

# CHAPTER V

## PROJECT MONITORING



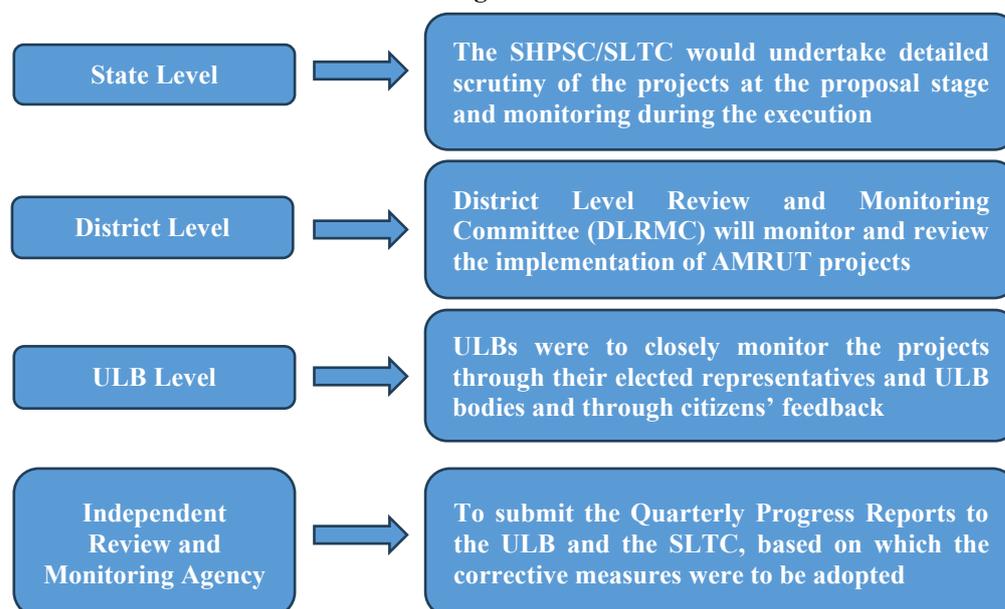
## CHAPTER V PROJECT MONITORING

Laxity in convening the SHPSC meetings resulted in poor monitoring and delayed execution of projects. Lack of coordination between various departments of the State Government resulted in delay in obtaining NOCs/permissions from departments, abandoning of projects after preparations of DPRs, etc. Even though 13 Quarterly Progress Reports (QPRs) were submitted by Independent Review and Monitoring Agency during 2019-23, only three QPRs were discussed by the SHPSC and no reports were discussed by SLTC. SLTC did not convene meetings for 29 months during the period from September 2018 to January 2021 and the technical parameters of the 38 projects approved during the period were not subjected to mandatory appraisal by the SLTC.

### 5.1 Monitoring of Projects

Paragraph 14 of AMRUT guidelines stipulate that the Mission was to be monitored in real time at the State and the ULB level. Moreover, information and data should be shared with citizens in the public domain and third-party monitoring and review encouraged. Monitoring envisaged in the Mission guidelines are detailed in the **Chart 5.1**.

**Chart 5.1: Monitoring activities at various levels**



*(Source: The Mission Guidelines)*

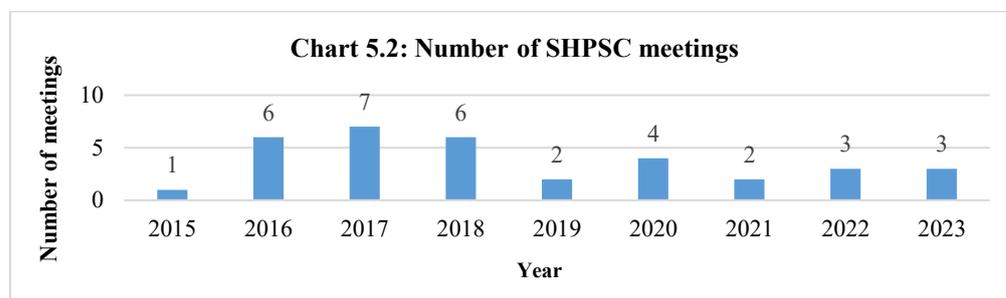
Audit noticed deficiencies in the monitoring of the Mission at various levels as detailed below.

#### 5.1.1 Shortages in convening of State level High Powered Steering Committee (SHPSC)

SHPSC was the body which steered the Mission Programme in its entirety by identifying the gaps in infrastructure based on SLBs, preparing SAAPs as prescribed in the guidelines, approving the projects after technical appraisal by

the SLTC, planning the fund flow and monitoring the implementation of the Mission.

Being such an important body to plan, implement and monitor the projects, Audit noticed that though six to seven meetings were conducted by the SHPSC in the planning phase annually, only two to four meetings were conducted during the implementation phase of the Mission. The number of SHPSC meetings convened in the project period is detailed in the **Chart 5.2** shown below:



(Source: Data furnished by SMMU)

The SHPSC was convened only eight times during the period 2019 -2021 in which the execution of majority of the projects took place. The laxity in convening the SHPSC meetings resulted in poor monitoring of the projects, which caused delay in execution and non-completion of projects even after nine years of commencement of the scheme (December 2024).

Government stated (April 2025) that SHPSC was convened based on the requirement and request of the mission cities. The reply is not tenable as the SHPSC was entrusted with monitoring the progress of implementation of scheme, monitor outcome and O&M arrangements of projects sanctioned and completed, bring about inter-organisational co-ordination, etc, and therefore, convening SHPSC periodically was an essential requirement.

#### **5.1.1.1 Non-engagement of Project Development and Management Consultants**

To overcome the constrains faced by States/ULBs in timely implementation of the projects, the mission guidelines envisaged engagement of the services of external entities called Project Development and Management Consultants (PDMCs). The scope of PDMC under the mission was divided into four broad components namely Planning, Design, Supervision and Project Management. Though Expression of interest was invited (December 2015) at the Mission level and five agencies were shortlisted, the decision of SHPSC to engage KWA for water supply schemes led to reduction in the scope of activities of PDMC and consequent change in the contract amount. As change in scope after selection necessitated re-tendering, seventh SHPSC (December 2016) decided to unbundle the functions of the PDMC and decided to entrust project development, quality assurance and project monitoring to different agencies as detailed in Paragraph 2.1.2.5. Audit noticed that absence of an agency to identify the bottlenecks, undertake mid-course correction and monitor the scheme implementation has delayed the implementation of the scheme in the State.

#### **5.1.1.2 Lack of coordination between various departments**

Even though the SHPSC consisted of Chief Secretary as the Chairman and Principal Secretaries of various departments as members, the committee did not

ensure effective coordination among various departments of the State Government which resulted in delay in executing tripartite agreement between KWA and ULBs, delay in obtaining NOCs/permissions from various departments, abandoning of projects after approval in SAAP etc., as mentioned in Paragraph 2.1.3, which led to tardy implementation of projects.

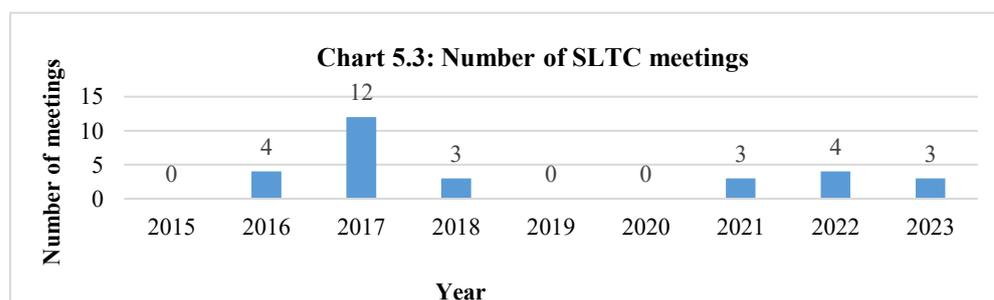
### 5.1.2 State Level Technical Committee (SLTC)

According to the guidelines, the SLTC was to carry out the technical and financial appraisal of the DPR and approve the technical parameters such as scope, objectives and final deliverables of the projects. For this purpose, the SLTC should take into consideration manuals, guidelines and advisories issued by MoUD in the relevant sector and ensure compliance in the DPR. The SLTC should also approve the tenders, analyse the project fund request and take corrective action on the reports of IRMA.

Audit noticed the following deficiencies in monitoring of projects by SLTC.

- SLTC in its first meeting held on 28 January 2016, decided that the Technical Sanctions of the projects proposed under AMRUT may be issued by the implementing agencies as per the prevailing rules of the respective departments. The third SHPSC held on 04 July 2016 decided to freeze the decision of the first SLTC and decided to constitute a Technical Expert Committee (TEC) with a set of independent sectoral experts for according Technical Sanction for AMRUT projects. Subsequently, in the fifth SLTC held on 24 January 2017, it was decided to constitute technical committees for two regions viz. North and South. This decision was again modified by the tenth SHPSC held on 14 July 2017 which permitted the implementing agencies to grant technical sanction for the projects except in the case of sewerage projects undertaken other than by KWA. Audit observed that this decision diluted the terms of the mission guidelines, as estimates in DPRs technically appraised by SLTC were modified during execution requiring revision of Technical Sanction.
- On review of Agenda and minutes of SLTC meetings convened during the project period, Audit noticed that since no SLTC meeting was convened for 29 months during the period from September 2018 to January 2021, the technical parameters of the 38 projects were not subjected to mandatory appraisal by the SLTC. Details of new projects and projects with revised estimates which were not technically appraised by SLTC are shown in **Appendix 5.1**.

The number of SLTC meetings convened during project period is detailed in the **Chart 5.3**.



(Source: Data furnished by SMMU)

- According to the guidelines, it was the duty of SLTC to ensure compliance of the DPRs to the manuals, guidelines and advisories issued by MoUD and approve the DPRs. Even though guidelines stipulated the SLTC to ensure compliance of the DPR to the checklists issued by MoUD for Sewerage and Septage Treatment, Water Supply and Storm Water Drainage components, it was observed that the SLTC did not ensure availability of land, clearance from other departments/agencies etc., as prescribed in the checklist which resulted in delay in implementation and abandoning of the projects as mentioned in Paragraph 2.1.3.

Government stated (April 2025) that SLTC was convened based on the requirement and request of the mission cities. The reply is not tenable as Audit noticed that in the absence of periodical meetings, 38 projects were not subjected to mandatory technical appraisal by SLTC.

### **5.1.3 Delay in convening AMRUT Core Committee**

The Mission Director, AMRUT, instructed (December 2015) the Secretaries of the mission cities to set up a Core Committee with Deputy Mayor/ Vice Chairman of the ULB as Chairman, Secretary/Additional Secretary as convener and Executive Engineer/Assistant Engineer, Urban Infrastructure Expert, etc., as members to identify and overcome the bottlenecks and to ensure proper utilization of Government funds for AMRUT projects. A close monitoring of the timelines and progress of the projects was also the duty of the Core Committee.

Audit noticed that though the Core Committee was constituted in December 2015 by Kochi Corporation, the committee met only six times during the period 2015-16 to 2020-21. Thereafter the committee never met.

In Palakkad Municipality though Core Committee was constituted in December 2015, the initial meeting of the committee was convened only in January 2021. Hence, the very purpose of constituting the Core Committee and its involvement in the initial stages in identification and prioritization of projects for inclusion in SLIPs and scrutiny of DPRs did not take place resulting in approval of defective DPRs, delay in completion of projects, cancellation of various projects, etc.

### **5.1.4 Independent Review and Monitoring Agency (IRMA)**

Paragraph 14.1 (vii) of the guidelines stipulated for quarterly external monitoring of the projects by an Independent Review and Monitoring Agency (IRMA). The IRMA was to submit the quarterly report to the ULB/parastatal and the SLTC. The comments of the ULB and the SLTC were to be examined by the SHPSC and action taken.

The MoHUA had selected (April 2018) M/s Water and Power Consultancy Services (WAPCOS) Gurugram, Haryana as IRMA for Kerala and agreement was executed with the agency by the SMMU in January 2019 for three years which was extended up to February 2023. The agency had to review the projects in their pre- construction, during construction and post- construction phases and offer observations through quarterly progress reports. Based on the report of the agency, SMMU would submit an Action Taken Report to the IRMA. The agency had submitted 13 Quarterly Progress Reports during their tenure and an amount of ₹1.54 crore was paid to them.

Audit noticed that since SMMU had not engaged the IRMA in time the activities relating to the review of projects in their pre-construction period were not carried out.

SHPSC was responsible for looking into the complaints of poor quality, lack of supervision and other violations and monitoring the quality of work and reports of appraisal by third party assessors and take action at their end. SHPSC was also required to examine the comments of ULB/SLTC on IRMA reports and take appropriate action. Even though 13 Quarterly Progress Reports (QPRs) were submitted by IRMA during 2019-23, only three<sup>94</sup> QPRs were discussed by the SHPSC and corrective actions suggested. None of the IRMA reports were considered by SLTC though guidelines entrusted SLTC with the responsibility to take corrective action on IRMA reports. Audit observed that lapse on the part of SHPSC and SLTC in discussing and taking corrective measures to the observations in IRMA reports defeated the very objective of engaging IRMA.

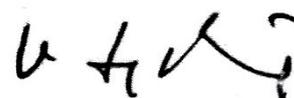
***Recommendation 9: Government should ensure that committees and bodies supervise and monitor the implementation of projects in accordance with the terms of the responsibilities entrusted under AMRUT.***



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**Thiruvananthapuram,  
The 01 December 2025**

**Countersigned**



**New Delhi,  
The 03 December 2025**

**(K. SANJAY MURTHY)**  
Comptroller and Auditor General of India

<sup>94</sup> First QPR in August 2019, Second QPR in December 2019 and third QPR in March 2020