

213 vouchers for the payment of ₹ 79.53 crore were not made available to audit by the accounting personnel of the MCF. In the intermediate period an incident of fire also took place in the accounts premises on 20 August 2020 but no assessment of records lost due to fire incident was made by MCF.

Thus, there was weak internal control mechanism in the MCF for dealing of payment of execution of development works and the authorities did not take effective measures even after the audit observation to the tune of ₹ 16.93 crore was issued in August 2019. The works were allotted to a contractor on quotation basis instead of the prescribed tendering process. The process was repeated and multiplied manifold by slight variation of name of the contractor but having same TIN Number and place of business. Some important fundamental documents required to be prepared by the Haryana PWD Code were not being prepared and the prescribed procedure of approval of estimate was not followed. Payments to the tune of ₹ 7.70 crore were made even after initiation of inquiry against the contractor. In absence of accounting checks like bank reconciliation, the possibility of the rise in figure of the questioned payments cannot be ruled out.

Thus, indifferent approach of the MCF in dealing with the execution of works is considered to be largely detrimental to its financial health as an amount of ₹ 183.83 crore was disbursed to the same contractor thereby indicating weak financial and internal control mechanism.

Recommendation: The State Government may consider initiation of a thorough investigation in the matter to fix responsibility and take action against the contractor as well as involved officers/ officials.

The matter was referred (4 May 2022) to Principal Secretary, Urban Local Bodies Department, Government of Haryana for reply/comments. The reply was awaited (August 2022).

Health and AYUSH Department

5.9 Cost over-run of ₹ 3.39 crore and infructuous expenditure of ₹ 48.89 lakh due to failure of internal controls in finalisation of site

Time over-run with three years delay in establishing Government Homoeopathic College and Hospital resulted in creating extra burden of ₹ 3.88 crore on the State exchequer apart from depriving the intended benefit to the General Public and students of the State.

Department of AYUSH, Ministry of Health and Family Welfare (MoH&FW), Government of India (GoI) launched National AYUSH Mission (NAM) during 12th Plan for implementing the same through all States/Union Territories.

The Health Minister (HM), Haryana (February 2018) directed the Directorate

of AYUSH Haryana, Panchkula for initiating the proposal for setting up the Government Homoeopathic College and Hospital (GHC&H) in Ambala district under NAM. A land measuring 11 acres at village Manglai was recommended by the Committee constituted for identification of suitable land for setting up GHC&H on 33 years lease at the rate of ₹ one per acre per year and same was approved (June 2018) by the Chief Minister (CM), Haryana.

Accordingly, the Development and Panchayat Department, Haryana approved (October 2018) and transferred (November 2018) the land in the name of Directorate of AYUSH Department for 33 years lease at the rate of ₹ one per acre per year at village Manglai for the construction of the college.

The Rough Cost Estimate of ₹ 46.89 crore for setting up of new GHC&H at village Manglai was administratively approved (February 2019) by Government of Haryana. The work of construction of GHC&H was allotted (March 2019) to a contractor³⁰ for ₹ 35.93 crore with stipulated time limit of 36 months from the date of start of the work. Secured advance of ₹ 2.99 crore³¹ on account of purchase of steel was released to the contractor. Further, an amount of ₹ 15.83 lakh was paid (September 2019) to M/s Continental Foundation Agency for preparation of structural design of the building of GHC&H. The contractor executed the work to the tune of ₹ 25 lakh at Manglai site but no payment was made.

Scrutiny of records (June 2021) of DG, AYUSH Department, Haryana, Panchkula revealed that when the work of construction was in progress at Manglai site, Haryana PWD (B&R) Department was asked to stop the work due to change of site in July 2019 on the verbal directions of HM as the site was assessed of being away from the city. Thereafter, a new committee recommended (December 2019) a site at Naggal which was not found (May 2020) suitable for the construction of the college. Finally, approximately eight acres of land was recommended by the DC, Ambala at village Chandpura for construction of GHC&H. The Municipal Council (MC), Ambala handed over possession of Municipal land to establish GHC&H to AYUSH Department in December 2020 with the condition that the department would have to deposit ₹ 3.39 crore on account of sale proceeds of the said land with MC, Ambala as per the decision taken in the cabinet meeting held in December 2020. The work on the new site was started in February 2021 by the same contractor. The department paid an amount of ₹ 3.39 crore to MC, Ambala on account of sale proceeds for the said land (March 2021).

It was further seen that the estimate was revised (May 2021) to ₹ 55.85 crore which was administratively approved by ACS, Health and AYUSH Department

³⁰ M/s Garg and Company.

³¹ ₹ 0.75 crore: July 2019 plus ₹ 2.24 crore: May 2019.

in July 2021. The Executive Engineer, Provincial Division No. I, Ambala Cantt intimated (January 2022) that after change of site, the same contractor has started executing the work on the new site *i.e.* Chandpura and an amount of ₹ 12.55 crore was paid to the contractor. However, only 10 *per cent* progress could be achieved as of December 2021. It was noticed that Haryana PWD (B&R) Department paid ₹ 8.06 lakh to the contractor for carriage of steel from old site to new site vide 9th Running Bill. Scrutiny of records further showed that Manglai was on the National Highway-73 and was more approachable to the public against Chandpura which is four kilometres away from National Highway-73.

Thus, improper planning, subjective decision for changing the site and failure of internal controls for not following the proper procedure, consequently delayed the execution of work which led to time overrun and resultantly cost overrun. The works executed at Manglai site and other expenses worth ₹ 48.89 lakh³² proved infructuous, also department had to bear extra cost of land worth ₹ 3.39 crore for new site which was available free of cost to the department at Manglai. Further, time over-run with three years delay to establish GHC&H resulted in creating extra burden of ₹ 3.88 crore on the State exchequer, apart from depriving the intended benefit to the General Public and students of the State.

During exit conference (May 2022), the Department stated that the site at village Chandpura was selected in public interest. Site was changed as per the note received from PS to Health Minister in December 2019. In this note, it was communicated that the site at Manglai was not approachable and convenient to patients, as such the site of Naggal may be selected. The contention of the department is not tenable as selection of the site at village Manglai was done after proper survey of land of three villages and found suitable for construction of college. Moreover, site of land in Manglai was made available to AYUSH Department free of cost, whereas for the latter site (Chandpura), the Department had to pay an amount of ₹ 3.39 crore to Municipal Committee.

Recommendation: The State Government may consider fixing responsibility for failure in applying the internal control in finalising the site for the construction of Government Homoeopathic College and Hospital.

³² Cost of work executed at Manglai – ₹ 25 lakh, Payment of structural design – ₹ 15.83 lakh & Carriage charges of shifting from old site to new site – ₹ 8.06 lakh (Total = ₹ 48.89 lakh).