Report of the
Comptroller and Auditor General of India
on
Social, General and Economic Sectors
(Non-Public Sector Undertakings)
for the year ended 31 March 2015

Government of National Capital

Territory of Delhi

Report No. 2 of the year 2016

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ANNEXURES

PREFACE

This Report of the Comptroller and Auditor General of India has been prepared for submission to the Lieutenant Governor of National Capital Territory of Delhi under Section 48 of the Government of National Capital Territory of Delhi Act, 1991 for being laid before the Legislative Assembly of the National Capital Territory of Delhi.

The Report for the year ended 31 March 2015 contains the significant findings of the performance audit and compliance audit of the departments of the Government of National Capital Territory of Delhi under the Social, General and Economic Sectors (Non-Public Sector Undertakings).

The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2014-15 as well as those which had come to the notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2014-15 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued (March 2002) by the Comptroller and Auditor General of India.

Overview

OVERVIEW

This Report contains four performance audits, i.e., 'Procurement, Maintenance and Use of Medical Equipment in Government Hospitals', 'Working of Delhi Fire Services', 'Implementation of Projects in Delhi Jal Board' and 'Parking Facilities in Area of Municipal Corporations' involving ₹ 240.04 crore and 16 paragraphs involving ₹ 1,711.58 crore relating to excess/wasteful/unfruitful/irregular expenditure, inadmissible payment etc.

The total expenditure of the State Government increased from ₹ 24,731.27 crore to ₹ 29,593.37 crore during 2010-15, the revenue expenditure increased by 63.47 *per cent* from ₹ 14,381.74 crore in 2010-11 to ₹ 23,509.49 crore in 2014-15, Non-Plan revenue expenditure increased by 63.99 *per cent* from ₹ 9,490.15 crore to ₹ 15,563.19 crore and capital expenditure increased from ₹ 3,984.80 crore to ₹ 4,403.94 crore during the period 2010-15.

Some of the major findings detailed in the Report are summarized below:

PERFORMANCE AUDIT

Procurement, Maintenance and Use of Medical Equipment in Government Hospitals

- A comprehensive plan for procurement of medical equipment had not been prepared either centrally in the department or at the level of individual hospitals.

(Paragraph 2.1.3.1)

- There was delay ranging upto 2 years in procurement and delivery of medical equipment though this activity was outsourced to an agency with the specific objective of eliminating such delays. An amount of ₹ 60.65 lakh was paid to the agency as consultancy fee.

(Paragraph 2.1.3.2)

- Hospitals failed to impose penalty of ₹ 95.84 lakh on defaulting suppliers for delayed supply of essential medical equipment.

(Paragraph 2.1.3.4)

- Hospitals procured items and consumables of ₹ 3.16 crore in excess of their actual requirement, which were lying unused in stock for prolonged periods.

(Paragraph 2.1.4.1)

- Sixty six equipment valuing ₹ 18.22 crore received during 2009-10 to 2014-15 were installed after delays ranging from 1 month to over two years.

(Paragraph 2.1.4.2)

- Twenty one equipment costing ₹ 83.17 lakh remained unutilized due to non-availability of accessories, regents and consumables for periods ranging between 15 days and over three years.

(Paragraph 2.1.4.4)

- Hospitals incurred an expenditure of ₹ 94.78 lakh on repair of equipment that were under warranty. The hospitals neither invoked the warranty nor initiated action against the firms.

(Paragraph 2.1.5.2)

Working of Delhi Fire Services (DFS)

- DFS failed to create the planned number of fire stations for maintaining operational efficiency. There were only 58 fire stations as against a plan target of 70.

(Paragraph 2.2.4.1)

- Considering the population of Delhi as per the Census of 2011, DFS did not have adequate number of pumping units. It had only 160 pumping units against the requirement of 205. Thirty one (20 *per cent*) of these were not functional.

(Paragraph 2.2.4.2(a))

- The response time of DFS was not at par with prescribed norms. In more than 60 *per cent* of test-checked cases, the response time exceeded the stipulated 3 minutes in high hazard zones and closely built up areas and 5 minutes in other areas.

(Paragraph 2.2.5)

- DFS had no details of number of high rise buildings in Delhi and the status of issue and renewal of Fire Safety Certificates in respect of such buildings.

(Paragraph 2.2.7.1)

- Test check of fire system in buildings revealed non-compliance with stipulated fire safety standards.

(Paragraph 2.2.7.4)

Implementation of Projects in Delhi Jal Board

- The capacity utilisation of Sewage Treatment Plants (STPs) was only 66 *per cent* due to lack of adequate conveyance systems to bring sewage from command areas to the STPs.

(Paragraph 2.3.2.1(i))

- Water Treatment Plants and allied infrastructure for 150 Million of Gallons Per Day (MGD) were developed at Dwarka, Bawana and Okhla without ensuring availability of raw water.

(Paragraph 2.3.2.2(ii))

- Penalty withheld for delay in execution of 12 works by contractors was short by ₹ 104.20 crore.

(Paragraphs 2.3.3.1)

- A contractor was allowed to change the technology from confined trench to micro-tunnelling method for laying sewer line that resulted in avoidable expenditure of ₹ 15.33 crore.

(Paragraph 2.3.3.2)

- There were delays in execution of work in 44 out of 53 works ranging from 5 to 85 months.

(Paragraph 2.3.5.1)

Parking facilities in Area of Municipal Corporations

- Out of 17 Under Ground Automated Parkings (UGAPs) on PPP model approved in January 2007, only one was created as of July 2015. Part implementation of conventional Multi Level Under Ground Parkings (MLUGPs) resulted in wasteful expenditure of ₹ 3.93 crore on consultancy.

(Paragraphs 2.4.3.2 and 2.4.3.3)

- Awarding of contracts and contract management were marred with irregularities, like accepting conditional bid, non recovery of dues from contractor and not inviting fresh tenders though scope of work was changed entirely.

(Paragraphs 2.4.4.1, 2.4.4.2 and 2.4.4.3)

- Failure of the Remunerative Project Cells (RP Cell) to ensure compliance of terms and conditions of agreements by the licensees led to mis-management of parking sites.

(Paragraph 2.4.5.1)

COMPLIANCE AUDIT

Preparedness for implementation of the National Food Security Act, 2013

There was delay in identification of beneficiaries. Beneficiaries list included ineligible and unverified persons. GPS devices were not installed for monitoring the movement of vehicles used for transporting food grains. Database under End-to-End Computerization of Targeted Public Distribution System (TPDS) was incomplete. Point of Sale Machines for verification of identity of eligible beneficiary and disbursement of food grains were installed in only 42 out of 2,300 Fair Price Shops (FPSs).

(Paragraph 3.1)

Irregular expenditure of ₹ 76 lakh on enhanced Academic Allowance

The Governing Council of the Delhi State Cancer Institute adopted pay structure for its staff at par with AIIMS without consulting the Government of NCT of Delhi in contravention of the provisions of Pattern of Assistance. The Institute also enhanced the Academic Allowance for its faculty members from ₹ 1,000 to ₹ 10,000 per month without consulting the Government, resulting in irregular and unauthorised expenditure of ₹ 76 lakh.

(Paragraph 3.4)

Implementation of e-challan system in Delhi Traffic Police

E-challan System suffered from data inconsistencies, deficient input control and lack of data integrity. Court decisions in respect of court challans were not updated in the system. The hand held device did not have facility for payment through credit or debit card. Weak administrative control and deficiency in the system resulted in mismatch both in number and amount of compounded challans.

(Paragraph 3.5)

Implementation of the Right to Public Services Legislation

Implementation of Right to Public Services Legislation was tardy, as competent officers and appellate authorities were not appointed and all notified services were not being processed online. Timelines were not fixed for each stage for time bound delivery of services and competent officers were not vested with powers to make payment of compensation for delayed services. There were deficiencies in uploading of data on e-SLA (electronic-Service Level Agreement) *viz.* giving incomplete or incorrect information, incorrect depiction of timelines and rejection of applications after lapse of prescribed time for delivery of services. Services were delivered with delay, but neither citizens were paid any compensation nor were defaulters penalized.

(Paragraph 3.6)

e-Procurement Mission Mode Project of GNCTD

e-Procurement Application of DoIT failed to obviate the need for manual intervention during the e-tendering process defeating the very purpose of the application. The application lacked required input controls and validation checks, resulting in incompleteness and inconsistencies in the database.

(Paragraph 3.7)

Idling of cess fund of ₹ 1,691 crore collected for welfare of construction workers

Efforts of the 'Delhi Building and Other Construction Workers Welfare Board' in identifying and registering construction workers were inadequate. The laxity on the part of the Board not only resulted in cess funds of ₹ 1,691 crore lying idle, but also in depriving the construction workers of intended benefits.

(Paragraph 3.9)

Irregular expenditure of ₹ 1.64 crore in violation of conditions of the contract

Public Works Department, GNCTD incurred irregular expenditure of ₹ 1.64 crore over and above 1.25 times of the tendered amount in the maintenance works against the condition of the contract.

(Paragraph 3.10)

Unfruitful expenditure of ₹ 95.15 lakh

Failure of PWD to carry out a proper feasibility study before awarding the work of providing and installing escalators, resulted in unfruitful expenditure of ₹ 95.15 lakh.

(Paragraph 3.11)

Inadmissible payment of ₹ 8.54 crore

The Public Works Department paid for inadmissible excess quantity of 10,131.37 cum in resurfacing of road work after allowing variation of more than 5 *per cent* of permissible limit, amounting to ₹ 8.54 crore.

(Paragraph 3.13)

Avoidable extra expenditure of ₹ 1.71 crore

Injudicious decision of PWD to go for higher specification of paver blocks on an area which was to be used for parking of vehicles resulted in avoidable extra expenditure of ₹ 1.71 crore.

(Paragraph 3.14)

Working of Remand Homes, Juvenile Homes and Correctional Homes in Delhi

Observation Homes (OHs) in Delhi lacked adequate infrastructure. Rupees 2.81 crore incurred on construction of a new building was rendered unfruitful, as it was not conducive for Juveniles. Timely grants were not released to NGOs, creating problems relating to supply of items of clothing, bedding, medicines and payment of salary to staff. Monitoring was poor as Inspection Committees did not inspect OHs. There was shortage of manpower, particularly in key posts of Caretakers, Counselors and Educators.

(Paragraph 3.16)

Chapter I
Introduction

CHAPTER I
INTRODUCTION

1.1 Budget profile

There are 66 departments and 74 autonomous bodies in the National Capital Territory of Delhi. The position of budget estimates and actuals there against of the NCT Government during 2010-15 is given in **Table 1.1**.

Table 1.1: Budget and expenditure of the NCT Government during 2010-15

(₹ in crore)

Particulars	2010-11		2011-12		2012-13		2013-14		2014-15	
	Budget estimates	Actuals	Budget estimates	Actuals	Budget estimates	Actuals	Budget estimates	Actuals	Budget estimates	Actuals
Revenue expenditure										
General services	1,273.48	3,728.95	1,589.55	4,347.23	3,128.74	5,738.57	5,792.69	5,597.48	6,763.15	5,983.40
Social services	9,345.57	8,718.80	11,567.05	10,717.11	12,616.68	11,737.43	13,134.81	12,314.54	14,800.52	13,306.11
Economic services	1,542.56	1,392.46	2,253.06	2,172.22	2,611.64	2,350.82	3,783.08	3,650.00	3,573.12	3,318.99
Grants-in-aid and contributions	555.84	541.53	736.23	728.29	833.77	832.53	804.50	804.50	900.99	900.99
Total (1)	**12,717.45**	**14,381.74**	**16,145.89**	**17,964.85**	**19,190.83**	**20,659.35**	**23,515.08**	**22,366.52**	**26,037.78**	**23,509.49**
Capital expenditure										
Capital outlay	4,433.08	3,984.80	4,209.53	4,004.27	4,835.80	4,176.63	4,889.22	4,707.42	4,937.41	4,403.94
Loans and advances disbursed	6,378.47	6,364.73	3,404.58	3,345.42	4,082.37	3,734.83	5,694.00	5,652.37	2,138.06	1,679.94
Repayment of Public Debt	800.00	793.06	1,090.00	1,087.88	1,288.00	1,287.99	1,325.29	1,325.29	1,676.75	1,346.73
Contingency Fund	0	0	0	0	0	0	0	0	0	0
Public Accounts disbursements	0	0	0	0	0	0	0	0	0	0
Closing cash balance	**0**	**7,713.20**	**0**	**4,636.28**	**0**	**1,985.75**	**0**	**880.65**	**0**	**1,517.07**
Total (2)	**11,611.55**	**18,855.79**	**8,704.11**	**13,073.85**	**10,206.17**	**11,185.20**	**11,908.51**	**12,565.73**	**8,752.22**	**8,947.68**
Grand Total (1+2)	**24,329.00**	**33,237.53**	**24,850.00**	**31,038.70**	**29,397.00**	**31,844.55**	**35,423.59**	**34,932.25**	**34,790.00**	**32,457.17**

Source: Annual Financial Statements and Finance Accounts of the State Government.

1.2 Application of resources of the State Government

The total expenditure[1] of the State Government increased from ₹ 24,731.27 crore to ₹ 29,593.37 crore during 2010-15 while the revenue expenditure increased by 63.47 *per cent* from ₹ 14,381.74 crore in 2010-11 to ₹ 23,509.49 crore in 2014-15. Non-Plan revenue expenditure increased by 63.99 *per cent* from ₹ 9,490.15 crore

[1]excluding repayment of public debt and cash balances.

to ₹ 15,563.19 crore and capital expenditure increased from ₹ 3,984.80 crore to ₹ 4,403.94 crore during the period 2010-15.

The revenue expenditure constituted 58.15 to 79.44 *per cent* of the total expenditure during the years 2010-15 and capital expenditure 16.11 to 14.88 *per cent*. During the period, total expenditure increased at an annual average rate of 4.38 *per cent* whereas revenue receipts grew at an annual average rate of 8.24 *per cent* during 2010-15.

1.3 Persistent savings

In six cases, there were persistent savings of more than ₹ 1.00 crore during the last five years as in **Table 1.2.**

Table 1.2: List of grants with persistent savings during 2010-15

(₹ in crore)

Sl. No	Grant number and name	Amount of saving				
		2010-11	2011-12	2012-13	2013-14	2014-15
Revenue (Voted)						
1.	**Grant No. 3: Administration of Justice:**2014 B.1(2)(1)- Judicial Magistrate's Courts	6.50	8.69	5.00	6.04	8.05
2.	**Grant No.5: Home:**2055 D.1(1)(1)- Forensic Science Laboratory	2.85	6.49	4.89	3.41	28.57
3.	**Grant No.7: Medical and Public Health:**2211 K 1 (3)(1)-Urban Family Welfare Centre (CSS)	2.04	7.45	1.93	3.50	9.21
4.	**Grant No. 11: Urban Development and Public Works Depart:**2217 A.8(2)(1)(26)- Grant-in-aid for municipal reforms	64.45	300.93	189.87	325.16	157.12
Capital (Voted)						
5.	**Grant No. 8: Social Welfare:** 5055 DD.1(3)(1)- Introduction of Electronic Trolley Buses-Alternative mode of Transport	10.00	240.75	8.39	97.21	3.00
6.	**Grant No. 11:Urban Development and Public Works Depart:**4202 BB.4(1)(4)(2)-Construction of Delhi Govt. sponsored College Buildings	8.16	23.32	19.54	20.18	17.17

Source: Appropriation Accounts

The persistent savings under these heads were attributable to non-filling of vacant posts, purchase of less store items, non/less release of grant to MCD under the scheme, non-performance by municipalities, bifurcation of grant, non-implementation of schemes and slow progress of work owing to non-receipt of sanctions in time.

1.4 Grants-in-aid from Government of India (GoI)

The grants-in-aid received from the GoI during the years 2010-11 to 2014-15 have been given in **Table 1.3.**

Table 1.3: Year-wise details of Grants-in-aid from GoI

(₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Non-Plan Grants	2,338.71	978.85	333.57	326.91	327.95
Grants for State Plan Schemes	1,888.30	814.76	919.73	717.81	1,467.35
Grants for Centrally Sponsored Schemes	130.39	167.03	249.22	358.14	552.84
Total	4,357.40	1,960.64	1,502.52	1,402.86	2,348.14
Percentage of increase (+)/ decrease (-) over the previous year	(+) 23.23	(-) 55.00	(-) 23.37	(-) 6.63	(+) 67.38
Revenue Receipts	25,024.10	22,393.17	25,560.97	27,980.69	29,584.59
Percentage of Revenue Receipts	17.41	8.76	5.88	5.01	7.94

Total grants-in-aid from GoI decreased significantly from ₹ 4,357.40 crore to ₹ 1,402.86 crore during the period 2010-14. However, there was an increase of 33.89 *per cent* during the year 2014-15. Its percentage to revenue receipts ranged between 5.01 and 17.41 *per cent*.

1.5 Planning and conduct of audit

The audit process commences with risk assessment of various departments, autonomous bodies, schemes/projects, etc. and includes assessing the criticality/ complexity of activities, the level of delegated financial powers, internal controls, concerns of stakeholders and previous audit findings. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

After completion of audit, Inspection Report containing audit findings is issued to the head of the office with request to furnish replies within four weeks. Whenever replies are received, audit findings are either settled/or further action for compliance is advised. Important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India which are submitted to the Lieutenant Governor of Delhi under Section 48 of the Government of National Capital Territory of Delhi Act, 1991.

During 2014-15, compliance audit of 182 Drawing and Disbursing Officers (DDOs) of the State and seven autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Delhi. In addition, four Performance Audits were also conducted.

1.6 Response of the Government to Audit Report

In previous years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments, which had negative impact on the success of programmes and functioning of the departments. The focus was on offering suitable recommendations to improve service delivery to the intended beneficiaries.

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Principal Accountant General (Audit) Delhi to the Principal Secretaries/Secretaries of the department concerned, drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the departments/ Government is invariably indicated at the end of such paragraphs included in the Audit Report. Four Performance Audits and 20 paragraphs, proposed to be included in the Report of the Comptroller and Auditor General of India on Social, General and Economic (Non-PSUs) Sectors for the year ended 31 March 2015, were sent to the Principal Secretaries/Secretaries of the respective departments. Of these, replies in respect of three performance audits and 16 audit paragraphs were not received (March 2016).

1.7 Recoveries at the instance of Audit

Audit findings, involving recoveries that came to notice in the course of test audit of accounts of the departments of the State Government, were referred to various departmental Drawing and Disbursing Officers (DDOs) for confirmation and further necessary action under intimation to Audit.

Against recovery of ₹ 22.39 crore pointed out in 168 cases during 2014-15, the DDOs concerned had effected recovery of only ₹ 1.57 crore (including recovery of previous years) in 39 cases during 2014-15.

1.8 Lack of responsiveness of the Government to Audit

The Principal Accountant General (Audit), Delhi conducts periodical inspection of Government departments by test-check of transactions and verifies the maintenance of important accounting and other records as per the prescribed rules and procedures. These inspections are followed by issue of Audit Inspection Reports (IRs). When important irregularities, etc., detected during audit inspections are not settled on the spot, these IRs are issued to the heads of offices inspected. The heads of offices and next higher authorities are required to report their compliance to the Principal Accountant General (Audit), Delhi within four weeks of receipt of IRs.

Based on the results of test audit, 7,185 audit observations contained in 1,543 IRs remained outstanding as on 31 March 2015, as in **Table 1.4**.

Table 1.4: Details of outstanding IRs and audit observations

(₹ in crore)

Name of sector	As on March 2013			As on March 2014			As on March 2015		
	IRs	Paras	Amount	IRs	Paras	Amount	IRs	Paras	Amount
Social Sector	709	2,910	89.27	774	3,129	219.56	843	3,551	99.19
General Sector	551	2,514	167.16	616	3,000	256.34	537	3,041	448.04
Economic Sector (Non PSUs)	160	527	4,653.81	158	550	4,682.75	163	593	6,821.38
Total	**1,420**	**5,951**	**4,910.24**	**1,548**	**6,679**	**5,158.65**	**1,543**	**7,185**	**7,368.61**

The significant increase in number of outstanding audit observations indicates the need for Government to take effective action to address the issues raised by Audit to improve financial management and accountability.

1.9 Follow-up on Audit Reports

1.9.1 Non-submission of suo-motu Action Taken Notes and discussion of paragraphs in Public Accounts Committee (PAC)

To ensure accountability of the executives to the issues dealt with in various Audit Reports, the administrative departments are to initiate *suo-motu* Action Taken Notes (ATNs) on all audit paragraphs and performance audits featuring in the Audit Reports irrespective of the fact whether these are taken up for discussion by the Public Accounts Committee (PAC) or not. These ATNs are to be submitted to the PAC duly vetted by the Principal Accountant General (Audit), Delhi within a period of three months from the date of presentation of Audit Reports in the State Legislature.

Out of 34 performance audits and 102 audit paragraphs featuring in the civil chapters of Audit Reports from 2005-06 to 2013-14, *suo-motu* ATNs in respect of 10 performance audits and 36 audit paragraphs have not been received. Seven performance audits and 37 audit paragraphs have been discussed by the PAC/COGU, up to 31 December 2015.

1.10 Year-wise details of performance audits and audit paragraphs that appeared in Audit Report

The year-wise details of performance audits and audit paragraphs that appeared in the Audit Reports for the last three years along with their money value, are given in **Table 1.5**.

Table-1.5: Details of performance audits and audit paragraphs appearing in Audit Reports during 2011-14

Year	Performance Audit		Audit Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Audit Paragraphs
2011-12	11[2]	8,951.52	7	12.15	3	0
2012-13	5	94.77	10	226.57	4	5
2013-14	5	43.40	15	146.26	3	0

[2]Includes two performance audits, three CCO based audits and six thematic audits.

Fifteen performance audits and 38 audit paragraphs were issued to the State Government. However, replies in respect of 10 performance audits and only five audit paragraphs were received from the Government/departments.

Four performance audits involving money value of ₹ 240.04 crore and 16 audit paragraphs involving ₹ 1,711.58 crore have been included in this Report. Replies, wherever received, have been incorporated at appropriate places.

Chapter II
Performance Audit

CHAPTER II
PERFORMANCE AUDIT

Department of Health and Family Welfare

2.1 Procurement, Maintenance and Use of Medical Equipment in Government Hospitals

The Department of Health and Family Welfare (DH&FW), GNCTD caters to the health needs of nearly 1.68 crore population of Delhi. A performance audit on 'Procurement, Maintenance and Use of Medical Equipment in Government Hospitals' was conducted from May to September 2015. Main audit findings are given below:

Highlights

- ***A comprehensive plan for procurement of medical equipment had not been prepared either centrally in the department or at the level of individual hospitals.***

  (Paragraph 2.1.3.1)

- ***There was delay ranging upto 2 years in procurement and delivery of medical equipment though this activity was outsourced to an agency with the specific objective of eliminating such delays. An amount of ₹ 60.65 lakh was paid to the agency as consultancy fee.***

  (Paragraph 2.1.3.2)

- ***Hospitals failed to impose penalty of ₹ 95.84 lakh on defaulting suppliers for delayed supply of essential medical equipment.***

  (Paragraph 2.1.3.4)

- ***Advances of ₹ 73.62 crore given to suppliers remained unadjusted from the year 2005 till date in hospitals test-checked.***

  (Paragraph 2.1.3.7)

- ***Hospitals procured items and consumables of ₹ 3.16 crore in excess of their actual requirement, which were lying unused in stock for prolonged periods.***

  (Paragraph 2.1.4.1)

- ***Sixty six equipment valuing ₹ 18.22 crore received during 2009-10 to 2014-15 were installed after delays ranging from 1 month to over two years.***

  (Paragraph 2.1.4.2)

- ***Twenty one equipment costing ₹ 83.17 lakh remained unutilized due to non-availability of accessories, regents and consumables for periods ranging between 15 days and over three years.***

  (Paragraph 2.1.4.4)

- ***Hospitals incurred an expenditure of ₹ 94.78 lakh on repair of equipment that were under warranty. The hospitals neither invoked the warranty nor initiated action against the firms.***

  (Paragraph 2.1.5.2)

- ***2,930 items of equipment worth ₹ 24.32 crore, and 883 equipment where cost was not available, were declared condemned during 2010-15 by various departments of the selected hospitals, but had not been disposed off.***

(Paragraph 2.1.5.4)

2.1.1 Introduction

Timely procurement and maintenance of medical equipment is a vital pre-requisite for provision of health care and medical services to the population. Medical devices require timely calibration, maintenance, repair and user training.

2.1.1.1 Organisational structure for procurement activities

DH&FW is headed by the Principal Secretary who controls all government hospitals and medical colleges and coordinates with the Ministry of Health and Family Welfare, GoI.

Upto September 2013, the Equipment Procurement Cell (EPC) of DH&FW used to procure medical equipment valuing more than ₹ 5 lakh on behalf of government hospitals and equipment costing less than ₹ 5 lakh were procured by the hospitals themselves. With the approval of the GNCTD Cabinet, the DH&FW engaged (August 2013) M/s HLL Life Care Ltd. (HLL) as a procurement consultant for procurement of medical equipment, as EPC and hospitals had their limitations for want of specialized staff. Subsequent to the engagement of HLL, the DH&FW circulated the following instructions in October 2013:

(i) Hospitals may undertake procurement themselves by inviting NIT and do the entire bid management for vendor selection. However, they may take the assistance of HLL, which will perform all tasks as per the agreement signed with the HLL.

(ii) For all procurements costing more than ₹ 10 lakh, the hospitals will have to get mandatory clearance of the Technical Advisory Committee (consisting of external experts and subject experts drawn from GNCTD hospitals, GoI hospitals and private hospitals) for need assessment and approval of technical specifications. However, even in such cases, hospitals will have an option either to procure themselves or through HLL.

EPC was renamed as Procurement Coordination Cell (PCC) in October 2013, for providing policy and technical support to the hospitals, compile and club indents, if received from hospitals, convene the meetings of the Technical Advisory Committee (TAC), and co-ordination with HLL.

In January 2014, the DH&FW permitted six hospitals[3] to procure medical equipment directly through HLL and they were not required to send their indent to the PCC. They were also not required to obtain the prior approval of TAC.

2.1.1.2 Audit objectives

Main objectives of performance audit were to assess whether:

- procurement of equipment was need based, both in terms of quantity and quality, and in consonance with procurement policies;
- medical equipment were optimally utilized after procurement;
- maintenance, repairs and replacement of purchased equipment were done in an economical and effective manner; and
- internal control mechanism was in place and effective.

2.1.1.3 Audit scope and methodology

The performance audit, covering the period 2010-15, was conducted from May to September 2015 and commenced with an entry conference with Special Secretary (Project), DH&FW on 4 June 2015. Audit test checked records of 11[4] out of 39 government hospitals, selected on the basis of maximum expenditure incurred under plan head 'Machinery and Equipment' during the last five years. Selected sample was further categorized into three slabs **-** (i) equipment costing more than ₹ one crore (100 *per cent*), (ii) equipment costing between ₹ 20 lakh and one crore (60 *per cent*), and (iii) equipment costing less than ₹ 20 lakh (40 *per cent*). Records of equipment purchased in previous years for which Letter of Credit accounts (LC) remained unadjusted/outstanding, were also scrutinized. In addition, records of HLL and EPC (now PCC) were also test checked.

A draft report was issued to the Government on 22 January 2016 and an exit conference was also held on 9 February 2016 with Secretary (Health) to seek their views on audit findings. However, Government reply is awaited (March 2016).

2.1.1.4 Audit criteria

The criteria used to benchmark the performance of DH&FW, PCC and hospitals in procurement of medical equipment and their maintenance was derived from the following sources:

[3]Maulana Azad Medical College (MAMC), Lok Nayak Hospital (LNH), G.B. Pant Hospital (GBPH), Guru Nanak Eye Centre (GNEC), Guru Teg Bahadur (GTBH) and Baba Saheb Ambedkar Hospital (BSAH).

[4]Baba Saheb Ambedkar Hospital (BSAH), Deen Dayal Upadhayay Hospital (DDUH), G.B. Pant Hospital (GBPH), Guru Gobind Singh (GGSH), Guru Nanak Eye Centre (GNEC), Guru Teg Bahadur (GTBH), Lal Bahadur Shashtri (LBSH), Lok Nayak Hospital (LNH), Maharishi Valmiki (MVH), Rao Tula Ram Hospital (RTRH) and Sanjay Gandhi Memorial Hospital (SGMH).

- Government policies, directions, orders and guidelines;
- Rules and regulations of the Government; and
- The General Financial Rules and the Receipt and Payment Rules.

2.1.1.5 Earlier audit

A performance audit covering the period 2003-08, on procurement of drugs, surgical items, equipment and their testing was included in the Audit Report of the C&AG (Volume-I) for the year ended March 2008 in respect of GNCTD. However, the Action Taken Note on that performance audit Report was awaited from Secretary (DH&FW) and it had not been discussed in PAC as of March 2016.

Audit findings

2.1.2 Budget allocation and utilisation

The budget allocation and actual expenditure of 11 selected hospitals for the period 2010-15 is shown in **Table 2.1.1**:

Table 2.1.1: Budget allocation and actual expenditure (2010-15)

(₹ in crore)

Year	Total Plan		Machinery & Equipment			
	Allocation	Expenditure	Allocation	Expenditure	Unspent Funds	Unspent Funds (%)
2010-11	408.95	392.25	101.61	93.08	8.53	8.39
2011-12	490.29	465.10	115.84	103.11	12.73	10.99
2012-13	445.67	396.91	58.93	43.58	15.35	26.05
2013-14	478.40	441.73	55.25	45.16	10.09	18.26
2014-15	499.17	403.57	109.65	57.90	51.75	47.20
Total			**441.28**	**342.83**	**98.45**	**22.31**

As evident from the above table, selected hospitals could not fully utilise the allocated funds under Plan head -'Machinery and Equipment' (M&E) fully during 2010-15. Annual unspent funds under the head ranged between 8 and 47 *per cent.* Rao Tula Ram Hospital reflected highest saving of 39.47 *per cent* against allocation of ₹ 20.70 crore. Other hospitals that had large unspent balances were Baba Saheb Ambedkar Hospital (34.78 *per cent*), Guru Nanak Eye Center (32.41 *per cent*), Govind Ballabh Pant Hospital (32 *per cent*), Maharishi Valmiki Hospital (29.58 *per cent*) and Lok Nayak Hospital (21.14 *per cent*). Audit also observed that among the 11 selected hospitals, Guru Teg Bahadur Hospital received the highest allocation of ₹ 116.70 crore under M&E head in the last five years and reflected savings of 26.28 *per cent***.**

Baba Saheb Ambedkar Hospital attributed (September 2015) the reasons for unspent funds/savings to various factors, like delay in tender evaluation process and time lag between submission of bills and supply of items leading to further delay in processing. Similarly, Guru Nanak Eye Center and Maharishi Valmiki Hospital stated (September 2015) that low utilisation of budget was due to delay in tender finalisation by EPC. Replies are not tenable as funds had been allocated for timely utilisation and unspent balances could have been re-appropriated to other heads of expenditure while preparing revised estimates for utilization by the hospitals.

2.1.2.1 Rush of expenditure

Rule 56(3) of the General Financial Rules stipulates that rush of expenditure in the closing months of the financial year shall be regarded as a breach of financial propriety and should be avoided. As per the circular issued by the Ministry of Finance in September 2007, expenditure in the month of March should be restricted to 15 *per cent* of the budget estimate (BE). Audit, however, observed that the selected hospitals did not follow these instructions and incurred expenditure in excess of 15 *per cent* of BE in the month of March as depicted in **Table 2.1.2:**

Table 2.1.2: Rush of expenditure in the month March

Year	Number of hospitals incurring more than 15% of BE	Number of hospitals where expenditure in March under M&E head was			
		15-30%	31-40%	41-50%	Above 50%
2010-2011	9	4	1	3	1
2011-2012	4	4	-	-	-
2012-2013	6	4	1	-	1
2013-2014	8	3	1	1	3
2014-2015	7	3	-	2	2

All the selected hospitals incurred heavy expenditure under the Plan head-'Machinery and Equipment' in the month of March (2010-15), which ranged from 16.85 to 89.97 *per cent* of the budget allocation.

GNEC stated that the rush of expenditure in March 2014 (89.97 *per cent* of budget allocation under ME head) was mainly due to 100 *per cent* payment made to HLL for procurement of medical equipment while Maharishi Valmiki Hospital stated (September 2015) that as procurement through e-tender was a new method, heavy expenditure was booked in the last quarter upto 2012-13, after which the expenditure was evenly distributed. Reply is not tenable as expenditure to the extent of 18.18 *per cent* and 17.39 *per cent* was incurred in March 2014 and 2015 respectively.

2.1.3 Procurement of medical equipment

2.1.3.1 Need assessment for acquisition of medical equipment

As per the DGHS Manual (Hospitals), each hospital should prepare a prospective master plan, broken into phases, which should include physical structure, building, machinery and equipment, manpower and consumables needed. Annual plans prepared by the hospital should be based on the master plan. Adhoc planning for spot purchases should be avoided.

Audit noticed that a comprehensive plan for procurement of equipment was not prepared either centrally in the department or at the level of individual hospitals in selected hospitals. Hospitals had no institutionalised system in place for assessing the need to acquire afresh or replace old medical equipment by analysing the demand and usage information from log books of medical equipment, increase in patient load and status of obsolete, condemned and defective equipment.

Instead, each hospital merely projected the requirement of funds annually in an adhoc manner on the basis of the requisitions indented by its departments and procured equipment through EPC and HLL, as discussed later in the Report. Audit also observed that no record of cost involved in its operation (including consumables), maintenance (including repairs), training etc. over the life time of equipment was maintained by the hospitals. Absence of time bound planning resulted in various deficiencies in procurement, maintenance and usage of medical equipment as discussed in the succeeding paragraphs:

2.1.3.2 Procurement of equipment through HLL

In order to spare the medical specialists and experts from the task of procurement exercise, DH&FW engaged HLL in August 2013 for timely procurement of medical equipment. As per the Memorandum of Understanding (MOU), HLL will float e-tenders, open them and forward the techno comparative statement to the indenting hospitals. After receiving their recommendations, HLL will open price bids, prepare comparative statement and forward the same to indenting hospitals, seeking their recommendations again. In this regard, audit scrutiny showed the following:

- During 2013-15, HLL received indents from 24 government hospitals/ institutes for procurement of 300 medical equipment of estimated value of ₹ 183.87 crore. It placed procurement orders for 80 equipment valuing ₹ 44.37 crore, but only 42 equipment costing ₹ 35.09 crore were delivered to the hospitals as of August 2015 and remaining equipment were under various stages of the procurement process. The reasons for slow pace of procurement were attributed to multiple approvals required from the hospitals at various stages of tender process. Thus, the very purpose of engaging a specialized procurement agency for timely procurement of medical equipment was defeated, though ₹ 60.65 lakh (2013-14- ₹ 6.03 lakh, 2014-15- ₹ 19.81 lakh, and ₹ 34.81 lakh upto August 2015) had been paid as consultancy fee to the agency as of August 2015 and hospitals remained unequipped of the medical infrastructure to the extent of upto two years.
- DH&FW did not review the periodic performance of HLL during 2013-15, though it was required to be reviewed at the end of every six month as per MOU. No reasons were given by DH&FW for not reviewing the performance of HLL.

- As per MOU, indenting hospitals released 100 *per cent* payment for procurement of equipment in advance to HLL, which kept the amount in its current account meant for procurement of medical equipment. As of August 2015, an amount of ₹ 45.84 crore was lying in this account. Audit observed that due to parking of funds in the current account, hospitals could not avail benefit of earning interest, though Special Secretary (H&FW) had proposed (December 2012) that interest accruing on deposits would be ploughed back for the procurement.

Audit noticed that in one case alone, there was a loss of interest of ₹ 7.36 lakh due to keeping of money in current account, where four hospitals GBPH**,** DDUH, LBSH and LNH placed an order for 60 ICU ventilators between August 2013 and January 2014 and payment of ₹ 6.14 crore was made in April 2014 to HLL. Out of this, HLL released 80 *per cent* in July 2014 and 20 *per cent* in September and December 2014 to the supplier firm. As a result, funds remained blocked with HLL for eight months and hospitals suffered loss of interest and patients were denied timely availability of diagnostic facilities.

2.1.3.3 Delay in processing and award of contract

Tendered document stipulates that EPC/hospitals were required to complete the purchase process within a period of five months from the date of invitation of bids. However, Audit observed that though the four hospitals mentioned in **Table 2.1.3** forwarded proposals complete in all respects *viz.* justification, essentiality for immediate requirement and availability of funds for procurement of equipment to EPC between April 2010 and August 2013, EPC delayed the processing and award of contracts in 14 out of 75 cases (19 *per cent*) involving ₹ 8.55 crore.

Table 2.1.3: Delay in processing and award of contracts (2010-13)

Hospital	Cases of delay	Range of delay		
		0 to 6 months	7 to 12 months	13 to 19 months
DDUH	1	-	-	1
GBPH	6	-	5	1
LBSH	1	1	-	-
LNH	6	3	2	1
Total	**14**	**4**	**7**	**3**

Audit observed that the main reason for delay in finalisation of award of contracts was the time consumed in evaluating technical and financial bids. Delayed processing for procurement of medical equipments not only led to unspent balances of the allocated funds but also deprived facilities to the patients during the period of delay.

2.1.3.4 Non-levy of penalty for delay in supply of equipment

According to the terms and conditions specified in supply orders, suppliers were liable to be penalized (one *per cent* per week subject to maximum of five *per cent* of the Acceptance of Tender (A/T) value) in case equipment were not supplied within the prescribed time frame. Audit scrutiny showed that in 10 hospitals, 51 equipment were supplied with delay ranging between 23 and 754 days from the stipulated timeframe. However, hospitals did not impose any penalty on suppliers. Such cases are depicted in **Table 2.1.4**:

Table 2.1.4: Cases where penalty was not imposed for delayed supplies

(₹ in lakh)

Sl. No.	Hospital	Number of equipment	Range of delay (days)	Penalty leviable
1.	**BSAH**	2	235 to 339	4.66
2.	**DDUH**	5	159 to 370	8.94
3.	**GBPH**	16	23 to 396	36.83
4.	**GGSH**	1	42	0.34
5.	**GNEC**	2	24 to 40	4.06
6.	**GTBH**	13	33 to 754	25.78
7.	**LNH**	4	74 to 406	8.86
8.	**LBSH**	3	97 to 106	2.97
9.	**RTRH**	1	243	1.01
10.	**SGMH**	4	69	2.39
	Total	**51**	**-**	**95.84**

Thus, hospital authorities failed not only in imposing penalty of ₹ 95.84 lakh on defaulting suppliers for delayed supply of essential medical equipment. Failure to impose penalties envisaged in the supply order without any justification also constitute undue benefit for the vendors and undermines the ability of the hospitals to ensure timely delivery of necessary medical supplies.

2.1.3.5 Extra expenditure due to delay in installation of equipment

As per EPC's tender document for purchase of imported items, the hospitals are required to open Letter of Credit (LC) account within one month from the date of accepting the tenders. It also envisages that 80 *per cent* cost of the equipment should be paid against shipping document and the balance 20 *per cent* within 30 days after successful installation of the equipment.

However, Audit observed that in 10 cases, GBPH, GNEC and LNH failed to open the LC account within one month from the date of acceptance of tender due to reasons like non-availability of funds. Further, due to delay in the installation of equipment after their receipt in the hospitals, the balance 20 *per cent* payments to agencies/suppliers was released after considerable delay of 2 to 39 months, thereby resulting in an extra expenditure of ₹ 1.13 crore due to fluctuation in foreign exchange rates during the period from receiving the equipment in hospital to their installation**.**

In its reply, GNEC stated (September 2015) that fluctuation of foreign currency was beyond their control. Reply is not tenable as non-adherence to tender clauses and stipulated time frame resulted in the extra expenditure of ₹ 1.13 crore.

2.1.3.6 Submission of performance guarantee for shorter duration

Clause 13 of contract agreement stipulates that before release of balance payment of 20 *per cent* of the cost of the equipment, suppliers should submit a performance guarantee (PG) of 10 *per cent* of procurement cost with validity of 60 months from the date of installation of equipment. To ensure satisfactory performance of the equipment, hospitals are required to ensure that the PG remained live and valid, so that it could be invoked in case of any default in the maintenance of equipment by the supplier.

Audit observed that four hospitals (GTBH, GBPH, GGSH and LNH) purchased medical equipment costing ₹ 8.26 crore during 2010-12. However, suppliers submitted PGs with validity of shorter periods ranging from 10 days to 57 months as against the prescribed limit in respect of 17 equipment. In four out of the 17 cases, the validity of security deposits (Bank Guarantee) expired before installation of the equipment, which was not renewed and equipment were without security during the warranty period. In one case, PG was not furnished by the supplier for the entire warranty period of the equipment.

Hence, in the absence of timely renewal of PGs, an assurance of satisfactory performance of equipment costing ₹ 8.26 crore was not available to the hospitals.

2.1.3.7 Non-adjustment of advances

Audit observed that advances of ₹ 73.62 crore given to suppliers for services rendered and supplies made, remained unadjusted as on 31 March 2015 as shown in **Table 2.1.5**:

Table 2.1.5: Outstanding advances as on 31 March 2015

(₹ in crore)

Sl. No.	Period since outstanding	Number of cases	Amount outstanding
1.	Upto two years	24	35.62
2.	3-4 years	14	3.59
3.	5-8 years	93	32.99
4.	Above 8 years	3	1.42
	Total	**134**	**73.62**

The issue of non adjustment of advances had also been pointed out in the Audit Report of C &AG (Volume-I) for the year ended March 2008 relating to GNCTD, but no steps were taken by the department to settle the advances.

The reasons for the advances of ₹ 73.62 crore lying unadjusted were attributed to non- reconciliation of advances with the banks and wanting of final bills for adjustment from the suppliers.

BSAH stated that sanction had been issued for adjustment of ₹ 1.91 crore and efforts were underway to adjust the rest of the amount. GNEC also stated (September 2015) that efforts were being made for adjustment of outstanding advances of ₹ 4.14 crore.

2.1.4 Utilisation of equipment

2.1.4.1 Non-utilisation of procured items

Rule 137 of General Financial Rules (GFRs) envisages that care should be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying cost. Audit scrutiny of stock registers of six hospitals (BSAH, GBPH, GGSH**,** GNEC, GTBH and LNH) showed that hospitals procured 110 items costing ₹ 1.91 crore, much in excess of their actual requirement, as was established by the fact that items were lying unused in stock for long periods ranging from 5 months to 14 years as on 31 March 2015. A few specific cases are detailed below:

- In GTBH, four items (Post Operative Multi-parameter Monitors, Emergency Recovery Trolleys, Cardiac Monitors and Clamp IV Pole) purchased at a cost of ₹ 62.79 lakh remained unutilised for periods ranging upto five years. For instance, though the hospital had five Post Operative Multi-parameter Monitors in stock in February 2010, it purchased two more monitors at a cost of ₹ 10.06 lakh in May 2011 and all seven monitors were lying unused in stock as of August 2015.
- LNH purchased 14 items valuing ₹ 60.40 lakh (including Mayos/Metzbaum scissors costing ₹ 18.97 lakh) between January and March 2001. However, 5,349 Mayos/Metzbaum scissors were lying idle in the store after 15 years of their purchase for want of indent from any department of the hospital.

It points to the unwarranted purchases that were made without assessing the actual requirement, resulting in unfruitful expenditure of ₹ 1.91 crore.

Similarly in GBPH, Audit observed that Cardiology Department procured 87 consumable items of ₹ 1.25 crore between March 2013 and April 2014, which were not used as of August 2015. Out of 87 items, 73 items worth ₹ 1.06 crore were purchased in bulk in July 2013 and March 2014, but never issued as of August 2015.

This showed that procurement of items and consumables was made without assessing the actual requirement and unjustified and resulted in blocking of ₹ 3.16 crore.

2.1.4.2 Inordinate delay in installation of equipment

According to standing instructions of DH&FW, equipment and machinery received in hospitals should be installed and commissioned as per the time schedule prescribed in the purchase contract. However, there was no time schedule prescribed in the purchase contract for installation of equipment in GNCTD governed hospitals. Audit scrutiny of records in eight selected hospitals showed that 66 equipment purchased and received during 2009-15 at a cost of ₹ 18.22

crore were installed with time ranging from one month to over 2 years. Audit has calculated the delay by taking the installation date as one month from receipt of the equipment (as HLL had prescribed a period of 15 days for installation in the Purchase orders issued by them). Some instances of delay are given below:

(i) BSAH purchased Extra Corporeal Shockwave Lithotripsy Machine costing ₹ 1.85 crore in April 2011. It was installed in March 2012 after a delay of 10 months.

(ii) In DDUH, seven equipment including Ventilator, Operating Laproscopy set and TMT Machine purchased at a cost of ₹ 1.23 crore between February 2010 to September 2011 were installed between May 2010 to February 2012 with delays upto seven months.

(iii) GBPH purchased a Mobile C-Arm Image Intensifier valuing ₹ 2.13 crore in October 2011 and installed it in February 2012 with a delay of three months.

(iv) LNH purchased 17 equipment during September 2009 to October 2014 at a cost of ₹ 4.52 crore and installed these during May 2010 to March 2015 with delays upto 25 months.

Though the issue was also pointed out in Paragraph 3.1.7.13 (c) of the Audit Report of the C&AG (Volume-I) for the year ended March 2008 in respect of GNCTD, the problem persisted and hospitals are still unable to get the equipment installed promptly, depriving patients of timely medical facilities. Non-availability of sites and late delivery of accessories and consumables contributed to delayed installation of equipment.

2.1.4.3 Unplanned purchases of equipment

Audit observed that hospitals purchased equipment without ascertaining in advance the availability of the space for their installation.

LNH awarded (February 2014) a contract for supply, installation and commissioning of 'High Dose Rate Brachy Therapy Remote Controlled Machine' in Radiotherapy Department to a contractor on turnkey basis at a cost of ₹ 3.77 crore. The Letter of Credit (LC) for the supply was opened on 28 March 2014. As per the terms and conditions of the contract**-** (i) the contractor was to complete the site preparation within five months of opening of LC account, (ii) complete supply and installation within three months of preparation of site, and (iii) hospital was to release 80 *per cent* of cost against shipping documents of equipment. Audit scrutiny showed that while the equipment was supplied and 80 *per cent* payment (₹ 2.88 crore) made to the supplier in May 2014, the hospital handed over the site to the firm only on 25 June 2014 i.e. almost three months after opening of the LC account. Even in this situation, equipment should have been installed by November 2014 as per the terms of the contract. However, even after a delay of fourteen months, it could not be installed as of January 2016 due to non-completion of civil and electrical works at the site. Thus, procurement of equipment without ensuring availability of basic infrastructure for its installation coupled with delay in providing the site by the hospital reflected deficiency in planning by the hospital management resulting in idle investment of ₹ 2.88 crore.

2.1.4.4 Idling of Equipment

(i) Idling due to lack of accessories and regents

Audit scrutiny of records in four hospitals (BSAH, DDUH, GGSH and GTBH) showed that 21 equipment costing ₹ 83.17 lakh remained unutilized for periods ranging between 15 days and over 3 years due to non-availability of accessories, regents, and consumables required for the functioning of these equipment **(Annexure 2.1).** Idling of equipment due to non-availability of accessories, regents or consumables indicated absence of proper planning and coordination between serving departments and purchase wings of hospitals.

DDU hospital stated (March 2016) that there was no hampering of casualty services as the sufficient alternative arrangements were available in the emergency ward of the hospital and demands for the accessories had been sent to the purchase department which were under process. Reply is not tenable as the procured equipment could not be utilised even for one year from the date of installation in the emergency ward due to lack of initiative on the part of the hospital authorities. No reply has been furnished by the remaining hospitals.

(ii) Idling of equipment under Annual Maintenance Contract (AMC)

Clause 16(b) of contract agreement stipulates that after the initial five year period of comprehensive warranty/guarantee, the tenderer shall further commit to provide annual maintenance service for the next five years wherein the indenter shall bear the cost of spares. Audit scrutiny of records in selected hospitals showed that 166 equipment valuing ₹ 26.20 crore under annual maintenance contract, remained out of order for periods ranging upto 80 months. However, the hospitals took no action to get the defective equipment repaired by the contracted firm by invoking the contractual provisions relating to annual maintenance.

(iii) Idling of equipment beyond warranty conditions

Apart from the above, 58 equipment valuing ₹ 3.72 crore in BSAH, DDUH, GBPH, GTBH and LNH which were beyond both warranty period as well as annual maintenance services, were lying idle for periods ranging from 3 months to 108 months **(Annexure 2.2)** which had neither been put to use nor declared obsolete/ unserviceable. Audit observed that keeping the equipment non-functional without repair deprived the patients of their benefits as well as resulted in blocking of space that could be fruitfully utilised for other purposes.

2.1.4.5 Under-utilization of diagnostic equipment

Audit observed cases where hospitals purchased medical equipment which subsequently remained under-utilized. Some cases are discussed below:

(i) DDUH procured 'Automated system for Rapid Cultures from Blood/ Body Fluids' at a cost of ₹ 13.61 lakh in July 2008. The machine with capacity of conducting 700-750 tests per month was installed in September 2008. However, scrutiny of records showed that the machine remained dysfunctional for the periods tabulated as below:

Table 2.1.6: Details of machine (ASRC) remaining dysfunctional

Sl. No.	Period when equipment remained faulty	Number of months	Loss of tests @ 700 test per month
1.	July 2010 to July 2011	13	9,100
2.	Sept 2013 to Nov 2013	3	2,100
3.	July 2014 to May 2015	11	7,700
	Total	**27**	**18,900**

Thus, 18,900 tests could not be conducted due to error in machine and non-supply of consumables by the suppliers. Further, the engineer of the suppliers requested the hospital in October 2009 and June 2012 to provide a new separate temperature controlled environment and dust free space for smooth functioning of the machine, though no such condition was incorporated in the Contract Agreement of the equipment while procuring the same. Hospital made no efforts in this regard.

(ii) BSAH purchased Arthroscopy System Diagnostics and Powered Shaver System at a cost of ₹ 77.04 lakh in October 2008 for its Orthopaedic Department. The equipment was installed in July 2009 after a delay of nine months. Audit noticed that due to non-availability of technical staff/ specialized doctor, the equipment could not be put to use after October 2014, thereby depriving patients of valuable diagnostic facility.

2.1.5 Repair and maintenance of equipment

As per Medical Equipment Maintenance Manual, issued by DH&FW (October 2010), maintenance of healthcare equipment is an integral part of managing the whole life cycle of equipment. Maintenance can be either corrective or preventive. While preventive maintenance is done in a planned manner before repair is required, corrective maintenance or repair is done in the event of a breakdown of the equipment. Audit observed that the concept of preventive maintenance was missing in all eleven selected hospitals and their main focus was only on repair of non-functional equipments. Some of the issues noticed regarding repair and maintenance of equipment are discussed below:

2.1.5.1 Non-recovery of penalty due to down time of equipment

Down time of an equipment refers to the time when in any given period it fails to perform its specified functions. As per the standard terms of contract for supply of medical equipment stipulated by DH&FW, the supplier has to guarantee an uptime of 95 *per cent* in contracts costing more than ₹ 5 lakh and the breakdown period should not be more than 18 days in a year. Standard terms also stipulate repair of equipment within 48 hours, failing which a penalty of one *per cent* of value of the contract would be deductible from the performance guarantee. Audit scrutiny of records of eight hospitals showed that 57 equipment under the warranty period, suffered down time period in excess of stipulated norms during 2010-15, for which penalty amounting to ₹ 21.29 lakh should have been deducted from the performance guarantee of suppliers**.** However, no penalty was deducted by the hospital authorities.

2.1.5.2 Non-availing of warranty for repairs

Clause 16 of Contract Agreement stipulates that the seller guarantees the quality and satisfactory functioning of the supplied good for a period of 60 months from the date of installation/commissioning of the store, failing which losses/ compensation/damages, as assessed by the purchaser, shall be recovered from the tenderer and the firms/tenderer shall be blacklisted for breach of warranty. Scrutiny of records of 10 hospitals[5] showed that 90 equipment valuing ₹ 22.77 crore remained out of order for durations ranging upto 46 months during the warranty period. Moreover, hospitals incurred an expenditure of ₹ 94.78 lakh on repair and maintenance of these equipment, while under warranty. The hospitals neither availed the warranty for repairs nor did they initiate any action for blacklisting of the concerned suppliers, thereby defeating the very purpose of the warranty clauses. Some examples are as below:

(a) GBP Hospital's Endoscopy Department got installed an Adult Video Colonoscopy costing ₹ 13.91 lakh in December 2008. The machine was lying defective since July 2011 with no action being taken to get it repaired by the supplier though it is still within warranty period.

(b) GTB Hospital's Microbiology Department purchased a Fully Automated Bacterial Identification (ID) and Antimicrobial Susceptibility System (AST) for ₹ 25 lakh and got it installed in September 2010 with warranty upto September 2015. However, the equipment went out of order in March 2014, but the hospital initiated no action to get it repaired to make it functional.

[5]Baba Saheb Ambedkar Hospital (BSAH), Deen Dayal Upadhayay Hospital (DDUH), G.B. Pant Hospital (GBPH), Guru Gobind Singh (GGSH), Guru Teg Bahadur (GTBH), Lal Bahadur Shashtri (LBSH), Lok Nayak Hospital (LNH), Maharishi Valmiki (MVH), Rao Tula Ram Hospital (RTRH) and Sanjay Gandhi Memorial Hospital (SGMH)

(c) DDUH procured Anaesthesia Work Station costing ₹ 13.30 lakh in 2009. Though the equipment was under warranty, it became non-functional in February 2014 and was lying in the same condition since then (575 days). Similarly, in Paediatrics Department, two Ventilators costing ₹ 11.24 lakh each and installed in November 2011 remained out of order for 276 days at different occasions, though under warranty upto October 2016. In Radiology Department, one digital 1000 mA X-Ray machine costing ₹ 1.12 crore and installed in October 2009 was lying non-functional since March 2012.

(d) BSAH got installed a Mobile C-Arm Image Intensifier costing ₹ 36.46 lakh in its Orthopaedic Department in February 2010. However, though the equipment was under warranty period, it developed defects in December 2012 and was lying in the defective state since then. In the Physiotherapy Unit, a Magnetic Traction Unit Analyser costing ₹ 13.75 lakh was installed in August 2008, but it remained non-functional for aggregate 346 days under warranty period.

2.1.5.3 Irregular expenditure on maintenance

MV Hospital procured a Fully Automatic Blood Gas Analyser in May 2009. As per the terms and conditions of supply order, the supplier was to provide annual maintenance services from July 2014 to July 2019 after expiry of the warranty period of five years from the date of installation. Audit observed that the hospital entered into a separate contract for maintenance @ ₹ 24,370 *plus* taxes for the period 27 March 2015 to 26 March 2016 with the firm and paid ₹ 12,185 in October 2015. Similarly, for 100 MA X-Ray Machine installed in March 2006, the hospital paid ₹ 2.14 lakh to the firm towards annual maintenance charges for the period March 2011 to March 2015, though the equipment was under annual maintenance contract upto March 2016. The hospital stated (March 2016) that letter for recovery had been issued in both cases to the firm.

2.1.5.4 Non-disposal of condemned equipment

As per clause 11.19 of the DGHS Hospital Manual, a condemnation board should be constituted for timely condemnation of unserviceable items in the hospitals. Further, the Medical Equipment Maintenance Manual (H&FW 2010) prescribes that equipment disposal should be done as quickly as possible, but not later than six months after the decision for disposal by the condemnation board.

Audit observed that 2,930 equipment, purchased at ₹ 24.32 crore and 883 equipment where cost was not available, were declared condemned by the various departments of the selected hospitals during 2010-15. Out of these, many were condemned 25 years back i.e. in April 1990. Status is detailed in **Table 2.1.7**:

Table 2.1.7: Status of condemned equipment

(₹ in crore)

Hospital	BSA	DDU	GBP	GGS	GNEC	GTB	LBS	LNH	MVH	RTR	SGM	Total
Number of equipment	62	428	33	97	1494	128	78	244	30	218	118	**2,930**
Amount	0.55	6.82	2.30	0.66	1.34	6.64	0.77	4.50	0.24	0.35	0.15	**24.32**

Prolonged delay in disposal of condemned equipment results in further deterioration in their condition and realizable value as well as their occupying space that could be fruitfully utilized for other purpose. BSAH stated (September 2015) that it had registered with Metal Scrap Trade Corporation Limited under the Ministry of Steel (MSTC) in July 2015 for auction and disposal of condemned items, and assured that process of auction/disposal would be completed within 2-3 months. Replies from the remaining hospitals were awaited.

2.1.5.5 Training

As per Medical Equipment Maintenance Manual issued by the DH&FW in October 2010, there is a need for at least one Bio-Medical Engineer and two Bio-Medical Technicians in every 100 bedded hospital, as detailed in **Table 2.1.8**:

Table 2.1.8: Technical personnel requirement in hospitals

	100 bedded hospital	16-50 bedded hospital	15 or fewer Bedded hospital
Biomedical Engineer who is specialized in management, maintenance, supervision of external service provider, needs assessment, planning, and user training (as per WHO).	1	0	0
Biomedical Technician who primarily focuses on specialized medical equipment repair and maintenance (as per WHO).	2	1	0
Assistant Technician/Artisan who provides maintenance that cannot be performed in-house. They are product-oriented and specialized in a certain field.	3	2	1

Audit observed that none of the selected hospitals had any such sanctioned posts nor did they recruit any Bio-Medical Engineer and Bio-Medical Technician for ensuring proper maintenance and up-keep of medical equipment. Further, training of technical staff is critical for the safety of patients and users, for using kits and how to deal with routine repairs and maintenance and calibrations of equipment. Accordingly, training was to be given by manufacturers and suppliers. Although procurement, maintenance and utilization of medical equipment is of specialized nature, only demonstration was arranged by the suppliers at the time of installation to the staff, who are not technically qualified to perform specialized activities related with maintenance. Due to non-availability of these technicians, special care of these equipment could not be taken which is evident from the huge number of non-functional equipment lying in hospitals.

2.1.6 Internal Control Mechanism

Internal controls are safeguards that are put in place by the management of an organisation to provide assurance that its operations are proceeding as planned. These are also designed to provide reasonable assurance that the entity's general objectives are being achieved. Reasonable assurance provided by such internal controls strengthens accountability of public authorities.

Various deficiencies and shortcomings in the system of procurement, maintenance and utilisation of medical equipment by government hospitals, as pointed out in the preceding paragraphs indicate absence of an effective internal control mechanism. Further, the weakness in the internal controls in selected hospitals is evident from the illustrations given below:

2.1.6.1 Weak Management Information System (MIS)

MIS is a computerized database which focuses on the management of information systems to provide efficiency and effectiveness of strategic decision making. The Government directed (August 2014) all Heads of Departments of hospitals to prepare master data of all equipment (functional and non-functional both) as part of inventory of hospitals and to complete the task by September 2014. Any change in the status of equipment was to be incorporated in the system before the 5th of every month and new equipment were to be entered in the system before making final payment. However, Audit observed that test checked hospitals did not adhere to these orders, as data was not uploaded and updated (department wise) completely.

GNEC admitted that due to lack of manpower, uploading of data was not done effectively and Id for MIS was also provided quite late (September 2015) by DH&FW.

2.1.6.2 Non-compliance of Manual provisions

As per clause 11.13 of DGHS Hospitals Manual, a periodic review of status of functioning of all equipment in the hospitals should be done by the highest authority and prompt action should be taken to keep the optimum functional status of equipment. However, Audit observed that test checked hospitals neither conducted equipment audit, nor applied any administrative checks to ascertain the health of installed equipment.

Audit also observed that though the internal audit of these selected hospitals was being carried out by the Internal Audit Wing of GNCTD, no such issue was raised by GNCTD in their internal audit reports.

2.1.6.3 Non-compliance of executive orders

The DH&FW directed (November 2010) all Medical Superintendents to submit quarterly returns about the working condition of equipment installed alongwith working hours functional per month by each equipment. Audit observed that none of the hospitals furnished any such return during 2010-15. Weak MIS, lack of equipment audit by Internal Audit Wing of GNCTD and absence of quarterly review of working condition of installed equipment are indicative of inadequate monitoring mechanism in the test checked hospitals.

The MVH stated (September 2015) that as it took care of all equipment and their maintenance, need of sending quarterly report was not felt. Reply is not tenable as submission of the quarterly report was mandatory.

2.1.7 Conclusion

A comprehensive plan for procurement of medical equipment was not prepared either by the department or by any hospital. There was no documented system in place for assessing the need to acquire afresh or replace old medical equipment and the procurement process was characterized by ad-hocism. Though, a consultant firm was engaged, there were delays in procurement of equipment. No system was in place for monitoring the timely installation of equipment after their receipt in the hospitals. Cases of non-utilisation, under-utilisation and idling of equipment were observed across all the selected hospitals. Similarly, consumable/non-consumable items were purchased in excess of actual requirements. The ability of the hospitals to ensure contract performance by suppliers was compromised by obtaining performance guarantee of shorter than prescribed duration and non-levy of penalties on delayed supplies. Though, a management information system for tracking demand and supply of medical equipment was set up, information was not uploaded and updated completely.

2.1.8 Recommendations

The Department of Health and Family Welfare may:

(i) Prepare a consolidated plan for procurement of medical equipment and related items, based on needs of hospitals to avail the advantage of economies of scale and timely delivery;

(ii) Standardise and rationalise its policy for procurement of commonly used medical equipment;

(iii) Develop a medical equipment maintenance policy for prolonging the life of equipment and minimise the downtime, including inspection, preventive maintenance and corrective maintenance;

(iv) Ensure invoking of contractual provisions relating to delay and default on the part of suppliers in supply of equipment and provision of services to ensure timely performance of contractual obligations; and

(v) Strengthen its MIS for effective internal control and monitoring of procurement, installation and usage of equipment in hospitals.

The matter was referred to the Government in January 2016; reply was awaited (March 2016).

Department of Home

2.2 Working of Delhi Fire Services (DFS)

In National Capital Territory (NCT) of Delhi, the Delhi Fire Services is responsible for protecting and safeguarding the lives and property in the event of an outbreak of fire and general emergencies. Main audit findings are given below:

Highlights

- ***Delhi Fire Services (DFS) did not maintain a comprehensive database of area, distribution of population and hazardous areas.***

(Paragraph 2.2.3.1)

- ***DFS failed to create the planned number of fire stations for maintaining operational efficiency. There were only 58 fire stations as against a plan target of 70.***

(Paragraph 2.2.4.1)

- ***Considering the population of Delhi as per the Census of 2011, DFS did not have adequate number of pumping units. It had only 160 pumping units against the requirement of 205. Thirty one (20 per cent) of these were not functional.***

(Paragraph 2.2.4.2(a))

- ***The response time of DFS was not at par with prescribed norms. In more than 60 per cent of test-checked cases, the response time exceeded the stipulated 3 minutes in high hazard zones and closely built up areas and 5 minutes in other areas.***

(Paragraph 2.2.5)

- ***DFS had no details of number of high rise buildings in Delhi and the status of issue and renewal of Fire Safety Certificates in respect of such buildings.***

(Paragraph 2.2.7.1)

- ***Test check of fire system in buildings revealed non-compliance with stipulated fire safety standards.***

(Paragraph 2.2.7.4)

2.2.1 Introduction

Delhi Fire Services (DFS), established in 1942, is responsible for protecting and safeguarding the lives and property of the people of Delhi in the event of an outbreak of fire and general emergencies. The administrative control of DFS was transferred from the Municipal Corporation of Delhi to the Home Department, GNCTD with effect from 10 November 1994.

2.2.1.1 Organizational set-up

The Director is the head of the DFS which functions under the overall administrative control of the Principal Secretary (Home), GNCTD. The DFS is divided into six divisions[6], each headed by a Divisional Officer who is assisted by an Assistant Divisional Officer (ADO). There are 58 fire stations in Delhi, each headed by a Station Officer or a Sub-Officer. Besides, DFS has an Auto Workshop, a Wireless Workshop, a General Workshop and a Fire Safety Management Academy (FSMA).

2.2.1.2 Audit objectives

The objectives of the performance audit were to assess whether:

- plans were prepared with the objective of providing timely, adequate and effective firefighting service, and to create mass awareness on fire safety issues;
- adequate resources were available and utilised efficiently, effectively and optimally in prevention of fire incidents;
- enforcement of fire safety norms for prevention and control of fire incidents was effective; and
- internal controls and monitoring mechanism was effective.

2.2.1.3 Audit criteria

The criteria against which the audit findings were benchmarked were derived from the following sources:

- The Delhi Fire Service Act, 2007 and the Delhi Fire Service Rules, 2010;
- Compendium of Recommendations of the Standing Fire Advisory Council (SFAC) issued by MHA, GoI in March 1998; and
- The General Financial Rules, 2005 and other Government orders.

2.2.1.4 Audit scope and methodology

The functioning of the DFS, covering the period 2010-15, was reviewed in the DFS headquarters and in three divisions[7] selected on the basis of number of fire calls received. In addition, records in nine fire stations, Fire Safety Management Academy, Auto Workshop, General Workshop and Wireless Workshop were also examined.

An entry conference was held with the Director, DFS on 15 May 2015. The draft report was issued to the Government on 17 December 2015 to solicit their views on the audit findings and an exit conference was also held on 10 February 2016. The views of DFS as furnished and expressed in the exit conference, have been suitably incorporated in the Report. However, Government reply was awaited (March 2016).

[6] East, Central, West, North-West, South and South-West.

[7] North-West, South and East Division.

Audit findings

Last performance audit of DFS was included in the Audit Report of the CAG for the year ended 31 March 2009, which has not been discussed by the Public Accounts Committee of the Delhi Legislative Assembly as of March 2016. Current audit findings are given in the following paragraphs.

2.2.2 Financial outlay

Budget allocation and actual expenditure of DFS for the period 2010-15 is given in **Table 2.2.1:**

Table: 2.2.1: Financial outlay and actual expenditure (2010-15)

(₹ in crore)

Financial Year	Budget allocation		Actual expenditure		Saving (Percentage)	
	Plan	Non Plan	Plan	Non-Plan	Plan	Non-Plan
2010-11	33.45	65.13	21.67	62.13	11.78 (35.21)	3.00 (4.61)
2011-12	24.56	66.13	20.10	64.98	4.46 (18.18)	1.15 (1.74)
2012-13	39.80	73.19	36.42	70.53	3.38 (8.48)	2.66 (3.63)
2013-14	43.38	80.74	37.43	77.39	5.95 (13.72)	3.35 (4.15)
2014-15	43.29	89.92	36.86	79.76	6.43 (14.85)	10.16 (11.30)

As seen from above, the budget of DFS ranged between ₹ 91 crore and ₹ 133 crore (both Plan and Non-plan) during 2010-15. There was saving ranging between 8 and 35 *per cent* under Plan head during this period.

In its reply (August 2015) DFS stated that there was saving under various heads due to less requirement of maintenance work, late receipt of funds, non-approval of proposals by the Government, delayed supply of items and non-receipt of bids.

2.2.3 Planning and preparedness

2.2.3.1 Non-preparation of comprehensive data

As per the Compendium of Recommendations of the Standing Fire Advisory Council (SFAC), issued by Ministry of Home Affairs, Government of India in March 1998, fire service setup is mainly based on population, response time and risk hazard. Comprehensive data of these factors is essential for planning for risk hazards, type of vehicles required for fire-fighting and strength of fire personnel. However, DFS did not maintain any such data. Absence of such vital data indicates lack of precision in planning and preparedness of DFS for fire prevention.

DFS stated (September 2015) that it was in consultation with the Geo Spatial Delhi Limited (GSDL) for preparation of such data. DFS added (February 2016) that comprehensive data would be available after the computerization is implemented.

2.2.4 Availability of resources and their utilisation

2.2.4.1 Shortfall in establishing fire stations

The DFS had 31 operational fire stations before 2007. With an objective of having one fire station in each Assembly Constituency, DFS proposed to increase the total number of fire stations to 70 during the 11th Five Year Plan 2007-12. The number of fire stations, however, increased to only 54 at the end of the Plan period. For the 12th Five Year plan 2012-17, DFS kept the target of 70 fire stations to be achieved. The addition of new fire stations was considered necessary to provide fire protection at reasonably good response time and cope up with increasing number of fire incidents. However, only four new fire stations[8] became operational as of November 2015 at a total cost of ₹ 8.12 crore against the estimated cost of ₹ 6.98 crore. With these, DFS had a total of 58 fire stations (including five fire posts)[9], which was still 12 short of the target of 70 fire stations.

The DFS attributed (February 2016) the reasons for shortfall in construction of fire stations to long procedure involving allotment of land, its handing over to PWD, preparation of plans by PWD and their approval by civic bodies and finally construction. DFS added that three more fire stations were under construction[10] and process had started for another five.

Audit observed that it was incumbent upon DFS to strengthen its internal processes and improve coordination with other agencies concerned to expedite the setting up of the fire stations particularly since funds were stated to be available.

As per paragraph 2.1.4.1 of the last Performance Audit (for the year ended March 2009), 50 fire stations were operational. Thus, only eight fire stations came up between April 2009 and August 2015.

2.2.4.2 Shortage of vehicles and equipment

(a) As per SFAC norms, each fire station should be equipped with one pumping unit. The number of pumping units is to be increased at the rate of one unit for every 50,000 persons and six for three lakh population. For population of three lakh and upwards, there should be one additional pumping unit per lakh of population or fraction thereof, with a reserve of 20 *per cent* of total pumping units. Fire station serving a population greater than three lakh, should have one rescue van (RV) and an additional RV for every 10 lakh persons. As per the census of 2011, the total population of NCT of Delhi was 167.88 lakh. For this population, number of pumping units required is 205 (171 *plus* 34 in reserve).

[8]Dallupura, CBD Shahadra, Kalyan Vas and Khera Dabur

[9]Where only fire fighting vehicles are placed

[10]Vasant Kunj, Sanjay Gandhi Transport Nagar, Udyog Nagar

Audit observed that as on 31 March 2015, there were only 160 pumping units available. Out of these, 31 were out of order as on 31 March 2015. Thus, only 129 pumping units were actually available with a shortage of 20 *per cent*. Further, DFS had only six RVs against 18 RVs required as per prescribed norms.

(b) DFS has a total of six Bronto Skylifts to be used in the incident of fire at different heights (maximum height 70 meters or 220 feet), six Turntable Ladders (TTLs), two Simon Super Snorkels and three Hazzmat Vans on its inventory. Out of these, three Brontos, all six of TTLs, two Simon Super Snorkels were out of operation as of December 2015.

(c) Out of the above six Bronto Skylifts, DFS had procured a 70 metre Aerial Ladder Platform (Bronto Skylift) in the year 2014-15 for fighting fire incidents at a height of approximately 220 feet. However, NCT of Delhi also has buildings with height more than 220 feet, e.g. Civic Centre (335 feet), Grand Inter Continental (Hotel The Lalit) (328 feet) and Palika Kendra (299 feet). Thus, DFS did not have any firefighting equipment to tackle the incidents of fire occurring at a height of more than 220 feet, as it has a Bronto Skylift which can reach to a maximum height of 220 feet only.

Thus, DFS was not adequately equipped with fire fighting vehicles and other equipment, thereby, undermining its firefighting ability. DFS accepted the observation (February 2016) and intimated that more such appliances and equipment would be added.

2.2.4.3 Delay in registration of vehicles

As per its Citizen’s Charter, the primary function of DFS is to provide immediate response to every fire and emergency call. Audit observed that DFS procures chassis of vehicles and get them fabricated into Water tenders, Bousers, Foam dispensers, etc. For effective firefighting, DFS needs to quickly get the vehicles fabricated and registered, so that these could be put to operational service. Audit scrutiny showed that out of 46 vehicles procured during the period, 38 vehicles were registered with a delay ranging upto nine months, after allowing a period of six months for procurement, fabrication, etc. The delay was unreasonably long when compared with the cases of two Small Water Tenders (SWT) which were registered within three months of procurement.

DFS accepted the observation (February 2016) and assured that no delay in registration of vehicles would take place in future.

2.2.4.4 Shortage of VHF Mobile Radio equipment

As per SFAC recommendations, each mobile appliance including each command car and motorcycle should have one 25 watt VHF Mobile Radio telephone. Audit observed that there were altogether 301 fire vehicles in DFS as of December 2015, where the 25 watt VHF Mobile Radio telephones were required. However, DFS had 205 mobile radio sets (shortage of 31 *per cent*). The last procurement of Wireless, Mobile and Repeater sets was made in March 2007.

DFS intimated (February 2016) that there was no shortage of equipment considering the total area of 1,483 sq kms. Reply is not tenable as there was a shortage of mobile radio sets as against SFAC recommendations.

2.2.4.5 Shortage of staff

SFAC norms provide that one station/sub-officer, two leading firemen, two drivers/operators and 10 firemen will be required at a fire station with 50 *per cent* reserve of station officer and sub-officers. In respect of remaining staff, DFS has to keep a reserve of 10 to 25 *per cent*. These norms further provide that Home Guards could be deployed as Auxiliary Firemen in emergency. The position of sanctioned strength and men-in-position of staff in DFS, is given in **Table 2.2.2:**

Table 2.2.2: Position of staff as on 31 March 2015

Sl. No.	Category of staff	Sanctioned	In position	Vacant	Shortage (*per cent*)
1	Senior Officers	44	39	5	11.36
2	Operational staff	3,375	1,911	1,464	43.37
3	Workshop staff (auto, wireless and general)	85	43	42	49.41
4	Administration/Accounts staff	115	84	31	26.95
	Total	**3,619**	**2,077**	**1,542**	**42.61**

The table above shows a shortage of 43.37 *per cent* in operational staff and 49 *per cent* in auto staff. Overall, there was a staff shortage of 42.61 *per cent* in DFS.

Availability of adequate field staff is imperative for the operational efficiency of the DFS. Despite recommendations of SFAC for deployment of Home Guards or creation of Voluntary Firemen, DFS had not deployed Home Guards as Auxiliary Firemen or Volunteer Firemen.

DFS agreed to the observation (February 2016) and intimated that efforts were being made with Delhi Subordinate Service Selection Board (DSSSB).

2.2.4.6 Functioning of the Fire Safety Management Academy (FSMA)

(a) Courses conducted: As per SFAC norms, a Training Bureau should be established in each State Fire Service. Further, six months courses for Firemen, Assistant Station Officer and Driver recruits, three months courses for Leading Firemen, and two weeks course in breathing apparatus are recommended by

SFAC. Audit observed that Fire Safety Management Academy, established in January 2001, did not prepare any annual plan, which showed that DFS was not attributing adequate importance to the training of its staff. During 2010-15, FSMA conducted the following courses and activities:

(i) DFS conducted nine courses for External Sub-officers from National Fire Service College (NFSC) Nagpur, four courses for DFS Fire Operators; and two courses for Station Officer and Instructor's from Nagpur during 2010-15.

(ii) Besides the regular courses, DFS also conducted 48 courses and practical attachments, and 20 lectures and demonstrations for various outside agencies. However, FSMA did not conduct any refresher course or specialized training for existing officers/staff. As intimated by FSMA (August 2015), no training for electrical or chemical fires was imparted to the existing staff.

(b) **Equipment and facilities**: Audit observed lack of training equipment and facilities at FSMA, namely - Breathing Apparatus Gallery, Smoke Chamber, Fire Chamber, Arson Laboratory, Fire Simulator, Drill Tower and Hose Patching Machine. Further, in Hazzmat Van, used for training, only 38 out of 85 equipment and tools were in working condition.

The previous Performance Audit (Audit Report for the year ended March 2009) had highlighted issues of lack of training for existing personnel and specialized training. In ATN, DFS intimated that efforts were being made to establish a full-fledged training center at Nangloi. However, no new training center was operationalized as of February 2016.

DFS, while accepting the observation (February 2016), attributed the reasons to lack of space at FSMA and stated that it had procured a piece of land for construction of new training centre at Budhan Mazra.

(c) **Non-conducting of Physical Assessment Test**

SFAC norms recommend physical assessment tests for fire personnel, to be held every six months to ensure that they remain fit for their duties. As per norms, among other tests, a firefighting person should be:

- able to run 100 meters in 30 seconds,
- able to lay four lengths of hoses, each of 50 ft, from the appliances within three minutes, and
- able to climb on extension ladder of 35 ft, from the appliance, within two minutes.

Audit observed that DFS did not conduct physical assessment tests during the period under audit.

DFS intimated (February 2016) that there was no provision for physical assessment test in DFS Act/Rules. However, the Chief Fire Officer assured that efforts were being made to decide the type of physical assessment to be conducted.

2.2.5 Poor response time

(a) As per SFAC norms, the response time[11] of a maximum of three minutes should be achieved in all high hazard zones and closely built up areas, and it should not exceed five minutes for other areas. DFS did not maintain manual data of actual response time, but uploaded fire reports on its website with details of response time.

Data analysis of 1,011 fire calls in six fire stations[12] for the months of June 2012, 2013 and 2014, showed that response time was within five minutes only in 400 calls (40 *per cent)* and in the remaining 611 cases (60 *per cent*), it was six minutes or more. **Table 2.2.3** given below, provides further break-up:

Table 2.2.3: Analysis of response time

Response Time (in minutes)	Number of calls		
	June 2012	June 2013	June 2014
1-5	168	101	131
6-10	173	156	108
11-15	35	23	44
16-20	15	6	9
21-30	8	4	21
31 and above	4	2	3

In six cases, Audit observed that the response time of one minute for two kms, three minutes for four kms, four minutes for seven/eight kms, nine minutes for 10 kms and 19 minutes for 18 kms was recorded in fire reports. This was unrealistic considering the traffic conditions in Delhi.

DFS cited (September 2015) the absence of dedicated lane on roads as the reason for delayed response time. However, Audit found cases where fire incident happened in an adjacent building or in the same area of a concerned fire station and fire vehicle still took four to six minutes to reach the spot. Also in 37 cases within distance of one to two kilometers, fire vehicles took eight to 39 minutes to reach the scene of fire.

As per the Performance Audit (Audit Report for the year ended March 2009), response time was within five minutes in only 23 *per cent* of test-checked cases. Over five years, despite increase in number of fire cases from 16,452 in the year 2008-09 to 23,242 in 2014-15, DFS improved its response time and managed to reach scenes of fire within five minutes in 40 *per cent* of cases.

[11]The time in which the fire vehicle actually arrives at the fire scene after receiving the call

[12]Nehru Place, Najafgarh, Laxmi Nagar, Narela, Wazirpur, Naraina

(b) A critical component of any successful rescue operation is time. Knowing the precise location of landmarks, streets, buildings, emergency service resources and disaster relief sites reduces that time and saves lives. The Global Positioning System (GPS) serves as a facilitating technology in addressing these needs. In the Action Taken Note to last Performance Audit (Audit Report for the year ended March 2009), DFS assured (July 2010) that it was putting all efforts to improve the response time, including induction of GIS/GPS. However, Audit observed that Geographic Information System (GIS/GPS) was yet to be installed in any of the fire vehicles. DFS again intimated (February 2016) that the proposal was still under process in the Law Department of GNCTD.

2.2.6 Irregularities in the payment of water charges

According to Section 45 of the Act, no charge shall be made by any local authority for water consumed in fire-fighting operations by the Fire Service. Audit, however, observed that DFS was paying bills for water consumed for domestic, official and firefighting purposes. During 2010-15, an amount of ₹ 9.80 crore was paid to DJB and NrDMC at commercial rates. Since category wise details of water consumed was not available, Audit could not segregate the water charges towards fire operation which could have been avoided. Besides, it was also noted that the water charges of domestic consumption by the occupants of the 557 staff quarters which was being irregularly paid by DFS at commercial rates, should have been recovered from the staff at least to the extent of domestic rates. However, no such step had been taken.

DFS stated (February 2016) that water charges were paid to DJB and NrDMC for consolidated consumption of water used for fire stations and staff quarters. The reply is not tenable as excess payment to the extent of water charges could have been avoided by installation of separate water meters for domestic consumption.

2.2.7 Enforcement of fire safety norms

2.2.7.1 Non-maintenance of data on high rise buildings

Fire Safety Certificate (FSC) is issued under DFS Rule 35 to the owner or occupier of the building/premise with such conditions[13] as may be specified in the FSC for compliance of fire prevention and safety measures. The application for grant of FSC shall be accompanied with a certificate from the architect and owner or occupier that all the fire prevention and fire safety measures as required under Rule 33 have been incorporated in the building. The FSC, unless cancelled shall be valid for a period of 5 years for residential buildings and 3 years for non-residential buildings. Fire Prevention Wing in DFS issues these FSCs for

[13]Rule 27 of DFS Rules: Residential>15 mtrs, Hotels>12 mtrs, Educational>9 mtrs, Institutional>9 mtrs, Business>15 mtrs, Industrial buildings having covered area of>250 sqm, etc.

buildings/premises in Delhi. As such, it should also have a data base of high rise buildings and their owners who are required to obtain FSCs in respect of their buildings.

Audit noticed that DFS maintained no such data regarding issue and renewal of FSCs, in the absence of which DFS was not in a position to keep a watch on issue and renewal of FSCs to the all high rise buildings, revealing a major gap and systemic deficiency. This shows that fire safety measures were to be put in place and fire safety norms were not enforced.

DFS confirmed (August 2015) non-maintaining of such database, but intimated (September 2015) that owners/occupants were informed regarding requirement of obtaining and renewal of FSC through print media. It also stated that software was installed to maintain the database, but it stopped working recently due to some fault. DFS added (February 2016) that the proposal for modernization of DFS was submitted to GNCTD in January 2016. Once the computerization process is complete, the data base would be available.

2.2.7.2 Non-submission of annual maintenance declaration by occupiers

DFS Rule 38 (2) requires the occupier or the fire safety officer of the building or premises[14] to declare every year in Form-K that fire prevention and fire safety measure provided in the building or premises, are in good repair. Audit scrutiny of records in Fire Prevention Wing (FPW) of DFS showed that it maintained no records of submission of Form-K by the owners of buildings. In the absence of such records, Audit could not draw any assurance whether fire safety measures prescribed under DFS Rules were being followed in Delhi.

DFS intimated (September 2015) that some owners submit Form K and their data was being maintained in Excel Sheet randomly. The matter had been taken up (September 2015) with GNCTD and IT department for modernization and assured that data entry system for systematic record keeping would be developed soon. DFS added (February 2016) that once the computerization process is complete, the data base would be available.

2.2.7.3 Non-maintenance of data on appointment of Fire Safety Officer

As per Section 29 of the Act, every owner/occupant or an association of such owners and occupants of prescribed class of buildings or premises[15] shall appoint a Fire Safety Officer (FSO), who shall ensure the compliance of all fire prevention and fire safety measures and effective operation thereof. Section 31 further provides that if any owner or occupier or an association of such owners

[14]Section 29 of DFS Act: Cinema Houses with seating capacity of >1000 persons, Hotels with >100 rooms, Multi storeyed non-residential buildings with height>50 meters etc.

[15]Section 29 of DFS Act: Cinema Houses with seating capacity of >1000 persons, Hotels with >100 rooms, Multi-storeyed non-residential buildings with height>50 meters etc.

and occupiers of a building or premises, fail to appoint FSO within 30 days of receipt of notice given by DFS, such sum, not less than ₹ 10 per square meter and not exceeding ₹ 50 per square meter, may be recovered from him by way of penalty for each month of default or part thereof. Audit observed that no data base or details were available with Fire Prevention Wing (FPW) to establish that DFS had undertaken any exercise or campaign for enforcing the provisions of the DFS Act regarding appointment of Fire Safety Officers in prescribed buildings.

DFS confirmed (June 2015) the audit observation and stated that neither notices in this regard were issued nor any penalty imposed during the preceding five years. DFS further intimated (September 2015) that a public notice was issued in all leading newspapers for appointment of FSOs, and that once the computerization process is complete, the data base would be available.

2.2.7.4 Test check of fire systems at buildings

DFS inspects buildings in accordance with a standard 12 point proforma to see whether fire safety measures have been put in place. The proforma includes 12 requirements, as - (i) a six meter approach road, (ii) water storage tank,(iii) automatic sprinkler system, (iv) hose reels, (v) portable appliances, (vi) public address system, (vii) automatic fire detection/manual alarm, (viii) exit signs, (ix) wet riser/down comer/dry riser, (x) compartmentation[16], (xi) emergency power supply, and (xii) fireman switch. After satisfying itself on these 12 points of the check list, DFS issues Fire Safety Certificate (FSC). Audit along with the DFS officers and officials of PWD/CPWD, physically visited randomly selected eight buildings sites, for test-checking the compliance of 12 point basic check list of DFS.

The Performance Audit (Audit Report for the year ended March 2009) had pointed out shortcomings in issue of NOC and adherence to fire safety norms in respect of schools, cinema halls and high rise buildings. However, similar situation prevails even after five years indicating failure of DFS in implementation of fire safety norms. A few illustrative instances noticed during physical verification are enumerated below:

- In Antriksh Bhawan, a 6-meter approach road was obstructed and in Vikram Towers, it was available only on the front side.
- In Vikram Towers and RML Hospital, compartmentation was not in accordance with set standards.
- Public Address system was not working in DDU Hospital.
- Exit signs were not available at Palika Kendra Bhawan.

[16]Use of specified doors to prevent the spread of fire or smoke in any area.

- Emergency Power supply was not working in Vikram Towers, DDU Hospital and GTB Hospital.
- Water for the purpose of firefighting was not available at DDU Hospital.
- Emergency exit gates were locked in DDU Hospital, RML Hospital and were narrow at Antriksh Bhawan.
- Last NOC was issued to Antriksh Bhawan in 1995 and Vikram Towers in 2004.
- FSCs were issued during the last three years in four[17] out of eight buildings/ sites visited by Audit. This only confirms that NOCs/FSCs are renewed only when owners approach DFS.
- All the fire systems of PGI block in RML hospital were not in working condition. Also, no fire staff was appointed.

DFS accepted the observation (February 2016) and intimated that re-inspection of buildings pointed out by Audit was being taken up and action would be taken.

2.2.8 Internal Control Mechanism

Internal controls are safeguards that are put in place by the management of an organisation to provide assurance that its operations are proceeding as planned. These are also designed to provide reasonable assurance that the entity's general objectives are being achieved. Reasonable assurance provided by such internal controls strengthens accountability of public authorities.

Audit scrutiny revealed weaknesses in the internal control mechanism of DFS as reflected from the audit observations included in preceding paragraphs of this Report, such as non-achieving of targets for creation of fire stations, non-maintenance of a comprehensive database of areas, population under respective fire stations and geographical mapping, number of high rise buildings, non-maintaining details of issue and renewals of Fire safety Certificates for buildings in Delhi, etc.

2.2.9 Conclusion

Planning and preparedness for fire prevention undertaken and achieved by DFS was not commensurate with the size and complexity of a megacity like Delhi. It neither maintained a comprehensive database of areas, population under respective fire stations and geographical mapping nor was it aware of the number of high rise buildings in Delhi and the status of NOCs/FSCs issued to such buildings. DFS was suffering from shortages of resources too, particularly of operational staff

[17]RML February 2015, Civic Centre May 2015, Palika Kendra February 2014 and B L Kapoor Hospital February 2013.

and fire tenders/bousers. Available Communication equipment were inadequate and outdated, hampering the performance of DFS.

The Fire Safety Management Academy conducted no training or refresher course for existing staff, or any training on Electrical or Chemical fires.

2.2.10 Recommendations

DFS may:

(i) *Prepare a comprehensive database of area, population and risk-hazards;*

(ii) *Monitor issue and renewal of Fire Safety certificates;*

(iii) *Expedite establishment of new fire stations and acquisition and upgradation of the required fire vehicles and equipment including communication facilities commensurate with the needs of Delhi;*

(iv) *Conduct regular appraisals to ensure compliance with fire safety standards in buildings; and*

(v) *Take steps to improve response time to bring it within the norms as recommended by the Standing Fire Advisory Council.*

The matter was referred to the Government in December 2015; reply was awaited (March 2016).

Department of Urban Development

2.3 Implementation of Projects in Delhi Jal Board

In Delhi, the Delhi Jal Board is responsible for production and distribution of drinking water and for collection, treatment and disposal of sewage. A performance audit was conducted on 'Implementation of Projects in Delhi Jal Board' covering the period 2010-15. Main audit findings are as under:

Highlights

- ***The capacity utilisation of Sewage Treatment Plants (STPs) was only 66 per cent due to lack of adequate conveyance systems to bring sewage from command areas to the STPs.***

  (Paragraph 2.3.2.1(i))

- ***Water Treatment Plants and allied infrastructure for 150 Million of Gallons Per Day (MGD) were developed at Dwarka, Bawana and Okhla without ensuring availability of raw water.***

  (Paragraph 2.3.2.2(ii))

- ***Penalty withheld for delay in execution of 12 works by contractors was short by ₹ 104.20 crore.***

  (Paragraphs 2.3.3.1)

- ***A contractor was allowed to change the technology from confined trench to micro-tunnelling method for laying sewer line that resulted in avoidable expenditure of ₹ 15.33 crore.***

  (Paragraph 2.3.3.2)

- ***There were delays in execution of work in 44 out of 53 works ranging from 5 to 85 months.***

  (Paragraph 2.3.5.1)

2.3.1 Introduction

The Delhi Jal Board (DJB) was constituted under the Delhi Jal Board Act, 1998, passed by the Delhi Legislative Assembly. The Department of Urban Development, GNCTD is the administrative department for DJB which is responsible for production and distribution of drinking water as also for collection, treatment and disposal of waste water/sewage across Delhi. For discharging its responsibilities, DJB undertakes projects like construction of Water Treatment Plants, Sewage Treatment Plants, Underground Reservoirs, Pumping Stations and laying of water pipelines and sewer lines.

2.3.1.1 Organizational set up

The DJB is headed by a Chairperson who is assisted by the Vice Chairperson, one Chief Executive Officer, one non-official member, one executive official member, four members (Administration, Finance, Water Supply and Drainage), five Directors, 10 Chief Engineers, Superintending Engineers and Executive Engineers.

2.3.1.2 Audit objectives

The broad objectives of performance audit were to appraise implementation of projects in DJB and to assess whether:

- conceptualization and planning of projects were need based and according to priorities set in long term/master plan;
- tendering, awarding and execution of projects were in accordance with extant rules;
- financial management was efficient;
- completed projects served the intended purpose; and
- effective internal control and monitoring mechanism existed.

2.3.1.3 Scope of audit and methodology

The performance audit on implementation of projects in DJB covering the period April 2010 to March 2015, was conducted at the DJB Headquarters and its Divisions. Audit selected all 34 projects costing more than ₹ 50 crore, which were initiated, ongoing or completed during 2010-15 for audit examination. There were 53 works under these 34 projects (**Annexure 2.3**).

Out of the 34 projects selected for audit, six projects[18] were under investigation by Vigilance Branch of DJB/Central Bureau of Investigations/Fact Finding Committee and most of the original records were with them. Audit findings in respect of these projects are based on copies of records made available to Audit by the Divisions concerned. An entry conference was held with the Chief Executive Officer of DJB on 19 May 2015 to discuss the scope, objectives and methodology of the audit. The draft report was referred to the Government on 28 December 2015 and discussed in an exit conference held on 11 February 2016. The views expressed by the DJB officials in the exit conference and replies subsequently received from Government (March 2016) have been incorporated in the report.

2.3.1.4 Audit criteria

The audit criteria against which the audit findings were benchmarked are as follows:

- Sewerage Master Plan for Delhi, 2031 and long term plan of water;
- Central Public Works Department's Work Manual, 2012;
- General Financial Rules, 2005;
- General Conditions of Agreement; and
- Instructions and orders issued by the concerned agencies.

[18](i) Construction of Raw Water Pump House and laying Raw Water Mains, Dwarka, (ii) Improving efficiency of water distribution in Malviya Nagar, (iii) Improvement in service level for water supply in Mehrauli and Vasant Vihar, (iv) Implementation of Water Tanker Supply Services, (v) Improving and Revamping of Water Supply System in the command area of Nangloi Water Treatment Plant and (vi) Supply and Installation of Water Meters.

Audit findings

Audit examined various stages of implementation of the projects including conceptualization, planning, awarding of contract and execution. The audit findings are discussed in the succeeding paragraphs.

2.3.2 Conceptualization and planning

For optimum utilisation of resources, conceptualisation of projects requires to be need based and as per priority set in accordance with the objectives of the organisation. This would prevent idling of machinery and infrastructure created. Similarly, assessment of availability of raw material for any project, for instance, raw water (for Water Treatment Plants), drinking water requirement (for distribution), sewage generation (for pumping and processing), should precede planning of projects under an organisation like the DJB. Audit examined the selected projects under sewerage and water supply and observed deficiencies in conceptualisation and planning of these projects as illustrated in the succeeding paragraphs:

2.3.2.1 Sewerage Projects

The projects of sewerage system were being undertaken in accordance with the Sewerage Master Plan for Delhi 2031 (SMPD) which was finalised in June 2014.

(i) Underutilisation of capacity of STPs[19]: The SMPD divides Delhi into 12 drainage zones and projected the expected sewage generation for 2011, 2021 and 2031 along with required capacities of STPs for each drainage zone. Details of capacities of STPs at various zones and actual sewage treated at these are given in **Table 2.3.1**.

Table 2.3.1: Details of capacity of STPs and quantity of sewage actually treated

(Quantity of sewage in MGD)

Sl. No.	Drainage zone	Total plant capacity	Capacity of STPs closed or not commissioned	Actual capacity available	Projected sewage generation in 2011**	Quantity of sewage treated at present	Percentage of capacity utilization
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)	(8)
1	Shahdara	144	30	114	110	70	61
2	Okhla	170	30	140	137	112	80
3	South Delhi	15	5*	10	23	10	100
4	Outer South Delhi	--	--	--	10	--	--
5	Narela	10	-	10	26	1.5	15
6	Coronation	40	10	30	55	20	67
7	Najafgarh	5	-	5	43	4.5	90
8	Nilothi	60		60	45	40	67
9	Kanjhawla	--	--	--	35.5	--	--
10	Rohini-Rithala	95	--	95	95	70	74
11	Dwarka	40		40	38.4	34	85
12	Keshopur	72	-	72	62	69	96
	Total	**651**	**75**	**576**	**679.9**	**431**	**75**

**STP not commissioned due to non-availability of sewage.*
***Source: Sewerage Master Plan for Delhi – 2031 and information furnished by DJB*

[19]Sewage Treatment Plants

The report of the Comptroller and Auditor General of India (No.2 of 2013 relating to the Government of NCT of Delhi) had highlighted that capacity utilization of STPs was only 67.57 *per cent* and the under-utilization was attributable to absence of conveyance systems to convey the sewage to the plants. After two years since then, the capacity utilization increased by only 7 *per cent* excluding capacity of 75 MGD of STPs closed or not commissioned.

Audit noted that the total established plant capacity of 651 MGD was almost 96 *per cent* of the projected sewage generation of 679.9 MGD in 2011. Optimal utilization of established capacity would thus have greatly ameliorated the problem of untreated sewage flowing into the Yamuna River in Delhi. However, with actual capacity utilization of just 75 *per cent* (66 *per cent* if capacity of plants closed or not commissioned is taken into account), only 431 MGD of sewage was being treated during 2015 as against the projected sewage generation of 679.9 MGD of 2011 *viz.* 63 *per cent*. With the projected increase in the sewage generation of 863.4 MGD by 2021 and 1,061.6 MGD by 2031, the quantum of untreated sewage being released into the Yamuna River was likely to only increase in the absence of any concerted plan to improve capacity utilization of existing STPs and commission new plants commensurate with the trend of generation of sewage.

The department stated (March 2016) that the gap between the installed capacity and sewage being treated is mainly attributable to lack of conveyance system between the source and the STPs and most of these would achieve optimum utilisation after completion of Interceptor Sewer in December 2016. Under utilisation in Narela and Rohini Zones was attributed to low rate of occupancy in areas developed by DDA.

(ii) Absence of database on sewage generation and sub-drains: The objective of Interceptor Sewer (IS) Project, approved in January 2008, was to trap sewage (dry weather flows) into main drains via sub-drains. Determination of flows in sub-drains was essential to evaluate the size of sewers, interception chambers, pumping stations and ancillary structures. During the technical appraisal (August 2009) of the DPR of IS Project, the Ministry of Urban Development, GoI, observed that water flowing from a particular sewerage zone into the sub-drains was not measured and depicted in the DPR and directed DJB to collect per capita sewage/sullage flow before implementing the project. Contracts for execution of the project were awarded to three agencies in July 2011. Audit, observed that new/ additional sub-drains were reported by the consultant during July 2013, August 2014 and March 2015 necessitating changes in scope of work. This indicates that DJB did not have comprehensive data on the sub-drains emptying into main drains. Moreover, the project which was to be completed by December 2011, was already delayed by more than four years as of March 2016 and is now expected to be commissioned only by December 2016.

The Department stated (March 2016) that Interceptor Sewers were designed with sufficient provision to accommodate future flows as projected upto 2036. Frequent changes in scope of work was not only indicative of lack of rigour in designing of the works based on proper assessment of sewage/sullage norms, but, would also delay completion of project and entail cost-overrun.

(iii) Non-adherence to directions of Delhi Pollution Control Committee: In view of the high level of pollution in River Yamuna, the Delhi Pollution Control Committee (DPCC) directed (January 2001) the DJB to achieve BOD[20] standard of 10 mg/l and TSS[21] of 15 mg/l for effluents in its future STPs. Audit scrutiny, however, showed that work orders for construction of three STPs at Kondli, Keshopur and Okhla were issued between December 2007 and May 2008, with BOD and TSS standards of 20 mg/l and 30 mg/l, which were not in line with the directions of the DPCC. As a result, the pollution in Yamuna remained unabated to that extent.

The Department, in its reply (March 2016), stated that it had been following the norms prescribed by Central Pollution Control Board (CPCB) which had been revised only in October 2015, whereas these STPs were constructed before this revision. It further added that old plants were being rehabilitated for meeting the revised norms. The reply is not tenable as DJB should have followed the norms of DPCC as it has been delegated the powers and functions of the State Board by the CPCB.

(iv) Non-inclusion of component for power generation from bio-gas produced at the STPs: The design of STPs usually include gas holders to collect bio-gas produced during sewage processing, which can be utilised to produce electricity. The STPs at Okhla (completed in June 2012) and Kondli (completed in August 2013) had such provision and were generating electricity. Audit scrutiny of records relating to the project 'Demolition and re-construction of 12 MGD[22] STP and Rehabilitation of two existing STPs of 20 and 40 MGD capacity at Keshopur'(completed in January 2014) showed that it did not include installation of power plant for generation of electricity from the bio-gas produced and collected in gas holders. As such, DJB ignored the opportunity to utilise the available bio-gas profitably.

In its reply (March 2016), the Department stated that it had entered into MoU with two firms in November 2011 for utilisation of bio-gas generated at various STPs, but not much progress could be achieved. However, DJB was pursuing the revival of proposal.

[20]Bio Oxygen Demand

[21]Total Suspended Solids

[22]Million Gallons per day

Thus, lack of conveyance system for the sewage flow to STPs to optimise installed capacity utilisation, incomplete Interceptor Sewer Project, construction of STPs without following the standards prescribed by DPCC for effluents, designing of STPs without provision for tapping bio-gas generated at STPs for power generation showed shortcomings in conceptualisation and planning of sewer projects by DJB.

2.3.2.2 Water Supply Projects

(i) Non-maintenance of data for assessment of requirement of water: As per the Handbook on Service Level Benchmarking issued by the M/o Urban Development, GoI, the data relating to the per capita quantum of water supplied and household level coverage of direct water supply connections serve as performance indicators of water supply services in the city. Thus, for projecting realistic water requirement of a locality, DJB should have locality-wise data on population, availability of water and its per capita consumption.

For supplying water in five zones under the Project - 'Water Tanker Supply Service' (WTSS), DJB awarded five contracts (between August and September 2012) for 10 years. As per the agreements, contractors were to provide 130 tankers of 3,000 litre capacity and 255 tankers of 9,000 litre capacity. The requirement for water tankers was initially assessed at the time of awarding of contract. The DJB, however, did not have locality-wise data on actual quantum of water required and supplied to the consumers to project a realistic requirement and regulate allocation of water through tankers.

The Department stated (March 2016) that the contracts were awarded after a study conducted through physical survey and collecting information from the public and resident welfare associations. The reply is not acceptable as it does not address the need for maintenance of locality-wise data for projecting realistic requirement and regulating allocation of water through tankers.

(ii) Non-ascertaining of availability of water before execution of projects: While proposing the project of WTP[23] at Dwarka (September 2005), DJB projected a requirement of 83.15 MGD of water for Dwarka area and planned to construct a 50 MGD WTP and laying of twin raw water pipelines each of 55 MGD capacity from Bawana. The WTP started functioning from March 2015, supplying about 40 MGD of treated water in the area as of December 2015. Moreover, the twin raw water pipelines, on which an expenditure of ₹ 383.71 crore had been incurred (only one line could be made functional), were of 110 MGD. As against this, the capacity of WTP and Pump House at Bawana (from where raw water was to be drawn) was only 50 MGD. This indicated inconsistent

[23]Water Treatment Plant.

planning, besides not ensuring availability of raw water for meeting the drinking water requirement of the area.

Similarly, the DJB approved (March 1999) a block estimate of ₹ 137 crore for construction of 40 MGD WTP at Okhla, whose capacity was reduced to 20 MGD in September 2008 due to non-availability of raw water. Raw water for this plant was to be provided out of savings of water after construction of Munak Canal (CLC)[24]. However, regular source of raw water for providing 20 MGD at the WTP was not available (as of January 2015), defeating the very purpose of constructing the WTP.

The Department stated (March 2016) that Dwarka WTP was one of the three plants which were planned expecting availability of additional raw water of 95 MGD on completion of the Munak canal (CLC) as agreed (February 1993) between Haryana Irrigation Department and Delhi Jal Board. It further added that considering future demand, pipelines with capacity of 110 MGD between raw water pump house at Iradat Nagar and WTP, Dwarka, were laid in one go because the land/alignment available today may not be available later. Reply is not acceptable as raw water expected from CLC was only 95 MGD, whereas, infrastructure being created by DJB would require 150 MGD.

Thus, DJB did not have a long term plan for providing piped water connection to deficit areas. Also, DJB did not have locality wise data on requirement of potable water for regulating supply through water tankers. Further, failure to ensure raw water availability prior to taking up projects resulted in idling of infrastructure created.

2.3.3 Financial management

The projects selected for audit consisted of 22 projects relating to Sewerage system with total awarded cost of ₹ 2,683.02 crore and 12 projects relating to Water Supply with awarded cost of ₹ 3,548.07 crore. Deficiencies in Financial Management observed in these projects are discussed in the succeeding paragraphs:

2.3.3.1 Penalty withheld less than due - ₹ 104.20 crore

As per clause 10.3.1 of the DJB General Conditions of Contract, compensation for delay of works shall be at the rate of 1.5 *per cent* of the contract price, for each month of delay to be computed on per day basis, subject to a maximum of 10 *per cent* of the contract price. Audit scrutiny, showed that the DJB Divisions were withholding payment at 10 *per cent* of amount paid after the scheduled date of completion, instead of 1.5 *per cent* of the contract price per month of delay.

[24]Carrier Lined Channel

This resulted in short withholding of penalty of ₹ 104.20 crore in 12 works (three water supply and nine sewerage works) where the delay in execution already exceeded seven months warranting a penalty of 10 *per cent*.

The Department stated (March 2016) that penalty withheld was as per the practice followed. Reply is not tenable as the practice is not in consonance with the provisions of General Conditions of Contract.

2.3.3.2 Avoidable expenditure of ₹ 15.33 crore

The work - 'Providing and laying of Wazirabad Road Sewer by Micro-tunnelling Method (MTM) and Confined Trench Method (CTM) under Yamuna Action Plan-II' was awarded (December 2007) to a contractor at a total cost of ₹ 79 crore to be completed by December 2009. The work was to be executed by micro-tunnelling for a length of 5.6 km along Wazirabad road and by CTM for 8.6 km on branch sewers. In the pre-bid meeting held on 15 March 2007, DJB had agreed to the offer made by the firm to use micro tunnelling method at the rates of CTM, in the length of work where CTM was to be deployed. The work to be executed through CTM was held-up in a length of 1.8 km due to site constraints. Audit observed that DJB allowed the contractor to complete this portion of work through micro tunnelling at the rates of MTM instead of CTM, resulting in an additional cost of ₹ 15.33 crore, which was supposed to be borne by the contractor. It was further observed that the work was actually completed on 30 September 2012 at a cost of ₹ 112.23 crore i.e. with a delay of almost three years that was partly due to laxity of the contractor to carry out prior survey and inspection of site and his inability to execute work with agreed technology. Though most of the delay was attributable to the contractor, DJB paid escalation charges of ₹ 17.20 crore to the contractor and did not levy penalty for the delay of ₹ 5.10 crore as required under the agreement.

The Department stated (March 2016) that due to heavy sub-soil conditions at site and a strong apprehension of the public, the matter was placed before the Board which decided to get the project executed through micro tunnelling. It further stated that permissions were received late and in piecemeal and the delay was not attributable to the contractor. Hence, penalty was not imposed on the contractor and payment for cost escalation was made. Reply is not acceptable as neither DJB nor the contractor carried out pre-requisite surveys and site inspections to ensure hindrance free site and decide appropriate technology for work.

2.3.3.3 Irregular payment of mobilisation advance

In terms of Section 31.5 of the CPWD Manual, mobilization advance (MA) to the extent of 10 *per cent* of the total contractual cost at 10 *per cent* interest per annum, can be granted to contractors for specialized and capital intensive works with estimated cost of more than ₹ 2 crore.

In the project of demolition and re-construction of 12 MGD STP and rehabilitation of two existing STPs at Keshopur, the agreement contained a clause for reconstruction of 18 Sludge Digesters and two Gas Holders, if necessary, during execution of the project. The cost of these items was ₹ 20.50 crore. It was seen that DJB paid interest free MA of 10 *per cent* of the whole contracted amount, i.e. inclusive of cost of contingent work of reconstruction of Sludge Digesters and Gas Holders, though its requirement was not certain at the time of granting MA. Eventually, reconstruction was not considered necessary and not executed. Inclusion of cost of items not required to be executed for MA, resulted in unjustified payment of additional MA of ₹ 2.05 crore[25].

The Department stated (March 2016) that MA was paid as per condition of the NIT on the basis of total cost of the project indicated in the work order. Reply is not acceptable as payment of MA on items of work which were contingent in nature, was irregular.

2.3.3.4 Irregular payment of advance to contractors

DJB entered into a contract with M/s Engineers India Limited (EIL) for the project of laying of Interceptor Sewerage System along three drains. The agreement did not envisage payment of any advance by DJB to EIL. However, DJB paid advance of ₹ 65.36 crore to EIL (December 2013 to February 2014) for advancing to contractors as additional financial support for timely completion of the project. Despite grant of advance, the project scheduled to be completed by December 2011, was awaiting commissioning as of March 2016.

The Department stated (March 2016) that the advance was being recovered along with interest from bills of the contractors. However, the fact remains that there was no provision in the agreement between DJB and EIL for grant of advance by DJB.

2.3.4 Contract management

The first stage in awarding a contract is obtaining Administrative Approval and Expenditure Sanction from the competent authority. After that, a detailed project report is prepared with details of various components of the project with specifications for each component and estimated cost of the same. After preparation of DPR, tenders are invited for award of the work. After opening

[25] 10 *per cent* of ₹ 20.50 crore.

of bids, justification rates statement is prepared to assess the reasonability of rates offered by the bidder. Work is awarded to the lowest bidder subject to the reasonability of rates quoted and fulfilment of other eligibility criteria.

2.3.4.1 Irregularities in working out justification rate

In terms of clause 20.4.3.2 of CPWD Manual, reasonability of rates should be assessed before acceptance of the tenders. Variation up to five *per cent* over the justified rates may be ignored, whereas, up to 10 *per* cent may be allowed in special circumstances.Tenders above this limit should not be accepted.

(i) Irregular award of project: For the work of '20 MGD WTP at Okhla and Raw Water Pumping Station at Wazirabad including ancillary work', DJB did not prepare DPR though instructed (September 2004) by the Department of Urban Development. In its absence, DJB was not in a position to work out detailed engineering design and project realistic cost estimates. Audit observed that the justification rates prepared by DJB were based on rough cost worked out on the basis of similar works. The work was awarded in October 2008 at a cost of ₹ 107 crore, which was 13 *per cent* above the justification rate of ₹ 94.68 crore. Awarding of work was thus in violation of the provisions of CPWD Manual.

The Department stated (March 2016) that after taking into consideration the financial implication of the components not accounted for earlier, the departmental justification rate was revised to ₹ 102.12 crore. It added that as the variation was 4.78 *per cent*, it was within CPWD norms. The reply is not acceptable as the revised departmental justification rate was placed neither before the technical committee nor the Board while awarding the work.

(ii) Incorrect preparation of justification rate statement: Agreements for the project of 'construction of 55 MGD Raw Water Pumping Station and allied works and 'laying of MS raw water twin mains to 50 MGD WTP at Dwarka' contained a price variation clause covering material, POL[26] and labour. However, while preparing (September 2008) justification rate (JR), DJB loaded an average five *per cent* of increase on base rate of steel and provided for escalation amounting to ₹ 5.35 crore (₹ 2.79 crore in Package-1A and ₹ 2.56 crore in Package-1B) on account of price variation in base rate of steel, which was irregular, as price variation clause existed in the agreement. In addition, arithmetical errors in calculation of JR for Package-1B had the effect of increasing the same by ₹ 6.64 crore. These errors and omissions inflated the JC by ₹ 11.99 crore. Thus, actual JR for Package-1A worked out to ₹ 234.30 crore and for Package-1B ₹ 142.40 crore whereas the works were awarded at ₹ 248.50 crore (6.06 *per cent* above JR) and ₹ 156 crore (9.55 *per cent* above JR) respectively.

[26]Petrol, Oil and Lubricants

The Department stated (March 2016) that loading of average five *per cent* increase on base rate of steel was adopted, as benefit of escalation (within 10 *per cent* of basic rate) was not available to the contractor and the same would have been factored in by the contractor in his quoted cost. While accepting the arithmetic error of ₹ 6.64 crore, DJB stated that the variation between the awarded costs under both the packages was well within 10 *per cent* permissible limit as per CPWD manual. Reply is not acceptable as loading of average five *per cent* increase on base rate was not as per the provisions of CPWD Manual which provides for adopting price indices issued by the Director General, CPWD for steel reinforcement and structural steel. Moreover, reasons for allowing variation over five *per cent* of the justified rates were not on record.

(iii) Unjustified inclusion of service tax in justification rate: In six projects[27] (five water and one sewerage projects), service tax was also included in justification rate, which was irregular as service tax is applicable for services rendered and not for civil works and supply of equipment. Inclusion of service tax increased the justification rates by ₹ 1.95 crore to ₹ 8.10 crore in these projects. As a result of inclusion of service tax component in the justification rate, four of these works were awarded at more than five *per cent* above the justification rate.

The Department stated (March 2016) that service tax was payable on some components of the work, such as labour charges, charges for planning, designing, etc. and, therefore, the same was included in the justification rate. The reply is not acceptable as service tax, where payable, should be on actual basis against remittance of the same by contractor and should have been excluded from the justification rate.

2.3.4.2 Discrepancy in funding ratio due to provision of grant above the approved rate

With a view to reducing the Non-Revenue Water[28] (NRW) (estimated at 79 *per cent*) and considering that the enormous investment requirements are not likely to be met from the public sector alone, DJB decided (October 2012) to attract private capital through PPP model for rehabilitation and development of command area of Nangloi WTP with a funding ratio of 70:30 for DJB and the Operator, provided the aggregate grant does not exceed ₹ 338.81 crore. The work was awarded in January 2013 at a capital cost of ₹ 652.32 crore, including road restoration cost of ₹ 193.78 crore, which was to be borne by DJB during the development period. Audit observed that DJB entered into an agreement for an

[27](i) Installation of SCADA system at Bhagirathi WTP (ii) Construction of 50 MGD WTP at Dwarka, (iii) Laying of clear water mains for Dwarka WTP, (iv) Construction of Raw water pumping station for Dwarka (Package IA), (v) Laying of raw water twin mains for Dwarka WTP (Package IB) and (vi) Construction of 53.5 MGD Sewage Pumping Station at Preet Vihar.

[28]NRW is the extent of water produced which does not earn the utility any revenue.

excess liability of ₹ 17.83[29] crore as its share over and above the decided ratio. Thus, the basic objective of PPP model was defeated to the extent that enormous investment was borne by DJB due to discrepancy in fixing the share ratio.

The Department stated (March 2016) that its liability as per the concession agreement was in the ratio of 70:30. The total project cost was revised from ₹ 687.92 crore to ₹ 652.32 crore comprising of project cost for ₹ 458.54 crore and road restoration charges for ₹ 193.78 crore and that the share of DJB was revised and reduced vide corrigendum (August 2012) to ₹ 320.98 crore. Audit however, observed that the concession agreement signed with the Operator incorrectly provided for grant upto ₹ 338.31 crore instead of ₹ 320.98 crore, thereby, providing scope of undue benefit to the operator.

2.3.4.3 Delay in awarding of work

Analysis of time taken by the DJB in issuing Notice Inviting Tenders (NIT) after administrative approval showed that in 14 works, DJB took more than one year for issuing NIT after administrative approval. The time taken was more than two years in eight cases. Though the rules do not prescribe any time frame for issuing NIT, taking more than a year for issuing NIT cannot be considered reasonable. Further, the maximum validity period for tenders was 180 days indicating that the work should be awarded within this period. However, Audit observed that the DJB took more than six months to award work after issuing NIT in 19 works. In two cases, the time taken was 28 months. Though the contractors agreed to carry out the work on the rates tendered by them, such delay in awarding of work entails increase in cost and deprives the public of intended facilities.

The Department stated (March 2016) that preparation of detailed scope of work, DPR, cost estimates, bid documents containing precise scope of work and terms and conditions take time. However, it was assured that efforts would be made to reduce the time for such processing.

(i) Laxity in processing of tenders: For the project 'Supply of AMR and Non-AMR domestic water meters' financial bids were opened on 26 December 2012, though the tenders were received on 25 April 2012 and technical bids evaluated on 22 May 2012. It was observed that as per NIT, the financial bids were to be opened on completion of evaluation of technical bids, whereas clause 15.7.1.2 of CPWD Works Manual stipulates that the financial bids should be opened within 30 days of receipt of tenders. Deviation from the provisions of CPWD Manual resulted in delay in awarding of work. The letter of intent was issued on 11 April 2013, i.e. almost a year after receipt of tenders.

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[29]Seventy *per cent* of ₹ 652.32 crore (less ₹ 193.78 crore road restoration charges) works out to ₹ 320.98 crore, whereas in the Concession Agreement, the support has been raised upto ₹ 338.81 crore, thus additional assurance for ₹ 17.83 crore.

The Department stated (March 2016) that delay in award of work was due to delay in receipt of the test reports of the sample meters from the Government laboratory. Reply is not tenable as DJB should have fixed the stipulated time period for opening of financial bids after factoring ground realities for timely processing of tender.

(ii) Non-adherence to the schedule of bidding process: As per the schedule of bidding process for the project "Improvement and revamping of existing water supply, transmission and distribution network under command area of Nangloi WTP", Letter of Award (LOA) was to be issued within 60 days of opening of financial bids and agreement signed within 60 days of award of LOA. However, though the financial bids were opened on 11 October 2012, LOA was issued on 18 January 2013. Further, the concession agreement was signed on 28 March 2013, after the expiry of the validity of bid.

The Department attributed (March 2016) the delay to processes involved in verification of and translation of documents and stated that the Letter of Intent (LOI) was issued on 26 October 2012 after approval of the Board i.e. well within the validity of the offer. Reply is not acceptable as DJB should have expedited verification process for timely processing of tender. Moreover, neither the LOA was issued nor the concession agreement signed within the validity period of bid (180 days) i.e. 13 September 2012.

2.3.4.4 Non-finalization of Project Implementation Schedule

DJB awarded (January 2013) work of 'Improvement of existing water supply and distribution network of Nangloi WTP' to two operators at a capital cost of ₹ 652.32 crore. As per the Concession Agreement, the project was to be implemented in two phases with specified timelines to be achieved between March 2015 and September 2017. Audit observed that the operator proposed changes in the Implementation Plan (March 2015), suggesting change in the rehabilitation of distribution network and pump configurations, from those stipulated in the DPR prepared by the Consultant. Operator suggested that the distribution network rehabilitation as given in the DPR would cause incomplete rehabilitation and will leave no network areas between improved and rehabilitated area. It also proposed merger of timelines of Phase I and II, keeping a single deadline of September 2017. DJB had yet to decide the issue as of March 2016, leaving ambiguity in the scope of work and scheduling of activities.

The Department stated (March 2016) that the Project Monitoring Committee (PMC) was being informed about the change in scenario and the revised implementation schedule was being finalized in consultation with PMC. Reply is not acceptable as the PMC did not agree (September 2015) to the changes proposed by the Operator and had reservations regarding merging timelines of

Phase I and II. Moreover, non-finalisation of the implementation plan had already rendered assessment of Key Performance Indicators as per the contract agreement, untenable.

2.3.4.5 Awarding and managing consultancy work

The Central Vigilance Commission directed (November 2002) that the role of the consultants should only be advisory and recommendatory and final authority and responsibility should be with the departmental officers. For major projects, DJB appointed consultants for preparation of DPR and NIT, examination of bids and monitoring project implementation.

Dependency on consultants: Examination of proposal for the project 'Improvement and revamping of existing water supply, transmission and distribution network of Nangloi WTP' submitted to the Board (October 2012) showed that the Consultant had prepared an estimate of ₹ 652.32 crore and sent it along with rate analysis to the Planning Wing (DJB) for scrutiny. However, the Planning Wing expressed lack of expertise to offer any comment on such PPP project, and the Board approved (January 2013) the project. This shows that the proposal was finally approved without being analyzed at any stage, reflecting complete dependency of DJB on the consultant.

The Department stated (March 2016) that since its Planning Cell was not in a position to examine or advise on such complex financial model, a Consultant (Transaction Advisor) was associated to do the financial, technical and legal work for the project and to carry out a feasibility study. Reply is not convincing as the project under PPP concept was attempted considering enormous investment requirements which were not likely to be met from the public sector alone and that in the absence of technical knowledge on such projects, DJB may not be able to prudently decide on the competitiveness of the rates quoted by the bidder.

Similarly, in the project of Water Tanker Distribution Management System, the bid offered by M/s DIMTS was ₹ 63.35 crore against the justification rate of ₹ 58.65 crore prepared (June 2010) by the consultant on behalf of DJB. It was, however, observed that DJB was not in a position to analyse the competitiveness of the rates offered by M/s DIMTS and totally dependent on the consultant as the justification rate was tentative and not based on CPWD pattern. The project was only partially implemented by integrating 42 out of 700 tankers required under the project. Moreover, there were deficiencies such as non-functioning of water level sensor, non-optimisation of routes and alerts on water leakages in the system for integrating tankers.

The Department stated (March 2016) that it was taking up this kind of IT based project for the first time and accepted the project cost worked out on market rates by the consultant as they had adequate experience and exposure in this field. Reply is not acceptable as reasonability of market rates should have been analysed by the DJB to ensure competitiveness of the rates. Moreover, works of transmission and distribution of water supply are of regular nature for which DJB should have standardized its norms for analyzing rates.

2.3.5 Project implementation

Out of 53 works under 34 projects, 18 (7 of Water and 11 of Sewerage) were initiated during the period of audit (2010-15), 10 works (5 each of Water and Sewerage) were ongoing and 19 (11 of Water and 8 of Sewerage) were completed. Four works were completed before April 2010 whereas two were yet to be taken up. Various issues observed on project implementation are discussed in the succeeding paragraphs:

2.3.5.1 Delay in execution of works

Audit observed delay in execution of work in 44 works (23 water supply and 21 sewerage works) out of 53 examined in audit. In 15 works, which were completed, the delay in completion from the date stipulated in the contract ranged from 5 to 53 months. Out of the remaining, 18 works were in progress even after their stipulated dates of completion with delays ranging up to 85 months. In most of the cases, delay was due to non-availability or delay in getting permission from road owning agencies (PWD, MCD and DDA), traffic police, Forest Department, IFCD, Railways etc. This indicates lack of coordination with other departments for execution of works. It was also observed that the DJB placed the onus of obtaining permissions from various Government agencies on the contractor by including a clause to this effect in the agreement thereby absolving itself of any responsibility in this regard though it may have been in a better position to pursue permissions with the concerned government departments.

Delay, particularly in projects of laying of sewer lines and construction of SPSs, resulted in failure to convey the sewage to STPs, which were functioning below capacity. Similarly, delay in construction of UGRs resulted in non-rationalization of water supply to that extent.

The Department stated (March 2016) that delay in setting up of plants/pumping stations were mostly due to unforeseen underground services hindering the work which sometimes necessitates change in design and drawings for the project. As regards projects for laying of water and sewer pipelines, it was stated that DJB was dependent entirely on land owning or road owning agencies for permission for work and inspite of persuasion at all levels, permissions were delayed causing overall delay in execution of work. Reply strengthens audit observation that better coordination was required between various Government departments to ensure timely completion of projects.

2.3.5.2 Changes in the scope of work after award of contract

For the project 'Improvement in service level of water supply in Mehrauli and Vasant Vihar', the DPR and Bill of Quantities (BoQ) in the NIT were prepared for intermittent water supply. The work was awarded (September 2012) at a cost of ₹ 201 crore. Though the stipulated date of completion of the project was 26 September 2014, the progress of work as of June 2015 was only 29 *per cent*. Audit observed that the DJB was in the process of changing the water supply parameter from intermittent to 24x7 which entails large scale changes in the scope of work especially in terms of specifications of equipment. Though the stipulated completion was already over, the DJB was still in the process of finalising the revised specifications and cost to be paid to the contractor for the same. Thus, change in scope after award of work, resulted in delay in execution of the work, intended to improve water supply in Mehrauli and Vasant Vihar Area.

The Department stated (March 2016) that specifications and other details were being re-worked and approval of the competent authority would be taken shortly. However, reply was silent on reasons for change in the scope after awarding the work.

2.3.5.3 Provisional Extension of Time not granted and Defect Liability not enforced

CPWD Manual stipulates that based on the Hindrance Register, the Engineer-in-Charge can grant extension of time (EoT), even in the absence of application from the contractor. The EoT is granted without prejudice to the right of government to recover liquidated damages. The work - 'Design-Build-Operate 20 MGD WTP at Okhla and raw water pumping station at Wazirabad including ancillary work' was awarded to a contractor in October 2008 at ₹ 107 crore to be completed by August 2010. As the trial run of the WTP was held up due to non-availability of raw water, EOT up to 31 December 2012 was granted to the firm without levy of penalty on 14 September 2012. Audit observed that trial run for only 79 out of 90 days (four days on full load) was held during the monsoon period of 2012 and DJB allowed the contractor to perform the balance period of trial run for 12 days from 1 July 2013 to 12 July 2013 without further grant of extension of time. Thereafter, load was reduced to 10 MGD due to shortage of water and pumping constraint at Okhla Water Works. Despite expiry of three years, neither provisional nor final EoT was granted by the DJB (as of July 2015). Further, operation and maintenance of the plant was started from 13 July 2013 after commissioning without Defect Liability Period of one year in between as required under the agreement.

The Department stated (March 2016) that in its effort to test the facility on full load, it used 79 days' period when water was available in the river and during the next year for the balance period, wherein the plant functioned efficiently and met all the requirement of the contract. The case of extension of time up to July 2013 was under process. As regard the defect liability period, DJB stated that the plant was functional on full load for more than one year and no deficiency was noticed. Reply is not tenable as according to the contract, work was to be certified as complete only after successful completion of trial run at full load for a continuous period of one month. However, in this case, trial on full load was carried out for only four days. Moreover, DJB did not provide any documentary evidence in support of plant being run at full load.

2.3.5.4 Procurement of equipment in advance of requirement

The projects undertaken by DJB usually have two components - civil and Electrical & Mechanical (E&M) works. Payment terms in agreements require 70-80 *per cent* of the E&M cost to be paid on receipt of items and the rest on installation and commissioning. For installation of E&M equipment, civil work needs to be completed in advance. Audit observed in five cases that E&M equipment were procured by contractors immediately after the commencement of work and remained un-installed for long periods. In 12 completed projects, equipment costing ₹ 143.82 crore remained idle for 17 to 68 months. The remaining two were yet to be complete as of June 2015, but equipment costing ₹ 92.60 crore procured 13 to 24 months ago were yet to be utilised**.** Idling of equipment indicated procurement of equipment much in advance of actual requirement.

The Department agreed (March 2016) to the audit observation and stated that scope of work would be amended to address the issue in future projects.

2.3.5.5 Evaluation of completed projects

Audit examination of completed projects showed delay in commissioning and other deficiencies which resulted in non/under-achievement of intended objectives as discussed in the succeeding paragraphs.

(i) Delay in commissioning of completed projects: With a view to rationalising water distribution in West, North West and South West Delhi, DJB approved (July 2004) a scheme - 'Construction of 14 UGRs[30] with Booster Pumping Stations (BPS)', out of which 11 had been commissioned as of July 2015. Commissioning of five of these completed projects was delayed by 25 to 62 months.

Similarly, the project of 'Providing twin raw water mains from Haiderpur to Wazirabad' was completed in February 2012, but trial run and commissioning of the project were held up due of non-availability of raw water.

[30]Sultanpur Dabas, Qutab Garh, Awantika, Pitampura, Janakpuri, Daulatpur, Narela, MBR at Palla, Kirti Nagar, Shakur Basti, Rohini Sec-7, Bawana, Nangloi and Karala.

The Department attributed (March 2016) the delay in commissioning of the constructed water supply infrastructure to non-availability of raw water from Munak Canal and stated further that the dispute over supply of water with Haryana was resolved last year after intervention of Hon'ble Delhi High Court. However, an assurance regarding successful trial run and commissioning of project could not be derived as DJB did not furnish reports relating to successful commissioning.

(ii) Holding of trial run at lower discharge capacity: Audit scrutiny showed that during the trial run of project of 'Providing raw water twin mains at Dwarka' held during March and April 2015, in one of the operational line, actual discharge ranged between 3.68 and 28.09 MGD against stipulated discharge capacity of 55 MGD. The line, to be commissioned in July 2010, was awaiting successful commissioning as of August 2015.

The Department attributed (March 2016) the delay in commissioning the constructed water supply infrastructure to non-availability of raw water from Munak Canal. It further stated that the pipe lines were hydraulically tested successfully for the full capacity and Dwarka plant had been in operation since March, 2015. Reply is not acceptable as the records made available to Audit showed that the plant was running below optimum capacity during March and April 2015. Moreover, DJB did not furnish reports of successful trial run and commissioning in support of its reply.

(iii) Implementation of WTDMS project: To eliminate misuse and theft of water and ensure route optimization and bring down the number of water tankers from 1000 to 800, a project for developing and operationalisation of software for effective monitoring of the water tankers through GPS was approved by GNCTD in December 2010. For the purpose of design, development, implementation and operation of Water Tanker Distribution Management System (WTDMS), M/s DIMTS was appointed (June 2011) as Implementation Agency, at a cost of ₹ 61.45 crore, for seven years from the date of Go-live. The WTDMS was to Go-live within two months from award of the contract, i.e. by August 2011, by integrating a minimum of 700 tankers into the WTDMS. However, Go-Live could be achieved for only 42 new tankers as of May 2015. As of May 2015, ₹ 132.14 crore had been paid to the work contractors in addition to payment of ₹ 0.56 crore to M/s DIMTS. Thus, even after more than five years of awarding the contract, the WTDMS could not be operationalised.

The Department stated (March 2016) that the movement of entire fleet of 407 tankers was effectively monitored at the control room apart from direct monitoring by individual divisions as the system was web based. Reply is not acceptable as the requisite number of tankers were not integrated with WTDMS.

2.3.6 Internal control and monitoring

Internal control system is a management tool used to provide assurance that the objectives are being achieved as planned. It was, however, noticed that internal control in DJB was weak as evident from deficiencies pointed out in preceding paragraphs included in this Report, on shortcomings in awarding and management of consultancy work and deficiencies in withholding of penalty. Other deficiencies/ shortcomings are mentioned in the following paragraphs:

2.3.6.1 Absence of mechanism for inspection of projects

Audit scrutiny showed that there was no prescribed mechanism in DJB for inspection of projects by higher officers, like Superintending Engineers and Chief Engineers so as to identify and mitigate bottlenecks in execution of projects. Inspection registers maintained at project sites for recording the comments of officers visiting the sites showed that inspections by higher officers were few and far in between, though, most projects were running behind schedule.

The Department stated (March 2016) that order had been issued in this regard.

2.3.6.2 Lack of monitoring of progress of works

In DJB, concerned divisions send monthly physical and financial progress reports to Headquarters which contain progress percentage of works. Audit observed that no efforts were made at Headquarters to examine and analyse these reports to take appropriate action for ensuring progress of works as planned. In the absence of any scrutiny at Headquarters, the very purpose of these progress reports was defeated.

In reply, the Department stated (March 2016) that progress of projects was monitored by Member (Technical), DJB on monthly basis and discussed in the meetings of the Chief Executive Officer. It assured to take action in view of the audit observation.

2.3.6.3 Improper method of measurement of work

In projects assigned on Design, Build and Operate basis, payments are made on the basis of completed work and as per cost given in the price break-up submitted by the contractor and duly approved by DJB. Examination of measurement books and records relating to payments showed that DJB did not record actual quantity of work completed but only recorded completion percentage of works. In the absence of actual measurements of works Audit could not ensure that payments were made only for work actually completed.

The Department agreed (March 2016) to the audit observation and stated that orders in this regard would be issued shortly.

2.3.7 Conclusion

The conceptualization and planning for projects was marred with deficiencies in collection of data, frequent changes in scope of work, award of works without availability of encumbrance free sites, etc. There was mismatch between the capacities of STPs and quantity of sewage processed and three STPs were not designed to meet the specifications prescribed by the Delhi Pollution Control Committee. Deficiencies like irregularities in payment of mobilization advance and penalty withheld less than due pointed to poor financial management. Works were awarded above justification rates. There were delays at every stage of implementation of projects. Coordination between various government departments was lacking in obtaining permissions from road owning agencies, traffic police, Forest Department, IFCD and Railways. Internal Control and monitoring of projects was inadequate.

2.3.8 Recommendations

DJB may:

(*i*) *Ensure synchronisation of construction of WTPs and STPs with availability of raw water and laying of sewage lines respectively to avoid under utilisation of plant capacity;*

(*ii*) *Improve coordination with various departments like PWD, Forest Department, Traffic Police etc. to expedite permissions for taking up works to avoid delay in execution of projects; and*

(*iii*) *Strengthen monitoring of projects at Headquarters so as to identify and mitigate bottlenecks in implementation of projects.*

Department of Urban Development

2.4 Parking Facilities in Area of Municipal Corporations

In Delhi, three Municipal Corporations are mainly responsible for developing and managing parking facilities. The Performance Audit on 'Parking Facilities in Area of Municipal Corporations', was conducted during April 2015 to July 2015. Main audit findings are given below:

Highlights

- ***Out of 17 Under Ground Automated Parkings (UGAPs) on PPP model approved in January 2007, only one was created as of July 2015. Part implementation of conventional Multi Level Under Ground Parkings (MLUGPs) resulted in wasteful expenditure of ₹ 3.93 crore on consultancy.***

  (Paragraphs 2.4.3.2 and 2.4.3.3)

- ***Awarding of contracts and contract management were marred with irregularities, like accepting conditional bid, non recovery of dues from contractor and not inviting fresh tenders though scope of work was changed entirely.***

  (Paragraphs 2.4.4.1, 2.4.4.2 and 2.4.4.3)

- ***Failure of the Remunerative Project Cells (RP Cell) to ensure compliance of terms and conditions of agreements by the licensees led to mis-management of parking sites.***

  (Paragraph 2.4.5.1)

2.4.1 Introduction

Inadequate parking facilities in a city force people to park their vehicles on roads considerably reducing the available width of carriage way causing vehicular congestion and avoidable fuel consumption, as well as contributing to vehicular air pollution. Well designed, economically viable, efficiently managed, and easily accessible parking facilities contribute significantly both to lowering vehicular congestion and enhancing road discipline. In Delhi, except for a fractional area[31], the whole of the city is under the jurisdiction of three Municipal Corporations[32] (MCsD) for the purpose of providing civic facilities to the residents and thus, these three corporations are mainly responsible for developing and managing parking facilities in the city.

[31] Only a fractional area of Delhi is with New Delhi Municipal Council and Delhi Cantonment Board.

[32] North Delhi Municipal Corporation (NrDMC), South Delhi Municipal Corporation (SDMC), East Delhi Municipal Corporation (EDMC).

2.4.1.1 Organizational setup

Prior to May 2012, the MCD functioned as a unified organisation, but was trifurcated into SDMC, NrDMC and EDMC in May 2012. Each of the three MCsD is headed by a Commissioner. The NrDMC is further divided into six zones, SDMC into four zones and EDMC has two zones. Planning and execution of new parking projects is carried out by the respective Engineering Department of MCsD, which is headed by an Engineer-in-Chief (E-in-C) assisted by Chief Engineers, Superintending Engineers and Executive Engineers. Commercial utilization and management of existing parking sites come under the jurisdiction of the Remunerative Projects Cell (RP Cell) of the respective MCD, headed by an Additional Commissioner (Revenue), assisted by Deputy Commissioner.

2.4.1.2 Audit objectives

Main objectives of the performance audit were to assess whether:

- adequate parking facilities are available in the city;
- there exists an effective planning for construction of new parking sites;
- existing parking facilities were maintained and functioning as per prescribed norms; and
- commercial utilization of parking sites was for optimal revenue generation.

2.4.1.3 Audit scope and methodology

Performance Audit on ‘Parking Facilities in MCsD Area’, covering the period April 2010 to March 2015, was conducted to examine the adequacy of parking facilities, planning and construction of new parking facilities, functioning of existing Surface Level Parkings (SLPs) and Multi Level Under Ground Parkings (MLUGPs) and commercial utilization of parking sites. An entry conference was held on 29 May 2015, wherein audit objectives and methodology were discussed with authorities of MCsD. Records relating to planning and execution of parking projects, their commercial utilization and management were examined in RP Cell and seven Works Divisions which are involved in setting up parking facilities. Audit physically visited all the five MLUGPs to have an on the spot view of their physical condition, workability and commercial utilization. Thirty five SLPs (25 *per cent* of functional SLPs) selected on random basis, were also visited to ascertain the extent of compliance of terms and conditions of agreements by licensees. Audit findings were communicated to the Government in November 2015, and subsequently discussed in an exit conference held on 03 March 2016 with the authorities of Urban Development Department and MCsD. The Government endorsed the reply of SDMC (March 2016); reply in respect of NrDMC and EDMC was awaited (March 2016).

2.4.1.4 Audit criteria

The criteria, against which audit findings were benchmarked, were drawn from the following sources:

- Master Plan of Delhi, 2021;
- General Financial Rules;
- CPWD Works Manual; and
- Instructions and orders issued by GNCTD and MCsD time to time.

Audit findings

2.4.2 Inadequacy of parking facilities

In the year 2009-10, the three Multi Level Under Ground Parkings (MLUGPs)[33] located in and around the walled city had a total capacity of only 2,700 ECSs[34]. The MCsD subsequently constructed four additional MLUGPs[35]and one Under Ground Automated Parking (UGAP)[36] with total capacity of 3,148 ECSs in 2014-15, making total ECSs available in the city to 5,848. Lack of adequate ECSs accentuated the acute shortage of organized parking sites in the capital city.

2.4.3 Planning and construction of new parking sites

2.4.3.1 Lack of initiatives in developing parking facilities

A survey was conducted (2009-10) by Delhi Integrated Multi-Modal Transit System (DIMTS) and a private consultant on behalf of the then MCD to assess the parking demand on commercial roads and mixed land use roads in all the 12 MCD zones. The Executive Engineer (Pr.III/RZ) forwarded (December 2010 and January 2013) the survey report of 2009-10 to the Deputy Commissioners of all 12 zones of MCsD as well as to Chief Engineers for further action at zonal level. However, no action was initiated on these reports by any of the zonal offices. Subsequently, the Commissioner, NrDMC also directed (October 2013) all Zonal Deputy Commissioners and Chief Engineers to check feasibility of creating parking facilities on the sites identified in the survey report and to submit feasibility reports. The Chief Engineer (Rohini Zone) was nominated as co-ordinator for this activity. However, none of the Zones or Chief Engineers submitted any feasibility report. The Executive Engineer (Pr.III/RZ) took no follow up action either. This indicated a lack of seriousness and commitment on the part of MCsD authorities, which further worsened the parking problem because of rapid increase in the number of vehicles in city and minimal growth in parking space as elaborated in Paragraphs 2.4.3.2 and 2.4.3.3.

[33]Church Mission Road, Gandhi Maidan and Asaf Ali Road.

[34] ECS denotes the area required to accommodate one car.

[35]Model Town, Parade Ground, Munirka and Hauz Khas.

[36]Kamla Nagar.

2.4.3.2 Improper site selection

With a view to cope with the parking problem, RP Cell of MCD identified 19 locations in 2005 to develop Multi Level Underground Parking sites.

In January 2007, MCD approved a plan for setting up Underground Automated Parking Facilities (UGAP) at 17 of these 19 locations on Build, Operate and Transfer (BOT) basis, under Public Private Partnership (PPP) mode. MCD entered into four agreements with three firms between July 2008 and April 2012 for setting up UGAPs at four locations. However, as of 31 July 2015, only one UGAP at Kamla Nagar was created. Work for the remaining 16 UGAPs including three for which agreements were entered into, could not be progressed due to various reasons as given in **Table 2.4.1**:

Table 2.4.1: Status of approved but not executed UGAPs

Sl. No.	Location of UGAP	Activity initiated	Reasons for non-execution of UGAP works	Status*
1.	Shastri Park	Tenders invited four times (April 2007 to October 2011), but not finalised.	No bidder qualified; no response to NITs.	Further progress not on record.
2.	South Extension	Formal agreement signed (March 2011), but not executed.	DMRC took over the identified site (April 2012).	Proposal was finally closed.
3.	Greater Kailash-I	Formal agreement signed (August 2011), but not executed.	SDMC failed to remove hindrances from the site.	Proposal is still alive, hindrances not removed.
4.	Mehrauli	ASI did not permit construction.	Site was within the ambit of archeological monument.	Proposal was finally closed.
5.	Rajouri Garden and Green Park (2 UGAPs)	Project not initiated.	A dispensary, school, diabetic centre, etc. were functioning at sites.	Proposal was finally closed.
6.	Lajpat Nagar	Tenders were processed (April 2009), but not finalized.	DMRC took over the identified site (January 2014).	Proposal was finally closed.
7.	Sant Nagar	Project not initiated.	Instead, a new proposal for conventional MLUG considered.	Original proposal for UGAP dropped.
8.	Hamilton Road	Proposal dropped (November 2008).	Tees Hazari Bar Association showed reluctance, as a SLP was already operational at the indentified site.	Proposal was finally closed.
9.	Defence Colony	Agreement was signed (April 2012) but was closed subsequently (February 2014).	SDMC did not own the land. L&DO claimed ownership (February 2013).	Agreement was closed.
10.	Idgah and Qutub Road (2 UGAPs)	Project not initiated.	Land ownership was under dispute with DDA and Railways.	Proposal was finally closed.
11.	Greater Kailash-II	Project not initiated.	Site was not found feasible because of rocky strata.	Proposal was finally closed
12.	Vasant Vihar, Anupam PVR and Geeta Colony (3 UGAPs)	Proposals not processed.	No initiatives were taken by the MCsD to set up the UGAP at these locations. Records related to these sites were not made available to Audit.	Status could not be ascertained as records were not made available.

**Closure of project confirmed by the Department/MCsD in Exit Conference on 03 March 2016.*

It was evident from above that due diligence had not been carried out in identification and selection of sites that resulted in projects being proposed on land that belonged to other land owing agencies or fell within the ambit of archeological monuments or were already occupied.

2.4.3.3 Part implementation of conventional MLUGP facilities, resulting in wasteful expenditure of ₹ 3.93 crore

Clause 12.13.4 of MPD-2021 permits creation of parking facilities in open space without disturbing green areas on the surface and surrounding environment. Audit observed that the then MCD identified 24 parks/open areas in eight Zones (year 2008) for constructing MLUGPs**,** with a view to adding 8,904 additional ECSs. For managing these works, 24 Executive Engineers were also nominated (February 2008), one for each site. The MCD approved (June 2008) the plan at an estimated cost of ₹ 549.53 crore, to be completed within 21 months i.e. by March 2010. Subsequently, as proposed by GNCTD, the Government of India approved (December 2009) funding of 16[37] out of these 24 parking projects under Jawahar Lal Nehru National Urban Renewal Mission (JNNURM) with a committed Additional Central Assistance (ACA) of ₹ 164.43 crore, of which only ₹ 41.11 crore was released to MCD as of March 2015. Four MLUGPs (Model Town-II, Hauz Khas, Parade Ground and Munirka) were completed at a cost of ₹ 116.76 crore[38] while work at five sites viz. Rajouri Garden, Subhash Nagar, Kalka Ji, Jangpura and New Friends Colony was in progress as of June 2015. Process for setting up remaining 15 MLUGPs was either not taken up or stopped midway due to lack of follow up action on part of MCD authorities despite expenditure of ₹ 3.88 crore on consultancy fees as described below:

- Tendering for MLUGP at Central Park Krishna Nagar was initiated in December 2009. The contractor negotiated for six items. The Additional Commissioner (Engg.) directed to recheck the justification prepared by the consultant and a committee was formed under the chairmanship of Chief Engineer in September 2010. The committee held five meetings between October 2010 and March 2011 to evaluate the justification, but could not finalize the matter. Finally, contractor refused (April 2011) to extend validity of his tender and the Commissioner approved re-tendering (December 2011), but no action was taken thereafter. However, the consultant for the project was paid ₹ 55.29 lakh for the works he had done. The payment

[37](i) AL Block Shalimar Bagh (ii) Shiva Market Pitampura (iii) QU Block Pitampura (iv) Central Market Ashok Vihar (v) Mohammadpur Village (vi) Malviya Nagar Market (vii) PVR Vasant Lok (viii) PVR Saket (ix) Rajauri Garden (x) Subhash Nagar (xi) Janakpuri (xii) Ajmal Khan Park (xiii) Krishna Market Kalkaji (xiv) Hauz Rani,(xv) New Friends colony (xvi) Jungpura.

[38]Expenditure upto 09 February 2016 (Model Town-II – ₹ 17.02 crore, Hauz Khas – ₹ 26.63 crore, Munirka – ₹ 19.00 crore and Parade Ground – ₹ 54.11 crore).

made to the consultant remained unfruitful as no initiative on the project was being taken by MCsD.

- Tendering process for Ashok Vihar site was started in November 2009. Negotiations were held with lowest bidder on 20 April 2010 and the case was forwarded to Finance Department of MCD for concurrence. More than a year was taken to attend to the observations of Finance Department. Case was resubmitted on 28 April 2011 to Additional Commissioner. Meanwhile Environment Pollution Control Authority (EPCA) in its meeting held on 23 April 2011 instructed not to take up any parking project under parks till completion of earlier parking projects as per the guidelines issued by it. Additional Commissioner (Engg.) vide order dated 19 August 2011 desired E-in-C to re-examine the project. The case was again put up for approval on 01 September 2011 wherein the Additional commissioner (Engg.) again referred the file to the Finance Department for concurrence on 02 September 2011. The Finance Department concurred the proposal on 31 January 2002 subject to certain observations. As tenders' validity expired on 31 March 2012, NrDMC invited tenders afresh in December 2012, which also could not be finalized for the reason of observations and procedural delay. Proposal was finally closed in August 2014. An expenditure of ₹ 22.22 lakh was incurred on consultancy.
- The work of MLUGP at Hauz Rani was awarded in March 2010, but ASI objected (August 2010) to the work, as the site was within the ambit of a historical monument. On the request of the contractor, the Commissioner SDMC approved (November 2011) closing of the agreement and re-tendering for the work. On SDMC's request, ASI gave its assent (August 2012) for the work at site. However, further action could not be initiated in view of Lieutenant Governor's order (September 2012) for not converting or using green areas for parking. However, the project consultant was paid ₹ 24.12 lakh for pre-construction planning work.
- Tenders for the Mohammad Pur site were received in November 2008, but work could not be awarded for want of ASI's permission, as the site was within the vicinity of a historical monument. The then MCD changed the site (March 2009) and invited fresh tenders (March 2010). However, tenders were not finalized as the planning department/Horticulture Department approved the justification of the cost only in January 2011. Meanwhile, the validity of the tenders expired in February 2011. However, an amount of ₹ 24.64 lakh was paid to the consultant for pre-construction planning work.

- The common tenders for MLUGPs at PVR Saket, Malviya Nagar and Vasant Lok[39] were received in November 2008 and again in March 2010, but on both occasions, cost quoted by L-I was higher than the justified cost. Recalling of tenders was again approved in August 2011, but no further progress was made thereafter. The Commissioner, SDMC approved (December 2012) closing of sites as the Lieutenant Governor of Delhi ordered on September 2012 not to take up any parking project in green area. The consultant was however paid ₹ 81 lakh.
- Award of work against the tenders received in June 2009 for MLUP at Janakpuri[40]could not be finalized as in March 2010, the EPCA objected to the construction at the site. A payment of ₹ 22 lakh was, however, made to the consultant for planning of pre-construction work.
- The excavation work at Gandhi Nagar was started in May 2009, but had to be closed (December 2010) when it came to notice that a DJB's water mains were crossing the construction site. However, ₹ 75.10 lakh had already been incurred on the work and ₹ 61 lakh was paid to the consultant, which was unfruitful.
- The work at Shiva Market and QU Block of Pitampura was awarded in November 2009. During excavation at Shiva Market site, adjacent school building collapsed (June 2012) because of damage caused by the DJB water mains crossing the site. After the incident, contractor did not resume work. Tenders were re-invited in December 2012, but could not be finalized because of the indecision by the MCD authorities. Finally, on 25 August 2014, the Additional Commissioner approved closure of the proposal on the ground that adequate budget provision under Non-Plan head of accounts of NrDMC did not exist in that financial year, but the consultant for the project was paid ₹ 87.33 lakh.
- Selection of the site for MLUGP at AL Park, Shalimar Bagh could not be finalised due to resistance from residents of the area. A payment of ₹ 10.74 lakh was made for consultancy work for this site also.
- Work for three MLUGPs (Arbindo Marg, Ajmal Khan Park and Kailash Colony) was not taken up due to objection by INTACH, resistance by local residents or unsuitable site.

[39]The original site was at Madangir.

[40]The original site was at Inderlok.

In addition to the above 24 sites, the then MCD approved (October 2009) construction of an MLUGP (capacity 281 ECSs) at Chirag Delhi at an estimated cost of ₹ 28.24 crore and sought permission (March 2011) from EPCA for the work, which was turned down (June 2011). Inspite of this, a consultant was appointed in January 2012 and ₹ 4.98 lakh was paid to him for preparation of inception report. Finally, the work was closed (February 2013) in view of LG's orders of September 2012, directing not to convert and use green area for parking.

Thus, failure of MCD to identify hindrance free and technically suitable sites for setting up of MLUGPs coupled with inaction and indecision not only deprived citizens of parking facilities, but also resulted in wasteful expenditure of ₹ 3.93 crore on consultancy on partly implemented works, which never saw completion. Out of 16 sites approved under JNNURM, only four (AL Block Shalimar Bagh, Shiva market Pitampura, QU Block Pitampura and Ashok Vihar) were taken up, but abandoned midway. Projects at remaining 12 sites were dropped.

2.4.4 Irregularities in setting up UGAP/MLUGP

2.4.4.1 Award of concession incorporating terms and conditions not included or envisaged in project pre-bid document - UGAP at Kamla Nagar

MCD invited bids on pre-qualification basis in August 2006 for construction of UGAP at Kamla Nagar on Design, Finance, Build, Operate and Transfer basis. As per terms and conditions of Notice Inviting Tenders (NIT), MCD was to provide a plot of 3,200 sqm for UGAP for 1,200 ECSs and the concessionaire was to design and build the UGAP with his own finances and run it on commercial basis for a concession period to be quoted in the bid. Audit scrutiny showed that two firms submitted bids (December 2006). The Technical Evaluation Committee rejected (January 2007) one bid for not securing the required threshold score. However, marks awarded by each member of the committee were not available on record.

Audit scrutiny further showed that the bid of other bidder, submitted on 12 December 2006, included a condition to utilize 125.78 FAR or 44.33 *per cent* of built-up area, whichever is higher, for commercial purpose, whereas NIT stipulated 100 FAR or 30 *per cent* of built-up area, whichever is lower. MCD requested (January 2007) the bidder to revise the bid according to NIT, which it did by offering 100 FAR or 30 *per cent* of built up area, whichever is higher. Though the revised offer was still not in conformity with NIT, MCD accepted it and opened the financial bid (February 2007).

The bidder in its financial bid demanded 55 years of concession period, which was reduced to 50 years after negotiation by Evaluation Committee (February 2007 and March 2007). When the matter was forwarded to the Finance Department of the then MCD (March 2007), it suggested to constitute a committee comprising officers from various departments including Vigilance, EIL and NBCC[41], and to place its recommendations before the Corporation for final decision. The Finance Department also advised (April 2007) to consider different models of running UGAP including an option for revenue sharing during the concession period. However, MCD neither constituted any committee nor considered the option of revenue sharing. Matter was again forwarded to the Finance Department for concurrence on 30 April 2007. This time, the Finance Department made 16 observations (June 2007) and observed that the marks awarded by each member of the Technical Committee while evaluating the technical bids, were not made available to it. It was also advised to engage a financial expert from any of the premier financial institutes for examining the viability of the project.

The Engineering Department, attended to these observations and forwarded the case (June 2007) to the Housing and Urban Development Corporation Limited (HUDCO). HUDCO stated that normally the payback period was the length of time required to recover the initial cash outlay on the project. This project has a payback period of 15 years which is long compared to other infrastructure projects financed by HUDCO, which generally have a payback period of six to eight years.

The Finance Department finally found the proposal tilted in favour of the concessionaire and concluded (August 2007) that its observations along-with replies thereto, should be placed before the competent authority for appropriate decision in the matter. The Standing Committee approved the proposal on 17 October 2007. The Executive Engineer (Project) issued letter of intent to the Concessionaire (October 2007) and signed a formal agreement with it (23 July 2008) and provided a plot of 34,668 sp.ft. to the firm. The construction of UGAP was started in 2008 and completed in May 2014.

Audit also noted that:

- Neither NIT nor the concession agreement stipulated period for completion of the project, giving a free hand to the concessionaire in this regard. Concessionaire did not submit completion plan, in the absence of which, Audit could not ascertain the built-up area created for commercial use. Retrieval period of vehicles was also not fixed and mentioned in the agreement.
- MCD did not ascertain the quantum of the funds actually employed by the concessionaire in this project, though the concession period of 50 years was worked out on the basis of the projected expenditure by the concessionaire in the bid documents.

[41]National Building Construction Corporation.

- The Concessionaire had imposed a condition (January 2007) to allow him to utilize excess FAR, if approved by DDA in future. MCD accepted it and imposed no condition for sharing profit to be earned from the excess FAR.
- Against 1,200 ECSs as per NIT, a UGAP with only 828 ECSs was created.

Hence, the financial interests of MCD were not adequately safeguarded in accepting a single and conditional bid that too on terms that were not originally envisaged, despite reservations expressed by Finance Department.

2.4.4.2 MLUGPs at Shiva Market and AU Block

The work of construction of MLUGPs at Shiva Market and AU Block was awarded (November 2009) at a cost of ₹ 43 crore to be completed within 15 months. The work was actually started in June 2010 and the contractor was paid ₹ 4.36 crore up to March 2012. Audit observed the following:

(i) Irregular release of mobilization advance: The Executive Engineer (Pr.III)/RZ) released (December 2009) ₹ 2.15 crore to the firm as first installment of mobilization advance. Though work was not started, contractor submitted (March 2010) details of expenditure of ₹ 2.75 crore on plant and machinery without any supporting documents. The Executive Engineer released a second installment of ₹ 2.15 crore in the same month without seeking the details to verify the utilization of the mobilization advance already released.

(ii) Failure to recover dues from contractor: A departmental enquiry constituted on 09 June 2012 by the Commissioner held the contractor responsible for the incident of building collapse during the execution of MLUGPs at Shiva Market and AU block. The Commissioner approved (September 2012) recovery of the amount paid to the contractor against the work done and the cost of damage to the building. The NrDMC worked out the total amount to be recovered from him to be ₹ 12.95 crore.

Audit observed that after the building collapsed, the contractor stopped the work and took away all his material from the site. By allowing the contractor to take away the material, plant and machinery, NrDMC lost the opportunity of recovering the advance of ₹ 2.88 crore (₹ 2.15 crore as Tool & Plant advance and ₹ 0.73 crore as interest on mobilization advance). However, no action was taken by Executive Engineer to recover the dues or to secure the equipment and material on site. Only after being pointed out by Audit, a recovery suit was filed (25 June 2015) in the Hon'ble High Court of Kolkata.

2.4.4.3 MLUGP at Parade Ground

The Executive Engineer, City Zone invited tenders (April 2009) for setting up a MLUGP at Shaheed Park, BSZ Marg. The L-1 quotation of ₹ 53.21 crore was negotiated (August 2009) to ₹ 52.83 crore. The Executive Engineer with the approval of Commissioner dated 20 April 2009 shifted (November 2009) the location of proposed parking site from BSZ Marg to Parade Ground in the walled city of Delhi without assigning any reasons. As work awarded earlier for MLUGP at Shaheed Park, BSZ Marg was location specific, the scope of work was changed entirely with the shifting of location. However, fresh tenders were not invited for new site and work was awarded (January 2010) to the firm on the same quotation. Hence, the reasonability of the cost of setting up the MLUGP at the new site could not be assessed.

2.4.5 Functioning of existing parking facilities

2.4.5.1 Deficient functioning of RP Cell of MCsD

The RP Cells of all three MCsD are responsible for commercial utilization of parking sites falling under their respective jurisdiction. MCsD had 176 Surface Level Parking (SLP) sites as of May 2015. The RP Cells allot these sites to licensees on the basis of Monthly License Fee (MLF) through tendering or public auction. Scrutiny of records in RP Cell of respective MCsD showed that license agreements had conditions requiring licensees to provide certain essential information/certificates to RP Cell before starting SLPs to ensure safe and lawful functioning of SLPs as well as safety and security of commuters and vehicles. However, RP Cells did not ensure receipt of these information/certificates from licensees in respect of parking sites allotted during April 2012 to May 2015. Some cases are discussed below:

- MCsD were to supply maps of sites together with demarcation of exact area for parking of Bus/Tempo/Car/Motor Cycle. The licensee was required to mark the area by epoxy yellow thermoplastic coats and submit a certificate to this effect with photograph of the parking site to RP Cells. Though RP Cells supplied maps to the licensee of each SLP, these were without markings of space for specific kind of vehicles. Licensees also did not submit requisite certificates and photographs. The lapse on the part of RP Cells provided scope to licensees to utilise parking space more than actually allotted.
- Licensees were to arrange for verification of character antecedents of their employees from the Police under intimation to MCsD and submit certificates to this effect within a week of taking over sites. However, RP Cells did not obtain such reports of Police from any of the licensee compromising the security of site and its users.

- As per the agreements, a licensee was required to submit a certificate to the RP Cell within a week after taking over the parking site to the effect that receipt for parking fee would be issued to the commuters only through hand held devices. However, no such certificates were submitted by any of the licensee. Hence, there was no assurance that the commuters would be charged the prescribed parking fee.
- Licensee was required to get parking site insured against theft, damage or loss to vehicles, pay the insurance premium regularly and submit photocopy of the receipt to concerned RP Cell. But, no licensee submitted copies of insurance policies and evidence of payment of premium. In case parking sites are not insured, the licensee may deny the compensation to the commuters in case of theft, damage or loss of the vehicles.
- Licensee was to maintain a complaint register in the format prescribed by MCsD. However, RP Cells neither prescribed any format nor had a system in place for reviewing complaint registers and ensuring corrective action by licensees.
- As per agreements, employees of licensees should be in uniform and display/wear identification badges as prescribed. However, RP Cells did not prescribe the design of badges and uniforms, allowing licensees an excuse for not observing the specific instructions. In the absence of badges and uniform, there was no way for the commuters to distinguish between authorized and unauthorized persons present in the parking.
- NITs for allotting parking sites invariably mentioned Minimum Reserve Price (MRP) with a condition that bids quoting MLF less than MRP would not be accepted. However, RP Cells were fixing MRP arbitrarily as there was no mechanism to assess the capacity of SLPs (in ECS terms) and determine the potential revenue from each parking site.

2.4.5.2 Absence of a mechanism for contract management

As of July 2015, the MCsD had 176 SLPs and four MLUGPs which were allotted to licensees with the right of commercial use subject to agreed terms and conditions. With a view to ascertaining the extent of compliance of terms and conditions by the licensees, Audit visited 35 randomly selected SLPs[42] **(Annexure 2.4)** and all the four MLUGPs. During visit, Audit found that three SLPs were non-functional (Aurobindo Place Market, C-Block Vasant Vihar and Under Flyover, Munirka) due to resistance from Market Associations and excavation by DMRC.

Audit evaluated functioning of SLPs and MLUGPs based on terms and conditions of agreements. Main audit findings are given below:

[42] NrDMC-11, SDMC-18, and EDMC-6.

- Computer was to be maintained at each site to keep the records of number of vehicles parked and fee collected. However, except at Dangal Maidan site, computers were not maintained.
- Illuminated glowing sign boards were to be provided in parking area showing details of licensee, parking sites, etc. However, properly maintained glowing sign boards were found in existence only at five SLPs and one MLUGP at Parade Ground.
- Arrangements for fire-fighting and PA system were to be made in parking sites, but no such arrangements were found in place in any of the sites except Parade Ground.
- Proper arrangements for illumination at entry and exit points of the parking sites were to be made, but no such arrangements were found in any of the sites except Parade Ground.
- CCTVs camera was to be made available in parking area, but these were not provided in any of the sites except Parade Ground.
- Workers of parking site were to be in uniform and should be carrying badges. However, workers did not wear uniform except at three SLPs *viz.* Uphar Cinema, opposite SDM Office Seelampur and Cross River Mall, Karkardooma where workers were found in uniform. Workers did not wear badge in any of the sites.
- Complaint register was to be maintained at each site by the licencee, but this was maintained at only three SLPs *viz.* Dangal Maidan, Radhamohan Club and Ajmeri Gate 2, Humdard Chowk.
- The slips mentioning the time of entry, time of exit, amount of parking fee charged and registration of number of vehicles parked, etc. were to be issued compulsorily to the commuters only through Hand Held Device. But only SLP at Qutub Road, near *taanga* stand had the prescribed system.
- Vehicles were found parked on ramps and on drive ways;
- Functional toilets and arrangements of drinking water were not available except at Parade Ground, where NrDMC arranged these facilities;
- MLUGPs were not insured against loss, theft, damage;
- Professionally trained Traffic Marshalls to regulate traffic were not available in any of the MLUGPs;
- In the building of MLUGP at Asaf Ali Road, there is a huge hall built initially for automobile workshop. Though, it was not allotted to the licensee for parking purpose, the hall was being used by him for parking for earning additional revenue.

From the above, it is evident that licensees were not following the terms and conditions of license agreement. While they were found utilizing more space than allotted to them under agreements, they did not maintain data of vehicles and fee collected. As per direction of the National Green Tribunal (NGT), no parking was allowed on metalled road. However, Audit found that in case of four SLPs, vehicles were parked on the main pavement of roads. Once allotment letters were issued to licensees, MCsD apparently had no control on these SLPs. Thus, there existed no institutional mechanism to ensure compliance of agreed terms and conditions by licensees for lawful running of SLPs.

In its reply, SDMC stated (March 2016) that a circular had been issued on 3 March 2016 to all existing contractors for compliance of terms and conditions of parking agreements.

2.4.5.3 Poor maintenance of MLUGPs

The Chairman, Standing Committee, NrDMC inspected (May 2013) MLUGPs at Church Mission Road, Gandhi Maidan and Asaf Ali Road, along with the Commissioner, NrDMC and conveyed his serious concerns on poor physical conditions and level of compliance of various provisions of agreements by licensees. The Chairman directed the Deputy Commissioner in-charge of parkings to get things in order and take action against defaulting licensees. With a view to evaluating the effects of the initiatives taken by the Chairman, Audit visited (June 2015) these parking sites alongwith the officers of NrDMC and observed that no remedial action was taken in compliance of orders. MLUGPs were still in dilapidated condition. Floors were ridden with pot holes and tiles were broken. Steel reinforcement was exposed in ceilings. The mechanical ventilation system and complete fire-fighting system including sprinklers, fire pumps and water reservoir had become scrap in the absence of proper maintenance. Garbage was littered everywhere making the area very unhygienic. Except in MLUGP at Asaf Ali Road, arrangements for illumination were poor. Stair cases were in deteriorated condition and converted into garbage bins. As a result, people were forced to use the ramp meant for vehicles for accessing the parking sites.

As MLUGP at Asaf Ali Road is a three level parking, a provision was made for four lifts for passengers and one for goods/vehicles, but no lift was provided. All the three MLUGPs had problem of water logging in the basement halls. Other shortcomings are discussed below:

(a) Non-disposal of vehicles lying unclaimed: The Chairman, Standing Committee had observed that large number of unclaimed vehicles were lying in MLUGPs since long, occupying a large space and ordered to auction them within the legal frame work. However, NrDMC took no initiative in this regard. These unclaimed vehicles are a cause of loss of revenue to NrDMC as licensees would have quoted Monthly License Fee keeping in view the productive space actually available for parking.

(b) MLUGP at Model Town lying idle due to deficient design

An MLUGP with all modern features was built in Model Town-II in the year 2014 at a cost of ₹ 17.02 crore. The RP Cell (NrDMC) allotted (September 2014) this MLUGP to a licensee at an Monthly License Fee of ₹ 2.33 lakh. As the RP Cell unilaterally revised MLF to four times with effect from November 2014, licensee surrendered the parking. The NrDMC terminated the contract on 28 November 2014 and declared the parking free for public till further orders. Thereafter, the RP Cell made seven attempts (November 2014 to August 2015) to allot the parking through tendering or public auction, every time with reduced MRP, but no response was received. With a view to assess the reasons for non-response by bidders, Audit visited (July 2015) the site with Assistant Engineer, City Zone, NrDMC and found not a single vehicle parked in the MLUGP, though it was free for public. Audit observed that ramps at the MLUGP are too steep to drive vehicles on them. Besides, they are also narrow for vehicles to take turns for reaching the higher level from the lower. Former contractor of the MLUG also brought these defects to the notice of NrDMC (May 2015). However, no remedial action was taken to make the MLUGP usable. The defective design of the site not only deprived the public of an ultra-modern parking facility, but also rendered the whole expenditure of ₹ 17.02 crore unfruitful.

(c) Non-allotment of MLUGP at Hauz Khas and Munirka: MLUGP at Hauz Khas and Munirka, completed in May 2015, had not been allotted, causing not only loss of revenue, but also depriving citizens of parking facilities.

2.4.5.4 Unauthorised allotment of SLP at Batra cinema

The NrDMC invited (March 2015) tenders for allotment of 53 SLPs and finalized 18 of them, which did not include SLP at Batra Cinema commercial complex. It was, however, noticed that RP Cell unauthorisedly allotted SLP at Batra Cinema to a contractor at an Monthly License Fee (MLF) of ₹ 0.75 lakh.

2.4.6 Commercial utilization of parking sites

The parking sites serve both as facility for general public and a source of revenue for the MCsD. Details of Monthly License Fee collected during April

2012 to March 2015 are shown in **Table 2.4.2** given below:

Table 2.4.2: MLF collected during 2012-15

(₹ in crore)

YEAR	NrDMC	SDMC	EDMC
2012-13	1.41	48.15	1.41
2013-14	13.85	76.18	2.91
2014-15	15.04	53.41	3.01

Audit scrutiny of records, however, showed that functioning of RP Cells did not provide an assurance of optimum generation of revenue from parking sites.

2.4.6.1 Outstanding MLF of ₹ 6.95 crore not recovered by NrDMC

The MLUGPs/SLPs are allotted to licensees with a condition of advance payment of MLF. Audit observed that the NrDMC cancelled 70 licenses/contracts (11 August to 18 December 2014) on account of non-payment of MLF by licensees. As of 10 February 2015, MLF of ₹ 8.99 crore was pending realization from 70 licensees. The NrDMC adjusted security and bank guarantee of ₹ 2.04 crore against outstanding dues in 49 cases, but in the remaining cases, no security or bank guarantee was deposited by the licensees. Thus, allowing licensees to continue running the parking sites for prolonged period without regular payment of MLF and without deposit of security resulted in loss of revenue of ₹ 6.95 crore.

2.4.6.2 Undue benefit to a licensee

The RP Cell, NrDMC allotted (December 2014) MLUGP at Church Mission Road through public auction at an MLF of ₹ 24.02 lakh. On the request of licensee (December 2014), RP Cell reduced the MLF from ₹ 24.02 lakh to ₹ 18.02 lakh, as some space was unusable due to vehicles dumped on the parking site. Reducing license fee after allotment was irregular and lacked transparency, as licensee took over the full and vacant possession of site on 16 December 2014. This resulted in loss of revenue of ₹ 18 lakh and undue benefit to the licensee.

2.4.6.3 Undue benefit of ₹ 2.57 crore to the licensee

Prior to April 2013, the Parade Ground with a surface area of 17,408 sqm was being used as SLP. The NrDMC constructed (April 2013) a MLUGP in 6,365 sqm of the ground, leaving 11,043 sqm as open area. However, the level of terrace of MLUGP was kept at the level of the open area. NrDMC allotted (April 2013) only the terrace of MLUGP to a licensee at an MLF of ₹ 4 lakh, leaving the open area un-allotted. An Audit team along with Assistant Engineer, City Zone, NrDMC visited the site (July 2015) to find that licensee was using the open area also as SLP as the NrDMC made no arrangements to restrict entry of vehicles to the open area. This resulted in undue benefit to the licensee for utilising the open area as SLP for the period from April 2013 to June 2015, which worked out to ₹ 2.57 crore.

2.4.6.4 Loss of ₹ 55.35 lakh due to unauthorized occupation of sites

As per clause 22 (E) of agreements signed with licensees during 2013-14, in case SDMC revises the prescribed rates for parking charges/fee in the mid-course of the contract, the current licensee should continue to operate the parking site till such time as the revised rates are finalised or contract is over, whichever is earlier. He would be liable to pay MLF equal to the H-I rates with effect from the date of notification of revised rates. Further, instruction D(5) of NIT provides that if licensee continues to operate the site after expiry of period, he should be liable to pay misuse/damage charges at double the rate of MLF for the period of unauthorized occupation.

Audit scrutiny showed that the SDMC allotted the SLP at SDA Market, Rose Garden to a firm at an MLF of ₹ 1.30 lakh upto 02 January 2013 (extended upto 30 April 2013). Later on, SLP was allotted to another firm on 20 March 2013 at MLF of ₹ 2.57 lakh, but the site remained in possession of former licensee upto March 2015. The SDMC did not levy damage charges on the former licensee for unauthorised occupation of parking site. Reasons for not handing over the site to second firm were not on record. Thus, failure of the SDMC to get the site vacated and hand it over to new licensee, resulted in loss of revenue of ₹ 55.35[43] lakh.

In its reply, SDMC stated (March 2016) that the second firm did not come forward to take over the possession of the site and the first firm continued to operate at the old MLF of ₹ 1.30 lakh. Reply is not acceptable as SDMC did not make efforts to get the site vacated from the possession of the previous licensee and hand it over to the new licensee.

2.4.7 Conclusion

There was an acute shortage of parking facilities in Delhi. Due to lack of initiative on the part of MCsD, new parking facilities were not created commensurate with increasing number of vehicles in the city during the subsequent five years. There was negligible progress in setting up Underground Automated Parking Facilities under PPP mode as only a single UGAP could be constructed. Part implementation of conventional MLUGPs resulted in wasteful expenditure on consultancy fee. Awarding of contracts and contract management were marred with irregularities, like accepting conditional bid, non recovery of dues from contractor and not inviting fresh tenders though scope of work was changed. Inadmissible mobilization advances were released in violation of prescribed norms.

[43] (₹ 1,30,002 × 105 *per cent*) × 8 months + (₹ 1,36,502 × 105 *per cent*) × 10 months + (₹ 1,43,327 × 6) × 2 months + (₹ 1,43,327 × 3) × 3 months = ₹ 55,35,153.

Failure of the Remunerative Project Cells of MCsD to ensure compliance of terms and conditions of agreements by the licensees, led to mismanagement of parking sites. A completed MLUGP was not put to use while another was idle due to its defective design. The parking sites lacked civic facilities, *viz.* arrangements for drinking water, functional toilets, CCTV cameras, public address system, fire-fighting system and proper illumination.

2.4.8 Recommendations

The MCsD may:

(*i*) *Develop a comprehensive parking policy with timelines for implementation keeping in view the growth of vehicles in the city, and identify suitable sites/land for setting up new parking facilities;*

(*ii*) *Ensure better synchronisation between engagement of consultant and payment of consultancy fees with actual approval and progress of projects;*

(*iii*) *Ensure compliance with terms of licenses granted to concessionaire; and*

(*iv*) *Prepare a manual to be followed by RP cell as well as licensees for the management of existing parking sites.*

The matter was referred to the Government in November 2015. The Government endorsed the replies of SDMC (March 2016); reply in respect of NrDMC and EDMC was awaited (March 2016).

Chapter III
Compliance Audit

CHAPTER III
COMPLIANCE AUDIT

Department of Food, Supplies and Consumer Affairs

3.1 Preparedness for implementation of the National Food Security Act, 2013

There was delay in identification of beneficiaries. Beneficiaries list included ineligible and unverified persons. GPS devices were not installed for monitoring the movement of vehicles used for transporting food grains. Database under End-to-End Computerization of Targeted Public Distribution System (TPDS) was incomplete. Point of Sale Machines for verification of identity of eligible beneficiary and disbursement of food grains were installed in only 42 out of 2,300 Fair Price Shops (FPSs).

The National Food Security Act, 2013 (Act) seeks to provide for food and nutritional security by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity. The Department of Food, Supplies and Consumer Affairs, GNCTD is the nodal department for its implementation in NCT of Delhi.

An audit covering the period July 2013 to March 2015 was conducted to assess the preparedness of the Department of Food, Supplies and Consumer Affairs (the Department) for implementation of the Act. Audit examined records at Headquarters of the Department and selected two out of nine districts, four out of 70 circles (two circles from each selected districts) and 16 Fair Price Shops (four FPSs from each selected circle) through probability proportional to size and without replacement (PPSWOR statistical sampling) method.

3.1.1 Implementation of the Act and coverage of population

As per Section 10 (1) (b) of the Act, the State Governments were to identify within 365 days of the commencement of the Act (July 2013), the eligible households within the number of persons determined by the Central Government under Section 9 of the Act. For the NCT of Delhi, the Ministry of Food, Civil Supplies and Consumer Affairs, GoI determined (July 2013) total 72.78 lakh persons to be covered under the Act. Audit observed delay in identification of beneficiaries as the department could identify only 23.62 lakh beneficiaries as of June 2014 in the given timeframe of 365 days. The Ministry later extended the timeframe thrice and finally up to 30 September 2015. However, as of 29 January 2016, the department could not achieve the target fixed by GoI as there was still a deficit in identification of beneficiaries by 0.19 lakh. The department stated (February 2016) that as it had received applications in excess of the target fixed by GoI, exercise of deleting ineligible households was undertaken in order to accommodate eligible households. The fact remained that the department failed to adhere to the stipulated timelines.

3.1.1.1 Updation of list of eligible households without verification of status

As per Section 10 (2) of the Act, the State Government was to update the list of eligible households within the number of persons determined under Section 9 of the Act. Audit scrutiny, however, showed that the department started implementation of the Act from 1 September 2013 without updating the status of existing households under AAY[44], BPL[45], APL-S[46] (JRC[47] and RCRC[48]) category, but treated all of them as eligible households under the Act. Audit observed that out of 6.27 lakh card holders consisting of 32.39 lakh beneficiaries treated earlier as eligible at the beginning of implementation of the Act (01 September 2013), only 4.1 lakh households were found to be eligible as of 19 August 2014. This highlights the risk of subsidized food grains being allocated to ineligible households due to non-updation of the list.

The Department stated (February 2016) that very large number of applications were likely to be received and in order to narrow down the excessive workload of identification and verification of applications under NFS Act, the Government decided to give benefit to the existing households under AAY, BPL, JRC and RCRC category. Reply is not acceptable as Section 10 (1) (b) of the Act provides for allocation of food grains under the existing Targeted Public Distribution System till the identification of households is complete and not at highly subsidized rates under NFS Act without updating the status of beneficiaries.

3.1.1.2 Non-adherence to the criterion for identification of eligible households

(i) As per the guidelines issued by the Department in July 2013, households having annual income of less than ₹ 1 lakh per annum and groups with geographically, socially and occupationally vulnerable condition (on the basis of field verification) were to be considered eligible households for inclusion in the PR[49]/AAY category. For identifying eligible households, the Department invited applications from the public in September 2013. The Department identified (between September 2013 and May 2015) 1.55 lakh existing Above Poverty Line (Unstamped)[50] households (comprising 5.78 lakh beneficiaries) under the Priority Household[51] category, though they were not eligible for subsidized food grains prior to implementation of the Act. Thus, inclusion of these beneficiaries under

[44]Antyodaya Anna Yojana.

[45]Below Poverty Line.

[46]Above Poverty Line-Stamped.

[47]Jhuggi Ration Card.

[48]Resettlement Colony Ration Card.

[49]Priority Household.

[50]Above Poverty Line (Unstamped)- As per the Citizen Charter, families having total family income above ₹ 1,00,000/- p.a were given Unstamped APL Cards.

[51]In Priority Household category, beneficiary is entitled 4 Kg. wheat and 1 Kg Rice per member.

the Act on the basis of self-certification and without obtaining income certificates, as noticed in the selected Circles under South-West and North District, was irregular.

The Department stated (February 2016) that prior to the implementation of the Act, only APL (unstamped) cards were issued irrespective of income. It further stated that even the most vulnerable and poorest of the poor people were issued only APL (unstamped) cards without giving any allocation of food grains. Reply is not acceptable as distribution of Specified Food Articles (SFAs) was on the basis of distinctive ration cards issued to APL, BPL and AAY beneficiaries according to the annual family income. Thus, inclusion of all APL (U) card holders in PR category raises the risk of extending benefits of subsidized food grains to ineligible persons.

(ii) As per clause 7 of the Guidelines, certificate from revenue authorities was necessary in case of residents of notified village *abadis*. Audit observed that out of two selected circles under South-West District, there were two notified village *abadis* i.e. Nawada and Bindapur under Circle-32, Uttam Nagar. In Bijwasan under Circle-36, list of notified village *abadis* was not available. However, the department issued new cards under the Act without verifying the eligibility of the households and without obtaining certificate issued by the Revenue authorities, in the absence of which distribution of subsidized food grains to ineligible households cannot be ruled out. The department accepted (February 2016) that individual certificate from all the applicants was not obtained.

3.1.1.3 Issue of ration cards to identified households

As per Section 13(1) of the Act, new ration cards were to be issued to the head of the household (woman of 18 years of age or above to be head of household for purpose of issue of ration cards). However, information relating to distribution of new ration cards to PR and AAY households *viz.* new ration cards printed, ration cards actually issued, ration cards remaining to be issued with reasons thereof, was not available with the department. The department stated (February 2016) that the exact number of cards not issued could not be compiled, however, cards were delivered to the beneficiaries and no card was held by the department. In the absence of information on new ration cards, there was no assurance of actual extension of benefit to all eligible PR and AAY households.

3.1.2 Reforms in Targeted Public Distribution System (TPDS)

As per Section 12 of the Act, the Central and State Governments shall endeavour progressively to undertake necessary reforms in the TPDS. The reforms shall, *inter alia*, include doorstep delivery of food grains on the TPDS outlets, application of information and communication technology tools, including end-to-end computerization in order to ensure transparent recording of transactions at all levels, prevent diversion of food grains and transparency of records, etc. The GoI issued (September 2013) implementation guidelines on 'End-to-End Computerization of TPDS' comprising digitisation of database of ration cards/ beneficiaries, computerisation of supply chain management, setting-up of transparency portal and putting in place grievance redressal mechanism. Audit appraised the status of reforms in TPDS and findings are discussed in succeeding sub-paragraphs.

3.1.2.1 Door Step Delivery

The department indents for monthly allocation of food grains to the Food Corporation of India (FCI) and authorizes the Delhi State Civil Supplies Corporation (DSCSC) to lift and deliver the same through contractors to the respective FPS. Audit scrutiny showed that door step delivery of food grains was being done in all 2300 active FPSs. However, GPS devices were not installed in the vehicles carrying food grains, for monitoring their movement as was required under Agreement between DSCSC and the contractor. Thus, the preparedness of the department was lacking as far as monitoring of the movement of vehicles carrying food grains in real-time was concerned. The department stated (February 2016) that installation of GPS in vehicles was under process by DSCSC.

3.1.2.2 Computerisation of Supply Chain Management

The GoI guidelines envisage that stock movement report *vis-a-vis* quantity release order, delivery challan, etc. from FCI Godown to FPSs should be made available in the public domain. Audit noticed that GNCTD had an ePDSCM portal for Public Distribution Supply Chain Management on which transactions could be accessed only through login ID of the departmental officers, but it was not available in the public domain. Thus, real time information on receipt and distribution of food grains was not available for the general public.

The department stated (February 2016) that although the details of delivery process of food grains was not available in the public domain, SMSs are sent to all stakeholders indicating FPS quantity of food grains, vehicle number and specific time and date of dispatch from godowns. Reply is not tenable as stock movement report comprising quantity release order, delivery challan, etc. from FCI godown to FPSs as envisaged under GoI guidelines, was not available in the public domain.

3.1.2.3 Non-automation of FPSs

As per the Cabinet decision of GNCTD, dated 1 October 2013, End-to-End Computerization of TPDS also requires automation of FPSs through bio-metric system based Point of Sale (PoS) machines. However, as of March 2015, PoS machines were installed only in 42 out of 2300 FPSs. The distribution of ration to beneficiaries by the remaining FPSs was through the manual system. FSO (Circle

15, North District) intimated that even the PoS machines installed in the FPSs were not working efficiently as these were not user friendly, had poor battery life and had problems of mismatching of finger prints and poor network. Thus, due to non-installation of PoS in all FPSs, in verification of identity of eligible beneficiaries for disbursement of food grains, was not assured. The department stated (February 2016) that the tender process for purchase of PoS machines was in final stage and these were likely to be installed in all the FPSs.

3.1.3 Transparency and Accountability

The Section 29 of the Act envisages constitution of Vigilance Committees (VCs) at State/UT, District, Circle and FPS levels for ensuring transparency and proper functioning of the TPDS and accountability of the functionaries in such system. However, Audit noticed that the Vigilance Committee was neither set up at State level nor in the selected Districts and FPSs. The department stated (February 2016) that the matter of formation of the Vigilance Committee at the State and District level was under process. Reply was however, silent on constitution of VC at FPS level and shows laxity in ensuring transparency and accountability of various functionaries.

Department of Health and Family Welfare

3.2 Excess payment of ₹ 2.76 crore to Delhi Jal Board

Inspite of incurring an expenditure of ₹ 37.82 lakh on installation of Water Harvesting Systems (WHS)/Water Treatment Plants (WTP), seven Delhi Government hospitals/institutions failed to avail rebate of 15 *per cent* on their water bills, resulting in excess payment of ₹ 2.76 crore to the Delhi Jal Board.

The Delhi Jal Board (DJB) decided in December 2009 to allow a rebate of 15 *per cent* on water bills with effect from January 2010, to Government Institutions/ Offices, if they adopt a system of water harvesting and/or recycling of waste water. The Principal Secretary, Health and Family Welfare, GNCTD, endorsed these orders of DJB to all Medical Superintendents of government hospitals in March 2010, with directions to take advantage of 15 *per cent* rebate by establishing water harvesting system and/or recycling of waste water.

Audit had earlier pointed out in Paragraph 3.3 of the Comptroller & Auditor General's Audit Report on GNCTD, for the year ended March 2013 (Audit Report No. 2 of 2014), that *seven* government hospitals failed to avail benefit of 15 *per cent* rebate on their water bills and paid excess amount of ₹ 7.28 crore, inspite of having installed water harvesting and/or recycling of waste water systems in their premises. Nevertheless, Audit observed that the Government did not initiate corrective measures to ensure that hospitals take up the matter with DJB and get the available rebate on their water bills.

Audit scrutiny of records showed that inspite of incurring an expenditure of ₹ 37.82 lakh on installation of water harvesting and/or recycling of waste water treatment plants, seven government hospitals/institutes[52] failed to avail the benefit of rebate of ₹ 2.76 crore on their water bills during the period January 2010 to August 2015.

The matter was referred to the Government in September 2015, reply was awaited (March 2016).

3.3 Unfruitful expenditure on Solar Water Heating System - ₹ 1.39 crore

Two government hospitals got Solar Water Heating Systems installed in their buildings at a cost of ₹ 1.96 crore. Due to poor planning and absence of any arrangement for the safety and security of systems, major part of the systems became dysfunctional within three years of functioning, resulting in unfruitful expenditure of ₹ 1.39 crore.

As per Government notification dated 24 April 2006, use of solar water heating system is mandatory in government hospitals. In pursuance of these instructions, two government hospitals - Lok Nayak Hospital and Guru Teg Bahadur (GTB) Hospital, got Solar Water Heating Systems (SWHSs) installed during November 2008 to February 2010. Audit scrutiny of records relating to installation and maintenance of systems, and physical inspection on sites, revealed the following:

(A) Lok Nayak Hospital

Against an Administrative Approval and Expenditure Sanction (AA&ES) of ₹ 82.69 lakh accorded by the hospital on 31 March 2009, PWD procured 24 SWHSs from a private supplier at a cost of ₹ 47.37 lakh and incurred ₹ 36.51 lakh on other related items, like pipelines. The systems were installed in February 2010, but were made functional only in April 2012. A joint inspection of these systems conducted (August 2015) by Audit along with representatives from PWD and the hospital found that only 2 (9 sets) out of 10 SWHSs (30 sets) installed in the hospital were partially working. The remaining systems (85 *per cent*) became dysfunctional within a period of three years of functioning though the normal life of a SWHS is 15 years. Thus, expenditure of ₹ 71.30 lakh[53] incurred on installation of these damaged SWHSs, had become unfruitful.

The hospital attributed (September 2015) the delay in making SWHSs functional to fabrication of base frames, providing suitable water connection, overhead tanks and distribution network. It added that the damage to the systems was due to non-providing of safety enclosures for the systems at the time of installation,

[52](1) Rao Tula Ram Hospital, (2) Acharya Shri Bhikshu Sarkari Hospital, (3) Sanjay Gandhi Memorial Hospital, (4) Lal Bahadur Shastri Hospital, (5) Jag Pravesh Chander Hospital, (6) Institute of Human Behaviour & Allied Sciences, and (7) Institute of Liver & Biliary Sciences). These were not mentioned in CAG's Report of 2014.

[53]85 *per cent* of (₹ 47.37 lakh + ₹ 36.51 lakh).

damage by some miscreants and heavy storms. The reply is not acceptable, as it is the responsibility of the hospital to ensure safety and security measures for the systems at the planning stage itself.

(B) GTB Hospital

The hospital procured 15 SWHSs costing ₹ 46.79 lakh from two private suppliers, (November 2008 and May 2009) and released payment of ₹ 32.75 lakh (70 *per cent*). The hospital accorded (August 2010 and March 2011) AA&ES for ₹ 1.02 crore to PWD also, for providing, installing and testing of distribution network for these SWHSs and for providing and installing additional SWHSs in Casualty, X-ray, OT Block and Ward Block. PWD incurred an expenditure of ₹ 79.44 lakh against the sanction. Audit along with officials of GTB hospital and PWD, conducted a joint inspection (August 2015) and found only 35 to 40 *per cent* of SWHSs working while the remaining were damaged beyond economical repair. Thus, expenditure of ₹ 67.32 lakh, (60 *per cent* of ₹ 112.19 lakh) had become unfruitful due to failure of the hospital to plan and arrange for the safety and security of SWHSs installed in the building.

The hospital stated that damage to systems were caused by storms in May 2014 and 2015. The reply is not acceptable, as the safety and security of SWHSs, should have been the part of initial planning by providing for safety enclosures for systems.

The matter was referred to the Government in October 2015, reply was awaited (March 2016).

3.4 Irregular expenditure of ₹ 76 lakh on enhanced Academic Allowance

The Governing Council of the Delhi State Cancer Institute adopted pay structure for its staff at par with AIIMS without consulting the Government of NCT of Delhi in contravention of the provisions of Pattern of Assistance. The Institute also enhanced the Academic Allowance for its faculty members from ₹ 1,000 to ₹ 10,000 per month without consulting the Government, resulting in irregular and unauthorised expenditure of ₹ 76 lakh.

The Delhi State Cancer Institute (the Institute) was registered as a society on 16 May 2006 under the Societies Registration Act, 1860. The main objectives of the Institute are to provide ultra-modern comprehensive diagnosis and treatment facilities of all types of cancer patients in the region, with strong emphasis on HRD, R&D and community service programmes. The Institute discharges its functions and responsibilities as per its Articles of Association, Rules, Regulations and Bye-laws approved by the Council of Ministers, Pattern of Assistance and rules of the Government regarding Autonomous Institutions brought into force from time to time. The main source of funds for the Institute is grants-in-aid from the Government of NCT of Delhi in accordance with approved pattern of assistance.

Clause 12 - 'General Conditions' of Pattern of Assistance governing the grants-in-aid to the Institute, stipulates that before creation of posts by the Governing Council of the Institute, approval of the Government of NCT of Delhi should be taken. The Institute may make appointments of staff as may be necessary for the discharge of duties properly and efficiently as mentioned in the Memorandum of Association. The salary and allowances for the same would be decided by the Governing Council of the Institute, in consultation with the Government of Delhi.

Audit scrutiny of records showed that the Governing Council of the Institute approved (05 December 2012) the adoption of Revised Pay Rules, 2008, with subsequent modifications thereof, if any, as per AIIMS pattern. Accordingly, the Institute revised the pay structure of its staff in accordance with the recommendations of Sixth Central Pay Commission, without consulting the Finance Department of GNCTD.

Audit further noticed that the Director of the Institute vide office order dated 27 November 2013, raised the Academic Allowance for its faculty members from ₹ 1,000 to ₹ 10,000 per month with retrospective effect from 01 September 2008. This time also, the Institute did not consult the matter with Finance Department, GNCTD. Arrear for the period September 2008 to October 2013 was paid to faculty members in the month of November and December 2013. Thus, the payment of enhanced Academic Allowance of ₹ 76 lakh (upto May 2015) by the Institute to its faculty members was irregular and unauthorised, as it contravened the provisions of the Pattern of Assistance framed and approved by the Government of NCT of Delhi.

The Institute stated (June 2015) that as per the decision of the Governing Council, pay structure of faculty members of the Institute was adopted at par with the faculty members of AIIMS and enhancement of Academic Allowance was approved by the competent authority (i.e. Director, DSIC). The reply is not acceptable as clause 12 of the Pattern of Assistance is very specific in stating that Government of Delhi should be consulted by the Governing Council in deciding the salary and allowances for the staff of the Institute.

The matter was referred to the Government in October 2015, reply was awaited (March 2016).

Department of Home

3.5 Implementation of e-challan system in Delhi Traffic Police

E-challan System suffered from data inconsistencies, deficient input control and lack of data integrity. Court decisions in respect of court challans were not updated in the system. The hand held device did not have facility for payment through credit or debit card. Weak administrative control and deficiency in the system resulted in mismatch both in number and amount of compounded challans.

3.5.1 Introduction

The main and foremost objective of Delhi Traffic Police (DTP) is to maintain traffic discipline in Delhi by providing safe and smooth flow of traffic. Traffic discipline on roads is maintained through 53 circles by enforcing traffic rules and regulations effectively. Earlier, the erring vehicles and their owners were challaned for the respective offences through paper challans with the challan books being issued in bulk to each circle for cash and court challans. The cash challans are settled on the spot on payment of the requisite penalty. Court challans are decided in the court.

In order to have a system for prosecution of traffic violations in real time, generation of prosecution reports, prosecuting habitual offenders and data maintenance, DTP switched from manual system of challaning to electronic system.

3.5.1.1 Objectives of introducing e-challan

The objectives of introducing e-challan were to:

- issue challans for traffic violation on a 24 × 7 basis;
- maintain the details pertaining to all the activities of the Traffic circles/ violations/violators;
- provide requisite structured/unstructured information to the traffic management officials as and when required;
- generate various statutory reports for the administrative use and functioning of the Traffic unit in matters of prosecution of violators and monitoring the functioning of the field officers; and
- integrate and network the system with state-of-the-art hardware and application software for the Traffic Police to access and use the information in their day-to-day work.

As per the Motor Vehicles Act, 1988, the Transport Department, GNCTD is the nodal agency for implementing the provisions of the Act in NCT of Delhi. Keeping in view the staff constraint, the Transport Department decided (December 1998) to share its compounding powers in respect of offences u/s 177 to 198 of the Act, with DTP. However, the notification delegating these compounding powers to DTP officers, did not contain any clause on how and where the revenue receipts from compounding challans, would be deposited by DTP, i.e. into the Consolidated Fund of GoI or Consolidated Fund of GNCTD. In the absence of any modalities, DTP deposited the receipts from compounding challans under the Major Head 0055-Police, 103-FFF of MHA, GoI, since the Delhi Police was receiving its annual allocations through the budget of MHA, GoI.

In November 2008, the Transport Department directed DTP to deposit the revenue receipts from compounding challans into the Major Head - 0041-Taxes on Vehicles, 101-IMV (Fee & Fine) of GNCTD, claiming it as their receipts. In response, MHA conveyed (May 2012) its approval for the change of head of account. After working out all the modalities, DTP started (November 2013) depositing the compounded amount into Major Head pertaining to the Transport Department. The revenue from compounding challans made by DTP during 2012-13 to 2014-15 is depicted in **Table 3.5.1** given below:

Table-3.5.1: Revenue from compounding challans (2012-15)

(₹ in crore)

Year	Amount deposited in MH – 0055 (GoI)	Amount deposited in MH - 0041(GNCTD)
2012-13	52.94	0
2013-14 (01 April-18 Nov. 2013)	40.53	0
2013-14 (19 Nov. 2013 to 31 Mar. 2014)	0	22.72
2014-15	0	76.42
Total	**93.47**	**99.14**

3.5.1.2 Scope of audit

Audit appraised the 'e-challan system' of DTP for the period 2012-13 to 2014-15 at DTP headquarters and–five circles[54]selected on the basis of heavy interstate movement of vehicles at border area. Main audit findings are given in the following paragraphs.

Audit findings

DTP hired (December 2012) the services of a vendor at a total cost of ₹ 14.25 crore. DTP accepted the system installed by the vendor (November 2013) for a period of three years i.e. upto 18 November 2016. As per the system, challan is made at the spot of offence through hand held device and the information is simultaneously sent to the central server and circle server through Multi-Protocol Label Switching (MPLS) technique. The hand held devices are connected to circle server as well as central server through General Packet Radio Service (GPRS). The contractor was responsible for providing the complete working system along with general maintenance of all components of the system for a period of three years.

[54]Kapashera (KHC), Narela (NC), Kalyanpuri (KPC), Seemapuri (SPC), and SaritaVihar (SVC).

As per Annexure-1 clause No.2 (n) of the agreement, the contractor shall also include in the solution, a system which may include installation of additional redundant servers and other such devices and other such measure which may be considered necessary. Audit scrutiny showed that only 43 circles were provided with server, laser printer, uninterrupted power supply, central processing unit and dumb terminals with keyboard and mouse. Remaining 10 circles (newly created in August 2014) were not provided with these facilities, in the absence of which, the circles could not generate their own database for replies and status report. However, the challans are uploaded to the nearby circles as chosen by the users.

3.5.2 Non-updation of court decisions

Clause 3.38 of the 'Expression of Interests' states that it should be possible to enter the final decision of the court (such as discharged, imposed fine, admonished, sentenced to imprisonment, etc.), using appropriate screen in the hand held device. Audit observed that though there is a provision in the system for updating it with final decisions of the court, these were not being updated in the system. The reasons for non-updation of court decisions in the system were not provided to Audit. Thus, DTP was not in a position to have complete prosecution history of offenders in the system and ensure enhanced punishment for habitual offenders of traffic violations.

3.5.3 Non-integration with bank

As per clause 6(R) of Annexure I to the agreement, the application software should allow online payment. For this, there should be an inbuilt facility in hand held device for payment through credit or debit card. However, this facility was not started as vendor did not supply the requisite hardware, though it furnished an undertaking in October 2013 to this effect. The system was then conditionally accepted by DTP on the assurance of the vendor to supply new e-challan devices with facility of payment through debit or credit cards from 18 June 2014. As intimated by DTP (July 2015), upgraded hand held devices with swipe facility were not provided by the vendor. As there was no penalty clause, DTP was not able to impose penalty for not adhering to the terms and condition of the clause.

3.5.4 Mismatch of cash challans

Audit analysis of the data of central server relating to five selected circles, showed 4,90,776 cash challans during the period 16 November 2013 to 31 March 2015. However, as per the information provided by these circles, a total of 6,37,410 cash challans were made during the same period, leaving a difference of 1,46,634 to be reconciled. DTP stated (January 2016) that the difference between the two sets of figures was due to - (i) Prosecuting Officers when transferred to new circles, continued to record challans made by them[55] with their IDs registered with the previous circles till they registered their IDs with new circles, and (ii) when an e-challan device goes out of order, it takes some time to get it repaired. In the process, data pending in the device which could not be received by central server due to connectivity problem, gets lost and cannot be recovered. Therefore, the difference in figures was due to both - weak administrative control in DTP in operating the e-challan system and the deficiency in the system to preserve data in the event of malfunctioning of devices.

3.5.5 Difference in cash balance

The prosecution amount collected by respective circles is deposited through road certificate (RC) on the following day with the Cash Branch at Traffic Headquarters. Cash Branch deposits the same into the bank on the same day and carries out monthly reconciliation with the PAO to verify the amount credited into government account. Audit scrutiny showed that while the prosecution amount reflected in cash books of two selected circles[56] was more by ₹ 3.99 lakh, in three circles[57], it was less by ₹ 7.48 lakh than what was shown by the central server for the period 16 November 2013 to 31 March 2015. Thus, inspite of having installed the 'e-challan system', DTP had no mechanism for a cross verification of compounded amounts collected from offenders and deposited in circles by Prosecuting Officers and as reflected by the central server.

3.5.6 Ineffective implementation and operation of the system

(i) System deficiencies

Data analysis of five selected circles revealed the following deficiencies in the system:

- System accepted duplicate challan number for the same challan. Seven cash challans out of 4,90,776 cash challans were entered twice, indicating deficient input control.
- Cash challan is made and settled on the spot, if offender pays the requisite penalty. However, out of 4,90,776 cash challans made by five circles, 11 were without any amount, as shown by the central server.
- In cases of court challans, the court decides the penalty for offence, collects the penalty amount and deposits the same in the Government treasury. However, Audit noticed that the system even accepted court challans with cash amount. Out of 66,324 court challans, 26,729 were with cash amount, as shown by central server which reflects processing failure.

[55] Cash is deposited in the new circle, while prosecution data goes to server of the old circle.

[56] Narela and Sarita Vihar.

[57] Kapeshera, Kalyanpuri and Seemapuri.

- System accepted same user ID in different hand held devices simultaneously. User is not restricted for logging into a single hand held device at the same time, which is basically a system security problem.
- The work of upgradation of status of the permits of commercial vehicles suspended u/s 86 of the MV Act and an alert on hand held device, had not been started as of June 2015.

(ii) Unencrypted passwords

Though password is an important aspect of computer security, in e-challan system, it was not framed either by the vendor or the DTP. The facility of automatic lapse of current password after a predefined period and enforcement by the system of periodical change of passwords after that predefined period, was not available in the system. In the absence of such a check, in five selected circles, users were using the same passwords as allotted by the vendor at the time of launching the system in November 2013. Passwords in the 'e-challan system' are non-alpha numeric and lying unencrypted in the server data base, which can be viewed by the vendor. The deficiency in the system raises the risk of misuse of hand held devices and manipulation of data by unauthorized persons.

(iii) Non-formulation of security policy of IT assets

Logical access controls are defined as a system of measures and procedures both within an organization and in the software products aimed at protecting computer resources data, programs and terminals against unauthorized access attempts. However, DTP did not formulate any IT Security Policy for its IT assets, software and data. The assets were not installed in a secured room, rather they were kept in the room of Inspector or other office staff, putting the security of data at risk.

(iv) Absence of Disaster Recovery Plan

As per clause 15.8 of the agreement, the contractor shall ensure security, safety and integrity of existing and newly captured real time data and the entire data would be the property of Delhi Traffic Police. However, audit observed that the data backup was taken by the vendor but no record of frequency of taking backup data its storage and frequency of testing and checking was maintained by DTP. Even this backup was not stored in a fireproof cabinet at an offsite place. It was stored in hard disks and kept at the same location where the server is located. It was further observed that DTP did not formulate and document any disaster recovery plan.

3.5.7 Non-compliance of terms and conditions of the contract

(i) Non-conducting of internal audit: As per clause 15.12 of the Agreement, the contractor shall ensure that the entire software and hardware system should be got audited from auditors empanelled with the IT Department etc., for process as well as security audit before launch. Thereafter, security audit must be got done every year during the contract period. However, no such audit of the system was done.

(ii) Non-maintenance of audit trails: As per clause 5(e) of Annexure-I of the Agreement, the application software should maintain the logs of the user activities to facilitate the audit trail. For effective monitoring and control over the system, maintenance of audit trail is essential for supervising actions of all the users. The DTP intimated in May 2015 that audit trail was maintained by the vendor. However, no record in respect of maintenance of audit trail was furnished to Audit.

(iii) Machines lying unrepaired: As per clause 10.2 of the Agreement, on receipt of a complaint from user unit, the engineer of vendor should reach the spot within three hours positively for repair or replacement of hand held device. The purpose of inserting this clause in the Agreement was to ensure that all hhds remain always functional and available for use. Scrutiny of stock register, however, showed that 252 out of total 1,199 hand held devices were lying dysfunctional in the store as of May 2014. Since when these hand held devices were lying unrepaired was also not recorded in the register, nor was their latest status available. Evidently the vendor had not complied with the agreed condition of 'on the spot repair or replacement of hand held devices'.

(iv) Inadequate training: Clause 9 of the Agreement states that the vendor will impart training on application software of hand held devices at circle server level and also for applications at Traffic Headquarters level. The training should predominantly consist of 'Hands on' sessions for training of trainers. Audit, however, noticed that there was no prescribed schedule for the training. All the five selected circles intimated (May 2015) that no practical training for operation of hand held devices and no 'hands on' training for trainers was imparted.

The matter was referred to the Government in December 2015, reply was awaited (March 2016).

Department of Information Technology

3.6 Implementation of the Right to Public Services Legislation

Implementation of Right to Public Services Legislation was tardy, as competent officers and appellate authorities were not appointed and all notified services were not being processed online. Timelines were not fixed for each stage for time bound delivery of services and competent officers were not vested with powers to make payment of compensation for delayed services. There were deficiencies in uploading of data on e-SLA (electronic-Service Level Agreement) *viz.* giving incomplete or incorrect information, incorrect depiction of timelines and rejection of applications after lapse of prescribed time for delivery of services. Services were delivered with delay, but neither citizens were paid any compensation nor were defaulters penalized.

The Government of National Capital Territory of Delhi notified (April 2011) 'The Delhi (Right of Citizen to Time Bound Delivery of Services) Act, 2011 (the Act)' for time bound delivery of services or payment of cost or compensation for delay in delivery of notified services to the citizens in the National Capital Territory of Delhi. The Act mandates every department of GNCTD to maintain status of all applications governing citizen related services online and entitles the citizens to obtain and monitor the status of their applications online. The GNCTD notified (September 2011) Rules and introduced a dedicated portal 'e-SLA (electronic-Service Level Agreement) monitoring system' for the purpose of checking, tracking and monitoring of the status of applications. As of November 2015, GNCTD had notified 361 services of various departments under the Act.

With a view to appraising the implementation of the 'Right to Public Services Legislation', Audit divided the notified services into two parts. Part A covers 208 services of 17 departments and Part B covers 153 services of 20 departments. For the current report, Audit selected a sample of 25 services of nine departments from Part A and examined records covering the period 2011-15 **(Annexure 3.1).** Main audit findings are discussed in the following paragraphs.

3.6.1 Non-implementation of provisions of the Act and Rules

Section 6 of the Act envisages that the Government shall endeavor and encourage all the departments, local bodies and authorities to deliver citizens related services in a stipulated time period as part of e-governance. The Department of Information Technology is responsible for overall coordination and monitoring the implementation of provisions of the Act.

3.6.1.1 Non implementation of online system for processing applications: Out of 208 notified services of 17 departments, no data of 83 services was available on the e-SLA monitoring system. Of the selected 25 services of nine departments, nine services relating to four departments[58] **(Annexure 3.2)** were not being processed on e-SLA system. Besides, in two cases relating to the Department of Drug Control, though being processed on e-SLA system, names of two services[59] and status of applications were not available on public interface on the online portal accessible to the citizens due to improper implementation of e-SLA system,. The failure of the departments to implement online system kept the notified services out of the provisions of Act and Rules.

3.6.1.2 Partial uploading of data on e-SLA portal: Three services of DJB, namely - New Water Connection (domestic), Disconnection of Water Connection and Mutation of Water Connection, were notified under the Act in December 2011. As per information provided by DJB, 1.87 lakh applications were processed for the period January 2012 to July 2015. However, as per the e-SLA data retrieved from the system, only 21,581 applications of these services were processed during 27 December 2011 to 23 July 2013. The DJB did not upload data on e-SLA since then, for which reasons were not furnished to Audit, though called for.

3.6.1.3 Non-fixing of stage wise timelines for time bound delivery of services: As per Section 9(1) of the Act, the competent officer notified under the provisions of the Act is empowered to impose cost on the government servant defaulting or delaying the delivery of services. Further, in terms of Rule 5, it shall be lawful for the Head of the department to devise a work flow with timelines for the respective government servants at defined stages for the time bound delivery of services. However, Audit observed that out of nine selected departments, only two departments *viz.* Directorate of Education and Department of Information Technology had devised timelines for processing of applications. Three departments[60] were not processing the applications on e-SLA system. Department of Trade & Taxes (DT&T), Department of Excise, Entertainment and Luxury Tax and Department of Drug Control, though processing applications on e-SLA, did not devise timelines to be achieved by respective government servants at each defined stage.

The Delhi Jal Board (DJB) notified three services[61] since December 2011, but it fixed timelines with effect from 24 February 2014 in respect of only one service - 'New water connection'. DJB did not provide information in respect of other two services. In the absence of any fixed timelines for government servants for defined stages of delivery of a service, identifying the defaulting and delaying employee and recovery of the compensatory cost was not possible.

[58]Drug Control, Training & Technical Education, Women & Child Development, Higher Education.

[59](i) Grant of licence for sale of homoeopathic drugs, and
(ii) Grant of licence for sale of schedule X drugs.

[60]Training & Technical Education, Women & Child Development, Higher Education.

[61]Disconnection of water connection, Mutation of water connection and New water connection.

The Department of Excise stated (September 2015) that the devising of timeline mapping was under process and would be implemented at the earliest. The DT&T stated (October 2015) that such timeline mapping was not required. The reply is not acceptable in view of the provisions of Rule 5 mentioned above.

3.6.1.4 Non-conferring the power of DDO on competent officer: Section 9(2) of the Act stipulates that the Government shall for the purpose of payment of cost, confer the powers of drawing and disbursing officer on the competent officer in accordance with the law. Audit observed that the DT&T and the Department of Excise appointed the competent officers in December 2014 and May 2014 respectively with the powers to impose penalty on defaulting government servants. However, the power of drawing and disbursing officer for making payment of compensation cost to the citizens was not conferred on them, resulting in non-payment of cost to the aggrieved citizens and consequently non-recovery of the same from the government servants.

The Department of Excise stated (September 2015) that the order had been issued on 29 September 2015 for payment of cost or compensation from the imprest money lying with the competent officer. Reply is not tenable as the said order does not confer the power of DDO on the competent officer, but merely states that payment may be made from imprest money lying with him.

3.6.1.5 Non-execution of instructions issued by the IT Department: As per instructions issued by the IT Department (May 2014), Heads of Departments (HoDs) were required to issue internal orders regarding appointment and designation of competent officer, appellate authority and internal work flow mapping with timelines for time bound delivery of notified services. Internal orders were also to cover preparation of notice board for displaying information regarding services along with name of competent officer, number of days for disposal as per e-SLA and setting-up of Help Desk to guide the citizens and making available imprest money with competent officer for payment to citizens as compensatory cost in case of default or delay in delivery of services.

Audit observed that only DJB had complied with all these instructions. The Department of IT and Directorate of Education confirmed the compliance except constitution of the imprest money. The DT&T and the Department of Excise appointed the competent officers only in December 2014 and May 2014 respectively, but did not comply with remaining requirements. The information on compliance of these instructions, though called for, was not provided by the four selected departments. Thus, due to delay and partial implementation of the instructions of the Department of IT, no compensatory cost for delay in delivery of services was paid to the affected citizens.

The Department of Excise stated (September 2015) that order for imprest money had been passed on 28 September 2015. But the reply was silent on other points.

3.6.2 Notification of services

Under Section 3 of the Act, the IT Department had been amending the schedule of services appended to the Act, from time to time, for bringing various services under the purview of the Act. Audit observed the following:

3.6.2.1 Notification of non-existent service: Seven services of the Directorate of Training & Technical Education were added to the schedule of Act in August 2014. However, as intimated by the Directorate of Training & Technical Education, one service - 'Issue of Eligibility Certificate' which did not exist was notified.

3.6.2.2 Notified services not under administrative control of the department: Department of IT being the implementing agency collects data of services from concerned departments to be integrated into e-SLA system by the National Informatics Centre (NIC). Uploading of status of applications is done by the concerned departments on their servers, which are then uploaded into e-SLA system either manually or automatically.

Audit observed that the IT Department notified (August 2014) four services[62] relating to colleges of University of Delhi, under the Directorate of Higher Education, though the Directorate was not dealing with these services. To an audit query, the Directorate clarified (June 2015) that these colleges are hundred *per cent* financed by GNCTD without administrative control, but are governed by UGC and University of Delhi. It added (September 2014) that the IT Department had already been informed about the incorrect depiction of services in the notification.

3.6.2.3 Services notified without providing manpower and infrastructure: Three out of six services of the Drug Control Department and all the three services of the Department of Women & Child Development were not processed on e-SLA system. In their reply, the departments stated (August 2015) that processing of services on the e-SLA system could not be implemented due to shortage of infrastructure and manpower.

3.6.3 Uploading and online processing of applications

Rule 3 of the Delhi (Right of Citizens to Time Bound Delivery of Services) Rules, 2011 stipulates that on receipt of application complete in all respects, the official concerned shall immediately scrutinize the application and if found in order, will upload the entire information of the application in the database on the same day and generate the computerized application ID and convey the same to the applicant. All such applications received by the department and uploaded on the server of the department, shall be further uploaded on 'e-SLA monitoring

[62](i) Issue of no due certificate (ii) Issue of provisional certificate (iii) Issue of study certificate/bonafide certificate (iv) Issue of character certificate.

and tracking system'. As per Rule 4, delay beyond the prescribed time in the delivery of service is calculated automatically by the e-SLA system, for which the competent officer shall ensure to pay the compensatory cost to the applicant. Audit observed the following:

3.6.3.1 Incorrect/delayed updating of data

Audit scrutiny showed that out of 21,581 applications on e-SLA system of DJB, 326 cases pertaining to the year 2012 and 2013 were shown to be awaiting disposal. Audit scrutiny further showed out of 326 applications, 40 cases had been actually disposed, but their status was not updated on e-SLA. This shows lack of input controls and delay in uploading of data. Department's reply was awaited (March 2016).

3.6.3.2 Incorrect depiction of prescribed time for delivery of services: The notification issued by the IT Department on 13 August 2014, prescribed 30 days for the delivery of permit P-14 and P-15 for import and transport of liquor. However, Audit observed that the Department of Excise depicted on its server, a time of 45 days instead of 30 days, for delivery of these permits.

The Department of Excise stated (September 2015) that issue of incorrect depiction of time for various services had been taken up with NIC and would be rectified at the earliest.

3.6.3.3 Cancellation of applications after lapse of time notified for delivery of service: Audit scrutiny of database showed that the DT&T cancelled 4,546 applications (for registration under the DVAT Act and the Central Sales Tax Act), after the expiry of prescribed time fixed for delivery of services. This was irregular as these applications could be uploaded on the e-SLA system only after scrutiny. Applications which were uploaded and accepted by e-SLA system were the cases where department should have delivered the service within the prescribed time. Rejecting these applications after expiry of prescribed time for delivery of services and without assigning any reason, was against the very intent of the Act.

3.6.4 Delivery of notified services

Section 7 stipulates that every government servant who fails to deliver the citizen related services within the stipulated time, shall pay to the citizen the cost at the rate of ₹ 10 per day for the period of delay subject to maximum of ₹ 200 per application. Further, as per the Rules made under the Act, the competent officer shall ensure to pay the compensatory cost calculated automatically through e-SLA system, to the citizen in case of delay in the delivery of service.

3.6.4.1 Delay in delivery of services: Audit analysed the e-SLA data of six out of the nine selected departments and also test checked relevant records in these departments. Out of 12,62,137 cases processed on e-SLA, there was delay in delivery of services in 23,714 cases in five departments (Drug Control Department, Directorate of Education, DJB, DT&T and Department of Excise), with the maximum delay being over 3 years **(Annexure 3.3)**. Department's reply was awaited (March 2016). In terms of the Act, as worked out, an amount of ₹ 32.77 lakh should have been paid as compensatory cost to the citizens and the same should have been recovered from the defaulting government employees **(Annexure 3.3)**. However, the departments neither paid any amount as cost to the citizens nor recovered it from the employees responsible for delay in delivery of services.

The matter was referred to the Government in December 2015, reply was awaited (March 2016).

3.7 e-Procurement Mission Mode Project of GNCTD

e-Procurement Application of DoIT failed to obviate the need for manual intervention during the e-tendering process defeating the very purpose of the application. The application lacked required input controls and validation checks, resulting in incompleteness and inconsistencies in the database.

The Department of Information Technology (DoIT) of GNCTD envisaged e - Procurement to establish a one stop-shop for all services related to Government procurement, enhance efficiency and transparency, reduce cycle time and cost of procurement. It adopted the e-Procurement application developed by the National Informatics Centre (NIC) in May 2011. All departments of GNCTD were asked (May 2011) to follow NIC e-Procurement System for tenders having value above ₹ 2 lakh for procurement of goods, works and services. To participate in the bidding process, bidders were required to be registered as user of the application. The DoIT had earlier fixed the rate of registration fee at ₹ 6,000 per annum, which was increased to ₹ 7,000 from February 2012. However, the levy of registration charge and subsequent increase in it, had not been notified by the Government as of January 2016.

The audit of the e-Procurement system of GNCTD, covering the period from May 2011 to January 2015, was conducted to ascertain whether the project was implemented after due planning, whether the objectives as envisaged were achieved and whether manual intervention was avoided to enhance transparency and data was complete and reliable.

Audit examined database containing 74,939 tenders (of all departments) provided by DoIT, using Computer Assisted Audit Techniques (CAATs). For physical verification of observations noticed during data analysis, Audit selected 22 out of 662 auditee units (using Monetary Unit Sampling) which were using e-procurement system. The selected units pertained to seven departments/agencies[63] from which 1,983 tender files were requisitioned for this purpose, but only 1,847 tender files were made available to Audit.

3.7.1 Planning and Implementation of e-Procurement project

The e-Procurement solution of NIC was introduced as a mission mode project under National e-Governance Plan (NeGP). The NIC launched the e-Procurement website in April 2011 and the Delhi e-Governance Society (DeGS) was made the nodal agency for monitoring the project. DeGS collected ₹ 15.57 crore from the bidders as registration charges[64] on behalf of DoIT which was not yet (January 2016) transferred to Government treasury. Audit observed following deficiencies:

- The cost of NIC application was ₹ 329.50 lakh for initial three years (2011-14) and was increased to ₹ 387.07 lakh for the next three years (2014-17). However, DoIT did not have any formal Memorandum of Understanding (MoU) with the NIC for implementation of e-Procurement solution.
- Some of the departments (*viz.* Delhi Transco Limited, Public Works Department, etc.) were charging tender fee which was contrary to the decision (July 2011) of DoIT, not to charge cost of tender document available online.
- The onus of the data rests with the DoIT. However, it had neither any access to the database, nor got incorporated any Management Information System (MIS) module in the application. Disaster recovery plan was also not formulated.

3.7.2 Manual intervention at various stages defeated the purpose of e-Procurement

e-Procurement was envisaged to automate tender stages *viz.* publishing of tenders, bidding, technical evaluation, financial evaluation and award of contract. However, Audit noticed that manual intervention at various stages of procurement process reduced transparency defeating the very purpose of the application as detailed below:

- In the absence of various parameters required for technical evaluation of bids submitted by bidders, they were required to upload requisite documents, which were subsequently downloaded by the respective departments for

[63] Delhi State Industrial and Infrastructure Development Corporation, Delhi Transco Limited, Delhi Jal Board, Public Works Department, Irrigation and Flood Control Department, Department of Forests and Wild Life, and Department of Excise, Entertainment and Luxury Tax.

[64] ₹ 15.57 crore (₹ 3.54 crore in 2011-12, ₹ 3.74 crore in 2012-13, ₹ 3.93 crore in 2013-14 and ₹ 4.36 crore in 2014-15).

manual evaluation and the result of such evaluation is then fed into the system.

- The database even after award of the contract (AOC) showed tenders at various stages *viz.* 'Technical opened', 'Financial opened', 'Technical evaluation', 'Financial evaluation', etc. Audit observed that in 33,155 records, AOC was not updated. Physical verification of 1,227 out of 1,373 records provided to Audit showed that the departments were awarding tenders manually, after generating comparative statement from the system.

3.7.3 Absence of input controls and validation checks

Input controls and validation checks ensures that data is entered correctly and completely at the first place. However, Audit observed that these were absent in the application as below:

- In 607 out of 5,132 records, 'contracted value' was above the value quoted by vendors. Physical verification of 10 out of 15 records provided to Audit, showed that the inconsistency was due to data entry mistake in online system.
- The application had no utility to facilitate mapping of new Digital Signature Certificate[65] (DSC) during the validity of the lost/corrupted DSC leading a vendor either to wait till the expiry of the previous DSC or to re-register himself by paying registration fee afresh. Further data analysis showed that in 62,821 out of 4,95,303 records of bids, the application did not capture DSC details.
- The estimated cost was shown as zero in 23,141 out of 91,779 records of work items.
- In 19,229 records (including 235 records where the 'tender submission-open date' and 'tender submission-close date' were the same), inadequate time was provided to bidders in contravention of provisions[66] of CPWD manual.
- In 61 out of 76,941 records, the verification date was not captured, indicating that tender documents in these cases might have not been verified. In 815 out of 91,635 records, date of opening of financial bids was left blank.
- In 7 out of 2,232 records, the field for date of birth was left blank. Age of the contractor was below 18 years in 44 records and 180 users registered more than once, leading to 403 duplicate records. It was also observed that

[65]Digital Signature Certificate (DSC) is needed by vendors to login and use the application.

[66]As per CPWD manual, the time limits between the date of publication of tender and the date of receipt of the tenders are prescribed as 7 days, 10 days, and 14 days for works valuing up to ₹ 20 lakh, ₹ 2 crore, and more than ₹ 2 crore respectively.

users were leaving half-filled pages during registration process, leading to redundant data accumulation.

- Out of 4,95,303 records of bids; in 1,24,669 records bids were accepted financially but financial data was not captured; in 163 records, bid submission dates were beyond permissible range of dates; in 12,599 records, financial bids of those contractors were also found to have been opened, whose bids were rejected.

The matter was referred to the Government in February 2016, reply was awaited (March 2016).

Irrigation and Flood Control Department

3.8 Unfruitful expenditure of ₹ 1.47 crore

Failure of the department to ensure hindrance free sites before awarding two works, resulted in non-achieving of intended purpose despite incurring ₹ 1.47 crore.

Para 4.2 of CPWD Manual (Volume II) stipulates that availability of the site should be ensured at the planning and designing stage of the work itself. Besides, para 3.3(2) of CPWD Manual (Volume II) stipulates that estimates should be sent to the client department after fully ascertaining the necessary site and topographical details, technical feasibility etc. However, scrutiny of records in Civil Division-I of Irrigation and Flood Control Department (IFCD) showed that two works had to be foreclosed due to non- availability of hindrance free sites. Cases are discussed below:

(i) The Executive Engineer (XEN), Civil Division-I, IFCD, awarded (January 2013) a work of 'construction of outfall storm water drain along right side land boundary of Najafgarh Drain from RD-32,300M to 37,147M for connecting incoming drain from Hastsal and Rajapur Khurd village', at a tendered cost of ₹ 4.02 crore, to be completed by 28 October 2013. The purpose of the work was to mitigate the flooding problem in Nawada, Rajapur and Hastsal villages, caused by incomplete drainage system.

The contractor intimated (November 2013) that work at available part of site had been completed and further work was stopped due to hindrance at site. The residents of adjoining houses did not allow further execution of work as that might damage foundations of their houses. The work was finally foreclosed (August 2014) with retrospective effect from December 2013. At the time of foreclosure, only 20 *per cent* of the work valued at ₹ 0.89 crore, was completed. The partially completed work failed to serve the original purpose and was only catering to the drainage from adjoining colonies temporarily. Thus, despite incurring

₹ 0.89 crore, construction of outfall storm water drain could not be completed on full length along Najafgarh Drain and had to be abandoned midway due to hindrance on site, defeating the intended purpose of alleviating the problem of drainage congestion in Nawada, Rajapur and Hastsal villages.

The department stated (August 2015/March 2016) that all possible efforts were made to overcome the concerns of local residents, adding that executed work was not infructuous, as it was catering to the drainage from adjoining colonies. The reply is not tenable as non-completion of work defeated the very purpose of the expenditure.

(ii) The XEN (Civil Division-I, IFCD) awarded (February 2012) a work 'development of park on Gaon Sabha Land of village Ghumanhera in Najafgarh Block', at a cost of ₹ 0.91 crore to be completed by 26 August 2012. The contractor commenced the work according to details of items specified in the Details of Measurements. During execution of work, residents of village objected to the demarcation on site, done by the Revenue Department and requested for re-demarcation. Work of construction of boundary wall on western side of the park, was stopped by villagers claiming 20 ft wide *rasta* upto main Ghumanhera-Shikarpur road. Despite the repeated requests for proper demarcation of concerned *khasra* to settle the dispute, no decision was received from the Revenue Department till July 2012. The department finally foreclosed the work with retrospective effect from July 2012. However, by then, contractor had completed 63 *per cent* of work and was paid ₹ 0.58 crore (June 2012). Thus, the failure of the Division to ensure a hindrance free site before award of the work, resulted in unfruitful expenditure of ₹ 0.58 crore.

The department stated (August 2015/March 2016) that due to improper demarcation by the Revenue Department, it had to foreclose the work. Reply is not tenable as the department should not have awarded the work till the demarcation issue was resolved.

Thus, failure of the department to adhere to the codal provisions of CPWD manual of ensuring hindrance free sites before awarding two works, resulted in unfruitful expenditure of ₹ 1.47 crore.

The matter was referred to the Government in October 2015, reply was awaited (March 2016).

Department of Labour

Delhi Building and Other Construction Workers Welfare Board

3.9 Idling of cess fund of ₹ 1,691 crore collected for welfare of construction workers

Efforts of the 'Delhi Building and Other Construction Workers Welfare Board' in identifying and registering construction workers were inadequate. The laxity on the part of the Board not only resulted in cess funds of ₹ 1,691 crore lying idle, but also in depriving the construction workers of intended benefits.

The Building & Other Construction Workers (Regulation of Employment and Conditions of Services) Act, 1996 was enacted with a view to regulating the safety, health, welfare and other conditions of service of construction workers.

In pursuant to the decision taken in the 41st Labour Ministers' Conference held on 18th May 1995, The Building & Other Construction Workers Welfare Cess Act, 1996 was enacted by the Parliament for the levy and collection of a cess on the cost of construction incurred by employers, with a view to augmenting the resources of the Boards, constituted under the Building & Other Construction Workers (Regulation of Employment and Conditions of Services), Act, 1996.

In Delhi, the Building & Other Construction Workers Welfare Board (the Board) was constituted on 2 September 2002 to run various welfare schemes for construction workers. After constitution of the Board, various Government authorities, PSUs and other private agencies have been depositing the cess with the Board, based on the construction cost of their projects. In addition, the Board gets registration and renewal fee from construction workers and interest on the deposits.

Audit scrutiny of records showed that since its inception, the Board had received cess aggregating to ₹ 1,860.88 crore upto August 2015. During this period, the Board could utilise only ₹ 64.94 crore (₹ 55.25 crore on welfare schemes and ₹ 9.69 crore on administrative expenses). Apart from this, ₹ 104.91 crore was deducted as 'Tax Deduced at Source (TDS)' from the interest income of the Board. Thus, out of available ₹ 1,746.28 crore (₹ 1,860.88 crore - ₹ 9.69 crore - ₹ 104.91 crore), amount utilized on welfare schemes for construction workers was only ₹ 55.25 crore, which works out to a meagre 3.16 *per cent* of the available funds. On the other hand, inspite of slow pace of expenditure on welfare schemes, the administrative expenditure of the Board was ₹ 9.69 crore which was beyond the permissible limit of 5 *per cent* (₹ 8.49 crore) of the total expenses of ₹ 169.85 crore of the Board.

The main reasons for the poor utilization of funds were - as of June 2015, Board could register only 2,86,449 construction workers (29 *per cent*) against estimated 10 lakh construction workers in Delhi and less receipt of applications from construction workers for availing benefit of welfare schemes. Though, the Board runs 18 welfare schemes for construction workers, they are availing benefit of only seven schemes. However, the Board did not initiate adequate steps to identify and register all the construction workers or to spread awareness of the scheme among the workers.

The issue of less registration of construction workers and the absence of a mechanism with the Board for mapping all the construction workers in Delhi, was highlighted in Paragraph 3.4.5 of the CAG's Audit Report on GNCTD for the year ended 31 March 2012. Nevertheless, the Board failed to initiate effective measures to bring all the construction workers under the umbrella of the welfare schemes being run by it. The laxity on the part of the Board not only resulted in Cess Fund of ₹ 1,691 crore lying idle, but also in depriving the construction workers of intended benefits.

The Board stated (August 2015) that the Labour Department had organized 488 registration camps till August 2015 to register construction workers. In order to encourage registration of construction workers, the Board had taken various publicity measures, like broadcasting of various welfare schemes on FM radio channels, advertisements in various newspapers, distribution of handbills and handouts in Hindi at various construction sites on which ₹ 2.69 crore were spent. Reply is not acceptable in light of the facts brought out above which clearly point out that the efforts of the Board in identifying and registering construction workers were inadequate.

Public Works Department

3.10 Irregular expenditure of ₹ 1.64 crore in violation of conditions of the contract

Public Works Department, GNCTD, incurred irregular expenditure of ₹ 1.64 crore over and above 1.25 times of the tendered amount in the maintenance works against the condition of the contract.

As per the general conditions included in the contract agreements of works executed by the Public Works Department (PWD) during the years 2013-15, the completion cost of any agreement relating to maintenance works including upgradation, aesthetics, special repair, addition, alteration, upgradation/improvement of footpath and central verge, improvement of carriage way by patch repair or annual/periodical repairs of road surface and annual repair and maintenance of works pertaining to road, should not exceed 1.25 times the tendered amount. The NIT approving authority should fill-up the type of work in the clause 12 of Schedule 'F' of the agreement.

Audit test checked records of five works relating to improvement and annual repair and maintenance of roads executed by two Civil Road Maintenance

Division (CRMD M-213 and M-311) of PWD. The NIT approving authorities mentioned all these works as maintenance works in the Schedule 'F' of the contract agreements, for which completion cost was not to exceed 1.25 times the tendered amount. Details are given in **Table 3.10.1 below**:

Table: 3.10.1: Details of maintenance works where completion cost exceeded 1.25 times the tendered amount

(₹ in crore)

Sl. No.	Agree-ment No.	Name of work	Tendered amount	1.25 times of the tendered amount	Actual pay-ment made	Irregular expenditure	Type of work as mentioned in the schedule 'F'
CRMD M 213							
1	31/13-14	Improvement of Road and drainage system of Yamuna Vihar Dividing Road and DTC Depot Road taken over from EDMC	4.03	5.04	5.87	0.83	Up gradation work
2	1/14-15	Improvement of Embankment at MB Road from Shastri Park to Khajuri Chowk damaged by Flood & Rain	0.74	0.93	1.18	0.25	Up gradation work
3	24/14-15	Improvement of footpath of link road from Road No.64 to 68 in front of GTB Hospital gate No.4 to 9	0.63	0.79	0.80	0.01	Maintenance and Up grada-tion Work
CRMD M-311							
4	6/13-14	Improvement of Swami Narayan Marg from Gulab Singh Marg to Ashok Vihar crossing SH: Improvement of main carriage, drainage system, footpath and center verge	7.43	9.28	9.45	0.17	Maintenance Work
5	39/13-14	Improvement of Tawetia Marg SH: Strengthening of carriage way and improvement of drain and footpath	2.97	3.72	4.10	0.38	Maintenance work
					Total	**1.64**	

As evident from above, the completion cost of works exceeded over and above 1.25 times of the tendered amount against the provisions of the contract conditions, resulting in irregular expenditure of ₹ 1.64 crore.

The department stated (February 2015) that two works (M-311) were actually Project Works and could not be treated as Maintenance Works, whereas Chief Engineer (M-213) stated (August 2015) that due to typographical error on part of the division, all the three works were mentioned as upgradation/maintenance work in Schedule 'F' of the contract agreement.

Replies are not acceptable as the NIT approving authorities mentioned these works as maintenance works in Schedule 'F' in accordance with the condition of contract agreements.

The matter was referred to the Government in August 2015, reply was awaited (March 2016).

3.11 Unfruitful expenditure of ₹ 95.15 lakh

Failure of PWD to carry out a proper feasibility study before awarding the work of providing and installing escalators, resulted in unfruitful expenditure of ₹ 95.15 lakh.

The Public works Department conveyed (October 2008) Administrative Approval and Expenditure Sanction (AA&ES) for ₹ 5.19 crore for the work - 'Construction of foot over Bridge with staircase, ramp and escalators across Ring Road at Shalimar Bagh, near Kendriya Vidyalaya'. Under this sanction, an estimate for ₹ 2.92 crore for the electrical work - 'SH: Providing escalators', was technically sanctioned by the Superintending Engineer (EM Circle M-35) in September 2009 and the work was awarded (June 2010) to a firm by the Executive Engineer (EM Division M-354) at a tendered cost ₹ 1.67 crore with stipulated date of completion as 9 March 2011.

As per terms and conditions of the contract agreement, 80 *per cent* payment was to be made on receipt of the material and 10 *per cent* each after installation and successful testing and commissioning of the system. After two escalators alongwith components (costing ₹ 59.47 lakh each set) were supplied by the contractor, payment of ₹ 95.15 lakh (80 *per cent* of ₹ 118.94 lakh) was released in January 2012. Audit scrutiny of relevant records showed that the installation of these escalators was withheld on the instructions of the then Chief Engineer on the ground that the area where the escalators were proposed to be installed was infested by anti-social elements and there was an apprehension of theft, damage or vandalism to the costly installed components. Consequently, escalators alongwith all components (29 boxes) were lying idle in the sub-division office of PWD at Mukarba Chowk.

Thus, the failure of PWD to carry out a proper feasibility study and visualize the social situation in the surroundings of proposed site before awarding the work of providing and installing escalators, resulted in unfruitful expenditure of ₹ 95.15 lakh, as escalators could not be installed even after over four years of their receipt and were lying idle losing their shelf life every day.

On this being pointed out, Superintending Engineer and Chief Engineer issued circulars (February and May 2015 respectively) to other zones of PWD, exploring any possibility for utilization of these idle escalators. The Executive Engineer (EM Division M-353N) stated (August 2015) that the possibility of using these escalators at Foot over Bridge (FOB) in Swroop Nagar was being explored, adding that if it was not considered feasible at that site, other options would be explored. Chief Engineer further stated (September 2015) that feasibility of installation of escalator was being explored and the same would be used very shortly in one of the ongoing project or upcoming project.

The matter was referred to the Government in August 2015, reply was awaited (March 2016).

3.12 Wasteful expenditure due to foreclosure of work

Failure of the department to adhere to codal provisions regarding availability of clear site before award of work, resulted in foreclosure of the work and wasteful expenditure of ₹ 72.32 lakh.

In terms of para 15.1(2) of the CPWD Manual, before approval of Notice Inviting Tender (NIT), availability of clear site, funds and approval of building plans from local bodies, should be ensured. Clear site implies availability of land for intended purpose in terms of land use norms.

Audit scrutiny of records showed that Division M-422 of PWD invited (September 2013) tenders for the work "Construction of 40 numbers of Semi-Pucca Structure (SPS-D/S) of classrooms with staircase, toilets block and space for drinking water at Government (Co-Ed) Senior Secondary School, Bhatti Mines, Sanjay Colony, New Delhi" at an estimated cost of ₹ 4.01 crore. The work was awarded (January 2014) at a tendered cost of ₹ 3 crore to be completed by September 2014. However, when the work was in progress; the Deputy Conservator of Forest (South), Delhi intimated (February 2014) Deputy Commissioner of Police (South Delhi) that ongoing construction work in the Government (Co-Ed) Senior Secondary School, Bhatti Mines, was illegal, since *khasra* number 1910 on which the school was located is part of the land which had been notified[67] as Wildlife Sanctuary. As the matter could not be sorted out, the work was stopped with effect from 20 March 2014 and finally the Executive Engineer, M-422 foreclosed the work contract on 20 December 2014 with the approval of the competent authority. The contractor was paid ₹ 72.32[68] lakh for the work done before foreclosure of the contract.

The Executive Engineer, M-422 intimated that the Government (Co-Ed) Senior Secondary School, Bhatti Mines, New Delhi was established in the year 1982-83 on land donated to the Delhi Administration by the Gram Panchayat of Bhatti village, Sanjay Colony, in June 1986. However, the Delhi Administration notified the land of Bhatti village as 'Wildlife Sanctuary' in January 1991, i.e. nine years after the establishment of the school.

Thus, PWD failed to ensure availability of a clear site for the work, before approving and issuing NIT. It awarded a work to be executed on a land which was a part of the Wildlife Sanctuary notified under the Wildlife (Protection) Act, 1972. The failure resulted in foreclosure of the work and wasteful expenditure of ₹ 72.32 lakh.

The matter was referred to the Government in September 2015, reply was awaited (March 2016).

[67]Vide notification no. F. 2 (19)/DCF/90-91/1382-91 dated 15.1.1991. Under section 18 of the Wildlife (Protection) Act, 1972

[68]1st RA Bill for ₹ 49.20 lakh on 15.04.2014 and 2nd & final RA Bill for ₹ 23.12 lakh on 29.01.2015.

3.13 Inadmissible payment of ₹ 8.54 crore

The Public Works Department paid for inadmissible excess quantity of 10,131.37 cum in resurfacing of road work after allowing variation of more than 5 *per cent* of permissible limit, amounting to ₹ 8.54 crore.

The Civil Road Maintenance Division M-213 of Public Works Department (PWD) awarded (February 2009) the work of "Resurfacing by *hot-in-situ* recycling of existing bituminous layer of various roads under maintenance' at a tendered cost of ₹ 17.68 crore. The work was completed on January 2012 and final payment of ₹ 20.07 crore was made in November 2014.

Audit scrutiny showed that as per clause 7 of Additional Condition of "Resurfacing of Existing Bituminous Surface by Hot-in-Situ Recycling" of the contract agreement, a variation of 5 *per cent* was permissible over the recommended quantity of new mix to be added. Further, as per the Schedule of Quantity, 'Resurfacing bituminous pavement by hot-in-place recycling technique' was to be executed by adding additional dense bituminous concrete at the rate of 35 *per cent* of total mix in ratio of 35:65 (35 additional mix: 65 milled mix) for 50 mm of Dense Bituminous Concrete (DBC) against which contractor quoted the rate of ₹ 362.84 per square meter. Further, cost adjustment for variation of additional mix over prescribed 35 *per cent* in DBC was to be regulated for variation in quantities of additional mix of new mix material.

As per pre-bid conference held on 3 September 2008, the issue of increasing the variation from 5-7 *per cent* to 10 *per cent* was not accepted by the department. However, in the final bill, the quantities of 2,71,351.62 square meter of DBC was executed against which ₹ 10.33 crore was paid. In addition, additional mix of new mix material of 10,630.37 cum was executed for DBC for which additional cost of ₹ 8.96 crore was paid. The details of inadmissible payment are given in **Table 3.13.1**:

Table 3.13.1: Inadmissible payment made for resurfacing of road work

Quantity executed (sqm)	Quantity to be executed as per permissible limit (5 *per cent*) (Cum)	Quantity actually executed (Cum)	Rate (₹)	Total amount paid for additional mix	Inadmissible payment (₹)
1	**2**	**3**	**4**	**5(3x4)**	**6 (3-2) x 4**
2,71,351.62	499 (Column 1× 0.05 × 0.35 = 4,749 + 5% variation = 4,986. In the estimates 10 *per cent* provision was made and items restricted to 499 cum)	10,630.37	8,844.37 - 4.70 *per cent* =8,428.68	₹ 8.96 crore	10,630.37 (-) 499 = 10,131.37 × 8,428.68 (quoted rate) = ₹ 8.54 crore.

Thus, against the permissible limit of five *per cent,* excess quantity of 10,131.37 cum (2,030 *per cent*) was executed and paid, resulting in inadmissible payment of ₹ 8.54 crore in contravention of contract conditions.

Department stated (August 2015) that variation of five *per cent* was not related to the total of additional quantity of fresh mix required, but it referred to the tolerance in the quantity of fresh mix added and not for the total quantity including that required for the profile correction/overlay thickness. It further stated that cost adjustment item for variation of additional mix was available in the agreement to cater to the requirement of additional mix for difference in profile correction and quantity used as more overlay thickness.

Reply is not tenable as the payment for quantities of material actually executed was to be restricted to five *per cent* as per the condition of the contract.

The matter was referred to the Government in September 2015, reply was awaited (March 2016).

3.14 Avoidable extra expenditure of ₹ 1.71 crore

Injudicious decision of PWD to go for higher specification of paver blocks on an area which was to be used for parking of vehicles resulted in avoidable extra expenditure of ₹ 1.71 crore.

The Civil Road Maintenance Division M-342 of Public Works Department (PWD) awarded (January 2013) a work 'Strengthening and Widening of MDR-138 from Ghevra More to GT Road (Singhu Border), including construction of RCC box drain, footpath and central verge, providing and fixing retro reflective road signages, etc.' at a tendered cost of ₹ 91.22 crore. The work was completed in July 2014 and final payment of ₹ 106.16 crore had been made to the contractor as of March 2015.

Audit scrutiny showed that detailed estimate of the work included an item '60 mm thick cement concrete interlocking paver block/tack tile paver of M-30 grade (67,600 sqm)' to be used in construction of footpath. This item was part of the 'Bill of Quantity', for which the successful contractor quoted ₹ 461.57 per sqm. However, as per final bill, out of 67,600 sqm, only 818.51 sqm of footpath was constructed where paver blocks of this specification were used. The remaining work of footpath was substituted with the work of 'widening of road'. The reason for substitution was recorded as - "Agreement provided for 60 mm thick texture finish paver block on footpath, but at site it was not possible to provide footpath and it was decided that in habitat area, 80 mm thick paver blocks be provided for widening of the road on the berms, so that vehicles can be parked there". Accordingly, widening of road was done with 80 mm thick paver blocks covering the area where footpath was initially proposed.

It was further observed that Indian Standard-15658:2006 specifies 60 mm thick paver block (M-35 Grade) for footpaths, car parks, office driveways and rural roads having low volume of traffic (up-to 150 commercial vehicles per day), while 80 mm thick (M-40 grade) paver block is specified for medium traffic (150 to 450 commercial vehicles per day) in city street, small and medium market roads, low volume roads, utility cuts on arterial roads, etc. Thus PWD opted for an item (80 mm thick paver blocks), which was of higher specification than actually required as per IS norms i.e. 60 mm thick paver block. Further scrutiny of final bill showed that a total quantity of 78,427.46 sqm of 80 mm thick paver blocks was utilised for widening of road. The cost of 80 mm thick paver blocks (₹ 680 per sqm) was more than that of 60 mm thickness (₹ 461.57 per sqm).

Thus, the injudicious decision of PWD to go for higher specification of paver blocks on an area which was to be used for parking of vehicles, resulted in avoidable extra expenditure of ₹ 1.71 crore[69].

The matter was referred to the Government in November 2015/March 2016, reply was awaited (March 2016).

Department of Training and Technical Education

3.15 Non-recovery of license fee, damage charges and water charges amounting to ₹ 63.86 lakh by DTU

Laxity on the part of the Delhi Technological University (DTU) not only delayed the eviction of the unauthorized occupants from staff quarters, but also led to its failure to recover license fee, damages and water charges amounting to ₹ 63.86 lakh from unauthorised occupants.

As per rules[70], a Government servant occupying staff quarter, should vacate the quarter on retirement/death or termination from service, etc. However, the accommodation is allowed to be retained for a period of four months (two months on the payment of normal licence fee and another two months on double the normal licence fee) in case of retirement, one month in case of termination, two months in case of transfer and two years in case of death, provided the deceased or his/her wards do not own a house at the place of posting. Thereafter, the allotment of the accommodation shall be deemed to have been cancelled. Further, damages/ market licence fee is to be charged from the unauthorized occupants[71].

Scrutiny of records of the Delhi Technological University (DTU)/Delhi College of Engineering (DCE) during June 2014 showed that officials or their families retained/occupied seven staff quarters beyond the prescribed permissible time

[69] 78,427.46 sq.m. × ₹ (680-461.57) = ₹ 1,71,30,910 or say ₹ 1.71 crore.

[70] S R 317-B-11 (1) and (2).

[71] Government of India's order 15 below FR 45 A.

after retirement/death/termination/transfer. Although these quarters were subsequently vacated (September 2013 to October 2015), the authorities of the university could not recover damage charges or market licence fee due from those occupants. The DTU stated (July 2012) that an amount of ₹ 1.29 lakh had been recovered. However, even after taking this recovery into account, an amount of ₹ 62.01 lakh (up to January 2016) on account of license fee, damage charges and water charges was still recoverable (January 2016) from them.

Further, during the course of audit (February 2012), it was also observed that 13 staff quarters were occupied by employees other than employees of DCE/DTU. After being pointed out by Audit, the DCE/DTU issued notice on 24 July 2013 to these employees to vacate the quarters and deposit an amount of ₹ 1.85 lakh (₹ 1.43 lakh for licence fee *plus* ₹ 0.42 lakh for water charges) for the period from 15 July 2009 to 30 September 2013. In its reply of August 2015, the DTU intimated that out of 13 ex-employees of DTU, five had vacated the quarters. Eight employees were occupying DTU staff quarters, of which four have moved the Court. Recovery of licence fee and water charges in respect of them would be undertaken as per the Court directions and remaining four would be evicted on the availability of SDM. Reply, however, was silent on recovery of dues in the remaining cases.

Thus, laxity on the part of the DTU not only delayed the eviction of unauthorized occupants from staff quarters, but also led to its failure to recover license fee, damages and water charges amounting to ₹ 63.86 lakh (₹ 62.01 lakh *plus* ₹ 1.85 lakh) from unauthorised occupants. Besides, it deprived the eligible staff of the housing facilities.

The matter was referred to the Government in September 2015, reply was awaited (March 2016).

Department of Women and Child Development

3.16 Working of Remand Homes, Juvenile Homes and Correctional Homes in Delhi

Observation Homes (OHs) in Delhi lacked adequate infrastructure. Rupees 2.81 crore incurred on construction of a new building was rendered unfruitful, as it was not conducive for Juveniles. Timely grants were not released to NGO, creating problems relating to supply of items of clothing, bedding, medicines and payment of salary to staff. Monitoring was poor as Inspection Committees did not inspect OHs. There was shortage of manpower, particularly in key posts of Caretakers, Counselors and Educators.

3.16.1 Introduction

The Parliament enacted the Juvenile Justice (Care and Protection of Children) Act in 2000 (amended in 2006 and 2011) for providing care, protection and rehabilitation to neglected children and Juveniles in conflict with law (JCL)[72]. Under the provisions of the Act, the GoI framed Juvenile Justice (Care and Protection of Children) Rules, 2007 and GNCTD framed the Delhi Juvenile Justice (Care and Protection of Children) Rules, 2009 (DJJR). The Department of Women & Child Development (DWCD), GNCTD formed the Child Protection Unit in 2009 for implementation of the Act and supervision and monitoring of three Observation Homes (OHs)[73], two Places of Safety (PoS)[74] and one Special Home (SH)[75], established to house JCLs. OH for Boy-I (OHB-I) was being run through M/s Prayas (an NGO), while other homes were managed by DWCD itself.

An audit covering the period 2012-15, was conducted in OHs, PoS, SH and headquarter of the DWCD to assess the adequacy of essential infrastructure, facilities and services as per the intention of the Act and whether there existed an effective monitoring mechanism.

Audit findings

3.16.2 Financial Management

During the period 2012-15, DWCD allocated budget to these homes under the Major Head 2235, as detailed in **Table 3.16.1**.

[72]Juvenile" or "child" means a person who has not completed 18 year of age, and "Juvenile in conflict with law" means a juvenile who is alleged to have committed an offence.

[73]i) OH for Boys-I (OHB-I), Delhi Gate - age group 7-16 years, (ii) OH for Boys-II (OHB-II) - age group 16-18 years, Kingsway Camp, and (iii) OH for Girls (No age bar), Nirmal Chhaya Complex, Jail Road Delhi.

[74]PoS for Boys, Magazine Road, and (ii) PoS for Girls, Nirmal Chhaya Complex.

[75]SH means place for reception and rehabilitation of JCLs at Magazine Road.

Table 3.16.1: Budget provisions and actual expenditure (2012-15)

(₹ in lakh)

Name of Homes	Budget allocated		Actual expenditure		Savings	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
OHB-I	168.68*	-	163.50	-	5.18	-
OHB-II	636.91	545.42	550.91	514.34	86.00	31.08
SH/PoS	479.30	96.36	333.32	92.00	145.98	4.36
OH for Girls	186.75	119.89	163.64	98.92	23.11	20.97
Total	**1,471.64**	**761.67**	**1,211.37**	**705.26**	**260.27**	**56.41**

*Source: Figures provided by observation Homes/PoS. *Grant-in-aid-Recurring and non-recurring.*

3.16.2.1 Delay in release of grants- in-aid to Prayas (NGO)

As per Clause 11 of the agreement between Prayas and DWCD, grants-in-aid is to be released to Prayas in three installments. The first installment equal to 1/12 of the estimated expenditure or the actual budget provision of the Institution, whichever is less, will be released in the month of April, and second installment, covering the expenses for five months from May to September, in the month of May or thereafter. The final installment, covering the expenditure for the remaining six months, will be released during the financial year.

Audit scrutiny showed that out of ₹ 168.68 lakh allocated by DWCD, the NGO Prayas incurred expenses amounting to ₹ 163.58 lakh during the period 2012-15. However, the DWCD did not follow the prescribed pattern for release of grants-in-aid. The first installment was usually released between September and February every year i.e. with a delay of five to nine months. For want of funds, Prayas had to pay a penalty of ₹ 0.81 lakh on its electricity bills, and faced problems of clothing, bedding items, medicines, games items, paying water bills and salary to staff.

In its reply, the Director WCD while accepting the audit contention stated (February 2016) that efforts were made to release the grants subject to availability of ELFA[76] Audit Report and approval of the Finance Department. Further, sometimes delay was due to procedural impasses.

3.16.2.2 Non-creation of Juvenile Justice Fund

Rule 95 DJJR stipulates that State Government shall create a Juvenile Justice Fund (the Fund) for the welfare and rehabilitation of JCLs. However, Audit observed that though the process of creation of Fund was in progress since 2007, it had not been created as of July 2015.

[76]Examiner Local Fund Account.

In its reply, the DWCD stated (July 2015) that an account with seed money of ₹ 5 lakh was opened in October 2007, but the 'Accounting Procedure for the Fund', could not be finalized due to non-compliance of the observations made by the Controller General of Accounts (CGA) in February 2012.

3.16.3 Availability of infrastructure and facilities

3.16.3.1 Inadequate accommodation

Rule 40 of the DJJR prescribes norms for the space for, office room, classroom, dining hall, sick room, work shop, store, etc. in each institution (OH, PoS, SH). Audit observed that juvenile institutions in Delhi were not meeting the prescribed norms of space for these facilities (**Annexure 3.4**). Further, OHB-I at Delhi Gate did not have recreation room and library and OHB-II at Kingsway Camp was functioning without any Workshop. Similarly, PoSs/SH did not have sickroom, recreation room, library, counseling and guidance room, workshop and adequate play-ground.

Director, WCD stated (February 2016) that PoS is also situated in a complex which has been made highly secure as intimates required segregation and more security in the Institutions. However, the reply is silent on shortage of accommodation in the OHB-I.

3.16.3.2 Shortage of accommodation for officer-in-charge/superintendent

As per Rule 86 of DJJR, the officer-in-charge of the Home shall have the primary responsibility of maintaining the institution and shall stay within the institutional premises. In case, accommodation is not available within the institutional premises, the officer-in-charge should stay at a place in close proximity to the institution, till such time that such an accommodation is made available within the institution.

However, residential accommodation for Superintendents of OHB-II, OHG and PoS/SH was not available in the institutional premises. They were residing in their own homes, distanced 9 to 20 kms away from the respective institutions.

The Deputy Director (CPU), DWCD stated (July 2015) that matter of accommodation and bifurcation of estate properties located in Sewa Kutir Complex had not been finalized with the Department of Social Welfare. It was further stated that District Officer resides within the complex to take care in any emergency. Fact remains that Officers-in-charge/Superintendents would not be in a position to discharge their responsibilities in events which require their presence during off duty hours.

Director, WCD stated (February 2016) that the present Superintendent was residing in the staff quarter complex in close proximity to the institution since December 2015. Reply was awaited in respect of OHG and PoS/SH.

3.16.3.3 Non-providing of space and infrastructure to Juveniles in Conflict with Law (JCLs) as per specification and requirement under the Act

The DWCD decided (August 2012) to construct a building for three Homes (i.e. PoS, SH and Annexe[77]) in the premises of Sewa Kutir Complex, Kingsway Camp and requested PWD (March 2013) to prepare a plan for the building in such a way that all the three Homes are segregated and each having independent entry to avoid intermingling of JCLs. The DWCD approved (May 2013) final drawings/ plans and conveyed composite AA&ESs (May and July 2013) of ₹ 3.37 crore to PWD. As of January 2015, expenditure of ₹ 2.81 crore had been incurred on the construction of the building by PWD.

Audit scrutiny showed that the building was constructed according to the drawings and plans approved by DWCD, but on completion DWCD refused to take its possession on the ground that building did not have ventilation and natural light in each dormitory and rooms. In the opinion of the Superintendent of PoS/SH, the overall design and construction of new building were not conducive to accommodate JCLs. Evidently, the housing needs of the juveniles were not assessed by the department and the PWD. This resulted in non-fulfilment of intended purpose of providing adequate space and infrastructure to JCLs according to specification and requirement under the Act, despite an expenditure of ₹ 2.81 crore.

In its reply, Director, WCD stated (February 2016) that the building was being utilised, by the new Juvenile Justice Board-III was functional in the building. The reply is not tenable as the building was intended to house juveniles.

3.16.3.4 Unsatisfactory sanitation services in the Special Home

Sanitation services in PoS/SH are being provided by M/s Advance Services Pvt Ltd (ASPL) since 2011-12. Audit scrutiny showed that during September 2012 to February 2013, the firm deployed only three persons for sanitation services, though four were required under the agreement. It was also observed that sanitation staff did not attend duty on Sundays and government holidays and left the institution before duty hours. The remarks of Deputy Director in the Visitors Register (December 2014) and visits of the Justice Committee (May 2014) and by Audit (June 2015) showed irregular attendance of sanitation staff, pathetic condition of bathrooms and toilets of all wings and dirty floors in general.

The Superintendent accepted (June 2015) that sanitation staff did not work satisfactorily, as the firm was not paying them timely. It was added that a penalty of ₹ 1.19 lakh was imposed on the firm for the period April 2012 to February 2013.

The matter was referred to the Government in November 2015, reply was awaited

[77]Annexe: The place where JCLs of OHB-I and OHB-II, who create problems such as quarreling, fighting etc., are kept in a separate Dormitory called Annexe.

as of March 2016.

3.16.3.5 Non-compliance of Rule 41 - Clothing and Bedding

As per Rule 41 of DJJR, items of clothing, bedding and toiletry should be issued to JCLs according to scale and climate. Schedule-I to Rules provides that pesticide spray, bugs killing agent should be used in OHs as per requirement and two mosquito repellents be used per room per month.

Audit observed that during 2012-15, no articles like, shorts, sweaters, track suits, mattresses, handkerchiefs, pillows were issued to JCLs in OHB-I. Pesticide was not sprayed during 2013-15, effective agents for killing bugs were not used and only two mosquito repellents were utilised in the entire Home.

During 2012-15, shirts, pants, vests, underwear, *Salwar Kameejs,* brassieres, panties and sleepers were issued in short/excess quantity than authorized scale in OHB-I, OHB-II, PoS/Special Home and OHG.

The Project Manager, OHB-I stated (May 2015) that prescribed articles could not be provided to JCLs due to non-release of timely funds by the DWCD. In February, 2016, Director, WCD while admitting audit observation in respect of OHG stated that some inmates were admitted to OHG and remained there for very short period (one or two days). The unused items to such girls were issued again to new comers and the stock in store remained unchanged. Reply was silent on deficiencies in respect of other homes.

3.16.4 Management and security of Homes

3.16.4.1 Prohibited items found in the Special Home at Magazine Road

As per Rule 51 of DJJR, no person shall bring prohibited articles like fire-arms or weapons, alcohol and spirit, Bhang, Ganja etc. in the institutions. However, the Superintendent and Welfare Officers recovered from the possession of JCLs, prohibited items, like - surgical blade, *bidi*, cigarettes, mobile with SIM cards, tobacco, ganja, iron rods, etc, on nine occasions of surprise checks and searches of PoS/SH, conducted during 2013-15. This indicated a security failure in checking and preventing the entry of prohibited items into the Home.

In its reply, the Director WCD stated (February 2016) that the security of an agency empanelled with the DGR had been deployed with effect from March 2014 and regular drills were being conducted to check the prohibited items. Reply confirms the audit observation.

3.16.5 Monitoring

3.16.5.1 Non-conducting of visit by the Inspection Committee

As per Rule 63 of the DJJR, the State Government shall constitute State, District or city level Inspection Committee, which shall visit and oversee the conditions in the Institutions, review the standards of care and protection being followed by the Institutions and look into the functioning of Management Committee and Children's Committee. The Inspection Committee should inspect the Institutions quarterly. However, Audit noticed that the Inspection Committee did not inspect any of the OHs/PoS/SH (except one OHG in March 2015) during the period under audit.

The DWCD stated (June 2015) that Inspection Committees (total seven, one for each district) were constituted in December 2012 which were to co-ordinate with other departments and NGOs working in the field of child welfare and development. But Committees were not functional due to co-ordination issues. It was further stated that Inspection Committees had been re-constituted in April 2015. Reply is the confirmation that Inspection Committees did not inspect any of the Homes.

In its reply, the Director WCD stated (February 2016) that regular visits of Inspection Committees were being carried out. Reply is not tenable as Inspection Committee did not inspect any of the homes (except one) during audited period.

3.16.5.2 Inadequate meetings of Management Committee

Rule 55 (5a) of the DJJR stipulates that Management Committee of the OHBs/ OHG/PoS/SH shall meet every month to consider and review matters related to JCLs. However, during the three years 2012-15, the Management Committee met only 16 times for OHB-I, 10 times for PoS/SH and five times for OHG, as against required 36 meetings in each case. Record of meetings for OHB-II was stated to have been destroyed in arson by JCLs.

The Director, DWCD stated (February 2016) that regular meeting of management committee are going on. Reply is not tenable as regular meetings in every month were not conducted as per norms.

3.16.5.3 Non-maintenance of computerized data

As per rule 54 (2) of the DJJR, all case files maintained by the Institutions and the Board or Committee, shall be computerized and networked so that the data is centrally available to the District Child Protection Unit and the State Government.

However, Superintendents of OHB-I, OHB-II/PoS stated (July 2015) that computerized data/case file was not maintained. Details relating to social history, case history, individual care plan, including family background were maintained manually. However, weekly reports for JJ Boards were being sent in computerized format showing details of JCLs. It was further stated that a proposal for computerization of data was pending with the DWCD.

The Director, DWCD stated (February 2016) that Computers have been provided to homes and superintendents are instructed to maintain the computerized data. The reply confirms the facts.

3.16.6 Human resources

3.16.6.1 Shortage of manpower

As per Rule 68 of DJJ Rules, the number of posts in each category of staff shall be fixed on the basis of capacity of the institution.

Against 146 sanctioned posts for four homes, only 98 posts (67 *per cent*) were filled as on 31 March 2015. Shortage in key posts such as Caretakers (22 out of 48), Counselors (3 out of 5) and Educators (7 out of 8) compromised the functioning of these homes with regard to protective and corrective role assigned to these institutions. This is evidenced by repeated attempts to escape made by JCLs and prohibited items being found with the inmates.

The Director, DWCD stated (February 2016) that efforts are being made for creation of more posts in the department.

3.16.6.2 Training to staff

As per Rules 80 (g) and 90 of the DJJR, the State Government, in collaboration with reputed organizations, shall provide training to personnel of each category of staff of Homes, in keeping with their statutory responsibilities and specific job requirements. However, no training was provided to the staff of Homes during 2012-15.

The Director, DWCD stated (February 2016) that the department had requested various agencies to organize the training to the staff and some of the agencies are organizing the training session also.

Department of Training and Technical Education

3.17 Follow up Audit of PA on Directorate of Training and Technical Education

The performance audit report on the 'Directorate of Training and Technical Education' (DTTE), covering the period 2008-13, was included in the Audit Report of the Comptroller and Auditor General for the year ended March 2013 (Report No. 2 of the year 2014) on the Government of National Capital Territory of Delhi, placed before the Delhi Legislative Assembly on 01 August 2014. The performance audit contained 31 observations and four recommendations. There are 23 audit observations actionable under these four recommendations on which the department was required to take remedial action. Action taken by the department on various issues was examined during follow up audit by examining relevant records in the offices of the Directorate. The status of action taken on the recommendations and related audit observations has been categorised under 'Insignificant or no progress', 'Substantial progress' and 'Full progress in all intended areas'.

A. Recommendation: *To make available the infrastructure as per norms of the National Council of Vocational Training (NCVT) and the Director General of Employment and Training (DGE&T) for achieving objective of quality training.*

Status of audit observations actionable under this recommendation is as below:

Insignificant or no progress:

(i) Introduction of 106 new units in trades without matching infrastructure (Para 2.2.7.2): Directorate introduced 106 new units in ITIs without a concrete plan and strategic roadmap and failed to ensure necessary matching infrastructure and faculty members. The department stated (January 2014) and in ATN (August 2015) that ITIs were being instructed to run the Institutes in two shifts for better utilization of available space and equipment.

However, Audit found that no such instructions were issued as of November 2015 and selected ITIs were not running in two shifts. Deputy Director (Planning) stated (October 2015) that after careful analysis and survey of different institutes, infrastructure available in the institutes was not found sufficient to run the institute in two shifts.

Substantial implementation/progress:

(i) Human Resource Management (Para 2.2.4 & 2.2.4.1): There was overall shortage of staff (32 *per cent*). 31 *per cent* Craft Instructors (CIs) and 62 *per cent* Group Instructors (GIs) were short.

The Directorate stated (January 2014) that efforts were being made for filling up the vacant posts.

The Directorate pursued the matter with Delhi Subordinate Service Selection Board (DSSSB) and the Services and Finance Department of GNCTD. However, Audit noticed that there was still shortage of 1,076 staff (35.40 *per cent*) as on 30 September 2015. As per ATN, the process of recruitment of CIs and GIs had been stayed by the Court. Audit further, noticed that 34 *per cent* posts of CIs and 21 *per cent* of GIs (including 20 *per cent* additional instructors) were still vacant (September 2015).

(ii) Lack of trained Instructors in ITIs (Para 2.2.4.2): In five selected ITIs, NCVT norms regarding training of Instructors were not being adhered to. It was pointed out that only 40 out of 345 (12 *per cent*) Instructors had obtained National Craft Instructors Certificate (NCIC) in selected ITIs. The Directorate stated (January 2014) that necessary orders were issued and training was being organized through National Institute of Technical Teacher Training and Research, Chandigarh.

In ATN, it was stated that Training of Trainer Programme was organized from time to time. However, on verification, Audit found that the training for NCIC was not organized. Deputy Director (Academic) stated (November 2015) that candidates could not be sponsored for NCIC due to shortage of instructors.

(iii) Shortage of staff in Polytechnics (Para 2.2.4.3): The Audit Report highlighted shortage of staff in Polytechnics. Out of 1080 sanctioned technical posts, 309 (29 *per cent*) were vacant. The department stated (January 2014) that efforts were being made with DSSSB for filling up the vacant posts.

As per ATN, the matter was being pursued with DSSSB and UPSC. However, no regular appointment was made as of November 2015.

As per information furnished to Audit (October 2015), out of 1147 sanctioned technical posts, 468 (42 *per cent*) were vacant in Polytechnics.

(iv) Shortage of ministerial staff (Para 2.2.4.4): Shortage of ministerial staff in the Directorate was pointed out, as 318 out of 671 posts were vacant. The department stated (January 2014) that efforts were being made for filling up the vacant posts.

The Directorate took up the matter with Secretary (Services) several times regarding filling vacant posts. However, there was no progress.

As per information furnished to Audit (October 2015), 326 out of 766 sanctioned posts (43 *per cent)* of ministerial staff were vacant.

(v) Recruitment Rules for technical staff in GB Pant College not framed (Para 2.2.4.5): The GB Pant College filled-up 57 posts on diverted, contractual or outsourced basis, whereas 41 posts were vacant out of total 98 technical posts, as Recruitment Rules (RRs) were not finalized.

Audit noticed that though Recruitment Rules had been notified (January 2014) by the Directorate and requisition for the teaching staff sent to UPSC, but, no appointment was made as of October 2015.

Further, as per information furnished to Audit (October 2010), 33 posts (34 *per cent*) out of 98 posts were vacant.

(vi) Shortage of technical staff in Ambedkar College (Para 2.2.4.6): Shortage of teaching and technical staff in Ambedkar College was pointed out. Out of sanctioned 109 teaching and technical posts, 60 were vacant. The department stated (January 2014) that efforts were being made to fill up these vacant posts.

In this case also, Audit observed that although Recruitment Rules had been notified by the Directorate and requisition for the teaching staff sent to UPSC, no appointment was made as of October 2015.

As per information furnished by the Directorate (October 2015), out of 109 sanctioned posts of teaching and technical staff, 52 (48 *per cent*) were vacant.

(vii) *Shortage of tools and equipment (Para 2.2.5.2):* ITIs at Arab Ki Sarai (AKS), Dheerpur and Sirifort were not equipped with tools and equipment as per Standard Tools List of NCVT. The department stated (January 2014) that action was being taken for increasing Plan funds for this purpose.

Audit noticed that department had slightly increased scheme funds under "Modernization and Restructuring of ITI/BTCs". However, selected IITs were still not fully equipped with Standard Tools List (STL) as of November 2015, though there was no shortage of funds under the scheme, as ₹ 711 lakh was allocated during 2013-15, out of which only Rs 423.01 lakh (59 *per cent*) was utilized.

In selected ITIs, audit scrutiny showed that there was savings between 51 and 100 *per cent* (expect ITIs Dheerpur and Sirifort) under the sub-head Machinery and Equipment in 2014-15.

(viii) *Non-availability of Diesel Generator Sets (Para 2.2.5.3*): Diesel Generator (DG) sets were not available in three ITIs (Shahdara, Sirifort and Pusa). The department stated (January 2014) that all the Principals were instructed to assess the availability of space for DG sets.

Audit noticed that DG Set was now available in ITI Shahdara. Whereas Principals of ITI Pusa and Sirifort stated (October 2015) that DG Set was not required.

(ix) *Lack of raw materials and consumables for training (Para 2.2.5.4):* ITI Pusa did not purchase raw materials and consumables for practical trainings in one trade. The department stated that Principals were instructed to assess the requirement of raw materials/consumable well in advance.

Audit, on verification, observed that raw materials for training were purchased from time to time, however, 463 items as pointed out in the Audit Report, were not purchased by ITI Pusa.

(x) *Setting up of new ITIs, and renovation of ITI (Para 2.2.6):* Construction of ITI at Bawana and Dwarka was not taken up and ITI at Mangolpuri was not constructed.

Audit noticed, that construction work of ITI, Mangolpuri had been completed and new academic session also had started from 2015. Audit further observed that matter of construction of new ITIs at Bawana and Dwarka had been closed.

(xi) *ITI at Chhattarpur (Para 2.2.6.1):* Due to lack of co-ordination between different departments, the construction work of ITI at Chhattarpur, though conceived in 2006, could not be started. The department stated that proposal for construction of ITI was still awaited from the Department of Health and Family Welfare/Delhi Cancer Society. It was also stated that matter was taken up with the Deputy Commissioner (South) for ascertaining the status of the land use.

Audit noticed that a proposal for swapping of land was approved by the Hon'ble LG and the Directorate authorized (September 2015) the Health Department to apply for swapping of land with the Forest Department.

(xii) *ITI at Ranhola (Para 2.2.6.2):* The land for ITI at Ranhola was allotted to the Directorate in August, 2002, but construction was not started. The department stated (January 2014) that layout plan of the demarcated land was awaited from BDO (Nangloi) and PWD.

Audit observed that significant progress was not made in this respect. Directorate pursued the matter of submission of layout plan with the PWD only in September 2015. Layout plan was submitted by PWD in October 2015, and construction was yet to be taken up even after 14 years of allotment of land.

(xiii) *Construction of new building of ITI at Shahdara (Para 2.2.6.3):* New building at ITI, Shahdara proposed in 2007, was not constructed. The department stated (January 2014) that the tendering for appointment of consultant was under process.

Audit observed that the expenditure sanction of ₹ 38.38 lakh had been issued (June 2015) for the comprehensive consulting services and consultant was appointed, but construction work was not started as of October 2015.

(xiv) *Non-upgradation of Polytechnics to Degree Colleges (Para 2.2.8.1)*: Kasturba Polytechnic for Women and Ambedkar Polytechnic were proposed to be upgraded to Degree Colleges in 2008-09, but could not be upgraded. The department stated (June 2013) that the upgradation of polytechnics could not be materialized as it involved additional space, infrastructure and upgradation of staff.

The Deputy Director while reiterating its earlier reply of June 2013 stated (October 2015) that B. Voc. Program was being introduced in these Institutes.

(xv) *Replacement and modernization of machinery and equipment (Para 2.2.9):* It was pointed out that the Polytechnics did not have any Standard Tool List (STL) for courses being run there. The department stated (January 2014) that the procurement of machinery and equipment was based on the requirement of curriculum.

In ATN, the Director (Planning) stated that Polytechnics were to follow AICTE norm and there was no provision of STL. It was further stated that two Centralized Procurement Committee were constituted (September 2015) for procurement of machines and equipment. Audit noticed that Directorate was assuring the requirements of tools and equipment in each ITI through inspection.

(xvi) *ITI, Shahadra not upgraded to CoE (Para 2.2.10.2):* Under Public Private Partnership (PPP) mode, ITI Shahdara was not upgraded to CoE in Hospitality Sector**.** The department stated (January 2014) that the Chairman, IMC appointed a Consultant at a cost of ₹ 7.00 lakh without following due procedure, which led to dispute between the Chairman and the Institute/Directorate.

Deputy Director (Planning) stated (October 2015) that a meeting of State Steering Committee was held in October 2015 and it was decided to explore the possibility of new Industry Partners.

(xvii) Non-establishment of Computer Labs (Para 2.2.14): No Computer Lab was established in any of the selected ITIs. The department stated (January 2014) that establishing Computer Labs was under process.

In ATN, Deputy Director (Planning) stated (July 2015) that all the Institutes had sufficient number of computers and other infrastructure for Computer Labs. Audit noticed that though the Deputy Director (Planning) instructed (January 2014) all ITIs for setting up of Computer Labs, only ITI Siri Fort out of selected ITIs, had established the Computer Lab.

B. Recommendation: *To review the contract demands of electricity and tariff rates being paid by all the ITIs.*

Audit observation on which action was taken substantially in some areas are as under:

Substantial implementation/progress:

(*i*) *Avoidable expenditure on electricity charges (Para 2.2.2.2):* The NDPL levied electricity charges on non-domestic rates on Pusa Polytechnic, resulting in avoidable payment of ₹ 56.64 lakh. The department assured (January 2014) to take up the matter with TATA Power, PWD and the Department of Power.

The Principal, Pusa Polytechnic took up the issue with Tata Power and issued a notice in July 2015 for legal action. Tata Power intimated in October 2015 that the matter was under consideration.

However, the Directorate, despite assurance, did not take up the matter of recovery with the Department of Power. Recovery of excess amount paid to the Tata Power was still outstanding (November 2015). Audit observed (November 2015) that the selected five ITIs had initiated action to review the contract demands of electricity and tariff rates.

C. **Recommendation:** *To take steps to spread awareness among the school children about the scope of various trades and arrange counselling in all the Institutes before and after admission to check dropout rate in ITIs.*

Status of audit observation actionable under this recommendation is as below:

Substantial implementation/progress:

(i) Admission and dropout of trainees in ITIs (Para 2.2.3): Dropout rates in five selected ITIs ranged from 16 to 23 *per cent*. The department stated (January 2014) that all Principals had been instructed to start a program on 'Admission Campaign'.

The Assistant Director (Academic) issued instructions to ITIs in January 2014 to start Awareness and Admission Campaign. However, selected ITIs[78] did not comply with the instructions, except ITI Sirifort. Assistant Director (Training) stated in ATN that having perceived the situation of drop outs, 30 *per cent* more admissions were made in each trade and all Principals were instructed to create awareness among trainees. However, Audit observed that in five selected ITIs, dropout rate ranged upto 25.4 *per cent* for the period 2013-15.

Audit further noticed that neither ITIs submitted any compliance report regarding conducting awareness and Admission Campaign, nor was it pursued by the Academic Branch.

D. **Recommendation:** *Accord top priority for the affiliation of trades and units*

Status of audit observation actionable under this recommendation is as below:

Substantial implementation/progress:

(i) Unaffiliated trades and units (2.2.11): Various trades running in ITIs since long were not affiliated with the NCVT. The department stated that instructions were being issued to all the Principals to ensure that no trades are left unaffiliated.

[78] 1. ITI Pusa, 2. ITI Arab ki Sarai, 3. ITI Shahdara, 4. ITI Sirifort and 5. ITI Dheerpur.

In ATN, the Assistant Director (Exam) stated (July 2015) that instructions were issued to ITIs for seeking affiliation. However, 15 out of total 17 ITIs did not fulfil all norms for affiliation/re-affiliation with NCVT. Audit observed that Directorate General of Training, GoI had permitted (June 2015) the Directorate to allow admission in ITIs without re-affiliation for the session 2015-16.

Audit also observed that Directorate issued instructions (April 2014) to all the ITIs for re-affiliation of trades with NCVT through Quality Council of India (QCI). However, only two ITIs[79] applied in QCI for re-affiliation of trades in September 2014, but trades of ITI Sirifort only were re-affiliated. The remaining ITIs could not apply for re-affiliation due to deficiencies in equipment and machinery and other infrastructure *viz.* Computer labs, shortage of staff, etc.

Two ITIs[80] are running in tin shed building and the building of ITI Shahdara was in dilapidated condition since long; hence, these ITIs were also not entitled for re-affiliation of their trades.

(ii) Deficiencies in implementation of CoE under World Bank Assistance (2.2.10 & 2.2.10.1): None of the trades introduced in three ITIs under the scheme of Centre of Excellence (CoE) was affiliated with NCVT. There were several deficiencies in ITI Pusa, Arab Ki Sarai and Dheerpur. The department stated (January 2014) that instructions were being issued to all Principals on upgradation of ITIs to CoE and the shortage of machines and equipment.

The Assistant Director (Exam) instructed all Principals (December 2012) to submit Action Plan to DGE&T, seeking NCVT affiliation of Module upto March 2013. However, no such Action Plan was submitted by selected ITIs.

As per ATN, CoE scheme had been converted into Craftsman Training Scheme (CTS) from August 2015. Audit noticed that shortage of machines and equipment still continued in selected ITIs.

Full progress in intended areas:

(i) Shortfall in introduction of new trades (2.2.7.1): Out of 32 new trades identified by DGE&T for introduction, only 13 were introduced. The department stated (January 2014) that a committee would be constituted in this regard.

The Committee was constituted in January 2014 and on its recommendations, some trades were deleted and new trades were introduced in session 2015-16.

[79] ITI Dheerpur and Sirifort.

[80] Tilak Nagar (Women) and Morigate (Women).

Conclusion

Audit observed that one observation relating to one recommendation i.e. "accord top priority for the affiliation of trades and units" had been fully addressed; while three recommendations namely, (i) "review the contract demands of electricity and tariff rates", (ii) "take steps to spread awareness among the school children about the scope of various trades and arrange counselling to check dropout rate in ITIs", and (iii) "make available the infrastructure as per norms of the National Council of Vocation Training (NCVT) and the Director General of Employment and Training (DGE&T) for achieving objective of quality training" were found partially implemented in case of 21 observations and one observation on "Introduction of 106 new units in trades without matching infrastructure" was not implemented.

The matter was referred to the Government in January 2016, reply was awaited (March 2016).

New Delhi **(DOLLY CHAKRABARTY)**
Dated : **Principal Accountant General (Audit), Delhi**

Countersigned

New Delhi **(SHASHI KANT SHARMA)**
Dated : **Comptroller and Auditor General of India**

Annexures

Annexure 2.1
Non-availability of accessories and regents
(Refer to Paragraph 2.1.4.4 (i))

Sl. No	Name of the Department	Name of equipment	Date of installation	Quantity	Cost (in ₹)	Date from which not in use	Consumables not available for number of days
GGSH							
1.	Path lab	Fully automatic Differential Hematology Analyzer	Date of Indent 24.06.2010	01	3,92,000	03.06.2014 to 18.06.2014	Non availability of regent (15 days)
2.	-do-	Fully automatic Biochemistry Analyzer	07.04.2011	01	4,72,000	18.07.2013 to 31.08.2013 & 25.01.2014 to 25.05.2014	Consumable part non availability Arm crashed (43 days & 120 days)
3.	Path Lab	DSS Analyzer	Date of Indent 28.02.2011	01	4,70,000	19.12.2014 to 31.08.2015	Non- availability of consumable (255 days)
BSAH							
4.	Medicine	Cardiac Monitor	15.06.2007	01	3,99,900	27.05.2015 to 31.08.2015	SP02 Probe not available (96 days)
DDUH							
5.	Medicine Emergency ward	AED Automatic Ext. Defiblator	01.09.2010	01	1,94,040	13.09.2012 to 31.08.2015	Not in use due to non availability of accessories (1083 days)
6.	-do-	ABG Machine	09.04.2009	01	3,40,000	13.09.2012 to 31.08.2015	Machine is working but accessories are not available (1083 days)
7.	Casualty	Ultrasonic Nebulizer	05.08.2011	02	3,99,800	10.01.2014 to 31.08.2015	Not in use due to lack of accessories (598 days)

Sl. No	Name of the Department	Name of equipment	Date of installation	Quantity	Cost (in ₹)	Date from which not in use	Consumables not available for number of days
8.	-do-	Rapid Infusion Pump	14.07.2011	02	3,26,000	22.05.2012 to 31.08.2015	Not in use due to lack of accessories (1196 days)
9.	-do-	Mobile Lebulator Kit	23.08.2011	01	4,83,060	22.05.2012 to 31.08.2015	Not in use due to lack of accessories (1196 days)
10.	-do-	AEDE Electrolator	11.12.2010	01	1,94,040	30.10.2012 to 31.08.2015	Not in use due to lack of accessories (1036 days)
11.	-do-	Cardiac Monitor	14.07.2011	02	7,80,000	18.09.2012 to 31.08.2015	Battery & accessories are defective (1088 days)
12.	Medicine Emergency ward	Mobile Laboratory Kit	23.08.2011	01	4,83,060	13.09.2012 to 31.08.2015	(1083 days)
13.	-do-	Rapid Infusion Pump	06.04.2011	01	1,63,000	01.09.2012 to 31.08.2015	(1070 days)
14.	-do-	Ultrasonic Nebulizer	06.04.2011	01	1,99,900	13.09.2012 to 31.08.2015	(1083 days)
GTBH							
15.	DEM centre endocrine (Medicine)	HPLC equipment for glycated hemoglobin	07.07.2011	01	18,42,345	20.09.2014 to 09.12.2014	Non availability of regent (79 days)
16.	CCU	Three Para Monitor (Welchallys) (1,99,000x2)	27.04.2010	01	3,98,000	01.04.2012 to 31.08.2015	Accessories cable broken/ estimate formalities not accepted by hospital (1218 days) upto 8/15.
17.	CCU	Cardiac Monitor (N.W. Overseas) (3,90,000x2)	13.10.2011	02	7,80,000	01.02. 2014 to 31.8.2015	Accessories to be procured, papers are not complete from company (577 days) upto 8/15.
			Total	**21**	**83,17,145**		

Annexure 2.2
Idling of equipment
(Referred to in paragraph 2.1.4.4 (iii))

Sl. No	Name of the Department	Name of equipment	Date of installation	Quantity	Amount (in ₹)	Date from which not working	Months
BSAH							
1.	Eye	Phaco Machine	23.03.2008	01	4,99,800	Since 22.01.2015	7
2.	ENT	Micro Drill Bein Air	31.07.2006	02	4,94,000	Since 14.12.2012	33
3.	Medicine	ICU Electronic Bed	08.12.2005	01	3,94,000	Since 07.11.2014	10
4.	-do-	ICU Electronic Bed	08.12.2005	01	3,94,000	Since 07.11.2014	10
5.	-do-	ECG Machine	22.11.2005	01	2,25,000	Since 12.06.2015	3
6.	-do-	Central Monitor	21.03.2007	01	4,99,000	Since 08.06.2015	3
7.	Medicine Ward-1	Cardiac Monitor	23.06.2008	01	2,64,000	Since 11.02.2015	7
8.	Nursery 1st.	Bilirobino Meter	11.11.2005	01	2,13,500	Since 18.12.2011	44
9.	Orthopedics	Bed Pan Washer	12.10.2006	01	3,25,000	Since 15.07.2012	38
10.	-do-	Drill and saw system	07.03.2006	01	1,88,666	Since 11.05.2015	4
11.	-do-	Cast cutter saw	02.05.2006	02	1,10,984	Since 12/2012	33
12.	GOPD	NIBP Machine	05.12.2008	02	3,96,000	Since 25.10.2014	10
				15	**44,97,950**		
DDUH							
13.	Ortho Physiotherapy	Pubed SWD	26.06.2007	01	3,58,000	Since 30.12.2013	20
14.	Anesthesia Main OT-1	Autoclave High Speed Machine	19.11.2004	01	1,78,000	Since 28.01.2015	7
15.	-do-	Premium Medisys Anesthesia Machine	29.03.2003	01	1,04,000	Since 20.11.2013	9
16.	-do-	Neuro Surgical Bed	20.06.2008	04	3,05,000	Since 16.09.2013	24
17.	Emergency Trauma OT (Surgery)	Electro Surgery M-10552	08.02.2006	01	3,95,400	Since 03.01.2014	20
18.	ENT OT / MOT	Step Idectemy Drill	28.01.2009	01	2,95,000	Since 18.02.2015	6
19.	-do-	Defibrillator	25.02.2008	01	2,80,000	Since 17.12.2013	20

Sl. No	Name of the Department	Name of equipment	Date of installation	Quantity	Amount (in ₹)	Date from which not working	Months
20.		Mobile Light Defibrillator	14.08.2008	01	2,95,000	Since 28.09.2013	23
21.	-do-	Foamed Laboratory Fridge	04.05.2009	01	2,80,000	Since 20.09.2014	12
22.	-do-	NIBP Monitor	20.04.2006	01	1,85,000	Since 29.09.2014	12
23.	-do-	Vital Sing Monitor	26.04.2008	01	1,62,000	Since 01.10.2013	23
24.	Obstctrics & Gynae OPD-6	Video Colposcope	06.10.2008	01	3,95,000	Since 26.08.2014	12
25.	-do-	Examination Light	March 2009	01	1,80,000	Since 31.05.2014	15
26.	-do-	Examination Light	March 2009	01	1,80,000	Since 31.05.2014	15
27.	-do-	Examination Light	March 2009	01	1,80,000	Since 31.05.2014	15
28.	-do-	Trauma Stretcher Hydraulic Cally Operated	July 2008	01	4,75,000	Since 01.10. 2013	23
29.	SLR-II	Examination Light	20.12.2008	01	1,80,000	Since 16.02.2014	18
				20	**44,27,400**		
GBPH							
30.	Radiology	1000 MA X Ray unit, YSF 120 BAR 3000	23.04.2004	01	1,41,70,300	Since 20.10.2014	10
31.	Neurology (Occupational Therapy)	Balance Master PK 200	19.09.2005	01	4,50,000	Since 04.02.2014	18
32.	-do-	Rehab Treadmill RTM-400	19.09.2005	01	4,85,510	Since 23.01.2015	8
33.	-do-	FES with Biofeedback	30.03.2006	01	3,98,772	Since 19.06.2014	14
34.	Neurology (Physiotherapy)	SWD Dx500	22.03.2006	01	4,01,310	11/2011 to 3/2013	17
35.	-do-	EMG Biofeedback Phoenix USB	24.07.2007	01	3,98,772	Since 01.01.2013	32
36.	-do-	Electrical Muscle Stimulator-4 Channel	14.07.2004	01	1,11,972	Since 01.01.2010	6857
				07	**1,64,16,636**		

Sl. No	Name of the Department	Name of equipment	Date of installation	Quantity	Amount (in ₹)	Date from which not working	Months
GTBH							
37.	Dental	Dental Chair with compressor stool	30.03.2010	01	1,34,200	Since 01.04.2015	4
				01	1,34,200		
Lok Nayak Hospital							
38.	Ortho OT	Arthroscopy	29.09.2010	01	1,20,000	Since 09.09.2014	10
39.	Ortho OT	Pneumatic Power System	25.07.2009	01	36,60,000	Since 01.01.2012	44
40.	Labour Room	USG Machine (2391000 Japanese Yen)	10.03.2004	01	61,32,915	Since 01.07.2014	16
41.	-do-	Medicine Refrigerator	10.07.2007	01	1,95,020	Since 01.10. 2014	11
42.	-do-	CTG Machine	28.02.2012	01	2,49,000	Since 01.10. 2014	11
43.	Emergency Microbiology	Lab RO D-I- Ultra	09.01.2009	01	2,65,000	Since 01.01.2010	68
44.	Emergency Microbiology	Vertical Autoclave	12.07.2002	01	36,000	Since 01.06. 2013	27
45.	Emergency Microbiology	Bio safety cabinet	04.08.2003	01	89,475	Since 01.01.2012	44
46.	Ortho X-ray	ST-20-2No. Portable X-ray unit	02.01.1992	01	61,568	Since 01.07.2014	16
47.	Ortho X	T-6R Multix X-ray unit	03.03.1992	01	-	Since 01.04.2014	16
48.	Pathology	ESR Analyser	2002, 2005 and 2006	03	5,91,000	Since 01.10. 2014	11
49.	Pathology	Urine chemistry Analyser	2006	02	3,60,000	Since 01.01.2010	68
				15	**1,17,59,978**		
			Grand Total	**58**	**3,72,36,164**		

Annexure 2.3
List of selected projects
(Referred to in paragraph 2.3.1.3)

Sl. No.	Name of Project	Awarded cost (₹ in crore)
1	Construction of 55 MGD WTP at Dwarka, Raw Water Pump House, Raw Water Twin Mains and Clear Water Mains	
	Package IA - Pump House and Raw Water Mains	202.50
	IB - Raw Water Mains	156.00
	Package II - Const. of 50 MGD WTP at Dwarka	209.58
	Package III- Laying of clear water mains	133.50
2.	Design construction supply installation testing commissioning trial run & maintenance for 10+1 year 20 MGD sewage treatment plant & other related works on DOB basis at Nilothi Phase-II	261.50
3.	Design construction supply installation testing commissioning trial run & maintenance for 10+1 year 20 MGD sewage treatment plant & other related works on DOB basis at Pappankalan Phase-II	243.50
4.	Providing sewerage facility in Mohan Garden Group of Colony outfalling in to interceptor sewer under Nilothi WWTP	228.40
5.	53.5 MGD Sewage Pumping Station and other related associated/allied appurtenant works on design, build and operate basis at Preet Vihar, N. Delhi.	127.00
6.	Providing and Laying 280 mm diameter to 710 mm diameter internal/peripheral sewer line in colonies of the constituencies part of Karawal Nagar, part of Mustafabad and part of Gokul Pur in Sub-zone no.2 of Zone II Yamuna Catchment area in Delhi.	116.98
7.	Providing sewer facility in Nihal Vihar	111.87
8.	Water tanker Supply Services (WTSS) for Zone I,II,V,VII & VIII	637.23
9.	Design, Construction, Commissioning, Operation and Maintenance of 15 MGD STP at Delhi Gate (PH-II).	203.70
10.	Construction of 45 MGD sewage treatment plant and other related associated/allied appurtenant works on design build and operate basis at Kondli, Delhi.	111.73
11.	P/L of Wazirabad road sewer by Micro Tunnel Method	101.36
12.	P/L twin raw water mains from Haider Pur to Wazirabad (Package-I)	152.75
	P/L twin raw water mains from Haider Pur to Wazirabad (Package-II)	121.00
13.	Design, Construction. Supply, Testing, Commissioning, Trial run, operation and maintenance for 10 years of SCADA system at Bhagirathi WTP.	271.80
14.	Demolition/Design/Const. of 12,20 & 40 MGD STP at Keshopur	187.50
15.	Rehabilitation of VT pump at Wazirabad	131.50
16.	Const. of 40 MGD WTP at Okhla	116.00

Sl. No.	Name of Project	Awarded cost (₹ in crore)
17.	Pilot project for improving efficiency of water distribution network under Malviya Nagar UGR command area.	171.72
18.	Improvement in Service Level for water supply in Mehrauli Project Area and Vasant Vihar Project Area.	201.00
19.	Improvement and Revamping of Exiting Water Supply, Transmission and Distribution network under the command area of Nangloi Water Treatment Plant, Delhi.	652.32
20.	Consultancy of laying of Interceptor Sewerage system in Najafgarh	125.46
21.	Supply, installation and 7 years maintenance of 15 mm size water meters	
	Package-I (60 *per cent* of meters)	151.00
	Package-II (40 *per cent* of meters)	101.00
22..	Refurbishment of trunk sewerage system in Delhi (Package-5 - Jail Road).	68.66
23.	Refurbishment of trunk sewerage system in Delhi (Package-3 - West Delhi).	69.00
24.	P/L sewer line in Dwarka Constituency	58.92
25.	Construction of 70 MGD SPS at Kalian Puri	87.76
26.	Construction of 9 MGD at STP Chilla	69.06
27.	P/L internal sewer peripheral line in Batla House	52.78
28.	P/L 280 mm to 1100 mm internal peripheral sewer line in Samaypur Colony	84.98
29.	Providing and laying of sewer lines in Gokulpur	54.63
30.	Rehabilitation of Ring Road Sewer	
	Slice A	43.79
	Slice B	63.80
31.	Construction of 25 MGD STP at Yamuna Vihar	62.04
32.	Implementation agency and implementation support for water tanker distribution management system	61.45
33.	Construction of 30 MGD STP at Okhla	149.50
34.	Construction of 14 Underground Reservoirs	
	Nangloi (Nilothi)	43.15
	Bawana BPS	15.00
	Sultanpur Dabas BPS	4.21
	Qutab Garh BPS	6.95
	Awantika	17.20
	Pitampura	19.60
	Janakpuri BPS	10.90
	Daulatpur	5.31
	Narela BPS	7.82
	MBR at Palla	Not taken up
	Kirti Nagar BPS	9.64
	Shakur Basti	Not taken up
	Rohini Sec-7 BPS	11.90
	UGR & BPS at Karala	25.51

Annexure 2.4
Surface Level Parking Sites visited by Audit
(Referred to in paragraph 2.4.5.2)

Sl. No.	Name of the Parking Sites	Name of the MCD
1.	Tibeten Market, Monastery	NrDMC
2.	Dangal Maidan	
3.	Jheel Prasad Nagar, Karol Bagh	
4.	Kalra Hospital, Kirti Nagar	
5.	Ajmeri Gate to Hamdard Chowk	
6.	Batra Cinema Commercial Complex	
7.	Qutub Road, Near Tanga Stand	
8.	MCD Old Hindu College Building to wine shop Kashmeeri Gate	
9.	Main Market Model Town-II	
10.	Radha Mohan Club	
11.	Ajmeri Gate to Lahori Gate	
12.	Uphar Cinema	SDMC
13.	JanakPuri District Centre	
14.	Lodhi Road Institutional Area I & II	
15.	CC J Block, Saket	
16.	Nathu Sweets Near Kalka Ji Bus Depot and on block roads of Okhla Ph-II	
17.	H Block Sarita Vihar	
18.	C Block, Vasant Vihar	
19.	Main Market, Rajouri Garden	
20.	SDA Market, Rose Garden	
21.	Kailash Colony Market Around Municipal Park	
22.	Aurbindo Place Market	
23.	Sarai Kale Khan, Near Nizamuddin Railway Station	
24.	Ghata Masjid Darya Ganj	
25.	Sonia PVR Vikas Puri	
26.	Under Flyover Munirka	
27.	Kukreja Hospital	
28.	Okhla Phase III, Block Roads	
29.	District Centre Saket alongwith Nallah	
30.	Cross River Mall Karkardooma	EDMC
31.	Old Usman Pur Pipe Line, Jagjeet Nagar	
32.	Geeta Colony Near Samudai Bhawan Sabzi Mandi	
33.	In front of Community Hall, Shashtri Nagar	
34.	Preet Vihar, DDA Community Centre	
35.	Opposite SDM Office, Seelampur	

Annexure 3.1

List of departments and services selected for audit

(Referred to in paragraph 3.6)

Sl. No.	Department	Notified Service	Days prescribed for service delivery
1.	Drug Control	Grant of license to chemist	35
		Grant of license for sale of homeopathic drug	35
		Grant of license for sale of schedule X drug	35
		Change addition, deletion of competent person	60
		Change addition deletion of registered pharmacist	60
		Renewal of license	35
2.	Delhi Jal Board	Disconnection of the water connection	15
		Mutation of water connection	15
		New water connection domestic	35
3.	Higher Education	Issuance of no due certificate	5
4.	Training & Technical Education	Issue of migration certificate	7
		Issue of Eligibility certificate	30
5.	Women & Child Development	Sanction of financial assistance for orphan girls for their marriage	60
		Sanction of financial assistance to poor widows for marriage of their daughters	60
		Sanction of pension to widow/women in distress	45
6.	Directorate of Education	Recognition of private schools	120
7.	Information Technology	Registration of vendors on e-procurement platform	3
8	Trade & Taxes	Registration for DVAT and CST	15
		Cancellation of DVAT registration	15
		Registration of casual dealers	7
9.	Excise, Entertainment and Luxury Tax	License for transport of liquor (P-15)	30
		Issuance of L-30 License	15
		Issuance of P-10 Permit	4
		Issuance of P-13 Permit	6
		Permit for import of liquor (P-14)	30

Annexure 3.2
List of services not being processed on eSLA
(Referred to in paragraph 3.6.1.1)

Sl. No.	Department	Service
1.	Drug Control	1. Change addition/deletion of competent person
		2. Change addition/deletion of registered pharmacies
		3. Renewal of license
2.	Training and Technical Education	1. Issue of migration certificate
		2. Issue of Eligibility certificate
3.	Women and Child Development	1. Sanction of financial assistance for orphan girls for their marriage
		2. Sanction of financial assistance to poor widows for marriage of their daughters
		3. Sanction of pension to widow/women in distress.
4.	Directorate of Higher Education	1. Issuance of no due certificate

Annexure 3.3
Delay in delivery of services and compensatory cost not paid and recovered
(Referred to in paragraph 3.6.4.1)

Department	Service	Time in days for delivery	Cases processed on eSLA	Delayed cases	Max. delay in days	Compen-satory cost (in ₹)
Trade & Taxes	Registration for DVAT and CST	15	2,24,370	14,453	881	23,77,870
	Cancellation of DVAT registration	15	6,451	2,915	274	
	Registration of casual dealers	7	1,387	481	280	
Excise, Entertainment and Luxury Tax	Licence for transport of liquor (P-15)	30	8,90,309	0	0	34,070
	Issuance of L-30 Licence	15	849	227	433	
	Issuance of P-10 Permit	4	33,563	111	53	
	Issuance of P-13 Permit	6	48,416	122	17	
	Permit for import of liquor (P-14)	30	29,638	0	0	
Directorate of Education	Recognition of private schools	120	38	25	845	4,890
Delhi Jal Board	Disconnection of the water connection	15	1,372	193	981	8,58,890
	Mutation of water connection	15	2,949	1,233	1,004	
	New water connection domestic	35	17,260	3,894	1,202	
Drug Control	Grant of licence to chemist	35	5,510	58	13	1,420
	Grant of licence for sale of homoepathic drug	35	14	02	02	
	Grant of licence for sale of schedule X drug	35	11	0	0	
Total			**12,62,137**	**23,714**		**32,77,140**

Annexure 3.4
Inadequate accommodation in OHB-I and PoS/SH
(Referred to in paragraph 3.16.3.1)

(Area in sqft.)

Place	Area as per Norms for 50 JCLs	Actual area available	Area deficient
OHB-I at Delhi Gate			
Sick room	3,750	680.76	3,069.24
Office Room	500	138.20	361.80
Work Shop	3,750	886.61	2,863.39
PoS and SH at Magazine Road, Delhi			
Class Room	600	120	480
Kitchen	250	100	150
Dining Hall	800	150	650
Store	250	144	106