

## **NEWS ITEMS ON CAG/ AUDIT REPORTS (01.04.2023 to 03.04.2023)**

### **1. Now, ministers can highlight their ministries' CAG audit concerns ([dailypioneer.com](https://dailypioneer.com)) 01 April 2023**

In a major paradigm shift in the audit methodology by the country's audit watchdog CAG, not only the Ministries but Ministers, too, will come under the ambit of 'audit' of their departments concerned, which so far remained confined only to the bureaucracy or the executive system.

Sources in the Comptroller and Auditor General (CAG) said that for years the accounting and audit details used to be an examination of accounts between CAG and officers of the concerned department but from now onwards, after the change in policy, CAG will give an opportunity to the political executives as well to have their say, if any, to avoid any confusion at a later stage.

"CAG outreach is now being extended to include political executives to highlight audit concerns. The intention is to build a shared understanding of the most pressing concerns in governance and find possible solutions," the Comptroller and Auditor General, GC Murmu, had said earlier.

Sources said that while the all departments be it Centre or State/UTs have to undergo audit from the CAG, now it will be also the responsibility of the auditor as well the concerned minister or political executive to share/divulge the required accounting information.

"The political executive how so ever high will have to cooperate according to the new charter of this constitutional body. This we are doing for more effective and greater transparency in the system at all level and channels," explained a senior CAG official. Under this now a range of Council of Ministers will also be audited for the responsibilities they owe.

In the recent times the CAG has also been working overtime to scan all kind of tenders, media reports of major projects based on which the audit watchdog prepare itself to move ahead to check the details and the probabilities of the projects at the costing evaluated.

The CAG also announced for full operationalisation of the One IAAD One System (OIOS) workflow system in the audit offices effective from April 1, 2023. Presiding over an event on Friday, Murmu declared that "from tomorrow

(Saturday) onwards, all new audit work in our institution will take place only through OIOS and physical paper-based workflow must cease. From tomorrow onwards, the digitisation process would be irreversible”. OIOS is an enterprise wide end-to-end IT application. OIOS is web-enabled solution with support for multiple languages with offline functionality and a mobile app. The OIOS roll out process involved work relating to master data, audit design, audit execution, legacy data migration, knowledge management system, quality assurance, quality control, audit products, communication and follow-up.

“The institution of the CAG has always been one of the first Government organizations to adopt new technology in its working model. Be it digitizing the accounting and entitlement process, adopting IT enabled audit, using data analytics in facilitating audit, work flow automations, OIOS is a step in that direction which strengthens our Audit officers to continue to provide independent and credible assurance on public resources and be a global leader in public sector auditing,” Murmu said. <https://www.dailypioneer.com/2023/india/now--ministers-can-highlight-their-ministries----cag-audit-concerns.html>

## **2. 'One IAAD One System' workflow becomes fully functional across all CAG operations ([economictimes.indiatimes.com](https://economictimes.indiatimes.com)) Apr 1, 2023**

Comptroller and Auditor General of India on Friday announced the full operationalisation of the One IAAD One System (OIOS) workflow system in the audit offices effective from 1 April 2023.

Presiding over an event here, Comptroller and Auditor General of India, Girish Chandra Murmu declared that “from tomorrow onwards, all new audit work in our institution will take place only through OIOS and physical paper-based workflow must cease. From tomorrow onwards, the digitisation process would be irreversible.”

OIOS is an enterprise wide end-to-end IT application. OIOS is web-enabled solution with support for multiple languages with offline functionality and a mobile app.

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He appreciated efforts of the Organisation of about 130 odd audit offices spread all over the country for embracing this digital initiative.

Murmu emphasized that to audit the technology used by the government in delivering services as well as ensuring equity, efficiency, effectiveness, and ethics in such delivery, auditors, need to be one step ahead of the government. Government of India has forged ahead with the Digital India programme through which it has used technology extensively in every sector of economy and governance.

Extensive use of Artificial Intelligence in all fields is an inevitable outcome of government policies. IAAD is working towards building infrastructure and processes for Artificial Intelligence and Machine Learning and harnessing the potential of these technologies for delivering audit products more effectively.

Murmu shared that SAI India as the Chair of SAI 20 under G20, has taken several initiatives in the area of responsible AI. SAI India is working towards formulating data policy, governance principles, access protocols and security policy to give assurance to auditee for data safety and legitimate use. The role of auditors is going to be critical in such a context since AI is still a little understood technology, mostly opaque in its operations and needs to be evaluated in terms of ethics and responsibility.

<https://government.economictimes.indiatimes.com/news/digital-india/one-iaad-one-system-workflow-becomes-fully-functional-across-all-cag-operations/99159982>

### **3. Ending a 4-year-long operation, CAG to go paperless from April 1** ([theweek.in](https://theweek.in)) By Sanjib Kr Baruah | Updated: March 31, 2023

A more than four-year-long nationwide operation in the office of the Comptroller and General (CAG) of India and its about 150 field offices across the country to go paperless will come to an end on Saturday.

All those bulky files of audit and accounting literature including detailed communications with the auditees will be reduced to the bin of history when from the new financial year on April 1, digitalization and paperless work will be the new mantra.

Officially launching the full digitisation of the audit process through the OIOS application on Friday, the CAG Girish Chandra Murmu said: “From tomorrow onwards, all new audit work in our institution will take place only through OIOS and physical paper-based workflow must cease.”

An enterprise wide end-to-end IT application, OIOS refers to One IAAD One System. It is a web-enabled solution with support for multiple languages with offline functionality and a mobile app.

A CAG source told THE WEEK: “The audit design including audit objectives to an actual audit, past reports, all documentation work will no longer have physical copies. Whatever comes in physical form will be scanned and stored. This will greatly enhance audit quality and accuracy besides leading to easy information sharing among all relevant auditors.”

The other obvious and important aspect is substantial saving of time, effort and money.

“Be it digitising the accounting and entitlement process, adopting IT-enabled audit, using data analytics in facilitating audit, workflow automations. OIOS is a step in that direction which strengthens our audit officers to continue to provide independent and credible assurance on public resources and be a global leader in public sector auditing,” Murmu added.

The next step ahead for the national auditor as far as technology infused is concerned will be in the field of Artificial Intelligence (AI).

“Extensive use of AI in all fields is an inevitable outcome of government policies. IAAD is working towards building infrastructure and processes for AI and Machine Learning and harnessing the potential of these technologies for delivering audit products more effectively,” the CAG said.

At the same time, Murmu cautioned on the use of AI saying the “role of auditors is going to be critical in such a context since AI is still a little understood technology, mostly opaque in its operations and needs to be evaluated in terms of ethics and

responsibility.” <https://www.theweek.in/news/india/2023/03/31/ending-a-4-year-long-operation-cag-to-go-paperless-from-april-1.html>

**4. Audit process to be fully digitalised from April 1 ([thehindu.com](https://www.thehindu.com)) Mar 31, 2023**

**The web-enabled IT application has support for multiple languages, offline functionality and a mobile app**

The Comptroller and Auditor General of India (CAG), Girish Chandra Murmu, on March 31 announced full activation of the One Indian Audit & Accounts Department One System (OIOS), a web-enabled IT application with support for multiple languages, offline functionality and a mobile app, for complete digitalisation of the audit process from April 1, 2023.

Mr. Murmu, who presided over the event for official launch of the OIOS, said henceforth all new audit work in the institution would take place only through the application and physical paper-based workflow would cease from Saturday onwards. “The only exception would be the Defence Audit offices which would take some more time because of security issues. From tomorrow onwards, the digitisation process would be irreversible,” he said.

The efforts to adopt the IT application had started in 2019. “The OIOS roll-out process involved work relating to master data, audit design, audit execution, legacy data migration, knowledge management system, quality assurance/quality control, audit products, communication and follow-up,” said Mr. Murmu.

**Functional help desks**

Stating that managing any change at an organisational level was not easy, particularly in the Indian Audit & Accounts Department (IAAD) that comprised about 25,000 strong workforce in about 150-odd audit offices across the country, he said a major factor in the change management effort was the creation of functional help desks. “In all, 24 dynamic Senior Audit Officers/Assistant Audit Officers were deployed exclusively for training, problem resolution and hand holding of various field offices,” said the CAG of India.

Mr. Murmu said given that the whole nation was getting transformed through digitalisation, leading to transparency, efficiency, ease of living and bringing governance to the doorstep of each and every individual, the IAAD would also need to clearly state its vision for the next 25 years in this regard. “... We must

strive and become one of the most digitally advanced departments where working in a digital environment becomes a norm rather than an exception,” he said.

As a mid-term goal in the coming five to seven years, the CAG chief set the target of establishing the infrastructure processes for new and emerging areas of IT, such as Artificial Intelligence and Machine Learning, and developing capabilities to harness their potential for audit purposes.  
<https://www.thehindu.com/news/national/cag-adopts-oios-for-complete-digitalisation-of-audit-process/article66683795.ece>

## **5. CAG to go paperless, announces digital audits from April 1** ([hindustantimes.com](https://www.hindustantimes.com)) Mar 31, 2023

All audit work across India will become paperless and will only be carried out digitally from April 1, the Comptroller and Auditor General of India (CAG) announced on Friday.

The historic development will ensure that CAG’s 130-odd offices will not have to go through hundreds and thousands of files physically and records can be maintained for eternity.

“.... from tomorrow onwards, all new audit work in our institution will take place only through OIOS (One IAAD One System) and physical paper-based workflow must cease. From tomorrow onwards, the digitization process would be irreversible,” CAG Girish Chandra Murmu said on Friday.

The OIOS rollout process, Murmu said, involved work relating to master data, audit design, audit execution, legacy data migration, knowledge management system, quality assurance, quality control, audit products, communication and follow-up.

“The institution of the CAG has always been one of the first government organizations to adopt new technology in its working model. Be it digitizing the accounting and entitlement process, adopting IT (Information Technology) enabled audit, using data analytics in facilitating audit, or workflow automation, OIOS is a step in that direction which strengthens our audit officers to continue to provide independent and credible assurance on public resources and be a global leader in public sector auditing,” the federal auditor said in a statement quoting Murmu.

Envisaged in late 2019-early 2020, OIOS is a web-enabled solution with support for multiple languages with offline functionality and a mobile app. It is the primary system of record (single source of truth) for the entire chain of audit activities, from audit planning and design through audit execution to issue and follow-up of inspection reports to processing and finalization of the CAG's audit reports and follow-up. It covers all types of audit - compliance, financial and performance.

Generally, close to 90 audit reports are prepared through CAG's 130 offices across India and approved every year for submission to Parliament, state legislature or union territory legislature, containing findings on government business transacted during the preceding financial year (or earlier years). Digitisation will mean that no physical documents need to be studied by the auditors.

According to a CAG official, the historic step will not only ensure accountability but also accuracy.

“This will tremendously change how the audits are done. Even communication will take place through this system. Nobody can remove any document or data and say an audit was not carried out. The system will ensure full responsibility, transparency and complete documentation. Besides, there will be a permanent record of everything and a lot of paper will be saved,” said the official who did not wish to be named.

The official said all audit offices across India have been connected in the system and the ministries/departments– the auditees– will be connected in the next stage.

According to a person familiar with the initiative, reports tabled in parliament will also be digitized. Already, as a pilot project, a few reports have been prepared digitally, he said.

Murmu emphasized that to audit, the technology used by the government in delivering services as well as ensuring equity, efficiency, effectiveness, and ethics in such delivery, the auditors need to be one step ahead of the government.

“Government of India has forged ahead with the Digital India programme through which it has used technology extensively in every sector of economy and governance. Extensive use of Artificial Intelligence (AI) in all fields is an inevitable outcome of government policies. IAAD (Indian Audit and Accounts Department) is working towards building infrastructure and processes for artificial intelligence and machine learning and harnessing the potential of these

technologies for delivering audit products more effectively,” Murmu added, according to the statement by the CAG office.  
<https://www.hindustantimes.com/india-news/cag-india-goes-paperless-all-audit-work-to-be-digitally-carried-out-from-april-1-2021-101680269909582.html>

**6. CAG announces full operationalisation of OIOS workflow system from tomorrow ([aninews.in](https://aninews.in), [theprint.in](https://theprint.in)) Mar 31, 2023**

Comptroller and Auditor General of India on Friday announced the full operationalisation of the One IAAD One System (OIOS) workflow system in the audit offices effective from 1 April 2023.

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He appreciated efforts of the Organisation of about 130 odd audit offices spread all over the country for embracing this digital initiative.

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in such delivery, auditors, need to be one step ahead of the government. Government of India has forged ahead with the Digital India programme through which it has used technology extensively in every sector of economy and governance.

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Murmu shared that SAI India as the Chair of SAI 20 under G20, has taken several initiatives in the area of responsible AI. SAI India is working towards formulating data policy, governance principles, access protocols and security policy to give assurance to auditee for data safety and legitimate use. The role of auditors is going to be critical in such a context since AI is still a little understood technology, mostly opaque in its operations and needs to be evaluated in terms of ethics and responsibility. <https://www.aninews.in/news/national/general-news/cag-announces-full-operationalisation-of-oios-workflow-system-from-tomorrow20230331233534/#:~:text=New%20Delhi%20%5BIndia%5D%2C%20March,effective%20from%201%20April%202023.>

## **7. CAG announces digital audits from April 1 ([theshillongtimes.com](https://www.thehillongtimes.com)) 01 April 2023**

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The historic development will ensure that CAG's 130-odd offices will not have to go through hundreds and thousands of files physically and records can be maintained for eternity.

“.... from tomorrow onwards, all new audit work in our institution will take place only through OIOS (One IAAD One System) and physical paper-based workflow must cease. From tomorrow onwards, the digitization process would be irreversible,” CAG Girish Chandra Murmu said on Friday.

Generally, close to 90 audit reports are prepared through CAG's 130 offices across India and approved every year for submission to Parliament, state legislature or union territory legislature, containing findings on government business transacted

during the preceding financial year (or earlier years). Digitisation will mean that no physical documents need to be studied by the auditors. <https://theshillongtimes.com/2023/04/01/cag-announces-digital-audits-from-april-1/>

**8. CAG Office to Go Paperless from April 1; Paper-Based Workflow to cease** ([dailyexcelsior.com](https://dailyexcelsior.com), [thenorthlines.com](https://thenorthlines.com), [latestly.com](https://latestly.com)) 31 Mar 2023

The Comptroller & Auditor General of India on Friday launched full digitisation of the audit process at the CAG office in New Delhi, which means that work will become paperless.

This was done through OIOS application. OIOS – One IAAD One System is an enterprise-wide end-to-end IT application, a technology which will replace the bulky files of audit.

It is a web-enabled solution with support for multiple languages with offline functionality and a mobile app.

Highlighting the importance of digitisation, Girish Chandra Murmu declared that “from tomorrow onwards, all new audit work in our institution will take place only through OIOS and physical paper-based workflow must cease.”

OIOS is a step in a direction which strengthens Audit officers to continue to provide independent and credible assurance on public resources and be a global leader in public sector auditing. Murmu appreciated the efforts of the Organisation of about 130 odd audit offices spread all over the country for embracing this digital initiative.

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He further shared that SAI India is working towards formulating a data policy, governance principles, access protocols and security policy to give assurance to auditees for data safety and legitimate use.

The role of auditors is going to be critical in such a context since AI is still a little-understood technology, mostly opaque in its operations and needs to be evaluated in terms of ethics and responsibility, he stated.

There were speeches by other senior officers of the organisation. The Importance of the OIOS application was shared by Parveen Mehta, Dy. CAG (HR, IR& Coordination), the Journey of developing this OIOS application was presented by K.R. Sriram, Deputy CAG(CRA). The event ended with a Vote of Thanks by BK Mohanty, DG Information System. The event was attended by officers of IAAD in New Delhi as well as web-casted to all 180 offices across India. <https://www.dailyexcelsior.com/cag-office-to-go-paperless-from-april-1-paper-based-workflow-to-cease/>

**9. Indian Army gets only 8% of howitzers it planned to buy 20 years ago: CAG Report ([deccanherald.com](https://www.deccanherald.com)) UPDATED: APR 01 2023**

Two decades after the Indian Army sought replacement of its outdated artillery guns, the land force has received just about 8 per cent of the howitzers that the Defence Ministry planned to purchase with no visible outcome on 77 per cent of the proposed acquisition till a year back, the Comptroller and Auditor General has found.

Out of the five projects to purchase various categories of howitzers, only two have been realised so far – delivery of K-9 Vajra and M-777 ultra lightweight howitzers – meeting just about 9 per cent of the planned acquisition. In the sixth project on the up-gunning of older generation 130 mm guns, the forces received only about 16 per cent of the guns that the army was to receive by March 2022.

The bulk (77 per cent) of the proposed howitzer acquisition comprising 155 mm/52 calibre towed and 155 mm/52 calibre mounted gun systems has not materialised though they were the first two artillery modernisation projects that received the Defence Minister's approval in 2007 and 2009 respectively.

“Out of the six cases of acquisitions and upgradation of artillery guns, only three culminated into contracts, comprising merely 17 per cent of the total number of guns proposed to be acquired. The replacement of existing artillery guns has been progressing at a very slow pace for over two decades,” the CAG said in its report tabled in the Parliament earlier this week. As of March 2022, only 8 per cent of the guns had been delivered.

Acquisition of self-propelled (wheeled) guns was dropped from the modernisation plans without identifying a suitable substitute.

The 155 mm/52 calibre towed guns, which is to be the mainstay for the Regiment of Artillery in the future – has not been purchased even after a decade-long procedure to identify the vendor, conducting trials and fixing the price after protracted negotiations.

In December 2020, the Narendra Modi government imposed an embargo on their import on the ground of self-reliance. This was one of the 101 items which were brought under the embargo. Going by the original plan approved in 2002, the defence ministry was to directly buy just about 13 per cent of the towed guns while 38 per cent were to be made in India under technology transfer. The 155 mm towed guns were more than half of the total number of howitzers that the army planned to buy.

The army in December 2022 issued a fresh request for information to buy such guns from Indian vendors, once again starting the procurement process as per an acquisition plan drafted in 1999.

The procurement of the mounted gun systems, which was approved with a transfer of technology clause, did not progress beyond the first stage approval (acceptance of necessity) accorded in 2009. It didn't even progress to the tendering stage (request for proposal) even after 12 years. Asked by the audit, the ministry remained silent on the procurement of such systems.

“The entire (artillery) acquisition process was mired in delays at various stages of procurement for almost all type of guns,” the CAG said in the report, noting that actions like up-gunning of older guns and buying Dhanush (using the Bofors technology) systems would only serve as “stopgap measures.”  
<https://www.deccanherald.com/national/indian-army-gets-only-8-of-howitzers-it-planned-to-buy-20-years-ago-cag-report-1205569.html>

## **10. Expert panel and CAG raise question on college ratings** ([telegraphindia.com](https://www.telegraphindia.com)) UPDATED: APR 02, 2023

An expert panel and the comptroller and auditor general have questioned the competence and transparency of the process that accredits and grades India's institutions of higher learning, amid allegations from academics that private universities are largely favoured over their government counterparts.

The expert committee, headed by J.P. Singh Joorel, director of the government information and library network Inflibnet, had been formed last July to study the processes of assessment and accreditation conducted by the apex National Assessment and Accreditation Council (NAAC).

It has raised questions about the high grades given to some institutions, the competence of private agencies hired by the NAAC to verify the institutions' claims about their infrastructure and excellence, and the excessive allotments of assignments to certain agencies and assessors.

The CAG has underlined that many institutions received positive remarks but poor scores from the assessors while it was the opposite with others.

Two academics told this newspaper about anecdotal complaints of corruption relating to private institutions and private data verifiers, and suggested that the government perhaps did not mind its own institutions getting poor grades since it was promoting the privatisation of education.

Bhushan Patwardhan, then chairman of the NAAC's executive committee, received the expert committee's report in September and sent it to the Union education ministry and University Grants Commission chairperson M. Jagadesh Kumar, seeking their advice.

Sources said the executive committee was informed about the report in January this year and all its members were advised to take serious note of it.

The CAG's findings are stated in a communication that it sent to the NAAC director last October, seeking the organisation's response.

The Telegraph has been made privy to the contents of both the expert panel report and the CAG communication.

## **Grading process**

The NAAC accredits universities and colleges by awarding them grades based on their cumulative grade point average (CGPA) score. The process involves multiple stages.

First, the institutions upload on a dedicated NAAC portal their own Self Study Reports that provide data on their student and teacher strength, teacher qualifications, infrastructure, research output, curricula, exam results and other parameters on which they are to be assessed for accreditation.

This is sent to an NAAC coordinator as well as a Data Verification and Validation (DVV) “partner” — an agency engaged by the NAAC that verifies through queries or online research all the information in the Self Study Reports.

These agencies include private companies such as data analytics firms as well as government institutions such as IITs.

The next step is a physical inspection of the institution through a Peer Team Visit (PTV), whose members are NAAC-assigned experts. They also interact with the teachers and students. The peer teams assess the institution on multiple “matrices”, assigning a score between 0 and 4 on each matrix. A standing committee scrutinises the entire process.

Seventy per cent weightage is given to the DVV and 30 per cent to the PTV report during grading.

The Joorel report made the following points:

- While the NAAC selects the DVV partners, it does not make sure they have the necessary technical qualifications and professional competence relating to “higher education knowledge systems”. Nor is there a mechanism to train or guide them.
- Some institutions received “hyped values or wrong values”, that is, higher grades than they deserved.
- The allocation of Self Study Reports to the coordinators and DVV partners is not sequential or random. When 14 Self Study Reports were allotted on October 28, 2021, a full dozen of them were sent to a single DVV partner and just two to another.

- Many experts are too frequently picked for Peer Team Visits.
- The communications among the coordinators, DVV partners and the educational institutions — for instance, queries about the institutions' claims or the accuracy of the DVV partner's verification process — are not recorded on the portal, leading to opacity.
- The resolutions of issues raised by coordinators are not communicated back to the coordinators concerned.
- Appeals by institutions against the final grades have often prompted the NAAC's appeals committee to recommend a fresh DVV or PTV, and the revised grades have diverged drastically from the original ones. Such situations owe to poor performance by the original DVV partner or PTV team, and action should be taken against the erring parties.
- The NAAC lacks a secure data centre of its own, which means the information provided by the institutions is liable to be modified later.

### **CAG findings**

The CAG examined the peer team reports and matrix-wise scores of 133 select institutions and found that in the case of 20 institutions, the points awarded on key indicators did not match the contents of the report. In the case of another 21 institutions, high scores of 3 and 4 were awarded without citing the justification.

For example, it said, the Mahant Shri Ramjanki Sharan Das Vaishnav Government Snatak College in Kabirdham district of Chhattisgarh was awarded a score of 1 by the peer team on the matrix of Special Programmes for Advanced Learners and Slow Learners.

However, the peer team report makes no negative comment. It says the college assesses the learning levels of the students and organises special classes for slow learners. The college received an overall CGPA score of 1.94 with a C grade in 2022.

In contrast, the peer team awarded the highest possible 4 points to PSGR Krishnammal College for Women, Coimbatore, on the matrix of Strategies for Mobilisation of Funds.

However, the peer team's report says the college should ensure judicial and optimum utilisation of resources and that it has been unable to attract funds in larger amounts from NGOs, individuals and philanthropists.

The college was awarded an overall GPA score of 3.71 with the highest grade of A++ in 2021.

The CAG has also found that the NAAC failed to use the expertise of 1,310 assessors (prospective peer team members) between July 2017 and October 4, 2022, even after training them on the assessment process. Yet, 668 untrained assessors were deputed for Peer Team Visits.

### **Corruption whiff**

Two senior academics told this newspaper that the involvement of private DVV partners opens the door to corruption.

“If people from universities and colleges are involved, the chances of corruption are far less. Because these institutions are largely more accountable. But such transparency cannot be expected from private agencies,” Abdul Wahid, former vice-chancellor of the Central University of Kashmir, who was associated with the NAAC's accreditation process in the past, said.

Another academic, who didn't want to be quoted, said there were complaints about peer team members asking for costly gifts and other favours.

“Private institutions can fulfil all kinds of demands from the assessors. Government institutions are bound by rules and cannot divert any fund for such appeasement. Such dealings very often reflect on the accreditation score,” the academic said.

This newspaper had filed an RTI application before the NAAC seeking the names of all the DVV partners. In its response on December 26 last year, the NAAC named seven DVV partners.

These were IIIT Design and Manufacturing (IIITDM), Kurnool; Eduvantage Private Limited, Delhi; Promarc Software Private Ltd, Nagpur; Crisil Ltd, Mumbai; National Institute of Technical Teachers' Training and Research, Chennai; IIITDM Kancheepuram; and IIT Chennai.



Emails were sent to NAAC director S.C. Sharma seeking his reactions to the concerns expressed by the expert panel and the CAG. Sharma said he was unaware of the findings of the expert panel's report.

“Till date the committee has not submitted the report formally shared with NAAC... As Director of the NAAC or as Member Secretary of the EC, I do not have any information about the report,” Sharma wrote.

On the institutional mechanism to check discrepancies between peer reports and scores, Sharma said: “There is a standard mechanism (for checking discrepancies) in place from submission of Self Study Report by HEI (higher education institution) till declaration of results... Clarification to the queries raised (by) the CAG have already been addressed by NAAC.”

He said the DVV partners are selected on the basis of e-tenders in keeping with government norms. A technical scrutiny of the organisation's technological proficiency and experience, and details of its employees and their academic profiles, is carried out.

Sharma is yet to share details of the technical proficiency of all the DVV partners, as sought by this newspaper.

On the expert committee's reservations relating to the allotment of Self Study Reports to DVV partners and the selection of experts for PTVs, Sharma wrote: “The entire NAAC process involves several challenges and parameters and based on the experience gained NAAC keeps improving the process with the approval of EC (executive committee).” <https://www.telegraphindia.com/india/expert-panel-and-comptroller-and-auditor-general-raise-question-on-college-ratings/cid/1926635>

## **STATES NEWS ITEMS**

### **11. Swachh Bharat Mission: CAG points out irregularities in scheme in J&K ([hindustantimes.com](https://www.hindustantimes.com)) Mar 31, 2023**

CAG report has pointed out massive irregularities in the urban housing department, municipal corporations of Srinagar and Jammu and the municipal councils and committees in the Swachh Bharat Mission scheme launched by the Centre in 2014.

The flagship scheme of the Swachh Bharat Mission Urban was launched with the objective of making urban India 100 per cent free from open defecation in areas falling under the urban local bodies in the country by October 2019.

Under the scheme as per the CAG report, individual household latrines (IHHLs) and public toilets (PTs) were carried out covering the period from 2016-17 to 2020-21. “It was noticed that the ULBs had not carried out house-to-house survey to identify beneficiaries for providing IHHLs. Progress of work was not closely monitored, and no monitoring reports were on record.”

The CAG report further pointed out that beneficiary survey and physical verification of selected 942 IHHLs shown constructed by NGOs revealed that only 95 (10 per cent) were functional.

“Further, doubtful payment of ₹116.48 lakh was made to NGOs in respect of construction of IHHLs and there was unproductive expenditure of ₹91.30 lakh in respect of 522 IHHLs. Out of 173 physically verified PTs, 108 PTs (63 per cent) were either incomplete, abandoned or non-functional,” the report said.

Housing and urban development department (H&UDD), Jammu Municipal Corporation (JMC), Srinagar Municipal Corporation (SMC), directors of urban local bodies (ULBs), Jammu and Srinagar, and 76 municipal councils/ committees are responsible for implementation of SBM (U).

The audit of two components under Swachh Bharat Mission (U) viz. individual household latrines (IHHLs) and public toilets (PTs), was carried out covering the period from 2016-17 to 2020-21.

The CAG report revealed that during the period 2016-21, 51,246 IHHLs and 2,621 PTs were constructed in the 78 ULBs (JMC, SMC and 76 municipal councils/ committees) of Jammu and Kashmir. Scrutiny of records of directors of urban local bodies (ULBs), Jammu and Srinagar and JMC, SMC and 19 other ULBs2 (out of 76 municipal councils/ committees) was carried out.

The report said as per rule (50 per cent) of incentive for construction of IHHL should not be released without verification of beneficiary. Audit observed in Municipal Council, Sopore and Shopian that out of 1,563 beneficiaries, 154 beneficiaries were paid ₹ 3.15 lakh in 2016-17 as 1st instalment for construction of sanitary latrines.

The report said that non-conducting of survey for identification of beneficiaries had resulted in wasteful expenditure of ₹ 1.09 crore (including ₹ 3.06 lakh paid to these 51 beneficiaries) paid to these 1,828 beneficiaries.  
<https://www.hindustantimes.com/cities/chandigarh-news/cag-report-exposes-irregularities-in-swachh-bharat-mission-scheme-implementation-by-jammu-and-kashmir-s-urban-local-bodies-reveals-wasteful-expenditure-of-over-1-crore-101680283583176.html>

**12. Rs 83,536 crore liabilities of erstwhile state yet to apportioned between JK and Ladakh: CAG (*freepresskashmir.news*) Updated: Apr 1, 2023**

The Rs 83,536 crore liabilities of the erstwhile state of Jammu and Kashmir are yet to be bifurcated between the union territories of Jammu and Kashmir and Ladakh, the Comptroller and Auditor General of India has said in its report.

In its report, which was tabled in the parliament earlier this week, the auditor said that borrowings of the erstwhile state of Jammu and Kashmir are yet to be apportioned between the successor UTs.

“There is also borrowing of erstwhile State of Jammu and Kashmir ending 30 October 2019 amounting to Rs 83,536.63 crore which is yet to be bifurcated between two successor UTs,” reads the report, a copy of which is in possession of news agency Kashmir News Observer.

After reorganisation of the erstwhile state of JK, a committee was constituted by the Government of India for the bifurcation of assets and liabilities between the UTs.

The CAG has also revealed that the administration of Jammu and Kashmir Union Territory had an outstanding liability of Rs 29,335.41 crore ending March 31, 2022.

“In addition to above, there is outstanding borrowings amounting to Rs 2,122.77 crore of JKIDFC and an amount of Rs 10,321.83 crore of JKPCL,” the report further states.

As per the Jammu and Kashmir Fiscal Responsibility and Budget Management Act, 2006, total liabilities means the liabilities under the Consolidated Fund and the Public Account and includes borrowings by the public sector undertakings and

special purpose vehicles and other equivalent instruments including guarantees where the principal and /or interest are to be serviced out of the budget.

The CAG report of JK was laid in the Parliament as the UT has been without an elected government for more than one year.

As per Union Finance Ministry's June 2019 decision, wherever President's Rule is extended beyond one year, the C&AG's report would be placed in Parliament. <https://freepresskashmir.news/2023/04/01/rs-83536-crore-liabilities-of-erstwhile-state-yet-to-apportioned-between-jk-and-ladakh-cag/>

**13. CAG pulls up J&K home dept for releasing addl salary to cops**  
([hindustantimes.com](https://www.hindustantimes.com)) Updated: Apr 2, 2023

The Comptroller and Auditor General (CAG) of India has pulled up the Jammu and Kashmir home department for releasing additional salary to police personnel who were not deployed for election duties during the conduct of municipal and panchayat elections, 2018.

The government had released an additional month of salaries and wages to employees who had performed election duties during the local bodies and panchayat elections in J&K.

The CAG, in its report, said that the conduct of municipal and panchayat elections, 2018, resulted in inadmissible payment of ₹1.58 crore in respect of 483 police personnel.

“Audit scrutiny of records (December 2020 to June 2021) of drawing and disbursing officers of home department revealed that one-month additional salary was irregularly paid to 483 police personnel who were not deployed for the conduct of municipal/panchayat elections, 2018, as they were providing security to Very Important Persons (VIPs) and other protected persons in and outside their respective districts during the election months,” the CAG report pointed out.

Giving details, the report said that SSP Jammu, SSP Rajouri, SSP Doda, SSP Reasi, SSP Kathua and Commandant IR2nd Battalion, Rajouri, had released additional salaries and wages to police personnel.

“On this being pointed out (December to June 2021) in audit, accounts officers, offices of senior superintendent of police (SSP), Jammu, and Rajouri, SSP Doda

and Commandant IR-2nd Battalion, Rajouri, accepted (September 2021) the audit contention and stated that payment was made inadvertently and recovery would be initiated from the said employees. Accounts officer, office of SSP, Reasi, stated (September 2021) that recovery had been started from the salary of May 2021 in respect of said employees,” the report said.

The CAG, in its report, further said the matter was referred to the government in January 2022. “Financial adviser/CAO home department stated (May 2022) that an amount of ₹1.10 crore had been recovered against inadmissible payment of ₹1.58 crore. Further, it was stated that SSP Jammu, SSP Doda and SSP Rajouri had recovered more than 75% and were in the process of recovering outstanding amount,” the report said. <https://www.hindustantimes.com/cities/chandigarh-news/cag-report-reveals-irregular-payment-of-1-58-crore-to-police-personnel-in-j-k-for-municipal-and-panchayat-election-duties-jammuandkashmir-cagreport-electionduties-policepersonnel-irregularpayment-101680377856073.html>

**14. J&K Budget Utilisation 20% Less in 2021-22: CAG** ([news18.com](https://www.news18.com), [financialexpress.com](https://www.financialexpress.com), [bqprime.com](https://www.bqprime.com), [dailyexcelsior.com](https://www.dailyexcelsior.com)) Updated: Apr 2, 2023

The overall utilisation of budget in Jammu and Kashmir was 20 per cent less than the total amount of Rs 1.39 lakh crore grants and appropriations during the year 2021-22, Comptroller and Auditor General of India has said, urging the government to be “more realistic” in its budgetary assumptions.

It also criticised the failure of the concerned departments to surrender the grants and appropriations to the finance department in anticipation of savings which stood at Rs 28,504.50 crore.

“The total provision for expenditure during 2021-22 was Rs 1,39,795.19 crore. The actual expenditure during the year was Rs 1,11,983.49 crore (80 per cent), resulting in savings of Rs 27,811.70 crore during 2021-22,” the CAG said in its latest report on the Union Territory Finances for the year ended March 31, 2022.

It said the budgetary allocations were based on unrealistic proposals as out of total 35 grants, in 22 grants, savings were more than Rs 100 crore in the capital section.

“During 2021-22, Rs 28,205.78 crore (31 per cent) of savings was noticed in the voted section whereas excess expenditure of Rs 394.08 crore (one per cent) was incurred in the charged section.

“Entire budget provision of Rs 5,092.25 crore under 28 Grants involving 123 number of schemes remained unutilised during the year resulting in denial of intended benefits to the general public," the report said.

It said the supplementary provisions aggregating Rs 3,919.78 crore obtained in 22 cases, involving Rs 50 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the original provisions.

“On the other hand, in grant 08-Finance Department, supplementary grant of Rs 16,057.92 crore was not adequate to meet the requirement. There were 33 grants in which savings of Rs 10 crore and above had occurred as on 31st March 2022, which included 26 grants wherein savings of Rs 100 crore and above were noticed," it said.

The CAG said an amount of Rs 21,646.17 crore was incurred under 33 schemes/Sub Heads in 10 Grants without budgetary provisions during 2021-22.

It said the expenditure exceeding 50 per cent of the total expenditure for the year 2021-22 was incurred in March 2022 in respect of 25 major heads under 17 grants.

“The savings in grants is indicative of over budgeting which is as much a financial irregularity as excess in expenditure... Besides, excessive savings in some departments during the period is indicative of deprivation of other departments of the funds which they could have utilised and also non-surrender of funds (savings) is in contravention to the instructions of the Jammu and Kashmir Budget Manual," it said.

As per the Jammu and Kashmir Budget Manual, the CAG said the spending departments are required to surrender the grants/appropriations or portion thereof to the finance department as and when the savings are anticipated.

“Out of the 35 grants, except in Grant no. 8- Finance Department, there were savings in the remaining 34 Grants. Out of these 34 grants, there were 33 grants in which savings of Rs 10 crore and above had occurred as on 31st March 2022.

“In the case of 26 grants, the savings of Rs 100 crore and above were noticed, with the percentage savings ranging between 14 per cent and 86 per cent. However, no surrender in anticipation of savings was made by the concerned departments. The savings in these cases was Rs 28,504.50 crore," the report said.

The report said the savings under the capital section ranged between 42 per cent and 98 per cent of the total appropriation of the grant during 2021-22.

“The savings under the Capital section indicate that the government could not utilise the funds earmarked for developmental activities/creation of assets.” In its recommendations, the CAG said the government should be more realistic in its budgetary assumptions and ensure efficient control mechanisms to curtail savings or excess expenditure.

“Excess expenditure over the approved grants may be regularised at the earliest, along with fixing responsibility for incurring excess expenditure.

“Controlling Officers need to be made aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts," it said.

It also suggested for strengthening of financial monitoring to avoid rush of expenditure at fag end of the year. <https://www.news18.com/india/jk-budget-utilisation-20-less-in-2021-22-cag-7447063.html>

**15. Several Autonomous Bodies fail to submit accounts for yrs together: CAG ([dailyexcelsior.com](https://dailyexcelsior.com)) Updated: Apr 1, 2023**

JAMMU, Mar 31: Comptroller and Auditor General (CAG) of India has pointed out that several Autonomous Bodies have failed to submit accounts for years together even after receiving substantial funding from the budget, which is nothing less than serious financial irregularity.

In respect of eight Autonomous Bodies which were to render annual accounts to CAG, 37 accounts were not rendered for the period ranging between one to 12 years as on March 31, 2022, the supreme audit institution of the country has mentioned in the latest report tabled in the Parliament recently.

These Autonomous Bodies are Compensatory Afforestation Management and Planning Authority (CAMPA), Sher-i-Kashmir University of Agricultural Sciences

and Technology-Kashmir, Sher-i-Kashmir University of Agricultural Sciences and Technology-Jammu, JK Employee Provident Funds Organization, Jammu & Kashmir Housing Board, J&K Khadi and Village Industries Board, J&K Building and Other Construction Workers Welfare Board and J&K State Legal Services Authority (SLSA).

“CAMPAs have submitted the accounts for audit for period up to 2008-09 while as accounts for 12 years are pending. Likewise, SKUAST-Kashmir has not submitted its accounts for audit for last 11 years”, the CAG said, adding “non-submission/delay in submission of accounts by these Autonomous Bodies receiving substantial funding from the budget is a serious financial irregularity persisting for years”.

“Despite taking up issue of preparation and submission of accounts with the Government, the accounts are in arrears”, the report said, adding “in view of this non-compliance, the audited accounts of these Statutory Bodies have not so far been presented to the Legislature as required under the Statutes under which these Bodies were created. The delay/arrears in finalization of accounts carry the risk of financial irregularities going undetected and entails possibility of fraud and misappropriation”.

Pointing out non-submission of details of grants/loans given to bodies and authorities, the CAG said that in order to identify institutions/ organizations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971, the Government / HODs are required to furnish to audit every year the detailed information about the financial assistance given to various institutions; the purpose for which the assistance is granted, and and total expenditure of the institutions.

Further, Regulations on Audit and Accounts (Amendments) 2020 provides that Governments and HODs, who sanction grants and/or loans to bodies or authorities shall furnish to audit by the end of July every year a statement of such bodies and authorities to which grants and/or loans aggregating Rs 10 lakh or more were paid during the preceding year.

“The Government, however, did not furnish the requisite information, which is in violation of Regulations on Audit and Account (Amendments) 2020”, the CAG said, adding “in absence of information audit could not identify the bodies /authorities attracting audit under Section 14 and 15 of the Act of 1971”.



The CAG has also pointed out that Indian Government Accounting Standards are not being complied in the Union Territory of Jammu and Kashmir.

As per Section 71 of Jammu and Kashmir Re-organization Act, 2019, the Lieutenant Governor may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union Territory of Jammu and Kashmir.

Further, as per Article 150 of the Constitution of India, the President of India, on the advice of the Comptroller and Auditor General of India, has so far notified three Indian Government Accounting Standards (IGAS). However, there was no compliance to these Accounting Standards by the Government of Union Territory of Jammu and Kashmir during 2021-22 financial year, the supreme audit institution of the country has mentioned in its latest report tabled in the Parliament recently.

Pointing towards Indian Government Accountant Standard-2, which deals with Accounting and Classification of Grants-in-Aid, the CAG said, “the essence of this Standard is to prescribe the principles for accounting and classification of Grants-in-Aid in the Financial Statements of Government both as a grantor as well as a grantee. However, this Standard has not been complied with”. Due to this, certain Grants-in-Aid to be classified under Revenue Section have been classified under Capital Section and information has not been furnished in respect of Grants in Aid given in kind by the UT Government.

About Indian Government Accounting Standard-3, which pertains to Loans and Advances made by the Government, the CAG said, “this Standard too has not been complied with although its essence is to ensure adequate disclosure on loans and advances made by the Government consistent with best international practices”.

“Due to this, the closing balances have not been reconciled by the Loanee Entities/ Government of UT and the Government has not furnished figures in respect of certain loans and advances for which they maintain detailed accounts”, the CAG further said. <https://www.dailyexcelsior.com/several-autonomous-bodies-fail-to-submit-accounts-for-yrs-together-cag/>

**16. CAG Red Flags Incomplete Work on 397 Projects worth Rs 1,518 Crore in J-K** ([outlookindia.com](https://outlookindia.com), [timesofindia.indiatimes.com](https://timesofindia.indiatimes.com), [ptinews.com](https://ptinews.com), [newsdrum.in](https://newsdrum.in), [idrw.org](https://idrw.org)) Updated: Apr 1, 2023

Nearly 400 public welfare projects in Jammu and Kashmir remained incomplete despite incurring an expenditure of over Rs 1,000 crore over the past decade till the end of financial year 2021-22, the Comptroller and Auditor General (CAG) has said.

As many as 378 of these projects were taken up by different government departments between 2019 and 2022, the CAG said in its latest audit report on the Union Territory Finances for the year ended March 31, 2022.

"...397 capital works having original estimated cost of Rs 1,518.66 crore, taken up by four departments (viz Irrigation and Flood Control Department, Jammu (61 works) and Jal Shakti (PHE) Department Kashmir (216 work), Jal Shakti (PHE) Department Jammu (119 ) and Mechanical Engineering Department Kashmir (one) targeted to be completed during the period 2012-13 to 2014-15 and 2017-18 to 2021-22 were incomplete at the end of the year 2021-22," the CAG said.

It said the cumulative expenditure of Rs 1,095.52 crore incurred on these incomplete works got blocked.

Giving the breakup, the report said one project was sanctioned in 2012-13, two in 2013-14, nine in 2014-15, two in 2017-18, five in 2018-19, 85 in 2019-20, 203 in 2020-21 and 90 in 2021-22 at a cumulative cost of Rs 1,518.66 crore.

The irrigation and flood control department, Jammu, made the highest expenditure of Rs 614.22 crore followed by Rs 246.95 crore by the Jal Shakti (PHE) department, Jammu, Rs 233.65 crore by the Jal Shakti (PHE) department, Kashmir, and Rs 70 lakh by the mechanical engineering department, Kashmir.

The CAG also pulled up the government for poor recovery of loans in the Union territory.

"During the year 2021-22, the Government of Union Territory of Jammu and Kashmir disbursed loans and advances of Rs 73.77 crore and recovered loans and advances amounting to Rs 1.03 crore. Out of total loans disbursed during 2021-22 loans amounting to Rs 40.00 crore was disbursed to J&K Road Transport Corporation Limited (JKRTC) which already had outstanding loans of Rs 439.23

crore ending 31 March 2021 (Rs 383.73 crore received from erstwhile State and Rs 55.50 crore from UT of J&K),” the report said.

It said as per last audited accounts for the year 2018-19, JKRTC booked losses of Rs 117.62 crore.

“Recoveries of loans and advances are not forthcoming from loss-making public sector undertakings. No assessment about potential recoverability of these loans has been made in the Fiscal Responsibility and Budget Management (FRBM) statements,” the CAG said.

It said the government had a total outstanding loans and advances of Rs 168.25 crore ending 31 March 2022.

“In addition, there were loans and advances of Rs 1,740.44 crore disbursed by the Government of erstwhile State which were outstanding ending 30 October 2019 and were yet to be divided between Union Territory of Jammu and Kashmir and Union Territory of Ladakh,” the report said.  
<https://www.outlookindia.com/business/cag-red-flags-incomplete-work-on-397-projects-worth-rs-1-518-crore-in-j-k-news-275282>

#### **17. CAG report red-flags incomplete work on 397 projects** ([tribuneindia.com](https://tribuneindia.com)) 02 Apr 2023

As many as 397 public welfare projects in J&K remained incomplete despite incurring an expenditure of over Rs 1,000 crore over the past decade till the end of financial year 2021-22, the Comptroller and Auditor General (CAG) has said.

As many as 378 of these projects were taken up by different government departments between 2019 and 2022, the CAG said in its latest audit report on the Union Territory Finances for the year ended March 31, 2022. “...397 capital works having original estimated cost of Rs 1,518.66 crore were taken up. The Irrigation and Flood Control Department, Jammu, took up 61 projects, Jal Shakti (PHE) Department, Kashmir, 216 projects, Jal Shakti (PHE) Department, Jammu, 119 projects and Mechanical Engineering Department, Kashmir, took up one project, targeted to be completed from 2012-13 to 2014-15 and 2017-18 to 2021-22. These were incomplete at the end of 2021-22,” the CAG stated.

It said the cumulative expenditure of Rs 1,095.52 crore incurred on these incomplete works got blocked. Giving the breakup, the report said one project was

sanctioned in 2012-13, two in 2013-14, nine in 2014-15, two in 2017-18, five in 2018-19, 85 in 2019-20, 203 in 2020-21 and 90 in 2021-22 at a cumulative cost of Rs 1,518.66 crore.

The CAG also pulled up the government for poor recovery of loans in the UT. “During 2021-22, the UT disbursed loans and advances of Rs 73.77 crore and recovered loans and advances amounting to Rs 1.03 crore. Out of total loans disbursed during 2021-22 loans amounting to Rs 40 crore was disbursed to J&K Road Transport Corporation Limited (JKRTC) which already had outstanding loans of Rs 439.23 crore ending March 31, 2021, (Rs 383.73 crore received from erstwhile state and Rs 55.50 crore from the UT of J&K),” the report said.

It said as per last audited accounts for the year 2018-19, the JKRTC booked losses of Rs 117.62 crore. — PTI

Tax revenue increases by 31%

[https://www.tribuneindia.com/news/j-k/cag-report-red-flags-incomplete-work-on-397-projects-493395#google\\_vignette](https://www.tribuneindia.com/news/j-k/cag-report-red-flags-incomplete-work-on-397-projects-493395#google_vignette)

**18. Tax revenue marks over 31 pc increase during 2021-22 in J-K: CAG**  
([tribuneindia.com](https://www.tribuneindia.com)) 01 Apr 2023

The tax revenue in Jammu and Kashmir touched Rs 11,707.28 crore in 2021-22 compared to Rs 8,876.99 crore in the previous year, marking an increase of 31.88 per cent, according to the Comptroller and Auditor General (CAG).

State Excise, State Goods and Services Tax (SGST) and Taxes on sales and trade showed the maximum increase of 32.31 per cent, 32.13 per cent and 27.46 per cent, respectively, the CAG said in its audit report on the Union Territory Finances for the year ended 31 March 2022.

The government’s performance in the mobilisation of resources is assessed in terms of its own tax resources comprising revenue from its own tax and non-tax sources.

The report said there was an increase in all components of own tax revenue during 2021-22 which marked an increase of 31.88 per cent compared to the previous year.

“SGST, State Excise and Taxes on Sales/Trade showed maximum increase of Rs 1,554.95 crore, Rs 435.37 crore and Rs 410.70 cores respectively. The highest percentage increase with respect to 2020-21 was 536.67 per cent and 87.02 per cent under Taxes on Goods and Passengers and Land Revenue respectively,” the CAG said.

The collection of taxes on vehicles increased from Rs 488.38 crore in 2020-21 to Rs 616.24 crore in 2021-22 (26.18 per cent) and stamp duty and registration fee from Rs 325.54 crore in 2020-21 to Rs 512.02 crore in 2021-22 (57.28 per cent).

Land revenue rose from Rs 60.57 crore in 2020-21 to Rs 113.28 crore in 2021-22 (87.02 per cent) and taxes on goods and passengers from Rs 0.90 crore in 2020-21 to Rs 5.73 crore in 2021-22 (536.67 per cent) and other taxes from Rs 319.22 crore in 2020-21 to Rs 376.60 crore in 2021-22 (17.98 per cent).

During 2021-22, it said the GST collection was Rs 6,394.31 crore compared to Rs 4,839.35 crore in 2020-21, registering an increase of Rs 1,554.96 crore (32.13 per cent). This includes advance apportionment of IGST amounting to Rs 4,334.63 crore.

“The Government of J&K received compensation of Rs 892.56 crore as Revenue Receipt on account of loss of revenue arising out of implementation of GST during 2021-22.

“Further, it also received Rs 3,845.49 crore debt during 2021-22 (total debt of Rs 5,945.29 crore as on 31 March 2022) as back-to-back loan from the central government in lieu of GST compensation, which would not be treated as debt of the Government of J&K for any norms which may be prescribed by the Finance Commission as per the decision of Department of Expenditure, Government of India,” it said.

The CAG said the non-tax revenue receipts increased by 18.74 per cent during 2021-22 with respect to the previous year and major increase was under power, water supply and sanitation, Education, Sports, Art and Culture and Police, while medium irrigation and non-ferrous mining and metallurgical Industries showed a decline in receipt with respect to the previous year.

Receipt under Education, Sports, Art and Culture increased by 1,047.16 per cent during 2021-22 with respect to 2020-21, due to remittance of Rs 461.61 crore by

Chief Accounts Officer (CAO) Samagra Shiksha J&K on account of salary of teachers, the report said.

It, however, said the collection under own resources fell short by 32.42 per cent of Budget Estimates.

“The UT Government could not achieve its own targets for own tax revenue and own non-tax revenue in the Budget Estimates. Own Tax Revenue fell short by 28.07 per cent and Non tax revenue fell short by 41.03 per cent of budget estimates,” it said.

It said the UT’s own resources (Own Tax Revenue and Own Non-Tax Revenue) of Rs 16,547.73 crore during the year 2021-22 was 36.77 percent of committed expenditure (salaries and wages, interest payments and pension) of Rs 45,000.95 crore for the year 2021-22. <https://www.tribuneindia.com/news/j-k/tax-revenue-marks-over-31-pc-increase-during-2021-22-in-j-k-cag-493239>

**19. J&K aiming for power surplus status by 2027 notwithstanding CAG red flags ([brighterkashmir.com](https://www.brighterkashmir.com)) 3 Apr 2023**

Jammu and Kashmir is aiming to generate 3099 megawatts of power by 2027 to achieve the cherished goal of becoming a power surplus region.

To ensure this, the UT administration has over the past week re-emphasized the importance of strictly adhering to pre-determined timelines and initiating multi-pronged strategies and reforms to make the hydropower sector robust and resilient.

Currently, work is going on in five hydropower projects in the Kishtwar and Poonch districts of the UT’s Jammu Division. Three central government projects are being supervised and executed by the Chenab Valley Power Projects Private Limited (CVPPL). The remaining two are UT projects and are being executed by the Jammu and Kashmir Power Development Corporation (JKPDC).

Once completed, the Pakal Dul, Kiru, Ratle and Kwar hydropower projects are expected to generate 3054 megawatts of electricity. Pakul is being built across the Marusadar-Chenab River in four phases and is expected to be completed by July 2025.

Work on the four-phased Kiru project located across the River Chenab is expected to be completed in the second half of this year, while the Ratle project will be completed by February 2026.

The yet to be established Ratle Hydroelectric Project Pvt Limited and the National Hydroelectric Power Corporation (NHPC) Limited will supervise this project. Kwar, once completed towards the end of 2026, is expected to deliver 580 megawatts of power.

The UT administration is monitoring the 37.50 megawatt Parnai project in Poonch and the 48 megawatt Lower Kalnai project in Kishtwar. So far, over 50 percent of the work in these two projects has been completed by the CVPPL.

Meanwhile, the Comptroller and Auditor General (CAG) of India has in a report said that J&K has a hydropower potential of 20,000 megawatt that needs to be harnessed more effectively to ensure that the region becomes a power surplus entity.

So far, 374 potential sites have been identified to generate 1,725.53 megawatts of power. The regional administration has taken note of the CAG's advice to reduce time overruns which are currently pegged as ranging between four months and over seven years.

Though the report has flagged some critical areas that need immediate attention, the UT administration and the Centre are said to be in overdrive to deliver electricity to most if not all parts of J&K, exploit hydel potential and penalise departments and personnel who fail to meet the fixed timelines.

The Centre has committed itself to releasing more funds to the JKPDC and other power-linked institutions of the region to redress the balance caused by existing shortcomings.

The Union Power Ministry and the UT administration are said to be monitoring progress of all projects consistently, issuing required instructions periodically to executing agencies.

J&K Lt Governor Manoj Sinha has issued directions to the dedicated enforcement wing to detect and prevent electricity theft, wrong metering, addressing complaints from the public, stop unauthorised load extensions and initiate surprise checking.

Directions have also been issued by the administration to ensure that all 11kV meters stay functional and if there are any damaged meters, they should be repaired within a month.

The UT administration is keen to protect consumer interests and ensure maintenance of quality standards. Conserving energy and using it in an efficient manner is the twin target to be achieved at all costs, he said.

Training and capacity building of the Power Development Department (PDD) staff, online registration of new consumers, massive awareness drive, proper maintenance of power infrastructure, and constitution of teams of officers for monitoring physical condition of equipment are other areas under review for the short and the long term. Bridging the demand and supply gap to generate additional capacities is in mission mode. <http://brighterkashmir.com/jk-aiming-for-power-surplus-status-by-2027-notwithstanding-cag-red-flags>

**20. CAG detects another scam in J&K: For 7 years rent was paid for hostels where not a single student stayed ([ibtimes.co.in](http://ibtimes.co.in)) 01 Apr 2023**

After exposing mass irregularities in two agricultural universities of the Union Territory of Jammu and Kashmir, the Comptroller and Auditor General (CAG) of India has detected another wasteful expenditure by the successive governments in J&K from 2014 to 2021.

In its latest report, CAG pointed out that the Jammu and Kashmir State Advisory Board for the Welfare and Development of Other Backward Classes (OBCs) hired hostels for OBC students.

The stated objective behind the decision was to provide affordable hostel facilities to the Other Backward Classes (OBCs) students of rural and remote areas, who did not have educational institutions near their places of residence.

The Board decided that until the land was identified for the construction of hostels, these were to be run in buildings taken on a rent basis.

Hostel buildings were taken on a rent basis without conducting survey

Audit scrutiny of records (March 2021) of the Secretary, Jammu and Kashmir Advisory Board for Welfare and Development of OBCs revealed that the decision



(April 2012) of renting hostel buildings was taken without conducting a survey of the willingness of OBC students to avail hostel facilities.

Audit noticed that the Board had hired in September and October 2014 two private buildings, each having a capacity of twenty-five students for use as hostels for OBC students, at Jammu and Srinagar.

Though several notifications were published in local newspapers between October 2014 and March 2019 calling on OBC students undergoing studies in government schools to avail of the hostel facilities, no OBC student applied for availing of the hostel facility.

The Secretary of the Board apprised in October 2018 to the Secretary, the Social welfare Department that the Board was unnecessarily paying huge monthly dues to building owners since September and October 2014) without any advantage.

The audit further noticed that despite the fact that no OBC student had applied for availing hostel facility, the Board continued hiring the buildings during the period from September 2014 to March 2021, even after intimation by the Secretary of the Board in October 2018, and incurred expenditure of Rs 66.05 lakh 32 on rent, upkeep, and furnishings of hired hostels for six years. This had resulted in an avoidable wasteful expenditure of Rs 66.05 lakh. <https://www.ibtimes.co.in/cag-detects-another-scam-jk-7-years-rent-was-paid-hostels-where-not-single-student-stayed-857924>

**21. CAG pointed out irregularities of past years: VC SKUAST-K**  
([greaterkashmir.com](http://greaterkashmir.com)) 02 Apr 2023

Srinagar: Reacting to the observations made by the Comptroller and Auditor General (CAG) of India, the Vice Chancellor of Sher-e-Kashmir University of Agricultural Science and Technology, Kashmir (SKUAST-K) Prof Nazir Ahmad Ganai Saturday said the CAG had pointed out irregularities of past years noting that they were yet to receive the report.

Talking to reporters on the sidelines of a function at NIELIT Srinagar, the VC SKUAST-K said that they would look into all the observations made in CAG once they receive the report.

“When it comes to our university we are one of the fastest growing universities in efficiency, transparency, and building innovations,” he said.

Notably, the CAG had pointed out irregularities in recruitment process, promotions besides the extension of allowances in SKUAST-K and SKUAST-Jammu.

The CAG in its report tabled in the Parliament revealed that the two agricultural universities did not adopt the mandatory Academic Performance Indicators for appointment of teachers as per the guidelines noting that the appointments were made without mandatory NET qualification.

“SKUAST-K is an emerging university at the national level and our efforts are to forge relationships with the institutions around the country,” Prof Ganai said.

He said that the CAG report had made its observations by taking into account the happenings since the inception of the varsity.

“But we will correct it if anything wrong has happened. CAG has pointed out irregularities done during the past years and we look towards the future. It will be premature to say what action will be taken against those who will be found involved in wrong doings as we have not received the CAG report yet,” the VC SKUAST-K said.

He said SKUAST-K was the lone university out of 1013 institutions in the country, which had got the courage to tell the Government of India that the university wants to reverse the flight of the capital going to other nations.

“Earlier our students would take admission in other states and countries. But now we have international level students in our university,” Prof Ganai said.

He said that they signed a MoU with NIELIT with an aim to utilise its strengths and harvest the same for SKUAST-K.

“Our motive is to focus on how we can come together and move into the revolution driven by Artificial Intelligence and robotic technology. GoI is paying a lot of attention towards building NIELIT and the J&K government is itself coming fast in digital governance,” the VC SKUAST-K said.

He said SKUAST-K had a pivotal role to introduce digital agriculture in Kashmir.

Meanwhile, speaking to media persons, Secretary, Ministry of Electronics and IT (MeitY), GoI, Alkesh Kumar said that the government was working to make India a 'Talent Nation' in the next five years.

"There is a lot of talent among the youth in India and J&K who have made a good name in outside countries owing to their competence in IT and IT-enabled service," he said.

Kumar said that the government had started the facility of DBT and for this there was a need for good quality talent as well.

"In this regard NIELIT Srinagar has an important role to play," he said.

Accompanied by VC SKAUST and other officers, Kumar visited NIELIT Srinagar on Saturday for inauguration of boys hostel and AI laboratory.

"It is good that the boys and girls are being provided hostel facilities which will lessen the travel time and enable these students to remain more focused on their studies," he said.

Kumar said that AI was an emerging technology and J&K students had good knowledge about the subject and were confident as well.

"These are the youth who can work for the betterment of Kashmir and create employment opportunities for the youth here as well," he said.

About the skill development sector, Kumar said that there was a need to bring momentum in the polytechnic sector.

He said that the Centre had come up with various new vocational courses to encourage the students to pursue the diploma in the courses as per their choice.

"Universities (Higher Education) and the IT Department are jointly working to bring new initiatives in science and technology," Kumar said.

Earlier, DG NIELIT Madan Mohan Tripathi in his welcome address said that NIELIT was continuing to expand its presence in J&K to provide quality skilling in Electronics and Information Technology.  
<https://www.greaterkashmir.com/todays-paper/front-page/cag-pointed-out-irregularities-of-past-years-vc-skuast-k>

**22. Will take corrective measures after looking into report SKUAST Kashmir on CAG findings ([theweek.in](http://theweek.in)) 01 Apr 2023**

Sher-i-Kashmir University of Agricultural Sciences and Technology (SKUAST) Kashmir on Saturday said the institute will take corrective measures wherever irregularities have taken place, days after the CAG highlighted shortcomings in manpower planning, appointments, career advancement and entitlements in the twin agriculture universities in the Union territory.

Speaking to reporters on the sidelines of a function at NIELIT Srinagar, SKUAST Kashmir Vice Chancellor Nazir Ahmad Ganai said the university will look into the findings of the report when it receives it.

"I have not seen the CAG report yet. As soon as we receive it, we will look into it," he said.

Ganai said when it comes to SKUAST Kashmir, "we are one of the fastest growing institutions nationally in efficiency, transparency and in building innovations".

"...this is a report since the inception of the university till now, there could be some irregularities. Wherever there are, we will correct that. But, we will know only when we have the report with us," he said.

The VC said it would be premature to say what action the university would take as "the report is yet to reach us".

"There could be some irregularities in the past, but we look towards the future...how we become number one in the country," he added.

Highlighting shortcomings in manpower planning, appointments, career advancement and entitlements in the twin agriculture universities in Jammu and Kashmir, the CAG has called for immediate review of sanctioned strength to weed out redundant posts and adoption of UGC regulations in toto.

The CAG also recommended the introduction of the Subordinate Accounts Course (SAC) part-I and II to ensure efficiency and quality in the accounts wing of both the Jammu and Kashmir chapter of the SKUAST.

"The HR function of the universities was far from satisfactory and was plagued by irregular appointments, favouritism and inadmissible financial up-gradations. Relaxing the minimum standards for appointments and promotions of teachers

compromised the quality of teaching and research in the universities," the CAG said in its latest report on compliance audit for the year ending March 31, 2021. <https://www.theweek.in/wire-updates/national/2023/04/01/des15-jk-university-cag.html>

### 23. Public Welfare Project: जम्मू-कश्मीर में 397 जन कल्याणकारी परियोजनाओं में देरी, CAG ने जताई चिंता ([jagran.com](https://www.jagran.com)) 01 Apr 2023

केंद्र शासित प्रदेश जम्मू-कश्मीर में चलाए जा रहे जन कल्याणकारी परियोजनाएं अपने निर्धारित समय से पूरा नहीं हो पाई हैं। नियंत्रक एवं महालेखा परीक्षक (CAG) ने कहा कि जम्मू-कश्मीर में पिछले एक दशक में 1,000 करोड़ रुपये से अधिक खर्च करने के बावजूद वित्तीय वर्ष 2021-22 के अंत तक लगभग 400 जन कल्याणकारी परियोजनाएं अधूरी रहीं हैं।

समय से पूरे नहीं हुए 397 कार्य

CAG ने 31 मार्च 2022 को समाप्त वर्ष के लिए केंद्र शासित प्रदेश के वित्त पर अपनी नवीनतम ऑडिट रिपोर्ट में कहा कि साल 2019 और 2022 के बीच विभिन्न सरकारी विभागों द्वारा इनमें से 378 परियोजनाओं को शुरू किया गया है। सीएजी ने कहा, "1,518.66 करोड़ रुपये की मूल अनुमानित लागत वाले सिंचाई और बाढ़ नियंत्रण विभाग, जम्मू (61 कार्य) और जल शक्ति (पीएचई) विभाग, कश्मीर (216 कार्य), जल शक्ति (पीएचई) विभाग, जम्मू (119) और मैकेनिकल इंजीनियरिंग विभाग (एक) द्वारा 2012-13 से 2014-15 और 2017-18 से 2021-22 की अवधि के दौरान पूरा किए जाने वाले 397 कार्य अधूरे थे।

2017 से 2022 तक दी गई थी कई परियोजनाओं को मंजूरी

सीएजी ने अपने रिपोर्ट में कहा कि रिपोर्ट में कहा गया है कि वर्ष 2012-13 में एक परियोजना को मंजूरी दी गई थी, जबकि वर्ष 2013-14 में दो, वर्ष 2014-15 में नौ, वर्ष 2017-18 में दो, वर्ष 2018-19 में पांच, वर्ष 2020-21 में 203 और वर्ष 2021-22 में 1,518.66 करोड़ रुपये की संचयी लागत से 90 परियोजनाओं को मंजूरी दी गई थी।

इससे पहले सीएजी ने जम्मू-कश्मीर में जलविद्युत परियोजनाओं के विकास की धीमी गति को लेकर चिंता जताई थी। कुल 1,725.53 मेगावॉट क्षमता की 374 चिन्हित परियोजना स्थलों में से 79.75 मेगावॉट क्षमता की केवल 10 परियोजनाएं चार से सात साल की देरी से चालू हो पायी हैं। <https://www.jagran.com/jammu-and-kashmir/jammu-delay-in-397-public-welfare-projects-in-jammu-and-kashmir-cag-expressed-concern-23373331.html>

**24. Jammu News: प्रदेश के कर राजस्व में 31.88 फीसदी की बढ़ोतरी**  
([amarujala.com](http://amarujala.com)) Updated: Apr 2, 2023

जम्मू-कश्मीर में कर राजस्व 2021-22 में 11707.28 करोड़ रुपये तक पहुंच गया है। ये पिछले वर्ष के 8876.99 करोड़ रुपये की तुलना में 2830.29 करोड़ रुपये अधिक है। इसमें 31.88 फीसदी की वृद्धि हुई है। वहीं, वाहनों पर कर संग्रह 2020-21 में 488.38 करोड़ रुपये था, जो 2021-22 में 616.24 करोड़ रुपये (26.18 फीसदी) हो गया है। ये आंकड़े नियंत्रक और महालेखा परीक्षक (कैग) की रिपोर्ट में सामने आए हैं।

राज्य उत्पाद शुल्क में 32.31 प्रतिशत, राज्य माल और सेवा कर (एसजीएसटी) में 32.31 और बिक्री और व्यापार पर कर में 27.46 फीसदी की अधिकतम वृद्धि हुई है। रिपोर्ट के अनुसार 2021-22 के दौरान स्वयं के कर राजस्व के सभी घटकों में वृद्धि हुई है। एसजीएसटी 1,554.95 करोड़ रुपये, राज्य उत्पाद शुल्क 435.37 करोड़ रुपये और बिक्री-व्यापार पर 410.70 करोड़ रुपये की अधिकतम वृद्धि है। स्टाम्प और पंजीकरण शुल्क 2020-21 में 325.54 करोड़ रुपये था, जो 2021-22 में 512.02 करोड़ रुपये (57.28 फीसदी) हो गया है। भूमि राजस्व 2020-21 में 60.57 करोड़ रुपये से बढ़कर 2021-22 में 113.28 करोड़ रुपये (87.02 फीसदी) हो गया है। माल और यात्रियों पर 2021-22 में 5.73 करोड़ रुपये (536.67 फीसदी) हो गया है।

गैर-कर राजस्व प्राप्तियों में 18.74 फीसदी की वृद्धि

जम्मू-कश्मीर सरकार को 2021-22 के दौरान जीएसटी के कार्यान्वयन से उत्पन्न राजस्व की हानि के कारण राजस्व प्राप्ति के रूप में 892.56 करोड़ रुपये का मुआवजा मिला था। 2021-22 के दौरान 3,845.49 करोड़ रुपये का ऋण भी प्राप्त हुआ। कैग की रिपोर्ट में कहा कि गैर-कर राजस्व प्राप्तियों में पिछले वर्ष की तुलना में 18.74 फीसदी की वृद्धि हुई। प्रमुख वृद्धि बिजली, जल आपूर्ति और स्वच्छता, शिक्षा, खेल, कला और संस्कृति और पुलिस के तहत हुई। शिक्षा, खेल, कला और संस्कृति के तहत 2021-22 में 1,047.16 फीसदी बढ़ी। वर्ष 2021-22 के दौरान यूटी के अपने संसाधन (स्वयं का कर राजस्व और स्वयं का गैर-कर राजस्व) 16,547.73 करोड़ रुपये हैं। <https://www.amarujala.com/jammu/cag-report-jammu-kahmir-jammu-news-c-10-jam1008-82657-2023-04-02>

**25. Utilisation certificates worth Rs 99,178 crore not submitted: CAG**  
([timesofindia.indiatimes.com](http://timesofindia.indiatimes.com)) Updated: Apr 1, 2023

PATNA: Utilisation certificates (UCs) against the expenditure of Rs 99,178 crore of grants-in-aid (GIA) made by the state government remained outstanding till

March 31 last year, according to a CAG report on the finance accounts of the state government that was tabled in the state assembly by finance minister Vijay Kumar Choudhary on Friday.

The Volume I of the CAG report said 23,188 UCs valued at Rs 99,178 crore remained outstanding till March 31 last year. It included 3,641 outstanding cases up to 2018-19, and 19,547 other cases from April 1, 2019 to August 31, 2020.

The report also said as many as 20,960 GIA bills valued at Rs 65,015 crore were added during 2021-22. However, the outstanding UCs pertaining to Rs 55,959 crore were cleared during 2021-22 financial year.

Pointing to the need for the submission of the UCs, the CAG report said "in case of non-submission of UCs, there is a risk that the amount mentioned in finance accounts may not have reached the beneficiaries"  
<https://timesofindia.indiatimes.com/city/patna/utilisation-certificates-worth-99178-crore-not-submitted-cag/articleshow/99159080.cms>

**26. Bihar govt asks departments to submit grant utilization certificates within the stipulated time ([theprint.in](https://theprint.in)) April 1, 2023**

Concerned with the non-submission of Utilisation Certificates (UCs) of several projects and schemes totalling Rs 99,178 crore from 2021 to 2022 by the various departments, Bihar government has asked all heads of departments to submit UCs within the stipulated time.

The directive of the state Finance department assumes significance in the backdrop of the Comptroller and Auditor General of India (CAG) latest report that raised serious concerns over the non-submission of 23,188 UCs (amounting to Rs 99,178 crore) of various projects and schemes by bodies and authorities of the state against the grants-in-aid provided by the Bihar government.

The CAG report (Finance Accounts-2021-22) was tabled in the state assembly on Friday.

Reacting to the CAG report, Bihar Finance minister Vijay Kumar Choudhary, on Saturday told PTI that the administrative heads of all departments must ensure that UCs submission is done on time.



“I have asked heads of all departments to submit grant UCs within the stipulated time. I know that the situation has improved a lot in the last few months, but more needs to be done as non-submission of UCs is a serious matter”.

According to rule 271 of the Bihar Treasury Code (211), UCs in respect of grants-in-aid received by the grantee should be furnished by the grantee to the authority that sanctioned it, within 18 months from the date of receipt of grant or before applying for a further grant on the same subject, he said.

“During the year 2021-22, 23,188 UCs of various projects and schemes (amounting Rs 99,178 crore), which had become due (drawn up to August 31, 2020) for submission, were not submitted by the bodies and authorities of the state against the grants-in-aid”, said the CAG report.

The report further said, “Therefore, there was no assurance that the amount of Rs 99,178 crore had actually been utilized, for the purpose for which it was sanctioned/authorized by the Legislature. High pendency of UCs is fraught with risk of misappropriation of funds and fraud. The major defaulting departments were Panchayati Raj (Rs 34,707.48 crore), Education (Rs 25,867.47 crore) and Urban Development department (Rs 11,092.7 crore).”  
<https://theprint.in/india/bihar-govt-asks-departments-to-submit-grant-utilization-certificates-within-the-stipulated-time/1488916/>

## 27. सीएजी की रिपोर्ट में कई खुलासे: 99178 करोड़ का हिसाब नहीं, कैग ने चेताया-चूक हुई तो गारंटी बनेगी बोझ ([bhaskar.com](https://www.bhaskar.com)) April 01, 2023

भारत के नियंत्रक महालेखापरीक्षक (कैग) ने 99,178 करोड़ 89 लाख की राशि खर्च का हिसाब नहीं मिलने पर सवाल उठाया है। राज्य सरकार को पेंशन राशि, बजट प्रबंधन की कमियों और पीडी खाता की राशि मामले पर सरकार को ध्यान दिलाया है। कैग ने चेताया है कि राज्य सरकार की बकाया गारंटी राशि 25 हजार करोड़ से अधिक हो गई है, लेकिन राज्य द्वारा न तो गारंटी मोचन निधि का गठन किया है। न ही गारंटी की अधिकतम सीमा निर्धारण के लिए किसी तरह के नियम बनाए।

यह चूक सरकार पर वित्तीय भार बढ़ा सकता है। पिछले पांच वर्षों 2017-18 से 2021-22 तक बकाया गारंटियों की अधिकतम राशि 20581.52 करोड़ से बढ़ा कर 37,631 करोड़ 92 लाख किया गया है। 31 मार्च 2022 तक कुल बकाया गारंटियों की रकम (ब्याज सहित) 25069 करोड़ 78 करोड़ थी। विधानमंडल में शुक्रवार को नियंत्रक महालेखापरीक्षक से



प्राप्त 31 मार्च 2022 को समाप्त हुए वर्ष 2021-22 के वित्त लेखे और विनियोग लेखे में यह खुलासा हुआ है।

कई विभागों का उपयोगिता प्रमाण लंबित, सबसे अधिक पंचायती राज विभाग का

भारत के नियंत्रक महालेखापरीक्षक गिरीश चंद्र मुर्मू ने कहा है कि 2021-22 में 99178 करोड़ 89 करोड़ के 23188 उपयोगिता प्रमाण पत्र 31 अगस्त 2020 तक जमा नहीं किए। इसलिए इस बात का कोई आश्वासन नहीं है कि 99178.89 करोड़ की राशि का वास्तव में उसी मद में खर्च हुए जिसके लिए राशि स्वीकृत हुई थी। लंबित उपयोगिता प्रमाण पत्रों (यूसी) की अधिकता, निधि के दुरुपयोग और धोखाधड़ी के जोखिम है। सबसे अधिक पंचायती राज विभाग (34,707 करोड़ 48 लाख), शिक्षा विभाग का 25,867 करोड़ 47 लाख और शहरी विकास विभाग का 11092 करोड़ 71 लाख का उपयोगिता प्रमाण लंबित हैं।

कैग ने पेंशन राशि, बजट प्रबंधन की कमियों की ओर दिलाया ध्यान- अपव्यय या दुरुपयोग की आशंका

2021-22 में राज्य सरकार के लेखों 2460 करोड़ 86 लाख के 3605 एसी बिल में 572 करोड़ 76 लाख (23.27 प्रतिशत) के 954 एसी बिल मार्च 2022 तक जमा हुए। मार्च माह में ऐसे बिल की अधिकता इंगित करता है कि निकासी मुख्यतः बजट प्रावधानों को निकालने के लिए की गई। यह अपर्याप्त बजटीय नियंत्रण है। 2021-22 के 770 करोड़ के 827 एसी बिल जो मार्च 2022 तक बकाया थे। इसके अलावा 6859 करोड़ के 25101 एसी बिल जो 2020-21 तक जमा किए गए थे, 31 मार्च 2022 तक बकाया थे। इस प्रकार 31 मार्च 2022 तक 7629 करोड़ 73 लाख के 25928 एसी बिल बकाया थे। अग्रिम निकालना और लेखांकित नहीं करना दुरुपयोग की संभावना बढ़ाता है।

31 मार्च तक 279.12 करोड़ की राशि (पूर्व वर्ष की शेष राशि 338 करोड़ 96 लाख का कम जमा 2020-21 के दौरान अतिरिक्त जमा 59.84 करोड़) नेशनल सिक्युरिटीज डिपॉजिटरी लिमिटेड को कर्मचारियों के योगदान और नियोक्ता के योगदान के लिए अंतरित किया जाना बाकी थी। अर्जित ब्याज सहित असंग्रहित, असंगत और अस्थांतरित राशि राष्ट्रीय पेंशन योजना के तहत सरकार की बकाया देयता को दर्शाती है। सीएफएमएस के अनुसार मार्च 2022 के अंत तक 212 प्रशासकों के पीडी खातों में 4040 करोड़ 21 लाख जमा थे। 5 पीडी खातों में जमा 1.54 करोड़ सीएफएमएस में जमा नहीं किया गया है। यह भी कहा है कि महालेखाकार बिहार का कार्यालय सीएफएमएस की सूचना प्रौद्योगिकी लेखापरीक्षा करने के लिए बिहार सरकार के नियमित संपर्क में रहा है।

<https://www.bhaskar.com/local/bihar/patna/news/99178-crore-is-not->

[accounted-for-cag-warns-if-there-is-a-mistake-the-guarantee-will-become-a-burden-131109495.html](https://www.indianexpress.com/story/accounted-for-cag-warns-if-there-is-a-mistake-the-guarantee-will-become-a-burden-131109495.html)

**28. CAG warns Meghalaya's borrowing trend could lead to debt trap**  
([indianexpress.com](https://www.indianexpress.com), [thehindu.com](https://www.thehindu.com)) March 31, 2023

Meghalaya aims to grow into a USD 10 billion economy in the next five years, the Comptroller and Auditor General (CAG) has warned that the state's borrowing trend increased by over 63 per cent in the past five years and could lead it into a debt trap.

In a finance report for 2021-22 for Meghalaya tabled in the Budget session recently, the CAG said the state's overall debt has increased by 63.22 per cent from Rs 9,485.08 crore (2017-18) to Rs 15,481.09 crore (2021-22).

Of the total debts, about 73 per cent are internal in the form of market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions. Another 23 per cent is public account liabilities and about four per cent is loans from the central government, the CAG noted.

In terms of GSDP percentage, the overall debt which was 32.14 per cent in FY 2017-18 has increased considerably to almost 41 per cent in 2021-22, it added. In the yearly comparison, the outstanding debt at the end of 2021-22 financial year increased by 13.67 per cent (Rs 1,862.35 crore).

The internal debt is Rs 11,244.83 crore and is about 94.39 per cent of the total outstanding public debt (Rs 11,912.82 crore).

Even the interest payment of Rs 699.55 crore during 2021-22 was higher by Rs 112.66 crore as compared to the FY 2020-21 as the government borrowed Rs 1,608.00 crore in the form of market loans, it said.

"This indicates that a substantial portion of fresh market loans is being utilised towards servicing of existing debts which may lead to a debt trap in future," the CAG report said.

It also noted that the state government is servicing its existing debts by taking out more and more loans. In the budget session, from March 20 to 28, Chief Minister

Conrad K Sangma told the House that there is nothing to fear about debt or a debt trap.

“Loans are part of the government’s expenditure. Every government takes loans. There is nothing to worry,” he said adding that the Government of India prescribes a system, a format and limits in which state governments can take loans. Conrad also said the state’s economy will grow to USD 10 billion (Rs 80,000 crore) in the next five years.

The CAG has however expressed concern that the public debt percentage of GSDP was 31.49 percent and was higher than the 28 per cent limit prescribed by the Meghalaya Fiscal Responsibility and Budget Management Act.

It suggested that in order to avoid the debt trap, the state must grow its GSDP “at a sufficient pace in order to generate enough revenues for future debt servicing”.  
<https://indianexpress.com/article/north-east-india/meghalaya/cag-warns-meghalayas-borrowing-trend-could-lead-to-debt-trap-8530675/>

**29. Irregular submission of accounts draws CAG flak**  
([theshillongtimes.com](https://theshillongtimes.com)) April 2, 2023

SHILLONG, April 1: As perennial a problem the timely submission of grants utilisation certificates has been for Meghalaya, the Comptroller and Auditor General of India (CAG) has once again churned the state government after it noted various instances of non-observance of financial rules and procedures and absence of financial controls in the state’s finances, thereby recommending the Finance department to consider evolving a system to expedite the process of compilation and submission of Annual Accounts by government bodies, authorities, autonomous bodies and PSUs in order to have a realistic and timely assessment of their financial position.

In its report, the CAG pointed out that as on March 31, 2022, as many as 307 utilisation certificates for an amount of Rs 2,373.52 crore were not submitted. “Since huge pendency in submission of UCs is fraught with the risk of fraud and misappropriation of funds, the state government should monitor this aspect closely and not only hold the concerned persons accountable for submission of UCs in a timely manner to the Finance department as well as Principal Accountant General (A&E) but review disbursement of further grants to defaulting departments,” the CAG said in the report.

As per the report, 35 DCC bills amounting to Rs 24.50 crore were outstanding and the major defaulter in this regard is the Election department where AC bills of Rs 3.25 crore (72.22 per cent) remained outstanding as of March 31, 2022.

Stating that in the absence of annual accounts and their audit, proper utilisation of grants and loans disbursed to bodies and authorities and their accounting cannot be assured, the CAG said, “...annual accounts of three autonomous bodies were outstanding since 2016-17 and accounts of ADCs for two to six years. Similarly, as on 30 September 2022, 35 accounts of 20 working PSEs (Public Sector Enterprises) were in arrears for one to six years”.

Referring to the arrears in different accounts for the fiscal 2021-22, the CAG report said this requires urgent intervention at the highest level in order to have a realistic and timely assessment of the financial position and review of financial assistance to these bodies, authorities and PSUs.

The report also stated that there were also 72 instances of theft, misappropriation and loss involving government money amounting to Rs 113.87 lakh.

Further, the CAG stated that an accountability framework for submission of UCs in a timely manner to the Finance department and PAG (A&E) may be put in place.

“Disbursal of grants to departments may strictly be linked to submission UCs. The Finance Department should, in consultation with the Principal Accountant General (A&E), conduct a comprehensive review of all items presently appearing under Minor Head 800 and ensure that all such receipts and expenditure are in future booked under the appropriate heads of account,” the report stated.  
<https://theshillongtimes.com/2023/04/02/irregular-submission-of-accounts-draws-cag-flak/>

### **30. Govt spends Rs 66.83 cr without informing Assembly** ([highlandpost.com](https://highlandpost.com)) April 3, 2023

The Comptroller and Auditor General (CAG) in the latest State Finances Audit Report also known as Report No. 1 of 2023 has detected that an expenditure of Rs 66.83 crore was incurred in nine cases without bringing it to the notice of the State Assembly.

These expenditures include Construction of Residential Buildings etc. at New Assembly Building at Mawdiangdiang (Rs 22.67 crore), Digitalisation of State Legislative Records at New Assembly Building at Mawdiangdiang (Rs 1.88 crore),

Partnership with World Food Programme (WFP) India for Optimisation Supply Chain Efficient PDS Operations (Rs 1.09 crore), Meghalaya State Promotion Board (Rs 2 crore), Implementation of the Schemes Meghalayan Age Limited (Rs 30 crore), Avenue Plantation (Rs 1.54 crore), Meghalaya State Watershed and Wasteland Development Agency (Rs 4.13 crore), Natural Resources Improvement Intervention (Rs 3.41 crore), Establishment/Strengthening of Rabbit Farms (Rs 0.11 crore).

“As such, expenditure of Rs 66.83 crore incurred through re-appropriation, without budget provision is indicative of poor budget management and control,” the CAG report said.

According to the report, New Service implies expenditure arising out of a new policy decision, not brought to the notice of the State Assembly earlier, including a new activity or a new form of investment while New Instrument of Service means relatively large expenditure arising out of important expansion of an existing activity.

The CAG also said that expenditure on new schemes should not be incurred without provision of funds. It also cited Paragraph 113 (vii) of the Budget Manual which states that “the re-appropriation is not made for a new service not contemplated in the budget for the year nor for an object not specifically included in that estimates and for which no provision has been made”.

<https://highlandpost.com/govt-spends-rs-66-83-cr-without-informing-assembly/>

### **31. Public transport Operators default; CAG raps SMB for revenue loss** ([themeghalayan.com](https://themeghalayan.com)) April 3, 2023

**According to the audit report, the SMB entered into agreements with various private operators for the operation of public transport vehicles to provide efficient and low-cost public transport to extend social service for the people of Shillong and its suburbs.**

SHILLONG: The annual technical inspection report on Urban Local Bodies for the year ended March 31, 2018, of the Comptroller and Auditor General (CAG) of India revealed a shortfall in the submission of revenue by operators of public transport vehicles who had signed an agreement with the Shillong Municipal Board (SMB).

According to the audit report, the SMB entered into agreements with various private operators for the operation of public transport vehicles to provide efficient and low-cost public transport in order to extend social service for the people of Shillong and its suburbs.

As per the contract agreement, in the event any sums whatsoever are due and owing to SMB from the operators/transferees under the agreements, SMB shall have the sole and absolute right to recover the same by appropriating such dues from Performance Security, and in case of delayed payments, the parties shall be paid along with interest at the rate of SBI Prime Lending Rate plus 2 percent on the delayed amount for the delayed time.

In the process, SMB leased out a total of 100 vehicles to eight operators during the period covered by the audit (2017–18).

“Against the contract value of Rs. 105.64 lakhs per year, the operators deposited an amount of Rs. 62.61 lakhs resulting in a shortfall of Rs. 43.03 lakhs,” the CAG report stated.

Further, it can be seen that the shortfall in the deposit of revenue ranged from 11 percent in the case of the lowest amount of shortfall, to as much as 100 percent in the case of the highest amount of shortfall.

“Thus, due to the default of the operators in depositing the agreed amount, the SMB lost revenue of Rs. 43.03 lakh,” the report stated.

In reply, the Chief Executive Officer, of SMB stated (December 2018), that the operators of the Shillong Supplementary Transport Service buses have requested for reduction in the revenue and the matter is still pending with the higher authority.

According to the CAG, the reply is untenable. No action has been taken against the defaulters by forfeiting the performance security money and charging delay payment charges @ SBI Prime Lending Rate + two per cent as stipulated in the contract agreement.

Meanwhile, while assessing the Municipal Parking Lots leases by the SMB to different lessees during the audit it was seen that 12 of them defaulted in payment of revenue amounting to Rs 66.71 lakh.

The SMB leased out its parking lots to different lessees for a fixed or contract price tendered by the lessees.

According to the CAG, against the due amount of Rs 170.04 lakh, the lessee deposited Rs 102.80 lakh, resulting in a short deposit of Rs 67.23 lakh.

Thus, due to the lessee's default in depositing the due amount, the SMB lost revenue of 67.23 lakh.

As per the agreement, in case of non-payment of lease money, the SMB will have the right to make alternative arrangements to collect parking fees from the lessee and initiate legal action against them.

“There was, however, nothing on record to indicate that the SMB has initiated any action against the defaulting lessees,” the audit report stated.  
<https://themeghalayan.com/public-transport-operators-default-cag-raps-smb-for-revenue-loss/>

**32. Payment made without work execution: CAG ([morungexpress.com](https://morungexpress.com)) 2 April 2023**

Nagaland: The report of the Comptroller and Auditor General (CAG) of India has taken exception to two development projects funded by the Non Lapsable Central Pool of Resources (NLCPR) Scheme in Nagaland, which it said involved payments made for unexecuted items of work.

The two projects included the development of Ziekezou Sports Complex in Kohima and construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)-28 Km in Peren District.

In the first case, the CAG said that the project Development of Ziekezou Sports Complex, Kohima was sanctioned in November 2017 by the Ministry of DoNER, to be completed by November 2019.

The work was awarded in April 2018 to M/s Charlie Sekhose for Rs 12.50 crore, to be completed by March 2021. It was observed that DoNER released the entire share of Rs 11.25 crore to the State Government which in turn released Rs 4.50 crore (1st instalment of GoI share) to the Executive Engineer, PWD (Housing) Youth Resources & Sports Division Kohima.



Out of the fund released by the State Government, the implementing Department paid Rs 3.56 crore in three RA Bills for works (December 2020) which were certified to be completed as recorded in the MB.

The Joint Physical Verification (JPV) in December 2020 by the Audit along with the Departmental officials (EE, SDO and Junior Engineer) revealed several discrepancies. It found that the contractor did not execute the above five items of works valued at Rs 1.15 crore whereas, the contractor was paid for execution of all the items of works by recording “fictitious entries in the Measurement Book (MB).”

The CAG noted that the department made excess payment of Rs 1.15 crore to the contractor without actual execution of the aforementioned items of works. The work which was stipulated to be completed by November 2019 remained incomplete even after lapse of 30 months (May 2022).

In reply, the Department stated in July 2021 that the measurement of Retaining wall taken during the JPV was as per the originally approved DPR while the working estimate was in process at the Office of Chief Engineer, PWD (Housing).

As per the approved (December 2020) working estimates, the total length of Retaining wall works out to Rs 205.10 R/Mtr. Further, the works for construction of Bays-C, D and E were in the process of commencement during JPV, the CAG said.

It observed that the reply is “not acceptable as the audit findings were based on the measurement done during the JPV in the presence of Departmental officers and MB/ RA bills submitted to Audit wherein the payment for unexecuted works for Rs 1.15 crore was made to the contractor.”

It advised the State Government to consider filing an FIR, besides initiating departmental inquiry to fix the responsibility of officials involved in making such irregular payments.

**Road from Sainik School Punglwa to Jalukie**

In the other case, the CAG informed that work construction of Road from Sainik School Punglwa to Jalukie (from ODR to Intermediate Lane)-28 Km in Peren District was sanctioned in February 2016 by DoNER for Rs 36.12 crore. It was awarded in May 2016 to M/s Hi Tech Construction & Co. Dimapur, Nagaland for Rs 35.83 crore, stipulated to be completed by February 2018.



Scrutiny of records revealed that based on the tendered cost (Rs 35.83 crore), the GoI limited its share to Rs 32.25 crore (90 per cent of tendered cost). The Ministry of DoNER released its share of Rs 25.80 crore to Nagaland Government, which in turn released Rs 29.41 crore (including its share of Rs 3.61 crore) to the EE, PWD (R&B), Peren Division.

As per entries in the MB and the RA bills, the CAG informed that the work for the entire stretch of 28 Km was recorded fully complete (February 2018) and the contractor was paid Rs 29.41 crore in March 2020.

However the Joint Physical Verification (JPV) in December 2020 by the Audit along with the Departmental officials (EE, SDO and Junior Engineer) revealed that the total length of the road from Sainik School Punglwa junction (Zero point) to Jalukie (End point-Samziuram Village Welcome Gate) was only 26 Km.

“This shows that the DPR was inflated for non-existing 2 km. road. This resulted in payment of Rs 1.70 crore to the contractor without actual execution of work in the non-existing 2 km road by passing inflated bills submitted by the Contractor,” the CAG said.

Further, it was also observed that fixing and lighting works on bridges have been executed as recorded in the MB and RA bills for which an amount of Rs 7.35 lakh was paid to the contractor. During JPV (December 2020) it was however, noticed that fixing and lighting works on bridges were not executed. This resulted in payment of Rs 7.35 lakh to the contractor without actual execution of work.

The CAG said that the excess payment of Rs 1.77 crore (1.70 crore + 0.07 crore) without actual execution/completion indicated the “failure of the Division to ensure the correctness of the bills submitted by the contractor.”

The Engineer-in-Chief, PWD meanwhile stated in the exit conference (July 2021) that, the actual execution of the road was for a total of 29 Km, which included a branching off road (circular road) from the main road. The audit findings on non-fixing of lighting on bridges was accepted by the Department and assured that the installation of lighting will be done. On the basis of the Audit findings, fixing and lighting work on bridges was completed in September 2021.

The CAG however said that the reply regarding road work execution is “not acceptable since the original drawings and specifications as incorporated in the

DPR also do not indicate any branching off the road (circular road) as stated by the Engineer-in Chief.”

It further noted that the Department could not furnish any records relating to execution of additional works, including the approval of DoNER. Besides, the CAG said that the audit findings were based on the measurement done during the JPV in the presence of Departmental officers and records submitted to the Audit.

It recommended that the State Government may fix the responsibility of the erring officials responsible for “facilitating payment without actual execution of work.”  
<https://morungexpress.com/payment-made-without-work-execution-cag>

**33. CAG detects several lapses in Horti Dept ([morungexpress.com](https://morungexpress.com)) March 31, 2023**

Dimapur: The Comptroller and Auditor General (CAG) of India has detected several lapses in the working of the Nagaland Horticulture Department based on its Performance Audit conducted on the ‘Mission for Integrated Development of Horticulture (MIDH).’

In its report, the CAG observed that while the State Government incurred an expenditure of Rs 164.33 crore on MIDH during 2014-20, the implementation of the Scheme had not substantially contributed to the enhancement of area, production and productivity of any of the Horticultural crops.

It generally noted that assets created under the scheme were not effectively utilised or not utilised at all by the stake holders.

The audit was conducted during September 2019 to April 2021 covering the period from 2014-15 to 2019-20.

It detected that Annual Action Plans (AAPs) were prepared without conducting base line survey, Seed/ Planting material sub-plan and District-wise sub-plans.

Another observation it made was that planting materials for Rs 14.72 crore were procured from non-accredited nurseries/ local suppliers. 400 out of 841 beneficiaries reported short-receipt of planting materials, the CAG report said.

In another case, the CAG report stated that inadmissible advance payment of Rs 10.62 crore was made to suppliers. The Department also paid Rs 12.14 crore to the contractors without actual execution of works.

Further, the CAG informed that the □Centre of Excellence (CoE) constructed at a cost of Rs 5 crore in Yisemyong, Mokokchung, was leased out to a private firm. An amount of Rs 4 crore released for creation of three Centres of Excellence (Phek, Tuensang and Dimapur) was diverted without the approval of the Government of India, it further revealed.

Lastly, the CAG found that inadmissible assistance of Rs 11.44 crore was extended to beneficiaries under Post Harvest Management.

The CAG advised the State Government to prepare the Perspective Plans and Annual Action Plans after conducting baseline surveys and by consolidating District-wise sub-plans.

It also asked the government to take appropriate steps wherever the cases were noticed. These included the diversion of project fund for other purposes; non-verifiable nurseries; leasing out the firm without the consent of the Department; short execution of missing & hardening chambers and tubular structure; short distribution of planting materials; non-disbursement of maintenance allowance; issuance of incorrect completion certificate along with the false reporting to GoI; excess payments & short supply; payments made without actual execution of works and extending excess assistance for construction of pack houses, and fix the responsibility on the above cases.

The CAG also called for strengthening the financial management and proper analysis of financial data in order to avoid discrepancies in various financial documents.

Another advice the CAG gave to the department was to streamline the procurement process to safeguard the financial interest of the State Government by following extant financial rules.

It further called for introducing an effective monitoring system to avoid non/ short-execution of works/ projects, short distribution of planting materials, etc.  
<https://morungexpress.com/cag-detects-several-lapses-in-horti-dept>

### **34. CAG points out anomalies in implementing Nagaland Gaming Regulation Law (*g2g.news*) Apr 3, 2023**

Due to flaws in implementation of the Nagaland Prohibition of Gambling and Promotion and Regularisation of Online Games of Skill Rules, 2016, the State Lotteries sustained revenue loss of ₹ two crore, a report by Comptroller and Auditor General (CAG) said. The report was placed before the state assembly recently.

According to CAG, royalty receivable by the State Government also remained un-assessed as the active licensees neither maintained the designated accounts nor the Department had any technical expertise to monitor and analyse the gross revenue of the licensees.

Out of 12 licensed firms, 10 firms were liable to pay a penalty of ₹31.80 lakh from the date of issue of the license to December 2020. However, only one firm (Tictok Skill Games Pvt. Ltd.) paid penalty of ₹6,575. This resulted in default in payment of ₹31.73 lakh as penalty. TicTok Skill Games recently changed its name to WinZO Games Private Limited and operates under the brand name WinZO.

Others in the list include Baazi Networks operating various skill games under the brand Baazi.

The Government in its response stated that there is no legal compulsion for a firm hosting online games of skill to obtain a license, much less seek renewal of their license to be able to host online games of skill. The CAG in strong words refuted this argument and said the department made no efforts to attribute revenue from gaming operations in the state.

Concluding the report, CAG advised the government: (i) to take legal steps in any court of law to stop the illegal operation of online games without renewing the licences. (ii) ensure that the licensees maintain designated accounts to resist the drainage of State revenue. (iii) recover the licence fee and penalty from defaulting license holders. (iv) also ensure that the Department utilises the latest technology and technical expertise to analyse the gross revenue of the licensees earned from the online games of skill. <https://g2g.news/online-gaming-laws/cag-points-out-anomalies-in-implementing-nagaland-gaming-regulation-law/>

**35. Utilisation certificates of Rs 1,000 crore pending for 10 years in Odisha: CAG ([newindianexpress.com](https://www.newindianexpress.com)) 01 April 2023**

BHUBANESWAR: The Comptroller and Auditor General of India (CAG) has flagged gross negligence in submitting utilisation certificates (UCs) of funds released by the Odisha government in 2021-22. As per the CAG report on annual accounts for 2021-22 tabled in the Assembly on Friday, UCs amounting to Rs 1,342.34 crore about 17 departments are pending for over 10 years.

The state government had released Rs 25,930.97 crore during the financial year 2021-22 against which utilisation certificates were to be submitted by the recipients. The audit found around 70 per cent UCs of Rs 18,104.15 crore were not received by June 30, 2022.

“Therefore, no assurance that the expenditure of Rs 18,104.15 crore had been utilised for the purpose for which it was authorised. Pendency in the submission of UCs is fraught with the risk of fraud and misappropriation of funds,” the CAG pointed out. The audit observed an amount of Rs 1,338.20 crore had been misclassified as capital expenditure for the financial year 2021-22 resulting in an understatement of revenue expenditure by that amount.

As per data published by the Ministry of Mines, the District Mineral Foundation (DMF) trusts constituted in Odisha, had, as of March 2022, received a contribution of 18,730.27 crores, from mining lease holders and spent Rs 9,759.38 crore, leaving a balance of Rs 8,970.89 crore in the individual bank accounts of the DMF trusts in the state.

In a similar case of contributions to the National Mineral Exploration Trust (NMET), the Centre ensures that the donations from mining lease holders are first collected in the public account of the state concerned and then transferred to the consolidated fund of India and finally, through an appropriation, transferred to the NMET fund, which has been opened under the public account of India.

“Along the same accounting arrangements, the balance amount of Rs 8,970.89 crore available in the bank accounts of the DMF trusts in Odisha should have been maintained as part of the public account of the state,” the CAG report stated.

As per the annual accounts report, the actual gross expenditure was Rs 1,58,016.78 crore and a reduction of expenditure (recoveries) was Rs 4,219.81 against a

projected gross expenditure of Rs 1,95,723.37 crore and a reduction of expenditure of Rs 46,376.24 crore, respectively resulting in net savings of Rs 37,706.59 crore.

The outstanding public debt by March 2022 was Rs 72,485 crore comprising internal debt of Rs 53,977 crore and loans and advances of Rs 18,508 crore from the Central government. While the public debt has dropped from Rs 79,503 crore, total public debt and other liabilities stood at Rs 1,20,140 crore by the end of 2021-22.

<https://www.newindianexpress.com/cities/bhubaneswar/2023/apr/01/utilisation-certificates-ofrs-1000crore-pending-for-10-years-in-odisha-cag-2561645.html>

**36. CAG report on BMC points to deeper malaise in system**  
([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) Apr 2, 2023

MUMBAI: The Comptroller and Auditor General's (CAG) report on the BMC, tabled in the state legislature last week, looks at Rs 12,000 crore worth works undertaken in the city between 2019 and 2022 when the MVA government was in power. Ironically, the report's release marks the completion of a year when the civic body was run by an administrator (March 2022-March 2023) and the Uddhav Thackeray-led coalition is out of power.

Irregularities, deviation from procedures, favouritism, cost escalation and cartelization were among issues raised by the CAG; opposition leaders, activists and former bureaucrats said the findings underscore the view that compliance of rules has become the exception in the municipal corporation.

Irregularities in projects and tenders for roads, bridges, favouring of developers in land acquisition, and manipulation in its IT department stood out among the findings. For instance, the CAG pointed out that BMC awarded 20 works in two departments (Information Technology and Roads) worth ₹214.48 crore without inviting tenders, which was against the provisions for procurement and established vigilance guidelines.

Beyond the violation of norms, CAG has pointed to a deeper malaise in the functioning of Asia's richest municipal corporation. Experts say the time for piecemeal probes may be long past; BMC is probably in need of a radical overhaul and clean-up.

The CAG report said there is high risk due to weak internal control mechanisms in the civic body. It pointed to the scant respect for established procedures, and lack of transparency and probity in execution of works taken up at considerable cost. Lack of sufficient publicity for addenda or corrigenda to tenders and award of works without putting out tenders were among the problems cited, apart from non-execution of legal agreements with contractors.

Former bureaucrat Mahesh Zagde said the report had highlighted administrative failures not political ones; he said internal control mechanisms exist but aren't being exercised. "So all this lacunae exposed by CAG is a failure of the administration led by bureaucrats. In all local bodies, and especially in BMC, there are robust internal control mechanisms but they have to be exercised in letter and spirit. There is no need for any special out-of-the-box amendments. The existing mechanism has to be enforced by the municipal commissioner," he said.

Zagde said, "the buck stops with the Municipal Commissioner and the secretary of the urban development department who control the BMC administration. CAG has exposed the administration-politician-contractor nexus but in this, the administration is the principal player."

RTI Activist Anil Galgali said the report would remain an academic exercise if the same old process is followed and it is sent to the currently non-existent Public Accounts Committee (PAC) and ends up in red tape for years. "Many CAG reports have been submitted in the past about the BMC's working but strict action hasn't been taken. If the government is serious then, both departmental and criminal action must be taken based on the CAG report. A larger overhaul is also needed in the functioning of the BMC, especially since there is no civic body in place since March 2022 and the administrator is running the show," Galgali said.

Samajwadi Party MLA Rais Shaikh said a report by a highpowered committee set up by then chief minister Devendra Fadnavis in 2017 to suggest ways of bringing transparency, efficiency and accountability (TEA) in the functioning of local bodies has been in cold storage for over three years.

"The recommendations of the committee haven't been implemented and neither has the report been discussed. The report looked at the tendering process and procurement and how it can be regulated. In addition, the report also talked about more citizen participation in the BMC. The report has also suggested radical changes to give more autonomy to municipal corporations," Shaikh said, adding that the CAG report may meet the same fate if immediate action is not taken.

While BJP MLA Ameet Satam demanded that an FIR be filed against the BMC over the CAG's findings, city BJP chief Ashish Shelar has sought a probe by a special investigation team (SIT) into the alleged financial misappropriations in BMC. So far the Shinde-Fadnavis government hasn't taken any decision.

“As per state government norms, it is mandatory on the part of Urban Local Bodies (ULBs) to conduct a third-party audit of works above Rs 5 crore and a random 10 per cent audit of works below Rs 5 crore with a view to ascertain the quality of work. It was observed that in respect of 13 works costing Rs 3,355.57 crore tested during audits from three departments, the third-party auditor was not appointed to ascertain the quality/quantity of work executed by the contractors. The tender notices issued by various departments of BMC stipulate that “the successful bidder shall enter into a contract agreement with BMC.” The audit observed that in 64 works costing Rs 4,755.94 crore contract agreements were not executed between the contractor and the BMC. Thus, in the absence of a formal agreement, BMC would not be able to take legal recourse against contractors, in the event of default on the part of contractors,” the CAG stated in its report. <https://timesofindia.indiatimes.com/cag-report-on-bmc-points-to-deeper-malaise-in-system/articleshow/99181616.cms>

### **37. जिला योजना स्कीमों पर समय से बजट खर्च नहीं कर पाई सरकार** ([punjabkesari.in](http://punjabkesari.in)) 01 Apr, 2023

हरियाणा में विकास योजनाओं को अमलीजामा पहनाने में भले ही सरकार की ओर से तमाम दावे किए जाते रहे हो लेकिन जिला योजना स्कीमों का पैसा समय से खर्च नहीं होने से करोड़ों रुपए लैप्स हो गए। यह खुलासा सी.ए.जी. की रिपोर्ट में हुआ है। सी.ए.जी. ने अपनी लेखापरीक्षा रिपोर्ट में साफ किया है कि 2018-19 से 2020-21 तक के वर्षों में आवंटित राशि में उल्लेखनीय गिरावट आई। जिसमें 2018-19 में 700 करोड़ रुपए और 2020-21 में 200 करोड़ रुपए का बजट खर्च नहीं हो सका। यह गिरावट विभाग द्वारा निर्धारित समय-सीमा के अंदर आवंटित धनराशि का उपयोग करने में असमर्थता का प्रत्यक्ष परिणाम है।

रिपोर्ट में बताया गया कि जिला योजनाएं तैयार की गई और काफी देरी से मुख्यालय को भेजी गई जिससे काम शुरू होने में विलंब हुआ और परिणाम स्वरूप निधियां व्यपगत हुईं। विभिन्न मुख्य योजना एवं विकास अधिकारियों को उनकी वास्तविक आवश्यकता का आकलन किए बिना और उस अंतर्निहित उद्देश्य की पहचान किए बिना एकमुश्त और



विवेकाधीन आधार पर निधियां आवंटित की गई थी जिसके कारण निधियों का उपयोग करना अपेक्षित था।

दरअसल हरियाणा में वर्ष 2008-09 में विभिन्न विकास कार्यों को करने के लिए जिला योजना स्कीम शुरू की गई थी। जिला योजना राज्य में विभिन्न विकास कार्यों को करने के लिए अर्थ तथा सांख्यिकी विश्लेषण विभाग द्वारा प्रदेश में चल रही विकास योजना है।  
<https://www.punjabkesari.in/chandigarh/news/in-the-cag-report-questions-on-the-hesitation-of-the-officers-1795416>

### **SELECTED NEWS ITEMS/ARTICLES FOR READING**

#### **38. Getting the decarbonisation strategy right ([financialexpress.com](https://www.financialexpress.com)) April 3, 2023**

The Energy Conservation (Amendment) Bill 2022, recently passed by Parliament, provides the legal framework for a domestic carbon market with the objective of incentivising actions for emission-reduction leading to increased investments in clean energy and energy efficiency areas by the private sector, including residences, commercial buildings, industrial spaces, etc. The Act creates agencies for issuing carbon credit certificates domestically while banning firms from exporting their carbon credits outside the country. Trading in carbon internationally was formalised by the Kyoto Protocol. The Act aims to strengthen India's carbon reduction promises under the Paris Agreement, COP 26 and COP 27.

In 2005, the EU launched the world's first international Emissions trading systems (ETS), a form of compliance carbon market mechanism, operating on a "cap-and-trade" principle as opposed to a "command-and-control" institutional mechanism. It is achieved through issue of permits/allowances for emissions/pollution adding up to a maximum/capped amount which is progressively decreased year by year. Polluters exceeding their permitted limits can buy permits from others who have permits available for sale. Data from the International Carbon Action Partnership (ICAP) reveals that there are 25 well-functioning ETSs currently in force in countries like the US, Canada, Mexico, the UK, EU, Japan, etc.

Seen against this, the command-and-control mechanism thrusts a cap from top (the government or pollution control agencies) uniformly on all industries, which has proven to be unsuccessful in most geographies because of inability of legacy industries to quickly generate climate finance for the green transition.

In September 2019, Surat in Gujarat implemented a pilot emissions trading scheme (ETS) for particulate matter pollution. The pilot led to a reduction of 24% in particulate matter pollution for industries that participated. Ahmedabad and Ludhiana are aiming to follow suit.

Success in net zero efforts will largely lie in institutionalising carbon markets not only in government and businesses, but also with wider community coming together into community-based organisations (CBOs) or self-help groups (SHGs) and participating in the voluntary carbon market framework through better adoption of the 3Rs and reduction of methane through better management and processing of village level waste. The Bill currently makes no mention of local communities participating in the carbon credit market. This exclusion discriminates against communities and keeps them out of a mechanism to raise money through carbon credit certificates and spending proceeds from these on their village/community's development. Canada's (Alberta) successful "carbon levy" revenues are split between green spending and compensation for those who are disproportionately affected by carbon pricing. British Columbia, on the other hand, has created strong constituencies in favour of carbon pricing where all carbon tax revenues go to households and firms by designing a well-structured carbon tax reform.

The Act doesn't prescribe regulations to address possible market failure situations when one player in the market becomes a carbon hotspot because of its size and capital, but doesn't itself make effort to transition to a low-carbon production or business model. There needs to be a cap on carbon emissions of individual players within the overall carbon market's "cap-and-trade" protocol. Carbon trading has to target the goal of reducing the use of fossil fuel by everyone and not keep the wheels of the fossil fuel industry going by allowing carbon buyers, sellers and consultants to devise deceptive means of producing carbon permits for short-term profit.

While the Bill empowers the State Electricity Regulatory Commissions to make regulations for smooth discharge of its functions, the details of how to effectively monitor and regulate remain unknown. There is also no mention of enabling convertibility to other instruments like cash, bonds, equities or other securities should one holder of carbon certificate desire to do so. There is also the need for an effective carbon markets' monitoring, reporting and verification (MRV) system like the EU MRV, which leaves no room for manipulations and inaccuracy. In addition, India should implement satellite-based monitoring systems and other advanced technologies to track and monitor emissions from various sources. But

before that, the government needs to establish standards and regulations with a view to achieving the above. A standard setting organisation like the International Carbon Action Partnership (ICAP) and our own Institute of Chartered Accountants of India (ICAI) or the National Financial Reporting Authority (NAFRA) or some other self-regulating agency could be explored.

India needs to incorporate a combination of policies and regulations, private sector investment, public awareness and community engagement together with targeted subsidies as a part of just climate finance to ensure development of a robust carbon market ETS and ensure that the benefits of carbon markets can be enjoyed by all parts of the country. As per the recent Mapping India's Energy Policy 2022 report, "renewable energy subsidies in India have fallen by 59% to Rs 6,767 crore after Rs 16,312 crore in FY2017." More support from the government in the form of subsidies to targeted groups will be needed to scale up solar manufacturing, green hydrogen, and promising de-centralised renewable energy technologies to drive down the unit prices. Australia's carbon pricing scheme, devised in 2012, was withdrawn in 2014 as it failed to address the economic hardship small businesses and households faced because of increased in electricity costs. <https://www.financialexpress.com/opinion/getting-the-decarbonisation-strategy-right/3030325/>

### **39. Defence Ministry inks procurement deals worth Rs 32,086 crore before FY2023 ends ([financialexpress.com](https://www.financialexpress.com)) March 31, 2023**

Just a day before the end of the FY 2023, the Ministry of Defence (MoD) firmed up deals for military equipment and weapons with various Defence PSUs to the tune of Rs 32,086 crore several crores which will help boost the operational capabilities of the Indian Armed Forces.

Agreements signed on March 30, 2023

The bulk of contracts inked were for the Indian Navy, however, the wait for Fleet Support Ship continues.

The Indian Navy will get 11 Next Generation Offshore Patrol Vessels (NG-OPV) and six Next Generation Missile Vessels (NGMV). And also BrahMos supersonic missiles which are meant for coastal defence for the Navy.

And for the Indian Army there is the improved version of Akash Surface to Air missile system and also 12 Swathi Weapon Locating Radars (WLR).

According to the MoD official statement, a contract was inked with Goa Shipyard Ltd (GSL) and Garden Reach Shipbuilders and Engineers (GRSE), Kolkata for the acquisition of 11 NG-OPVs at a total cost of Rs 9,781 crore. Out of the 11 NG-OPVs seven of them will be designed, developed and manufactured by GSL and GRSE will get the balance four and the delivery is expected to start from September 2026.

How will these help the navy?

According to the MoD these new generation OPVs will strengthen navy's combat capability and also help to meet different operational requirements including anti-trafficking, non-combatant evacuation operations, Search and Rescue (SAR), anti-piracy, protection of offshore assets, anti-poaching and counter-infiltration.

NG Missile Vessels for navy

A contract worth Rs 9,805 crore for acquiring six NGMVs (next generation Missile vessels) was inked on Thursday with Cochin Shipyard Limited (CSL) and the delivery of these is expected to start from March 2027.

These high speed heavily armed war vessels will be incorporating stealth, and offensive capability, and their primary role will be to provide offensive capability against land targets, enemy warships and merchantmen, stated the MoD statement.

These vessels are expected to be a potent instrument of sea denial for enemy ships especially at choke points, said the MoD and will be capable of carrying out anti-surface warfare operations, and maritime strike operations.

Lynx-U2 Fire Control Systems

Another major contract inked was worth Rs 1,700 crore with Bangalore based Bharat Electronics Limited (BEL) for the procurement of 13 Lynx-U2 Fire Control Systems. These will be installed on the NGOPVs of the Indian Navy. This is a 4th generation naval gun fire control system. It has been designed, developed indigenously and has the capability of tracking and engaging targets accurately and also engaging targets in the midst of sea clutter, in air as well as surface, according to the official statement issued by the MoD.

Next Generation Maritime Mobile Coastal Batteries (NGMMCB) (Long range) & BrahMos

A contract worth Rs 1,700 crore was signed with BrahMos Aerospace Private Limited (BAPL) for procurement of Next Generation Maritime Mobile Coastal Batteries (NGMMCB) (Long range) and BrahMos supersonic cruise missiles. And the delivery schedule of NGMMCBs is set to start in 2027.

#### Improved Akash Weapon System

A contract has been signed with Bharat Dynamics Limited (BDL) for the improved Akash SAM for 3rd and 4th Regiments of Army Air Defence. This deal will include live missiles, ground support equipment, vehicles and infrastructure as well as launchers with upgrades. The deal is worth over Rs 8,160 crore.

Improved environmental parameters, seeker technology, reduced footprint and 360 degree engagement capability will help the Indian army meet aerial threats especially along the Northern borders.

There is almost 82 percent of indigenous content and this will go up to 93 percent by 2026-27. According to the statement 60 percent of the cost will be awarded to the private industry including the MSMEs, in maintaining the supply chain of the weapon system and thereby creating large scale direct and indirect employment.

#### Swathi WLR (Plains)

Another Rs 990 crore contract has been signed for WLR Swathi (Plains) with BEL which is indigenously designed and is capable of locating mortars, guns and rockets firing its own troops. This will facilitate their destruction through counter bombardment by their own firepower resources. The induction is planned in 24 months.

Also a contract for the navy has been signed at a cost of Rs 410 crore with BEL for the acquisition of Sarang Electronic Support Measure (ESM) systems, with its associated engineering support package.

It has been reported earlier this month that the CCS had approved to sign an agreement with L&T for acquiring three cadet training ships at a cost of Rs 3,108.09 crore.

Though the indigenous acquisition for the armed forces this fiscal is expected to cross more than 68 percent, yet the ministry has not been able to use up the entire Capital budget allocation.

<https://www.financialexpress.com/business/defence-defence-ministry-inks-procurement-deals-worth-rs-32086-crore-before-fy2023-ends-3028689/>

**40. Budget doubled over 5 years, Rs 63,000 crore Versova-Virar sea link to be Mumbai's costliest so far ([theprint.in](https://theprint.in)) 31 March, 2023**

Mumbai's development authority has approved plans to build what would be the city's costliest sea link, with the estimated budget for the project having more than doubled in the five years since it was first conceived.

The Mumbai Metropolitan Region Development Authority (MMRDA) earlier this month approved plans for building the Versova-Virar sea link — a 43-km elevated road — at a cost of Rs 63,426 crore, according to the minutes of the authority's meeting that ThePrint has seen.

The sea link will connect Versova, a western suburb of Mumbai, to the fast-growing, dense residential hub of Virar— Mumbai's satellite town in the city's larger urban agglomeration of the Mumbai Metropolitan Region.

When the project was first conceived in 2018, it was estimated to cost about Rs 30,000 crore, MMRDA officials told ThePrint.

The Maharashtra State Road Development Corporation (MSRDC) was supposed to implement the project then. The Eknath Shinde-led Maharashtra government decided to hand it over to the MMRDA in October last year.

“When the project was handed over to the MMRDA, we realised that the original cost estimate of about Rs 30,000 crore did not include the cost of certain elements, such as some interchanges and tunnels. The base price of all elements while calculating the cost was also old,” S.V.R. Srinivas, MMRDA commissioner, told ThePrint,

He added: “Since this is a large project, we are getting the entire feasibility report peer reviewed by another consultant too.”

The Versova-Virar sea link will be an extension to the Bandra-Versova sea link in the north. The 17-km Bandra-Versova sea link being constructed by the MSRDC will connect with the existing Bandra-Worli sea link, which will then link with the under-construction coastal freeway. Once all the links are ready, motorists will have seamless connectivity from Marine Drive in the south to Virar in the north.

Till now, the under-construction Sewri-Nhava Sheva Mumbai Trans Harbour Link (MTHL) was touted to be the longest sea link not just in the city, but also across the country. Being built at a cost of Rs 17,843 crore, it was also Mumbai costliest sea link project till now.

The Bandra Versova sea link is expected to cost Rs 11,332.82 crore, while the Bandra Worli sea link was built at a cost of Rs 1,634 crore.

On Sewri-Nhava Sheva MTHL model

Once completed, the 43-km Versova-Virar sea link will be longer than the under-construction Sewri-Nhava Sheva MTHL.

The MTHL is also being implemented by the MMRDA, which expects to commission the road by December this year.

The 22-km MTHL — a crucial connector to the under-construction Navi Mumbai International Airport — is being built at a cost of Rs 17,843 crore, the costliest till now.

According to the minutes of the MMRDA meeting, the authority has proposed to build the Versova-Virar sea link on the same financial model as the MTHL.

The showpiece MTHL is being funded by a loan from the Japan International Cooperation Agency (JICA) with guarantees from the state and the central governments.

“Considering the large project cost, to obtain funding, we have presented a preliminary project report to the Department of Economic Affairs (of the Union Finance Ministry),” an MMRDA official, who did not wish to be named, told ThePrint.

“As soon as we get the approval of the NITI Aayog and the Union urban development ministry, we will propose the project for financing by JICA through the Department of Economic Affairs with guarantees from the state and central governments, just like for MTHL,” he added. [https://theprint.in/india/budget-doubled-over-5-years-rs-63000-crore-versova-virar-sea-link-to-be-mumbais-costliest-so-far/1485558/#google\\_vignette](https://theprint.in/india/budget-doubled-over-5-years-rs-63000-crore-versova-virar-sea-link-to-be-mumbais-costliest-so-far/1485558/#google_vignette)