

CHAPTER VI : MINISTRY OF LABOUR AND EMPLOYMENT

6 Employees Provident Fund Organisation

6.1 Short recovery of water charges

EPFO suffered loss of Rs. 24.78 lakh due to under-recovery of water charges from its staff during 2003-04 to 2008-09.

The water consumption of the 172 staff quarters (Type I to Type VI), Colony Park and Community Centre at Malviya Nagar of Employees Provident Fund Organisation (EPFO) is charged by Delhi Jal Board (DJB) through two bulk meters. Besides, EPFO has one electric meter from which electricity is supplied for running motor-pump sets for supply of water, other apparatus such as electric load of street lights, community centre etc. Water consumption was assessed as 90 *per cent* for staff quarters and 10 *per cent* for Park and Community Hall whereas electricity consumption was assessed as 58 *per cent* for motor-pump sets and 42 *per cent* for street lights and community centre.

As per Government of India clarification (May 1994), actual expenditure made on the supply of water charges to the Government residence should be recovered from the allottees of these quarters.

Audit observed that EPFO paid Rs. 16.24 lakh and Rs. 21.62 lakh for water and electricity charges respectively during 2003-04 to 2008-09. But as per the normative consumption pattern of water and electricity consumed for supply of water, the actual expenditure during the years 2003-04 to 2008-09 on the water supplied to the staff quarters worked out to Rs. 25.90 lakh¹⁷. Instead of recovering the actual expenditure incurred on water supply to the staff quarters, the EPFO recovered only Rs. 1.12 lakh as water charges from its staff at the rates between Rs. 8 and Rs. 12 per month per staff quarter from the occupants. This resulted in short-recovery of Rs. 24.78 lakh on account of water charges besides extending undue benefit to its staff in disregard of the Government directives. It would continue to incur an annual expenditure of Rs. 4.80 lakh *per annum* on this account till the rate of recovery is revised.

¹⁷ 90 *per cent* of water charges of Rs. 16.24 lakh = Rs. 14.62 lakh (A)

58 *per cent* of electricity charges of Rs. 21.62 lakh for water supply earmarked for motor pump set = Rs. 12.54 lakh

90 *per cent* of Rs. 12.54 lakh for water supplied to staff quarters = Rs. 11.28 lakh (B)

Total: (A) + (B) = Rs. 25.90 lakh

EPFO accepted the audit observation and stated (August 2009 and February 2010) that the matter had been taken up with the appropriate authority for revision of the rates of water charges.

The matter was referred to the Ministry in October 2009; their reply was awaited as of February 2010.