

## **Chapter-III COMPLIANCE AUDIT**

### **Department of Food, Supplies and Consumer Affairs**

#### **3.1 Preparedness for implementation of the National Food Security Act, 2013**

**There was delay in identification of beneficiaries. Beneficiaries list included ineligible and unverified persons. GPS devices were not installed for monitoring the movement of vehicles used for transporting food grains. Database under End-to-End Computerization of Targeted Public Distribution System (TPDS) was incomplete. Point of Sale Machines for verification of identity of eligible beneficiary and disbursement of food grains were installed in only 42 out of 2,300 Fair Price Shops (FPSs).**

The National Food Security Act, 2013 (Act) seeks to provide for food and nutritional security by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity. The Department of Food, Supplies and Consumer Affairs, GNCTD is the nodal department for its implementation in NCT of Delhi.

An audit covering the period July 2013 to March 2015 was conducted to assess the preparedness of the Department of Food, Supplies and Consumer Affairs (the Department) for implementation of the Act. Audit examined records at Headquarters of the Department and selected two out of nine districts, four out of 70 circles (two circles from each selected districts) and 16 Fair Price Shops (four FPSs from each selected circle) through probability proportional to size and without replacement (PPSWOR statistical sampling) method.

##### **3.1.1 Implementation of the Act and coverage of population**

As per Section 10 (1) (b) of the Act, the State Governments were to identify within 365 days of the commencement of the Act (July 2013), the eligible households within the number of persons determined by the Central Government under Section 9 of the Act. For the NCT of Delhi, the Ministry of Food, Civil Supplies and Consumer Affairs, GoI determined (July 2013) total 72.78 lakh persons to be covered under the Act. Audit observed delay in identification of beneficiaries as the department could identify only 23.62 lakh beneficiaries as of June 2014 in the given timeframe of 365 days. The Ministry later extended the timeframe thrice and finally up to 30 September 2015. However, as of 29 January 2016, the department could not achieve the target fixed by GoI as there was still a deficit in identification of beneficiaries by 0.19 lakh. The department stated (February 2016) that as it had received applications in excess of the target fixed by GoI, exercise of deleting ineligible households was undertaken in order to accommodate eligible households. The fact remained that the department failed to adhere to the stipulated timelines.

### 3.1.1.1 Updation of list of eligible households without verification of status

As per Section 10 (2) of the Act, the State Government was to update the list of eligible households within the number of persons determined under Section 9 of the Act. Audit scrutiny, however, showed that the department started implementation of the Act from 1 September 2013 without updating the status of existing households under AAY<sup>1</sup>, BPL<sup>2</sup>, APL-S<sup>3</sup> (JRC<sup>4</sup> and RCRC<sup>5</sup>) category, but treated all of them as eligible households under the Act. Audit observed that out of 6.27 lakh card holders consisting of 32.39 lakh beneficiaries treated earlier as eligible at the beginning of implementation of the Act (01 September 2013), only 4.1 lakh households were found to be eligible as of 19 August 2014. This highlights the risk of subsidized food grains being allocated to ineligible households due to non-updation of the list.

The Department stated (February 2016) that very large number of applications were likely to be received and in order to narrow down the excessive workload of identification and verification of applications under NFS Act, the Government decided to give benefit to the existing households under AAY, BPL, JRC and RCRC category. Reply is not acceptable as Section 10 (1) (b) of the Act provides for allocation of food grains under the existing Targeted Public Distribution System till the identification of households is complete and not at highly subsidized rates under NFS Act without updating the status of beneficiaries.

### 3.1.1.2 Non-adherence to the criterion for identification of eligible households

(i) As per the guidelines issued by the Department in July 2013, households having annual income of less than ₹ 1 lakh per annum and groups with geographically, socially and occupationally vulnerable condition (on the basis of field verification) were to be considered eligible households for inclusion in the PR<sup>6</sup>/AAY category. For identifying eligible households, the Department invited applications from the public in September 2013. The Department identified (between September 2013 and May 2015) 1.55 lakh existing Above Poverty Line (Unstamped)<sup>7</sup> households (comprising 5.78 lakh beneficiaries) under the Priority Household<sup>8</sup> category, though they were not eligible for subsidized food grains prior to implementation of the Act. Thus, inclusion of these beneficiaries under the Act on the basis of self-certification

<sup>1</sup> Antyodaya Anna Yojana

<sup>2</sup> Below Poverty Line

<sup>3</sup> Above Poverty Line-Stamped

<sup>4</sup> Jhuggi Ration Card

<sup>5</sup> Resettlement Colony Ration Card

<sup>6</sup> Priority Household

<sup>7</sup> Above Poverty Line (Unstamped)- As per the Citizen Charter, families having total family income above ₹ 1,00,000/- p.a were given Un stamped APL Cards

<sup>8</sup> In Priority Household category, beneficiary is entitled 4Kg. wheat and 1 Kg Rice per member

and without obtaining income certificates, as noticed in the selected Circles under South-West and North District, was irregular.

The Department stated (February 2016) that prior to the implementation of the Act, only APL (unstamped) cards were issued irrespective of income. It further stated that even the most vulnerable and poorest of the poor people were issued only APL (unstamped) cards without giving any allocation of food grains. Reply is not acceptable as distribution of Specified Food Articles (SFAs) was on the basis of distinctive ration cards issued to APL, BPL and AAY beneficiaries according to the annual family income. Thus, inclusion of all APL (U) card holders in PR category raises the risk of extending benefits of subsidized foodgrains to ineligible persons.

(ii) As per clause 7 of the Guidelines, certificate from revenue authorities was necessary in case of residents of notified village *abadis*. Audit observed that out of two selected circles under South-West District, there were two notified village *abadis* i.e. Nawada and Bindapur under Circle-32, Uttam Nagar. In Bijwasan under Circle-36, list of notified village *abadis* was not available. However, the department issued new cards under the Act without verifying the eligibility of the households and without obtaining certificate issued by the Revenue authorities, in the absence of which distribution of subsidized food grains to ineligible households cannot be ruled out. The department accepted (February 2016) that individual certificate from all the applicants was not obtained.

### **3.1.1.3 Issue of ration cards to identified households**

As per Section 13(1) of the Act, new ration cards were to be issued to the head of the household (woman of 18 years of age or above to be head of household for purpose of issue of ration cards). However, information relating to distribution of new ration cards to PR and AAY households *viz.* new ration cards printed, ration cards actually issued, ration cards remaining to be issued with reasons thereof, was not available with the department. The department stated (February 2016) that the exact number of cards not issued could not be compiled, however, cards were delivered to the beneficiaries and no card was held by the department. In the absence of information on new ration cards, there was no assurance of actual extension of benefit to all eligible PR and AAY households.

### **3.1.2 Reforms in Targeted Public Distribution System (TPDS)**

As per Section 12 of the Act, the Central and State Governments shall endeavour progressively to undertake necessary reforms in the TPDS. The reforms shall, *inter alia*, include doorstep delivery of food grains on the TPDS outlets, application of information and communication technology tools, including end-to-end computerization in order to ensure transparent recording of transactions at all levels, prevent diversion of food grains and transparency

of records, etc. The GoI issued (September 2013) implementation guidelines on 'End-to-End Computerization of TPDS' comprising digitisation of database of ration cards/beneficiaries, computerisation of supply chain management, setting-up of transparency portal and putting in place grievance redressal mechanism. Audit appraised the status of reforms in TPDS and findings are discussed in succeeding sub-paragraphs.

### **3.1.2.1 Door Step Delivery**

The department indents for monthly allocation of food grains to the Food Corporation of India (FCI) and authorizes the Delhi State Civil Supplies Corporation (DSCSC) to lift and deliver the same through contractors to the respective FPS. Audit scrutiny showed that door step delivery of food grains was being done in all 2300 active FPSs. However, GPS devices were not installed in the vehicles carrying food grains, for monitoring their movement as was required under Agreement between DSCSC and the contractor. Thus, the preparedness of the department was lacking as far as monitoring of the movement of vehicles carrying food grains in real-time was concerned. The department stated (February 2016) that installation of GPS in vehicles was under process by DSCSC.

### **3.1.2.2 Computerisation of Supply Chain Management**

The GoI guidelines envisage that stock movement report *vis-a-vis* quantity release order, delivery challan, etc. from FCI Godown to FPSs should be made available in the public domain. Audit noticed that GNCTD had an ePDSCM portal for Public Distribution Supply Chain Management on which transactions could be accessed only through login ID of the departmental officers, but it was not available in the public domain. Thus, real time information on receipt and distribution of food grains was not available for the general public.

The department stated (February 2016) that although the details of delivery process of food grains was not available in the public domain, SMSs are sent to all stakeholders indicating FPS quantity of food grains, vehicle number and specific time and date of dispatch from godowns. Reply is not tenable as stock movement report comprising quantity release order, delivery challan, etc. from FCI godown to FPSs as envisaged under GoI guidelines, was not available in the public domain.

### **3.1.2.3 Non-automation of FPSs**

As per the Cabinet decision of GNCTD, dated 1 October 2013, End-to-End Computerization of TPDS also requires automation of FPSs through bio-metric system based Point of Sale (PoS) machines. However, as of March 2015, PoS machines were installed only in 42 out of 2300 FPSs. The distribution of ration to beneficiaries by the remaining FPSs was through the manual system. FSO (Circle 15, North District) intimated that even the PoS machines installed

in the FPSs were not working efficiently as these were not user friendly, had poor battery life and had problems of mismatching of finger prints and poor network. Thus, due to non-installation of PoS in all FPSs, in verification of identity of eligible beneficiaries for disbursement of food grains, was not assured. The department stated (February 2016) that the tender process for purchase of PoS machines was in final stage and these were likely to be installed in all the FPSs.

### **3.1.3 Transparency and Accountability**

The Section 29 of the Act envisages constitution of Vigilance Committees (VCs) at State/UT, District, Circle and FPS levels for ensuring transparency and proper functioning of the TPDS and accountability of the functionaries in such system. However, Audit noticed that the Vigilance Committee was neither set up at State level nor in the selected Districts and FPSs. The department stated (February 2016) that the matter of formation of the Vigilance Committee at the State and District level was under process. Reply was however, silent on constitution of VC at FPS level and shows laxity in ensuring transparency and accountability of various functionaries.

## **Department of Health and Family Welfare**

### **3.2 Excess payment of ₹ 2.76 crore to Delhi Jal Board**

**Inspite of incurring an expenditure of ₹ 37.82 lakh on installation of Water Harvesting Systems (WHS)/Water Treatment Plants (WTP), seven Delhi Government hospitals/institutions failed to avail rebate of 15 per cent on their water bills, resulting in excess payment of ₹ 2.76 crore to the Delhi Jal Board.**

The Delhi Jal Board (DJB) decided in December 2009 to allow a rebate of 15 per cent on water bills with effect from January 2010, to Government Institutions/Offices, if they adopt a system of water harvesting and/or recycling of waste water. The Principal Secretary, Health and Family Welfare, GNCTD, endorsed these orders of DJB to all Medical Superintendents of government hospitals in March 2010, with directions to take advantage of 15 per cent rebate by establishing water harvesting system and/or recycling of waste water.

Audit had earlier pointed out in Paragraph 3.3 of the Comptroller & Auditor General's Audit Report on GNCTD, for the year ended March 2013 (Audit Report No. 2 of 2014), that seven government hospitals failed to avail benefit of 15 per cent rebate on their water bills and paid excess amount of ₹ 7.28 crore, in spite of having installed water harvesting and/or recycling of waste water systems in their premises. Nevertheless, Audit observed that the Government did not initiate corrective measures to ensure that hospitals take up the matter with DJB and get the available rebate on their water bills.

Audit scrutiny of records showed that inspite of incurring an expenditure of ₹ 37.82 lakh on installation of water harvesting and/or recycling of waste water treatment plants, seven government hospitals/institutes<sup>9</sup> failed to avail the benefit of rebate of ₹ 2.76 crore on their water bills during the period January 2010 to August 2015.

The matter was referred to the Government in September 2015, their reply is awaited (March 2016).

### **3.3 Unfruitful expenditure on Solar Water Heating System - ₹ 1.39 crore**

**Two government hospitals got Solar Water Heating Systems installed in their buildings at a cost of ₹ 1.96 crore. Due to poor planning and absence of any arrangement for the safety and security of systems, major part of the systems became dysfunctional within three years of functioning, resulting in unfruitful expenditure of ₹ 1.39 crore.**

As per Government notification dated 24 April 2006, use of solar water heating system is mandatory in government hospitals. In pursuance of these instructions, two government hospitals - Lok Nayak Hospital and Guru Teg Bahadur (GTB) Hospital, got Solar Water Heating Systems (SWHSs) installed during November 2008 to February 2010. Audit scrutiny of records relating to installation and maintenance of systems, and physical inspection on sites, revealed the following:

#### **(A) Lok Nayak Hospital**

Against an Administrative Approval and Expenditure Sanction (AA&ES) of ₹ 82.69 lakh accorded by the hospital on 31 March 2009, PWD procured 24 SWHSs from a private supplier at a cost of ₹ 47.37 lakh and incurred ₹ 36.51 lakh on other related items, like pipelines. The systems were installed in February 2010, but were made functional only in April 2012. A joint inspection of these systems conducted (August 2015) by Audit along with representatives from PWD and the hospital found that only 2 (9 sets) out of 10 SWHSs (30 sets) installed in the hospital were partially working. The remaining systems (85 per cent) became dysfunctional within a period of three years of functioning though the normal life of a SWHS is 15 years. Thus, expenditure of ₹ 71.30 lakh<sup>10</sup> incurred on installation of these damaged SWHSs, had become unfruitful.

The hospital attributed (September 2015) the delay in making SWHSs functional to fabrication of base frames, providing suitable water connection,

<sup>9</sup>(1)Rao Tula Ram Hospital, (2) Acharya Shri BhikshuSarkari Hospital, (3) Sanjay Gandhi Memorial Hospital, (4) Lal Bahadur Shastri Hospital, (5) Jag PraveshChander Hospital, (6) Institute of Human Behaviour & Allied Sciences, and (7) Institute of Liver & Biliary Sciences). These were not mentioned in CAG's Report of 2014.

<sup>10</sup> 85 per cent of (₹ 47.37 lakh + ₹ 36.51 lakh)

overhead tanks and distribution network. It added that the damage to the systems was due to non-providing of safety enclosures for the systems at the time of installation, damage by some miscreants and heavy storms. The reply is not acceptable, as it is the responsibility of the hospital to ensure safety and security measures for the systems at the planning stage itself.

**(B) GTB Hospital**

The hospital procured 15 SWHSs costing ₹ 46.79 lakh from two private suppliers, (November 2008 and May 2009) and released payment of ₹ 32.75 lakh (70 per cent). The hospital accorded (August 2010 and March 2011) AA&ES for ₹ 1.02 crore to PWD also, for providing, installing and testing of distribution network for these SWHSs and for providing and installing additional SWHSs in Casualty, X-ray, OT Block and Ward Block. PWD incurred an expenditure of ₹ 79.44 lakh against the sanction. Audit along with officials of GTB hospital and PWD, conducted a joint inspection (August 2015) and found only 35 to 40 per cent of SWHSs working while the remaining were damaged beyond economical repair. Thus, expenditure of ₹ 67.32 lakh, (60 per cent of ₹ 112.19 lakh) had become unfruitful due to failure of the hospital to plan and arrange for the safety and security of SWHSs installed in the building.

The hospital stated that damage to systems were caused by storms in May 2014 and 2015. The reply is not acceptable, as the safety and security of SWHSs, should have been the part of initial planning by providing for safety enclosures for systems.

The matter was referred to the Government in October 2015, reply still awaited (March 2016).

**3.4 Irregular expenditure of ₹ 76 lakh on enhanced Academic Allowance**

**The Governing Council of the Delhi State Cancer Institute adopted pay structure for its staff at par with AIIMS without consulting the Government of NCT of Delhi in contravention of the provisions of Pattern of Assistance. The Institute also enhanced the Academic Allowance for its faculty members from ₹ 1,000 to ₹ 10,000 per month without consulting the Government, resulting in irregular and unauthorised expenditure of ₹ 76 lakh.**

The Delhi State Cancer Institute (the Institute) was registered as a society on 16 May 2006 under the Societies Registration Act, 1860. The main objectives of the Institute are to provide ultra-modern comprehensive diagnosis and treatment facilities of all types of cancer patients in the region, with strong emphasis on HRD, R&D and community service programmes. The Institute discharges its functions and responsibilities as per its Articles of Association,

Rules, Regulations and Bye-laws approved by the Council of Ministers, Pattern of Assistance and rules of the Government regarding Autonomous Institutions brought into force from time to time. The main source of funds for the Institute is grants-in-aid from the Government of NCT of Delhi in accordance with approved pattern of assistance.

Clause 12 - 'General Conditions' of Pattern of Assistance governing the grants-in-aid to the Institute, stipulates that before creation of posts by the Governing Council of the Institute, approval of the Government of NCT of Delhi should be taken. The Institute may make appointments of staff as may be necessary for the discharge of duties properly and efficiently as mentioned in the Memorandum of Association. The salary and allowances for the same would be decided by the Governing Council of the Institute, in consultation with the Government of Delhi.

Audit scrutiny of records showed that the Governing Council of the Institute approved (05 December 2012) the adoption of Revised Pay Rules, 2008, with subsequent modifications thereof, if any, as per AIIMS pattern. Accordingly, the Institute revised the pay structure of its staff in accordance with the recommendations of Sixth Central Pay Commission, without consulting the Finance Department of GNCTD.

Audit further noticed that the Director of the Institute vide office order dated 27 November 2013, raised the Academic Allowance for its faculty members from ₹ 1,000 to ₹ 10,000 per month with retrospective effect from 01 September 2008. This time also, the Institute did not consult the matter with Finance Department, GNCTD. Arrear for the period September 2008 to October 2013 was paid to faculty members in the month of November and December 2013. Thus, the payment of enhanced Academic Allowance of ₹ 76 lakh (upto May 2015) by the Institute to its faculty members was irregular and unauthorised, as it contravened the provisions of the Pattern of Assistance framed and approved by the Government of NCT of Delhi.

The Institute stated (Jun 2015) that as per the decision of the Governing Council, pay structure of faculty members of the Institute was adopted at par with the faculty members of AIIMS and enhancement of Academic Allowance was approved by the competent authority (i.e. Director, DSIC). The reply is not acceptable as clause 12 of the Pattern of Assistance is very specific in stating that Government of Delhi should be consulted by the Governing Council in deciding the salary and allowances for the staff of the Institute.

The matter was referred to the Government in October 2015, their reply is awaited (March 2016).

## **Department of Home**

### **3.5 Implementation of e-challan system in Delhi Traffic Police**

**e-challan System suffered from data inconsistencies, deficient input control and lack of data integrity. Court decisions in respect of court challans were not updated in the system. The hand held device did not have facility for payment through credit or debit card. Weak administrative control and deficiency in the system resulted in mismatch both in number and amount of compounded challans.**

#### **3.5.1 Introduction**

The main and foremost objective of Delhi Traffic Police (DTP) is to maintain traffic discipline in Delhi by providing safe and smooth flow of traffic. Traffic discipline on roads is maintained through 53 circles by enforcing traffic rules and regulations effectively. Earlier, the erring vehicles and their owners were challaned for the respective offences through paper challans with the challan books being issued in bulk to each circle for cash and court challans. The cash challans are settled on the spot on payment of the requisite penalty. Court challans are decided in the court.

In order to have a system for prosecution of traffic violations in real time, generation of prosecution reports, prosecuting habitual offenders and data maintenance, DTP switched from manual system of challaning to electronic system.

##### **3.5.1.1 Objectives of introducing e-challan**

The objectives of introducing e-challan were to:

- issue challans for traffic violation on a 24 x 7 basis;
- maintain the details pertaining to all the activities of the Traffic circles/violations/violators;
- provide requisite structured/unstructured information to the traffic management officials as and when required;
- generate various statutory reports for the administrative use and functioning of the Traffic unit in matters of prosecution of violators and monitoring the functioning of the field officers; and
- integrate and network the system with state-of-the-art hardware and application software for the Traffic Police to access and use the information in their day-to-day work.

As per the Motor Vehicles Act, 1988, the Transport Department, GNCTD is the nodal agency for implementing the provisions of the Act in NCT of Delhi. Keeping in view the staff constraint, the Transport Department decided (December 1998) to share its compounding powers in respect of offences u/s 177 to 198 of the Act, with DTP. However, the notification delegating these

compounding powers to DTP officers, did not contain any clause on how and where the revenue receipts from compounding challans, would be deposited by DTP, i.e. into the Consolidated Fund of GoI or Consolidated Fund of GNCTD. In the absence of any modalities, DTP deposited the receipts from compounding challans under the Major Head 0055-Police, 103-FFF of MHA, GoI, since the Delhi Police was receiving its annual allocations through the budget of MHA, GoI.

In November 2008, the Transport Department directed DTP to deposit the revenue receipts from compounding challans into the Major Head - 0041-Taxes on Vehicles, 101-IMV (Fee & Fine) of GNCTD, claiming it as their receipts. In response, MHA conveyed (May 2012) its approval for the change of head of account. After working out all the modalities, DTP started (November 2013) depositing the compounded amount into Major Head pertaining to the Transport Department. The revenue from compounding challans made by DTP during 2012-13 to 2014-15 is depicted in **Table 3.5.1** given below:

**Table-3.5.1: Revenue from compounding challans (2012-15)**

(₹ in crore)

Year	Amount deposited in MH – 0055 (GoI)	Amount deposited in MH - 0041(GNCTD)
2012-13	52.94	0
2013-14 (01 April-18 Nov. 2013)	40.53	0
2013-14 (19 Nov. 2013 to 31 Mar. 2014)	0	22.72
2014-15	0	76.42
<b>Total</b>	<b>93.47</b>	<b>99.14</b>

### 3.5.1.2 Scope of audit

Audit appraised the ‘e-challan system’ of DTP for the period 2012-13 to 2014-15 at DTP headquarters and five circles<sup>11</sup> selected on the basis of heavy interstate movement of vehicles at border area. Main audit findings are given in the following paragraphs.

#### Audit findings

DTP hired (December 2012) the services of a vendor at a total cost of Rs. 14.25 crore. DTP accepted the system installed by the vendor (November 2013) for a period of three years i.e. upto 18 November 2016. As per the system, challan is made at the spot of offence through hand held device and the information is simultaneously sent to the central server and circle server through Multi-Protocol Label Switching (MPLS) technique. The hand held devices are connected to circle server as well as central server through General Packet Radio Service (GPRS). The contractor was responsible for providing

<sup>11</sup>Kapashera (KHC), Narela (NC), Kalyanpuri (KPC), Seemapuri (SPC), and Sarita Vihar (SVC).

the complete working system along with general maintenance of all components of the system for a period of three years.

As per Annexure-1 clause No.2 (n) of the agreement, the contractor shall also include in the solution, a system which may include installation of additional redundant servers and other such devices and other such measure which may be considered necessary. Audit scrutiny showed that only 43 circles were provided with server, laser printer, uninterrupted power supply, central processing unit and dumb terminals with keyboard and mouse. Remaining 10 circles (newly created in August 2014) were not provided with these facilities, in the absence of which, the circles could not generate their own database for replies and status report. However, the challans are uploaded to the nearby circles as chosen by the users.

### **3.5.2 Non-updation of court decisions**

Clause 3.38 of the 'Expression of Interests' states that it should be possible to enter the final decision of the court (such as discharged, imposed fine, admonished, sentenced to imprisonment, etc.), using appropriate screen in the hand held device. Audit observed that though there is a provision in the system for updating it with final decisions of the court, these were not being updated in the system. The reasons for non-updation of court decisions in the system were not provided to Audit. Thus, DTP was not in a position to have complete prosecution history of offenders in the system and ensure enhanced punishment for habitual offenders of traffic violations.

### **3.5.3 Non-integration with bank**

As per clause 6(R) of Annexure I to the agreement, the application software should allow online payment. For this, there should be an inbuilt facility in hand held device for payment through credit or debit card. However, this facility was not started as vendor did not supply the requisite hardware, though it furnished an undertaking in October 2013 to this effect. The system was then conditionally accepted by DTP on the assurance of the vendor to supply new e-challan devices with facility of payment through debit or credit cards from 18 June 2014. As intimated by DTP (July 2015), upgraded hand held devices with swipe facility were not provided by the vendor. As there was no penalty clause, DTP was not able to impose penalty for not adhering to the terms and condition of the clause.

### **3.5.4 Mismatch of cash challans**

Audit analysis of the data of central server relating to five selected circles, showed 4,90,776 cash challans during the period 16 November 2013 to 31 March 2015. However, as per the information provided by these circles, a total of 6,37,410 cash challans were made during the same period, leaving a difference of 1,46,634 to be reconciled. DTP stated (January 2016) that the difference between the two sets of figures was due to - (i) Prosecuting Officers

when transferred to new circles, continued to record challans made by them<sup>12</sup> with their IDs registered with the previous circles till they registered their IDs with new circles, and (ii) when an e-challan device goes out of order, it takes some time to get it repaired. In the process, data pending in the device which could not be received by central server due to connectivity problem, gets lost and cannot be recovered. Therefore, the difference in figures was due to both - weak administrative control in DTP in operating the e-challan system and the deficiency in the system to preserve data in the event of malfunctioning of devices.

### 3.5.5 Difference in cash balance

The prosecution amount collected by respective circles is deposited through road certificate (RC) on the following day with the Cash Branch at Traffic Headquarters. Cash Branch deposits the same into the bank on the same day and carries out monthly reconciliation with the PAO to verify the amount credited into government account. Audit scrutiny showed that while the prosecution amount reflected in cash books of two selected circles<sup>13</sup> was more by Rs. 3.99 lakh, in three circles<sup>14</sup>, it was less by Rs. 7.48 lakh than what was shown by the central server for the period 16 November 2013 to 31 March 2015. Thus inspite of having installed the 'e-challan system', DTP had no mechanism for a cross verification of compounded amounts collected from offenders and deposited in circles by Prosecuting Officers and as reflected by the central server.

### 3.5.6 Ineffective implementation and operation of the system

#### (i) System deficiencies

Data analysis of five selected circles revealed the following deficiencies in the system:

- System accepted duplicate challan number for the same challan. Seven cash challans out of 4,90,776 cash challans were entered twice, indicating deficient input control.
- Cash challan is made and settled on the spot, if offender pays the requisite penalty. However, out of 4,90,776 cash challans made by five circles, 11 were without any amount, as shown by the central server.
- In cases of court challans, the court decides the penalty for offence, collects the penalty amount and deposits the same in the Government treasury. However, Audit noticed that the system even accepted court challans with cash amount. Out of 66,324 court challans, 26,729 were with cash amount, as shown by central server which reflects processing failure.

<sup>12</sup> Cash is deposited in the new circle, while prosecution data goes to server of the old circle.

<sup>13</sup>Narela and Sarita Vihar

<sup>14</sup>Kapshera, Kalyan Puri and Seema Puri

- System accepted same user ID in different hand held devices simultaneously. User is not restricted for logging into a single hand held device at the same time, which is basically a system security problem.
- The work of upgradation of status of the permits of commercial vehicles suspended u/s 86 of the MV Act and an alert on hand held device, had not been started as of June 2015.

**(ii) Unencrypted passwords**

Though password is an important aspect of computer security, in e-challan system, it was not framed either by the vendor or the DTP. The facility of automatic lapse of current password after a predefined period and enforcement by the system of periodical change of passwords after that predefined period, was not available in the system. In the absence of such a check, in five selected circles, users were using the same passwords as allotted by the vendor at the time of launching the system in November 2013. Passwords in the 'e-challan system' are non-alpha numeric and lying unencrypted in the server data base, which can be viewed by the vendor. The deficiency in the system raises the risk of misuse of hand held devices and manipulation of data by unauthorized persons.

**(iii) Non-formulation of security policy of IT assets**

Logical access controls are defined as a system of measures and procedures both within an organization and in the software products aimed at protecting computer resources data, programs and terminals against unauthorized access attempts. However, DTP did not formulate any IT Security Policy for its IT assets, software and data. The assets were not installed in a secured room, rather they were kept in the room of Inspector or other office staff, putting the security of data at risk.

**(iv) Absence of Disaster Recovery Plan**

As per clause 15.8 of the agreement, the contractor shall ensure security, safety and integrity of existing and newly captured real time data and the entire data would be the property of Delhi Traffic Police. However, audit observed that the data backup was taken by the vendor but no record of frequency of taking backup data its storage and frequency of testing and checking was maintained by DTP. Even this backup was not stored in a fireproof cabinet at an offsite place. It was stored in hard disks and kept at the same location where the server is located. It was further observed that DTP did not formulate and document any disaster recovery plan.

**3.5.7 Non-compliance of terms and conditions of the contract**

**(i) Non-conducting of internal audit:** As per clause 15.12 of the Agreement, the contractor shall ensure that the entire software and hardware system should be got audited from auditors empanelled with the IT Department

etc., for process as well as security audit before launch. Thereafter, security audit must be got done every year during the contract period. However, no such audit of the system was done.

**(ii) Non-maintenance of audit trails:** As per clause 5(e) of Annexure-I of the Agreement, the application software should maintain the logs of the user activities to facilitate the audit trail. For effective monitoring and control over the system, maintenance of audit trail is essential for supervising actions of all the users. The DTP intimated in May 2015 that audit trail was maintained by the vendor. However, no record in respect of maintenance of audit trail was furnished to Audit.

**(iii) Machines lying unrepaired:** As per clause 10.2 of the Agreement, on receipt of a complaint from user unit, the engineer of vendor should reach the spot within three hours positively for repair or replacement of hand held device. The purpose of inserting this clause in the Agreement was to ensure that all hhds remain always functional and available for use. Scrutiny of stock register, however, showed that 252 out of total 1,199 hand held devices were lying dysfunctional in the store as of May 2014. Since when these hand held devices were lying unrepaired was also not recorded in the register, nor was their latest status available. Evidently the vendor had not complied with the agreed condition of 'on the spot repair or replacement of hand held devices'.

**(iv) Inadequate training:** Clause 9 of the Agreement states that the vendor will impart training on application software of hand held devices at circle server level and also for applications at Traffic Headquarters level. The training should predominantly consist of 'Hands on' sessions for training of trainers. Audit, however, noticed that there was no prescribed schedule for the training. All the five selected circles intimated (May 2015) that no practical training for operation of hand held devices and no 'hands on' training for trainers was imparted.

The matter was referred to the Government in December 2015, their reply is awaited (March 2016).

## Department of Information Technology

### 3.6 Implementation of the Right to Public Services Legislation

**Implementation of Right to Public Services Legislation was tardy, as competent officers and appellate authorities were not appointed and all notified services were not being processed online. Timelines were not fixed for each stage for time bound delivery of services and competent officers were not vested with powers to make payment of compensation for delayed services. There were deficiencies in uploading of data on e-SLA (electronic-Service Level Agreement) viz. giving incomplete or incorrect information, incorrect depiction of timelines and rejection of applications after lapse of prescribed time for delivery of services. Services were delivered with delay, but neither citizens were paid any compensation nor were defaulters penalized.**

The Government of National Capital Territory of Delhi notified (April 2011) 'The Delhi (Right of Citizen to Time Bound Delivery of Services) Act, 2011 (the Act)' for time bound delivery of services or payment of cost or compensation for delay in delivery of notified services to the citizens in the National Capital Territory of Delhi. The Act mandates every department of GNCTD to maintain status of all applications governing citizen related services online and entitles the citizens to obtain and monitor the status of their applications online. The GNCTD notified (September 2011) Rules and introduced a dedicated portal 'e-SLA (electronic-Service Level Agreement) monitoring system' for the purpose of checking, tracking and monitoring of the status of applications. As of November 2015, GNCTD had notified 361 services of various departments under the Act.

With a view to appraising the implementation of the 'Right to Public Services Legislation', Audit divided the notified services into two parts. Part A covers 208 services of 17 departments and Part B covers 153 services of 20 departments. For the current report, Audit selected a sample of 25 services of nine departments from Part A and examined records covering the period 2011-15 (**Annexure 3.1**). Main audit findings are discussed in the following paragraphs.

#### 3.6.1 Non-implementation of provisions of the Act and Rules

Section 6 of the Act envisages that the Government shall endeavor and encourage all the departments, local bodies and authorities to deliver citizens related services in a stipulated time period as part of e-governance. The Department of Information Technology is responsible for overall coordination and monitoring the implementation of provisions of the Act.

##### 3.6.1.1 Non implementation of online system for processing applications:

Out of 208 notified services of 17 departments, no data of 83 services was

available on the e-SLA monitoring system. Of the selected 25 services of nine departments, nine services relating to four departments <sup>15</sup>(Annexure 3.2) were not being processed on e-SLA system. Besides, in two cases relating to the Department of Drug Control, though being processed on e-SLA system, names of two services<sup>16</sup> and status of applications were not available on public interface on the online portal accessible to the citizens due to improper implementation of e-SLA system. The failure of the departments to implement online system kept the notified services out of the provisions of Act and Rules.

**3.6.1.2 Partial uploading of data on e-SLA portal:** Three services of DJB, namely - New Water Connection (domestic), Disconnection of Water Connection and Mutation of Water Connection, were notified under the Act in December 2011. As per information provided by DJB, 1.87 lakh applications were processed for the period January 2012 to July 2015. However, as per the e-SLA data retrieved from the system, only 21,581 applications of these services were processed during 27 December 2011 to 23 July 2013. The DJB did not upload data on e-SLA since then, for which reasons were not furnished to Audit, though called for.

**3.6.1.3 Non-fixing of stage wise timelines for time bound delivery of services:** As per Section 9(1) of the Act, the competent officer notified under the provisions of the Act is empowered to impose cost on the government servant defaulting or delaying the delivery of services. Further, in terms of Rule 5, it shall be lawful for the Head of the department to devise a work flow with timelines for the respective government servants at defined stages for the time bound delivery of services. However, Audit observed that out of nine selected departments, only two departments viz. Directorate of Education and Department of Information Technology had devised timelines for processing of applications. Three departments<sup>17</sup> were not processing the applications on e-SLA system. Department of Trade & Taxes (DT&T), Department of Excise, Entertainment and Luxury Tax and Department of Drug Control, though processing applications on e-SLA, did not devise timelines to be achieved by respective government servants at each defined stage.

The Delhi Jal Board (DJB) notified three services<sup>18</sup> since December 2011, but it fixed timelines with effect from 24 February 2014 in respect of only one service - 'New water connection'. DJB did not provide information in respect of other two services. In the absence of any fixed timelines for government servants for defined stages of delivery of a service, identifying the defaulting

<sup>15</sup>Drug Control, Training & Technical Education, Women & Child Development, Higher Education

<sup>16</sup> (i) Grant of licence for sale of homoeopathic drugs, and  
(ii) Grant of licence for sale of schedule X drugs.

<sup>17</sup>Training & Technical Education, Women & Child Development, Higher Education

<sup>18</sup> Disconnection of water connection, Mutation of water connection and New water connection

and delaying employee and recovery of the compensatory cost was not possible.

The Department of Excise stated (September 2015) that the devising of timeline mapping was under process and would be implemented at the earliest. The DT&T stated (October 2015) that such timeline mapping was not required. The reply is not acceptable in view of the provisions of Rule 5 mentioned above.

**3.6.1.4 Non-conferring the power of DDO on competent officer:** Section 9(2) of the Act stipulates that the Government shall for the purpose of payment of cost, confer the powers of drawing and disbursing officer on the competent officer in accordance with the law. Audit observed that the DT&T and the Department of Excise appointed the competent officers in December 2014 and May 2014 respectively with the powers to impose penalty on defaulting government servants. However, the power of drawing and disbursing officer for making payment of compensation cost to the citizens was not conferred on them, resulting in non-payment of cost to the aggrieved citizens and consequently non-recovery of the same from the government servants.

The Department of Excise stated (September 2015) that the order had been issued on 29 September 2015 for payment of cost or compensation from the imprest money lying with the competent officer. Reply is not tenable as the said order does not confer the power of DDO on the competent officer, but merely states that payment may be made from imprest money lying with him.

**3.6.1.5 Non-execution of instructions issued by the IT Department:** As per instructions issued by the IT Department (May 2014), Heads of Departments (HoDs) were required to issue internal orders regarding appointment and designation of competent officer, appellate authority and internal work flow mapping with timelines for time bound delivery of notified services. Internal orders were also to cover preparation of notice board for displaying information regarding services along with name of competent officer, number of days for disposal as per e-SLA. and setting-up of Help Desk to guide the citizens and making available imprest money with competent officer for payment to citizens as compensatory cost in case of default or delay in delivery of services.

Audit observed that only DJB had complied with all these instructions. The Department of IT and Directorate of Education confirmed the compliance except constitution of the imprest money. The DT&T and the Department of Excise appointed the competent officers only in December 2014 and May 2014 respectively, but did not comply with remaining requirements. The information on compliance of these instructions, though called for, was not provided by the four selected departments. Thus, due to delay and partial implementation of the instructions of the Department of IT, no compensatory cost for delay in delivery of services was paid to the affected citizens.

The Department of Excise stated (September 2015) that order for imprest money had been passed on 28 September 2015. But the reply was silent on other points.

### 3.6.2 Notification of services

Under Section 3 of the Act, the IT Department had been amending the schedule of services appended to the Act, from time to time, for bringing various services under the purview of the Act. Audit observed the following:

**3.6.2.1 Notification of non-existent service:** Seven services of the Directorate of Training & Technical Education were added to the schedule of Act in August 2014. However, as intimated by the Directorate of Training & Technical Education, one service - 'Issue of Eligibility Certificate' which did not exist was notified.

**3.6.2.2 Notified services not under administrative control of the department:** Department of IT being the implementing agency collects data of services from concerned departments to be integrated into e-SLA system by the National Informatics Centre (NIC). Uploading of status of applications is done by the concerned departments on their servers, which are then uploaded into e-SLA system either manually or automatically.

Audit observed that the IT Department notified (August 2014) four services<sup>19</sup> relating to colleges of University of Delhi, under the Directorate of Higher Education, though the Directorate was not dealing with these services. To an audit query, the Directorate clarified (June 2015) that these colleges are hundred *per cent* financed by GNCTD without administrative control, but are governed by UGC and University of Delhi. It added (September 2014) that the IT Department had already been informed about the incorrect depiction of services in the notification.

**3.6.2.3 Services notified without providing manpower and infrastructure:** Three out of six services of the Drug Control Department and all the three services of the Department of Women & Child Development were not processed on e-SLA system. In their reply, the departments stated (August 2015) that processing of services on the e-SLA system could not be implemented due to shortage of infrastructure and manpower.

### 3.6.3 Uploading and online processing of applications

Rule 3 of the Delhi (Right of Citizens to Time Bound Delivery of Services) Rules, 2011 stipulates that on receipt of application complete in all respects, the official concerned shall immediately scrutinize the application and if found in order, will upload the entire information of the application in the database on the same day and generate the computerized application ID and convey the

<sup>19</sup>(i) Issue of no due certificate (ii) Issue of provisional certificate (iii) Issue of study certificate/bonafide certificate (iv) Issue of Character certificate

same to the applicant. All such applications received by the department and uploaded on the server of the department, shall be further uploaded on 'e-SLA monitoring and tracking system'. As per Rule 4, delay beyond the prescribed time in the delivery of service is calculated automatically by the e-SLA system, for which the competent officer shall ensure to pay the compensatory cost to the applicant. Audit observed the following:

### **3.6.3.1 Incorrect/delayed updating of data**

Audit scrutiny showed that out of 21,581 applications on e-SLA system of DJB, 326 cases pertaining to the year 2012 and 2013 were shown to be awaiting disposal. Audit scrutiny further showed out of 326 applications, 40 cases had been actually disposed, but their status was not updated on e-SLA. This shows lack of input controls and delay in uploading of data. Department's reply was awaited (February 2016).

**3.6.3.2 Incorrect depiction of prescribed time for delivery of services:** The notification issued by the IT Department on 13 August 2014, prescribed 30 days for the delivery of permit P-14 and P-15 for import and transport of liquor. However, Audit observed that the Department of Excise depicted on its server, a time of 45 days instead of 30 days, for delivery of these permits.

The Department of Excise stated (September 2015) that issue of incorrect depiction of time for various services had been taken up with NIC and would be rectified at the earliest.

**3.6.3.3 Cancellation of applications after lapse of time notified for delivery of service:** Audit scrutiny of database showed that the DT&T cancelled 4,546 applications (for registration under the DVAT Act and the Central Sales Tax Act), after the expiry of prescribed time fixed for delivery of services. This was irregular as these applications could be uploaded on the e-SLA system only after scrutiny. Applications which were uploaded and accepted by e-SLA system were the cases where department should have delivered the service within the prescribed time. Rejecting these applications after expiry of prescribed time for delivery of services and without assigning any reason, was against the very intent of the Act.

## **3.6.4 Delivery of notified services**

Section 7 stipulates that every government servant who fails to deliver the citizen related services within the stipulated time, shall pay to the citizen the cost at the rate of ₹ 10 per day for the period of delay subject to maximum of ₹ 200 per application. Further, as per the Rules made under the Act, the competent officer shall ensure to pay the compensatory cost calculated automatically through e-SLA system, to the citizen in case of delay in the delivery of service.

**3.6.4.1 Delay in delivery of services:** Audit analysed the e-SLA data of six out of the nine selected departments and also test checked relevant records in

these departments. Out of 12,62,137 cases processed on e-SLA, there was delay in delivery of services in 23,714 cases in five departments (Drug Control Department, Directorate of Education, DJB, DT&T and Department of Excise), with the maximum delay being over 3 years (**Annexure 3.3**). Department's reply was awaited (February 2016). In terms of the Act, as worked out, an amount of ₹ 32.77 lakh should have been paid as compensatory cost to the citizens and the same should have been recovered from the defaulting government employees (**Annexure 3.3**). However, the departments neither paid any amount as cost to the citizens nor recovered it from the employees responsible for delay in delivery of services.

The matter was referred to the Government in December 2015, their reply is awaited (March 2016).

### 3.7 e-Procurement Mission Mode Project of GNCTD

**e-Procurement Application of DoIT failed to obviate the need for manual intervention during the e-tendering process defeating the very purpose of the application. The application lacked required input controls and validation checks, resulting in incompleteness and inconsistencies in the database.**

The Department of Information Technology (DoIT) of GNCTD envisaged e-Procurement to establish a one stop-shop for all services related to Government procurement, enhance efficiency and transparency, reduce cycle time and cost of procurement. It adopted the e-Procurement application developed by the National Informatics Centre (NIC) in May 2011. All departments of GNCTD were asked (May 2011) to follow NIC e-Procurement System for tenders having value above ₹ 2 lakh for procurement of goods, works and services. To participate in the bidding process, bidders were required to be registered as user of the application. The DoIT had earlier fixed the rate of registration fee at ₹ 6,000 per annum, which was increased to ₹ 7,000 from February 2012. However, the levy of registration charge and subsequent increase in it, had not been notified by the Government as of January 2016.

The audit of the e-Procurement system of GNCTD, covering the period from May 2011 to January 2015, was conducted to ascertain whether the project was implemented after due planning, whether the objectives as envisaged were achieved and whether manual intervention was avoided to enhance transparency and data was complete and reliable.

Audit examined database containing 74,939 tenders (of all departments) provided by DoIT, using Computer Assisted Audit Techniques (CAATs). For physical verification of observations noticed during data analysis, Audit

selected 22 out of 662 auditee units (using Monetary Unit Sampling) which were using e-procurement system. The selected units pertained to seven departments/agencies<sup>20</sup> from which 1983 tender files were requisitioned for this purpose, but only 1,847 tender files were made available to Audit.

### **3.7.1 Planning and Implementation of e-Procurement project**

The e-Procurement solution of NIC was introduced as a mission mode project under National e-Governance Plan (NeGP). The NIC launched the e-Procurement website in April 2011 and the Delhi e-Governance Society (DeGS) was made the nodal agency for monitoring the project. DeGS collected ₹ 15.57 crore from the bidders as registration charges<sup>21</sup> on behalf of DoIT which was not yet (January 2016) transferred to Government treasury. Audit observed following deficiencies:

- The cost of NIC application was ₹ 329.50 lakh for initial three years (2011-14) and was increased to ₹ 387.07 lakh for the next three years (2014-17). However, DoIT did not have any formal Memorandum of Understanding (MoU) with the NIC for implementation of e-Procurement solution.
- Some of the departments (*viz.* Delhi Transco Limited, Public Works Department, etc.) were charging tender fee which was contrary to the decision (July 2011) of DoIT, not to charge cost of tender document available online.
- The onus of the data rests with the DoIT. However, it had neither any access to the database, nor got incorporated any Management Information System (MIS) module in the application. Disaster recovery plan was also not formulated.

### **3.7.2 Manual intervention at various stages defeated the purpose of e-Procurement**

e-Procurement was envisaged to automate tender stages *viz.* publishing of tenders, bidding, technical evaluation, financial evaluation and award of contract. However, Audit noticed that manual intervention at various stages of procurement process reduced transparency defeating the very purpose of the application as detailed below:

- In the absence of various parameters required for technical evaluation of bids submitted by bidders, they were required to upload requisite documents, which were subsequently downloaded by the respective

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<sup>20</sup> Delhi State Industrial and Infrastructure Development Corporation, Delhi Transco Limited, Delhi Jal Board, Public Works Department, Irrigation and Flood Control Department, Department of Forests and Wild Life, and Department of Excise Entertainment and Luxury Tax.

<sup>21</sup> ₹ 15.57 crore (₹ 3.54 crore in 2011-12, ₹ 3.74 crore in 2012-13, ₹ 3.93 crore in 2013-14 and ₹ 4.36 crore in 2014-15)

departments for manual evaluation and the result of such evaluation is then fed into the system.

- The database even after award of the contract (AOC) showed tenders at various stages *viz.* 'Technical opened', 'Financial opened', 'Technical evaluation', 'Financial evaluation', etc. Audit observed that in 33,155 records, AOC was not updated. Physical verification of 1,227 out of 1,373 records provided to Audit showed that the departments were awarding tenders manually, after generating comparative statement from the system.

### 3.7.3 Absence of input controls and validation checks

Input controls and validation checks ensures that data is entered correctly and completely at the first place. However, Audit observed that these were absent in the application as below:

- In 607 out of 5,132 records, 'contracted value' was above the value quoted by vendors. Physical verification of 10 out of 15 records provided to Audit, showed that the inconsistency was due to data entry mistake in online system.
- The application had no utility to facilitate mapping of new Digital Signature Certificate<sup>22</sup> (DSC) during the validity of the lost/corrupted DSC leading a vendor either to wait till the expiry of the previous DSC or to re-register himself by paying registration fee afresh. Further data analysis showed that in 62,821 out of 4,95,303 records of bids, the application did not captured DSC details.
- The estimated cost was shown as zero in 23,141 out of 91,779 records of work items.
- In 19,229 records (including 235 records where the 'tender submission-open date' and 'tender submission-close date' were the same), inadequate time was provided to bidders in contravention of provisions<sup>23</sup> of CPWD manual.
- In 61 out of 76,941 records, the verification date was not captured, indicating that tender documents in these cases might have not been verified. In 815 out of 91,635 records, date of opening of financial bids was left blank.
- In 7 out of 2,232 records, the field for date of birth was left blank. Age of the contractor was below 18 years in 44 records and 180 users registered more than once, leading to 403 duplicate records. It was also

<sup>22</sup>Digital Signature Certificate (DSC) is needed by vendors to login and use the application.

<sup>23</sup>As per CPWD manual, the time limits between the date of publication of tender and the date of receipt of the tenders are prescribed as 7 days, 10 days, and 14 days for works valuing up to ₹ 20 lakh, ₹ 2 crore, and more than ₹ 2 crore respectively.

observed that users were leaving half-filled pages during registration process, leading to redundant data accumulation.

- Out of 4,95,303 records of bids; in 1,24,669 records bids were accepted financially but financial data was not captured; in 163 records, bid submission dates were beyond permissible range of dates; in 12,599 records, financial bids of those contractors were also found to have been opened, whose bids were rejected.

The matter was referred to the Government in February 2016, their reply is awaited (March 2016).

### **Irrigation and Flood Control Department**

#### **3.8 Unfruitful expenditure of ₹ 1.47 crore**

**Failure of the department to ensure hindrance free sites before awarding two works, resulted in non-achieving of intended purpose despite incurring ₹ 1.47 crore.**

Para 4.2 of CPWD Manual (Volume II) stipulates that availability of the site should be ensured at the planning and designing stage of the work itself. Besides, para 3.3(2) of CPWD Manual (Volume II) stipulates that estimates should be sent to the client department after fully ascertaining the necessary site and topographical details, technical feasibility etc. However, scrutiny of records in Civil Division-I of Irrigation and Flood Control Department (IFCD) showed that two works had to be foreclosed due to non-availability of hindrance free sites. Cases are discussed below:

(i) The Executive Engineer (XEN.), Civil Division-I, IFCD, awarded (January 2013) a work of 'construction of outfall storm water drain along right side land boundary of Najafgarh Drain from RD-32,300M to 37,147M for connecting incoming drain from Hastal and Rajapur Khurd village', at a tendered cost of ₹ 4.02 crore, to be completed by 28 October 2013. The purpose of the work was to mitigate the flooding problem in Nawada, Rajapur and Hastal villages, caused by incomplete drainage system.

The contractor intimated (November 2013) that work at available part of site had been completed and further work was stopped due to hindrance at site. The residents of adjoining houses did not allow further execution of work as that might damage foundations of their houses. The work was finally foreclosed (August 2014) with retrospective effect from December 2013. At the time of foreclosure, only 20 per cent of the work valued at ₹ 0.89 crore, was completed. The partially completed work failed to serve the original purpose and was only catering to the drainage from adjoining colonies temporarily. Thus, despite incurring ₹ 0.89 crore, construction of outfall storm water drain could not be completed on full length along Najafgarh Drain and had to be abandoned midway due to hindrance on site, defeating the intended

purpose of alleviating the problem of drainage congestion in Nawada, Rajapur and Hastalsal villages.

The department stated (August 2015/March 2016) that all possible efforts were made to overcome the concerns of local residents, adding that executed work was not infructuous, as it was catering to the drainage from adjoining colonies. The reply is not tenable as non-completion of work defeated the very purpose of the expenditure.

(ii) The XEN (Civil Division-I, IFCD) awarded (February 2012) a work 'development of park on Gaon Sabha Land of village Ghumanhera in Najafgarh Block', at a cost of ₹ 0.91 crore to be completed by 26 August 2012. The contractor commenced the work according to details of items specified in the Details of Measurements. During execution of work, residents of village objected to the demarcation on site, done by the Revenue Department and requested for re-demarcation. Work of construction of boundary wall on western side of the park, was stopped by villagers claiming 20 ft wide *rasta* upto main Ghumanhera-Shikarpur road. Despite the repeated requests for proper demarcation of concerned  *khasra*  to settle the dispute, no decision was received from the Revenue Department till July 2012. The department finally foreclosed the work with retrospective effect from July 2012. However, by then, contractor had completed 63  *per cent*  of work and was paid ₹ 0.58 crore (June 2012). Thus, the failure of the Division to ensure a hindrance free site before award of the work, resulted in unfruitful expenditure of ₹ 0.58 crore.

The department stated (August 2015/March 2016) that due to improper demarcation by the Revenue Department, it had to foreclose the work. Reply is not tenable as the department should not have awarded the work till the demarcation issue was resolved.

Thus, failure of the department to adhere to the codal provisions of CPWD manual of ensuring hindrance free sites before awarding two works, resulted in unfruitful expenditure of ₹ 1.47 crore.

The matter was referred to the Government in October 2015, their reply was awaited (March 2016).

**Department of Labour**

**Delhi Building and Other Construction Workers Welfare Board**

**3.9 Idling of cess fund of ₹ 1,691 crore collected for welfare of construction workers**

**Efforts of the 'Delhi Building and Other Construction Workers Welfare Board' in identifying and registering construction workers were inadequate. The laxity on the part of the Board not only resulted in cess funds of ₹ 1,691 crore lying idle, but also in depriving the construction workers of intended benefits.**

The Building & Other Construction Workers (Regulation of Employment and Conditions of Services) Act, 1996 was enacted with a view to regulating the safety, health, welfare and other conditions of service of construction workers.

In pursuant to the decision taken in the 41<sup>st</sup> Labour Ministers' Conference held on 18<sup>th</sup> May 1995, The Building & Other Construction Workers Welfare Cess Act, 1996 was enacted by the Parliament for the levy and collection of a cess on the cost of construction incurred by employers, with a view to augmenting the resources of the Boards, constituted under the Building & Other Construction Workers (Regulation of Employment and Conditions of Services), Act, 1996.

In Delhi, the Building & Other Construction Workers Welfare Board (the Board) was constituted on 2 September 2002 to run various welfare schemes for construction workers. After constitution of the Board, various Government authorities, PSUs and other private agencies have been depositing the cess with the Board, based on the construction cost of their projects. In addition, the Board gets registration and renewal fee from construction workers and interest on the deposits.

Audit scrutiny of records showed that since its inception, the Board had received cess aggregating to ₹ 1,860.88 crore upto August 2015. During this period, the Board could utilise only ₹ 64.94 crore (₹55.25 crore on welfare schemes and ₹ 9.69 crore on administrative expenses). Apart from this, ₹ 104.91 crore was deducted as 'Tax Deduced at Source (TDS)' from the interest income of the Board. Thus, out of available ₹ 1,746.28 crore (₹ 1,860.88 crore - ₹ 9.69 crore - ₹ 104.91 crore), amount utilized on welfare schemes for construction workers was only ₹ 55.25 crore, which works out to a meagre 3.16 *per cent* of the available funds. On the other hand, inspite of slow pace of expenditure on welfare schemes, the administrative expenditure of the Board was ₹ 9.69 crore which was beyond the permissible limit of 5 *per cent* (₹ 8.49 crore) of the total expenses of ₹ 169.85 crore of the Board.

The main reasons for the poor utilization of funds were - as of June 2015, Board could register only 2,86,449 construction workers (29 *per cent*) against

estimated 10 lakh construction workers in Delhi and less receipt of applications from construction workers for availing benefit of welfare schemes. Though, the Board runs 18 welfare schemes for construction workers, they are availing benefit of only seven schemes. However, the Board did not initiate adequate steps to identify and register all the construction workers or to spread awareness of the scheme among the workers.

The issue of less registration of construction workers and the absence of a mechanism with the Board for mapping all the construction workers in Delhi, was highlighted in Paragraph 3.4.5 of the CAG's Audit Report on GNCTD for the year ended 31 March 2012. Nevertheless, the Board failed to initiate effective measures to bring all the construction workers under the umbrella of the welfare schemes being run by it. The laxity on the part of the Board not only resulted in accumulation of Cess Fund of ₹ 1,691 crore lying idle, but also in depriving the construction workers of intended benefits.

The Board stated (August 2015) that the Labour Department had organized 488 registration camps till August 2015 to register construction workers. In order to encourage registration of construction workers, the Board had taken various publicity measures, like broadcasting of various welfare schemes on FM radio channels, advertisements in various newspapers, distribution of handbills and handouts in Hindi at various construction sites on which ₹ 2.69 crore were spent. Reply is not acceptable in light of the facts brought out above which clearly point out that the efforts of the Board in identifying and registering construction workers were inadequate.

### Public Works Department

#### 3.10 Irregular expenditure of ₹ 1.64 crore in violation of conditions of the contract

**Public Works Department, GNCTD, incurred irregular expenditure of ₹ 1.64 crore over and above 1.25 times of the tendered amount in the maintenance works against the condition of the contract.**

As per the general conditions included in the contract agreements of works executed by the Public Works Department (PWD) during the years 2013-15, the completion cost of any agreement relating to maintenance works including upgradation, aesthetics, special repair, addition, alteration, upgradation/improvement of footpath and central verge, improvement of carriage way by patch repair or annual/periodical repairs of road surface and annual repair and maintenance of works pertaining to road, should not exceed 1.25 times the tendered amount. The NIT approving authority should fill-up the type of work in the clause 12 of Schedule 'F' of the agreement.

Audit test checked records of five works relating to improvement and annual repair and maintenance of roads executed by two Civil Road Maintenance Division (CRMD M-213 and M-311) of PWD. The NIT approving authorities

mentioned all these works as maintenance works in the Schedule 'F' of the contract agreements, for which completion cost was not to exceed 1.25 times the tendered amount. Details are given in **Table 3.10.1** below:

**Table: 3.10.1: Details of maintenance works where completion cost exceeded 1.25 times the tendered amount**

(₹ in crore)							
Sl. No.	Agreement No.	Name of work	Tendered amount	1.25 times of the tendered amount	Actual payment made	Irregular expenditure	Type of work as mentioned in the schedule 'F'
<b>CRMD M-213</b>							
1	31/13-14	Improvement of Road and drainage system of Yamuna Vihar Dividing Road and DTC Depot Road taken over from EDMC	4.03	5.04	5.87	0.83	Up gradation work
2	1/14-15	Improvement of Embankment at MB Road from Shastri Park to Khajuri Chowk damaged by Flood & Rain	0.74	0.93	1.18	0.25	Up gradation work
3	24/14-15	Improvement of footpath of link road from Road No.64 to 68 in front of GTB Hospital gate No.4 to 9	0.63	0.79	0.80	0.01	Maintenance and Up gradation Work
<b>CRMD M-311</b>							
4	6/13-14	Improvement of Swami Narayan Marg from Gulab Singh Marg to Ashok Vihar crossing SH: Improvement of main carriage, drainage system, footpath and center verge	7.43	9.28	9.45	0.17	Maintenance Work
5	39/13-14	Improvement of Tawetia Marg SH: Strengthening of carriage way and improvement of drain and footpath	2.97	3.72	4.10	0.38	Maintenance work
<b>Total</b>						<b>1.64</b>	

As evident from above, the completion cost of works exceeded over and above 1.25 times of the tendered amount against the provisions of the contract conditions, resulting in irregular expenditure of ₹ 1.64 crore.

The department stated (February 2015) that two works (M-311) were actually Project Works and could not be treated as Maintenance Works, whereas Chief Engineer (M-213) stated (August 2015) that due to typographical error on part of the division, all the three works were mentioned as upgradation/maintenance work in Schedule 'F' of the contract agreement.

Replies are not acceptable as the NIT approving authorities mentioned these works as maintenance works in Schedule 'F' in accordance with the condition of contract agreements.

The matter was referred to the Government in August 2015, reply was awaited (March 2016).

### 3.11 Unfruitful expenditure of ₹ 95.15 lakh

**Failure of PWD to carry out a proper feasibility study before awarding the work of providing and installing escalators, resulted in unfruitful expenditure of ₹ 95.15 lakh.**

The Public works Department conveyed (October 2008) Administrative Approval and Expenditure Sanction (AA&ES) for ₹ 5.19 crore for the work - 'Construction of foot over Bridge with staircase, ramp and escalators across Ring Road at Shalimar Bagh, near Kendriya Vidyalaya'. Under this sanction, an estimate for ₹ 2.92 crore for the electrical work - 'SH: Providing escalators', was technically sanctioned by the Superintending Engineer (EM Circle M-35) in September 2009 and the work was awarded (June 2010) to a firm by the Executive Engineer (EM Division M-354) at a tendered cost ₹ 1.67 crore with stipulated date of completion as 9 March 2011.

As per terms and conditions of the contract agreement, 80 *per cent* payment was to be made on receipt of the material and 10 *per cent* each after installation and successful testing and commissioning of the system. After two escalators alongwith components (costing ₹ 59.47 lakh each set) were supplied by the contractor, payment of ₹ 95.15 lakh (80 *per cent* of ₹ 118.94 lakh) was released in January 2012. Audit scrutiny of relevant records showed that the installation of these escalators was withheld on the instructions of the then Chief Engineer on the ground that the area where the escalators were proposed to be installed was infested by anti-social elements and there was an apprehension of any theft, damage or vandalism. to the costly installed components. Consequently, escalators alongwith all components (29 boxes) were lying idle in the sub-division office of PWD at Mukarba Chowk.

Thus, the failure of PWD to carry out a proper feasibility study and visualize the social situation in the surroundings of proposed site before awarding the work of providing and installing escalators, resulted in unfruitful expenditure of ₹ 95.15 lakh, as escalators could not be installed even after over four years of their receipt and were lying idle losing their shelf life every day.

On this being pointed out, Superintending Engineer and Chief Engineer issued circulars (February and May 2015 respectively) to other zones of PWD, exploring any possibility for utilization of these idle escalators. The Executive Engineer (EM Division M-353N) stated (August 2015) that the possibility of using these escalators at Foot over Bridge (FOB) in Swroop Nagar was being explored, adding that if it was not considered feasible at that site, other options would be explored. Chief Engineer further stated (September 2015) that feasibility of installation of escalator was being explored and the same would be used very shortly in one of the ongoing project or upcoming project.

The matter was referred to the Government in August 2015, reply was awaited (March 2016).

### 3.12 Wasteful expenditure due to foreclosure of work

**Failure of the department to adhere to codal provisions regarding availability of clear site before award of work, resulted in foreclosure of the work and wasteful expenditure of ₹ 72.32 lakh.**

In terms of para 15.1(2) of the CPWD Manual, before approval of Notice Inviting Tender (NIT), availability of clear site, funds and approval of building plans from local bodies, should be ensured. Clear site implies availability of land for intended purpose in terms of land use norms.

Audit scrutiny of records showed that Division M-422 of PWD invited (September 2013) tenders for the work “Construction of 40 numbers of Semi-Pucca Structure (SPS-D/S) of classrooms with staircase, toilets block and space for drinking water at Government (Co-Ed) Senior Secondary School, Bhatti Mines, Sanjay Colony, New Delhi” at an estimated cost of ₹ 4.01 crore. The work was awarded (January 2014) at a tendered cost of ₹ 3 crore to be completed by September 2014. However, when the work was in progress; the Deputy Conservator of Forest (South), Delhi intimated (February 2014) Deputy Commissioner of Police (South Delhi) that ongoing construction work in the Government (Co-Ed) Senior Secondary School, Bhatti Mines, was illegal, since *khasra* number 1910 on which the school was located is part of the land which had been notified<sup>24</sup> as Wildlife Sanctuary. As the matter could not be sorted out, the work was stopped with effect from 20 March 2014 and finally the Executive Engineer, M-422 foreclosed the work contract on 20 December 2014 with the approval of the competent authority. The contractor was paid ₹ 72.32<sup>25</sup> lakh for the work done before foreclosure of the contract.

The Executive Engineer, M-422 intimated that the Government (Co-Ed) Senior Secondary School, Bhatti Mines, New Delhi was established in the year 1982-83 on land donated to the Delhi Administration by the Gram Panchayat of Bhatti village, Sanjay Colony, in June 1986. However, the Delhi Administration notified the land of Bhatti village as ‘Wildlife Sanctuary’ in January 1991, i.e. nine years after the establishment of the school.

Thus, PWD failed to ensure availability of a clear site for the work, before approving and issuing NIT. It awarded a work to be executed on a land which was a part of the Wildlife Sanctuary notified under the Wildlife (Protection) Act, 1972. The failure resulted in foreclosure of the work and wasteful expenditure of ₹72.32 lakh.

The matter was referred to the Government in September 2015, reply was awaited (March 2016).

<sup>24</sup>vide notification no. F.2 (19)/DCF/90-91/1382-91 dated 15.1.1991. Under section 18 of the Wildlife (Protection) Act, 1972

<sup>25</sup>1st RA for ₹ 49.20 lakh on 15.04.14 and 2<sup>nd</sup>& final RA for ₹ 23.12 lakh on 29.01.15

### 3.13 Inadmissible payment of ₹ 8.54 crore

**The Public Works Department paid for inadmissible excess quantity of 10,131.37 cum in resurfacing of road work after allowing variation of more than 5 per cent of permissible limit, amounting to ₹ 8.54 crore.**

The Civil Road Maintenance Division M-213 of Public Works Department (PWD) awarded (February 2009) the work of ‘Resurfacing by *hot-in-situ* recycling of existing bituminous layer of various roads under maintenance’ at a tendered cost of ₹ 17.68 crore. The work was completed on January 2012 and final payment of ₹ 20.07 crore was made in November 2014.

Audit scrutiny showed that as per clause 7 of Additional Condition of ‘Resurfacing of Existing Bituminous Surface by Hot-in-Situ Recycling’ of the contract agreement, a variation of 5 per cent was permissible over the recommended quantity of new mix to be added. Further, as per the Schedule of Quantity, ‘Resurfacing bituminous pavement by hot-in-place recycling technique’ was to be executed by adding additional dense bituminous concrete at the rate of 35 per cent of total mix in ratio of 35:65 (35 additional mix: 65 milled mix) for 50 mm of Dense Bituminous Concrete (DBC) against which contractor quoted the rate of ₹ 362.84 per square meter. Further, cost adjustment for variation of additional mix over prescribed 35 per cent in DBC was to be regulated for variation in quantities of additional mix of new mix material.

As per pre-bid conference held on 3 September 2008, the issue of increasing the variation from 5-7 per cent to 10 per cent was not accepted by the department. However, in the final bill, the quantities of 2,71,351.62 square meter of DBC was executed against which ₹ 10.33 crore was paid. In addition, additional mix of new mix material of 10,630.37 cum was executed for DBC for which additional cost of ₹ 8.96 crore was paid. The details of inadmissible payment are given in **Table 3.13.1**:

**Table 3.13.1: Inadmissible payment made for resurfacing of road work**

Quantity executed (sqm)	Quantity to be executed as per permissible limit (5 per cent) (Cum)	Quantity actually executed (Cum)	Rate (₹)	Total amount paid for additional mix	Inadmissible payment (₹)
1	2	3	4	5(3x4)	6 (3-2) x 4
2,71,351.62	499 (Column 1x0.05x0.35 = 4,749+5% variation = 4,986. In the estimates 10 per cent provision was made and items restricted to 499 cum)	10,630.37	8,844.37 - 4.70 per cent =8,428.68	₹ 8.96 crore	10,630.37 (-) 499 =10,131.37 x 8,428.68 (quoted rate) = ₹ 8.54 crore.

Thus, against the permissible limit of five *per cent*, excess quantity of 10,131.37 cum (2,030 *per cent*) was executed and paid, resulting in inadmissible payment of ₹ 8.54 crore in contravention of contract conditions.

Department stated (August 2015) that variation of five *per cent* was not related to the total of additional quantity of fresh mix required, but it referred to the tolerance in the quantity of fresh mix added and not for the total quantity including that required for the profile correction/overlay thickness. It further stated that cost adjustment item for variation of additional mix was available in the agreement to cater to the requirement of additional mix for difference in profile correction and quantity used as more overlay thickness.

Reply is not tenable as the payment for quantities of material actually executed was to be restricted to five *per cent* as per the condition of the contract.

The matter was referred to the Government in September 2015, reply was awaited (March 2016).

### **3.14 Avoidable extra expenditure of ₹ 1.71 crore**

**Injudicious decision of PWD to go for higher specification of paver blocks on an area which was to be used for parking of vehicles resulted in avoidable extra expenditure of ₹ 1.71 crore.**

The Civil Road Maintenance Division M-342 of Public Works Department (PWD) awarded (January 2013) a work 'Strengthening and Widening of MDR-138 from Ghevra More to GT Road (Singhu Border), including construction of RCC box drain, footpath and central verge, providing and fixing retro reflective road signages, etc.' at a tendered cost of ₹ 91.22 crore. The work was completed in July 2014 and final payment of ₹ 106.16 crore had been made to the contractor as of March 2015.

Audit scrutiny showed that detailed estimate of the work included an item '60 mm thick cement concrete interlocking paver block/tack tile paver of M-30 grade (67,600 sqm)' to be used in construction of footpath. This item was part of the 'Bill of Quantity', for which the successful contractor quoted ₹ 461.57 per sqm. However, as per final bill, out of 67,600 sqm, only 818.51 sqm of footpath was constructed where paver blocks of this specification were used. The remaining work of footpath was substituted with the work of 'widening of road'. The reason for substitution was recorded as - "Agreement provided for 60 mm thick texture finish paver block on footpath, but at site it was not possible to provide footpath and it was decided that in habitat area, 80 mm thick paver blocks be provided for widening of the road on the berms, so that vehicles can be parked there". Accordingly, widening of road was done with 80 mm thick paver blocks covering the area where footpath was initially proposed.

It was further observed that Indian Standard-15658:2006 specifies 60 mm thick paver block (M-35 Grade) for footpaths, car parks, office driveways and rural roads having low volume of traffic (up-to 150 commercial vehicles per day), while 80 mm thick (M-40 grade) paver block is specified for medium traffic (150 to 450 commercial vehicles per day) in city street, small and medium market roads, low volume roads, utility cuts on arterial roads, etc. Thus PWD opted for an item (80 mm thick paver blocks), which was of higher specification than actually required as per IS norms i.e. 60 mm thick paver block. Further scrutiny of final bill showed that a total quantity of 78,427.46 sqm of 80 mm thick paver blocks was utilised for widening of road. The cost of 80 mm thick paver blocks (₹ 680 per sqm) was more than that of 60 mm thickness (₹ 461.57 per sqm).

Thus, the injudicious decision of PWD to go for higher specification of paver blocks on an area which was to be used for parking of vehicles, resulted in avoidable extra expenditure of ₹ 1.71 crore<sup>26</sup>.

The matter was referred to the Government in November 2015/March 2016, reply was awaited (March 2016).

### Department of Training and Technical Education

#### 3.15 Non-recovery of license fee, damage charges and water charges amounting to ₹ 63.86 lakh by DTU

**Laxity on the part of the Delhi Technological University (DTU) not only delayed the eviction of the unauthorized occupants from staff quarters, but also led to its failure to recover license fee, damages and water charges amounting to ₹ 63.86 lakh from unauthorised occupants.**

As per rules<sup>27</sup>, a Government servant occupying staff quarter, should vacate the quarter on retirement/death or termination from service, etc. However, the accommodation is allowed to be retained for a period of four months (two months on the payment of normal licence fee and another two months on double the normal licence fee) in case of retirement, one month in case of termination, two months in case of transfer and two years in case of death, provided the deceased or his/her wards do not own a house at the place of posting. Thereafter, the allotment of the accommodation shall be deemed to have been cancelled. Further, damages/market licence fee is to be charged from the unauthorized occupants<sup>28</sup>.

Scrutiny of records of the Delhi Technological University (DTU)/Delhi College of Engineering (DCE) during June 2014 showed that officials or their families retained/occupied seven staff quarters beyond the prescribed

<sup>26</sup> 78,427.46 sq.m. x ₹ (for 680-461.57) = ₹ 1,71,30,910 or say ₹ 1.71 crore

<sup>27</sup> S R 317-B-11 (1) and (2)

<sup>28</sup> Government of India's order 15 below FR 45 A

permissible time after retirement/death/termination/transfer. Although these quarters were subsequently vacated (September 2013 to October 2015), the authorities of the university could not recover damage charges or market licence fee due from those occupants. The DTU stated (July 2012) that an amount of ₹ 1.29 lakh had been recovered. However, even after taking this recovery into account, an amount of ₹ 62.01 lakh (up to January 2016) on account of license fee, damage charges and water charges was still recoverable (January 2016) from them.

Further, during the course of audit (February 2012), it was also observed that 13 staff quarters were occupied by employees other than employees of DCE/DTU. After being pointed out by Audit, the DCE/DTU issued notice on 24 July 2013 to these employees to vacate the quarters and deposit an amount of ₹ 1.85 lakh (₹ 1.43 lakh for licence fee *plus* ₹ 0.42 lakh for water charges) for the period from 15 July 2009 to 30 September 2013. In its reply of August 2015, the DTU intimated that out of 13 ex-employees of DTU, five had vacated the quarters. Eight employees were occupying DTU staff quarters, of which four have moved the Court. Recovery of licence fee and water charges in respect of them would be undertaken as per the Court directions and remaining four would be evicted on the availability of SDM. Reply, however, was silent on recovery of dues in the remaining cases.

Thus, laxity on the part of the DTU not only delayed the eviction of unauthorized occupants from staff quarters, but also led to its failure to recover license fee, damages and water charges amounting to ₹ 63.86 lakh (₹ 62.01 lakh *plus* ₹ 1.85 lakh) from unauthorised occupants. Besides, it deprived the eligible staff of the housing facilities.

The matter was referred to the Government in September 2015, reply was awaited (March 2016).

## Department of Women and Child Development

### 3.16 Working of Remand Homes, Juvenile Homes and Correctional Homes in Delhi

**Observation Homes (OHs) in Delhi lacked adequate infrastructure. Rupees 2.81 crore incurred on construction of a new building was rendered unfruitful, as it was not conducive for Juveniles. Timely grants were not released to NGO, creating problems relating to supply of items of clothing, bedding, medicines and payment of salary to staff. Monitoring was poor as Inspection Committees did not inspect OHs. There was shortage of manpower, particularly in key posts of Caretakers, Counselors and Educators.**

#### 3.16.1 Introduction

The Parliament enacted the Juvenile Justice (Care and Protection of Children) Act in 2000 (amended in 2006 and 2011) for providing care, protection and rehabilitation to neglected children and Juveniles in conflict with law (JCL)<sup>29</sup>. Under the provisions of the Act, the GoI framed Juvenile Justice (Care and Protection of Children) Rules, 2007 and GNCTD framed the Delhi Juvenile Justice (Care and Protection of Children) Rules, 2009 (DJJR). The Department of Women & Child Development (DWCD), GNCTD formed the Child Protection Unit in 2009 for implementation of the Act and supervision and monitoring of three Observation Homes (OHs)<sup>30</sup>, two Places of Safety (PoS)<sup>31</sup> and one Special Home (SH)<sup>32</sup>, established to house JCLs. OH for Boy-I (OHB-I) was being run through M/s Prayas (an NGO), while other homes were managed by DWCD itself.

An audit covering the period 2012-15, was conducted in OHs, PoS, SH and headquarter of the DWCD to assess the adequacy of essential infrastructure, facilities and services as per the intention of the Act and whether there existed an effective monitoring mechanism.

#### Audit findings

#### 3.16.2 Financial Management

During the period 2012-15, DWCD allocated budget to these homes under the Major Head 2235, as detailed in **Table 3.16.1** given below:

<sup>29</sup>Juvenile” or “child” means a person who has not completed 18 year of age, and “Juvenile in conflict with law” means a juvenile who is alleged to have committed an offence.

<sup>30</sup>i) OH for Boys-I (OHB-I), Delhi Gate - age group 7-16 years, (ii) OH for Boys-II (OHB-II) - age group 16-18 years, Kingsway Camp, and (iii) OH for Girls (No age bar), Nirmal Chhaya Complex, Jail Road Delhi.

<sup>31</sup>PoS for Boys, Magazine Road, and (ii) PoS for Girls, Nirmal Chhaya Complex.

<sup>32</sup>SH means place for reception and rehabilitation of JCLs at Magazine Road.

**Table 3.16.1: Budget provisions and actual expenditure (2012-15)**

(₹ in lakh)

Name of Homes	Budget allocated		Actual expenditure		Savings	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
OHB-I	168.68*	-	163.50	-	5.18	-
OHB-II	636.91	545.42	550.91	514.34	86.00	31.08
SH/PoS	479.30	96.36	333.32	92.00	145.98	4.36
OH for Girls	186.75	119.89	163.64	98.92	23.11	20.97
<b>Total</b>	<b>1,471.64</b>	<b>761.67</b>	<b>1,211.37</b>	<b>705.26</b>	<b>260.27</b>	<b>56.41</b>

Source: The figures provided by observation Homes/PoS. \*Grant-in-aid - Recurring and non-recurring.

### 3.16.2.1 Delay in release of grants- in-aid to Prayas (NGO)

As per Clause 11 of the agreement between Prayas and DWCD, grants-in-aid is to be released to Prayas in three installments. The first installment equal to 1/12 of the estimated expenditure or the actual budget provision of the Institution, whichever is less, will be released in the month of April, and second installment, covering the expenses for five months from May to September, in the month of May or thereafter. The final installment, covering the expenditure for the remaining six months, will be released during the financial year.

Audit scrutiny showed that out of ₹ 168.68 lakh allocated by DWCD, the NGO Prayas incurred expenses amounting to ₹ 163.58 lakh during the period 2012-15. However, the DWCD did not follow the prescribed pattern for release of grants-in-aid. The first installment was usually released between September and February every year i.e. with a delay of five to nine months. For want of funds, Prayas had to pay a penalty of ₹ 0.81 lakh on its electricity bills, and faced problems of clothing, bedding items, medicines, games items, paying water bills and salary to staff.

In its reply, the Director WCD while accepting the audit contention stated (February 2016) that efforts were made to release the grants subject to availability of ELFA<sup>33</sup> Audit Report and approval of the Finance Department. Further, sometimes delay was due to procedural impasses.

### 3.16.2.2 Non-creation of Juvenile Justice Fund

Rule 95 DJJR stipulates that State Government shall create a Juvenile Justice Fund (the Fund) for the welfare and rehabilitation of JCLs. However, Audit observed that though the process of creation of Fund was in progress since 2007, it had not been created as of July 2015.

<sup>33</sup>Examiner Local Fund Account

In its reply, the DWCD stated (July 2015) that an account with seed money of ₹ 5 lakh was opened in October 2007, but the 'Accounting Procedure for the Fund', could not be finalized due to non-compliance of the observations made by the Controller General of Accounts (CGA) in February 2012.

### **3.16.3 Availability of infrastructure and facilities**

#### **3.16.3.1 Inadequate accommodation**

Rule 40 of the DJJR prescribes norms for the space for, office room, classroom, dining hall, sick room, work shop, store, etc. in each institution (OH, PoS, SH). Audit observed that juvenile institutions in Delhi were not meeting the prescribed norms of space for these facilities (**Annexure 3.4**). Further, OHB-I at Delhi Gate did not have recreation room and library and OHB-II at Kingsway Camp was functioning without any Workshop. Similarly, PoSs/SH did not have sickroom, recreation room, library, counseling and guidance room, workshop and adequate play-ground.

Director, WCD stated (February 2016) that PoS is also situated in a complex which has been made highly secure as intimates required segregation and more security in the Institutions. However, the reply is silent on shortage of accommodation in the OHB-I.

#### **3.16.3.2 Shortage of accommodation for officer-in-charge/superintendent**

As per Rule 86 of DJJR, the officer-in-charge of the Home shall have the primary responsibility of maintaining the institution and shall stay within the institutional premises. In case, accommodation is not available within the institutional premises, the officer-in-charge should stay at a place in close proximity to the institution, till such time that such an accommodation is made available within the institution.

However, residential accommodation for Superintendents of OHB-II, OHG and PoS/SH was not available in the institutional premises. They were residing in their own homes, distanced 9 to 20 kms away from the respective institutions.

The Deputy Director (CPU), DWCD stated (July 2015) that matter of accommodation and bifurcation of estate properties located in Sewa Kutir Complex had not been finalized with the Department of Social Welfare. It was further stated that District Officer resides within the complex to take care in any emergency. Fact remains that Officers-in-charge/Superintendents would not be in a position to discharge their responsibilities in events which require their presence during off duty hours.

Director, WCD stated (February 2016) that the present Superintendent was residing in the staff quarter complex in close proximity to the institution since December 2015. Reply was awaited in respect of OHG and PoS/SH.

### **3.16.3.3 Non-providing of space and infrastructure to Juveniles in Conflict with Law (JCLs) as per specification and requirement under the Act**

The DWCD decided (August 2012) to construct a building for three Homes (i.e. PoS, SH and Annexe<sup>34</sup>) in the premises of Sewa Kutir Complex, Kingsway Camp and requested PWD (March 2013) to prepare a plan for the building in such a way that all the three Homes are segregated and each having independent entry to avoid intermingling of JCLs. The DWCD approved (May 2013) final drawings/plans and conveyed composite AA&ESs (May and July 2013) of ₹ 3.37 crore to PWD. As of January 2015, expenditure of ₹ 2.81 crore had been incurred on the construction of the building by PWD.

Audit scrutiny showed that the building was constructed according to the drawings and plans approved by DWCD, but on completion DWCD refused to take its possession on the ground that building did not have ventilation and natural light in each dormitory and rooms. In the opinion of the Superintendent of PoS/SH, the overall design and construction of new building were not conducive to accommodate JCLs. Evidently, the housing needs of the juveniles were not assessed by the department and the PWD. This resulted in non-fulfilment of intended purpose of providing adequate space and infrastructure to JCLs according to specification and requirement under the Act, despite an expenditure of ₹ 2.81 crore.

In its reply, Director, WCD stated (February 2016) that the building was being utilised, by the new Juvenile Justice Board-III was functional in the building. The reply is not tenable as the building was intended to house juveniles.

### **3.16.3.4 Unsatisfactory sanitation services in the Special Home**

Sanitation services in PoS/SH are being provided by M/s Advance Services Pvt Ltd (ASPL) since 2011-12. Audit scrutiny showed that during September 2012 to February 2013, the firm deployed only three persons for sanitation services, though four were required under the agreement. It was also observed that sanitation staff did not attend duty on Sundays and government holidays and left the institution before duty hours. The remarks of Deputy Director in the Visitors Register (December 2014) and visits of the Justice Committee (May 2014) and by Audit (June 2015) showed irregular attendance of sanitation staff, pathetic condition of bathrooms and toilets of all wings and dirty floors in general.

The Superintendent accepted (June 2015) that sanitation staff did not work satisfactorily, as the firm was not paying them timely. It was added that a penalty of ₹ 1.19 lakh was imposed on the firm for the period April 2012 to February 2013.

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<sup>34</sup>Annexe: The place where JCLs of OHB-I and OHB-II, who create problems such as quarreling, fighting etc., are kept in a separate Dormitory called Annexe.

The matter was referred to the Government in November 2015, reply was awaited as of February 2016.

### **3.16.3.5 Non-compliance of Rule 41 - Clothing and Bedding**

As per Rule 41 of DJJR, items of clothing, bedding and toiletry should be issued to JCLs according to scale and climate. Schedule-I to Rules provides that pesticide spray, bugs killing agent should be used in OHs as per requirement and two mosquito repellents be used per room per month.

Audit observed that during 2012-15, no articles like, shorts, sweaters, track suits, mattresses, handkerchiefs, pillows were issued to JCLs in OHB-I. Pesticide was not sprayed during 2013-15, effective agents for killing bugs were not used and only two mosquito repellents were utilised in the entire Home.

During 2012-15, shirts, pants, vests, underwear, *Salwar Kameejs*, brassieres, panties and sleepers were issued in short/excess quantity than authorized scale in OHB-I, OHB-II, PoS/Special Home and OHG.

The Project Manager, OHB-I stated (May 2015) that prescribed articles could not be provided to JCLs due to non-release of timely funds by the DWCD. In February, 2016, Director, WCD while admitting audit observation in respect of OHG stated that some inmates were admitted to OHG and remained there for very short period (one or two days). The unused items to such girls were issued again to new comers and the stock in store remained unchanged. Reply was silent on deficiencies in respect of other homes.

## **3.16.4 Management and security of Homes**

### **3.16.4.1 Prohibited items found in the Special Home at Magazine Road**

As per Rule 51 of DJJR, no person shall bring prohibited articles like fire-arms or weapons, alcohol and spirit, Bhang, Ganja etc. in the institutions. However, the Superintendent and Welfare Officers recovered from the possession of JCLs, prohibited items, like - surgical blade, *bidi*, cigarettes, mobile with SIM cards, tobacco, ganja, iron rods, etc, on nine occasions of surprise checks and searches of PoS/SH, conducted during 2013-15. This indicated a security failure in checking and preventing the entry of prohibited items into the Home.

In its reply, the Director WCD stated (February 2016) that the security of an agency empanelled with the DGR had been deployed with effect from March 2014 and regular drills were being conducted to check the prohibited items. Reply confirms the audit observation.

## **3.16.5 Monitoring**

### **3.16.5.1 Non-conducting of visit by the Inspection Committee**

As per Rule 63 of the DJJR, the State Government shall constitute State, District or city level Inspection Committee, which shall visit and oversee the

conditions in the Institutions, review the standards of care and protection being followed by the Institutions and look into the functioning of Management Committee and Children's Committee. The Inspection Committee should inspect the Institutions quarterly. However, Audit noticed that the Inspection Committee did not inspect any of the OHs/PoS/SH (except one OHG in March 2015) during the period under audit.

The DWCD stated (June 2015) that Inspection Committees (total seven, one for each district) were constituted in December 2012 which were to co-ordinate with other departments and NGOs working in the field of child welfare and development. But Committees were not functional due to co-ordination issues. It was further stated that Inspection Committees had been re-constituted in April 2015. Reply is the confirmation that Inspection Committees did not inspect any of the Homes.

In its reply, the Director WCD stated (February 2016) that regular visits of Inspection Committees were being carried out. Reply is not tenable as Inspection Committee did not inspect any of the homes (except one) during audited period.

#### **3.16.5.2 Inadequate meetings of Management Committee**

Rule 55 (5a) of the DJJR stipulates that Management Committee of the OHBs/OHG/PoS/SH shall meet every month to consider and review matters related to JCLs. However, during the three years 2012-15, the Management Committee met only 16 times for OHB-I, 10 times for PoS/SH and five times for OHG, as against required 36 meetings in each case. Record of meetings for OHB-II was stated to have been destroyed in arson by JCLs.

The Director, DWCD stated (February 2016) that regular meeting of management committee are going on. Reply is not tenable as regular meetings in every month were not conducted as per norms.

#### **3.16.5.3 Non-maintenance of computerized data**

As per rule 54 (2) of the DJJR, all case files maintained by the Institutions and the Board or Committee, shall be computerized and networked so that the data is centrally available to the District Child Protection Unit and the State Government.

However, Superintendents of OHB-I, OHB-II/PoS stated (July 2015) that computerized data/case file was not maintained. Details relating to social history, case history, individual care plan, including family background were maintained manually. However, weekly reports for JJ Boards were being sent in computerized format showing details of JCLs. It was further stated that a proposal for computerization of data was pending with the DWCD.

The Director, DWCD stated (February 2016) that Computers have been provided to homes and superintendents are instructed to maintain the computerized data. The reply confirms the facts.

### **3.16.6 Human resources**

#### **3.16.6.1 Shortage of manpower**

As per Rule 68 of DJJ Rules, the number of posts in each category of staff shall be fixed on the basis of capacity of the institution.

Against 146 sanctioned posts for four homes, only 98 posts (67 *per cent*) were filled as on 31 March 2015. Shortage in key posts such as Caretakers (22 out of 48), Counselors (3 out of 5) and Educators (7 out of 8) compromised the functioning of these homes with regard to protective and corrective role assigned to these institutions. This is evidenced by repeated attempts to escape made by JCLs and prohibited items being found with the inmates.

The Director, DWCD stated (February 2016) that efforts are being made for creation of more posts in the department.

#### **3.16.6.2 Training to staff**

As per Rules 80 (g) and 90 of the DJJR, the State Government, in collaboration with reputed organizations, shall provide training to personnel of each category of staff of Homes, in keeping with their statutory responsibilities and specific job requirements. However, no training was provided to the staff of Homes during 2012-15.

The Director, DWCD stated (February 2016) that the department had requested various agencies to organize the training to the staff and some of the agencies are organizing the training session also.

## **Department of Training and Technical Education**

### **3.17 Follow up Audit of PA on Directorate of Training and Technical Education**

The performance audit report on the 'Directorate of Training and Technical Education' (DTTE), covering the period 2008-13, was included in the Audit Report of the Comptroller and Auditor General for the year ended March 2013 (Report No. 2 of the year 2014) on the Government of National Capital Territory of Delhi, placed before the Delhi Legislative Assembly on 01 August 2014. The performance audit contained 31 observations and four recommendations. There are 23 audit observations actionable under these four recommendations on which the department was required to take remedial action. Action taken by the department on various issues was examined during follow up audit by examining relevant records in the offices of the Directorate. The status of action taken on the recommendations and related audit observations has been categorised under 'Insignificant or no progress', 'Substantial progress' and 'Full progress in all intended areas'.

**A. Recommendation:** *To make available the infrastructure as per norms of the National Council of Vocational Training (NCVT) and the Director General of Employment and Training (DGE&T) for achieving objective of quality training.*

Status of audit observations actionable under this recommendation is as below:

#### **Insignificant or no progress:**

(i) *Introduction of 106 new units in trades without matching infrastructure (Para 2.2.7.2):* Directorate introduced 106 new units in ITIs without a concrete plan and strategic roadmap and failed to ensure necessary matching infrastructure and faculty members. The department stated (January 2014) and in ATN (August 2015) that ITIs were being instructed to run the Institutes in two shifts for better utilization of available space and equipment.

However, Audit found that no such instructions were issued as of November 2015 and selected ITIs were not running in two shifts. Deputy Director (Planning) stated (October 2015) that after careful analysis and survey of different institutes, infrastructure available in the institutes was not found sufficient to run the institute in two shifts.

#### **Substantial implementation/progress:**

(i) *Human Resource Management (Para 2.2.4 & 2.2.4.1):* There was overall shortage of staff (32 per cent). 31 per cent Craft Instructors (CIs) and 62 per cent Group Instructors (GIs) were short.

The Directorate stated (January 2014) that efforts were being made for filling up the vacant posts.

The Directorate pursued the matter with Delhi Subordinate Service Selection Board (DSSSB) and the Services and Finance Department of GNCTD. However, Audit noticed that there was still shortage of 1,076 staff (35.40 per cent) as on 30 September 2015. As per ATN, the process of recruitment of CIs and GIs had been stayed by the Court. Audit further, noticed that 34 per cent posts of CIs and 21 per cent of GIs (including 20 per cent additional instructors) were still vacant (September 2015).

(ii) *Lack of trained Instructors in ITIs (Para 2.2.4.2)*: In five selected ITIs, NCVT norms regarding training of Instructors were not being adhered to. It was pointed out that only 40 out of 345 (12 per cent) Instructors had obtained National Craft Instructors Certificate (NCIC) in selected ITIs. The Directorate stated (January 2014) that necessary orders were issued and training was being organized through National Institute of Technical Teacher Training and Research, Chandigarh.

In ATN, it was stated that Training of Trainer Programme was organized from time to time. However, on verification, Audit found that the training for NCIC was not organized. Deputy Director (Academic) stated (November 2015) that candidates could not be sponsored for NCIC due to shortage of instructors.

(iii) *Shortage of staff in Polytechnics (Para 2.2.4.3)*: The Audit Report highlighted shortage of staff in Polytechnics. Out of 1080 sanctioned technical posts, 309 (29 per cent) were vacant. The department stated (January 2014) that efforts were being made with DSSSB for filling up the vacant posts.

As per ATN, the matter was being pursued with DSSSB and UPSC. However, no regular appointment was made as of November 2015.

As per information furnished to Audit (October 2015), out of 1147 sanctioned technical posts, 468 (42 per cent) were vacant in Polytechnics.

(iv) *Shortage of ministerial staff (Para 2.2.4.4)*: Shortage of ministerial staff in the Directorate was pointed out, as 318 out of 671 posts were vacant. The department stated (January 2014) that efforts were being made for filling up the vacant posts.

The Directorate took up the matter with Secretary (Services) several times regarding filling vacant posts. However, there was no progress.

As per information furnished to Audit (October 2015), 326 out of 766 sanctioned posts (43 per cent) of ministerial staff were vacant.

(v) *Recruitment Rules for technical staff in GB Pant College not framed (Para 2.2.4.5)*: The GB Pant College filled-up 57 posts on diverted, contractual or outsourced basis, whereas 41 posts were vacant out of total 98 technical posts, as Recruitment Rules (RRs) were not finalized.

Audit noticed that though Recruitment Rules had been notified (January 2014) by the Directorate and requisition for the teaching staff sent to UPSC, but, no appointment was made as of October 2015.

Further, as per information furnished to Audit (October 2010), 33 posts (34 *per cent*) out of 98 posts were vacant.

(vi) *Shortage of technical staff in Ambedkar College (Para 2.2.4.6):* Shortage of teaching and technical staff in Ambedkar College was pointed out. Out of sanctioned 109 teaching and technical posts, 60 were vacant. The department stated (January 2014) that efforts were being made to fill up these vacant posts.

In this case also, Audit observed that although Recruitment Rules had been notified by the Directorate and requisition for the teaching staff sent to UPSC, no appointment was made as of October 2015.

As per information furnished by the Directorate (October 2015), out of 109 sanctioned posts of teaching and technical staff, 52 (48 *per cent*) were vacant.

(vii) *Shortage of tools and equipment (Para 2.2.5.2):* ITIs at Arab Ki Sarai (AKS), Dheerpur and Sirifort were not equipped with tools and equipment as per Standard Tools List of NCVT. The department stated (January 2014) that action was being taken for increasing Plan funds for this purpose.

Audit noticed that department had slightly increased scheme funds under “Modernization and Restructuring of ITI/BTCs”. However, selected IITs were still not fully equipped with Standard Tools List (STL) as of November 2015, though there was no shortage of funds under the scheme, as ₹ 711 lakh was allocated during 2013-15, out of which only Rs 423.01 lakh (59 *per cent*) was utilized.

In selected ITIs, audit scrutiny showed that there was savings between 51 and 100 *per cent* (except ITIs Dheerpur and Sirifort) under the sub-head Machinery and Equipment in 2014-15.

(viii) *Non-availability of Diesel Generator Sets (Para 2.2.5.3):* Diesel Generator (DG) sets were not available in three ITIs (Shahdara, Sirifort and Pusa). The department stated (January 2014) that all the Principals were instructed to assess the availability of space for DG sets.

Audit noticed that DG Set was now available in ITI Shahdara. Whereas Principals of ITI Pusa and Sirifort stated (October 2015) that DG Set was not required.

(ix) *Lack of raw materials and consumables for training (Para 2.2.5.4):* ITI Pusa did not purchase raw materials and consumables for practical trainings in one trade. The department stated that Principals were instructed to assess the requirement of raw materials/consumable well in advance.

Audit, on verification, observed that raw materials for training were purchased from time to time, however, 463 items as pointed out in the Audit Report, were not purchased by ITI Pusa.

(x) *Setting up of new ITIs, and renovation of ITI (Para 2.2.6):* Construction of ITI at Bawana and Dwarka was not taken up and ITI at Mangolpuri was not constructed.

Audit noticed, that construction work of ITI, Mangolpuri had been completed and new academic session also had started from 2015. Audit further observed that matter of construction of new ITIs at Bawana and Dwarka had been closed.

(xi) *ITI at Chhattarpur (Para 2.2.6.1):* Due to lack of co-ordination between different departments, the construction work of ITI at Chhattarpur, though conceived in 2006, could not be started. The department stated that proposal for construction of ITI was still awaited from the Department of Health and Family Welfare/Delhi Cancer Society. It was also stated that matter was taken up with the Deputy Commissioner (South) for ascertaining the status of the land use.

Audit noticed that a proposal for swapping of land was approved by the Hon'ble LG and the Directorate authorized (September 2015) the Health Department to apply for swapping of land with the Forest Department.

(xii) *ITI at Ranhola (Para 2.2.6.2):* The land for ITI at Ranhola was allotted to the Directorate in August, 2002, but construction was not started. The department stated (January 2014) that layout plan of the demarcated land was awaited from BDO (Nangloi) and PWD.

Audit observed that significant progress was not made in this respect. Directorate pursued the matter of submission of layout plan with the PWD only in September 2015. Layout plan was submitted by PWD in October 2015, and construction was yet to be taken up even after 14 years of allotment of land.

(xiii) *Construction of new building of ITI at Shahdara (Para 2.2.6.3):* New building at ITI, Shahdara proposed in 2007, was not constructed. The department stated (January 2014) that the tendering for appointment of consultant was under process.

Audit observed that the expenditure sanction of ₹ 38.38 lakh had been issued (June 2015) for the comprehensive consulting services and consultant was appointed, but construction work was not started as of October 2015.

(xiv) *Non-upgradation of Polytechnics to Degree Colleges (Para 2.2.8.1):* Kasturba Polytechnic for Women and Ambedkar Polytechnic were proposed to be upgraded to Degree Colleges in 2008-09, but could not be upgraded. The department stated (June 2013) that the upgradation of polytechnics could not

be materialized as it involved additional space, infrastructure and upgradation of staff.

The Deputy Director while reiterating its earlier reply of June 2013 stated (October 2015) that B. Voc. Program was being introduced in these Institutes.

(xv) *Replacement and modernization of machinery and equipment (Para 2.2.9):* It was pointed out that the Polytechnics did not have any Standard Tool List (STL) for courses being run there. The department stated (January 2014) that the procurement of machinery and equipment was based on the requirement of curriculum.

In ATN, the Director (Planning) stated that Polytechnics were to follow AICTE norm and there was no provision of STL. It was further stated that two Centralized Procurement Committee were constituted (September 2015) for procurement of machines and equipment. Audit noticed that Directorate was assuring the requirements of tools and equipments in each ITI through inspection.

(xvi) *ITI, Shahdara not upgraded to CoE (Para 2.2.10.2):* Under Public Private Partnership (PPP) mode, ITI Shahdara was not upgraded to CoE in Hospitality Sector. The department stated (January 2014) that the Chairman, IMC appointed a Consultant at a cost of ₹ 7.00 lakh without following due procedure, which led to dispute between the Chairman and the Institute/Directorate.

Deputy Director (Planning) stated (October 2015) that a meeting of State Steering Committee was held in October 2015 and it was decided to explore the possibility of new Industry Partners.

(xvii) *Non-establishment of Computer Labs (Para 2.2.14):* No Computer Lab was established in any of the selected ITIs. The department stated (January 2014) that establishing Computer Labs was under process.

In ATN, Deputy Director (Planning) stated (July 2015) that all the Institutes had sufficient number of computers and other infrastructure for Computer Labs. Audit noticed that though the Deputy Director (Planning) instructed (January 2014) all ITIs for setting up of Computer Labs, only ITI Siri Fort out of selected ITIs, had established the Computer Lab.

**B. Recommendation:** *To review the contract demands of electricity and tariff rates being paid by all the ITIs.*

Audit observation on which action was taken substantially in some areas are as under:

**Substantial implementation/progress:**

(i) *Avoidable expenditure on electricity charges (Para 2.2.2.2):* The NDPL levied electricity charges on non-domestic rates on Pusa Polytechnic,

resulting in avoidable payment of ₹ 56.64 lakh. The department assured (January 2014) to take up the matter with TATA Power, PWD and the Department of Power.

The Principal, Pusa Polytechnic took up the issue with Tata Power and issued a notice in July 2015 for legal action. Tata Power intimated in October 2015 that the matter was under consideration.

However, the Directorate, despite assurance, did not take up the matter of recovery with the Department of Power. Recovery of excess amount paid to the Tata Power was still outstanding (November 2015). Audit observed (November 2015) that the selected five ITIs had initiated action to review the contract demands of electricity and tariff rates.

**C. Recommendation:** *To take steps to spread awareness among the school children about the scope of various trades and arrange counselling in all the Institutes before and after admission to check dropout rate in ITIs.*

Status of audit observation actionable under this recommendation is as below:

**Substantial implementation/progress:**

(i) *Admission and dropout of trainees in ITIs (Para 2.2.3):* Dropout rates in five selected ITIs ranged from 16 to 23 per cent. The department stated (January 2014) that all Principals had been instructed to start a program on 'Admission Campaign'.

The Assistant Director (Academic) issued instructions to ITIs in January 2014 to start Awareness and Admission Campaign. However, selected ITIs<sup>35</sup> did not comply with the instructions, except ITI Sirifort. Assistant Director (Training) stated in ATN that having perceived the situation of drop outs, 30 per cent more admissions were made in each trade and all Principals were instructed to create awareness among trainees. However, Audit observed that in five selected ITIs, dropout rate ranged upto 25.4 per cent for the period 2013-15.

Audit further noticed that neither ITIs submitted any compliance report regarding conducting awareness and Admission Campaign, nor was it pursued by the Academic Branch.

**D. Recommendation:** *Accord top priority for the affiliation of trades and units*

Status of audit observation actionable under this recommendation is as below:

**Substantial implementation/progress:**

(i) *Unaffiliated trades and units (2.2.11):* Various trades running in ITIs since long were not affiliated with the NCVT. The department stated that

<sup>35</sup> 1. ITI Pusa, 2. ITI Arab ki Sarai, 3. ITI Shahdara, 4. ITI Sirifort and 5. ITI Dheerpur.

instructions were being issued to all the Principals to ensure that no trades are left unaffiliated.

In ATN, the Assistant Director (Exam) stated (July 2015) that instructions were issued to ITIs for seeking affiliation. However, 15 out of total 17 ITIs did not fulfil all norms for affiliation/re-affiliation with NCVT. Audit observed that Directorate General of Training, GoI had permitted (June 2015) the Directorate to allow admission in ITIs without re-affiliation for the session 2015-16.

Audit also observed that Directorate issued instructions (April 2014) to all the ITIs for re-affiliation of trades with NCVT through Quality Council of India (QCI). However, only two ITIs<sup>36</sup> applied in QCI for re-affiliation of trades in September 2014, but trades of ITI Sirifort only were re-affiliated. The remaining ITIs could not apply for re-affiliation due to deficiencies in equipment and machinery and other infrastructure viz. Computer labs, shortage of staff, etc.

Two ITIs<sup>37</sup> are running in tin shed building and the building of ITI Shahdara was in dilapidated condition since long; hence, these ITIs were also not entitled for re-affiliation of their trades.

(ii) *Deficiencies in implementation of CoE under World Bank Assistance (2.2.10 & 2.2.10.1):* None of the trades introduced in three ITIs under the scheme of Centre of Excellence (CoE) was affiliated with NCVT. There were several deficiencies in ITI Pusa, Arab Ki Sarai and Dheerpur. The department stated (January 2014) that instructions were being issued to all Principals on upgradation of ITIs to CoE and the shortage of machines and equipment.

The Assistant Director (Exam) instructed all Principals (December 2012) to submit Action Plan to DGE&T, seeking NCVT affiliation of Module upto March 2013. However, no such Action Plan was submitted by selected ITIs.

As per ATN, CoE scheme had been converted into Craftsman Training Scheme (CTS) from August 2015. Audit noticed that shortage of machines and equipment still continued in selected ITIs.

**Full progress in intended areas:**

(i) *Shortfall in introduction of new trades (2.2.7.1):* Out of 32 new trades identified by DGE&T for introduction, only 13 were introduced. The department stated (January 2014) that a committee would be constituted in this regard.

The Committee was constituted in January 2014 and on its recommendations, some trades were deleted and new trades were introduced in session 2015-16.

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<sup>36</sup>ITI Dheerpur and Sirifort.

<sup>37</sup>Tilak Nagar (Women) and Morigate (Women)

**Conclusion**

Audit observed that one observation relating to one recommendation i.e. "accord top priority for the affiliation of trades and units" had been fully addressed; while three recommendations namely, (i) "review the contract demands of electricity and tariff rates", (ii) "take steps to spread awareness among the school children about the scope of various trades and arrange counselling to check dropout rate in ITIs", and (iii) "make available the infrastructure as per norms of the National Council of Vocation Training (NCVT) and the Director General of Employment and Training (DGE&T) for achieving objective of quality training" were found partially implemented in case of 21 observations and one observation on "Introduction of 106 new units in trades without matching infrastructure" was not implemented.

The matter was referred to the Government in January 2016, reply was awaited (March 2016).

New Delhi  
The

(DOLLY CHAKRABARTY)  
Principal Accountant General (Audit), Delhi

**Countersigned**

New Delhi  
The

(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India