

Chapter III: Civil Departments

Reviews

Department for the Welfare of SC/ST/OBC/Minorities

3.1 Improvement of Scheduled Caste Basties

Highlights

The Department did not identify Scheduled Caste (SC) basties where improvement works were to be carried out. Targets were set and works undertaken in an ad hoc manner without a comprehensive survey or study.

{Paragraph 3.1.7}

The Department spent Rs. 3.92 crore on works in basties where the SC population was less than the stipulated 50 per cent and in areas which were not covered under the scheme.

{Paragraphs 3.1.7 & 3.1.9}

The Department spent Rs. 10.15 lakh on installation of electrical fittings in 24 chaupals which could not be utilized for want of electricity connections.

{Paragraph 3.1.9}

The Department installed expensive high mast lights at a cost of Rs. 1.10 crore in four constituencies where street lights already existed. The provision of expensive high mast lights was therefore unnecessary.

{Paragraph 3.1.10}

There was no provision for the upkeep and maintenance of assets created at an expenditure of Rs. 55.55 crore under the scheme during the last five years. Sample checks of assets valued at Rs. 7.17 crore disclosed their deterioration due to lack of maintenance.

(Paragraph 3.1.12)

There was no system of periodic monitoring, evaluation and internal audit of the implementation of works under the scheme. A Task Force constituted in September 2002 to verify the quality of works remained non-functional till November 2004.

(Paragraph 3.1.13)

List of recommendations

A comprehensive survey may be undertaken to identify and demarcate the SC basties and to prioritize the specific works which are required to be taken up in each basti in a composite, need-based manner on the basis of approved principles/norms. The Government may allot funds taking into account the capacity of the nodal department and executing agency to undertake the works and utilize the funds.

The Department may establish procedures to permit only those works where the end use is ensured and may review all such works already undertaken whose end use has not been established for remedial measures.

The Department may institute procedures to establish the eligibility of the area for works under the scheme as well as the necessity of the proposed work through independent verification before according sanction.

The Department may undertake a thorough review of the scheme as stated in the meeting with the Accountant General in September 2004 to discuss the draft review along with an impact evaluation to assess the efficacy of the scheme as implemented so far.

3.1.1 Introduction

According to Census 2001, the Scheduled Caste (SC) community in the NCT of Delhi numbered 23.43 lakh (rural 1.88 lakh and urban 21.55 lakh) which constituted 16.91 *per cent* of the total population of Delhi. As part of efforts aimed at the social and physical uplift of the vulnerable section, the Government of NCT of Delhi implemented with effect from May 1993 a

welfare scheme titled “Improvement of Scheduled Caste Basties.” The basic objective of the scheme was to improve the living conditions in basties predominantly inhabited by the SC community by carrying out civil works, such as repair of chaupals, construction of common bathrooms and community latrines, repairing/re-laying of drains and pavements, construction of bituminous roads or cement concrete flooring of approach roads, repairing of dharamshalas, etc. The works are taken up subject to the following conditions:

- (i) the cluster/basti where improvement works are proposed to be carried out should be situated within the Laldora¹/extended Laldora²/government land under the 20 Point Programme or on private land;
- (ii) the percentage of SCs in the cluster/ basties should be more than 50 *per cent* of its total population;
- (iii) the improvement works should be essential for the health and hygiene of the residents;
- (iv) the specific works and the streets/lanes where the works are to be carried out should be clearly mentioned; and
- (v) the basti/ cluster should not contain less than 100 houses.

Requests for such works are received from the public, preferably through the local MLA. Thereafter, an inspection is conducted by the Department to ascertain whether over 50 *per cent* population in the basti/colony belongs to the SC community. However, in cases where the MLA certifies that more than 50 *per cent* population in the basti is of the SC community, then no survey is undertaken.

3.1.2 Organizational set up

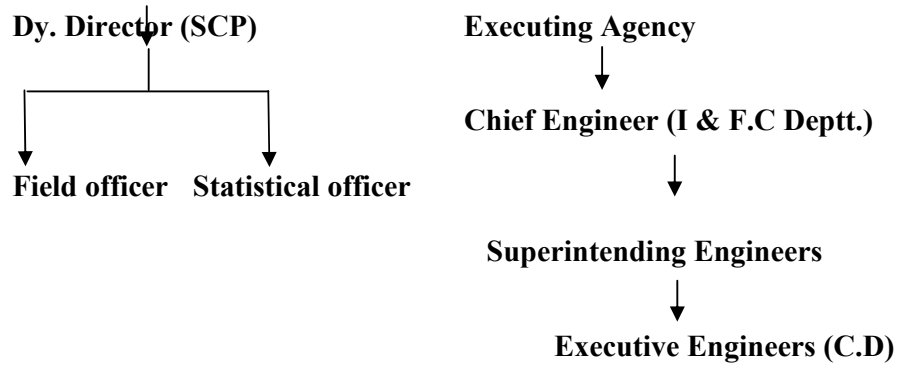
The scheme is administered by the Department for the Welfare of SC/ST/OBC/Minorities as the nodal department. The Municipal Corporation of Delhi (MCD) was entrusted with executing the works under this scheme till July 1999. Thereafter, the execution was entrusted to the Irrigation and Flood

Control (I&FC) Department. The organizational structure is as follows:

¹ *Old abadi of the village*

² *Area/land surrounding laldora*

Department for the Welfare of SC/ST/OBC/Minorities-Nodal Department



On receipt of requests from the residents and elected representatives, the nodal department asks the executing agency (I&FC) to prepare preliminary estimates of the work. After due scrutiny, the nodal department issues administrative approval and expenditure sanction to the executing agency. An officer of the nodal department has to be associated with inspection of the works before issuing the completion certificate.

3.1.3 Scope of audit

The implementation of the scheme during 1999-2000 to 2003-04 in the NCT of Delhi was test checked by audit with reference to the records of the Department for Welfare of SC/ST/OBC/Minorities and of the Irrigation and Flood Control Department.

The total value of the audit observations amounted to Rs. 7.20 crore which constituted over 41.31 *per cent* of the total expenditure of Rs. 17.43 crore test checked in audit.

3.1.4 Audit objectives

The objectives of the audit were to assess whether:

- the funds allocated for the scheme were being used optimally;
- execution of various works under the scheme were undertaken after adequate planning both at the macro and micro level;
- a system of effective monitoring and quality control existed;
- the primary objective of the scheme viz. improvement in the living conditions of the population in SC basties was achieved; and
- the scheme was implemented in a manner keeping in view the imperatives of economy, efficiency and effectiveness.

3.1.5 *Audit methodology*

The works under the scheme are executed by 13 divisions of the executing agency. The records of the nodal department and six divisions where expenditure exceeded Rupees three crore per annum were test checked in audit through

- examination of primary and secondary records of the nodal department and the executing agency;
- physical verification of improvement works along with the officers of the executing agency in all the six divisions, and
- joint inspection along with divisional officers to ascertain whether the works carried out were actually utilized by residents of the area.

3.1.6 *Acknowledgement*

The audit findings were discussed with the officers of both the executing agency and the nodal department including the Secretary, Department of Welfare of SC/ST/OBC/Minorities. The views of the departmental officers as expressed in the meetings and thereafter formally communicated in September 2004 have been incorporated in the review.

3.1.7 *Non-identification of SC basties*

The Department did not identify the SC basties where improvement works were to be taken up.

The primary objective of the scheme was to improve the living conditions in basties predominantly inhabited by the SC community by carrying out civic improvement works. The SC basties in the NCT of Delhi had not, however, been identified by the nodal department. The nodal department set a target of a fixed number of SC basties every year where improvement works were to be executed as under:

Table No. 3.1.1: Target and achievements

Year	Target	Achievement	Shortfall	Percentage of shortfall
	Number of basties	Number of basties		
1999-2000	40	--	-	-
2000-2001	70	52	18	25.71
2001-02	150	97	53	35.33
2002-03	165	103	62	37.52
2003-04	165	awaited	awaited	awaited

Targets were set and works undertaken in an ad hoc manner without comprehensive survey.

As evident from the above table, there was a shortfall ranging from 26 to 38 *per cent* in the number of SC basties taken up for improvement works in the three years from 2000-01 to 2002-03. No targets were set in respect of the

number of works to be undertaken in each basti as no prior exercise had been done to identify the works required in each basti. Further, the names and locations of SC basties targeted for improvement works were neither specified nor approved by the nodal department at the beginning of the year as only the numbers were fixed. The Government did not prioritise the works required to be taken up taking into account the availability of funds. Targets were fixed and the works undertaken in an ad hoc manner without comprehensive survey or study to identify SC dominated basties and the works required for improving their conditions.

Works valued at Rs.75.90 lakh were executed in basties with less than 50 per cent SCs.

Joint sample inspection by audit along with the executive engineers and staff of the executing agency disclosed that the following works were carried out in areas where the percentage of SC population was less than 50 per cent which was also confirmed by the residents of the basties:

Table No. 3.1.2: Works executed in Basties with less than 50 per cent SC population

(Rs. in lakh)			
Sl. No.	Name of Basti	Name of Work	Cost
1	Shahid Bhagat Singh Colony, Gali Nos. 1,2,3,4 and its adjoining areas in Shahdara Block	Development of Street, pavements and side drains	25.42
2.	Gali no.2 Ankur Enclave Shahdara Block	-do-	7.77
3.	Gali no. 3 Block A Gali no. 10 Block – D, Brij Puri, Harijan Basti in Shahdara Block	-do-	15.61
4.	Budh Vihar, i) A-I to C-13, Ration office wala road	-do-	7.01
	ii) Phool Singh Chowk, H.NO.568 to A-310, Shahbad Daulat Pur	-do-	14.24
5	Meera Enclave, village Ran holla	-do-	5.85
Total			75.90

The nodal department stated in September 2004 that identification of SC basties was not possible due to shortage of staff. The Government, therefore, took a conscious decision to accept the certificates given by the MLAs to declare the population composition and nature of works to be carried out in SC basties. It added that the department would henceforth try to verify population composition, whenever felt necessary, and also carry out a survey of population composition of the area and nature of works required. The nodal department added that it would have to continue for the time being with the present system of setting of annual physical targets on the basis of requisitions received from MLAs and budget allocation from the Government. Efforts would however be made for advance planning and prioritization of the works.

Thus, Government of NCT of Delhi had not conducted a comprehensive survey to identify the areas and the total magnitude of the works required to be undertaken for the objective which could then be prioritized and phased.

Government provided budget on ad-hoc considerations and the entire programme was carried out in a works centric sporadic manner rather than in an objective-centric composite manner. In the existing format, the programme was run with a sporadic requisition approach rather than undertaking works out of a comprehensive shelf of projects.

Recommendation

The Department may undertake a comprehensive survey to identify and demarcate the SC basties as well as the specific works which are required to be taken up in each basti in a composite, need-based manner and prioritize the works to be taken up out of the shelf of all projects/works required to be undertaken on the basis of approved principles/norms.

3.1.8 Funding pattern

(a) Deficient financial planning

The programme is a Special Component Plan (SCP) scheme of the Government of NCT of Delhi. The details of approved outlay and actual expenditure during 1999-2000 to 2003-04 were as below:

Table No. 3.1.3: Details of budget & expenditure

Year	(Rupees in lakh)				
	Approved outlay (Allocation)		Expenditure	Unspent balance	Saving in percentage
	Original	Revised			
1999-2000	200.00	450.00	41.56	408.44	90.76
2000-01	515.00	532.00	167.00	365.00	68.61
2001-02	1200.00	1200.00	1195.98	4.02	--
2002-03	1238.00	2438.00	1307.02	1130.98	46.38
2003-04	2070.00	2844.40	2844.11	0.29	--
Total	5223.00	7464.40	5555.67		

Unspent balance ranged between 46 to 90 per cent.

There were unspent balances ranging between 46 to 90 per cent against the revised allotments during three out of the five years.

The nodal department stated in September 2004 that unspent balances during 1999-2000 were due to transfer of the execution of the scheme from MCD to the I&FC department, while those in 2002-03 were due to late additional allocation of Rs. 12.00 crore at the revised estimates stage, which could not be spent.

(b) Funds remaining unutilized with the executing agencies

The Department did not recover unutilized funds of Rs. 4.29 crore and Rs. 1.98 crore from MCD and the Delhi Jal Board (DJB) lying with them since 1998-99 and 2001-02 respectively.

The nodal department stated in September 2004 that the matter regarding refund of the amounts released to the MCD and DJB would be taken up for adjustments against future release of funds to them.

Recommendation

The Government may allot funds in the revised estimates taking into account the capacity of the executing agency to undertake the works against the allotment.

3.1.9 Implementation of improvement works

Unfruitful expenditure Rs. 10.15 lakh

Expenditure on electrical works of Rs. 10.15 lakh rendered unfruitful due to absence of provision for power connection.

Three divisions of the executing agency spent Rs. 10.15 lakh on electricity works in 24 chaupals in SC basties during 2002-03 and 2003-04 (Annex-I). Joint inspection by audit with the Executive Engineer of the Civil Division of the executing agency disclosed that though the electrical fittings were in place, there was no electricity connection in the chaupals as the same was neither taken by the residents/resident welfare association nor were provided by the nodal department. The Executive Engineer stated in March 2004 that there was no provision for providing electricity connections under the scheme.

In the absence of any provision for electricity connection in the scheme, such electrical works at an expenditure of Rs. 10.15 lakh were rendered unfruitful.

The nodal department stated in September 2004 that electrical fittings were provided in chaupals on the assumption that the residents/local associations would take the electrical connection and maintain them. It added that the scheme for construction of chaupals is proposed to be reviewed and providing electrical connection would be considered for revision.

Recommendation

The Department may establish procedures to permit only those works where the end use is ensured and may review for remedial measure all such works already undertaken, whose end use has not been established.

Unauthorized expenditure of Rs. 3.16 crore

Irregular expenditure on improvement works in unauthorized colonies on public land

Expenditure of Rs. 3.16 crore was incurred in unauthorised colonies on public land, in violation of scheme guidelines.

Improvement works under this scheme cannot be undertaken in unauthorized colonies situated on government/public land. The nodal department spent Rs. 1.46 crore during 2002-04 on laying of cement concrete roads and side drains in an unauthorized colony of New Ashok Nagar in East Delhi on public land acquired by the Delhi Development Authority (DDA) in September 1982. As the land stood acquired by DDA and was thus public land, undertaking of such works in an unauthorized colony was irregular and in violation of the scheme guidelines.

Further, the nodal department spent Rs. 1.29 crore during 2001 to 2004 on laying of cement concrete roads and side drains in villages Saboli and Gokal Pur in Ashok Nagar, Shahdara, East Delhi which had also been acquired partly by the DDA and partly by the DJB during 1961 to 1986. As these were public lands, undertaking of works on them was irregular and in violation of the scheme guidelines.

In another case, the nodal department spent another Rs. 40.88 lakh on electrification of two blocks in Ashok Nagar during 2002-03 in violation of its policy under which electrification works were to be taken-up in SC basties falling under Laldora/extended Laldora of urban and rural villages including harijan basties under the 20 point programme. The two blocks where electrification works were undertaken were on land acquired by DDA and DJB.

The nodal department did not verify the status of the land/area where works were executed but depended entirely on the recommendation of MLAs.

The nodal department stated in September 2004 that they were not aware of any dispute as to the status of the land as they had received the requisition from the MLA declaring it as private land.

Recommendation

The nodal department may institute procedures to establish the eligibility of the area for works under the scheme through independent verification before sanction of the works.

3.1.10 Wasteful expenditure of Rs. 1.10 crore on high mast lights

Based on requests from MLAs for installation of high mast lights in SC basties in their constituencies, the nodal department installed 33 high mast lights

during 2002-03 at an expenditure of Rs. 1.10 crore in bastis as per details given in Annex-II. Scrutiny of the installation of the high mast lights revealed the following:

The Department incurred superfluous expenditure of Rs. 1.10 crore on high mast lights.

- (i) The areas where the high mast lights were installed were re-settlement colonies. Electrical works in such colonies are provided under a separate Plan scheme of “Additional Facilities in J.J. Colonies;”
- (ii) These sites were not harijan basties falling in Laldora/extended Laldora of rural villages/Laldora of notified urban villages or harijan basties allotted under the 20 Point Programme which qualified them for electrification;
- (iii) Street lights already existed in these colonies and hence installation of high mast lights was not essential; and
- (iv) the Government of NCT of Delhi had decided in April 2002 that only two high mast lights per constituency would be installed. However, the 33 high mast lights were installed in only four constituencies though requests from another 21 MLAs were pending.

The nodal department stated in September 2004 that following a review of the scheme, the department had discontinued providing individual electric connection in SC basties with effect from September 2004.

The wasteful expenditure in the above cases took place on account of the failure of the Department to establish the need or verify if additional facilities were not superfluous in view of similar facilities provided by other agencies.

Recommendation

The nodal department may establish check points to ensure the necessity and utility of the intended works under the scheme through independent verification before sanction in order to avoid redundant facilities.

The Department failed to obtain completion certificates of the works.

3.1.11 Failure of the Department to obtain completion certificates

Rules envisage that a completion certificate should be obtained from the executing agency on completion of the works. This certificate details the actual work executed. The completion certificate is to be issued after an inspection by a representative of the nodal department. Scrutiny of records revealed that no completion certificate was ever received from the executing agency during July 1999 to March 2004. In the absence of the prescribed completion certificate, it could not be ensured whether the works had been executed as per the approved norms/parameters.

The nodal department stated in September 2004 that it had noted the observation for compliance.

3.1.12 Non maintenance of assets created out of government funds

There was no provision for the up-keep and maintenance of assets created under the scheme. Planning and Finance Department had directed in September 2002 that the nodal department should examine and decide the system and agency for maintenance of these assets. However, no action was taken in pursuance of these directions.

No provision was made for maintenance of assets created under the scheme, leading to their deterioration.

A joint inspection by audit along with the Executive Engineers of the executing agency of 53 works of construction of roads, providing dry bricks on edge flooring and side drains executed at a total cost of Rs. 5.86 crore (Annex-III) revealed that the side drains were clogged with soil, mud and plastic bags and the walls of the drains were broken. This had resulted in stagnation of water and unhygienic conditions. Further, in the absence of upkeep and maintenance, the side drains were not being utilized to their full capacity. Similarly, 16 chaupals constructed at a cost of Rs. 1.31 crore (Annex-IV) were found in a dilapidated condition due to lack of maintenance.

The nodal department stated in September 2004 that they had undertaken a thorough review of the scheme and would take into account the matter regarding upkeep and maintenance of the assets.

3.1.13 Absence of physical inspection and evaluation of works

A task force constituted with the objective of physical inspection of the works in SC/ST basties executed by MCD under this scheme pointed out various deficiencies in implementation in its report of December 1998 which included *inter alia*:

- execution of works in basties where the majority of residents belonged to non SC communities;
- improvement works in harijan basties were carried out from funds made available under different plan schemes namely MLA funds, Department for Welfare of SC/ST/OBC/Minorities funds and MCD's own funds. The task force suggested that the Department's funds should be utilized in a particular basti very distinctly and use of funds from different schemes for the same basti should be avoided;

- no common specifications for works had been followed; for instance, at some places the pavement had been laid with bricks but at other sites cement concrete pavements were constructed. Even kota stone was used in some pavements; and
- the department had no control either on the selection of sites or on specification of works.

The department did not take remedial action on the findings of the task force nor did it make the second task force operational.

The department did not take remedial action in pursuance of the findings of the task force which resulted in similar shortcomings in the execution of the programme continuing even after the report.

Subsequently another task force consisting of officials of the Planning Department, PWD and the nodal department was constituted in September 2002 to ascertain through physical inspection on a test check basis whether the improvement works in SC basties had been satisfactorily executed by the executing department. The task force was to submit its report to the nodal department from time to time and give suggestions regarding speedy implementation of the scheme. The task force was yet to start functioning.

Thus, works valued at Rs. 55.55 crore, executed by the executing department from 1999-2004 had not been physically inspected to verify whether they had been carried out as defined under the guidelines of the scheme and whether the works were executed as per the approved norms and standards. Besides, evaluation of the scheme and impact assessment have also not been carried out.

Recommendation

The Department may undertake a thorough review of the scheme as stated in the meeting with the Accountant General in September 2004 along with an impact evaluation to assess the efficacy of the scheme as implemented so far.

3.1.14 Internal audit

The Directorate of Internal Audit under the Finance Department entrusted with the internal audit of all the departments of the Government of Delhi had not conducted internal audit of the implementation of the scheme during the period from April 1999 to February 2004.

The nodal department stated in September 2004 that the matter would be taken up with the Internal Audit Department of Government of NCT of Delhi.

ANNEX-I
(Referred to in paragraph 3.1.9)
Details of expenditure on electrification of Harijan Chaupals

Sl. No.	Name of Chaupal	Amount (Rupees in lakh)
1	Arya Nagar chaupal	0.52
2	Khureji Khas chaupal	0.41
3	Karkardooma chaupal	0.31
4	Kondli chaupal	0.20
5	Gharoli chaupal	0.27
6	Khichripur chaupal	0.35
7	Sapera Basti chaupal	0.32
8	Ambedkar Dharmashala	0.37
9	Harijan Chaupal Tulsi Ram Bagichi Nangal Raya	0.69
10	Harijan chaupal at Tarachand Bagichi Nangal Raya	0.51
11	Repair/construction of additional Floor in Harijan chaupal at village Nangal Raya	0.35
12	Harijan chaupal at village Mochi Bagh	0.61
13	Harijan chaupal at village Basaidarapur	0.61
14	Improvement repair of Julha chaupal at Nangal Raya	0.10
15	Harijan chaupal at village Tihar	0.47
16	Harijan chaupal H Block, West Sagarpur	0.43
17	Harijan chaupal, Nasir Pur	0.49
18	Harijan chaupal at village Dabri	0.39
19	Balmiki chaupal, Pochanpuri	0.40
20	Harijan chaupal at Jagjivan Ram nagar	0.30
21	Harijan chaupal, Kaithwara, Jagjeevan nagar	0.01
22	Harijan chaupal near Bharo mandir-Lal Kuan	0.50
23	Balmiki Chaupal at village maidan Garhi	0.78
24	Renovation of Basti Chaupal (near Basti) Devli	0.76
Total		10.15

ANNEX-II

(Referred to in paragraph 3.1.10)

Details of high mast lights installed where street lights already existed

Sl. No.	No. of high mast lights installed	Actual expenditure (Rupees in lakh)	Location where high mast lights were installed	Whether street lights already available	Status of location
1	9	28.41	Crossing of Block A,B,C,D E & F, J.J.Colony of Madipur	Yes	Resettlement colony and the facilities were extended by MCD under an approved plan scheme of Additional Facilities in J.J. Colonies
2	4	8.52	Dakshin puri, J.J Colony (Madangir)	Yes	
3	19	70.44	Mangol Puri, J.J. Colony	Yes	
4	1	2.84	Baljeet Nagar	Yes	
Total	33	110.21			

ANNEX-III

(Referred to in paragraph 3.1.12)

Details of works of construction of roads, providing dry brick on edge flooring and side drains inspected during joint visit by audit with Ex. Engineers of Civil Divisions of implementing agency i.e., I & F.C. Department

(Rupees in lakh)

Sl. No.	No. of Civil Division	No. of works inspected	Expenditure relating to the works inspected
1	CD-1	8	86.62
2	CD-3	7	80.63
3	CD-4	19	120.47
4	CD-5	3	81.57
5	CD-8	8	112.55
6	CD-12	8	104.54
Total	6 Division	53	586.38

ANNEX-IV
(Referred to in paragraph 3.1.12)
Details of chaupals found in a dilapidated condition inspected during
joint visit by audit with Ex. Engineers of Civil Divisions of implementing
agency i.e., I & F.C. Department

(Rupees in lakh)

Sl. No.	No. of Civil Division	No. of works inspected	Expenditure relating to the works inspected
1	CD-I	8	79.21
2	CD-3	3	20.87
3	CD-4	2	22.67
4	CD-8	2	4.60
5	CD-5	1	3.64
Total	5 Division	16	130.99

Paragraphs

Education Department

3.2 Excess release of grants-in-aid to an aided school

Directorate of Education released excess grants-in-aid of Rs. 1.01 crore to an aided school during 1997-98 to 2003-04 in violation of the provisions of the Delhi School Education Act.

Rule 67 of the Delhi School Education (DSE) Rules 1973 stipulates that the number of students on the rolls of an aided school shall not fall below the number on the basis of which aid was initially granted to such school and where the number of students falls below seventy five *per cent* of the first mentioned number, a proportionate reduction may be made in the grants-in-aid payable to such a school.

A test check of the records of the Directorate of Education revealed that the Gadodia Girls Senior Secondary School, Chandni Chowk, was started in May 1966 with a strength of 342 students at the time of initial grant. The grant was meant primarily for payment of salary of the staff. From 1984 onwards, the student population of the school steadily declined from 409 to just ten students by March 2003.

However, the Directorate continued to release grant-in-aid regularly to the school on the basis of staff members without any proportionate reduction as required under the DSE Rules. This resulted in excess release of grants-in-aid of over Rs. 1.01 crore between 1997-98 till December 2003 as follows:

Table No. 3.2.1: Excess release of grants-in-aid to an aided school

Year	Student Population	Amount of GIA Released (Rs.)	Amount of GIA due as per DSE Rules (Rs.)	Excess GIA Released (Rs.)
1997-98	28	11,32,950	92,756	10,40,194
1998-99	24	18,08,869	1,26,938	16,81,931
1999-00	25	15,05,115	1,10,023	13,95,092
2000-01	24	15,85,290	1,11,248	14,74,042
2001-02	21	16,57,314	1,01,765	15,55,549
2002-03	19	15,30,767	85,043	14,45,724
04/03 to 12/03	10	15,91,945	46,548	15,45,397
Total		1,08,12,250	6,74,321	1,01,37,929

The excess release of grants-in-aid during 1997-98 to 2003-04 (upto December 2003) worked out to 93.76 *per cent* of the total grants-in-aid released during this period. The grants-in-aid released in excess would be higher if the entire previous period from 1988 (when the number of students fell below the initial strength) is taken into account.

The Deputy Director, District North stated in February 2004 that there was no provision for complete closure of school with decreasing strength of students and the grant was being released for 8 staff members against minimum essential requirement of 17 staff members.

The reply is not tenable as the DSE Rules themselves contemplate a situation where an aided school may be closed and provides for absorption of the students or employees thus rendered surplus into another aided school or Government school. Given the minuscule number of students (10) and staff (6) as of November 2004, it is evident that not only were the DSE Rules violated, but the grant could have been more fruitfully utilised elsewhere in support of educational activities and the students/staff of this school absorbed into some other better-equipped school with adequate student strength.

The matter was reported to the Government in April 2004. The department stated in August 2004 that the matter of complete closure of the school as well as proportionate decrease in the grants-in aid to the school was being examined.

3.3 Irregular payment of Transport Allowance

Transport allowance totaling to Rs. 61.97 lakh was irregularly allowed by 138 schools to their teachers in contravention of instruction. The amount is yet to be recovered.

In pursuance of the recommendations of the Fifth Pay Commission, the Government of NCT of Delhi sanctioned transport allowance in October 1997 to its employees. The allowance was meant to compensate the expenditure incurred by an employee in commuting between his place of residence and point of duty. In response to references received from various quarters regarding admissibility of transport allowance, the Government of India clarified on 22 February 2002 that the allowance would not be admissible if a government servant was absent from duty for a full calendar month(s) due to leave, training, tour etc. In case of school teachers, it was specifically stipulated that during vacation, the allowance would not be admissible when

such vacation spell including all kinds of leave, enveloped the entire calendar month.

In the light of these clarifications, the Director of Education ordered in February 2003 recovery of the transport allowance already paid to staff for the vacation periods during 1998 to 2002.

Scrutiny of the records of 138 schools revealed that in contravention of the above orders, no recovery of transport allowance paid to school teachers during April 1998 to March 2003 had been effected. Audit scrutiny also disclosed that two schools paid excess transport allowance amounting to Rs. 4.08 lakh due to incorrect calculation. The total amount due for recovery worked out to Rs. 61.97 lakh as follows:

Table No. 3.3.1: Total Transport Allowance recoverable

Sl. No.	Reason for inadmissible payment	No. of Schools	Amount (Rupees)
1.	Summer Vacation	77	55,98,416.00
2.	Leave exceeding 30 days	94	1,90,758.00
3.	Incorrect calculation	2	4,07,700.00
	Total		61,96,874.00

The Department stated in April 2004 that the question of recovery of transport allowance paid to the teaching staff during summer vacations was pending appropriate decision of the Cabinet of the Government of NCT of Delhi. The fact remains that Government of Delhi had adopted the recommendations of the Fifth Pay Commission as accepted by Government of India and was regulating the payment in accordance with the conditions stipulated by the Government of India. Despite Government of India's clarification of February 2002, excess transport allowance was not recovered.

The matter was referred to the Government in June 2004; their reply was awaited as of February 2005.

Development Department

3.4 Unfruitful expenditure on construction of Multi Purpose Community Centres

Failure of the Development Department to properly plan, construct and utilise the Multi Purpose Community Centres resulted in unfruitful expenditure of Rs. 8.94 crore on construction and maintenance of 16 unused Centres during 1995-96 to 2003-04. A further Rs. 5.17 crore was incurred on nine centres where construction was stopped midway in 2000.

The Government of India approved a Plan Scheme titled “Mini Master Plan for Development of Rural Delhi” in September 1994 for the development of the rural areas of Delhi by creating physical, social, economic and ecological infrastructure in the villages. The scheme envisaged, *inter alia*, the construction of Multi Purpose Community Centres (MPCC) with adjoining shops/ kiosks, public parks, primary schools, stadia for rural sports, public conveniences, space for religious and cultural gatherings, sub-post offices, etc. to meet the needs of the local population in an ecologically friendly and integrated manner. Each MPCC was to have five to ten shops, a community hall and other built up spaces.

Out of 186 MPCCs envisaged to be constructed under the scheme, 78 were developed at a total cost of Rs. 44.81 crore during the period 1995-96 to 2002-03. Sixteen (20 *per cent*) of these, developed at a cost of Rs. 8.77 crore remained un-used since construction for periods ranging from three to eight years as of January 2004. Only 20 (26 *per cent*) MPCCs were utilised fully with both shops and community halls being used. The remaining 42 (54 *per cent*) MPCCs could be used partially with only community halls being used in 37 cases and only shops being used in five cases.

The Indian National Trust for Art and Cultural Heritage (INTACH) in its Evaluation Study on the scheme conducted at the instance of the Planning Department reported in September 2001 that most of the MPCCs were lying unutilized mainly because they were far away from populated areas and had not been provided with basic facilities like water and electricity. Audit scrutiny revealed that no exercise had been carried out to identify proper sites for establishment of these MPCCs taking into account the lay-out of the population, the proposed area to be catered to and identified local needs. The only criterion adopted was to utilize as much Gram Sabha land as possible and establish one MPCC in each basic village. The Department did not ascertain

whether these MPCCs were actually required in villages where Panchayat Ghars/Barat Ghars already existed. Due to their unsuitable location and mismatch with local needs, the MPCCs could not become the hub of local community activities as envisaged under the scheme and remained unutilized.

The scheme envisaged that the revenue collected as licence fee from the various user departments and through bookings of the Community halls for marriages and other social functions would be utilized to defray the maintenance cost of the MPCCs. However, as the 16 MPCCs remained totally vacant, no such revenue accrued and the Department had to incur an expenditure of Rs. 16.56 lakh as of March 2004 on their management, maintenance and watch and ward. Further, even though 57 out of the 78 community halls developed were used, their actual usage (from their construction till November 2003) was low ranging between one and 96 days.

The Department's subsequent efforts to allot the MPCCs to various government departments/organizations, semi-government organizations, non-government organizations, resident welfare associations, individuals, etc. also failed to evoke much response mainly due to their unsuitable location as well as high rate of rent.

In April 2000 it was decided not to construct any further MPCC as the existing ones could not be properly utilized. Consequently in April 2000, the Government stopped further construction of nine MPCCs, though an expenditure of Rs. 5.17 crore had already been incurred on them on account of land cost and construction cost.

The matter was referred to the Government in May 2004. While accepting the audit observation, the Department stated in July 2004 that it had since been decided to allot the MPCCs to the respective Deputy Commissioners of the districts and action was being taken to ensure that the MPCCs were utilised.

Evidently, failure of the Department to properly implement the scheme in a systematic and planned way taking into account the population layout as well as local needs, resulted in unfruitful expenditure of Rs. 14.11 crore (Rs. 8.94 crore on the construction and day-to-day maintenance of 16 unutilised MPCCs and Rs. 5.17 crore on nine centres where construction was stopped midway). Moreover, most (42) of the remaining 62 fully constructed MPCCs were being only partially utilised thus defeating the very purpose of the scheme.

Medical and Public Health Department

3.5 Blockage of Funds on account of encroached land

Directorate of Health Services could not take possession of land required for extension of the hospital facilities due to non-clearance of encroachments, resulting in blockage of Rs. 7.82 crore. In addition, expenditure of Rs. 16.06 lakh incurred on construction of boundary wall proved unfruitful as it remained incomplete.

Guru Govind Singh Hospital, Raghbir Nagar, Delhi, was encircled by JJ clusters causing law and order problems as well as unhygienic conditions. The Slum Department of the Municipal Corporation of Delhi (MCD) and the Health Department conducted a joint survey of the JJ clusters and identified 2,979 jhuggies for re-location in November 1999. Although re-location charges for shifting of jhuggies are to be borne by the land owning department, viz. MCD in this case, MCD demanded Rs. 7.82 crore in January 2000 as re-location charges from the Department. Subsequently, the nine acres of land on which the JJ clusters were located were also allotted to the Director of Health Services (DHS) for construction of a Nursing School, office space for health councils in Delhi and staff quarters of the hospital at an additional token cost of Rs. 1.04 lakh which was sanctioned in November 2000 and paid by the Department to the MCD.

In December 2000, the Department remitted Rs. 7.82 crore towards re-location charges to the MCD. While the jhuggies were removed in December 2001, some permanent religious structures, scattered all over the plot remained. The Medical Superintendent informed in March 2003 that the issue of removal of religious structures had been referred to the Government of India for permission and that the land would be taken over only after it was fully cleared of all illegal encroachments. Further, a sewer line running through the plot was to be re-located by the Delhi Jal Board (DJB). This was yet to be done as of July 2004. Consequently, the land could not be taken over by the DHS. In the mean time, some jhuggi dwellers again encroached on the land. No firm action was taken by MCD for removal of the encroachments.

In February 2002, DHS sanctioned Rs. 26.73 lakh for construction of a boundary wall around the plot though they had not taken possession of the land. Of this amount, Rs. 16.06 lakh was spent upto August 2002 on construction of the wall when local residents raised objections through their MLA that space should be left around a temple located on the boundary of the plot. Medical Superintendent stated in September 2003, that the MLA had

since consented for construction of the boundary wall after leaving a space of 20 feet on one side of the temple, which had been conveyed to the DHS for approval following which PWD would be asked to resume the work. The matter has not been resolved and the work remains incomplete as of July 2004.

The matter was referred to the Government in May 2004. The Department stated in July 2004 that as removal of religious structures required clearance from the Home Department of Delhi Government, it was assured by the officials of slum and JJ Department in a meeting held under the Chairmanship of the Health Minister that they would take up the matter with the Home Department for removing the remaining structures. It was also decided in the meeting that the sewer line running through the plot would be relocated by DJB.

Audit observed that the hospital authorities and DHS were parties to the joint survey of the land, and as such were well aware of the problems of encroachment on the land being acquired, including the religious structures and sewer line. They should have ensured proper demarcation of the land and clearance of all encroachments/illegal structures before release of the relocation charges of Rs. 7.82 crore particularly since the DHS had agreed to bear the cost as a special case. Moreover, incurring of expenditure of Rs. 16.06 lakh on construction of a boundary wall around a plot, which was neither in the possession of the department, nor free of encroachment was injudicious. The expenditure proved to be unfruitful as the wall remained incomplete, which enabled fresh encroachments to occur.

Public Works Department

3.6 Wasteful expenditure due to poor planning and defective execution

Poor and defective planning, failure to properly sequence two different works to be executed on same site and improper execution of road strengthening works resulted in wasteful expenditure of Rs. 35.59 lakh. In addition, public roads constructed at cost of Rs. 29.62 lakh could not be utilised for about nine years due to poor co-ordination between the concerned Departments.

Works relating to widening, strengthening and maintenance of roads in Delhi are undertaken by the various Public Works divisions in their respective areas. A test check of the records of various Public Works divisions revealed poor and defective planning, failure to properly sequence two different works to be executed on the same site and improper execution of road strengthening works which resulted in wasteful expenditure of Rs. 35.59 lakh. In addition, lack of adequate co-ordination between concerned departments resulted in non-utilisation of roads constructed at a cost of Rs. 29.62 lakh as detailed in the succeeding paragraphs.

3.6.1 *Wasteful expenditure due to poor planning*

The Executive Engineer, PWD-23, submitted in August 2001 an estimate for Rs. 46.32 lakh for development of a green belt along MB (Marginal Bund) Road with a view to beautifying the Kailash Nagar area along MB Road on the river side. While this estimate was pending sanction with other PWD authorities, the Executive Engineer submitted in March 2002 another proposal amounting to Rs. 22.66 crore for widening of the same road on the riverside from the existing four lanes to six lanes. The proposal included the portion of the same MB Road proposed to be developed as green belt. Administrative approval (AA) and expenditure sanction (ES) for the estimates for development of green belt was received in May 2002.

Though widening of MB Road was under active consideration, the Executive Engineer awarded in December 2002 the work for development of green belt to the lowest tenderer at his tendered cost of Rs. 20.91 lakh. The scope of work included earth work, brick work, fencing with angle, washed stone grit

plaster G.I. pipe fitting, etc. Shortly thereafter in February 2003, the administrative approval and expenditure sanction for widening of the road was received. However, the work for development of green belt continued to be executed and was completed in May 2003 at a total cost of Rs. 26.32 lakh. The work for widening of road was awarded to a contractor in August 2004. The work done under development of green belt would be rendered wasteful once the work of widening of the road is completed.

The Department stated in May 2004 that the major component involved in development of green belt was earth work in embankment and the same would be required in widening of this road. The reply of the department is not tenable as the widening of road on river side would cover the area where civil work for plantation had already been executed. Even if the amount of Rs. 9.31 lakh spent on earth work in the estimates for widening of road is excluded, the balance amount of Rs. 17.01 lakh spent for development of green belt would still be infructuous after execution of the widening work of the road.

3.6.2 *Wasteful expenditure due to repetition of work*

In January 2002, the Executive Engineer, PWD – XXIII awarded the work of improvement of Marginal Bund road between Shamshan Ghat and Kailash Nagar to a contractor at a tendered cost of Rs. 37.44 lakh. The work included application of tack coat, Premix-Bituminous Macadam and Dense Bituminous Concrete at a cost of Rs. 18.58 lakh. The scheduled dates of start and completion were 14 January 2002 and 13 May 2002 respectively. The work was actually completed on 11 July 2002.

A test check of the records of the Division revealed that in October 2002, barely three months after the completion of this work, the work of strengthening of the complete Marginal Bund road from ITO Chungi to Kailash Nagar Point was awarded to another contractor at a tendered cost of Rs. 1.88 crore. This work included the above stretch between Shamshan Ghat and Kailash Nagar where improvement work had just been executed in July 2002 and included the same items i.e. providing and applying of tack coat, bituminous macadam, dense bituminous concrete, etc. The sanction for this work was in fact issued on 20 July 2002, i.e. only nine days after the completion of the earlier improvement work. The work was finally completed in July 2003 at a cost of Rs. 2.07 crore.

The Department stated in May 2004 that repetition of some items of bituminous work was a technical and traffic requirement keeping in view the gap between the actual execution of the two works and design recommendation of IIT Roorkee. The reply is not tenable since such improvement and strengthening works should be properly planned annually taking into account projected traffic requirements. Undertaking of same items

of work twice within a span of three months was indicative of both ill-planning and wasteful expenditure of Rs. 18.58 lakh.

3.6.3 *Non-utilisation of public assets due to poor co-ordination*

PWD submitted a preliminary estimate for construction of a two lane road connecting Bharat Nagar with Road No. 37 in October 1989. The total length of this road was 1.75 kms, of which 0.31 kms had already been constructed by MCD. A four-lane bridge was also to be constructed to link the portions of road on both sides of a drain. Administrative approval and expenditure sanction for Rs. 1.85 crore was conveyed in March 1990 which included Rs. 1.08 crore for construction of the bridge. The work was to be completed in three phases namely (i) earth work (ii) bituminous work and (iii) bridge. The work for construction of only the road portion was awarded in June 1991 to a contractor at a tendered cost of Rs. 25.06 lakh with scheduled date of completion as 13 December 1991.

In October 1999, after commencement of the work, the Irrigation & Flood Control Department (I&FCD) objected to its continuance on the ground that they could not part with the land which was required for proper maintenance of the drain. They added that construction of the proposed bridge by PWD was not permissible as such cross-drainage works were to be taken up by I&FC Department alone. In the meantime, the road on both sides of the drain was completed in December 1994 at a cost of Rs. 29.62 lakh. The matter regarding construction of the bridge remained unresolved.

The Superintending Engineer, PWD Circle – II (DA) decided in June 1993 to get the bridge constructed through I & FC Department as deposit work. Accordingly, the Executive Engineer, PWD – X made a payment of Rs. 2.50 lakh in April 1995 to I & FC Department for preparing the design and drawings etc. However, no further progress was made and the bridge remained unconstructed. In November 2000, I&FC Department decided to get the work done by PWD.

The work of the construction of the six-lane bridge was awarded by the Executive Engineer, PWD Division – X to M/s R.S. Sharma Contractor Private Limited in September 2002 at a tendered cost of Rs. 2.70 crore with scheduled date of completion as 18 September 2003. The construction of the bridge was completed in September 2004 and a payment of Rs. 2.61 crore had been made to the contractor as of September 2004.

Lack of co-ordination between the PWD and the I&FC Department resulted in roads constructed at a cost of Rs. 29.62 lakh remaining unutilised for more than nine years.

The matter was referred to the Government in June 2004; their reply was awaited as of February 2005.

3.7 Avoidable expenditure on price escalation

Failure on the part of Public Works Department to adhere to the codal provisions and ensure unhindered execution of works coupled with payment on account of cost escalation resulted in avoidable additional expenditure of Rs. 16.49 lakh including Rs. 5.32 lakh recovered at the instance of audit.

Rules³ envisage that the Public Works Department should not issue tender notices unless all tender documents including complete set of architectural and structural drawings as well as sites free from encroachment and hindrance are available. The Department is also responsible for supplying these documents, drawings and stipulated materials to the contractors according to the schedule agreed upon in the contracts as well as for ensuring adequate coordination with various agencies involved for the unhindered and timely execution of works.

The work of construction of Administrative, Media and Library Block in B.R. Ambedkar College at Wazirabad, Delhi, was awarded by the Executive Engineer, PWD-XVIII in February 1999 to M/s R.K. Chaudhry & Sons at a cost of Rs. 1.94 crore. The scheduled dates of start and completion were 18 February 1999 and 17 August 2000 respectively.

The work was actually completed by the contractor in December 2001 after a delay of 15 months at a total cost of Rs. 2.17 crore including Rs. 11.17 lakh on account of escalation in the cost of material and labour under clause 10 CC of the agreement. The delay in completion of work was regularised by the Superintending Engineer with grant of extension of time to the contractor.

Scrutiny of records in audit revealed that the reasons recorded for delay included non availability of drawings, non availability of earth, non-availability of clear site, delay in decision making, etc. which were all attributable to the department.

In another case, PWD awarded the balance work for construction of police station and staff quarters at Nand Nagari in May 2002 to a M/s Rama Contractor at a cost of Rs. 1.78 crore. The scheduled date of start and completion were 14 June 2002 and 13 December 2003 respectively. An

³ Paras 17.3.1, 17.3.2 and 4.21 of CPWD Manual Volume II.

amount of Rs. 5.32 lakh was paid on account of price escalation under clause 10CC of the agreement upto the 20th Running Bill as of July 2004. However, this payment was inadmissible as the Director General (Works) vide memorandum dated 28 April 2000 had amended the General Conditions of Contract whereby no cost escalation under clause 10CC was payable for a work for which the stipulated period of completion was 18 months or less. This amendment was applicable for all NIT⁴s issued on or after 1 June 2000. On it being pointed out in audit, the amount was recovered through the 21st running bill paid in September 2004.

Thus, failure of the Department to ensure complete set of drawings, clear site, etc. in time as per the codal provisions led to avoidable expenditure of Rs. 11.17 lakh and failure to adhere to the amended clause 10CC led to an overpayment of Rs. 5.32 lakh which was recovered at the instance of audit.

The matter was referred to the Government in June 2004; their reply was awaited as of February 2005.

3.8 Irregularities in the award and execution of the work of Punjabi Bagh Flyover Project

Project Manager, Punjabi Bagh Flyover Project, included an item for plant, machinery and equipment in the schedule of quantities, which was already included in the rates of other relevant items of work resulting in avoidable payment of Rs. 3.65 crore. Moreover, failure to ensure unhindered execution of work by the contractor led to avoidable additional payment of Rs. 1.36 crore on account of escalation in the cost of labour and material. There was also excess payment of Rs. 38.04 lakh for purchase of land from the Railways, which was yet to be refunded.

The Executive Engineer, Punjabi Bagh Flyover Project, awarded in November 1998, the work of construction of a three level grade separator at Ring Road-Rohtak Road intersection at Punjabi Bagh, New Delhi, to M/s. Afcons Infrastructure Limited at a cost of Rs. 45.02 crore against the estimated cost of Rs. 41.22 crore. The stipulated dates of commencement and completion were 26 November 1998 and 25 November 2001 respectively. A total payment of Rs. 53.67 crore was made to the contractor upto 52nd Running bill in November 2003. Audit scrutiny of the execution of the project revealed avoidable payment of Rs 3.65 crore for hire charges of plant and machinery

⁴ Notice Inviting Tenders.

under item No.1.01 as well as extra payment of Rs. 1.74 crore due to lack of effective control and administrative delay as detailed below:

3.8.1 Avoidable Payment of Rs. 3.65 crore

The scope of the work included 89 items of pile foundations, sub-structure, super-structure, approaches, underpass, pedestrian plaza, steel reinforcement work and other road works. An analysis of these items revealed that 15 of these 89 items required mobilization, maintenance and operation of various plant and machinery viz. Batching and Mixing Plant, Transit Mixers, Rotary Drill and Cranes of 5 and 20 MT⁵ capacity. The rates indicated for these 15 items of work were inclusive of the hire charges of plant and machinery. The Department, however, added a separate item No. 1.01 for mobilization of plant and equipment at an additional estimated cost of Rs. 17.50 lakh in the estimate/tender documents without connecting it to any particular item of work. No distinction between the components of plant and machinery covered under item 1.01 and that included in the 15 items of work was specified. This arrangement left an opening to the contractor to claim payments for hire charges of plant and machinery under both the items viz., item 1.01 and 15 items of work. The contractor quoted Rs. 3.72 crore for item 1.01 though the cost of mobilization of plant and equipment had already been included in the 15 items. The Project Manager, while forwarding the tender to the Chief Engineer for acceptance, had in the justification statement specifically stated in September 1998 that the rates for mobilisation, maintenance and dismantling of plant and equipment under item 1.01 should be taken as nil as the hire charges on this plant and equipment had already been considered in the justification for various items.

A sum of Rs. 3.65 crore was paid up to November 2003 to the contractor against item 1.01 for mobilization and maintenance of plant and equipment in addition to the payment of Rs. 20.33 crore under 15 major items which also included the component of plant, machinery and equipment resulting in payments for similar charges under both item heads. Evidently a dichotomy existed from the tendering stage itself as the contractor quoted for plant and machinery under two heads viz. item 1.01 collectively and also under 15 individual heads and he was paid separately under both the heads.

On the matter being referred to the Government in May 2004, the Department reiterated in October 2004 that no double payment had been made and that component of plant and machinery was considered in justification of relevant items and hence justified amount of item no.1.01 was taken as nil. However, the contractor while quoting might have distributed the cost of plant and machinery between item 1.01 and other relevant items. This indicates that the

⁵ Metric Ton

Department was unsure about the components of plant and machinery distributed under item 1.01 and other 15 items of work as there was no specific demarcation in the agreement. In the event, the Department was in no position to check double payment for the same charges, if and when preferred. As justification of item 1.01 worked out by the department was 'Nil', no amount should have been paid at all to the contractor for this item as its cost was already included under the various main items of work.

3.8.2 *Avoidable additional payment on account of cost escalation*

Paras 4.21 and 17.3.1 of CPWD Manual Vol. II envisage that the Public Works Department should not issue tender notices unless all tender documents including complete set of architectural and structural drawings as well as site free from encroachment and hindrance are available. The Department is also responsible for supplying these documents, drawings and stipulated materials to the contractor according to the schedule agreed upon in the contract as well as for ensuring adequate coordination with various agencies involved for the unhindered and timely execution of works.

The Executive Engineer entrusted the work to the contractor in November 1998 without ensuring these essential requirements resulting in the work being delayed by 23 months. The work was actually completed on 20 October 2003 against the stipulated date of 25 November 2001. Consequently, the contractor claimed additional payment, representing the difference in the cost of labour and materials on account of the delays attributable to the Department such as delay in supply of drawings, non-availability of site to construct subway, shifting of water supply service lines, non shifting of water mains of Delhi Jal Board, delay in taking over the land from Railways for construction of under pass, etc. A payment of Rs. 1.36 crore was made on account of cost escalation for the period falling beyond the stipulated date of completion in November 2001. The payment on account of escalation cost could have been avoided had the Department adhered to the codal provisions and ensured timely availability of the site and drawings as well as better coordination with the Delhi Jal Board.

On the matter being referred to the Government in May 2004, the Department attributed in October 2004 the delay to delay in transfer of land by the Railways and delay on the part of Delhi Jal Board in shifting their water lines. It added that even if the work had been completed within the stipulated period, then also escalation would have been paid to the contractor.

The reply is not tenable as cost escalation of Rs. 1.36 crore was paid to the contractor for the period falling beyond the scheduled date of completion of work and the reasons for the hindrances were attributable to the department.

3.8.3 Payment for land without proper measurement resulted in excess payment of Rs. 38.04 lakh

Railway land measuring 7,569 sq. m. was to be acquired for the project. The Railways agreed in February 1997 to handover the land on the basis of transfer of an equal value of land by PWD to the Railways. PWD was however unable to locate a piece of land of equal value in lieu of Railway land. It was subsequently decided in July 1999 to purchase the Railway land at the current market rate. The Project Manager thereafter re-assessed the requirement of land as 5,226 sq. m. in July 2000, which was conveyed, to the Railway Board in the same month.

Test check of records disclosed that a payment of Rs. 10.06 crore was released in March 2001 to the Railways for land measuring 5,204.66 sq. m. @ Rs. 19,320 per sq. m. However the actual area of land taken over was 5,007.57 sq.m. Hence, an extra payment of Rs. 38.04 lakh was made for 197.09 sq.m. of land which was not actually acquired.

The Department stated in May 2004 that the actual measurement of land had been intimated to the Railways in June 2003. Railways were subsequently requested in April 2004 to refund the excess amount paid. On the matter being referred to the Government in May 2004, the department added in October 2004 that the matter of refund of Rs. 38.04 lakh was being pursued with the Railways.

Thus payment of land without accurately ascertaining the actual area of the plot acquired resulted in an excess payment of Rs. 38.04 lakh adjustment of which has not been done as of September 2004.

Inclusion of an item for plant, machinery and equipment in two separate places in the contract coupled with failure to ensure unhindered execution of work by the contractor and payment of land without ascertaining the actual area of the plot acquired resulted in avoidable/ excess payment of Rs. 5.39 crore.

3.9 Blockade of funds and denial of medical facilities to needy patients

Public Works Department could not construct an additional floor in phase-III of Guru Nanak Eye Centre due to its failure to ensure that the detailed drawings were designed for a foundation adequate to support additional floors. As a result, the hospital building constructed at a cost of Rs. 3.95 crore remained unused for more than five years depriving the patients of the intended facilities.

The Guru Nanak Eye Center (GNEC) is being developed in a phased manner to provide super specialized eye care facilities. In Phase I, an Out-Patient Department was established in 1978 while an In-Patient department was added in Phase II in 1986. Phase III of the Center proposed to be established by mid 1996, envisaged addition of a three storey building to provide additional facilities like an operation theatre complex, special wards, kitchen, library, record rooms and a research wing with an academic section. The building was to have a foundation to support the load of a four storey structure to enable future expansion.

Due to financial constraints, it was decided in July 1992 to construct only two stories sacrificing the proposed academic blocks, research wing, library and documentation center. However, it was specifically stipulated that the building would be constructed with provision to carry extra load to support the addition of two more floors in future. The Standing Finance Committee (SFC) of the Government of NCT of Delhi approved the proposal in March 1993. Administrative approval and expenditure sanction for a total amount of Rs. 4.33 crore including cost of equipment, furnishings, etc. were formally conveyed to GNEC in October 1993.

The work of construction of the two storey building was awarded to a firm in April 1996 and was scheduled to be completed in January 1998. During the course of construction of the building, the Government directed in January 1997 that proposals for an additional floor should be submitted so that it could be incorporated in a cost effective manner at one go. After repeated reminders, PWD submitted an estimate for Rs. 1.75 crore in June 1998 for the additional floor which was approved by the SFC in March 1999. In July 1999, PWD informed Director GNEC that the building was almost complete and requested for confirmation that the department would take over the building immediately on its completion. Director GNEC informed in the same month that as the building housed operation theatres, it would not be possible to use

the building since construction activity would continue for the additional floor. Hence, they would take over once the entire work was completed. In September 1999, the PWD informed that two floors had been completed at a cost of Rs. 3.95 crore and work for the additional floor was to be taken up shortly.

At a meeting convened in May 2002 by the Principal Secretary (Health) to review the matter, the Chief Engineer informed that the foundation of the building had not been designed to bear the load of the additional floor and hence, construction of an additional floor was not structurally feasible at this stage. He attributed the lapse to the consultant. Subsequently, it was decided in June 2002 to drop the idea of a third floor and Director GNEC was asked to take over the existing building after completion of left-over work. Although tenders were invited in February 2003, PWD had yet to undertake as of November 2004 the residual work which involved an expenditure of Rs. 38.15 lakh, due to non-availability of funds/sanction/approval.

The provisions of CPWD Manual provide that the whole process of preparation of drawings and the technical/detailed estimates was to be done under the supervision and directions of the departmental authorities. Hence, even if the drawings were prepared by the consultant, the failure of the departmental authorities to detect that the detailed drawings did not provide for a foundation designed to bear the load of an additional floor, despite provision for it having been made in the estimates and despite assurances given by the PWD at various stages constituted gross negligence on the part of the PWD authorities. This resulted directly in delay in completion and take over of the building.

The matter was referred to the Government in June 2004. The Director GNEC stated in July 2004 that the second floor in the Phase-III buildings could not be constructed due to “technical reasons” and that the preliminary estimates for Phase-IV were under process. He added that the matter of expeditious completion of left over work of Phase-III and handing over the building to GNEC was being pursued with the PWD authorities. The Chief Engineer PWD admitted (November 2004) the mistake of not providing for future expansion at the time of detailed estimate designs prepared by consultants.

Thus, negligence on the part of the PWD authorities to properly scrutinize the drawings to ensure that they were in conformity with the approvals accorded resulted in expenditure of Rs. 3.95 crore remaining unfruitful for over five years as the building remained unused. Further, patients were denied facilities like a 50 bed ward, ICU and Research Wing which would otherwise have been available from September 1999 onwards. No responsibility has been fixed for the lapse.

3.10 Undue liability due to non-revision of water charges

Failure of the Department to periodically review and revise the water charges recoverable from the allottees of staff quarters despite 384 per cent increase in rates payable to Delhi Jal Board resulted in undue burden of Rs. 1.75 crore on the public exchequer.

The Land and Building (L&B) Department fixed water charges which are to be recovered from allottees of General Pool accommodation. The water charges due from the allottees are deducted by the Pay and Accounts Offices of the various government departments to which the allottees belong as per the rates so fixed and are credited into Government account. The Public Works Department (PWD) is responsible for allotment of staff quarters and all matters related thereto.

It was observed during audit that during the period April 2000 to October 2003, Rs. 1.96 crore had been paid by the PW Divisions as water charges to the Delhi Jal Board (DJB) on behalf of the occupants of 5,252 staff quarters in nine colonies on the basis of bulk meters, while only Rs. 21.08 lakh had been recovered from the monthly pay bills of the occupants by their respective departments towards water charges during the same period. Further scrutiny revealed that this difference was due to PWD levying water charges at flat rates varying from Rupees nine to Rupees twenty per month depending on the type of quarters, which had been fixed in September 1990 while payment to DJB was being made at rates revised by DJB in July 1998. The Department had taken no action to revise the water charges or to install individual water meters after September 1990 though water charges had increased by 384 *per cent* since then.

Failure of the Department to take timely action to install individual meters or to suitably revise the water charges to be levied from occupants of Government accommodation in line with the revisions effected by the DJB alongwith non-recovery of dues resulted in undue burden of Rs. 1.75 crore on the public exchequer.

The matter was referred to the Government in May 2004. In August 2004, the Public Works Department while confirming the amount of short recovery stated that a revision was under consideration.

3.11 Irregular expenditure on deployment of personnel

Deployment of personnel in excess of the sanctioned strength and engaging of private security guards without approval of competent authority resulted in irregular expenditure of Rs. 96.59 lakh.

All categories of permanent, temporary or supernumerary posts in any office of the Government of NCT of Delhi can be created only with the concurrence of the Finance Department and approval of the Lt. Governor. The number of persons employed should not exceed the number of such sanctioned posts. In February 2002, the Finance Department added that no tender for security/sanitation, etc. should be invited without its prior approval.

A test check of the Public Works Division-X, Division-XXIII and Division XXIV revealed that there were 13 chowkidars in position as against the sanctioned strength of only six chowkidars. No approval or concurrence of the Finance Department had been obtained for deployment of such additional personnel. Expenditure incurred by the Divisions on the pay and allowances of seven personnel deployed unauthorisedly aggregated to Rs. 18.93 lakh during the period from April, 2001 to March 2004.

Notwithstanding the availability of seven chowkidars in excess of the sanctioned strength, the Divisions also engaged the services of private security agencies for watch and ward at various PWD locations/ formations during April 2001 to March 2004 incurring an expenditure of Rs. 77.66 lakh. No approval of Finance Department was obtained for such deployment.

The entire expenditure incurred on deployment of private security guards was charged to annual repairs and maintenance of various roads under sub-head providing/arrangement of security guards at PWD stores and offices, etc. This was irregular as expenditure on regular watch and ward of Government property cannot be treated either as works expenditure or part of annual maintenance works. Further paragraph 4.33 of the Central Public Works Department Manual Vol-II empowers the Divisional Officers to incur contingent expenditure only in respect of ongoing works.

Chief Engineer-III stated in August 2004 that these PW Divisions were responsible for maintenance of roads, flyovers, bridges and subways and they had to store the maintenance material for which watch and ward was necessary. He added that as the Divisions did not have sufficient work charged/regular chowkidars, the contracts were given to security agencies for watch and ward of stores scattered at various locations.

The Department's reply is not tenable as private security guards were employed despite there being chowkidars in excess of the sanctioned strength in the divisions. Further, in view of the clear instructions of the Finance Department, engaging private security personnel without its prior approval was irregular. Engaging of security guards for regular watch and ward of the property/assets of the department for maintenance of works is tantamount to engaging contingent or temporary staff without proper sanction. Further, the cost of work to which this expenditure was debited gets inflated by such employment. The expenditure of Rs. 77.66 lakh incurred on the engagement of such personnel was irregular and violated the norms of both administrative prudence and financial propriety.

Thus, deployment of personnel in excess of sanctioned posts coupled with irregular engagement of personnel purportedly for watch and ward duties resulted in irregular expenditure of Rs. 96.59 lakh.

The matter was referred to the Government in June 2004; their reply was awaited as of February 2005.

Irrigation and Flood Control Department

3.12 Unfruitful expenditure on construction of boundary walls

Failure to ensure the availability of encroachment free site before award of work coupled with the failure of the Panchayat Department to inform about the litigation/encroachment on land led to unfruitful expenditure of Rs.63.39 lakh on construction of boundary walls around Gram Sabha land at villages Jaunpur and Bawana.

Para 4.21 of CPWD Manual Volume II prescribes that availability of the site should be ensured at the planning and designing stage of the work itself and that preparation of detailed estimates and drawing and designs should be taken up only after availability of the land was assured. Para 3.4.1.1 of the Manual Volume-II further stipulates that the estimates should be sent to the client department after fully ascertaining the necessary site details, topographical details, technical feasibility, etc. In case site survey is necessary, a small estimate may be sent to the client and deposits received.

Test check of the records of two Divisions of Irrigation and Flood Control Department (Civil Divisions No.V and No.VII) revealed unfruitful

expenditure totaling Rs.63.39 lakh due primarily to non-adherence to the above codal provisions as detailed below:

3.12.1 Construction of wall around Gram Sabha land at village Jaunpur

The Executive Engineer (Civil Division V) awarded in June 2002 a work of construction of RR masonry boundary walls around Gram Sabha land at village Jaunpur to a contractor at the tendered cost of Rs.42.71 lakh. The construction work was to commence from 21 June 2002 and was to be completed within 3 months viz. by 19 September 2002. Without ensuring the availability of the land through physical inspection and demarcation, the department framed the project estimate/estimate merely on the basis of maps provided by the Director (Panchayat). Actual demarcation was carried out only after award of work when encroachment was noticed on the site. The work was foreclosed by the Executive Engineer with effect from 30 March 2003 on the ground that the remaining portion of the boundary wall was to pass through a jhuggi cluster which had to be removed. At the time of foreclosure, 85 percent of the work valued at Rs.44.76 lakh had been completed.

It was observed in audit that the Divisional Commissioner had suggested on 8 March 2003 that the proposed wall could be constructed along the edge of the jhuggies so that a check could be kept on their unauthorized extension. But this suggestion was not acted upon and the work was foreclosed leaving a gap of 540 meters due to jhuggi cluster and deep ravines which defeated the very purpose of construction of the boundary wall and rendered the expenditure of Rs. 44.76 lakh unfruitful. Had either the land been physically demarcated before award of work or subsequently the suggestion of the Divisional Commissioner been acted upon instead of foreclosing the work, the purpose of construction of the wall viz. safely enclosing the gram sabha land would have been achieved.

3.12.2 Construction of boundary wall around Gram Sabha land at village Bawana

Similarly, the Executive Engineer (Civil Division No.VII) awarded in June 2002 a work of construction of a boundary wall around Gram Sabha land at village Bawana to a contractor at the tendered cost of Rs.44.06 lakh on the basis of project estimate and after completing demarcation of the site by the revenue staff. Construction of the work was to commence from 19 June 2002 and it was to be completed within three months viz. by 18 September 2002.

As work commenced in June 2002, a physical inspection in the same month revealed that some unauthorized activities like earth lifting and fish farming were being carried on by some villagers on the plot in question. The Director

(Panchayat) was requested in June 2002 to provide a clear site so as to enable execution of the work. No response was received. Subsequently in August 2002, some local cultivators produced orders of the High Court of Delhi dated 26 July 2002 stating that the petitioners should not be dispossessed except by due process of law. The matter was thereafter referred to the Deputy Commissioner (North/West) in August 2002 for necessary action to provide a clear site. But this also elicited no response and the work remained unexecuted. Ultimately, the Executive Engineer recommended in March 2003 foreclosure of the contract with only 22 *per cent* of the work having been executed. Subsequently, a payment of Rs. 18.63 lakh was made to the contractor in March 2003. The expenditure proved to be wasteful as the wall remained unconstructed.

The matter was referred to the Government in April 2004. The Department stated in August 2004 that it was not aware of any encroachment/pre-litigation of the land at the time of award of work and that the estimates were framed on the basis of the map/plan provided by the Director (Panchayat). It was only during execution of these works that the department came to know about the encroachments/litigations and efforts were made to remove the encroachments. Insofar as the boundary wall at village Jaunpur was concerned, Department added that the wall was constructed in the entire length where it was feasible and this wall had fully served the purpose.

The reply of the department was not tenable as it was the responsibility of the department to ensure clear availability of the site through prior survey and demarcation before award of the work. It was open to the department to defer award of work till hindrance free site was available. In fact, in case of the boundary wall in village Bawana, demarcation was stated to be done in May 2003 before award of work, yet the unauthorized activity remained unreported, while the wall at village Jaunpur remained incomplete with a gap thus defeating its very purpose. At the same time, the Panchayat Department should also have ensured a litigation/ encroachment free site and thereafter responded when the hindrances were referred it so as to ensure removal of the encroachment and disposal of the litigation to enable PWD to execute the work.

Thus, failure of the Department to ensure encroachment free sites before award/commencement of the work as envisaged in the codal provisions as well as lapse of the Panchayat Department to inform about the litigation/encroachment on land resulted in wasteful expenditure of Rs. 63.39 lakh due to foreclosure of work on construction of two boundary walls.