

Report No. 2 (Civil)

Audit Report No. 2 (Civil) contains results of five performance audits, one district-centric audit and comments on various irregularities noticed in the course of test- audit of financial transactions during 2010-11, as well as those which had come to notice in earliest years but could not be dealt with in previous reports. Some important audit observations are

Slum Rehabilitation Schemes in Mumbai

The Maharashtra Slum Areas (Improvement, Clearance and Redevelopment) Act, 1971 (Slum Act) was amended (December 1995) for the establishment of a Slum Rehabilitation Authority (SRA) for the planning and design of Slum Rehabilitation Schemes. The schemes to be formulated and cleared by SRA were to be governed by the Development Control Regulations. SRA was vested with the responsibility of conducting surveys and reviewing the existing slum areas and formulating schemes for rehabilitation of slum dwellers. SRA was to provide free houses to 40 lakh eligible slum dwellers whose names appeared in the electoral roll as on 1 January 1995. The slums which came up after 1 January 1995 were to be evicted as per the scheme. A self contained tenement having carpet area of 225 sq ft (raised to 269 sq ft from April 2008) was to be provided free of cost. Audit noticed that there was no evaluation of developers and the quality of the construction was left to their discretion. Beneficiaries in the approved Annexure II lists were found to be ineligible during re-verification. SRA did not have any database of slums to decide whether Governmental intervention was required for redevelopment of non-viable slums. The developer for the Mumbai International Airport Slum Rehabilitation Project was granted huge concessions. The Dharavi Redevelopment Project was still to take off even after seven years of its approval. Special township projects were sanctioned to developers even though all prerequisite requirements had not been fulfilled by them. As against the targeted rehabilitation of 8.05 lakh slum dwellings within five years, only 1.27 lakh slum dwellings could be rehabilitated in 15 years of implementation of the scheme.

(Paragraph 2.1 – Page No. 11)

Role of Maharashtra Pollution Control Board in Prevention and Control of Water Pollution in Maharashtra

The Maharashtra Pollution Control Board (MPCB) is responsible for implementation of various Acts and Rules to mitigate pollution of any kind in the State, including water pollution. MPCB is also responsible for issuing consents to operate industries in the State and to ensure that the consented standards are maintained by the industries to minimize pollution.

A performance audit covering the period 2005-11, revealed that the MPCB had not formulated any framework to identify the sources contributing to water pollution in the State. There were substantial delays at its level in finalization of applications received for grant or renewal of consents. In the jurisdiction of the test-checked regional offices, a majority of urban local

bodies were found to be discharging domestic effluents into water bodies without treatment. The existing Common Effluent Treatment Plants (CETPs) and Effluent Treatment Plants (ETPs) were found to be inadequate to treat industrial effluents. Consented standards in respect of treated effluents were also not maintained by the CETPs and ETPs. Though polluted river stretches in the State had increased from 23 to 28 during the last eight years, MPCB had not taken any action to prevent further deterioration. Assessment of lake water quality by MPCB was found to be inadequate. Increase in water-borne diseases in the State during 2006-11 substantiated the diminishing standards of potable water. MPCB had not adhered to its own norms prescribed for collection of samples from industries to monitor pollution levels. The Integrated Management Information System introduced by MPCB with a view to systematize pollution control functions did not yield the desired results. The deficiencies in the implementation of Acts and Rules for water pollution control had not only affected the health of human beings but also polluted the environment.

(Paragraph 2.2 – Page No. 34)

Working of Vidarbha Irrigation Development Corporation for creation and utilisation of irrigation potential

The Government established the Vidarbha Irrigation Development Corporation (VIDC) under the VIDC Act in 1997. VIDC started functioning from April 1997. Besides transfer of 10 ongoing projects being implemented by the erstwhile Irrigation Department in 1997, 86 new projects were transferred in 1998, 141 in 2007 and 83 in 2008 totalling 320 projects, of which only 58 projects were nearly completed as of March 2011. VIDC failed to ensure completion of the projects in hand which were at an advanced stage. This was despite a High Power Committee's recommendations to the contrary. Projects with VIDC suffered due to insufficient release of funds by the Government at the initial stage and transfer of additional projects. Works were commenced without acquisition of private as well as forest land, contributing to time and cost overruns. Monitoring of the projects by the Governing Council and the Executive Council was inadequate. Against the targeted irrigation potential (IP) of 15.46 lakh hectare, IP of only 3.82 lakh hectare at a cost of ₹ 11,732 crore was created. The utilization of the IP was very low.

(Paragraph 2.3– Page No. 64)

Implementation of Soil and Water Conservation Programmes

The State of Maharashtra comprises an area of 307.58 lakh hectares (ha), of which 159 lakh ha is drought-prone, due to scanty rains and leaching out of moisture content from the soil surface. The deficiency of water and soil erosion is caused by highly erosive rains, high wind velocity and generally shallow soil. Consequently, the soil becomes infertile for agriculture.

Performance audit of the 'Implementation of Soil and Water Conservation Programme by Agriculture Department' was conducted to assess the status and impact of implementation of selected soil and water conservation schemes. Audit scrutiny revealed that watershed projects were implemented with inadequate project plans. Release of funds was maximum in the month of March indicating avoidable rush of expenditure. Farm ponds under the

National Agriculture Development Programme were not serving the intended purpose of percolation of water. The Vidarbha Watershed Development Mission was not successful. Components were not executed in the prescribed sequence by adopting 'ridge to valley' strategy for proper development of watersheds. Watershed treatment works were taken up in command areas of irrigation projects. Works under the test-checked schemes remained incomplete. Implementation of soil and water conservation works, however, did contribute to increase in the Static Water Level in all the talukas of Sangli and Latur districts. However, decrease in Static Water Level was also observed in 20 talukas of three districts. The targets set for the test-checked schemes were not achieved due to financial constraints.

(Paragraph 2.4– Page No. 85)

Working of the Directorate of Vocational Education and Training

The Department of Higher and Technical Education is responsible for creation of trained and skilled manpower in different trades required for domestic industry by imparting structural training and nurturing technical and industrial attitude in the minds of youth. Audit of Directorate of Vocational Education and Training under the Higher and Technical Education Department for the period 2006-11 revealed that the institutes under Vocational Education and Training in the State could not supply the number of skilled workers to the industries as envisaged. Commencement of courses without affiliation rendered the students ineligible for the All India Trade Test and consequently for National Council for Vocational Training certificates having all-India recognition for recruitment. Shortfalls in infrastructure, prescribed equipment and instructors were noticed in the cases of affiliated trades in the test-checked units. The schemes failed to take off as envisaged due to shortfalls in infrastructure and faculty, as a result of which the department could not achieve its objective of bridging the gap between the demand and supply of skilled workers. The deficiencies in implementation of the schemes could not be identified and set right due to poor monitoring and acute shortfalls in technical inspections ranging from 75 to 100 *per cent*. Acute shortfalls in key posts severely affected the performance and service delivery of the department.

(Paragraph 2.5– Page No. 104)

District-centric audit of Gondia

Recognising the importance accorded by the Planning Commission, Government of India for a district-centric approach to devolution of finances for integrated local area development, a district-centric audit of Gondia district was carried out to assess the status and impact of implementation of various socio-economic developmental activities in the district during 2006-11.

The review covered key social sector programmes relating to health, education, water supply, social welfare as well as economic sector programmes relating to creation of roads, employment generation and poverty alleviation, provision of basic amenities to the public *etc.* Audit scrutiny revealed that the District Planning Committee had not prepared a Five -Year Perspective Plan or an integrated district plan covering all the activities for overall

development of the district. The district was short of health centres, minimum infrastructure and doctors, which defeated the aim of providing accessible and affordable health care to the population. There was a decrease in the enrolment of students even after increase in the number of schools. Hundred days' wages under Mahatma Gandhi National Rural Employment Guarantee Schemes were not provided to the households. No measures were taken in respect of the water quality of 59 habitations although the water was found affected by different types of chemical contaminants. Both the towns in the district, Gondia and Tirora were without any sewerage facilities and waste management plants. Under the public distribution system, there was short lifting of foodgrains.

(Paragraph 4.1– Page No. 161)

Compliance audit of Government transactions

In Taluka Agriculture Office, Lakhani, district Bhandara, cases of misappropriation of Government money were noticed due to non-observance of provisions of Maharashtra Treasury Rules, 1968. Besides, no action was taken against the officials responsible for misappropriation of Government money.

(Paragraph 3.1.1– Page No. 127)

Inadequacy in the provisions made by the Higher and Technical Education, Government of Maharashtra had given an opportunity for the defaulting educational institutions to accept excess intake of students on multiple occasions. As of March 2011, penalty of ₹ 2.01 crore recoverable from the defaulting institutions was also not recovered.

(Paragraph 3.2.2– Page No. 130)

Injudicious rejection of first call and subsequent re-tendering of the work of construction of a major bridge across the Wardha river on Vedgaon Podsa Sirpur-Kagaz Nagar Road resulted in extra cost of ₹ 3.47 crore on re-tendering.

(Paragraph 3.2.4– Page No. 132)

The Assistant Inspector General of Police, Mumbai's decision to release full payment of ₹ 6.22 crore to a supplier prior to the delivery of 82 bomb suits resulted in undue favour to the supplier, besides compromising the security preparedness of the State.

(Paragraph 3.3.1– Page No. 144)

Irregular application of the rates for allotment of a plot to an allottee by the Mumbai Housing and Area Development Board resulted in extending undue benefit of ₹ 3.50 crore to an allottee, thereby causing a loss to the Board.

(Paragraph 3.3.3– Page No. 147)

The Water Resources Department, Government of Maharashtra, had paid mobilization advance of ₹ 98.17 crore to the contractors in 19 cases executing works under the Vidarbha Irrigation Development Corporation, the Tapi Irrigation Development Corporation and the Godavari Marathwada Irrigation

Development Corporation, which was against Government directives and also in violation of contractual conditions.

(Paragraph 3.4.2– Page No. 155)

Infructuous expenditure of ₹ 2.19 crore was incurred on construction and maintenance of a Konkan-type bandhara without approval of designs by the competent authority.

(Paragraph 3.5.1– Page No. 157)