

CHAPTER XVII : MINISTRY OF MINES

Geological Survey of India

17.1 Non-recovery of service charges

Failure to evolve a mechanism by Geological Survey of India, Jaipur to recover outstanding dues resulted in non-recovery of service charges of ₹ 1.67 crore.

Geological Survey of India (GSI) is primarily responsible for generation and upkeep of geo-scientific data of the country. In addition to this, GSI provides services to State Government/Central Government offices on the basis of "Schedule of charges" (SOC). SOC was revised from time to time in 1975, 1981, 1992 & 2001. Currently SOC of 2001 is in force since April 2001. On the basis of SOC, a Memorandum of Understanding (MOU) is signed between GSI and concerned department/project and charges are recovered accordingly. In terms of MOU executed between GSI and its clients, actual investigation at the site was to be taken up on receiving 50 *per cent* of total tentative cost of investigation that is termed as advance. After completion of field investigation, the report was to be finalised within 60 days. GSI was to submit the final bill to the client department and after realisation of entire cost as per the final bill, the report of investigation was to be provided to client department. Thus, it was the responsibility of GSI to raise final bill to client department and realise entire cost before delivery of the Report. Further, Rule 12 of General Financial Rules - 2005 *inter-alia* also provides that no Government dues should be kept pending without sufficient reasons.

During audit of Additional Director General, West Zone GSI, Jaipur office for the period 2014-15, scrutiny of records revealed that GSI executed several MOUs for survey work with client departments during the period 1978-79 to 2013-14. However, service charges to the tune of ₹ 1.67 crore were outstanding against survey works conducted as per MOUs.

Audit also observed that neither timely reminders were issued to concerned departments nor was the matter taken up with the higher authorities for recovery of outstanding service charges. Thus, due to slackness of GSI in raising final bills in timely manner and lack of pursuance with higher authorities of the client departments, amounts outstanding to the tune of ₹ 1.67 crore were accumulated (as of 31 March 2016).

Management replied (July/August 2016) that:

- The work was started on receipt of advance and bills were prepared by Budget Section after Technical Wing provided details of work done and copy of MOU of particular project to Budget Section.
- The bills were raised mostly in time and were prepared as per schedule of charges in vogue and final bills were sent only after completion of the project. However, there was delay in certain projects due to administrative reasons.
- One of the reasons of non-recovery was that all the projects were very old and have since been closed.

Reply of the management is not acceptable as:

- Service charges in the reported cases could not be recovered in time due to poor internal control in issuance of bills and their follow up. The department had not evolved any mechanism for collection of fees in advance or for prompt recovery of fees on completion of work.
- There was lack of co-ordination between Technical Wing and Budget Section which resulted in delay in issuance of bills.
- All the clients were Government departments where entrustment of jobs is preceded by approval of competent authorities and there should have been no reason for such non-recovery.

Thus, failure to devise an effective procedure for speedy recovery of dues led to accumulation of arrears of ₹ 1.67 crore as at 31 March 2016.

The matter was reported to the Ministry in August 2016; their reply was awaited as of January 2017.