

## **CHAPTER IV : WORKS EXPENDITURE**

### **SECTION - A**

#### **PUBLIC WORKS DEPARTMENT**

##### **4.1 Accelerated Urban Water Supply Programme**

*Laxity on the part of the State Government in contributing matching share to run the schemes handicapped the progress of implementation. The laxity also deprived the State of matching Central assistance amounting to Rs.55.07 lakh during the period from 1994-95 to 1997-98. Excessive delay in implementation of a scheme led to heavy escalation of the project cost. Instances of diversion of scheme funds were many, which were avoidable had the programme been closely monitored.*

##### **Highlights**

The State Government released only Rs. 30 lakh during 2000-2001 against Rs. 3.14 crore as Central share released by the GOI during the 8 years ending 2000-2001, though the former was supposed to contribute half of the total funds.

(Paragraph 4.1.8)

Inaction on the part of the Department in implementation of Kamalpur project for an inordinately long period of 5 years led to escalation of the project cost by Rs. 92 lakh.

(Paragraphs 4.1.11 and 4.1.12)

Out of Rs. 3.15 crore booked as expenditure, Rs.2.49 crore was spent on items pertaining mostly to ongoing State Urban Water Supply Schemes which were outside the purview of AUWSP.

(Paragraph 4.1.18)

##### **Introduction**

**4.1.1** The Centrally sponsored Accelerated Urban Water Supply Programme (AUWSP) for towns having population less than 20,000 as per 1991 census was initiated by the Government of India (GOI) from the Annual Plan of 1993-94. The programme is funded on grant basis; 50 *per cent* of the funds is to come from the GOI and 50 *per cent* from the State Government including 5 *per cent* beneficiary contributions.

**4.1.2** The main objective of the programme is to provide safe and adequate water supply facilities to the entire population of the towns coming under its purview.

##### **Organisational set-up**

**4.1.3** The State Public Works Department is responsible for implementation of the programme through its Public Health Engineering (PHE) wing. The Department is headed by an Engineer-in-Chief and the wing by a Chief

Engineer. 4 PHE Divisions\* (out of 5) are directly involved in execution of works under the supervision of 2 Superintending Engineers (SEs)\*\*.

### Audit coverage

**4.1.4** Implementation of the programme in the State during 1993-94 to 2000-2001 was reviewed in audit between December 2000 and April 2001 by test check of records of the Chief Engineer (PHE) and the Executive Engineer, PHE Division III covering one out of four schemes taken up in the State and an expenditure of Rs. 1.18 crore out of Rs. 3.15 crore reported to have been spent. The results are indicated in the following paragraphs.

### Financial performance

**4.1.5** The following table indicates yearwise availability of funds and expenditure incurred under AUWSP, as per records made available by the Department.

Year	Opening balance	Amount of Central share actually released by GOI (allocation in brackets)	Amount of State share released	Total funds available under AUWSP during the year	Expenditure	Closing balance
<i>( Rupees in lakh )</i>						
1993-94	Nil	5.16 (5.41)	Nil	5.16	Nil	5.16
1994-95	5.16	Nil (7.30)	Nil	5.16	Nil	5.16
1995-96	5.16	Nil (9.13)	Nil	5.16	Nil	5.16
1996-97	5.16	Nil (9.40)	Nil	5.16	Nil	5.16
1997-98	5.16	Nil (29.24)	Nil	5.16	Nil	5.16
1998-99	5.16	42.11 (42.11)	Nil	47.27	NIL	47.27
1999-2000	47.27	91.44 (91.44)	Nil	138.71	45.69	93.02
2000-2001	93.02	175.25 (175.25)	30.00	298.27	269.39	28.88
<b>Total</b>		<b>313.96 (369.28)</b>	<b>30.00</b>		<b>315.08</b>	

Scrutiny revealed the following:

**4.1.6** The GOI was wrongly informed in October 2000 by the State Government that Rs. 5.16 lakh was spent under the programme during 1994-95. It was seen in audit that the amount was spent on the ongoing State plan schemes during the year and not on AUWSP.

**4.1.7** There was excessive delay in release of Central share by the State Government to the implementing department. Rs. 42.11 lakh was released in 1998-99 after 62 days, Rs. 87.95 lakh in 1999-2000 after 77 days and Rs. 88.17 lakh in 2000-2001 after 63 days. While the Department was solely in need of funds the State Government delayed the release though the Central funds were at hand.

**4.1.8** Against Rs. 3.14 crore released as Central share by the GOI during 1993-94 to 2000-2001, the State share was a meagre amount of Rs. 30 lakh

\* PHE Divisions II, III, IV and V located at Kumarghat, Udaipur, Agartala and Ambassa respectively.

\*\* Circles I and II, both at Agartala.

only released during 2000-2001. Five *per cent* contribution from the urban local bodies towards the project cost as per stipulation of the programme was also not received. During 1994-95 to 1997-98, the programme was deprived of Central share totalling Rs. 55.07 lakh. The amount, though allocated, was not released as the matching share from the State was not forthcoming. On the other hand, the GOI had been misinformed through the reports for the year 1999-2000 and the half year ending September 2000 sent by the State Government that, during 1999-2000 and 2000-2001, Rs. 25 lakh and Rs. 1.25 crore respectively were released as matching State share. Records revealed that first release of State share of Rs. 30 lakh only was made in January 2001 and that too without any budget provision during 2000-2001. This was in violation of the principles of sound financial management.

#### ***Basis for selection of towns***

**4.1.9** The programme envisaged supply of water to urban population at the rate of 70 litres per capita per day (lpcd). To augment the capacity of the existing sources in the urban areas, the programme envisaged to give priority in coverage to the towns with low per capita supply of water. A State Level Selection Committee (SLSC), despite having been constituted in July 1995 was not functioning. Meanwhile, a report was sent to the GOI in February 1994 containing information on 6 towns on the existing per capita per day supply (lpcd). If the information was taken into account, the priority in coverage of the first 4 towns under the programme should have gone to Kumarghat (31.84 lpcd), Belonia (36.17 lpcd), Amarapur (37.48 lpcd), and Sabroom (42.83 lpcd). Another SLSC was constituted afresh in August 1999 and at the instance of this committee, Kamalpur and Sonamura were proposed to the GOI for selection excluding Amarapur and Sabroom from the priority list without recording any reasons. This was in violation of the underlying principle of the programme.

#### ***Physical performance***

**4.1.10** As per 1991 census, 11 Nagar Panchayats in the State (out of 12) were having population less than 20,000, all of which were problem towns to come under the purview of AUWSP. Of these, till March 2001, project reports for 4 had been approved by the Government of India for implementation, particulars of which are given in the following table:

<b>Sl. No.</b>	<b>Name of the town</b>	<b>Population as per 1991 census</b>	<b>Date of approval of the project by GOI</b>	<b>Estimated cost (Rupees in crore)</b>
1.	Kamalpur	4,300	March 1994; February 1999	0.41; (Revised) 1.33
2.	Belonia	13,274	December 1999	2.88
3.	Kumarghat	14,641	May 2000	4.17
4.	Sonamura	8,136	January 2001	1.40

None of the projects had been completed, as of October 2001.

#### ***Laxity in implementation***

**4.1.11** For Kamalpur project, the GOI released in March 1994 Rs.5.16 lakh (i.e. one-fourth of the 50 *per cent* Central share against the estimated cost of

Rs.41.31 lakh). The Department did nothing to execute the scheme with the Central share, nor did it release the matching share of 50 *per cent* of the estimated cost during the next 5 years, except preparation and submission of a fresh project report for an estimated cost of Rs. 1.33 crore to the GOI in December 1998. Against this, the GOI released an additional amount of Rs.42.11 lakh as Central share in March 1999. The Central share received against the project, thus, worked out to Rs.47.27 lakh. The project was to be completed by 2000. But the State Government did not release its matching share for the project against the Central share received either during 1998-99 or during the years that followed, as of March 2001, and the latest physical progress report (i.e. upto March 2001) made available revealed that the project was not likely to be completed before March 2002.

**4.1.12** Laxity in implementation of the scheme led to escalation of the project cost by Rs.92 lakh (i.e. Rs.1.33 crore *minus* Rs. 41 lakh) during 5 years from 1994 to 1999. Unless the pace of implementation was quickened and side by side the matching share was released as per requirement, the project cost will continue to escalate and there will be chances of even the earlier investment turning unproductive.

#### ***Expenditure analysis***

**4.1.13** Scrutiny of expenditure booked under AUWSP during 1999-2000 and 2000-2001 revealed the following facts and irregularities:

**4.1.14** Of Rs. 137.08 lakh booked as expenditure on Kamalpur project upto March 2001, Rs.77.76 lakh was actually spent on a 0.72-MGD treatment plant which was being constructed under a State plan scheme.

**4.1.15** Again, of Rs.125 lakh shown to have been spent on Belonia project, Rs.49.08 lakh was spent on construction of an overhead tank taken up under State sector Minimum Needs Programme. Moreover, an amount of Rs.68.95 lakh was spent on construction of a 1-MGD treatment plant while the GOI - approved project envisaged construction of a 0.3-MGD treatment plant. The scope and design of the plant had been changed without any prior approval of the GOI.

**4.1.16** Although the work on Sonamura project had not yet been taken up and even administrative approval and expenditure sanction were yet to be issued (March 2001), Rs.53 lakh was shown to have been spent on the project. Of this, Rs.15.92 lakh was actually spent on an existing treatment plant beyond the purview of the GOI - approved project. The balance of Rs.37.08 lakh was spent by PHE Division IV, Agartala in March 2001 on settlement of CSS claims for the cost of materials indented and received in September 1991 (i.e. before the introduction of AUWSP).

**4.1.17** Kumarghat project was approved in May 2000, but the work was not started (October 2001).

**4.1.18** While the total estimated cost for the 4 approved projects under AUWSP was Rs. 9.78 crore, the amount actually spent on items within the

purview of the approved schemes was Rs. 0.66 crore only. Out of Rs. 3.15 crore booked as total expenditure during 1998-99 to 2000-2001 the balance of Rs. 2.49 crore, was spent on items, pertaining mostly to ongoing State Urban Water Supply Schemes which were outside the purview of AUWSP.

### ***Monitoring and evaluation***

**4.1.19** There was no effective infrastructure at the State level for monitoring and evaluation of the programme with reference to planning, physical achievement and expenditure incurred. This contributed to adoption of merely a mechanical approach in planning which lacked community participation in contravention of the instructions contained in the scheme guideline. Quarterly and half-yearly progress reports were not being prepared and submitted to the GOI on regular basis. After a lapse of more than 5 years since first receipt of Central shares, only 1 out of 13 Half yearly Reports and 2 out of 26 Quarterly Reports due were sent in October 2000. Moreover, contradictory information was found to have been included in two sets of reports e.g. expenditure incurred under AUWSP during April 2000 to September 2000 was Rs.90 lakh as per quarterly progress reports, while it was Rs.212.95 lakh as per progress report for the half-year ending September 2000.

**4.1.20** The above points were reported to the Government in August 2001; their replies have not been received as of November 2001.

## PUBLIC WORKS AND RURAL DEVELOPMENT DEPARTMENTS

### 4.2 Rural Water Supply Programme

*The programme suffered from diversion of funds, idle expenses, lack of priority in taking up work, high O&M expenditure on schemes, tardy implementation, defective planning and inefficient execution. There were instances of wasteful expenditure which could have been avoided. Monitoring was weak and concurrent evaluation was absent.*

#### Highlights

During 1997-98 to 2000-2001, Rs. 30.98 lakh was found to have been irregularly diverted by Public Health Engineering (PHE) and Rural Development Department (RDD) from ARWSP and MNP funds.

(Paragraph 4.2.13)

In a mismatch between planning and execution, only 40 deep tubewells out of 195, constructed during 1997-2001, were in locations mentioned in action plans prepared by the Panchayat bodies and approved by the State Level Co-ordination Committee.

(Paragraph 4.2.15)

As per the programme, the habitations as on 1 April 1999 were reclassified with reference to adequacy and safety factors in providing drinking water facilities and the data were sent to the GOI. The revised classification proved arbitrary as there was no evidence that necessary survey to collect the requisite data was ever conducted for this.

(Paragraphs 4.2.18 to 4.2.20)

The principle for giving priority of coverage to 'Not Covered' (or NC) habitations as envisaged in the programme was ignored. The target for covering 982 such habitations within 1997-98 was not achieved even at the end of 2000-2001 when 287 such habitations were left uncovered.

(Paragraph 4.2.22)

Defective design and drawing for construction of 8 overhead tanks resulting in the works having been taken up anew led to wasteful expenditure of Rs. 33.31 lakh and extra liability of Rs. 1 crore incurred by the PHE on them.

(Paragraphs 4.2.30 to 4.2.35)

During 1997-98 to 2000-2001, the PHE procured 225 pump sets in excess of requirement resulting in extra avoidable expenditure of Rs. 1.06 crore.

(Paragraph 4.2.41)

The pace of construction and commissioning of iron removal plants (IRPs) lacked element of urgency in absence of any fixed timeframe before the executing agencies. During 3 years ending 2000-2001, only 8 IRPs (out of 77 approved) were found to have been commissioned.

(Paragraph 4.2.46)

**Three PHE Divisions incurred wasteful expenditure of Rs. 11.09 lakh during 1998-2001 in unsuccessful drillings at 25 locations. The prescribed procedure to assess availability/potentiality of ground water source was not followed before taking up such drilling.**

**(Paragraphs 4.2.52 and 4.2.53)**

### *Introduction*

**4.2.1** Accelerated Rural Water Supply Programme (ARWSP) was introduced in 1972-73 by the Government of India (GOI) to assist the States to accelerate the pace of coverage by drinking water supply. The programme aimed at supplementing of the efforts being made by the State Government under the State sector Minimum Needs Programme (MNP). The technology mission on drinking water and related water management, called National Drinking Water Mission was launched in 1986 to give the programme a mission approach by way of ensuring maximum inflow of scientific and technical input. The mission was renamed Rajiv Gandhi National Drinking Water Mission in 1991. From 1 April 1999, the GOI had revamped the programme which, amongst others, aimed at ushering in reforms by institutionalising community participation in the rural water supply sector. The revamped programme categorised the problem habitations into five categories<sup>26</sup> with reference to adequacy and safety factors in providing drinking water facilities to the rural population. Under the revised system, the changed definition of 'not covered' habitation is a habitation having either no source of water or having a source or sources supplying less than 8 litres of water per capita per day (lpcd). This system of categorisation replaced the earlier one consisting of Not Covered (NC), Partially Covered (PC) and Fully Covered (FC).

**4.2.2** A habitation is to be treated as fully covered if 40 litres of safe drinking water per capita per day is provided for human beings. Drinking water is defined as safe if it is free from bacteria, causing water borne diseases, and chemical contamination (fluoride, brackishness, excess iron, arsenic, and nitrate beyond their permissible limits).

### *Organisational set-up*

**4.2.3** Under the programme, there are two systems adopted for supply of drinking water to the rural population, one of which is piped water supply from deep tubewells (DTWs) and another is supply of water through creation of spot sources, i.e., mark II and mark III tubewells, sanitary wells etc.

**4.2.4** The PWD (PHE) executes both the ARWSP and MNP and in both of them the adopted system is piped water supply, while the Rural Development Department (RDD) executes only the MNP by way of creating spot sources. Tripura Tribal Area Autonomous District Council (TTAADC) headed by a Chief Executive Officer takes up similar work in its own area under the MNP with the funds provided by the RDD. In the PHE side, execution of the

<sup>26</sup> Not Covered/No Safe Source (NC/NSS), Partially Covered/No Safe Source (PC/NSS), Partially Covered/Safe Source (PC/SS), Fully Covered/No Safe Source (FC/NSS) and Fully Covered/Safe Source (FC/SS).

programmes is entrusted with 4 PHE Divisions, working under the supervision chain of two Superintending Engineers (PHE), one Chief Engineer (PHE) and the Engineer-in-Chief of the PWD. In the RDD side, the execution of the programme is entrusted with 38 BDOs and 4 Executive Engineers each in charge of an RD Engineering Division, under the supervision chain of 4 District Collectors and the Secretary, Rural Development Department. Another SE (PHE) working under the PWD is responsible to run a Monitoring Cell and an Investigation Unit and is the nodal authority for co-ordination, investigation, planning and timely submission of reports and returns to the GOI in respect of all the components under the programme.

### ***Audit coverage***

**4.2.5** An audit review on implementation of the programme during 1992-93 to 1996-97 had appeared in the Report of the Comptroller and Auditor General of India for the year ended March 1997.

**4.2.6** The present review of the Programme covering the period 1997-98 to 2000-2001 was conducted between February and June 2001. The offices covered were those of the CE (PHE), 3 SEs (PHE), 4 PHE Divisions<sup>^</sup>, Joint Secretary (RD), 3 RD Engineering Divisions<sup>^</sup>, 4 DMs and 10 BDOs<sup>^</sup>. Expenditure covered was 37 per cent of the total expenditure incurred during the period under review. The points noticed are discussed in the succeeding paragraphs.

### ***Funding pattern***

**4.2.7** 100 per cent Central assistance for ARWSP is allocated to the State on the basis of matching provision made/expenditure incurred by the State under the State Sector Minimum Needs Programme. Release for ARWSP is not to exceed the provision made by the State for MNP. Upto 20 per cent<sup>\*</sup> of ARWSP funds for sub-mission projects<sup>^</sup>, upto 15 per cent<sup>^</sup> for operation and maintenance of assets created and at least 25 per cent for drinking water supply to SCs and 10 per cent for STs are to be earmarked. The same principle in earmarking of a specific percentage of funds is also to be followed for MNP. In addition, from 1999-2000, 100 per cent Central assistance for each of the programme components, viz., Human Resource Development (HRD), Information Education and Communication (IEC), Management Information System (MIS) and Sector Reform is also being provided<sup>\*</sup>. Moreover, for purchase of rigs, water supply in rural schools, and monitoring and investigation unit, the funds are to be made available from 1999-2000 onwards

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<sup>^</sup> PHE Divisions II, III, IV and V.

<sup>^</sup> West, South and Dhalai.

<sup>^</sup> Jirania, Dukli, Bishalgarh, Mohanpur, Melaghar, Teliamura, Matabari, Kakraban, Ambassa, Gournagar.

<sup>^</sup> 5 per cent prior to 1999-2000.

<sup>^</sup> Total funds of which are to be shared at 75:25 ratio between the GOI and the State up to 1997-98 and from 1999-2000 onwards (the ratio was 50:50 in 1998-99).

<sup>^</sup> 10 per cent prior to 1999-2000.

<sup>\*</sup> In case of MIS, the funds were being shared in the 80:20 ratio between the GOI and the State prior to 1999-2000.



at 50:50 ratio from the GOI and the State, while prior to 1999-2000 the first and the third components were being entirely financed from the ARWSP and MNP funds.

### *Financial performance*

#### **Outlay and expenditure**

**4.2.8** The budget provision, funds released by the GOI and expenditure incurred under ARWSP and MNP during the period from 1997-98 to 2000-2001 as reported by the Department were as under:

Year	ARWSP				MNP			
	Budget provision	Funds released by GOI	Expenditure reported by the State Government	Excess(+)/savings(-) with reference to funds released from GOI	Budget provision	Funds released by State	Expenditure reported by the State Government	Excess(+)/savings(-) with reference to budget provision
<i>(Rupees in crore)</i>								
1997-98	5.25	*7.77	7.95	(+) 0.18	11.47	11.47	12.06	(+) 0.59
1998-99	12.48	21.45	21.29	(-) 0.16	22.06	22.06	22.12	(+) 0.06
1999-2000	15.39	16.72	16.62	(-) 0.10	21.66	21.66	21.66	NIL
2000-2001	17.65	15.72	15.80	(+) 0.08	21.81	21.81	20.62	(-) 1.19
<b>Total :</b>	<b>50.77</b>	<b>61.66</b>	<b>61.66</b>	<b>NIL</b>	<b>77.00</b>	<b>77.00</b>	<b>76.46</b>	<b>(-) 0.54</b>

\*This includes unutilised funds of Rs. 0.05 crore relating to previous years.

**Note :** (i) In addition, for rural water supply programme, the PWD(PHE) received Rs. 3.90 crore forming part of the grant under Prime Minister's Gramodyog Yojana (PMGY) released from GOI during 2000-2001. Against this, Rs. 3.97 crore was spent. Similarly, the RDD received Rs. 4.15 crore on the same account during the period and the amount is shown as included in the funds released by the State under MNP during 2000-2001. The expenditure against this had been shown as included in expenditure incurred under MNP during the year, and could not be segregated.

(ii) Under the programme components HRD and MIS, Rs. 8.83 lakh and Rs. 13.84 lakh respectively received by RDD as Central assistance prior to 1997-98 remained unspent. Under MIS, an additional amount of Rs. 4.75 lakh was received by the State during the period under review. Rs. 6.16 lakh and Rs. 13.80 lakh under HRD and MIS respectively remained as unspent at the end of the period.

Audit scrutiny revealed the following irregularities:

**4.2.9** Under the component of IEC, a project report was sent twice (in October 1996 and February 1998) by RDD to the GOI. The GOI returned the project report last in February 1998 with the directions to prepare the project report in accordance with the national guidelines, which had not yet been attended to. One of the major defects of the project reports sent twice was that neither of them comprised the financial requirement for implementation of the programme.

**4.2.10** Although the GOI provided Rs. 18.59 lakh for purchase of 6 computers and necessary accessories to go with them, *inter alia*, during the 5 years ending March 2001, the Department failed to purchase the computers but spent Rs.4.79 lakh for premature purchase of 6 uninterrupted power supply systems (UPSs) between December 1999 and March 2000.

**4.2.11** Against Rs. 2.28 crore under MNP received from the RDD by TTAADC during 1999-2000, Rs. 1.34 crore was shown as spent by the latter in February 2001. But the RDD had shown the entire balance of Rs. 2.28 crore as spent during 1999-2000 in the progress report sent to the GOI in June 2000, thus, inflating the financial achievement.

**4.2.12** It was noticed that, as of 31 March 2001, 8 BDOs of the North District and 4 BDOs of Dhalai District were retaining Rs. 1.52 crore in their current deposit accounts. But the RDD had shown the entire amount as spent and included the amount in the expenditure statement furnished to the GOI in June 2001.

### ***Diversions of funds***

**4.2.13** Rs. 30.98 lakh\* was found to have been diverted from ARWSP and MNP funds during April 1997 to March 2001 by the RDD and the PHE to other purposes, which was not permissible.

### ***Planning***

#### **Mismatch between planning and execution**

**4.2.14** The State Level Co-ordination Committee (SLCC), headed by the Chief Secretary, is the competent authority for approval of Annual Action Plan, to be prepared on the basis of recommendations received from the panchayat bodies, and also for periodical review of progress of scheme implementation and serviceability of drinking water sources. For this purpose, the committee was required to meet at least once in every three months. But the committee met only three times during 1997-98 to 1999-2000, with no meetings held during 2000-2001.

**4.2.15** During 1997-98 to 1999-2000, the SLCC approved action plans for implementation of 279 DTW schemes, indicating a location for each. But at the time of execution of the work of drilling and development of DTWs, the PHE invited tenders without making any linkage with the locations approved by the SLCC and developed 195 DTWs under ARWSP and MNP during 1997-98 to 2000-2001. Audit scrutiny revealed that, of 195 DTWs developed by the PHE during the period, only 40 DTWs were from the list of DTWs approved by the SLCC.

**4.2.16** It was, thus, evident that the practice adopted for drilling and development of DTWs by the PHE negated the very objective of the SLCC meetings.

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\* Rs. 14.96 lakh towards purchase of 5 Jeeps by the PHE and Rs. 16.02 lakh for construction of 2 departmental godowns by the RDD and one office building by the PHE.

### Identification of problem habitations

**4.2.17** As per survey conducted in early 1997, out of 7412 habitations of the state, 982 habitations, having no assured source of drinking water within a distance of 1.6 km in plains or within 100 metres elevation difference in the hills were identified as not covered (NC) habitations, 2400 habitations having capacity of the system to provide drinking water less than 40 lpcd were identified as partially covered (PC) habitations and the remaining 4030 habitations having capacity of the system for providing 40 lpcd were identified as fully covered (FC) habitations.

**4.2.18** With reference to the changed criteria, the PHE prepared and sent (June 2000) a status report on habitations of the State in June 2000. According to the report, as on 1 April 1999, there were 1849 habitations under the category of NC/NSS, 482 under PC/NSS, 4952 under FC/NSS and 129 under FC/SS. As per this report, there were no habitations under the category of PC/SS.

**4.2.19** It was seen that the revised categorisation was never used by the PHE in the subsequent reports sent to GOI. As a result, the correct progress made towards achieving the ultimate target to bring all the habitations into the category of FC/SS was not verifiable.

**4.2.20** Moreover, the re-categorisation of the habitations with reference to adequacy and safety factors in providing drinking water facilities required resurvey of all the habitations as well as testing of water quality being supplied to them. There was no evidence that the implementing agencies had ever taken up the work. It may, therefore, be reasonably concluded that the recategorisation was done, without collecting any data, in an arbitrary manner.

### Physical progress

#### Target and achievement

**4.2.21** The following table indicates yearwise target and achievement in coverage of habitations of different categories during 1997-98 to 2000-2001 under ARWSP and MNP as reported by the State Government to the Government of India.

Year	NC to PC			NC to FC				PC to FC				
	Target	Achievement			Target	Achievement			Target	Achievement		
		ARWSP	MNP	Total		ARWSP	MNP	Total		ARWSP	MNP	Total
1997-98	900	-	51	51		-	43	43	440	256	92	348
1998-99	Nil	-	104	104	210	-	58	58	600	457	145	602
1999-2000	420	80	75	155	310	-	30	30	140	351	210	561
2000-2001	300	-	-	-	Nil	-	-	-	654	252	-	252
<b>Total</b>		<b>80</b>	<b>230</b>	<b>310</b>		<b>-</b>	<b>131</b>	<b>131</b>		<b>1316</b>	<b>447</b>	<b>1763</b>

**Note:** In addition, the PHE supplied information on achievement in rural water supply under PMGY during 2000-2001 as indicated in the following table:

Year	NC to PC		NC to FC		PC to FC	
	Target	Achievement	Target	Achievement	Target	Achievement
2000-2001	-	254	-	-	-	489

**4.2.22** While furnishing the reply to audit review on Rajiv Gandhi National Drinking Water Mission incorporated in the Audit Report for 1996-97, the Department had stated (December 1997) that all the 982 NC habitations would be covered during 1997-98. Although the target was fixed accordingly, the achievement in coverage was only 94 (i.e. 9.57 per cent) of the target. Even at the end of 2000-2001, 287 NC habitations remained to be covered. In the meantime, as per status report prepared by the PHE, the number of NC habitations as on 1 April 1999 shot up to 1849, as habitations with water supply less than 8 lpcd were also to be included in the NC category under the revamped programme. But in setting the targets for 1999-2000 and 2000-2001, the concept was never taken into account, contrary to the objective of the revamped programme.

**4.2.23** During 1997-98 to 2000-2001, 2252 PC habitations out of 2400 were upgraded to FC. Side by side, only 695 NC habitations out of 982 were upgraded to PC or FC. This was in contravention of the Government's decision to give priority to cover all the NC habitations over the PC category.

#### ***Coverage of NC habitations***

**4.2.24** In view of the programme having envisaged giving priority of coverage to NC habitations over others, the PHE transferred Rs. 5.56 crore between June 1997 and August 2000 to the TTAADC and Rs. 2.20 crore to four DMs of the State between January and February 2000 from the ARWSP funds, with a specific instruction to utilise these additional funds for creation of spot sources in the NC habitations only. No targets were laid down; nor was any timeframe fixed for this purpose.

Scrutiny of records revealed the following :

**4.2.25** None of the 4 DMs and TTAADC authority furnished utilisation certificates indicating physical performance to the PHE, as of June 2001. As a result, the PHE was in the dark about the actual coverage, if any, of NC habitations with these additional funds.

**4.2.26** An amount of Rs. 16.35 lakh<sup>\*</sup> was placed by the DMs between January and February 2000 at the disposal of 5 BDOs<sup>\*\*</sup> for coverage of NC habitations, though there were no NC habitations in those Blocks as on 1 April 1999 as reported by the DM (South) in April 2001 to the RDD and as noticed from the records of the DM(North) during audit of the amount received, the 5 BDOs spent Rs. 16.01 lakh for creation/renovation/re-sinking of spot sources in partially covered habitations instead of creating spot sources in NC habitation for which the amount was given.

**4.2.27** Instead of creating new spot sources, the DM (West) utilised Rs. 14.75 lakh, out of Rs. 1 crore received on this account, for purchase of compressors, boring machines and repair of existing sources during 1999-2000.

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\* DM North: Rs. 9.35 lakh; DM South:Rs. 7 lakh.

\*\*Rupaichari : Rs. 3 lakh; Matabari : Rs. 3 lakh; Kakraban : Rs. 1 lakh; Kadamtala : Rs. 4.34 lakh; Panisagar : Rs. 5.01 lakh.

**4.2.28** The entire amount of Rs. 2.20 crore placed with 4 DMs of the State in January and February 2000 was reported by the PHE to GOI as expenditure incurred during 1999-2000 by the PHE, though an amount of Rs. 8.90 lakh was found in audit to have remained unspent and was lying in the cash chests/PL Accounts etc. as of March 2001.

**4.2.29** It was, therefore, evident that the implementing agencies did not show the required degree of sincerity to cover the NC habitations on priority basis as envisaged in the programme.

### *Execution of work*

#### **Defective design and drawing leading to wasteful expenditure of Rs.33.31 lakh with extra liability of Rs. 1 crore**

**4.2.30** Construction works for 8 overhead tanks, each with 40,000 gallon capacity (5 under PHE Division No. III, Udaipur and 3 under PHE Division No. II, Kumarghat) were awarded to 5 contractors between February and May 1997. The tendered value of the works was Rs. 73 lakh against the estimated cost of Rs. 41 lakh. The time for completion of each work was stipulated to be 9 months.

**4.2.31** The execution of the works progressed upto bottom of tank/bottom of ring beam and the payment of Rs. 33.31 lakh against the value of works done was made between September 1997 and February 1998 to the contractors. In January 1998, some serious errors in the design and drawing prepared by an Assistant Engineer and approved by his Executive Engineer and the Superintending Engineer (PHE) were noticed by the successor of the latter. The quantity of steel actually required to be used in bracing and foundation ring beam was not shown correctly in the design as well as in the drawing, amongst several other errors.

**4.2.32** As a result, the execution of all the 8 works were suspended in December 1997. On preparation of the revised design and drawing, the contractors were asked to resume the work as per original agreement. But they declined to execute the works and went to arbitration, the result of which was not available as yet (March 2001).

**4.2.33** In the meantime, all the agreements were closed between January 1998 and January 1999 without making recovery of cost of materials valued at Rs. 11.65 lakh lying with the contractors.

**4.2.34** Consequently, work orders for construction of those 8 overhead tanks anew on the basis of modified design and drawing were awarded between February 1999 and November 2000 to some other contractors at their tendered value of Rs. 1.73 crore against the revised estimated cost of Rs. 89.51 lakh. In the meanwhile, Rs. 1 crore had already been paid to them upto March 2001.

**4.2.35** Thus, the execution of works on defective design and drawing followed by closure of the agreements resulted in wasteful expenditure of Rs.33.31 lakh apart from locking up of Rs. 11.65 lakh in the form of materials

lying with the contractor. Moreover, this also resulted in incurring extra cost/liability amounting to Rs. 1 crore (Rs. 1.73 crore – Rs. 0.73 crore) in completion of the works.

**4.2.36** No responsibility for the irregularities committed at different levels for preparation and approval of erroneous design and drawing had been fixed as yet (June 2001).

#### **Delay in commissioning of schemes**

**4.2.37** Twenty four DTWs\* constructed during 1997-98 to 1999-2000 by the PHE for providing drinking water to rural population were not commissioned mainly due to non-completion of pump houses/non-availability of electrical connections to the pump houses, as of March 2001.

**4.2.38** Test check of records at PHE Division IV, Agartala disclosed that 13 DTWs, constructed along with pump houses, at a cost of Rs. 92.16 lakh during the period from 1997-98 to 1999-2000 were not commissioned. For providing electrical connections, payment of Rs. 20.82 lakh was made in advance by the PHE to the Power Department between July 1999 and December 2000. There was no evidence that the PHE pursued the matter further with the Power Department.

**4.2.39** The schemes, if commissioned in time, could have provided drinking water to about 31,000 people in the rural areas.

**4.2.40** Failure to assign due priority for completion of incomplete works first, as envisaged in the scheme, coupled with the lack of co-ordination between the PHE and Power Department resulted in non-commissioning of these 13 schemes in time. This also led to locking up of Rs. 1.13 crore spent on the schemes besides depriving a large section of the rural population of drinking water.

#### **Unnecessary purchase of pump sets and abnormally high cost on repair**

**4.2.41** Test check of records revealed that against 195 successful bores achieved by the PHE under ARWSP and MNP during 1997-98 to 2000-2001, the department procured 615 pump sets of different types at a cost of Rs. 2.89 crore for installation in the pump houses, while only 390 pump sets (at the rate of two per scheme) were required to be procured in accordance with the norm fixed in the Manual on Water Supply and Treatment\*. (Of the two pump sets, one was to be on duty and the other to be a standby.) This resulted in procurement of 225 pump sets in excess of requirement involving extra expenditure of Rs. 1.06 crore\*.

**4.2.42** During 1997-98 to 2000-2001, 4 PHE Divisions spent Rs. 98.94 lakh on repair of motors used in running the pumps of the deep tubewells. As per

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\* 16 in West District; 4 in South District and 4 in North District.

\*Brought out by Central Public Health and Environmental Engineering Organisation.

\* Cost of 615 pump sets: Rs. 2.89 crore; proportionate cost of 225 pump sets: Rs. 1.06 crore.

calculation based on the number of motors in use and the cost of repair, it was seen that the divisions spent 30 *per cent* of the cost of a motor every year for operation and maintenance (i.e. O&M), which appeared to be in the higher side (as per programme, 10 *per cent* of the funds provided under the programme were to be spent on O&M. The percentage was raised to 15 from 1 April 1999).

**4.2.43** As to the reasons, the Department stated that low voltage and non-installation of capacitors led to frequent burning of the motors, which in turn shot up the cost of repair. But no remedial measures to bring down the cost had yet been taken by the Department (June 2001).

### ***Sub-Mission Projects***

**4.2.44** Sub-Mission Projects are undertaken by the State for providing safe drinking water to the rural habitations facing water quality problems. In the State, no other chemical contamination except presence of excess iron in drinking water is treated as a problem.

**4.2.45** To deal with this problem, construction of iron removal plants (IRP) with deep tubewells and distribution of domestic filters to the rural population provided with drinking water facilities through spot sources were planned under the programme.

### ***Installation of Iron Removal Plants***

**4.2.46** During 1998-99 to 1999-2000, the SLCC approved 77 IRPs at an estimated cost of Rs. 8.42 crore for installation with the deep tubewells, without fixing any timeframe for completion of the work. Accordingly, on spending of Rs.1.78 crore towards the construction of 38 IRPs (out of 77), the PHE completed and commissioned only 8 of them during 2000-2001, covering only 0.25 lakh rural population. This indicated that the performance in respect of construction and commissioning of IRPs in the State lacked any element of urgency in absence of any fixed timeframe before the executing agencies.

**4.2.47** Moreover, test check of records revealed that at the time of selection of DTWs for installation of iron removal plants, no priority was given by the department as envisaged in the programme, for coverage of those habitations first where the extent of iron contamination was high.

### ***Distribution of domestic filters***

**4.2.48** During 1997-98 to 2000-2001, the RDD placed funds of Rs. 5.53 crore with 4 DMs for distribution of indigenous domestic filters/plastic filters through the BDOs among the rural population of the State. Distribution of filters was to be made on realisation of contribution from the beneficiaries at the rate of 10 *per cent* of the manufacturing cost of the filter for the SC and ST population and 20 *per cent* for others. No implementing agencies (i.e., the BDOs), except in South District, realised the contributions from the beneficiaries.

**4.2.49** It was seen in audit that 2113 domestic filters manufactured departmentally, valued at Rs. 4.94 lakh<sup>+</sup>, were damaged during 2000-2001 and 1550 filters got manufactured by the BDO, Bishalgarh during 1997-98 to 1998-99 at a cost of Rs. 3.63 lakh were lying in the open for the last two years (March 2001) as there was no demand for those filters from the users. The RDD decided to supply plastic filters instead of those made of cement from 1999-2000 onwards.

**4.2.50** It was seen that Rs. 1.28 crore (Rs. 1.16 crore in 1999-2000 and Rs. 12 lakh in 2000-2001) were placed at the disposal of the RD Stores Division, Agartala for procurement of 25,000 plastic filters, against which only 10,000 plastic filters were procured at a cost of Rs. 34.75 lakh and issued to distributing agencies. The unspent balance of Rs. 93.37 lakh was lying with the Executive Engineer, RD Stores Division (March 2001), as he failed to procure the requisite number of filters for not being able to finalise the tenders.

**4.2.51** Thus, the Sub-Mission Project for distribution of domestic filters suffered from deficiency in planning and inefficient execution.

### ***Rig Management***

#### **Wasteful expenditure in unsuccessful drillings**

**4.2.52** To ensure successful drilling and development of deep tubewells, it is necessary to assess the availability/potentiality of ground water source in advance by applying the hydrogeological and geophysical techniques as well as by remote sensing techniques or by consulting the maps of ground water strata of the State, available with the Central Ground Water Board.

**4.2.53** Scrutiny of records of 3 PHE Divisions revealed that none of the techniques were being applied by them before taking up any drilling work. As a result, the 3 Divisions incurred wasteful expenditure of Rs.11.09 lakh<sup>-</sup> during 1998-99 to 2000-2001 in unsuccessful drillings at 25 locations where no ground water strata could be found.

#### ***Infructuous expenditure of Rs. 29.71 lakh on establishment***

**4.2.54** During 1997-98 to 2000-2001, works relating to drilling and development of deep tubewells were executed either by placement of departmental Rigs with all accessories to the contractors on hire basis or by the contractor's own Rigs and, in both the cases, the Rig Operators were engaged by the contractor himself. As a result, the services of 4 Drillers, 1 Junior Operator and 1 Senior Helper posted to Rig Division, Agartala, since April 1997 were not utilised by the Department and the expenditure of Rs. 29.71 lakh incurred on their pay and allowances for the period from April 1997 to March 2001 proved infructuous.

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<sup>+</sup> 2113 filters X Rs. 234 = Rs. 4.94 lakh (BDO, Dumburnagar: Rs. 1.25 lakh for 535 Nos ; BDO, Manu: Rs. 1.71 lakh for 729 Nos., and EE, RD Division, Ambassa: Rs. 1.98 lakh for 849 Nos).

<sup>-</sup> PHE Division II, Kumarghat: Rs. 3.34 lakh; Rig Division, Agartala: Rs. 5.72 lakh; and PHE Division III, Udaipur :Rs. 2.03 lakh.



**4.2.55** On this being pointed out by Audit, the Executive Engineer, Rig Division informed (March 2001) that he had not even made any communication to his higher authorities for transferring the services of the idle manpower elsewhere for proper utilisation.

### ***Materials management***

#### **Non-maintenance of records against assets created**

**4.2.56** According to the programme guidelines, the implementing department or agency, involved with implementation of rural water supply, was to maintain a register showing the details of drinking water sources created under ARWSP and MNP (i.e., date of commencement and completion of each work, estimated cost, cost of completion, depth in case of the spot source, agency responsible for O&M, and other relevant details). But none of the BDOs, DMs, EEs of RD Engineering Divisions, EEs of PHE Divisions, SEs (PHE) and the CE (PHE), whose records were test checked, maintained any such register. As a result, the details of work taken up for execution and amount spent etc., together with propriety of expenditure incurred on a specific scheme from time to time, could not be verified in audit.

**4.2.57** Further, it was noticed that specific instructions were issued by the State Government in April 1998 for numbering all the water sources created under rural water supply programme. But there was no evidence found in audit that the work of such numbering was ever taken up by any of the implementing agencies covered by test check in audit.

### ***Sector reform***

**4.2.58** The GOI had approved the introduction of Sector Reform in the drinking water sector from 1999-2000 with the objective of institutionalising community participation in rural water supply schemes. Against a pilot project approved for Rs. 28.19 crore to be implemented in West Tripura District, the GOI released Rs. 7.71 crore as the first instalment in March 2000.

**4.2.59** The funds were made available to the District Water and Sanitation Committee (DWSC) set up in January 2000 for the purpose of implementation of the scheme. On receipt of 66 projects from the Village Water and Sanitation Committees (VWSCs) through BDOs, the DWSC approved only two projects in February 2001 and released Rs. 7.15 lakh to the VWSCs during February and March 2001 against the estimated cost of Rs. 21.88 lakh for the two projects. But the DWSC could not produce any evidence that the preconditions like signing of the memorandum of understanding (MOU) between the DWSC and the VWSC concerned and depositing of 10 *per cent* of the project cost by the beneficiaries were fulfilled before release of the amount.

**4.2.60** 43 projects received from the Village Committees in February – March 2001 were not cleared by the District Committee due to procedural defects in the proposals even though beneficiaries' contributions were deposited by the village committees. In the meantime, Rs. 85 lakh was placed (March 2001) to the EE, RD Engineering Division, Agartala for procurement of materials for 100 mark II/mark III tubewells.

**4.2.61** The pace of implementation of the scheme for sector reform was so slow that not a single Village Committee could get the benefit under the scheme even after a lapse of one year since the funds were received.

### ***Monitoring and evaluation***

**4.2.62** As envisaged in the programme, the Monitoring Cell would send to GOI a monthly 'progress monitoring report' by the twentieth of the following month. But it was seen in audit that not a single report was sent in time. Sending of 18 reports was delayed by 45 to 128 days and 6 reports were not sent at all. The Monitoring Cell is also responsible for monitoring quality of water at field level, adequacy of service and other related qualitative aspects of the programme and for controlling/regulating the quality of construction works in water supply schemes. But there was nothing on record that the cell had ever taken up any such work.

**4.2.63** The records maintained by the PHE/RDD did not indicate that any evaluation of the programme was ever taken up by any departmental agency or any reputed independent organisation. As a result, the department was not in a position to identify the weak areas where immediate corrective action was to be initiated to improve the quality of programme implementation.

**4.2.64** Thus, leaving aside the requirement of reporting to the GOI as prescribed regarding progress of the schemes, the State Government themselves did not establish any sound monitoring system of their own, which could have enabled them to have a firm control over the programme on an ongoing basis.

### ***Recommendations***

**4.2.65** Coverage of NC habitations is to be given priority over others by formulating a timebound action plan and its execution.

**4.2.66** The project for creating awareness among the rural population about use of safe water under the component of IEC should be prepared and started immediately on obtaining approval from GOI.

**4.2.67** The concept of reclassification of habitations in terms of adequacy and safety in providing drinking water facilities should be introduced in planning and execution. The requisite data for such classification should be obtained by field survey method.

**4.2.68** A constant process of monitoring and evaluation should be established for effective programme management.

**4.2.69** The above points were reported to the Government in August 2001, their replies have not been received as of November 2001.

## PUBLIC WORKS DEPARTMENT (WATER RESOURCES WING)

### 4.3 Integrated Audit of the Water Resources Wing of Public Works Department including Manpower Management

*The medium irrigation projects taken up by the Department suffered from time and cost overrun, indicating deficiency in project management. Materials management was so weak that shortage of pipes and other materials left fifty minor irrigation schemes incomplete and caused delay in commissioning of eighty four such schemes on their completion. There was heavy shortfall in creation of irrigation potential, compared to targets. The Department also could not evolve any specific norms to assess the requirement of staff.*

#### *Highlights*

Annual savings under non-plan budget of the Department during 1996-97 to 2000-2001 totalling Rs. 48.27 crore coupled with plan expenditure exceeding the budget provision in all the years except 1999-2000 were indicative of defective budgeting.

(Paragraphs 4.3.9 and 4.3.10)

The Executive Engineer, Irrigation and Flood Management Division I spent Rs. 24.78 lakh towards construction of Khowai left bank canal before possession of site on which the work was executed. This was injudicious and irregular.

(Paragraphs 4.3.24 to 4.3.26)

Faulty design of canal under Gumti Medium Irrigation Project necessitating consequent change of the design led to unfruitful expenditure of Rs. 38.72 lakh.

(Paragraphs 4.3.27 to 4.3.29)

In respect of 50 minor irrigation schemes, constructed between 1996-97 to 2000-2001 at a total cost of Rs. 2.01 crore, pipe lines could not be laid for a length of 58.916 km due to non-availability of pipes. As a result, 975 hectares of land could not be brought under irrigation cover.

(Paragraph 4.3.34)

There was inordinate delay ranging from 1 to 8 years in completion of 84 minor irrigation schemes sanctioned between 1987-88 and 2000-2001 and completed in 1996-97 to 2000-2001 at a cost of Rs. 9.27 crore due to shortage of pipes and materials etc., resulting in delayed extension of facilities to the beneficiaries.

(Paragraph 4.3.37)

58 minor irrigation schemes completed between 1996-97 and 2000-2001 at a cost of Rs. 1.60 crore to provide assured irrigation for 5,531 hectares of land, had not been commissioned for want of power connections resulting in locking up of Government funds amounting to Rs. 1.60 crore and denial of irrigation facilities to the targeted areas.

(Paragraphs 4.3.39 and 4.3.40)

**Against the target for creation of 15,252 hectares of irrigation potential under minor irrigation programme during 1996-97 to 2000-2001, actual achievement was 9,458 hectares.**

**(Paragraph 4.3.42)**

**During 1996-97 to 2000-2001, only 55 to 91 per cent of the total irrigation potential created was actually utilised. The shortfall was due to shortage of power, absence of field channels/pipe lines etc, which the Department failed to provide.**

**(Paragraphs 4.3.44 to 4.3.46)**

**Failure on the part of the Divisional Officer to enforce the standard conditions of the contract resulted in extension of undue financial benefit of Rs. 16.41 lakh to a firm.**

**(Paragraphs 4.3.47 to 4.3.49)**

**Although Chawkidars were posted, materials costing Rs. 3.78 lakh were stolen from the stockyard of the Resource Division. The Department had neither investigated the matter nor was any action taken to fix up responsibility for the loss, indicating laxity in materials management.**

**(Paragraph 4.3.50)**

### ***Introduction***

**4.3.1** Water Resources Wing of the Public Works Department (PWD) acts as the main instrumentality for giving a phillip to Agriculture which is the mainstay of the economy of Tripura. The area of the State is 10.49 lakh hectares(ha), of which 2.80 lakh hectares (27 per cent) is cultivable and of this, 0.52 lakh hectares ( 19 per cent ) is covered under irrigation, as of March 2000.

**4.3.2** Under the Medium Irrigation Programme, three projects on the rivers Gumti, Khowai and Manu were launched by the Government in 1980-81, 1984-85 and 1986-87 respectively to create additional irrigation potential of 13,199 ha. Such projects are required to be approved by the concerned ministry of the Government of India after obtaining necessary technical clearance from the Central Water Commission (CWC)

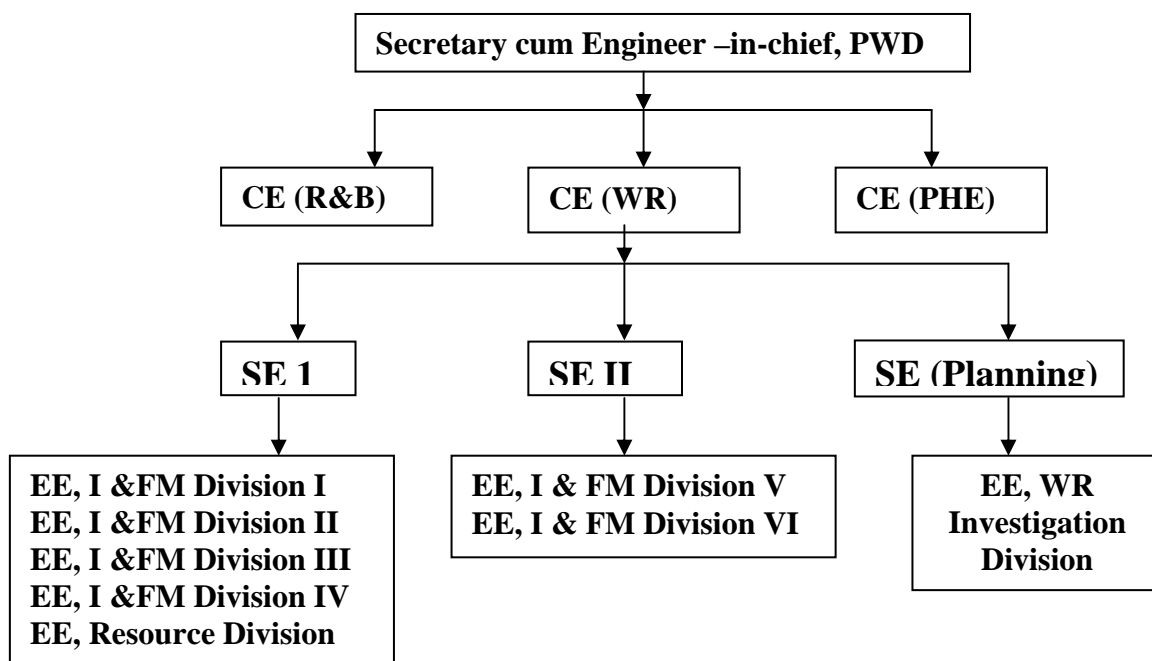
**4.3.3** Side by side, the Minor Irrigation Programme was also taken up in the State since April 1978 and all the irrigation schemes having a cultivable command area (CCA) upto 2000 ha were classified under this programme.

**4.3.4** The main objectives of the minor irrigation programme were (1) exploitation of ground water through construction of deep tube wells (DTWs) and supply and distribution of water to the cultivable command area through a net work of pipes/channels ; and (2) utilisation of surface water through lift irrigation and diversion schemes.

**4.3.5** Apart from the above programmes, the State Government also implements another programme, viz, the Flood Management Programme.

**Organisational set up**

**4.3.6** The execution of the above three programmes is entrusted to the Water Resources (WR) Wing of Public Works Department, headed by the Secretary cum Engineer-in-Chief assisted by a Chief Engineer (Water Resources) (who is also functioning as the Controlling Officer). The organisational chart given below would indicate the formations working under the control of the WR wing:



Abbreviations: CE – Chief Engineer; R & B – Roads and Buildings; WR – Water Resources; SE – Superintending Engineer; EE – Executive Engineer; I&FM – Irrigation & Flood Management.

**Audit coverage**

**4.3.7** Integrated audit of the WR Wing of the department was conducted between January to May 2001. Records of the Chief Engineer, one Superintending Engineer (out of three) and six Executive Engineers (two at Agartala and one each at Udaipur, Belonia, Kumarghat and Kailashahar), out of nine, for the years 1996-97 to 2000-2001 were test checked by way of scrutinising budgeting process, expenditure control, programme management, contract management, materials management and manpower management covering expenditure of Rs. 105.61 crore (i.e. 59 per cent) of the total expenditure of the WR wing. Important points noticed are mentioned in the succeeding paragraphs.

## Financial management

### Budget provision and expenditure

4.3.8 The yearwise budget provision and expenditure incurred by the WR wing during 1996-97 to 2000-2001 as per Appropriation Accounts are given below:

Year	Plan		Non-plan		Total plan and non-plan	
	Budget provision	Expenditure	Budget provision	Expenditure	Budget provision	Expenditure
<i>(Rupees is crore)</i>						
1996-97	18.97	19.68	17.41	8.37	36.38	28.05
1997-98	14.47	16.30	28.96	18.03	43.43	34.33
1998-99	14.79	16.41	17.11	8.86	31.90	25.27
1999-2000	30.75	28.19	23.57	12.76	54.32	40.95
2000-2001	28.87	29.13	29.85	20.61	58.72	49.74
<b>Total</b>	<b>107.85</b>	<b>109.71</b>	<b>116.90</b>	<b>68.63</b>	<b>224.75</b>	<b>178.34</b>

**Note:** Expenditure on medium irrigation projects was financed under Accelerated Irrigation Benefit Programme (AIBP) in the ratio of 2:1 by the Central and the State during 1996-97 to 1998-99. Thereafter the ratio was 3:1. The same ratio was applicable to Minor Irrigation Projects which were also brought under the AIBP for 1999-2000 onwards. The Central share was given as loans. The wing received Rs. 24.19 crore and Rs. 24.53 crore of Central loans upto 2000-2001 as Central loans for medium and minor irrigation projects respectively.

4.3.9 It would be seen from the above table that against the plan provision of Rs. 107.85 crore during the period 1996-97 to 2000-2001, the expenditure was Rs. 109.71 crore, which exceeded the budget provision by Rs. 1.86 crore. On the other hand, expenditure under non-plan during the period was less than the total budget provision by Rs. 48.27 crore. Annual savings under non-plan budget during all the years coupled with plan expenditure exceeding the budget provision in all the years except 1999-2000 were indicative of defective budgeting.

4.3.10 It was seen that the Department incurred plan expenditure of Rs. 2.64 crore under 5 minor heads\* against which there were no budget provisions during 1996-97 and 1998-99 to 2000-2001.

## Expenditure control

### Non-observance of time schedule

4.3.11 Separate records/registers were not maintained by the Chief Engineer (WR) in order to watch timely submission of expenditure statements by the Circle Offices/Divisions. From a few monthly statements, which were produced to Audit, it was noticed that time schedule was not adhered to by the drawing and disbursing officers in submission of monthly statements of expenditure, some instances of which are indicated below :

\* 052 under 2702 (1996-97), 103 under 2702 (1998-99), 103 and 800 under 2702 (1999-2000), 103 under 2702 (2000-2001).

**4.3.12** As against due date of 10 September 1998, expenditure statements for August 1998 were received in the office of the Chief Engineer during 16 September to 2 November 1998 from all the Divisions/Circle Offices.

**4.3.13** Expenditure statements for September 1999 due on 10 October 1999 were received from six divisions during 26 October 1999 to 8 November 1999. Even the statement in respect of the establishment of the Chief Engineer himself was received on 16 December 1999.

**4.3.14** It was noticed in audit that submission of consolidated monthly expenditure statements by the Controlling Officer to the Finance Department was delayed by 95 to 138 days as shown below:

Month of report	Due date of submission	Actual date of submission	Period of delay
April 2000	15-5-2000	30-8-2000	107 days
May 2000	15-6-2000	19-9-2000	96 days
June 2000	15-7-2000	18-11-2000	126 days
July 2000	15-8-2000	18-11-2000	95 days
August 2000	15-9-2000	31-1-2001	138 days
September 2000	15-10-2000	31-1-2001	108 days
October 2000	15-11-2000	23-3-2001	128 days

**4.3.15** Reasons for such abnormal delay in submission of reports were not stated (June 2001). The delay in compilation and submission of monthly expenditure statements came in the way of keeping timely watch by the Controlling Officer/Finance Department over the flow of expenditure against the sanctioned grant and appropriation for which the Government was accountable to Assembly.

#### **Incomplete details in expenditure register**

**4.3.16** Test check of expenditure register maintained by the Chief Engineer revealed that the register did not contain details of grants sanctioned for the year, its monthly release and expenditure thereagainst, in the absence of which it was not possible for the Controlling Officer to exercise control over expenditure effectively. This resulted not only in rush of expenditure in March every year as indicated below but also in unrealistic budgeting, often leading to abnormal savings and excess as may be seen from the table showing the budget provision and expenditure above.

## Rush of expenditure

4.3.17 Instances of heavy expenditure in March were noticed in some Divisions as detailed below :

Name of the Division	Year	Total expenditure during the year	Expenditure during the month of March	Percentage with reference to total expenditure
<i>(Rupees in crore)</i>				
1. I & FM Division I	1996-97	5.02	1.37	27
	1999-2000	7.91	3.16	44
2. I & FM Division II	1996-97	4.07	1.20	29
	1999-2000	1.52	0.38	25
3. I & FM Division III	1996-97	3.68	1.08	29
	1998-99	4.15	1.36	33
	1999-2000	6.28	2.22	35

Expenditure in March in all the three Divisions ranged between 25 and 44 *per cent* of the total expenditure.

### Programme management

## Medium Irrigation Programme

### Khowai Medium Irrigation Project

4.3.18 Khowai Medium Irrigation Project was approved by the Central Water Commission (CWC) in May 1980 with an estimated cost of Rs.7.10 crore to irrigate 4,515 hectares of land in Tripura West District. The project was scheduled to be completed by March 1985. However, the work on the project was taken up in November 1984. In the meantime original estimated cost of the project (Rs.7.10 crore) was revised due to increase in the cost of materials and wages to Rs. 40.36 crore in 1990 and again to Rs. 59.75 crore in 1996, with the projected date of completion as March 2002, although the original scope of the Project was decreased by reducing the length of canal from 38.8 Km to 32.4 Km.

4.3.19 The project comprised construction of a barrage and two canals for a total length of 32.4 Km (Right Bank: 13.55 Km; and Left Bank : 18.85 Km), against which construction of the barrage and canal for a total length of 7.08 Km (Right Bank: 6.10 Km; and Left Bank: 0.98 Km) had been completed, as of March 2001, at a cost of Rs. 47.28 crore.

4.3.20 This indicates that 78 *per cent* of the canal work is yet to be completed to make the project fully operational. As per information furnished by the Department, only 400 ha of irrigation potential was created and utilised side by side. This was only 9 *per cent* of 4515 ha of irrigation potential targeted.



**4.3.21** In the meantime, although the project was not completed, there was time overrun of 12 years<sup>-</sup> and cost overrun of Rs.40.18 crore, as of March 2001. According to the Department, short working seasons, area having been in a sensitive zone and transportation problem were the reasons behind the time and cost overrun.

### **Gumti Medium Irrigation Project**

**4.3.22** The Project was approved by the CWC in March 1979 at an estimated cost of Rs.5.88 crore to create an irrigation potential of 4,486 hectares in South Tripura District. The project report envisaged completion of the project in all respects by March 1984. The work of the project was started in April 1981. The original estimated cost was revised thrice (in 1985, 1990 and 1996) ultimately to reach the level of Rs.50 crore.

**4.3.23** The project envisaged construction of a barrage and two canals for a total length of 45.9 Km (Right Bank: 23.4 Km; and Left Bank : 22.5 Km). Against this, 18.5 Km of canal (Left Bank : 3.5 Km; and Right Bank : 15.00 Km) had been constructed, apart from the barrage, as of March 2001, at a cost of Rs.37.90 crore, leaving 60 *per cent* of the canal work yet to be completed in order to make the project fully operational. As per information furnished by the Department, the irrigation potential created was 1,350 ha against the targeted potential of 4486 ha. Against this, utilisation of irrigation potential was 1,175 ha. This was only 30 *per cent* of potential targeted and 87 *per cent* of potential created. The project, although incomplete, had in the meantime a time overrun of 15 years<sup>±</sup> and cost overrun of Rs. 32.02 crore, as of March 2001.

### **Construction of canal without acquisition of land**

**4.3.24** The Executive Engineer, Irrigation and Flood Management (I & FM) Division I, Agartala, awarded (March 1998) earth cutting work on Khowai left bank canal from 0 Km to 0.846 Km to contractor 'A' at his tendered cost of Rs.22.93 lakh with the stipulation to complete the work in 6 months.

**4.3.25** The contractor had taken up the work in April 1998 and was paid Rs. 17.23 lakh in December 1999 for 55,000 cum, against 73,775.315 cum awarded for execution. Brick lining work for the same chainage was awarded (January 1999) to contractor 'B' at his tendered cost of Rs.10.86 lakh with the stipulation to complete the work in 2 months. The contractor commenced the work and was paid Rs.7.55 lakh in July 1999 for 4,193 cum against 6,032 cum awarded for execution and the work was in progress (June 2001).

**4.3.26** Test check of records of the Division revealed that although Rs.24.78 lakh (Rs.17.23 + Rs. 7.55) had been spent by the Division in the meantime, it had not taken the possession of the site at which the work was going on.

<sup>-</sup> Number of years taken up so far (i.e. upto 2001) from the year of start (1984), compared to the number of years projected for completion as per project report.

<sup>±</sup> Number of years taken up so far (i.e. upto 2001) from the year of start (1981), compared to the number of years projected for completion as per project report.

Execution of work on a land by spending Rs.24.78 lakh before taking physical possession of the land was injudicious and irregular.

### Unfruitful expenditure

**4.3.27** The work regarding construction of Gumti left bank canal from 4,298 metres to 6,065 metres was awarded (November 1986) by the Executive Engineer, I & FM Division III, Udaipur to a Calcutta based firm at a tendered cost of Rs.1.35 crore with the stipulation to complete the work in 12 months. The firm completed the work upto 4,540 metres only and suspended the work due to heavy landslides.

**4.3.28** The firm was paid (July 1989) Rs.28.26 lakh against the total value of work done. Meanwhile, considering the earlier design faulty, as it was prone to be affected by landslides, the department decided to change the design of the canal and execute the work afresh by providing 'cut and cover' type conduit and accordingly the agreement was closed (May 1990). On being dissatisfied, the firm went to court. The court awarded (May 1999) compensation of Rs.8.39 lakh with 15 *per cent* interest per annum from 10 September 1997 to 6 October 1999.

**4.3.29** Accordingly, Rs. 10.46 lakh \* was paid to the contractor in March 2000. Thus, faulty design resulted in unfruitful expenditure of Rs.38.72 lakh †.

### Benefit-cost ratio

**4.3.30** The Benefit-cost ratio (BCR) is an indicator of the economic viability of the scheme. According to norms approved by the Central Water Commission, irrigation schemes having BCR greater than 1.50 calculated at 10 *per cent* discounted value was considered economically viable. While approving the scheme, BCR in respect of Khowai and Gumti Medium Irrigation Projects was worked out at 1.82 (1980) and 1.69 (1979) respectively.

**4.3.31** The estimated cost in respect of both the projects increased manyfold\*. There was time overrun 12 and 15 years as indicated earlier and the projects are still incomplete (June 2001). Expenditure incurred, as of March 2001, was Rs. 85.18 crore (Khowai: Rs. 47.28 crore; Gumti: Rs. 37.90 crore). Total irrigation potential created was only 1,750 hectares as against the target of 9,001 ha. Though funds upto 78 *per cent* (Rs. 85.18 crore) of the revised cost (Rs. 109.75 crore) had been utilised, irrigation potential created (1,750 ha) was only 19 *per cent* of the targeted potential (9,001 ha).

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* 1. Combined award on value of work done	Rs. 6.24 lakh
2. Escalation charge	Rs. 2.15 lakh
3. Interest on item 1 from 10.9.97 to 6.10.99	<u>Rs. 2.07 lakh</u>
	Rs.10.46 lakh

† Rs. 28.26 lakh plus Rs. 10.46 lakh.

\* Khowai : from Rs. 7.10 crore increased to Rs. 59.75 crore (i.e. 8.42 times) ; Gumti : from Rs. 5.88 crore increased to Rs.50.00 crore (i.e. 8.5 times).

**4.3.32** Although the estimates of the schemes were revised, no fresh BCR had been worked out. Thus, BCR projected originally lost all its relevance leaving the economic viability of the project in jeopardy.

## **Minor Irrigation Programme**

### **Incomplete schemes**

**4.3.33** The Minor Irrigation Programme envisaged co-ordinated development of canals, distributaries, field channels, land development etc. along with the construction of irrigation works with a view to ensuring full utilisation of potential created.

**4.3.34** It was observed that 50 minor irrigation schemes (DTWs : 11; LI:39) designed to create irrigation potential of 2,095 hectares of cultivable land had been constructed by the Executive Engineer, I & FM Division I, Agartala, and commissioned in West District after laying/executing only 111.966 Km of distribution line against the target of 170.882 Km at a total cost of Rs. 2.01 crore during 1996-97 to 2000-2001, leaving a balance of 58.916 Km, due to non-availability of pipes. As a result, irrigation potential of only 1,120 hectares was created and 975 hectares of land was deprived of irrigation facilities.

**4.3.35** The Executive Engineer stated (June 2001) that the Resource Division did not supply the requisite pipes in spite of sending requisition in time.

**4.3.36** This indicated serious mismatch between the execution of works and procurement of materials to be used in such works, which in turn suffered from inherent weakness in total planning.

### **Delay in commissioning schemes**

**4.3.37** Test check of records of I & FM Division I, Agartala, revealed that delay in extension of irrigation facilities to 3,247 hectares of land ranged from 1 to 8 years due to delay in completion of 84 minor irrigation schemes (LI: 57; DTWs : 25 ; Diversion : 2) sanctioned between 1987-88 and 2000-2001 and constructed at a cost of Rs. 9.27 crore between 1996-97 and 2000-2001. This resulted in denial of the desired benefit to the targeted beneficiaries during the period of delay in commissioning.

**4.3.38** Shortage of pipes and materials, erratic supply of power and land dispute were stated by the Executive Engineer to be the main reasons for delay in commissioning the schemes.

**4.3.39** In addition, works of 58 minor irrigation schemes (LI : 45; and DTW: 13) located in 8 blocks<sup>♦</sup> were completed between 1996-97 and 2000-01 at a cost of Rs.1.60 crore to provide assured irrigation for 5,531 hectares of land. The schemes could not be commissioned, as of June 2001, due to lack of electrical connections. The reasons for non-availability of electrical connections and the action taken by the Department to ensure them were not indicated (June 2000) by the Department.

<sup>♦</sup> Jirania, Mandai, Teliamura, Kalyanpur, Mohanpur, Hezamura, Khowai and Tulashikhar.

**4.3.40** Thus, non-commissioning of 58 minor irrigation schemes resulted in locking up of funds of Rs. 1.60 crore besides denial of irrigation facilities for 5,531 hectares of land.

#### Target and achievement

**4.3.41** The targets for creation of sources and irrigation potential *vis-à-vis* actual creation during the years 1996-97 to 2000-2001 as furnished by the Department, are given below:

Year	Deep tubewells (DTWs)		Lift irrigation (LI)		Irrigation potential (in ha)		Shortfall in achievement in creation of irrigation potential (in ha)
	Target	Achievement	Target	Achievement	Target	Achievement	
1996-97	8	7	44	21	1,150	870	280
1997-98	13	2	69	9	4,200	373	3,827
1998-99	10	3	79	60	3,200	2,505	695
1999-2000	11	8	87	105	3,552	3,009	543
2000-2001	4	2	162	115	3,150	2,701	449
<b>Total</b>	<b>46</b>	<b>22</b>	<b>441</b>	<b>310</b>	<b>15,252</b>	<b>9,458</b>	<b>5,794</b>

It would be seen from the above table that :

**4.3.42** Against the target of 15,252 ha of irrigation potential to be created during 1996-97 to 2000-2001, actual achievement was 9,458 ha i.e., there was a shortfall of 38 *per cent* in creation of irrigation potential.

**4.3.43** It was seen that, out of 332 schemes reported to have been completed in the State during the period, 40 schemes (DTWs: 8 and LI : 32) remained incomplete in seven blocks<sup>▮</sup>, due to shortage of pipes. The expenditure on this account was Rs. 1.75 crore. As a result, besides blocking up of Rs. 1.75 crore, 857 ha<sup>\*</sup> of land was deprived of irrigation facilities.

#### Utilisation of irrigation potential created

**4.3.44** The table below indicates that the actual area irrigated against the potential created during the years 1996-97 to 2000-2001.

Particulars	1996-97	1997-98	1998-99	1999-2000	2000-2001
1. Number of schemes in operation	627	657	687	792	914
2. Irrigation potential actually created upto the end of the year (in hectares)	29434	29935	32299	35566	39267
3. Actual area irrigated during the year (in hectares)	18754	27273	22170	23679	21596
4. Percentage of area actually irrigated to the potential created	64	91	69	67	55

<sup>▮</sup> Bishalgarh, Dukli, Melaghar, Jirania, Teliamura, Mohanpur and Khowai.

<sup>\*</sup> Area to be covered by irrigation facilities to be provided by 40 schemes 1,619 ha *minus* area actually covered 762 ha.

It would be seen that, except in 1997-98, the potential created remained heavily under-utilised.

**4.3.45** As indicated by the State Planning and Co-ordination Department in its evaluation study (February 2001), reasons for such poor utilisation were (i) shortage of power, (ii) absence of field channel/pipe lines, and (iii) non-availability of funds.

**4.3.46** The Department had not yet taken any remedial measures (June 2001) to remove the shortcomings and to harness all the potential areas created so far.

### ***Contract management***

**4.3.47** Construction of main barrage over river Khowai at Chakmaghat was awarded to National Project Construction Corporation Ltd. (a Govt. of India Enterprise) in December 1983 at a tendered cost of Rs. 4.98 crore with the stipulation to complete the work in 24 months. The work was commenced in November 1984 and was completed in November 1996. According to paragraph 5.2 of the Statement of Approval signed by the Work Advisory Board after final negotiation, the agency agreed to allow an overall rebate of 1 *per cent* of the contract value (i.e., the total value of work ultimately executed)\*.

**4.3.48** It was seen in audit that the firm was paid a total amount of Rs. 20.79 crore from time to time as against Rs. 21.39 crore towards the total value of work done. But while making payment, the Divisional Officer, Khowai Headworks Division<sup>⊗</sup>, deducted Rs. 4.98 lakh being 1 *per cent* rebate on the tendered cost of Rs. 4.98 crore instead of Rs. 21.39 lakh being 1 *per cent* of the total value of work done. This resulted in extension of undue financial benefits to the firm to the extent of Rs. 16.41 lakh (Rs. 21.39 lakh – Rs. 4.98 lakh).

**4.3.49** This being pointed out in audit, the Divisional Officer referred the matter to his higher authorities for decision (November 2000). The decision had not yet been communicated (May 2001).

### ***Materials management***

#### **Theft case**

**4.3.50** Twenty two submersible cables and 1926 metres of PVC pipes of different diameters costing Rs. 3.78 lakh were stolen from the storeyard of Resource Division, Agartala between August 1997 and December 2000, although 13 Chowkidars were posted in the storeyard. The first information

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\* As defined in the conditions of contract appended to the agreement, contract includes all the conditions, specifications, and instructions issued from time to time and all the documents taken together are to be deemed to form one contract and complementary to one another. Also, the works in relation to the contract mean the works by or by virtue of the contract agreed to be executed whether temporary or permanent and whether original, altered, substituted or additional.

⊗ The Division now stands wound up and merged with I&FM Division I.

report was lodged with the police but findings of the police investigations were still awaited (April 2001). The Division had neither conducted any investigation nor was any action taken to fix up responsibility for the loss, as of April 2001. The Department had also not conducted any physical verification of stores since 1995-96 indicating a total lack of departmental control on materials management.

### **Non-supply of materials resulting in unfruitful expenditure**

**4.3.51** A diversion scheme at Chandukcherra at Amarpur was commissioned in 1976-77 to irrigate a cultivable command area of 40 hectares. The scheme work was subsequently damaged and became non-functional since 1983. In order to make the scheme functional, the Executive Engineer, Irrigation and Flood Management Division, Udaipur, issued work order (December 1993) to a contractor at his tendered cost of Rs. 8.90 lakh. The contractor could not start the work upto May 1997 as the department did not supply materials as per agreement.

**4.3.52** Scrutiny of records revealed that the contractor, after starting the work in June 1997 had to stop execution due to 'site constraints'. The contractor was paid Rs. 1.29 lakh (February 2000) being the value of work done and was relieved from the work, though the work was yet to be closed formally (March 2001). Meanwhile, the Department proposed to execute the work through the Block Development Officer, Amarpur, for which a revised estimate for Rs. 11.87 lakh was prepared.

**4.3.53** Thus, failure on the part of the Department to supply materials as per agreement held up the work for more than 3 years and payment of Rs. 1.29 lakh to the contractor remained unfruitful.

### ***Manpower management***

#### **Staffing**

**4.3.54** Details of sanctioned strength, men-in-position and vacancy, as of June 2001, were as under :

<b>Category of post</b>	<b>Sanctioned strength</b>	<b>Men-in-position</b>	<b>Vacancy</b>
1. Assistant Engineer	83	61	22
2. Junior Engineer	109	101	8
3. Draftsman	34	15	19
4. Tracer	30	16	14
5. Surveyor	56	28	28
6. Work Assistant	57	38	19
<b>Total</b>	<b>369</b>	<b>259</b>	<b>110</b>

The Department had not evolved any norms to assess the requirement of staff for various types of work performed by it. In reply to an audit query, the Department stated that vacancy was caused due to non-recruitment of staff for the last 4 to 5 years, but remained silent about reasons for non-recruitment. The absence of norms to determine manpower requirements showed that the

Department had no control mechanisms of its own for manpower management.

### **Engagement of workers without sanction**

**4.3.55** As per notification of May 1980 and September 1985 of the Finance Department, no department shall engage any worker without sanction of the competent authority. It was noticed in audit that Executive Engineer, Irrigation and Flood Management Division III, Udaipur, engaged from time to time 127\* workers of different categories and paid Rs. 33.96 lakh towards their wages during 1997-98 to 1999-2000.

**4.3.56** As there was no sanction of the competent authority for such engagement, the expenditure was irregular.

### ***Monitoring and evaluation***

**4.3.57** The Department had not developed any mechanism to monitor and evaluate the implementation of various irrigation schemes concurrently or periodically. No monitoring cell had been established in the Office of the Chief Engineer, as of June 2001.

### ***Recommendations***

**4.3.58** The Department should take immediate steps to complete the medium irrigation projects facing severe time and cost overrun, as they bear the risk of becoming economically unviable due to adverse benefit-cost ratio.

**4.3.59** As execution of many schemes had been badly affected due to non-availability of materials, the Department should streamline and strengthen the entire process of procurement, storage and distribution of materials for timely completion of the schemes.

**4.3.60** In order to utilise the potential already created, the constraints in supply of power should be removed by active involvement and in co-ordination with the Power Department.

**4.3.61** The above points were reported to the Government in July 2001, their reply had not been received as of November 2001.

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• Daily rated workers	37
Casual workers	77
Part time workers	<u>13</u>
	127

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## SECTION - B

### PUBLIC WORKS DEPARTMENT

#### 4.4 Blocking up of capital on idle inventory

**Materials worth Rs. 20.52 lakh procured mainly in March 1997 had remained idle in store.**

As per manualised provision<sup>•</sup>, materials are to be purchased strictly in accordance with the requirements of the work and care should be taken not to purchase stores in excess of requirement. The Divisional Officer of the Stores Division is also required to keep a special watch over slow moving items so as to avoid their accumulation in the stores. Since surplus materials<sup>†</sup> are liable to deterioration, if kept unnecessarily for a long time, and involve an avoidable expenditure on safe upkeep and locking up of capital, it is most essential that such materials are disposed of either by sale or transfer to other Divisions where these are required<sup>\*</sup>.

Scrutiny of the records of the Divisional Officer, Stores Division (PWD), Agartala, in audit (December 2000) and further materials collected in June 2001 revealed that 91.690 tonnes of 'M.S. Round' and 25.702 tonnes of 'R.S. Joist' of different diametres procured in March 1997 have been lying in AD Nagar and Dharmanagar stores without issue as at the end of March 2001. The value of these worked out to Rs. 20.52 lakh as per the then issue rate. The Divisional Officer could not dispose of these materials either by sale or by transfer to other Divisions. Thus, procurement of the materials in contravention of the manualised provision referred to above and failure of the Department to dispose of these materials for a period of 48 months resulted in blocking up of capital of Rs.20.52 lakh on these idle inventories. Besides, in order to meet its requirement for funds, the State Government had been borrowing from the open market at the interest rate of 13.85 *per cent* during the corresponding period. Had the funds of Rs. 20.52 lakh not been utilised for procurement of unnecessary stores, the State Government could have avoided payment of interest of Rs. 11.37 lakh on the borrowings.

The matter was reported to the Government in June 2001; reply had not been received (November 2001).

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<sup>•</sup> Paragraphs 37.9, 38.8 and 38.9 of CPWD Manual.

<sup>†</sup> Stores remaining in stock over a year shall be considered surplus vide Rule 119(3) of GFRs.

<sup>\*</sup> Paragraph 46.3 of CPWD Manual.



#### **4.5 Wasteful expenditure on procurement of cement**

**The Executive Engineer, Stores Division (PWD), Agartala, incurred wasteful expenditure of Rs. 15.52 lakh on procurement of cement without test certificate.**

The Executive Engineer, Stores Division (PWD), Arundhutinagar (AD Nagar), Agartala, placed (July 1996) supply orders with a firm to supply 3000 tonnes and 1000 tonnes of 'Blast Furnace Slag Cement' at Rs. 4200 and Rs.3900 per tonne at AD Nagar and Sanicherra respectively, with the approval of Supply Advisory Board.

The firm supplied 3995.90 tonnes (3000 tonnes at Dharmanagar/Sanicherra and 995.90 tonnes at AD Nagar) of Jagannath brand cement during October 1996 to January 1997 without submitting manufacturing test certificate indicating the quality in respect of 1995.90 tonnes of cement supplied at AD Nagar and Sanicherra. The firm was accordingly paid Rs. 1.39 crore in March 1997 as against Rs. 1.59 crore payable as per agreement. Though 3000 tonnes of cement received at Dharmanagar/Sanicherra was issued by June 1997, Stores Sub-division at AD Nagar issued only 503.35 tonnes of cement during November 1996 to March 1999 leaving a balance of 492.55 tonnes (9851 bags), valued Rs. 15.52 lakh, at the rate at which payment was made, which could not be issued as the cement had lost its strength and got damaged due to clodding and thus, was not fit for use in any construction work. This was established from the laboratory test conducted in March 1999 and physical verification conducted in March 2000.

Thus, failure of the Department in issuing the cement to work on time resulted in its damage/clodding which led to wasteful / unproductive expenditure of Rs. 15.52 lakh.

The matter was reported to the Government in July 2001; reply had not been received (November 2001).

#### **4.6 Extra expenditure of Rs. 11.18 lakh for delayed payment of electricity bills**

**The Department had to pay an extra amount of Rs. 11.18 lakh against electricity bills as letter of credit was not made available in time by the Government.**

The Tripura Electric Supply Conditions 1985, as amended in 1992 provides for allowance of rebate if the payment of electricity consumption bill is made within the due date of payment. The conditions *ibid* also stipulate imposition of penalty for default in making payment of electricity consumption bill within 30 days from the due date of payment at the rate of 10 paise per unit per 30 days or part thereof.

Four Sub-Divisional Officers (Electrical) raised between August 1992 and August 1997 energy bills for Rs. 9.71 lakh against the Executive Engineer, Irrigation and Flood Management (IFM) Division No. III, Udaipur for consumption of energy under minor irrigation schemes. Against this, the Executive Engineer had actually paid (March 1998) Rs. 20.89 lakh in full settlement of the bills. The extra payment of Rs. 11.18 lakh comprised Rs.0.70 lakh as rebate disallowed and Rs. 10.48 lakh as penalty imposed for delayed payment of electricity bills.

The Executive Engineer stated (October 2000) that the delay was due to non-receipt of letter of credit in time from the Government.

Thus, delay in making provision for payment in time by the Government led to extra expenditure of Rs. 11.18 lakh for the Power Department.

The matter was reported to the Government in May 2001; reply had not been received (November 2001).

#### **4.7 Loss to State Exchequer and extending undue benefit to contractors**

**Failure to deduct Tripura Sales Tax at source as per agreements entered with the contractors led to loss of Rs. 9.59 lakh to the State Exchequer and also extending undue benefit to contractors.**

Against the amount of Rs. 12.19 lakh deductible towards 4 *per cent* Tripura Sales Tax (TST) on gross payments of Rs. 3.05 crore made to carriage contractors during 1993-94 to 2000-2001 as per agreements, the Executive Engineer, Stores Division deducted only Rs. 2.60 lakh. The Executive Engineer stated (November 2000) that deduction of TST had been stopped since August 1995 on the basis of letters issued (March 1993 and July 1995) to a carriage contractor by the Superintendent of Taxes (Charge II) of Agartala indicating that TST was not to be levied on the cost of transportation charges of any item. The Executive Engineer did not confirm the position from the Finance (Excise and Taxation) Department. However, when the matter was taken up by Audit with the Finance (Excise and Taxation) Department for clarification in January 2001, the Commissioner of Taxes informed (February 2001) that the TST was required to be deducted from the gross value of bills paid to the carriage contractors.

Thus, the Executive Engineer did not deduct Rs. 9.59 lakh towards TST from the carriage contractors' bills on the basis of unauthenticated information. This not only led to loss of Rs. 9.59 lakh to the State Exchequer but also to extending undue benefit to the contractors to that extent.

The matter was reported to the Government in May 2001; reply had not been received (November 2001).

#### 4.8 Value of materials recoverable from contractors not recovered

**Although the relevant agreements were closed, a total recoverable amount of Rs. 9.53 lakh was not recovered from the contractors by the Executive Engineer, Teliamura Division.**

For execution of three works\* awarded between January 1990 and September 1992, the contractors were issued materials<sup>^</sup> by the Executive Engineer, Teliamura Division, from time to time before closure of the relevant agreements in September 1998. A total payment of Rs. 20.76 lakh had been made to the contractors in February and March 1999 for the value of works partially executed and measured. The closure of agreements was attributed to suspension of works by the contractors due to (i) their inability to carry heavy materials to work site as the bridges on the road were not strong enough to withstand the load and (ii) insurgency activities in the area.

It was seen (March 1999) that, at the time of closure of the agreements, materials worth Rs. 5.38 lakh<sup>\*</sup> supplied by the Department were lying unutilised with the contractors which had not been returned by them. The department also did not take any action (February 2001) either to get back the materials or to recover the cost thereof at double the issue rate, which worked out to Rs.10.76 lakh. The department was having total dues of Rs. 1.23 lakh only with it (security deposit: Rs. 1.08 lakh; withheld amount: Rs. 0.15 lakh). Thus, the net recoverable amount from the contractor worked out to Rs. 9.53 lakh.

The Executive Engineer informed (February 2001) that joint final measurements were yet to be done as the contractors had failed to present himself at the time of taking measurement by the Department. The contention was not tenable as the contractors had already been paid as indicated earlier on the basis of measurements accepted by them.

The matter was reported to the Government in May 2001; reply had not been received (November 2001).

\* Laying metals and black topping of portions 10 to 12.50 Km, 12.50 to 15 Km and 15 to 17.50 Km of Pecharthal – Chebri Road under the Scheme sponsored by the North Eastern Council.

<sup>^</sup> *Jhama* metal (chips of over-burnt bricks) and bitumen.

<sup>\*</sup> *Jhama* metal : Rs. 4.90 lakh; bitumen and empty bitumen drums : Rs. 0.48 lakh.

#### 4.9 Excess payment and undue benefit to contractor

**The Executive Engineer, Stores Division (PWD), Arundhutinagar, Agartala extended undue benefit of Rs. 9.04 lakh to the contractor by making excess payment of Rs. 5.43 lakh and by receiving loose, partly damaged bags of cement worth Rs. 3.61 lakh replaceable by the supplier at his risk and cost as per agreement.**

The Executive Engineer, Stores Division (PWD), Arundhutinagar, Agartala invited tenders in February, 1996 for supply of 4000 tonnes of cement (3000 tonnes at Arundhutinagar and 1000 tonnes at Sanicherra). The following rates offered by the lowest tenderer were accepted.

- (i) For delivery at Arundhutinagar: 3000 tonnes @ Rs. 4201 per tonne including 7 per cent Tripura Sales Tax.
- (ii) For delivery at Sanicherra: 1000 tonnes @ Rs. 3910 per tonne including 7 per cent Tripura Sales Tax.

The Divisional Officer then entered into an agreement with the tenderer and issued supply order on 26 April 1996. The terms and conditions of supply *inter alia* provided for supply of cement in new specified jute bags of 50 Kg capacity. Loose or damaged bags were not to be received but to be replaced by the supplier at his own risk and cost.

(A) During audit it was noticed (November 2000) from Goods Receipt Sheets that the tenderer supplied 2017.10 tonnes (reason for non-supply of balance quantity was not on record) during July 1996 to February 1997 for which he was paid Rs. 82.98 lakh in March 1997 as detailed below:

(i)	Supply at Arundhutinagar: 1431.60 tonnes @ Rs. 4201 per tonne	Rs. 60.14 lakh
(ii)	Supply at Sanicherra: 585.50 tonnes @ Rs. 3910 per tonne	Rs. 22.84 lakh
		Rs. 82.98 lakh

Since the rate accepted was inclusive of 7 per cent Sales Tax, the Divisional Officer should have paid Rs. 77.55 lakh after deduction of 7 per cent Tripura Sales Tax, which was not done. This resulted in excess payment of Rs. 5.43 lakh and extension of undue benefit to the contractor.

(B) It was further noticed that out of total supply of cement at Arundhutinagar, 2248 bags (112.40 tonnes) were found in loose and partly damaged condition. These loose and partly damaged bags of cement were to be replaced by the supplier at his risk and cost in terms of the conditions of supply. Instead, those were received and refilled/repacked by the Division into 1720 hand-stitched bags (86 tonnes) at the instance of the Superintending Engineer. However, the supplier was paid Rs. 3.61 lakh for supply of 86 tonnes only. Out of 1720 hand stitched bags, not a single bag could be issued (December 2000) due to clodding of the cement as was confirmed during the physical verification conducted in April 2000.

Thus, payment of Rs. 3.61 lakh against receipt of loose/partly damaged bags in violation of the terms and condition of supply was infructuous expenditure and extension of undue benefit to the contractor.

The matter was reported to the Government in June 2001; reply had not been received (November 2001).

#### **4.10 Extra expenditure of Rs. 8.56 lakh for delay in completion of work**

**Failure of the Department to get the work done by the first contractor due mainly to departmental lapses and award of balance work to another contractor resulted in an extra expenditure of Rs. 8.56 lakh.**

The Executive Engineer, Agartala Division-IV, awarded the work for "Construction of the permanent bridge over River Howrah near Jogendra Nagar" to Contractor 'A' in February 1995 at Rs. 1.81 crore (estimated cost: Rs. 1.30 crore) allowing two years' time for completion. The contractor commenced the work in March 1995 from one side of the bridge. The work of another side could not be taken up in time as the site for work, which was under dispute, was made available by the Department only in December 1996. There was scarcity of cement in the departmental stores also and as a result the contractor demanded (June 1997) enhancement of rate by 25 *per cent* for work done from March 1997. In the absence of any provision in the agreement, the demand was not acceded to and as such the work was suspended by the contractor. The Department, while agreeing (October 1997) to the above lapses, rescinded the contract in January 1998 and awarded the balance work through 2nd call to Contractor 'B' in August 1998. The work was completed in December 1999 for which the contractor 'B' was paid in March 2000 Rs. 66.11 lakh including extra item of Rs. 5.73 lakh. A comparative study of the expenditure incurred for getting the work done at the rate of Contractor 'B' with that of Contractor 'A' for the left out work of the original contract revealed that had the work been done by the original contractor with the site made available to him in time and regular supply of cement maintained by the Department, the work could be executed by Contractor 'A' at Rs. 51.82 lakh instead of Rs. 60.38 lakh paid to Contractor 'B'.

Thus, failure of the Department to provide clear site for work and to issue cement in time resulted in an extra expenditure of Rs. 8.56 lakh (Rs. 60.38–Rs. 51.82).

The matter was reported to the Government in June 2001; reply had not been received (November 2001).

## POWER DEPARTMENT

### 4.11 Locking up of Government funds along with loss of interest

**Procurement of aluminium conductor steel reinforced (ACSR) on the basis of inaccurate assessment led to locking up of Rs. 28.40 lakh and loss of Rs. 10.50 lakh towards interest.**

The Executive Engineer, Electrical Stores Division, procured from two contractors 100 Km of a specific type<sup>\`</sup> of ACSR for construction of 33 KV line from Ambassa sub-station to Gandacherra (cost : Rs. 31.50 lakh) in March 1998. The contractors were asked (January 1998) to supply the conductor on urgent basis within two months to expedite the construction works. But it was seen in audit that only 10 Km of the conductor was issued to the user divisions during the next 3 years and 90 Km was lying in stock, as of January 2001.

The Executive Engineer stated (January 2001) that the bulk portion of the conductor could not be issued due to subsequent changes in the works programme by the Department. The details of changes could not be furnished by the Executive Engineer.

Thus, excess procurement of the conductor based on inaccurate assessment of requirement led to unnecessary locking up of funds of Rs. 28.40 lakh (i.e. the cost of 90 Km of the conductor lying idle), along with loss of Rs. 10.50 lakh<sup>o</sup> towards interest on the amount locked up during March 1998 to January 2001. Besides, the purpose for which ACSR were procured remained unfulfilled.

The matter was reported to the Government in May 2001; reply had not been received (November 2001).

### 4.12 Outstanding Inspection Reports

**First reply for 28 out of 310 Inspection Reports issued during 1988-89 to 2000-2001 was not furnished by Public Works and Power Departments, while Government prescribed a time limit of one month from the date of receipt of Inspection Reports to furnish the reply.**

Audit observations on financial irregularities and defects in maintenance of initial accounts noticed during local audit and not settled on the spot are communicated to the Auditee Departments and to the concerned higher Authorities through Inspection Reports. The more serious irregularities are reported to the Department and the Government. The Government had prescribed that the first reply to the Inspection Reports should be furnished by the concerned departments within one month from the date of their receipt.

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<sup>\`</sup> Named 'raccoon'.

<sup>o</sup> Calculated at the rate of 13.05 *per cent* (applicable for the funds borrowed by the Government from market during 1997-98).

The position of outstanding reports in respect of Public Works and Power Departments is discussed below :

**a) PUBLIC WORKS DEPARTMENT**

A review of position of outstanding Inspection Reports relating to PWD revealed that 1011 Paragraphs included in 217 Inspection Reports issued upto March 2001 were pending settlement as of 30 June 2001. Of these, even first reply had not been received in respect of 16 Inspection Reports inspite of repeated reminders. Year-wise break-up of the outstanding Inspection Reports and paragraphs is given below :

Sl No.	Year	Number of outstanding		Number of Inspection Report of which even first reply had not been received
		Inspection Reports	Paragraphs	
1.	90-91	3	17	--
2.	91-92	21	98	--
3.	92-93	26	133	--
4.	93-94	17	61	--
5.	94-95	26	130	--
6.	95-96	21	98	--
7.	96-97	24	97	--
8.	97-98	35	89	2
9.	98-99	18	95	1
10.	99-2000	16	105	2
11.	2000-2001	10	88	11
	<b>TOTAL</b>	<b>217</b>	<b>1011</b>	<b>16</b>

The important irregularities noticed during inspection of PW Divisions during 2000-2001 are summarised below :

Sl No.	Nature of irregularities	Number of cases	Amount involved (Rupees in lakh)
1.	Extra/Irregular/Avoidable/ Unfruitful/Wasteful/ Unauthorised expenditure/Extra liability	32	555.88
2.	Recovery due from defaulting contractors	18	99.89
3.	Unauthorised retention of material by contractors/Unauthorised financial aid to contractor	2	14.92
4.	Extra liability due to award of work at higher rate	3	35.91
5.	Non-recovery of forest royalty	3	10.84
6.	Short realisation of Tripura Sales Tax	1	2.63
7.	Non-employment of technical staff	1	2.80
8.	Undue financial aid	2	30.88
9.	Award of work without call of tender	1	46.26
10.	Non-adjustment of advance payment	2	41.23
11.	Unaccounted Deposit-at-Call	3	21.24
12.	Short recovery of IncomeTax from the suppliers	1	6.03
14.	Blockage of funds	1	6.08
	<b>TOTAL</b>	<b>70</b>	<b>874.59</b>

**b) POWER DEPARTMENT**

235 Paragraphs included in 93 Inspection Reports issued upto March 2001 were not settled as of June 2001. Of these, for 12 Inspection Reports even the first reply had not been received despite repeated reminders (As of June 2001). Year-wise break-up of outstanding Inspection Reports and Paragraphs are given below :

Sl No.	Year	Number of outstanding		Number of Inspection Reports for which first reply has not been received
		Inspection Reports	Paragraphs	
1.	90-91	9	19	--
2.	91-92	7	27	--
3.	92-93	9	33	--
4.	93-94	5	20	--
5.	94-95	7	26	--
6.	95-96	8	34	--
7.	96-97	10	24	--
8.	97-98	14	13	--
9.	98-99	12	5	--
10.	99-2000	7	25	7
11.	2000-2001	5	9	5
	<b>TOTAL</b>	<b>93</b>	<b>235</b>	<b>12</b>

The most important types of irregularities noticed during local audit of Power Department during 2000-2001 are summarised below:

Sl No.	Nature of irregularities	Number of cases	Amount involved (Rupees in lakh)
1.	Excess/Irregular/Unauthorised Expenditure /Payment etc.	7	62.96
2.	Non-recovery from defaulting contractors	2	5.65
	<b>TOTAL</b>	<b>9</b>	<b>68.61</b>