



DELHI VIDHAN SABHA

COMMITTEE ON PUBLIC ACCOUNTS

[SIXTH REPORT]

(Presented on 26-03-2001)

DELHI LEGISLATIVE ASSEMBLY SECRETARIAT
OLD SECRETARIAT
DELHI

COMPOSITION OF THE COMMITTEE

1.	Shri HaroonYusuf	Chairman
2.	Shri Brahm Pal	Member
3.	Shri Radhey Shyam Khanna	Member
4.	Shri Charan Singh Kandra	Member
5.	Shri Rajesh Jain	Member
6.	Shri Nand Kishore Garg	Member
7.	Shri Avinash Sawhney	Membef

SECRETARIAT

1.	Shri S K Sharma	Secretary
2.	Shri Siddharath Rao	Joint Secretary
3.	Shri P N Sinha	Under Secretary

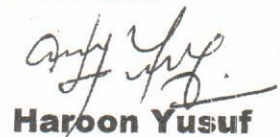
INTRODUCTION

I, Haroon Yusuf, Chairman of the Committee on Public Accounts being authorised by the Committee to present this report on its behalf do present this report relating to the examination of :

- i. Municipal Corporation of Delhi**
- ii. Delhi Transport Corporation**
- iii. Directorate of Education**
- iv. Directorate of Training and Technical Education
(Delhi College of Engineering).**

The Committee adopted this report in its sitting held on 12th March, 2001.

The Committee wishes to place on record its appreciation for the assistance and co-operation of the officers and staff of Legislative Assembly Secretariat rendered in the matter and timely preparation of this report.



Haroon Yusuf

Chairman

**Committee on Public Accounts
Delhi Legislative Assembly.**

Delhi

Date : 12th March, 2001

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

The House, having voted large sums of the taxpayers money, does in the interest of the taxpayers, expect in due course a detailed account as to how the moneys have been spent. It must satisfy itself that the moneys so voted are directed for the intended purposes and were spent prudently and economically. The Comptroller and Auditor General examines the yearly accounts of the Govt and after scrutiny, certifies the accounts, subject to such reservations he chooses to make and submits his report which is caused to be laid in the House. It is difficult, not impossible, for the House to examine the complete detailed account as the subject is of complex and technical nature and further, it cannot spare the time required for examination. The Public Accounts Committee, therefore, is entrusted with detailed examination of these accounts.

COMPOSITION AND FUNCTIONS

The Committee on Public Accounts consists of seven members who are elected by the House every year from amongst its members according to the principle of proportional representation by means of single transferable vote. The committee examines the Appropriation Accounts of the Govt of NCT of Delhi on the basis of the report of the Comptroller and Auditor General of India. The Committee has to satisfy itself that the moneys shown in the accounts as have been disbursed were legally available for, and applicable to the service and purpose to which they have been applied or charged, that the expenditure conforms to the authority which governs it; and that every re-appropriation has been made in accordance with the provisions made in this behalf under the rules framed by the competent authority.

The detailed functions of the Committee have been outlined in Rule 193 of the Rules of Procedure and Conduct of Business of Delhi Legislative Assembly and are as under :-

- i) In scrutinising the appropriation accounts of the Capital and the reports of the Comptroller & Auditor-General of India thereon, it shall be the duty of the Committee on Public Accounts to satisfy itself:

- a) that the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied, or charged;
- b) that the expenditure conforms to the authority which governs it; and
- c) that every re-appropriation has been made in accordance with such rules as may be prescribed by the competent authority.
- d) when the Committee meets to consider the report of the Comptroller & Auditor-General, the Auditor-General, or Secretary (Finance) may with a view to solely assist the Committee seek clarifications from a witness on a point which in their opinion has not been made clearer to the Committee.

ii) It shall also be the duty of the Committee on Public Accounts :

- a) to examine the statement of accounts showing the income and expenditure of State trading and manufacturing schemes together with the balance sheets, and statements of profit and loss accounts which the Lt. Governor may have required to be prepared or are prepared under the provisions of the statutory rules regulating the finances of a particular State trading concern or project and the report of the Comptroller & Auditor General thereon;
- b) to examine the statement of accounts showing the income and expenditure of autonomous and semi-autonomous bodies the audit of which may be conducted by the Comptroller and Auditor-General of India either under the directions of the Lt. Governor or by a statute; and
- c) to consider the report of the Comptroller and Auditor-General in cases where the Lt. Governor may have required him to conduct an audit of any receipts or to examine the accounts of stores and stock.

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MUNICIPAL CORPORATION OF DELHI

The Public Accounts Committee initially decided to take up the unfinished work of the previous Committee and took up for examination the following paras as appeared in Report of the C&AG for the year ending 31 March 1998 :-

Para 5.1 – Mid-day Meals

Para 5.2 – Strengthening of infrastructure through the MLA's Funds.

Para 5.1 (Mid-day Meals) : Although the earlier Committee had partly examined the para but since the replies given the MCD were unsatisfactory, the Committee examined the para de-novo. During deliberations the committee was of the opinion that the grants allocated for the purpose was not being utilised properly and was specially concerned about diversion of funds meant for providing mid-day meals to children for purchase of vehicles to the tune the tune of 40.18 lacs. When informed that these vehicles were purchased for the purpose of monitoring supply of Mid-day Meals, the Committee was not satisfied with the contention of the department and called for the log books of all the vehicles purchased out of the MDM Funds. Scrutiny of the log-books is in progress and the para remains inconclusive.

Para 5.2. (Strengthening of infrastructure through MLA Fund) :

This para which was examined by the earlier Committee but had remained unfinished, was again taken up because of unsatisfactory replies of the Corporation. There were several issues where the Committee was still not satisfied with the replies given. However, the Committee was able to prevail upon Corporation to open 70 separate accounts for each MLA and extracted an assurance from the Commissioner (MCD) for issue of a reconciliation statement to each of the MLA bi-annually. The Committee was also informed that the guidelines as applicable to the MPLADs were being made applicable to the MLAs Fund and the interests accruing on the balance amount shall be credited to the account of members for use by them. Deliberations on the para however remained inconclusive.

DELHI TRANSPORT CORPORATION

The Committee simultaneously decided also to examine paras relating to the DTC as reported by the C&AG in its report for the year ending 1999. The Committee could take up for examination only two paras and further examination was held up for want of certain information from DTC. In the meanwhile, these paras were transferred to the Committee on Govt. Undertakings because the House adopted a Report of the Rule Committee to bring DTC, DVB and Delhi Jal Board within the ambit of COGU.

In an informal meeting held in the Chamber of the Chairman PAC on wherein Assembly Secretary is also present, the AG (Audit), Delhi advised that there have been instances where Action Taken Notes in respect of paras pertaining to various Departments were not received by her office. The fate of paras which have not been taken up for discussion was also not known as to whether they have been dropped or not. AG (Audit) Delhi was also of the view that the Audit paras not taken up or discussed by the PAC lose their importance with the passage of time. The Committee was therefore advised that it would be appropriate to adopt a selective approach in the discussion of paras of Audit Reports with priority to current reports. Further, it would be advisable to take up, in the first instance, those paras wherein audit objections were of a serious nature involved huge sums of tax-payer's money and procedural lapses were apparent. She further advised the Committee to increase the frequency of meetings and their duration in order to have fruitful discussions.

The Committee, therefore, decided to take up the audit paras indicated below pertaining to the following departments as the Committee felt that there was apparently siphoning of public moneys on account of procedural lapses on the part of the departments:-

- a) para 3.8 (failure to obtain land for school buildings) and para 3.9 (purchase of dual desks) as appeared in the Report of the C&AG for the year ending March 1998 pertaining to the Directorate of Education.
- b) Para 3.9 (Schools deprived of teaching aids) as appeared in the Report of C&AG for the year ending March 1999 pertaining to the Directorate of Education.

- c) Para 3.10 (avoidable payment of electricity charges by Delhi College of Engineering as appeared in the Report of C&AG for the year ending March 1998 pertaining to the Directorate of Training and Technical Education (Delhi College of Engineering)).

DIRECTORATE OF EDUCATION

Para 3.8 of 1998 (Failure to obtain land for school buildings):

Background: Dy.director, Capital Works Branch of the Directorate of Education failed to obtain possession of land from DDA due to negligence, frustrating the objective of providing pucca buildings for more than 9000 students of 11 schools besides rendering investments of Rs.1.52 crores idle.

The Committee in its meeting held on 19.02.2001 examined the aforesaid para. The departmental representative informed the Committee that AG (Audit) had further reduced the objections originally from 11 sites to 5 sites. The Committee was informed that although the land was not formally allotted to the school in Tehkhand area but the possession of the land was with the Directorate of Education. The Committee was also informed that about 36 acres of land was similarly in possession of the Directorate of Education without being formally allotted. The Committee was of the view that the Department should refrain from paying the entire cost of the land to the Land Allotting Authority until a firm allotment has been made to the Directorate. The Committee was also of the opinion that priority should be given to procurement of land and not the refund as was being suggested by the Department in this regard and decided to drop the para.

Para 3.9 of 1998 (Purchase of Dual Desks):

Back ground: Various Acts of omissions and commission in the purchase of wooden desks by the Directorate of Education led to an extra expenditure of Rs.33.85 lacs and overpayment of Rs.14.38 lacs. Despite sufficient budget provisions for at least 40,000 desks, the Director of Education purchased 23755 desks, depriving the students of the facility of desks.

The Committee was apprised that there were 28 zones and around 1009 schools with an overall requirement of about 85,000 desks. The Departmental representative informed that around 30,000 desks have already been purchased in the month of December, 2000. The Director of Education also informed the Committee that financial powers were being delegated to the Principals of the schools for repair and fresh purchase of desks, this year onwards. The Committee was concerned that in most of schools there were various rooms filled with broken and unserviceable desks thus occupying place meant for seating of the students. The Committee was of the opinion that the Department should set up a task force to get the unserviceable desks repaired and the work should be executed centrally. For this purpose, all the principals and the Zonal Eos could be entrusted with the responsibility of dumping the broken desks at one place in each District to be decided by the Director of Education. The Committee was apprised that in order to counter the problem of broken desks the department has also resorted to making of concrete desks. The work in this regard has commenced in some schools and will be taken up in other schools during the summer recess.

The Committee was also concerned about the manner in which contracts were allotted to some of the firms for supply of dual desks by the Department during the period of audit objection. The Committee directed the Director of Education to exercise caution in future and blacklist those firms which are not in a position to supply desks as per the terms of the contract and should also ensure that these firms are not given business in future. The Committee also advised the Director of Education to evolve some criteria for maintenance and repair of desks so that the rooms in various schools which were presently occupied by the broken furniture are emptied and new/repaired desks are made available to students in the coming academic year.

11. The Committee decided to drop the para.
12. Para 3.10 of 1998 (Avoidable payment of electricity charges by the Delhi Engineering College).

Brief Background : Principal Delhi Engineering College made avoidable payment of Rs.33.41 lacs on Electricity consumption to the Delhi Vidyut Board during the year 1995-98.

13. The Committee was apprised that the Para belonged to the Directorate of Training & Technical Education and not the Directorate of Education. Secretary (TTE) and Principal, Delhi College of Engg., deposed before the Committee for the purpose.

14. The committee was informed by the Principal that the College had paid Load Violation Charges to the DVB. The Committee was apprised that there was two types of loads sanctioned by the DVB - one the sanctioned load and the other contracted load.

Whereas the sanctioned load was 598 KW but the contracted load however as per the agreement document was 299 KW. The college was violating the provisions of the contracted load whereas it was under the impression that since the sanctioned load was 598 KW, there was no mistake on the part of the college as far as violation was concerned. However, it came to the knowledge of the college only during the period of objection that the user was not allowed to utilise more electricity than what has been mentioned in the contract agreement document. The Committee was also apprised that the possibility of extra usage was probably due to some other establishments such as the Mahila Institute of Technology, Guru Gobind Singh Indraprastha University and the State Election commission operating from the same premises. The Principal informed the Committee that the college had taken the following steps in the matter:

- a) The college had written four communications to the DVB since Oct'98 doubting the correctness of the maximum demand indicator (MDI). The meter was also not functioning correctly and for three years there was no change in the reading. The DVB did not honour replies to the communications of the college.
- b) The PWD was approached to install a Shunt Capacitor but there was no response either. However, in the year 1999 an estimate of Rs.9.86 lacs was given to the college for the purpose. Expenditure sanction for this amount cannot be given by the college now since all the activities of the college have since shifted to the Bawana Complex.
- c) The excess load charges which accrued after April, 99 have not been paid. The payments may be realised from the existing occupants i.e. the Mahila Institute and the Indraprastha University.

15. The committee was satisfied with the replies given by the departmental representative and decided to drop the para with the direction to the Secretary (TTE) to issue necessary sanctions for installation of shunt capacitor immediately and the balance payments to be paid by the existing occupants.

16. Para 3.9 of 1999 (Schools deprived of teaching aids)

Brief background :Director of Education received a grant of Rs.1.32 crores from the Government of India (Ministry of Human Resources Development under the New Education Technology Programme) representing 75% of the cost of 1000 colour TVs in the year 1995. 25% of the costs of CTVs was to be borne by the government of Delhi (Dte. of Education). The grant was partly utilised by the Dy. Director of Education in March, 1996 purchasing 2800 RCCP worth 35 lacs. 1068 CTVs worth 1.30 crores was purchased by the Dept. in March, 1998.. Whereas only 88 CTVs and 2052 RCCPs were distributed to Government/Government aided schools and 980 CTVs and 748 RCCPs were lying in stock of the Deptt. till September, 99

It was also pointed out inn the audit para that as per the conditions attached to the release of grants, Deputy Director (TV) was to furnish the following information/Certificates to the Ministry.

- (i) A list of intended schools where the CTVs and RCCPs were to be supplied within three months.
- (ii) A certificate that the schools selected for supply of CTVs were covered by TV signals.
- (iii) A certificate that the infrastructure for maintenance of CTVs and RCCPs has been created.
- (iv) A certificate that the contingency funds of the schools have been adequately supplemented to ensure timely battery replacement as well as minor repairs.
- (v) A list of educational audio-visual cassettes intended to be supplied along with the mode of purchase and supply to schools.

Deputy Director (TV), however, did not comply with any of the above requirements, thereby rendering the proposal itself invalid.

16. The committee in its meeting held on 14.2.2001 examined the para and expressed grave concern at the manner in which the scheme for allotment of CTVs and RCCPs was implemented by the Dept. The committee inter-alia pointed out the following discrepancies in the implementation of the scheme:

- a) delay in utilisation of the grant by the Dte. for three years. The grant of Rs.1.32 crore was received by the Dept. in March, 1995 whereas the sanctioned amount was spent by the Dept. towards purchase of CTVs and RCCPs only in March, 1998.
- b) The equipments purchased were not fully distributed amongst the schools thereby causing loss to the Government in terms of revenue or otherwise.
- c) No action taken against the officers responsible for mismanagement and negligence.

The departmental representative giving evidence before the committee had the following observations to make:

- a) that the delay in expenditure of the grant was attributable to the reasons that the scheme was introduced for the first time, there were no earlier guidelines in the matter. The department had sought extension upto 1997 for purchase of these equipments.
- b) A total of 1068 CTVs and 2800 RCCPs were purchased by the department. Out of these 505 were given to Government schools, 63 to Government aided schools, 23 to MCD, 267 were returned to ECIL and 187 were still held in stock for further distribution. The committee was of the view that the department had handled the scheme in a highly improper manner thereby depriving the students of the innovative method of education. The committee was further informed that further distribution was not possible since the Doordarshan had stopped the programme. The committee was of the firm opinion that contention of the department was not based on facts. The committee therefore directed the department to furnish a list of schools to whom the equipments were supplied.

- c) The committee was informed that the then Director of Education had taken up the case with Vigilance Department for initiation of disciplinary proceeding against the DDE(TV). A copy of the communication was placed before the committee. The committee was not satisfied with this and was of the opinion that the entire onus was being sought to be shifted only on the officer who handled the scheme and expressed the view that the other higher officers could not escape the responsibility for mismanagement, negligence and poor handling of the project. The committee directed the department to produce a list of all those incumbents who held the post of Secretary/Pr. Secretary, Director and Joint Director (Finance) from April 1995 onwards.
18. The department supplied a list containing the names of schools and educational institutions which were supplied CTVs and RCCPs. The list revealed the following glaring shortcomings:
- a) The list did not indicate the date on which the sets were distributed.
 - b) The TV sets were distributed even to officers such as JDE (Plg.), JDE(SCERT) and several officers within the department.
 - c) Names of some schools started to have been supplied CTVs/RCCPs appeared at more than one place in the list.
 - d) Tape recorders have been issued to some offices viz. office of DDE (West), TV Branch (Workshop, TV Branch (Library), TV Branch (Geographic Lib) etc.
 - e) The handwritten list contained names of some schools which were not legible.

As desired by the committee the department submitted the following list containing the names of officers viz. Principal Secretary/Secretary, Director and Joint Director (Finance):

Pr. Secretary/Secretary (Edn.)

Shri S. Reghunathan IAS	Pr.Secretary	April, 95	March, 98
Ms. Neeru Nanda IAS	Secretary	March, 98	February, 99
Shri Narender Prasad IAS	Pr.Secretary	February, 99	till date

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Director (Edn.)

Shri G.S. Patnayak IAS	11.11.94	4.12.95
Shri K.K. Bhasin, IAS	4.12.95	31.5.97
Ms. Satbir Silas, IAS	5.6.97	30.3.98
Ms. Archana Arora IAS	12.5.98	10.2.99
Shri S.C. Poddar IAS	10.2.99	15.1.2001
Shri G.Srivastava IAS	15.1.2001	till date

Joint Director of Edn. (Finance)

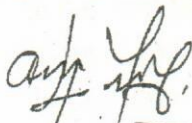
Ms. Jaishree Raghuraman DANICS	-	1.1.96
Shri Nand Gopal DANICS	1.1.96	25.3.96
Shri K.J.R. Burmanq DANICS	25.3.96	14.1.97
Shri T.C. Nakh DANICS	6.5.97	19.5.99
Shri Surjit Roy DANICS	19.5.99	17.1.99
Shri D.P. Dwivedi DANICS	18.10.99	till date

18. The committee in its meeting held on 19.2.2001 decided not to drop the para as there were apparently negligence and mis-utilisation of Government money and therefore decided to make its own recommendations in this regard.

RECOMMENDATIONS

1. The committee recommends the following:
 - a) The Directorate of Education should strictly adhere to proper tendering procedure in case of all purchases.

- b) Suppliers who have not been able to supply the desks in time as per the conditions in the contracts be black-listed.
- c) The Directorate should make payments to the DDA and other land allotting agencies only after ascertaining the actual land position and whether it is clear or has any kind of encroachment thereon.
- d) The Directorate shall make efforts to procure the land payment for which has already been made to the DDA or get the paid money refunded.
- e) The Principal Secretaries/Secretaries, Directors and Joint Directors (Finance) cannot be absolved of their responsibility with regards to the purchase and distribution of the equipments and proper supervision of the scheme. The committee therefore, recommends that in view of inordinate delay in purchasing the equipments and other glaring discrepancies in proper utilisation of the grant in distribution of CTVs and RCCPs to schools, departmental actions may be initiated not only against the DDE(TV) but against all those Principal Secretaries/Secretariat, HODs, Director and other senior officers who were in position prior to taking up of the para by the committee, who dealt with the grant or were otherwise responsible for supervision, purchase and distribution of CTVs and RCCPs to the school as teaching aids.
- f) The Directorate should ensure that refund for the CTVs returned to ECTV company is received back.
- g) Secretary(TTE) may take immediate steps to install a shunt capacitor in the Old Premises of the Delhi College of Engineering. Secretary(TTE) may also take necessary steps to ensure pending payment of the bills of DVB by the Mahila Institute of Technology and Guru Gobind Singh Indraprastha University and the State Election Committee.


(Haroon Yusuf)
Chairman

Public Accounts Committee

Place: _____
Date : _____