent of development and the effectiveness of various schemes being implemented by the State in the district should be evolved by the State Government. People's participation is essential for ensuring sustainable development of the district.

**Dehradun
The**

**(ASHWINI ATTRI)
Principal Accountant General (Audit), Uttarakhand**

Countersigned

**New Delhi
The**

**(VINOD RAI)
Comptroller and Auditor General of India**

Appendix-1.1

(Reference: Paragraph 1.1; Page vii)

Status of Human Development infrastructure

Medical facilities	The district has functional District Hospitals Male & Female, 5 sub district Hospital ¹¹⁵ , 4 Community Health Centers (CHCs), 19 Primary Health Centers (PHCs), 136 sub centers (SCs) headed by Medical Officer-in-charge and a Medical College at Haldwani.
Education facilities	There were 1,203 Primary Schools (PS), 300 Upper Primary schools (UPS), 220 High schools, 4 Degree Colleges, 8 Industrial Training Institutes (ITI) and 3 Engineering Colleges in the district ¹¹⁶ .
Water supply	All 1,065 villages of the district have been provided water supply however, 347 habitations (13 <i>per cent</i>) out of 2,748 habitations were partially covered (March 2012).
Status of Road connectivity	The District consists of 4,407 km of roads. As far as public transportation is concerned there exist 815 bus/tempo and taxi stands and road transportation is provided by the State Government as well as private operators.
Economic Activities	In the district, there were 6,119 Industries ¹¹⁷ which provide employment to 13,506 persons. Besides, there were availability of 380 hotels, Tourist Rest houses and Dharmshalas to manage the tourists.
Other infrastructure	There are 686 Public Distribution Centers ¹¹⁸ while there are 36 PDS stores having storage capacity of 17,080 Metric ton in the district. All 1065 villages ¹¹⁹ have been electrified.
Other features	The district have a maximum temperature of 40.2 degree Celsius in summer season and minimum temperature of (-) 5.4 degree Celsius in winter season. The average rainfall of the District is 1,487 mm.

¹¹⁵ Includes Base Hospital Haldwani.

¹¹⁶ Uttarakhand portal.

¹¹⁷ As per Statistical Diary 2011.

¹¹⁸ Urban-118 & Rural-568 per Statistical Diary, 2011.

¹¹⁹ Uttarakhand portal.

Centrally Sponsored Schemes	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), National Rural Health Mission (NRHM), Sarva Shiksha Abhiyan (SSA), National Rural Drinking Water Programme (NRDWP), Integrated Child Development Services (ICDS) and Total Sanitation Campaign (TSC).
State schemes	Deen Dayal Awas Yojna and Veer Chandra Singh Garhwali

Appendix-2.1

(Reference: Paragraph 2.4; Page 7)

Statement showing developmental schemes selected for district Audit

Social Sector:	<ul style="list-style-type: none"> • National Rural Health Mission (NRHM). • National Drinking Water Supply Programme (NRDWP). • Uttarakhand Decentralization Watershed Development Programme (UDWDP).
Economic Sector:	<ul style="list-style-type: none"> • Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). • Accelerated Irrigation Benefit Programme (AIBP). • National Afforestation Programme (NAP).
General Sector:	<ul style="list-style-type: none"> • Civic Amenities by Municipal Administration. • National Lake Conservation Plan (NLCP).

Appendix-3.1

(Reference: Paragraph 3.2.1; Page 11)

Mismatch in the opening and closing balance

(₹ in crore)

Financial Year	Source	Budget Outlay	Opening balance	Released Amount	Total Expenditure	Closing Balance
2007-08	District Sector	28.08	5.98	43.30	40.87	8.41
	State Sector	255.27	14.43	183.23	186.02	11.64
	Central Sponsored Schemes	157.75	8.00	86.46	84.28	10.18
	Externally Aided Schemes	8.45	0	4.32	4.13	0.19
	Grand Total (A)	449.55	28.41	317.31	315.30	30.42
2008-09	District Sector	31.59	6.46	36.27	38.94	3.79
	State Sector	219.90	11.58	182.46	176.77	17.27
	Central Sponsored Schemes	196.60	9.47	135.57	129.91	15.13
	Externally Aided Schemes	32.53	0	16.74	15.73	1.01
	Grand Total (B)	480.62	27.51	371.04	361.35	37.20
2009-10	District Sector	35.10	4.37	36.72	37.34	3.75
	State Sector	221.31	7.64	126.40	117.03	17.01
	Central Sponsored Schemes	227.71	5.30	162.18	152.17	15.31
	Externally Aided Schemes	26.96	0.37	19.26	18.94	0.69
	Grand Total (C)	511.08	17.68	344.56	325.48	36.78
2010-11	District Sector	35.10	3.48	36.50	37.03	2.95
	State Sector	148.75	9.01	130.54	116.18	23.37
	Central Sponsored Schemes	437.74	9.00	255.14	229.01	35.13
	Externally Aided Schemes	30.10	0.66	26.76	27.42	0
	Grand Total (D)	651.69	22.14	448.94	409.63	61.45
2011-12	District Sector	35.10	2.88	34.36	35.28	1.96
	State Sector	201.63	21.29	129.46	144.99	5.76
	Central Sponsored Schemes	413.31	27.19	197.96	208.87	16.28
	Externally Aided Schemes	38.94	0	38.22	36.19	2.03
	Grand Total (E)	688.98	51.36	400.00	425.33	26.03
Grand total (A+B+C+D+E)		2781.91		1881.85	1837.09	

Source: DESTO

Appendix-3.2

(Reference: Paragraph 3.2.1; Page 11)

Financial status of the significant schemes being implemented in the district

(₹ in crore)

Sl. No	Name of the Schemes ¹²⁰	2007-08		2008-09		2009-10		2010-11		2011-12		Exp.	Progressive unspent balance
		A	E	A	E	A	E	A	E	A	E		
1.	NRHM	4.17	3.07	7.60	5.92	10.75	6.38	14.03	11.14	15.67	11.12	37.63	4.55
2.	SSA	16.22	12.92	18.31	14.93	20.33	17.57	30.91	23.83	30.97	26.06	95.31	4.91
3.	IAY	5.56	3.18	5.27	4.34	10.35	9.81	7.98	6.84	10.07	5.24	29.41	4.83
4.	SGRY	4.68	4.37	0	0	0	0	0	0	0	0	4.37	0
5.	SRY	1.48	1.21	0.68	0.65	0.29	0.29	0.21	0.21	0.23	0.23	2.59	0
6.	SGSY	1.29	0.92	1.77	1.50	1.63	1.61	1.83	1.82	1.50	1.47	7.32	0.03
7.	DRDA (A)	0.66	0.58	0.72	0.63	0.80	0.75	1.12	1.02	1.34	1.33	4.31	0.01
8.	IWDP	2.83	2.16	2.19	1.03	3.89	1.99	3.25	1.80	2.76	2.45	9.43	0.31
9.	MGNREGS	1.02	0.15	3.90	3.27	12.42	8.78	16.17	13.69	15.89	15.04	40.93	0.85
10.	MPLADS	2.27	0.79	3.48	0.90	4.15	1.27	4.60	1.94	6.53	1.73	6.63	4.80
11.	MLALADS	10.38	7.15	11.27	8.06	13.43	7.22	17.10	11.47	18.86	16.94	50.84	1.92
12.	DDUGAY	3.74	2.16	2.11	1.66	0.71	0.64	0.64	0.36	0.29	0.23	5.05	0.06
13.	AIBP	10.78	10.78	19.47	19.47	9.58	9.58	12.61	12.61	26.00	26.00	78.44	0
14.	NLCP	16.00	5.95	18.46	10.97	8.31	4.12	7.77	2.53	5.74	2.04	25.61	3.70
15.	FDA	3.29	2.11	3.71	2.60	1.34	0.33	1.50	0.54	1.60	0.83	6.41	0.77
16.	VCSGSES	0.90	0.76	0.64	0.42	1.76	0.26	2.40	1.83	0.97	0.59	3.86	0.38
17.	NRDWP ¹²¹	12.86	6.38	9.54	8.35	2.23	2.98	0.68	1.18	3.40	3.10	21.99	0.30
18.	CAMPA	0	0	0	0	0	0	5.66	5.32	7.12	7.11	12.43	0.01
19.	UDWDP	6.92	6.48	5.96	5.89	7.68	7.62	9.80	9.49	12.83	11.87	41.35	0
Total		105.05	71.12	115.08	90.59	109.65	81.20	138.26	107.62	161.77	133.38	483.91	27.43

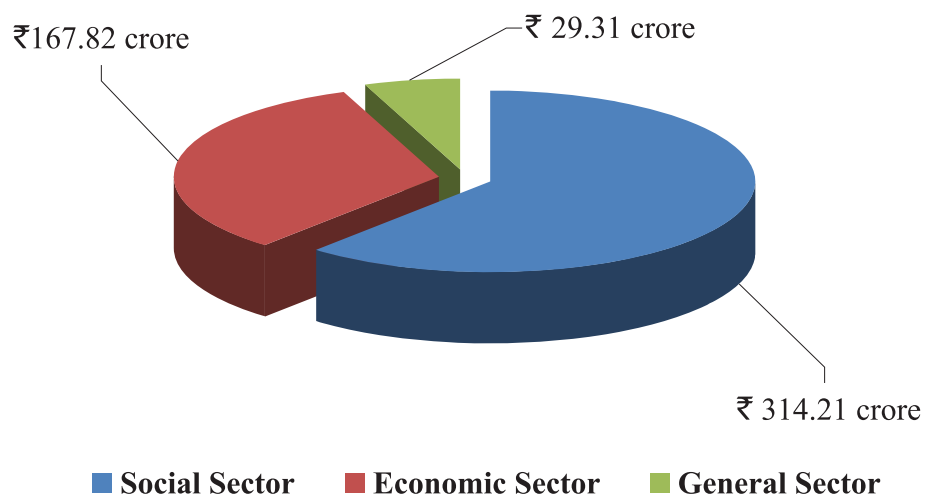
Source: Departmental figures

A= Available funds includes closing balances of last years, E= Expenditure

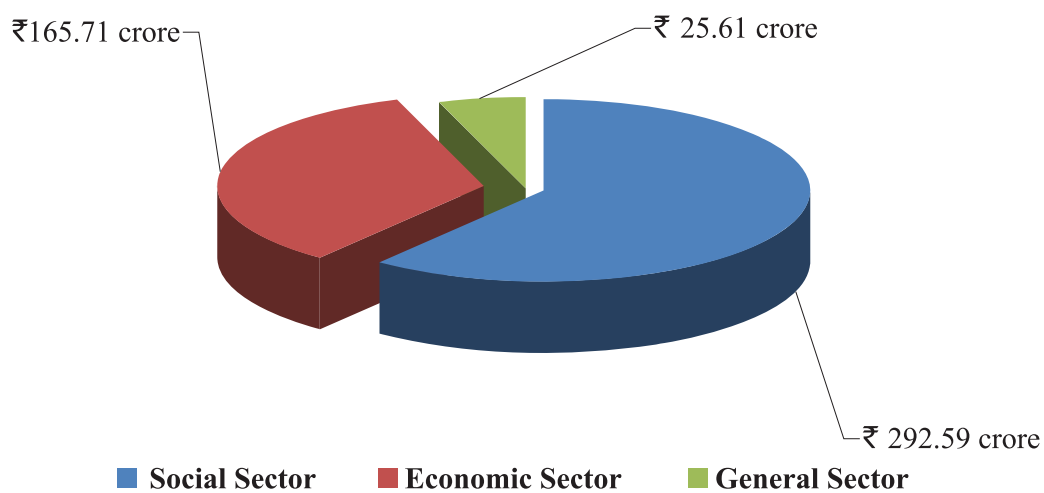
¹²⁰ Closing balance of SGRY amounting to ₹0.31 crore transferred to MGNREGS in the year 2008-09 while there is a difference in opening and closing balance of SSA and NRHM in the year 2008-09. No Closing balance is included in the UDEDP as the funds are surrendered in the treasury.

¹²¹ Erstwhile ARWSP includes receipts and expenditure of Water Quality Programme of Swajal Dhara.

Sector wise available funds of the significant schemes implemented in the district during 2007-12



Sector wise expenditure of the significant schemes implemented in the district during 2007-12



Appendix-3.3

(Reference: Paragraph 3.2.1; Page 11)

Financial status of selected schemes being implemented in the district

(₹ in crore)

Name of the Schemes ¹²²	2007-08		2008-09		2009-10		2010-11		2011-12		Progressive unspent balance	Total Expenditure
	A	E	A	E	A	E	A	E	A	E		
1	2	3	4	5	6	7	8	9	10	11	12	3+5+7+9+11
NRHM	4.17	3.07	7.60	5.92	10.75	6.38	14.03	11.14	15.67	11.12	4.55	37.63
MGNREGS	1.02	0.15	3.90	3.27	12.42	8.78	16.17	13.69	15.89	15.04	0.85	40.93
AIBP	10.78	10.78	19.47	19.47	9.58	9.58	12.61	12.61	26.00	26.00	0	78.44
NAP	3.29	2.11	3.71	2.60	1.34	0.33	1.50	0.54	1.60	0.83	0.77	6.41
NRDWP	12.86	6.38	9.54	8.35	2.23	2.98	0.68	1.18	3.40	3.10	0.30	21.99
NLCP	16.00	5.95	18.46	10.97	8.31	4.12	7.77	2.53	5.74	2.04	3.70	25.61
UDWDP	6.92	6.48	5.96	5.89	7.68	7.62	9.80	9.49	12.83	11.87	0	41.35
Total	55.04	34.92	68.64	56.47	52.31	39.79	62.56	51.18	81.13	70	10.17	252.36

Source: Departmental figures

A= Available funds includes closing balances of last years

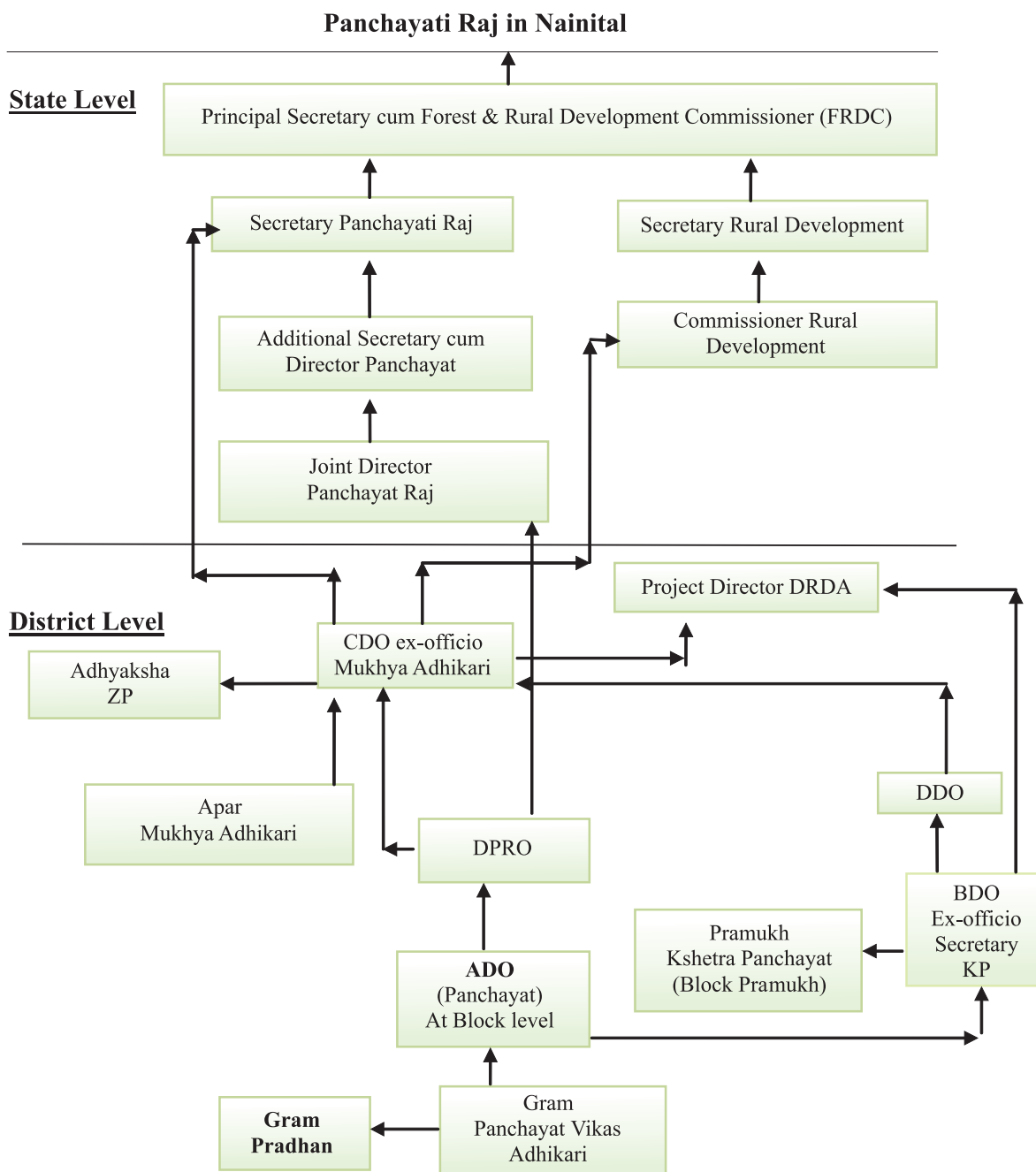
E=Expenditure

¹²² Under NRHM it includes receipts and expenditure of National Programmes and there is difference in opening and closing balance of 2008-09. Under UDWDP unspent balance is surrender treasury Head. NRDWP scheme includes receipt and expenditure of Water Quality Programme under NRDWP.

Appendix-4.1

(Reference: Paragraph 4.2 ; Page 14)

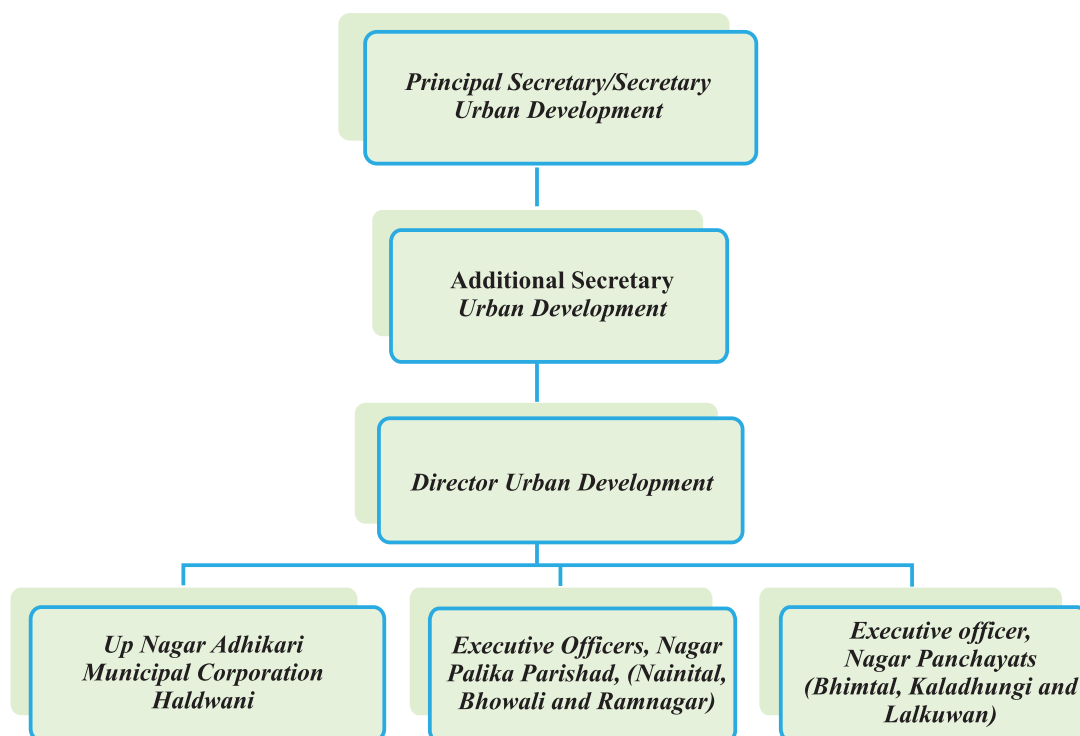
The organizational arrangements of PRIs



Appendix-4.2

(Reference: Paragraph 4.2; Page 14)

Organizational structure of ULBs



Appendix-4.3

(Reference: Paragraph 4.4; Page 15)

Total funds available and expenditure incurred in the test checked PRIs and ULBs
(2007-08 to 2011-12)

(₹ in crore)

Name of the LBs	No of selected LBs	Opening balance	Receipt	Total	Expenditure	Progressive Unspent balance/ per cent
PRIs						
ZP	1	3.60	47.88	51.48	43.37	8.11
KP	4	0.35	41.16	41.51	35.65	5.86
GP	24	0.17	4.57	4.74	4.14	0.60
Total PRIs		4.12	93.61	97.73	83.16	14.57/15
ULBs¹²³						
NN	1	11.35	61.61	72.96	66.74	6.22
NPP	2	3.27	62.92	66.19	64.59	1.60
NP	1	0.36	2.06	2.42	2.29	0.13
Total ULBs		14.98	126.59	141.57	133.62	7.95 /6
Total (PRIs & ULBs)		19.10	220.20	239.30	216.78	22.52

Source: Financial Statements

Appendix-4.4

(Reference: Paragraph 4.4.1; Page 15)

Funds received under SFC, TFC and ThFC by the PRIs in Nainital District

(₹ in crore)

Year		2007-08	2008-09	2009-10	2010-11	2011-12
Released under SFC	GPs	4.61	4.61	4.61	6.11	2.29
	KPs	2.72	2.72	2.72	3.61	1.35
	ZP	1.82	1.82	1.82	2.41	2.41
	Total (A)	9.15	9.15	9.15	12.13	6.05
Released under TFC & ThFC	GPs	0.94	0	0.94	1.57	2.01
	KPs	0.55	0	0.55	0.93	1.19
	ZP	0.37	0	0.37	0.31	1.11
	Total (B)	1.86	0	1.86	2.80	4.31
	Total (A+B)	11.01	9.15	11.01	14.93	10.36

Source: DPRO & ZP

¹²³ Excludes own receipts of NP Bhimtal.

Appendix-5.1

(Reference: Paragraph 5.4.2.1; Page 40)

Cost escalation in selected GPs

Sl. No	Name of the work	Initial Physical item	Initial Unit cost	Unit cost at increased rate	Difference in Rupees	Total delayed executed item	Cost escalation (INR)
Village Panchayat – Dholigaun							
1	Animal Shelter	20	2,2000	36,390	14,390	20	2,87,800.00
2	Rain water harvesting tank	66	11,000	15,300	4,300	7	30,100.00
3	Cretwire Chekdam	1,233.86	620	907	287	194.50	55,821.50
			Total				3,73,721.50
Village Panchayat – Katana							
1	Rain water harvesting tank	100	11,000	15,300	4,300	40.00	1,72,000
2	Irrigation Tank	48	54,000	67,200	13,200	7.00	92,400
3	Cretwire Chekdam	828.30	620	907	287	115.58	33,171.46
4	Cretwire Structure	1,322.73	620	907	287	400.00	1,14,800
5	Animal Shelter	20	22,000	36,390	14,390	20.00	2,87,800
			Total				7,00,171.46
Village Panchayat – Manjuli							
1	Rain water harvesting tank	154	11,000	15,300	4,300	5.00	21,500
2	Irrigation Tank	46	54,000	67,200	13,200	8.00	1,05,600
3	Pusta Repair	620	130	228	98	620.00	60,760
4	Cretwire Chekdam	1,785	620	907	287	1,484.00	4,25,908
5	Animal Shelter	50	22,000	36,390	14,390	32.00	4,60,480
			Total				10,74,248.00
Village Panchayat – TallaKanda							
1	Animal Shelter	20	22,000	36,390	14,390	20.00	2,87,800.00
2	Pusta Repair	263.11	130	228	98	263.11	25,785.00
3	Rain water harvesting tank	82	11,000	15,300	14,300	5.00	21,500.00
4	Naula, Chal/ Khala	27	10,000	14,000	3,000	10.00	40,000.00
5	Irrigation Tank	13	54,000	67,200	13,200	1.00	13,200.00
6	Dry Stone Chekdam	2,121.40	225	285	60	391.00	23,460.00
			Total				4,11,745.00
Grand Total							25,59,885.96

Source: Projects records

Appendix-5.2

(Reference: Paragraph 5.4.2.2; Page 41)

Component wise expenditure under UDWDP

(₹ in crore)

Year	Name of components		
	Participatory Watershed Development & Management	Enhancing Livelihood	Institutional Strengthening
2005-06	0.87	0.75	0.65
2006-07	4.44	1.14	0.63
2007-08	4.73	1.54	0.65
2008-09	3.80	1.83	0.69
2009-10	4.87	2.27	0.64
2010-11	3.40	3.16	0.81
2011-12	6.60	2.64	0.64
Total	28.71 (61%)	13.33 (29%)	4.71 (10%)

Source: Data of UDWDP Haldwani (Nainital)

Appendix-6.1

(Reference: Paragraph 6.2.3.2; Page 54)

Position of 11 canals which were already irrigating more area than Proposed Potential Area (PPA) as well as Culturable Command Area (CCA)

Name of canal	CCA (hectare)	PPA (in hectare)			Irrigated Area in hectare 2007-08			Proposed IP in schemes (in hectare)
		Kharif	Rabi	Total	Kharif	Rabi	Total	
Pawalgarh canal	497	405	406	811	734	891	1,545	45.90
Khichdi canal	844	1,342	1,340	2,682	1,242	1,324	2,566	18.36
Chandra pur canal	134	112	111	223	203	367	570	8.16
Dhamola canal	416	370	371	741	420	810	1,230	20.40
Patkot canal	202	204	203	407	242	236	478	38.76
Eastern dabka canal	103	72	100	172	102	193	295	11.22
Shivlal pur canal	89	61	61	122	131	124	255	5.10
Jassaganja canal	769	574	541	1,115	772	753	1,525	56.00
Satgaon canal	219	197	185	382	230	215	445	
Beljudi canal	566	509	482	991	566	535	1,101	99.00
Manshadevi canal	784	705	667	1,372	784	773	1,557	
Total	4,623	4,551	4,467	9,018	5,426	6,221	11,567	302.90

Source: Divisional figures

Appendix-6.2

(Reference: Paragraph 6.3.1; Page 57)

Available funds and expenditure under NAP (2007-08 to 2011-12)

(₹ in crore)

Sl. No	Name of the FDA	Available funds@	Expenditure	Closing Balance As on 31-03-2012
1.	FDA, Ram Nagar	1.33	1.10	0.23
2.	FDA, Tarai West	0.56	0.46	0.10
3.	FDA, Soil Conservation division Nainital	3.39	3.05	0.34
4.	FDA, Nainital	1.88	1.80	0.08
5.	FDA, Tarai East	0	0	0
6.	FDA, Tarai Central	0.01	0	0.01
7.	FDA, Haldwani	0.01	0	0.01
	Total	7.18	6.41	0.77

Source: Divisional records & Audited Accounts

@ includes interest and unspent balance with JFMCs

Appendix-8.1

(Reference: Paragraph 8.1; Page 77)

Detail of Sanctioned Strength and Men in Position of the line departments

Sl. No.	Department/ Office	Group-‘A’ & ‘B’			Group-‘C’ & ‘D’		
		Sanctioned Strength	Men in Position	Shortage (per cent)	Sanctioned Strength	Men in Position	Shortage (per cent)
1.	Uttarakhand Peyjal Nigam	5	5	0(0)	30	18	12(40)
2.	Social Welfare Department	14	6	8(57)	107	51	56(52)
3.	Chief Agriculture Office	9	7	2(22)	21	19	2(10)
4.	Co-Operative Societies	1	1	0(0)	42	34	8(19)
5.	Dy. Director Sericulture	0	0	0(0)	17	8	9(53)
6.	ICDS	10	8	2(20)	74	56	18(24)
7.	Dairy Development Department	18	16	2(11)	187	112	75(40)
8.	Ayurvedic & Unani Office	69	48	21(30)	143	111	32(22)
9.	Irrigation Department	6	6	0(0)	147	122	25(17)
10.	Industry Department	4	4	0(0)	30	27	3(10)
11.	Public Works Department	11	5	6(55)	80	57	23(29)
12.	Rural Engineering Services	5	4	1(20)	41	40	1(02)
13.	Fisheries Department	3	3	0(0)	20	13	7(35)
14.	Chief Development Officer	13	11	2(15)	306	197	109(36)
15.	Youth Welfare Department	1	1	0(0)	12	11	1(08)
16.	District Supply Office	2	1	1(50)	39	25	14(36)
17.	Chief Veterinarian Office	20	17	3(15)	134	91	43(32)
18.	Medical Health & Family Welfare	213	169	44(21)	1126	1089	37(03)
19.	GITI (Pains)	1	0	1(100)	33	19	14(42)
20.	Education Department	326	274	52(16)	6,759	5,881	878(13)
21.	Electricity Department	22	17	5(23)	432	292	140(32)
Total:		753	603	150(20)	9,780	8,273	1,507(15)

Source: District Economic & Statistical Officer

Appendix-8.2

(Reference: Paragraph 8.1.1; Page 77)

Details of Sanctioned Strength and Men in Position in the selected schemes

Name of line departments (schemes)	2007			2012		
	SS	MIP	Shortfall (in per cent)	SS	MIP	Shortfall (in per cent)
Irrigation divisions (AIBP)	374	342	9	380	359	6
Medical Department (NRHM)	1,050	833	21	1,072	869	19
Ayurvedic Evam Uanani Officer (AYUSH)	90	59	34	90	54	40
UJN & UJS (NRDWP)	621	519	16	613	484	21
SWAJAL (Water testing Surveillance)	22	13	41	22	21	5
UDWDP (EAP)	46	34	26	45	38	16
Forest Department (NAP)	1806	983	46	1,796	1,156	36
ULBs (JnNURM)	1,446	1029	29	1,446	906	37
NLRSADA Nainital (NLCP)	34	26	24	33	22	33
RDD (MGNREGS)	176	30	83	176	30	83
Grand Total	5,665	3,868	32	5,673	3,939	31

Source: Department figure

Appendix-8.3

(Reference: Paragraph 8.2.1; Page 79)

Detail of Audit conducted by District Local Fund Audit

(1)	Audit organization (2)	Total no. of (3)	Units (4)	Units actually (5)	Shortfall (6)
2007-08	Local Fund Audit	565	70	5	65(93)
	Co-op. & Panchayats	877	877	336	541(62)
2008-09	Local Fund Audit	565	52	11	41(79)
	Co-op. & Panchayats	943	943	522	421(45)
2009-10	Local Fund Audit	565	52	15	37(71)
	Co-op. & Panchayats	955	955	447	508(53)
2010-11	Local Fund Audit	565	51	13	38(75)
	Co-op. & Panchayats	976	976	439	537(55)
2011-12	Local Fund Audit	565	67	9	58(87)
	Co-op. & Panchayats	986	986	443	543(55)

Source: Departmental figure

Glossary of Abbreviations

S.No.	Abbreviation	Expanded Form
1.	ABDOs	Assistant Block Development Officers
2.	ADO	Assistant Development Officer
3.	AIBP	Accelerated Irrigation Benefit Programme
4.	AMC	Annual Maintenance Contracts
5.	ANC	Ante Natal Care
6.	ANR	Aided Natural Regeneration
7.	ANS	Auxiliary Nurse Midwife
8.	AP	Annual Plan
9.	APHC	Additional Primary Health Centre
10.	AR	Artificial Regeneration
11.	ARWSP	Accelerated Rural Water Supply Programme
12.	ASHA	Accredited Social Health Activist
13.	ASW	Advance Soil Work
14.	ATC	Advice of Transfer Credit
15.	ATD	Advice of Transfer Debit
16.	AWP	Annual Working Plan
17.	AYUSH	Ayurvedic Unani Siddha & Homoeopathy
18.	BC	Basic Cost
19.	BDO	Block Development Officer
20.	BHAPs	Block Health Action Plans
21.	BOD	Biochemical Oxygen Demand
22.	BP	Bamboo Plantation
23.	BPL	Below Poverty Line
24.	BSUP	Basic Services for Urban Poor
25.	CAMPA	Compensatory Afforestation Fund Management & Planning Authority
26.	CAO	Chief Accounts Officer
27.	CCA	Culturable Command Area
28.	CCL	Cash Credit Limit
29.	CD	Construction Division
30.	CDO	Chief Development Officer
31.	CE	Chief Engineer
32.	CFC	Centre Finance Commission
33.	CHCs	Community Health Centres
34.	CMO	Chief Medical Officer
35.	CP	Cane Plantation
36.	CPCB	Central Pollution Control Board

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37.	CPS	Chikitsa Prabhandan Samitis
38.	CSR	Cataract Surgery Rate
39.	DAO	District Ayurvedic & Unani Officer
40.	DDO	District Development Officer
41.	DDP	District Development Plan
42.	DESTO	District Economic and Statistical office
43.	DFO	Divisional Forest officer
44.	DFs	Deep Freezers
45.	DHAPs	District Health Action Plans
46.	DHM	District Health Mission
47.	DHS	District Health Society
48.	DM	District Magistrate
49.	DO	Dissolved Oxygen
50.	DP	Development Plan
51.	DPC	District Planning Committee
52.	DPC	District Programme Coordinator
53.	DPD	Deputy Project Director
54.	DPMC	District Planning & Monitoring Committee
55.	DPMU	District Project Management Unit
56.	DPP	District Perspective Plan
57.	DPR	Detailed Project Report
58.	DPRO	District Panchayati Raj Officer
59.	DPT	Diptenia Polio Tetanus
60.	DRDA	District Rural Development Agency
61.	E&S	Economics & Statistics
62.	EDC	Eco Development Committee
63.	EE	Executive Engineer
64.	EMO	Emergency Medical officer
65.	EPA	Entry Point Activities
66.	ERM	Extension Renovation & Modernization
67.	FC	Fully Covered
68.	FDA	Forest Development Agency
69.	FTK	Field Test Kit.
70.	GOI	Government of India
71.	GPA	Gram Panchayat Adhikari
72.	GPs	Gram Panchayats
73.	GPS	Global Positioning System
74.	GPWDP	Gram Panchayat Watershed Development Plan
75.	GRS	Gram Rojgar Sahayak
76.	GS	Gram Sabha
77.	HOD	Head of Department

78.	HRD	Human Resource Development
79.	IAY	Indira Awas Yojna
80.	ICDS	Integrated Child Development Scheme
81.	ID	Irrigation Department
82.	IEC	Information Education Communication
83.	IFA	Iron Folic Acid
84.	IGA	Income Generation Activities
85.	IHSDP	Integrated Housing & Slum Development Project
86.	ILR	ICC Line Refrigerator
87.	IMA	Indian Medical Association
88.	IMIS	Integrated Management Information System
89.	IMO	Irrigation Manual of Order
90.	IMR	Infant Mortality Rate
91.	INR	Indian Rupee
92.	IP	Irrigation Potential
93.	IPHS	Indian Public Health Standards
94.	ITI	Industrial Training Institutes
95.	IUD	Intra Uterine Devices
96.	JFMC	Joint Forest Management Committee
97.	JnNURM	Jawahar Lal Nehru National Urban Renewal Mission
98.	JSY	Janani Suraksha Yojana
99.	KCD	Kosi Construction Division
100.	KP	Kshetra Panchayat
101.	LCS	Low Cost Sanitation
102.	LDA	Lake Development Authority
103.	LPCD	Liter per Capita per day
104.	MAS	Model Accounting System
105.	MB	Measurement Book
106.	MD	Managing Director
107.	MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Schemes
108.	MI	Minor Irrigation
109.	MID	Minor Irrigation Department
110.	MIS	Management Information System
111.	MLD	Million Liter Per day
112.	MMR	Maternal Mortality Rate
113.	MNP	Minimum Need Programme
114.	MoEF	Ministry of Environment & Forest
115.	MOICs	Medical Officers in Charge
116.	MOU	Memorandum of Understanding
117.	MPN	Multiple Probability Number
118.	MRs	Muster Rolls

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119.	MSW	Management of Solid Waste
120.	MT	Metric Tone
121.	MVSs	Multi Village Schemes
122.	MWS	Micro Watershed
123.	NABARD	National Agriculture Bank for Rural Development
124.	NAEB	National Afforestation & Eco Board
125.	NAP	National Afforestation Programme
126.	NC	Not Covered
127.	NGO	Non Government Organization
128.	NIC	National Information Centre
129.	NLCP	National Lake Conservation Programme
130.	NLEP	National Leprosy Education Programme
131.	NLRSDA	Nainital Lake Region Special Area Development Authority
132.	NMAM	National Municipal Accounting Manual
133.	NN	Nagar Nigam
134.	NPCB	National Programme For Control of Blindness
135.	NPP	Nagar Palika Parishad
136.	NP	Nagar Panchayat
137.	NPPN	Nagar Palika Parishad Nainital
138.	NRCD	National River Conservation Directorate
139.	NRDWP	National Rural Drinking Water Programme
140.	NRDWQM&SP	National Rural Drinking Water Quality Monitoring & Surveillance Programme
141.	NREGA	National Rural Employment Guarantee Act
142.	NRHM	National Rural Health Mission
143.	O&M	Operation & Maintenance
144.	OPV	Oral Polio vaccine
145.	OT	Operation Theatre
146.	PC	Partially Covered
147.	PDC	Public Distribution Centres
148.	PERT	Programme Evaluation Review Technique
149.	PHCs	Primary Health Centres
150.	PIP	Project Implementation Plan
151.	PMC	Project Monitoring Committee
152.	PMGSY	Pradhan Mantri Gramin Sarak Yojana
153.	PMU	Project Management Unit
154.	PNDT	Pre-Natal Detection Test
155.	POs	Programme Officers
156.	PPA	Proposed Potential Area
157.	PPP	Public Private Partnership
158.	PR	Panchayati Raj
159.	PRA	Participatory Rural Appraisal

160.	PRIs	Panchayati Raj Institutions
161.	PS	Primary Schools
162.	RCH-II	Reproductive Child Health-II
163.	RD	Rural Development
164.	RDD	Rural Development Department
165.	RGNDWM	Rajiv Gandhi National Drinking Water Mission
166.	RKS	Rogi Kalyan Samities
167.	RST	Remote Sensing Technique
168.	RWS	Rural Water Supply
169.	SCs	Sub Centres
170.	SE	Superintendent Engineer
171.	SEGC	State Employment Guarantee Council
172.	SFC	State Finance Commission
173.	SFDA	State Forest Development Agency
174.	SG	State Government
175.	SHM	State Health Mission
176.	SHS	State Health Society
177.	SLSSC	State Level Scheme Sanction Committee
178.	SMCs	Subject Matter Committees
179.	SPCB	State Pollution Control Board
180.	SRSWOR	Simple Random Sampling Without Replacement
181.	SS	Sanctioned Strength
182.	SSA	Sarva Siksha Abhiyan
183.	SSC	State Steering Committee
184.	SSR	State Sector Rural
185.	SSR	Standard Schedule of Rate
186.	SVSs	Single Village Schemes
187.	SWAP	Sector Wide Area Programme
188.	SWM	Solid Waste Management
189.	TAC	Technical Advisory Committee
190.	TFC	Twelfth & Thirteenth Finance Commission
191.	TFR/Th FC	Total Fertility Rate
192.	TID	Tarai Irrigation Division
193.	TS	Technical Sanction
194.	TSC	Total Sanitation Campaign
195.	TT	Tetanus Toxoid
196.	TT	Tubectomy
197.	UCs	Utilization Certificates
198.	UDWDP	Uttarakhand Decentralization Watershed Development Programme
199.	UJN	Uttarakhand Peyajal Sansadhan Vikas & Nirman Nigam
200.	UJS	Uttarakhand Jal Sansthan

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201.	UK	Uttarakhand
202.	ULBs	Urban Local Bodies
203.	UPS	Upper Primary Schools
204.	VDOs	Village Development Officers
205.	VGF	Vulnerable Group Fund
206.	VHSCs	Village Health & Sanitation Committees
207.	VWSC	Village Water & Sanitation Committee
208.	WCE	Work Charge Establishment
209.	WMD	Watershed Management Directorate
210.	WUAs	Water Users Associations
211.	ZP	Zila Panchayat