

**CHAPTER-IV – WORKS EXPENDITURE
SECTION – A - REVIEW**

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.1 Drinking Water Supply

Highlights

Due to failure of the Chief Engineer, PHE to utilise the fund, an amount of Rs.19.05 lakh under ARWSP and Rs.1.13 crore under MNP, remained unutilised at the end of March 2001 and delay in release of central assistance to implementing agencies by the State Government ranged from 1 to 15 months.

(Paragraph: 4.1.10 to 4.1.14)

The expenditure on O&M under MNP varied from 18 to 28 *per cent* during 1997-2001 resulting in excess expenditure of Rs.8.48 crore over the norm and consequential shortfall of Rs.10.02 crore on schemes under MNP.

(Paragraph: 4.1.19 to 4.1.21)

Failure to prioritise activities led to expenditure of Rs. 1.28 crore spent on non-priority areas at the cost of non-provision of drinking water to populations residing in habitations with no provision of drinking water.

(Paragraph 4.1.39)

There were shortfall in coverage of villages/habitations during 1997-98 to 2000-01 under ARWSP (29 *per cent*) and MNP (19 *per cent*).

(Paragraph 4.1.41 & 4.1.42)

Delay in completion of water supply schemes led to consequential cost overrun of Rs. 1.72 crore on 67 water supply schemes.

(Paragraph 4.1.47)

An expenditure of Rs.0.35 crore was incurred out of the central assistance of Rs.0.76 crore for establishment of district level water testing laboratories but in rural areas water testing laboratories were not established.

(Paragraph 4.1.49)

Funds of Rs.0.51 crore remained unutilised for the period ranging from 15 months to 60 months due to non-installation of IT system.

(Paragraph 4.1.78 to 4.1.81)

Between November 1992 and January 1997, the Chief Engineer, PHE incurred wasteful expenditure of Rs.5.87 crore on “Augmentation of Water Supply Scheme of Naharlagun/Nirjuli”.

(Paragraph 4.1.85 to 4.1.86)

Itanagar Water Supply Scheme was not eligible for inclusion under AUWSP and the expenditure of Rs.10.42 crore incurred on it was irregular and unauthorised.

(Paragraph 4.1.88)

Extra expenditure of Rs.1.23 crore was incurred on excess utilisation of 200 mm ERW MS pipe on Itanagar Water Supply Scheme due to defective estimate of the work.

(Paragraph 4.1.92 to 4.1.94)

Introduction

4.1.1. The programme of drinking water supply scheme comprises of two schemes viz: (i) Accelerated Rural Water Supply Programme (ARWSP) and (ii) Accelerated Urban Water Supply Scheme (AUWSP). The objective of these schemes are tabulated below:-

Table – 4.1

Accelerated Rural Water Supply Scheme	Accelerated Urban Water Supply Scheme
(i) To ensure access to safe drinking water of all rural habitations especially the partially covered/ uncovered habitations with water supply of less than 10 litres per capita per day (LPCD) and 10-40 LPCD in case of fully covered habitations;	(i) To provide safe and adequate water supply facilities to the entire population of two towns (Itanagar and Naharlagun) by the end of VIII Five year Plan.
(ii) To ensure sustainability of the system and sources;	(ii) To improve the environment and quality of life.
(iii) To preserve quality of water by institutionalising water quality, monitoring and surveillance through a catchment area approach.	(iii) Better socio-economic condition and more productivity to sustain the economy of the country.

4.1.2 Providing potable drinking water supply in rural areas is the responsibility of state governments. The Government of India (GOI) introduced the Accelerated Rural Water Supply Programme (ARWSP) in 1972-73 to assist States and Union Territories with 100 *per cent* grants-in-aid to tackle water supply problem of identified Problem Villages (PV). With the introduction of the Minimum Needs Programme (MNP) under state sector from 1974-75, ARWSP was withdrawn but reintroduced in 1977-78 to accelerate the pace of coverage of PVs. The programme has been continuing since then parallel to MNP. Besides, to ensure maximum inflow of scientific and technical inputs into the rural water supply sector and to deal with the quality problem of drinking water, National Drinking Water Mission (NDWM) was introduced in 1986, which was renamed as Rajiv Gandhi National Drinking Water Mission (RGNDWM) in 1991. ARWSP continued to be implemented till 1998-99. However, the objective of the programme could not be attained as envisaged due to lack of sufficient funds and re-emergence of not covered habitations etc. and the programme continues to be implemented during the 9th Plan. The Mission included ARWSP, Sector Reform Programme, Sub-Missions, Human Resource Development (HRD), Research and Development (R&D), Information, Education and Communication (IEC) and Management Information System (MIS), Provision of water supply in rural schools and monitoring and Investigation Units, Purchase of Rigs, Water Quality Monitoring and evaluation Activity etc. w.e.f. April 1, 1999.

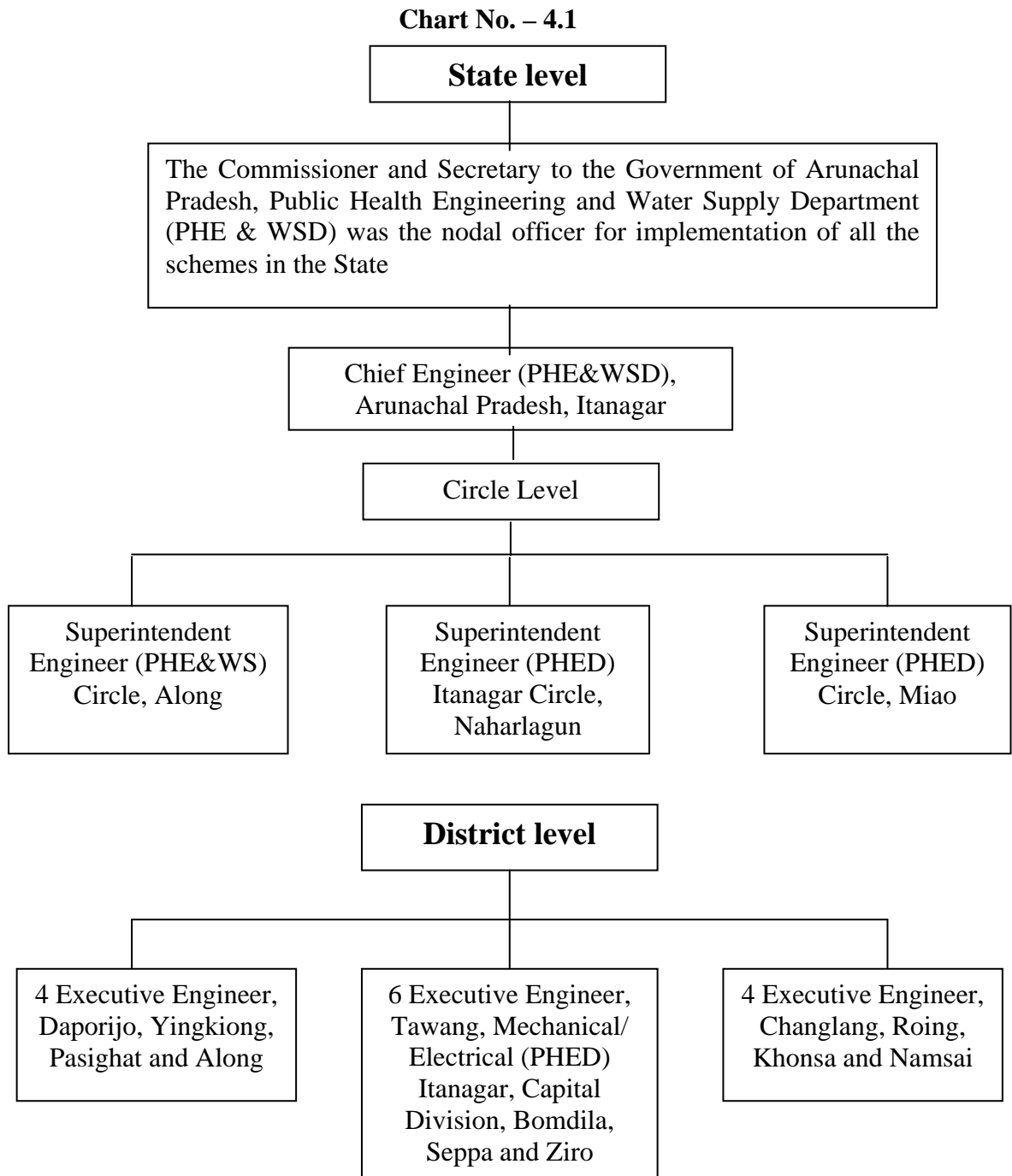
4.1.3 The state had 3649 main habitations and 529 other habitations with a rural population of 7.62 lakh (SC: Nil, ST: 7.62 lakh) as per 1991 census. The ARWSP was implemented upto 1993-94 as per this census report. As per 1994 Survey, the state had 4298 main habitations and other habitations with a total population of 7.76 lakh out of which 120 new habitations were identified during the post 1991 survey.

4.1.4 The state had fully covered 2918 habitations with supply of drinking water upto 2000-01.

4.1.5 During 1993-94, the Government of India launched the Accelerated Urban Water Supply Programme (AUWSP) for providing water supply facilities to the towns having population of less than 20,000 as per 1991 census. The Government of India approved (March 1997) two schemes (Itanagar and Naharlagun water supply schemes) for implementation. However, only Itanagar water supply scheme-Phase-I was under execution from 1996-97 as Naharlagun water supply scheme approved under, AUWSP was subsequently kept in abeyance (February 1999) till completion of ongoing water supply scheme at Naharlagun under state plan as directed (February 1999) by Government of India. The expenditure under the scheme was to be shared equally by the Central and State Government including 5 *per cent* contribution from the beneficiary.

Organisational set up :

4.1.6 The organisational structure for implementation of the programmes is detailed below :-



Audit coverage

4.1.7 The records of the Chief Engineer, PHED, Itanagar and Executive Engineers of Itanagar, Ziro, Daporijo and Bomdila PHEDs (located in the districts of Papumpare, Lower Subansiri, Upper Subansiri and West Kameng) for the period from 1997-98 to 2000-01 were test checked (31 *per cent*) and expenditure of Rs.44.07 crore (50 *per cent*) of the total expenditure of Rs.88.59 crore was covered during the period January-April 2001. Important points noticed in test check are brought out in succeeding paragraphs.

Financial outlay and expenditure

4.1.8 The year wise budget provision, funds released by the GOI and actual expenditure incurred under the two schemes during 1996-2001 were as under:-

Accelerated Rural Water Supply Programme

4.1.9 Central assistance is allocated to the state under the ARWSP on the basis of matching provision/expenditure by the state under the State sector Minimum Needs Programme (MNP). Upto 20 *per cent* of ARWSP funds released to the state can be used for Sub-mission Projects. The Central Government also provides 100 *per cent* assistance for activities under National Human Resource Development Programme (NHRD), Information, Education and Communication (IEC); Management Information System(MIS), Water quality testing and pilot projects under sector reforms.

4.1.10 Details of funds released and utilised by the state during 1997-98 to 2000-01 under ARWSP and MNP as per records of the Department were as under:

Table – 4.2
ARWSP

Year	Opening Balance	Fund released by G.O.I	Total fund available	Fund released by state Govt.	Expenditure	Closing balance Excess(+) Savings(-)
<i>(Rupees in Lakh)</i>						
1997-98	75.36	2476.00	2551.36	2551.36	2308.40	(-) 242.96
1998-99	242.96	1189.60	1432.56	1432.56	1408.12	(-) 24.44
1999-2000	24.44	2955.02	2979.46	2979.46	2979.46	-
2000-01	-	2182.50	2182.50	2182.50	2163.45	(-) 19.05
Total	342.76	8803.12	9145.88	9145.88	8859.43	(-) 286.45

Source : From the Department

Table – 4.3

MNP

Year	Budget Provision	Expenditure	Excess(+)/Savings (-)
	<i>(Rupees in Lakh)</i>		
1997-98	2401	2437.18	(+) 36.18
1998-99	2624	2498.00	(-) 126.00
1999-2000	2211	2091.21	(-) 119.79
2000-01	2152	2039.00	(-) 113.00
Total	9388	9065.39	(-) 322.61

Source: From the Department

4.1.11 The total unutilised fund at the end of March 2001 under ARWSP and MNP were Rs.19.05 lakh and Rs.1.13 crore respectively.

4.1.12 In reply, the Chief Engineer, PHE stated (October 2001) that unutilised fund under ARWSP and MNP was released in August 2001 and would be utilised during '2001-2002'. This showed weak financial management in the Government.

4.1.13 Following further points were also noticed in audit:

Delay in release of central fund due to abnormal delays in releasing the fund by the State Finance Department

4.1.14 Under ARWSP, the state government was required to release the entire amount of the Central assistance received to the implementing agencies without any delay and in any case not later than 15 days of its receipt. Audit scrutiny, however, revealed that the funds received from the Central Government during 1997-98 to 2000-01 were released to the implementing agencies after delays ranging from 1 to 15 months.

4.1.15 While accepting the audit observation, the Chief Engineer stated (October 2001) that there were abnormal delays in releasing the Central assistance by the State Finance Department to the implementing agencies. He further stated that delay occurred due to delay in crediting the Central release of fund in state exchequer and late receipt of revalidation approval from GOI for the unspent amount against ongoing schemes. Reply, however, remained silent regarding the steps taken by him to overcome the problem.

4.1.16 It was seen that an expenditure of Rs.2437.18 lakh was incurred during 1997-98 under MNP as per expenditure figures furnished by the department whereas an expenditure of Rs.2402.78 lakh for the year 1997-98 was reported

to the Government of India in August 1998 as per revised progress report for March 1998. The discrepancy has not yet been reconciled.

Table – 4.4

Accelerated Urban Water Supply Programme

Year	Opening Balance	Central Share released	State Share released	Total fund available	Expenditure	Excess(+) Savings(-)
<i>(Rupees in lakh)</i>						
1996-97	-	83.29	-	83.29	-	(-) 83.29
1997-98	83.29	21.16	130.00	234.45	131.59	(-) 102.86
1998-99	102.86	500.00	170.00	772.86	86.42	(-) 686.44
1999-00	686.44	249.08	100.00	1035.52	500.00	(-) 535.52
2000-01	535.52	250.00	-	785.52	573.62	(-) 211.90
Total	1408.11	1103.53	400.00	2911.64	1291.63	(-)1620.01

Source : From the Department

Unutilised fund

4.1.17 The reasons for funds of Rs.2.12 crore remaining unutilised at the end of March 2001 were not on record nor stated (May 2001) by the Department.

4.1.18 In reply the Chief Engineer, PHE stated (October 2001) that unspent balance at the end of 2000-2001 for Itanagar Water Supply scheme at Itanagar under AUWSP was Rs.173.42 lakh. Reply furnished by the Chief Engineer is not correct as the Surveyor of works, PHED in April 2001 stated that the unspent balance at the end of 2000-2001 under AUWSP was Rs.2.12 crore as during the period of 1996-2001, the State share released was Rs.400.00 lakh (1996-97- Nil, 1997-98 – Rs.130.00 lakh, 1998-99 – Rs.170.00 lakh and 1999-2000 – Rs.100.00 lakh) against which expenditure incurred was Rs.188.10 lakh (1996-97 – Rs.51.48 lakh, 1997-98 – Nil, 1998-99 – Rs.86.42 lakh and 2000-2001 – Rs.50.20 lakh). The Chief Engineer, however, provided no reasons for the non-utilisation of fund of Rs.2.12 crore.

Excess expenditure incurred under MNP over the prescribed norm against Operation and Maintenance (ARWSP & MNP)

4.1.19 As per guidelines upto 15 per cent of ARWSP funds were to be earmarked for Operation and Maintenance (O & M) of water supply schemes.

4.1.20 The year-wise provision and expenditure under operation and maintenance of ARWSP schemes were as under:

Table – 4.5

ARWSP

Year	Total Expenditure on ARWSP	Expenditure on O&M	Permissible expenditure on O&M (15% of total ARWSP)	Excess (+) Savings (-) over the norms	Percentage of expenditure on O&M
1997-98	2308.40	230.84	346.26	(-) 115.42	10
1998-99	1408.12	140.80	211.22	(-) 70.42	10
1999-2000	2979.46	297.94	446.92	(-) 148.98	10
2000-2001	2160.52	327.30	324.08	(+) 3.22	15
Total	8856.50	996.88	1328.48	(-) 331.60	
MNP					
1997-98	2437.18	446.04	365.58	(+) 80.46	18
1998-99	2498.00	660.99	374.70	(+) 286.29	26
1999-2000	2091.21	520.60	313.68	(+) 206.92	25
2000-2001	2039.00	580.00	305.85	(+) 274.15	28
Total	9065.39	2207.63	1359.81	(+) 847.82	

Source : From the Department

4.1.21 The excess expenditure of Rs.847.82 lakh incurred over the prescribed norms under MNP which ranged from 18 to 28 *per cent* and till date no action was initiated to regularise the excess expenditure. Further, there was a short fall in expenditure on execution of schemes to the extent of Rs.10.02 crore (Rs.78.60 crore – Rs.68.58 crore).

4.1.22 The Chief Engineer, PHE stated (October 2001) that due to fund constraint for maintenance of existing O&M water supply schemes under Non-plan, the Department had no other alternative but to replenish such expenditure from the MNP plan allocation for continuity of the uninterrupted supply of water to the people and there was no possibility to reduce O&M expenditure within norms of 10 – 15% in view of the overall interest of the people. Reply furnished by the Chief Engineer is not tenable on the ground that during the period from 1997-98 to 2000-01 provision for maintenance of Rural Water Supply scheme was made under plan fund (1997-98-Revenue - Rs.4 crore, Capital :- Nil, 1998-99 – Revenue – Rs.4.99 crore, Capital – Nil, 1999-2000-Revenue- Rs.7.50 crore, Capital-Rs.3.77 crore and 2000-01-

Revenue-Rs.5.21 crore, Capital-Rs.3.30 crore). Thus, the entire expenditure of Rs.22.08 crore was made from plan funds for maintenance.

Accelerated Rural Water Supply Programme

Identification of Problem villages

4.1.23 The Programme envisaged identification of habitations for ensuring supply of safe drinking water. According to the criteria laid down, Problem villages were those which had no assured source of water within a distance of 1.6 Km of the habitations in plain area or 100 metres elevation in the hilly areas or where the available water had excessive saline, iron, fluoride or other toxic elements or where diseases like Cholera, Guinea worm etc. were endemic.

4.1.24 Out of 3649 main habitations and 529 hamlets identified in 1994 survey, 385 habitations were in 'Not covered' (NC) category, 995 habitations were partially covered and 2798 were fully covered (FC) as on 1.4.2001. Besides, 120 new habitations having a population of 0.14 lakh were identified during post 1991 Survey, the status of which was yet to be accepted by the Mission. However, these habitations were fully covered under State Fund during 1998-99.

Non-utilisation of Satellite images due to non-receipt of the same from RW Department under Scientific Source finding and ground water surveys

4.1.25 The state government received (November 1990) Satellite images from National Remote Sensing Agency (NRSA), Hyderabad for preparation of Hydro Geo-Morphological maps. So far, no ground water survey map was prepared in the state. The newly created (1995) PHE department could not use the satellite images as the same were still lying with the erstwhile Rural Works Department (RWD).

4.1.26 The Chief Engineer, PHE stated (October 2001) that the Satellite images are still lying with RWD and not yet handed over to his department despite repeated requests. He also stated that the Department is taking help from Central Ground Water Board (CGWB), Guwahati for preparation of Hydro Geo-Morphological Maps as and when required. The reply was silent as to why the satellite images received since 1990 were not put to use and also expenditure incurred for taking assistance of CGWB.

Non preparation of shelf of schemes

4.1.27 As per guidelines for implementation of the Programme, the state government was to prepare 'shelf' of schemes for works to be taken up under the programme conforming to prescribed norms and design criteria. But no such prescribed 'shelf' of schemes was prepared by the Government (Public Health Engineering Department) till April 2001.

4.1.28 The Chief Engineer, PHE, stated (October 2001) that as per the new norms of RGNDWM, all the schemes under ARWSP are to be approved by State Level Technical Clearance Committee before commencement and then all such schemes are included in Action Plan duly approved by the State Planning Board. In support of the above contention the Department did not furnish any records regarding the dates when the new norms were introduced by the RGNDWM and when and what were the schemes approved by the Committee.

Sanction of schemes against non-existent villages and institutions

4.1.29 The Government sanctioned three water supply schemes under ARWSP viz, Higgings village near Orak camp, Ojuju village and ABC Township school at Ligu village under Daporijo PHE Division during March 1997 to March 1999 at a total cost of Rs. 13.27 lakh (Orak: Rs. 4.32 lakh; Ojuju: Rs.4.25 lakh; ABC township school Rs. 4.70 lakh) against which the division incurred an expenditure of Rs. 8.86 lakh (Orak: Rs.3.34 lakh; Ojuju: Rs.1.86 lakh; ABC: Rs.3.66 lakh) during January 1999 to January 2001 for procurement of materials like G.I.Pipe, G.I. fittings etc. It was, however, seen in audit that none of these three schemes could be implemented till March 2001 due to shifting of habitations of two villages to other places and non-existence of the school at Ligu village.

4.1.30 Similarly, between March 1997 and March 1999, two ARWSP schemes viz, water supply at Dahung Government College and Dony Mission school at Mandrik under Bomdila PHE Division were sanctioned at a total cost of Rs. 33.56 lakh (Dahung: Rs. 15.10 lakh; Dony Mission: Rs. 18.46 lakh) against which the division incurred an expenditure of Rs. 8.06 lakh (Dahung: Rs.5.58 lakh; Dony Mission: Rs.2.48 lakh) for procurement of materials like G.I.Pipe, G.I. fittings etc. during November 1997 to February 2001. However, the schemes could not be implemented as of March 2001 for non-existence of the Dony Mission School and non-finalisation of site for the Dahung Government College.

4.1.31 Thus, sanction of schemes and incurring of expenditure without ascertaining the existence of the institution and non-finalisation of the site for the other institution and shifting of habitations resulted in unnecessary locking up of Government fund to the tune of Rs.16.92 lakh.

4.1.32 The Chief Engineer reply against the above observations were as follows:-

In respect of water supply at Orak camp, the Chief Engineer stated (October 2001) that the scheme was completed during the financial year 2000-2001. The reply furnished by the Chief Engineer is not correct as the Asstt. Engineer, PHE sub-division, Nache in his letter dated 11.02.2000 informed the EE, PHE Division, Daporijo that Orak camp had already been provided with drinking water supply. It was also not clear how the scheme was sanctioned in March 1999 by the Government without proper survey and investigation.

Ojuju village

4.1.33 In reply, the Chief Engineer stated (October 2001) that all the materials procured against the scheme were kept in the safe custody of the Department and the same would be utilised in other sanctioned water supply schemes. The Chief Engineer stated that the suspension of work on this project was decided as the habitants of Ojuju village had migrated.

4.1.34 It was clear that the scheme was sanctioned by the Government in March 1998 without proper survey and investigation and the matter needs investigation.

ABC Township

4.1.35 In reply the Chief Engineer stated (October 2001) that the schemes, ABC township was completed in March 2001.

4.1.36 However, from the letter dated 22.11.1999 of Asstt. Engineer, PHE sub-division, Nache to the EE, PHE Division, Daporijo it was noticed that ABC school did not exist at Ligu village although there was a proposal for shifting it from Daporijo to Ligu village. In the event of non-existence of ABC school near Ligu village upto 22.11.1999, it was not clear how the Government sanctioned the scheme in anticipation at a cost of Rs.4.70 lakh in March 1999 and procured materials. It was evident that the scheme was sanctioned without proper survey and investigation.

4.1.37 Similarly, in respect of the execution of W/S Schemes at Dahung Government College and Dony Mission School, the Chief Engineer stated (October 2001) that the schemes could not start except for procurement of GI pipe and fittings due to non-finalisation of site.

4.1.38 It was clear that these 2 schemes were sanctioned between March 1997 and March 1999 without finalisation of sites. The contention of audit that materials were bought causing blocking up of funds has been supported by the replies of the Chief Engineer (upto 2001).

Failure to priorities activities

4.1.39 Under ARWSP, funds are provided by the Government of India for coverage of NC and PC villages/habitations. However, records revealed that between 1997-98 and 1998-99, 9 divisions took up 23 rural water supply schemes (estimated cost: Rs.138.95 lakh) in fully covered habitations, of which 15 schemes were completed during 1998-99 to 1999-2000 at a cost of Rs. 97.61 lakh and Rs. 30.83 lakh was incurred on remaining 8 ongoing schemes as of March 2001. The details of 23 Water Supply Schemes originally started and completed were not available on records. Thus, the entire expenditure of Rs.128.44 lakh was spent on non-priority areas at the cost of population residing in habitations with no provision of drinking water.

4.1.40 The Chief Engineer stated (October 2001) that details of the schemes of non-functioning water supply system in those 23 villages are untraceable. He stated that the said water supply systems ceased to function and that these habitations were reeling under acute water scarcity problems. To remove the hardship of the people, schemes for these FC (Fully covered) category villages were taken up as re-emerged NC/PC habitations by the State Planning Board. The reply furnished by the Chief Engineer clearly showed that the Department had no records or statistical information of FC habitations. The state had 4298 habitations as per 1994 survey (FC – 2798, PC – 995, NC – 385) and already these 23 villages were classified under FC category. Thus, the change of status of these 23 villages as NC/PC habitations from FC category showed that either the 1991 census was faulty or the sanction of scheme for these earlier FC 23 villages was doubtful.

Shortfall in Target and achievement

4.1.41 The year-wise physical target and achievement under the programme during 1997-98 to 2000-01 as furnished by the department are shown in **Appendix – XXXIII**.

4.1.42 There were shortfall in coverage of villages/habitations in all the years during the above period except during 1997-98 under ARWSP and 2000-01 under MNP. Shortfall under ARWSP was 29 *per cent* and under MNP was 19 *per cent*.

4.1.43 Further according to the scheme all the habitations were targetted to be covered by 2004 AD with the objective to provide safe drinking water to all the rural habitations. According to the information furnished by the department, of 4298 habitations targetted to be covered, only 2918 habitation were fully covered at the end of March 2001 leaving 1380 habitations (PC:995; NC:385) to be fully covered by 2004 AD. At the rate of achievements from 1997-98 to 2000-01 it would be difficult to achieve the objective by 2004 AD on the basis of achievement made during 1997-98 to 2000-01 which ranged from 37 to 157 (NC to FC) and 31 to 176 (PC to FC).

4.1.44 The Chief Engineer (October 2001) confirmed the shortfall in the physical target and attributed it to withdrawal of State MNP funding and non-release of 2nd instalment of Central assistance by RGNDWM, GOI. The Chief Engineer's reply is not correct as there was no withdrawal of funding either under ARWSP or MNP during 1997-2001 and further each year (1997-2001) there were savings under MNP.

Non-maintenance of records of assets created/status of completed schemes

4.1.45 The guidelines laid down that the Department has to maintain a complete inventory of drinking water sources created under different programmes like ARWSP, MNP etc., giving date of start and completion of the project, cost of completion, depth in case of spot sources, agency

responsible for O&M and other relevant details. No such records were maintained in any of the divisions test checked.

4.1.46 The Chief Engineer stated (October 2001) that steps are being initiated to maintain the inventory register division-wise. Further development is awaited (December 2001).

Delay in completion of water supply schemes with consequential cost overrun

4.1.47 As per guidelines of Mission, the schemes were to be completed within two to three years of their commencement. The guidelines also laid down that excess expenditure was to be met from state funds. Test check, however revealed that 11 divisions took up 67 rural water supply schemes at an estimated cost of Rs.275.75 lakh during 1993-94 to 1998-99 and completed the same at a cost of Rs. 447.35 lakh during March 1997 to January 2001 resulting in cost overrun of Rs. 171.60 lakh with delay ranging from 10 months to 37 months in 32 cases as detailed in **Appendix - XXXIV**. The cost overrun of Rs. 171.60 lakh was met from ARWSP funds instead of state funds in isolation of the scheme guidelines. The reasons for cost overrun and delay in completion of schemes (32 cases) were neither on record nor stated (April 2001)

4.1.48 The Chief Engineer stated (October 2001) that delay in execution of schemes occurred mainly due to non-availability of adequate funds in time and meager allocation under MNP. This is not borne by facts as allocation and expenditure under MNP matched GOI releases.

Quality of Water

Unproductive expenditure due to non-establishment of water testing laboratories

4.1.49 Between March 1997 and March 1999, the state government sanctioned Rs.76.22 lakh for establishment of 12 district level water testing laboratories. The department incurred an expenditure of Rs.34.79 lakh during 2000-01 for procurement of water testing equipment (Rs.32.73 lakh) and construction of 2 laboratory buildings at Daporijo and Bomdila at a cost of Rs.2.06 lakh (Daporijo-Rs.1.01 lakh and Bomdila-Rs.1.05 lakh). No water testing laboratory was established (April 2001) due to non-availability of required buildings, non-completion of the construction of the buildings and employment of technical staff resulting in idle investment of Rs.34.79 lakh. The balance sanctioned amount of Rs.41.43 lakh also remained unutilised. The reasons for non construction of 10 Laboratory Buildings and non recruitment of technical staff were not on record nor stated (April 2001). The entire expenditure of Rs.34.79 lakh remained unproductive as yet.

4.1.50 The Chief Engineer stated (October 2001) that Rs.34.79 lakh (Central assistance Rs.24.00 lakh, State share – Rs.10.79 lakh) has been utilised fully and the construction of 12 nos. district laboratory buildings have already been constructed. For procurement of glassware, laboratory equipment, chemical etc. the Chief Engineer stated that it was under process. The posts of laboratory staff, however, have not been sanctioned by the Government and thus the laboratories were not functioning (December 2001).

4.1.51 Test check of records further revealed the followings:-

i) Mention was made in paragraph 4.3.10 of the Audit Report of 1996-97 of the Comptroller and Auditor General of India wherein it was pointed out that water testing laboratory at Pasighat established at a cost of Rs.2.00 lakh remained non-functional from the date of establishment (1990-91) for want of technical staff i.e. water analyst and laboratory assistant. It was, however, seen that the building for the same was not yet handed over to PHED by RWD although some laboratory equipment (glass-wire = Rs..0.34 lakh; chemical = Rs.0.18 lakh, furniture Rs.0.35 lakh and instrument and equipment Rs.0.95 lakh) had been handed over. Thus, the purpose for which the laboratory was established remained unfulfilled for a period of over 11 years and the expenditure of Rs.2.00 lakh remained unproductive.

ii) Between 1997 and 1998-99, Daporijo PHE Division sent 23 water samples from different water sources of 4 habitations for test at Naharlagun Rural Works water testing laboratory, out of which only 5 samples were tested till March 2001. The result indicated turbidity of water in all 5 samples (30 to 100 JTU* in place of 25 JTU) and excess iron content (3.37 mg. in place of 1.00 mg) in one sample. However, no remedial action had been taken.

(iii) Ziro and Bomdila PHE Divisions conducted test of 195 water samples only during 1997-98 to 2000-01 with the help of water testing kits. The result of tests although did not indicate any excess properties, the genuineness of the water quality remained doubtful in the absence of necessary laboratory tests as the division had no water testing laboratory.

4.1.52 Thus, the objective of supplying safe drinking water to the beneficiaries was not fully achieved due to non-construction of water testing laboratories in different districts.

Non-replacement/repairing and Non-installation of Iron Removal Plants due to fund constraint and Non-sanction of the revised estimate of the work

4.1.53 Mention was made in paragraph 4.3.11 of the Audit Report 1996-97 of the Comptroller and Auditor General of India wherein it was pointed out that 65 Iron Removal Plants (IRP) were installed during 1989-90, out of which 21 IRPS in Namsai sub-division were not working since 1993-94 and 14 villages

* JTU = mg/l

with a 630 population were consuming untreated water due to non-replacement/ repairing of IRPs.

4.1.54 It was however seen that the department had not taken any action to make the plants functional till March 2001. The Chief Engineer stated (April 2001) that the replacement/repairing of non-functional IRPs could not be carried out due to paucity of fund. The reply furnished by the department is not tenable since huge expenditure under ARWSP and MNP was being incurred every year (1997-98 to 2000-01) on maintenance of existing water supply schemes.

4.1.55 In addition, the Government of Arunachal Pradesh accorded administrative approval and expenditure sanction for Rs.10.60 lakh in January 1995 under ARWSP for installation of 5 IRPs in Mahadevpur and Namsai under Namsai PHE Division. The division incurred an expenditure of Rs.12.82 lakh as of March 2001 but the work of installation of 5 IRPs remained incomplete even after a lapse of 6 years.

4.1.56 The Chief Engineer stated (October 2001) that the delay in installation of Iron Removal Plants at Mahadevpur and Namsai was due to non-sanction of the revised estimate of the work by the Government which was necessitated due to change of scope of work and that the same would be installed after the receipt of revised sanction. It was clear that the scope of the work was not scientifically assessed leading to delays, blocking up of funds amounting to Rs.12.82 lakh and depriving 4 villages with a population of 3133 persons, access to safe drinking water.

Non-execution of treatment of water due to non-allocation of sufficient fund

4.1.57 The department had covered 3793 FC/PC habitations under the scheme so far (March 2001). As per record 465 filtration plants were installed for a population of 77359 in 13 districts as of March 2001. No filtration and treatment plants in the 3328 remaining villages/habitations (3793-465) were provided and the villages in these areas were provided with untreated water.

4.1.58 The Chief Engineer stated (October 2001) that the programme could not be implemented due to non-allocation of sufficient funds by the state government. This is not borne by facts as there were no records to show that this issue had been pursued with the Government.

Shortfall in performance of rigs against the prescribed norms

4.1.59 The Rural Works Department received (1988) one UNICEF Rotomac 50-DTH rig from Government of West Bengal free of cost (value Rs.95.00 lakh) to tackle the problem of water supply in rural areas of the state. Consequent upon creation of the separate PHE Department, the rig was transferred (1995) to Mechanical Division, PHED, Itanagar.

4.1.60 The Government of India fixed the norms of 12 wells (drilling of 720 metres) for each rig in a month. Test check of record revealed that the rig had bored only 26 wells (23 successful and 3 unsuccessful) involving 1097 meters of boring in East Siang district during 1996-97 to 2000-01. Thus, there was shortfall of 694 wells (96 *per cent*) against the norms. It was stated (February 2001) by the Executive Engineer of the division that the large span of the useful life of the rig was over. The reply, however, was silent about the life of the rig. Further, according to guideline, a monthly rig performance report is required to be submitted to the Government of India. No progress report was, however, submitted by the department from April 1998.

4.1.61 The Chief Engineer stated (October 2001) that the Department had approached GOI as well as state government for providing necessary fund to procure 1 (one) new water well boring rig for the replacement of existing rig. This proposal had not materialised and the department was compelled to utilise the present rig for urgent work.

Avoidable extra expenditure due to uneconomic utilisation of the old rig

4.1.62 Between April 1997 and January 2001 Mechanical Division, Itanagar, incurred an expenditure of Rs.73.50 lakh for boring of 16 wells (maintenance and upkeep of the rig Rs.47.16 lakh and procurement of materials for boring and installation of hand pumps (Rs.26.34 lakh). The work of installation of the hand pumps was in progress as of March 2001. During the same period the division incurred an expenditure of Rs.6.17 lakh for ground water exploration and installation of 2 hand pumps at Naharlagun through a Guwahati based firm in March 1998.

4.1.63 Had the work of boring of 16 wells been done through the said Firm instead of uneconomic utilisation of the old rig, the division could have got the work done at a cost of Rs.49.36 lakh (16X3.085 lakh) and could have avoided an extra expenditure of Rs.24.14 lakh (Rs.73.50 lakh – Rs.49.36 lakh).

4.1.64 The Chief Engineer stated (October 2001) that the cost of boring through the private firm varied from place to place. He informed that the cost of a boring at Naharlagun and Pasighat were Rs.3.08 lakh and Rs.6.00 lakh respectively but however, did not furnish cost details of the 16 borings made during the period from April 1997 to January 2001.

Excess expenditure due to non-installation of hand pumps as per norms

4.1.65 As per norms under ARWSP, there should be one hand pump for every 250 persons. It was noticed that during 1997-98 and 1998-99, 741 hand pumps (India Mark II-7 Nos, India Mark III-5 Nos and ordinary hand pumps 729 Nos) covering a population of only 0.19 lakh were installed at a cost of Rs.65.71 lakh. The coverage of population per hand pump was merely 26 due to failure on the part of the department to follow the prescribed norm for providing hand pump to the villagers and thereby depriving 1.66 lakh (741 X

250 = 1.85 lakh – 0.19 lakh) population of the benefit of drinking water for non-coverage of population as per norms. Further, as per norms, to cover the 19,000 population the requirement of hand pump was only 76 (19000 ÷ 250) but the department installed 741 hand pumps which resulted in excess installation of 665 hand pumps (741-76). Thus leading to an avoidable excess expenditure of Rs.59.85 lakh (665 X Rs.0.09 lakh) due to non-installation of hand pumps as per norms.

4.1.66 The Chief Engineer stated (October 2001) that the norms under ARWSP for installation of one hand pump for every 250 persons is for all India Level and applicable to the plain areas only. He stated that this norm is not suitable for Arunachal Pradesh covering hilly terrain with steep gradient and habitations that are thinly populated with scattered houses. However, no records could be produced to show if relaxation of this norm based on the Chief Engineer's reasons cited, had ever been taken up with the GOI.

Material Management

4.1.67 Rules provides that purchase of stores should be made in most economical manner and after assessing definite requirement of the public service. Purchasing or indenting in excess of requirement is to be avoided.

4.1.68 Test check of records of selected divisions, however, revealed the following irregularities:-

Materials procured at a cost of Rs.16.99 lakh lying unutilised

4.1.69 Test check of MAS Accounts of the four water supply schemes, at Deed Village, Kicho Village, Yangti IV School and Sate M.E. School, under Ziro PHE Division disclosed that G.I. pipes, G.I. fittings, bleaching powder etc. worth Rs.9.20 lakh procured during February 2000 to February 2001 were lying unutilised without any issue even after the completion of the work in January 2001. Similarly, between August and September 2000, the division procured 529 Nos. of pipe wrench of different specification valued Rs.7.79 lakh against 29 ARWSP schemes without any provision in the sanctioned estimate of the work. The materials so procured were lying unutilised in the MAS Account of the work. Thus, the procurement of materials in excess of requirement resulted in idle investment of Rs.16.99 lakh (Rs.9.20 lakh + Rs.7.79 lakh) and unnecessary locking up of funds. The Chief Engineer (October 2001) replied that these 4 schemes were completed during March 2001 but remained silent on the blocking up of funds of Rs.16.99 lakh.

Extra expenditure of Rs.24.62 lakh on procurement of GI fittings

4.1.70 Further, the three divisions viz, Ziro, Daporijo and Bomdila PHE Divisions incurred an expenditure of Rs.28.25 lakh during December 1996 to September 2000 towards procurement of G.I. fittings against the sanctioned

estimate of Rs.3.63 lakh (being 5 *per cent* of the cost of G.I. pipes) for 10 rural water supply schemes resulting in extra expenditure of Rs.24.62 lakh. The Chief Engineer (October 2001) stated that the procurement were as per requirement as sometime pipes were not sufficient for some particulars schemes. No revised estimates were prepared to show the additional requirement and it was clear that the estimates originally prepared by the Engineer for the water supply schemes were flawed leading to extra expenditure of Rs.24.62 lakh. Further, Chief Engineer in his reply remained silent as to why the matter was not taken up with the appropriate authority for relaxation of norms.

Non-utilisation of fund under Sector Reform Programme (SRP)

4.1.71 In Arunachal Pradesh, West Siang and Lohit districts were selected as Pilot districts for implementation of Sector Reform Programme(SRP) to institutionalise community participation in Rural Water Supply Programme. Records of the Department (PHED) revealed that state and district level water and sanitation Missions were constituted in January 1999 and the grants-in-aid of Rs.448.80 lakh for both the pilot districts (Rs.196.35 lakh for West Siang and Rs.252.45 lakh for Lohit district) released (March 2000) by the Government of India were credited to the Saving Bank accounts opened in the State Bank of India (September 2000) in the respective district Headquarters.

4.1.72 Since there was no progress in implementation of SRP the total fund of Rs.448.80 lakh was unnecessarily lying blocked in the banks for a period of over 6 months.

4.1.73 The Chief Engineer stated (October 2001) that “the concept of Sector Reform Programme to institutionalise community participation in RWS is quite new and is taken up in West Siang and Lohit districts on Pilot basis”. He has however, not stated the outcome of these two pilot studies.

Unproductive expenditure due to non-utilisation of trained personnel under Human Resource Development (HRD) Programme

4.1.74 The primary focus of the National Human Resource Development Programme (NHRDP) was building up of capacity and capability of rural beneficiaries for more active community participation and for elevating the performance and productivity levels of the sector.

4.1.75 For creation of HRD cell in the state, the Government of India released Rs.16.49 lakh in January 1996. The state government however, released the amount to the implementing department (PHED) in March 1998, i.e. after a delay of 26 months for reasons not on record nor stated (April 2001). The state HRD cell under PHED was accordingly set up in March 1998. After creation of the HRD cell, the Government of India released further fund of Rs.22.89 lakh between March 2000 and November 2000. Out of the total fund of Rs.39.38 lakh (Rs.16.49 lakh + Rs.22.89 lakh) released by the Government of

India, Rs.10.50 lakh released for establishment expenditure in the form of staff salaries of staff of HRD Cell. As per sanction, staff salaries was to be borne by the Central and state government on 50:50 basis. In 2000-01, the state government released fund of Rs.4.98 lakh against Rs.10.50 lakh released by the GOI. The balance state share of Rs.5.52 lakh has not yet been released by the state government and the reasons thereof were not on record nor stated. Further, out of the total available fund of Rs.44.36 lakh (Rs.39.38 lakh + Rs.4.98 lakh), the state HRD cell had incurred an expenditure of Rs.41.58 lakh during 1998-99 to 2000-01 for procurement of office equipment (Rs.22.74 lakh), grass root level training (Rs.5.17 lakh), sector professional training (Rs.0.79 lakh), staff salaries/office establishment etc. (Rs.12.88 lakh) leaving an unspent balance Rs.2.78 lakh as of March 2001.

4.1.76 During the period from 1997-98 to 2000-01, 34 training programmes for training of 680 trainees (34 X 20) were sanctioned by the Govt. of India. Against this, the cell had imparted training to 663 trainees (1997-98:69; 1998-99:258; 1999-2000:93; 2000-01:243). Out of 663 trainees, 489 were grassroots level trainees for field functionaries and local beneficiaries such as plumbers, fitter, electricians and pump operators etc. and 174 were sector professional trainees. However, the services of the trained personnel were not utilised for taking up operation and maintenance of the already created under rural water supply schemes and people's participation was nil. Thus, the very objective of creation of HRD Cell was not achieved.

4.1.77 The Chief Engineer realising the importance of Human Resource Development stated (October 2001) that it was a supporting activity, a part of sector reform programme and a continuous and time taking process. However, he was silent as to why it took more than 26 months to set up the HRD Cell in his Department.

Non-utilisation of fund due to non-installation of the computer system under Management Information System

4.1.78 The Government of India released Rs.68.15 lakh during 1995-96 to 1999-2000 for installation of a computer system in Arunachal Pradesh under a centralised umbrella arrangement through a Delhi based agency finalised by NDW Mission for rural water supply and sanitation sector. The Mission, however, selected (May 1998) a Delhi based firm for Arunachal Pradesh for supply of hardware and a Bangalore based firm for supply of UPS/CTV at agreed rates. Accordingly, the PHE Department placed supply order on both the firms for supply of Hardware costing Rs.23.84 lakh and Uninterrupted Power Supply System (UPS) costing Rs.17.02 lakh in March 1999 and April 1999. The year-wise release of funds and expenditure incurred there against were as under:

Table – 4.6

Year	Fund released by GOI	GOI fund released by State Govt.	Expenditure	Unspent balance
<i>(Rupees in lakh)</i>				
1995-96	25.77 (March 1996)	-	-	-
1996-97	-	-	-	-
1997-98	8.88 (March 1998)	-	-	-
1998-99	33.50 (December 1999)	25.35 (March 1999)	-	-
1999-2000	-	-	9.17	-
2000-2001	-	42.80 (December 2000)	8.11	-
Total	68.15	68.15	17.28	50.87

4.1.79 Thus, there was delay in release of central fund by the state government for a period ranging from one year to three years for reasons not on record nor stated (April 2001).

4.1.80 Hardware materials worth Rs.23.84 lakh ordered for in March 1999 had not been received from the approved firm as of March 2001. The delay in receipt of Hardware was attributed by the Chief Engineer (April 2001) to clarification of configuration and bench marking sought from the GOI which was awaited. The reply, however, remained silent about the reason for placing supply order without obtaining clarifications from the Government of India.

4.1.81 The reply of the Chief Engineer is not acceptable as it had at no point taken up the issue of change of configuration and bench marking of the computer hardware with the GOI. After May and June 1998 the GOI had made no changes to the configuration or bench marks of the computer hardware. Had the configuration changed, then the Department should not have placed the order on the approved firm. Further the inaction of the Department in not taking up with the approved firm the non-supply of the computer hardware ordered for in March 1999 clearly showed lack of initiative. The fund of Rs.50.87 lakh received from the GOI was still lying unutilised with government. Further, the 13 UPS which have been received, costing Rs.17.28 lakh are lying idle. The MIS has then not been implemented till date by the department.

4.1.82 The Chief Engineer stated (October 2001) that the computers and other accessories have now been received and installation is in progress.

Accelerated Urban Water Supply Scheme

Selection of Schemes

4.1.83 The selection of towns shall be done only through State Level Committee constituted for this purpose after considering the Detailed Project Reports (DPRs) prepared in respect of individual towns as per the guidelines of the scheme. Special attention should be given to ensure that the population

of the town should be less than 20,000 as per 1991 census, 95 *per cent* dependability and reliability of the water source is established, provision for sustainable operation and maintenance mechanism is evolved, a sustainable tariff system evolved and approved by the state government, provision is made for 5 *per cent* contribution from the urban local bodies towards the project cost. If any of these stipulation are not fulfilled and incorporated in the DPRs, the scheme will not be eligible for inclusion in the Programme.

4.1.84 Accordingly, 2 schemes selected by the SLC i.e. (i) Naharlagun water supply scheme and (ii) Itanagar water supply scheme (Ph.1) were approved by the Government of India in March 1997.

Test check of records revealed the following:

Defective works led to an avoidable wasteful expenditure

4.1.85 The augmentation of water supply scheme of Naharlagun/Nirjuli was approved by the Government of India in March 1997 at a cost of Rs.10.17 crore. The implementation of the scheme was kept in abeyance (February 1999) on the orders of the Government of India as it was found after a verification by the Deputy Advisor (DA)(PHE), GOI, Ministry of Urban Affairs and Employment that the Government of Arunachal Pradesh had kept the GOI in the dark about the problem faced by the department from 1994 while implementing the ongoing WSS of Naharlagun, approved in July 1989 which is not complete till date (March 2001).

4.1.86 In his report the DA, PHE, GOI had clearly stated that the M/s Subash Project and Marketing Ltd. Calcutta (SPML), the firm to whom the work was awarded on turn-key basis had changed scope of the scheme without the Department's authority and that the terms and conditions of the tender agreed to by the Department for this firm was against the interest of the Department. The DA PHE, GOI also observed that the design and drawing of vital components of the scheme were not approved by C.E., P.W.D. who was the competent authority leading to defective works. The total expenditure of Rs.5.87 crore on this original work incurred between November 1992 and January 1997 has become wasteful.

4.1.87 In reply, the Chief Engineer stated (October 2001) that the on going WSS of Naharlagun was not completed and handed over to the department by the contractor due to its defective construction. His reply was silent as to why the Department did not inform the GOI of difficulties faced since 1994. This inaction on the part of the Department and Government had led to an avoidable wasteful expenditure of Rs.5.87 crore and more important the implementation of water supply to Naharlagun/Nirjuli has not fructified.

Irregular execution of the scheme which was not eligible for inclusion under AUWSP

4.1.88 According to norms, the population of a town should be less than 20,000 as per 1991 census for selection and approval of water supply scheme under AUWSP. Scrutiny of records, however, revealed that the population of Itanagar township was 53,000 as per 1991 census. Hence, the selection and approval of Itanagar water supply scheme Phase-1 under AUWSP at a cost of Rs.14.50 crore for the scheme was irregular and not covered under guideline. The reason for such irregular selection of the scheme was neither available on records nor stated (March 2001). The irregular expenditure of Rs.10.42 crore has not been regularised (March 2001).

4.1.89 The Chief Engineer stated (October 2001) that as per 1991 census the population of Itanagar township was 16454 which was less than 20000 and therefore the project was considered eligible for taking up under AUWSP. The reply furnished by the Chief Engineer is not correct as the Surveyor of Works, Public Health Engineering Department, Itanagar in April 2001 to an audit query informed that the population of Itanagar township as per 1991 census was 53,000. Thus it was clear that the Department had taken up the scheme under AUWSP which was not permissible.

Implementation

4.1.90 Itanagar water supply scheme was sanctioned by the Government of India at a cost of Rs.14.50 crore in March 1997 with a time frame of three years for completion. The implementation of the scheme was entrusted to Itanagar PHE Division. The department awarded the works of the scheme involving 22 components like, intake chamber, sedimentation tank, filter house, clear water reservoir booster pump house, laying of pipe etc. to a Likabali based firm in March 1999 at a negotiated amount of Rs.7.48 crore with the stipulation to complete the work in 24 months. Besides, the supply, installation, testing and commissioning of 500 KVA Diesel Generating set was awarded to a Itanagar based Firm at Rs.25.65 lakh in October 1997 and the construction of 11 KV feeder line for booster pump house was entrusted to Power Department at Rs.15.41 lakh in December 2000. There was delay of 24 months in finalisation of tender and awarding of Civil works to the contractor and the reasons thereof were not on record nor could be stated (May 2001).

4.1.91 Test-check of records revealed that the Likabali based firm was paid (January 2001) Rs.558.22 lakh upto 18th RA Bill for execution of 13 components out of 22 components of the scheme (value Rs.646.66 lakh) with physical progress ranging from 70 *per cent* to 80 *per cent*. However, the work of remaining 9 components (value Rs.100.86 lakh) were not taken up as of March 2001 for reasons not on record nor stated (May 2001). The work of installation and commissioning of 500 KVA Diesel Generating set and

construction of 11 KV feeder line for booster pump house were completed at the agreed cost in March 1998 and March 2001 respectively.

4.1.92 As per abstract cost of the estimate of this work, the requirement of ERW MS pipe (200 mm dia) was 2400 mtr but the Executive Engineer, PHE Division, Itanagar entered into an agreement with the firm in March 1999 for survey, design and laying of 200 mm ERW MS pipe for 7000 mtr. at a total cost of Rs.1.55 crore (@ Rs.2211.00 per mtr.). Till the 18th RA bill of January 2001 the firm had laid 7942 mtr. of 200 mm ERW MS pipe and had been paid Rs.1.76 crore (March 2001).

4.1.93 Thus, till March 2001 an excess of 5542 mtr. (231 *per cent*) of 200 mm ERW MS pipe had been laid in contravention of actual requirement as per sanction estimate leading to an excess expenditure of Rs.1.23 crore.

4.1.94 It was clear that the Department had taken up the work based on a defective estimate.

4.1.95 The Chief Engineer stated (October 2001) that delay was due to late receipt of approval for the acceptance of tender from the state government. There is cause for concern if the Government cause delay in such big works and the same should be avoided in future. Delay lead to time and cost overrun.

Unauthorised expenditure

4.1.96 The division entered into an agreement (January 1999) with a Mumbai based firm for supply, fabrication, welding and installation of 2700 metres of 160 mm dia PHED/PEMD pipe at a cost of Rs.30.76 lakh (cost of pipe: Rs.24.71 lakh + cost of fabrication: Rs.6.05 lakh) in connection with "Augmentation of water supply for Naharlagun Township" although this scheme was not approved by the GOI. The materials were supplied in November 2000 and a payment of Rs.22.24 lakh was made to the firm in January 2001 by charging the expenditure to Itanagar Water Supply Scheme Phase-I which was unauthorised.

4.1.97 Further scrutiny revealed that these pipes which were not suitable for the Naharlagun water supply scheme were transferred to Itanagar water supply scheme although there was no provision for utilisation of such pipes in the sanctioned estimate of Itanagar water supply scheme. The pipes had not been utilised in the work of Itanagar water supply scheme as of April 2001.

4.1.98 Thus, procurement and issue of PHED/PEMD pipes to work of Itanagar water supply scheme resulted in an unauthorised expenditure of Rs.22.24 lakh.

4.1.99 The Chief Engineer (October 2001) stated that 2700 mtr. of 160 mm dia pipe procured for augmentation of water supply to Naharlagun township was utilised in the work of “Augmentation of water supply at Itanagar township (Phase-I – 7 MLD)” in distribution network as per provision in the approved estimate of the work.

4.1.100 The reply furnished by the Chief Engineer was not correct as in the approved estimate of the work there was no scope for utilisation of 160 mm dia pipes.

4.1.101 Further no documents regarding the utilisation of the 160 mm dia pipes valued Rs.30.76 lakh and claimed to have been diverted from the Naharlagun project (which though started was kept in abeyance) could be produced.

Irregular expenditure

4.1.102 Test check of records revealed that the division incurred an irregular expenditure of Rs.5.04 lakh during March 1998 and March 1999 for purchase of a Xerox Photocopier machine (Rs.1.99 lakh) and a Maruti Gypsy (Rs.3.05 lakh) though no provision existed in the sanctioned estimate of the scheme (Itanagar Urban Water Scheme-Phase-I) for procurement of these items.

4.1.103 The Chief Engineer stated that the photocopier was used in the Division to make copies of drawings and other important documents while the Maruti Gypsy procured against the project was used by the Asstt. Engineer for field duties at different locations of the project. He however, remained silent as to who authorised this irregular expenditure of Rs.5.04 lakh.

Evaluation

4.1.104 The impact of implementation of the programmes and functioning of the schemes were to be evaluated for taking corrective action, but no such evaluation had been conducted by the department since its inception.

Recommendations

4.1.105 Funds may be released to the implementing authorities without delay.

- Operational and maintenance expenditure may be incurred prudently as per norm.
- Efforts may be made to cover the shortfall in coverage of village/ habitations during 1997-2001 by 2004 AD.
- Completion of the schemes may be made as per guidelines.

- 12 districts level water testing laboratories should be made functional.
- Trained personnel under HRD may be utilised for implementation of rural water supply schemes.
- Under AUWSP, the unauthorised expenditure of Rs.10.42 crore on Itanagar Urban Water Supply Scheme requires regularisation.

4.1.106 The matter was reported to the Government (June 2001), reply has not been received (December 2001).

SECTION – B - PARAGRAPHS

PUBLIC WORKS DEPARTMENT

4.2 Unauthorised utilisation of fund

Due to unplanned and unauthorised utilisation of fund of Rs.57.23 lakh by the Executive Engineer, Capital 'B' Division, Itanagar the work of "construction of office building for Directorate of Horticulture" remained incomplete even after expiry of more than 2 years from the target date of completion of the work

4.2.1 The work "construction of office building of the Directorate of Horticulture at Gohpur Road, Itanagar" was administratively approved by the Horticulture Department of the Government of Arunachal Pradesh in February, 1996 at an estimated cost of Rs.1.03 crore and was targetted for completion by February 1999. Accordingly, Rs.1.00 crore was placed with Public Works Department (PWD) between March 1996 and June 1999 for execution of the work as "Deposit Work". The Capital 'B' Division, (PWD), Itanagar took up the work (March 1996) and after completion of 75 per cent of the work costing Rs.1.01 crore upto June 1999, discontinued the same due to non release of further funds by the Horticulture Department.

4.2.2 Test-check of the records of the Division (May 2000) revealed the following irregularities :-

- (i) The Division between March 1996 and March 1997 procured building materials worth Rs.59.40 lakh* against the actual requirement of Rs.47.90 lakh and materials valued at Rs.44.47 lakh were utilised in the work. This resulted in procurement of excess materials worth Rs.14.93 lakh (Rs.59.40 lakh-Rs.44.47 lakh) and the same were lying unutilised for last 4-5 years as per site account.
- (ii) Under the approved estimate, Rs.11.32 lakh was provided for execution of 8 items of superior works** which was found to be

* Tiles, shuttering Ply, paints, G.I. specials, Plasticfelt sheet, Torsteel, Mild steel, Cement, Bricks, CGI Sheet, Flyproof Wiremesh, A.C. Sheet, Tubular Trusses etc.

** Aluminum Doors and Windows; Flush doors shutters and P.V.C. sintex doors in bathrooms and toilets; Terrazo tiles flooring, Kotastone flooring and chequered terrazo tiles, spartek/ceramic tiles flooring in toilets; white glazed tiles in dado's of all toilets and canteen; Decorative ceiling tiles in ceiling; Providing of transparent sheet roofing and ridging; Aluminium railing in balcony and stair cases; Wall finishing with water proofing cement paint (exterior) with plastic emulsion paint (interior).

inadequate by an assessment made by the PWD after the Hon'ble Dy. Minister for Horticulture during his visit (March 1997) expressed his desire for further superior specifications. In anticipation of the approval of Government to a supplementary estimate for Rs.29.55 lakh submitted (February 1998) by the PWD to the Horticulture Department, the Division spent Rs.38.05 lakh^{***} upto December 1997 for the aforesaid items of work. The Government (Department of Horticulture) however, rejected (April 2000) the proposal for release of additional funds of Rs.29.55 lakh sought for under supplementary estimate. Thus, the modification of the work without the approval of the Horticulture Department was irregular and unauthorised. No action was taken by the PWD to regularise the unauthorised excess expenditure of Rs.26.73 lakh (Rs.38.05 lakh-Rs.11.32 lakh).

- (iii) The division between March 1996 and March 1997 irregularly diverted funds of Rs.22.25 lakh from this work for meeting the expenditure on 17 different works under State Plan fund, of which Rs.6.68 lakh was adjusted between December 1997 and July 1999 leaving a balance of Rs.15.57 lakh unadjusted as of January 2001 owing to non availability of funds under State Plan.

4.2.3 Thus, due to unplanned and unauthorised utilisation of fund of Rs.57.23 lakh (Rs.14.93 lakh + Rs.26.73 lakh + Rs.15.57 lakh) against this "Deposit Work", the office building remained incomplete even after expiry of more than 2 years from its target date of completion.

4.2.4 The matter was referred to Government in September 2000; reply has not been received (December 2001)

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.3 Unfruitful expenditure

Unfruitful expenditure of Rs.9.50 lakh as the Chief Engineer, PHED could not finalise the alternative source of water even after eight years of sanction of the work

4.3.1 The scheme aimed at providing water supply facilities to Nangtawshyam village in Lohit district from a source located at Mannabhum Hill. The Government (Department of Rural Works) accorded (January 1992) administrative approval for construction of water supply scheme at an estimated cost of Rs.6.16 lakh with a time schedule for completion by 1993-

^{***} including committed liability of Rs.25.97 lakh

scheme was sanctioned. The work was taken up (February 1992) for execution by the composite Rural Works Division (RWD) Tezu. The estimate of the work in progress was revised (March 1994) to Rs.18.36 lakh on the ground of providing bigger dia G.I. pipe (150 mm dia) and inclusion of some additional items of work*. The R.W. division after completion of the work partially at a cost of Rs.7.16 lakh transferred (October 1995) the work to newly created Public Health Engineering Division (PHED), Namsai for execution of the balance work.

4.3.2 Test-check (December 2000) of the records of PHED, Namsai revealed that this division incurred an expenditure of Rs.2.34 lakh between October 1995 and March 2000 towards procurement of materials (G.I. pipes & Specials). No further work was executed as the source had dried up. No survey was conducted till December 2000 to locate an alternate source of work. Hence the scheme remained incomplete since February 1992.

4.3.3 Thus, taking up of the work without proper survey and investigation led to an unfruitful expenditure of Rs.9.50 lakh (RWD Tezu: Rs.7.16 lakh; PHED, Namsai: Rs.2.34 lakh). The objective of providing water supply to the villagers of Nangtawshyam had not been achieved even after eight years of taking up the work and the chances of it being completed are remote as the original source of water has dried out. Responsibility for undertaking the defective work had not been fixed by the Government (December 2000).

4.3.4 The matter was referred to Government in March 2001; reply has not been received (December 2001).

IRRIGATION AND FLOOD CONTROL DEPARTMENT

4.4 Locking up of fund on a Marboat

Locking up of fund of Rs.7.60 lakh due to idle investment on procurement of a marboat

4.4.1 The Tezu Irrigation and Flood Control Division is totally cut off by floods during monsoons. In order to provide uninterrupted transport facility to department's staff, Government accorded Administrative Approval and Expenditure Sanction (March 1999) for Rs.7.00 lakh to the Executive Engineer of I.F.C.D. (Tezu) for procurement of a double engine Marboat* 12

* (i) Construction of CC stream collection structure, Earthwork in excavation channel cutting for laying 150 mm and 65 mm dia GI pipe, providing automatic back wash filtration plant for school building and 1 No. of mandir etc.

* Marboat is an engine driven boat for carrying passengers/vehicle across the river

MT capacity at a cost of Rs. 5.50 lakh and wages of the operator, helpers, cost of other accessories and HSD Rs. 1.50 lakh.

4.4.2 Test-check of record of IFCD, Tezu (December 2000) revealed that the Marboat was procured (September 1999) through a local contractor at the estimated cost of Rs. 5.50 lakh without invitation of tenders and no reasons were on record for this action. Further, the division incurred an expenditure of Rs. 2.10 lakh (Rs. 1.50 lakh on wages of labourers, small T&P, HSD oil for trial run of the boat etc., and Rs. 0.60 lakh on wages of Chowkidar at the rate of Rs.4000 p.m. for watching the boat at Digarughat) between September, 1999 and November 2000. The boat remained idle at Digarughat on the river Lohit till the date of audit (December 2000).

4.4.3 It was clear that there was no justification in procurement of the boat and the entire expenditure of Rs.7.60 lakh incurred till November 2000, proved idle and resulted in locking up of funds.

4.4.4 In reply, the Chief Engineer, Irrigation and Flood Control Department (IFC) stated (July 2001) that the boat could not be put to use due to fund constraints, for lack of experienced/skilled manpower for its running, upkeep and proper maintenance. It was then decided to utilise the service of the boat for carrying of boulders and other materials used in Flood Control works against the Central Sector Scheme under Tezu Division. It was clear that the purpose of procurement of the boat was totally frustrated.

4.4.5 The matter was referred to the Government in February 2001; reply has not been received (December 2001).

RURAL WORKS DEPARTMENT

4.5 Wasteful expenditure on an incomplete road work

The Executive Engineer RWD, Roing incurred wasteful expenditure of Rs.7.11 lakh on execution of the work without proper planning

4.5.1 The Government of Arunachal Pradesh, Rural Works Department, with a view to improve the socio-economic condition of the villagers of Matoli, Angolin and Kedali villages in Dibang Valley district, sanctioned (March 1991) construction of a rural link road from BRTF road to Matoli village (Length: 2.095 Km, Width: 4.00 metre) at an estimated cost of Rs.6.43 lakh. The work was to be completed in four years. The scope of the work provided

4.5.2 The Rural Works Division (RWD), Roing took up work during 1991-92 through contractors and could complete formation cutting of 1.249 Kms only upto March 1998 at a total cost of Rs.7.11 lakh without undertaking the work of the side drain for easy passage of water. Thereafter, no further work was executed till the date of audit (November 2000) for reasons not on record nor stated. As a result, the road condition deteriorated with the passage of time owing to vagaries of nature and the road upto 1.249 Kms remained unutilised. In October 1999, the division submitted a revised estimate for Rs.24.42 lakh for formation cutting including widening and side drain work for the entire stretch of the road (0-2.095 Kms). The width of the road was to be maintained at 5.20 metre. Government did not sanction the revised estimate till March 2001.

4.5.3 Thus, execution of the work without proper planning resulted in wasteful expenditure of Rs.7.11 lakh and the villagers even after 10 years of sanction of the work do not have a rural link road.

4.5.4 The Chief Engineer, RWD, Itanagar stated (November 2001) that due to heavy soil erosion and rainfall acted as a deterrent to the progress of work and soil at different stretches were washed away by the heavy rainfall. However, revised estimate of Rs.24.42 lakh for the work has been sanctioned by the Government in July 2001 and the progress of the work would depend on the provision of funds in the AOP. Further development is awaited (November 2001).

4.5.5 The matter was referred to Government in February 2001; reply has not been received (December 2001).

4.6 Nugatory expenditure on the construction of a rural link road

The Executive Engineer, Popumpoma Rural Works Division incurred nugatory expenditure of Rs.35.82 lakh due to taking up of a work without survey and investigation and clearance from the civil administration

4.6.1 Construction of a rural link road from Kachubari to Taraso village (length 11.10 Km.) bordering Assam was sanctioned by Government in February 1991 to allow communication facilities to 7* adjoining villages at a cost of Rs. 40.11 lakh. The work was to be completed within 2 years from the date of commencement. The work was taken up for construction by Popumpoma Rural Works Division, Itanagar through contractors in March 1991. The earthwork in formation cutting of the road in stretches (0 – 11.10 Km) was completed in March 1992 after incurring an expenditure of Rs.35.82 lakh. Payments were released between March 1991 and September 2000. However, in April 1992, the site engineer of the work reported to the Divisional Officer that about 2.5 Km of road length constructed through

* Kachubari, Dariyabil, Pompla, Ranghat, Lower Borha, Upper Taraso and Lower Taraso.

Singlijan Reserve Forest near Balijan area of Assam was damaged by the Forest Department of Assam with the help of Assam Police Personnel owing to dispute over land. The site engineer also reported that the construction of the road on the existing alignment was done at the instance of the local MLA. On receipt of this report, the Divisional Officer (August 1992) instructed the Sub-Divisional Officer to stop the work till further order. Work has not resumed from that date till now (March 2001). Details of estimates on reconstruction work or compensation claim lodged with the Assam Government were neither available on records nor stated.

4.6.2 Thus, execution of the work without proper survey and investigation and without obtaining clearance from the Revenue Department leading to stoppage of work, resulted in a nugatory expenditure of Rs.35.82 lakh which included wasteful expenditure of Rs.8.07** lakh owing to damage of 2.5 Km of the road. Further, the villagers were also deprived of the benefits of the road (March 2001).

4.6.3 The matter was reported to the Government in February 2001; reply has not been received (December 2001).

** Rs. 35.82 lakh/11.10 km x 2.5 Km = Rs. 8.07 lakh