

List of Pending Para

MINOR WATER RESOURCE DEPARTMENT

Year		Pending Para as per PAC	Compliance Report Received from Administrative Deptt. as on 31/12/2010	Compliance Report not Received from Administrative Deptt. as on 31/12/2010
2005-06	Civil	4.3.2	4.3.2	—
2006-07	Civil	3.1 , 4.3.8	4.3.8	3.1

MINOR IRRIGATION DEPARTMENT

4.3.2 Unfruitful expenditure on construction of weir

Due to improper execution, the schemes failed to create the required irrigation potential and resulted in unfruitful expenditure of Rs 75 lakh.

Under Surface Water Scheme of NABARD-Phase IX, construction of weir on Gerua river was administratively approved (December 2004) for Rs 79.85 lakh and technically sanctioned (March 2005) for Rs 79.09 lakh with the objective to create irrigation potential of 800 hectares of land. Loan of Rs 75 lakh was sanctioned in phases by NABARD between 2003-06 at the interest rate of seven *per cent* per annum.

Scrutiny of records (August 2005) of Executive Engineer, Minor Irrigation (MI) Division, Bhagalpur disclosed that the construction work was allotted (March 2005) to a contractor for Rs 81.67 lakh (4.5 per cent higher than the estimated cost) on finished rate for completion by June 2005. Though more than 90 per cent of the work was completed and payment of Rs 75.48 lakh (through second running account bill) was made (August 2005) to the contractor, the irrigation potential for 200 hectares of land could only be created as per the physical report of the scheme (August 2005). Moreover, the actual status of irrigated land could not be verified in audit since relevant records (like plot number, name of the beneficiaries committee etc.) were not being maintained at division level.

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As per the tender clauses, qualities of all construction material to be used in the work were to be tested, as per ISI specification as well as the specifications mentioned in the tender. But no such quality test of materials worth Rs 51.50 lakhs²⁵ was carried out by the Division. As no test report was made available to audit, the use of sub-standard materials could not be ruled out.

Thus, despite the completion of more than 90 per cent of work and expenditure of Rs 75.48 lakh only 200 hectares (25 *per cent*) of irrigation potential could only be created.

The matter was reported to the Government (March 2006); their reply has not been received (October 2006).

25	Description	Rate(per M ³)	Quantity	Amount(Rs in lakh)
	PCC work (1:3:6)	1799.75	2035.85 M ³	36.63
	PCC/RCC(1:2:4)	1807.70	556.96 M ³	10.06
	B/W of 100 A brick	1414.45	236.06 M ³	3.34
	Superstructure	1415.00	76.41 M ³	1.11
	Gravel filter	377.45	3.37 M ³	0.01
	Stone metal	390.60	8775 M ³	0.34
	Total			51.50

3.1 Tubewell Project in Bihar

Highlights

The objective of the State Tubewell Project was to raise the income of farmers through increased agricultural production by providing the irrigation facilities. The expenditure on implementation of different phases of the project was initially met by the State which was to be reimbursed by loan from NABARD. The Tubewell project failed to provide the intended benefit of irrigation as utilisation of the irrigation potential was low. Excessive purchase of materials, delayed execution and low realisation of water rent adversely affected implementation of phase VIII.

Number of working old tube wells ranged between 25 and 33 per cent during 2002-07. There was unfruitful expenditure of Rs 2.15 crore on rehabilitation of old tubewells.

(Paragraph 3.1.7.1 and 3.1.7.2)

Unfruitful expenditure of Rs 1.12 crore was incurred on failed tubewells of phase III. An advance of Rs 2.85 crore was lying unutilised with BSEB since March 1999.

(Paragraph 3.1.8.1 and 3.1.8.3)

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There was excess procurement of 101 DG sets and 111 submersible motor pumps valuing Rs 1.24 crore under phase VIII. Due to discrepant guarantee clause, 202 diesel generator sets could not be covered under the guarantee.

(Paragraph 3.1.9.3 and 3.1.9.4)

Irregular grant of time extension led to non-execution of work of phase VIII within stipulated time. Penalty amounting to Rs 2.03 crore for delay in execution of works was not imposed.

(Paragraph 3.1.9.5)

Fifty nine per cent of test checked tube wells were handed over to users' associations, none was maintaining any account of demand and realisation of irrigation and water rent.

(Paragraph 3.1.9.6)

Introduction

The State Tubewell Project was approved by Government of Bihar in June 1986 with World Bank assistance at an estimated cost of Rs 276.78 crore with due date of completion by May 1994. The World Bank stopped funding in 1994 due to its poor implementation. The tubewell project was implemented in different phases during 1999-2007, under Rural Infrastructure Development Fund (RIDF). It aimed to raise the agriculture production by providing irrigational facilities to farmers.

3.1.2 Organisational set up

Minor Irrigation Department headed by the Secretary was responsible for the construction, operation and maintenance of state tubewells. He was assisted by Project Co-ordinator, two Chief Engineers and 10 Superintending Engineers. There were 29 works divisions, each headed by an Executive Engineer. A Central Workshop Division at Patna was responsible for the departmental drilling as well as maintenance of machines and equipment owned by the Department.

3.1.3 Audit objectives

The audit objectives were to assess whether:

- the survey conducted and selection of wells was made after adequate planning and taking into account all parameters and past experience ;
- the funds provided by the State Government under Phase-III, V and VIII were economically, efficiently and effectively utilised ;
- the targeted irrigation potential was created and utilised and
- the effective monitoring mechanism was in place.

3.1.4 Audit criteria

The audit criteria used to evaluate the performance of the scheme were:

- Bihar Public Works Code and Bihar Financial Rules;
- Targets fixed by the Department for irrigation and water rent realisation;
- Instructions issued by the Minor Irrigation Department.

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3.1.5 Audit coverage and methodology

Performance Audit of Tube well project in the State was conducted through test check of the records (January 2007 to August 2007) of the offices of Project Co-ordinator, two Chief Engineers¹ and 10 (out of 29) Divisions² for the period 2002-07.

Joint physical verification of 100 tubewells (old: 21; Phase -III: 20; Phase-VIII: 59) was conducted alongwith Junior Engineer in-charge of tubewells. An entry conference was held with Secretary-cum-Commissioner of Minor Irrigation Department in May 2007 to explain audit objectives, audit criteria and methodology. The audit findings were discussed in the exit conference with senior department officials in October 2007.

1. Chief Engineer (South), Patna and, Chief Engineer (North), Muzaffarpur

2. Ara, Bhagalpur, Biharsharif, Darbhanga, Gaya, Madhepura, Motihari, Munger, Muzaffarpur and Sitamarhi

Audit findings

3.1.6. Financial management

The expenditure on implementation of project was to be met initially by the State Government, which was to be reimbursed by the loan from NABARD. The allotment of funds and expenditure on works and establishment under Plan and Non-plan during 2002-07 were as under:

Year	Allotment						Expenditure ³						Percent of establishment expenditure to works expenditure
	Works			Establishment			Works			Establishment			
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total	
2002-03	4.36	3.96	8.32	21.36	49.74	71.10	3.75	3.38	7.13	20.93	42.82	63.75	894
2003-04	34.10	6.06	40.16	19.43	50.05	69.48	30.73	6.05	36.78	19.41	49.27	68.68	187
2004-05	46.80	9.20	56.00	19.89	49.85	69.74	41.40	8.40	49.80	19.64	49.34	68.98	139
2005-06	14.04	10.00	24.04	22.42	57.64	80.06	10.90	9.37	20.27	22.36	55.53	77.89	384
2006-07	29.98	12.67	42.65	25.64	57.44	83.08	24.00	12.29	36.29	23.07	51.73	74.80	206
Total	129.28	41.89	171.17	108.74	264.72	373.46	110.78	39.49	150.27	105.41	248.69	354.10	236

(Source: Minor Irrigation Department)

Establishment expenditure was 1.39 to 8.94 times of works expenditure

It may be seen from the table that the establishment expenditure ranged from 1.39 to 8.94 times of works expenditure during 2002-07 though the expenditure on establishment was to be limited to 12 per cent of the works expenditure as per Rule 5(a)(ii)-Appendix-4 of BPWA code.

The high establishment cost was attributed by the Department to absorption of large number employees of State Tubewell Development Corporation.

Further, against the re-imbursement claim of Rs 74.47 crore (Phase-VIII) submitted by Finance Department to NABARD bearing annual interest rate of 8.5 per cent (quarterly based) during 2003-07, Rs 65.80 crore was reimbursed upto March 2007. The interest rate of 8.5 per cent was high compared to average interest rate on market borrowings, which ranged between 7.15 per cent and 9.50 per cent during 2002-07.

3.1.6.1 Control registers of works not maintained to monitor expenditure

Non-maintenance of records as per BPWD code

The Works Abstract Register, Contractor Ledger, Register of Works and Asset register of tubewells were not maintained by any of the divisions test checked. No separate account of expenditure as per estimate of each work was maintained by the Executive Engineers though required under Rule 102 of BPWD code. In absence of control registers, there was no effective control on the various aspects of works expenditure.

The Secretary replied (October 2007) that the instructions have been issued to the divisions to maintain the aforesaid records as per BPWD code.

3. Allotment and expenditure include figures for phase XI for which material procurement had begun in 2006-07.

3.1.7 Performance of existing old tubewells

3.1.7.1 Low utilisation and high cost of irrigation per hectare

The total irrigation potential of existing 5,556 tubewells was 27.80 lakh hectare. Of these, only 3,072 tubewells were working with irrigation potential of 15.53 lakh hectare during 2002-07. Potential created was not utilised, as 2,484 tube wells remained inoperative due to mechanical (55), electrical (539) and other faults (1,890). The actual utilisation was only 1.03 lakh hectare as per details given below:

Year	Irrigation potential	Target (Annual)	Utilisation of irrigation potential (achievement)	Percentage utilisation against potential created	Total cost of irrigation service	Per hectare cost of irrigation service
	(In lakh hectare)				(Rs in lakh)	(In Rupees)
2002-03	2.84	1.25	0.20	7	6,375	31,875
2003-04	2.85	1.32	0.17	6	6,868	40,400
2004-05	3.26	1.20	0.24	7	6,898	28,742
2005-06	3.29	1.07	0.24	7	7,789	32,454
2006-07	3.29	0.85	0.18	5	7,480	41,555
Total	15.53	5.69	1.03			

Per hectare cost of irrigation varied between Rs 28,742 and Rs 41,555

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The cost of providing irrigation per hectare ranged between Rs 28,742 and Rs 41,555 during 2002-07.

Only 10 per cent of total irrigation potential utilised

The scrutiny of records in test checked divisions disclosed the following:
Against the total number of 2,227 old tubewells, the number of working tube wells ranged between 565 (25 per cent) and 736 (33 per cent) during 2002-07. Further, the target of irrigation (1.90 lakh Hc) was fixed at only 59 per cent of total irrigation potential created (3.21 lakh Hc) against which achievement was 17 per cent (0.32 lakh) of target fixed and 10 per cent of the irrigation potential created during 2002-07. The Department attributed low utilisation of created irrigation potential to damaged distribution system and poor electric supply.

Rupees 19 lakh was collected as water rent during 2002-05 against demand of Rs 1.01 crore in 10 test-checked divisions.

3.1.7.2 Unfruitful expenditure on rehabilitation of non-functional old tubewells (under phase-V)

Unfruitful expenditure of Rs 2.15 crore on rehabilitation of old tubewells

With a view to restoring irrigation potential of 101 old non-functional tubewells (10,100 hectare), a rehabilitation plan was approved in 2001-02 at an estimated cost of Rs 4.40 crore of which only 77 tubewells were taken up for rehabilitation during December 2001 to February 2002. However, only 37 tubewells were rehabilitated after spending Rs 2.15 crore. These tube wells remained inoperative, as distribution channels for carrying of water were not completed (August 2007).

In test-checked divisions (Ara, Biharsharif, Motihari and Muzaffarpur), 16 old tubewells taken up for rehabilitation remained inoperative due to non-construction of distribution channel (14) and non-energisation (2) of tube wells though expenditure of Rs 66.29 lakh⁴ was incurred upto March 2003.

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3.1.8 Project implementation (Phase-III)

3.1.9 3.1.8.1 Unfruitful expenditure on incomplete tubewells

Unfruitful expenditure of Rs 2.33 crore on incomplete tubewells

With a view to creating irrigation potential of 0.28 lakh hectare (80 hectare per tubewell), 351 new tubewells were proposed for installation at an estimated cost of Rs 59.06 crore during 1999-2000 against which expenditure of Rs 50.66 crore was incurred. Of these, 303 tube wells (0.24 lakh hectare) were commissioned at a cost of Rs 48.33 crore upto March 2003. Remaining 48 tubewells could not be completed due to non-provision of funds by the Department though Rs 2.33 crore was spent.

Unfruitful expenditure of Rs 1.12 crore

The detailed project report did not contain provision for resistivity test, which was essential for assessing the potentiality of ground water by studying the nature of prevailing sub surface. In five test-checked divisions, 18 out of 177 tube wells failed after drilling due to selection of site without carrying out resistivity test resulting in unfruitful expenditure of Rs 1.12 crore on procurement of material and drilling.

3.1.8.2 Poor utilisation of irrigation potential

Only two per cent utilisation of irrigation potential

In test-checked divisions, 1,496 hectare (two per cent) could be utilised against the irrigation potential of 73,200 hectare during 2002-07 in respect of 83 tubewells, which were transferred to users' associations. Low utilisation of irrigation potential was attributed to high diesel consumption in DG sets (5), expired batteries (54) meant for self starting DG sets and non-drawal of water simultaneously from at least two distribution channels leading to bursting of supply pipes⁵.

3.1.8.3 Non-energisation of tubewells

212 tubewells were not

The work relating to energisation of 316 tube wells was allotted to Bihar State Electricity Board (BSEB) in March 1999 at a cost of Rs 4.41 crore. Only 104 tube

energised and Rs 2.85 crore was lying unutilised with BSEB

wells could be energised at an expenditure of Rs 1.56 crore upto March 2007 leaving advance of Rs 2.85 crore unutilised with the BSEB. The non-energisation was mainly due to non-responsive attitude of BSEB and lack of pursuance by the Department. Secretary, Minor Irrigation replied that energisation would be completed by March 2008.

4. Ara (Rs 4.27 lakh), Biharsharif (Rs 10.38 lakh), Motihari (Rs 51.34 lakh), and Muzaffarpur (Rs 0.30 lakh)
5. The pipes of underground distribution channels had three outlets. It was essential to draw water simultaneously at least from two outlets to prevent bursting of pipes due to excessive pressure.

3.1.9 Implementation of tubewell project (Phase VIII)

3.1.9.1 Defective planning

Previous short comings were not considered while finalising DPR

Detailed Project Report (DPR) for implementation of RIDF Phase-VIII was prepared (July 2002) to increase the irrigation facilities to farmers. Absence of uniform cropping pattern in the command area, non-demand of water simultaneously from at least two underground distribution channels were some of the deficiencies, which were not kept in consideration while finalising the DPR for Phase - VIII. As a result only two *per cent* utilisation of irrigation potential could be achieved. Department should have carried out comparative analysis of open channel and underground distribution system as the latter had failed in providing benefits under Phase-III.

Realised benefit cost ratio was below benchmark

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The economic feasibility of the scheme (Phase-VIII) was assessed by working out Benefit Cost ratio (BC) of 6.5 on the basis of full utilisation of irrigation potential to be created which was higher than benchmark of 1.5 fixed by the Department. The Department never calculated BC ratio on the basis of actual performance for old tubewells as well as tubewells under phase VIII after completion of the scheme. BC ratio, calculated by audit on the basis of performance of tubewells under Phase-VIII, was arrived at 0.50, which was much less than the benchmark of 1.5 fixed by the Department. Thus, the scheme was economically not feasible from point of view of benefit cost ratio. The Department did not evaluate the performance in terms of benefit cost ratio to assess the performance of the scheme during 2002-07.

Survey was not conducted

Rupees 44.10 lakh allotted (March 2003) to 10 test checked divisions for conducting survey for selection of suitable sites was unauthorisedly diverted (Rs 34.80 lakh) on contingent expenditure such as photocopying, hiring of tents and chair.

3.1.9.2 Delay in commissioning of tubewells

Project Coordinator approved (July 2002) DPR for installation of 1740 tubewells at an estimated cost of Rs. 91.87 crore to be completed by March 2005. However, the administrative approval was accorded by the Department in March 2003, which delayed the commencement of project. Out of 1593 tubewells taken up for execution (2003-04), 1500 tube wells were commissioned up to August 2007 at an expenditure of Rs 77.60 crore and 65 tubewells failed during drilling.

In test-checked divisions out of 906 tubewells sanctioned during 2002-03, 880 were taken up, of which 796 were commissioned as of August 2007 leaving 84 tubewells incomplete. Five tube wells in two divisions (Ara-One and Bihar Sharif-Four) failed on

which Rs 13.39 lakh⁶ was spent.

6. Ara: Rs 4.62 lakh and Bihar Sharif: Rs 8.77 lakh.

3.1.9.3 *Material purchased in excess of requirement*

Excess procurement of material valuing Rs 1.24 crore

Government decided to purchase (March 2002) 1,694 Diesel Generator (DG) sets and 1,704 Motor pumps in the first year of the implementation. Of 1,694 tube wells, subsequently only 1,593 tube wells were taken up for execution. As a result, purchase of 101 DG sets valuing Rs 85.65 lakh and 111 submersible motor pumps valuing Rs 38.36 lakh was made in excess of requirement. Although, the Project Coordinator directed (November 2003) the Executive Engineers not to receive the materials in excess of requirement but no action was taken to amend the purchase order issued by CEs (North and South) to restrict it to immediate requirement. Incidentally, Project Coordinator was also working as Chief Engineer (North). Thus, Rs 1.24 crore was spent on excess procurement of material in violation of Rule 257 of BPWD code as purchase of materials in advance or excess of requirements results in both direct and indirect losses to Government.

3.1.9.4 *Discrepant guarantee clause*

202 DG sets not covered under guarantee due to discrepant clause

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The performance guarantee clause of purchase order issued by Chief Engineer (South), provided for guarantee against the defective manufacturing or workmanship for a period of 12 months from the date of successful commissioning but purchase order of CE (North) provided for guarantee of 12 month from the date of actual delivery. Out of 916 DG sets delivered upto March 2005 in North Bihar, 714 sets could be commissioned upto March 2006, thus 202 DG sets were not covered under guarantee clause due to discrepant clause in the purchase order. Fifty-nine tubewells, eight DG sets and one motor pump were found defective during joint verification, as they were not covered under guarantee clause. Despite repeated request by the EEs of Ara and Munger divisions, the company neither replaced the defective DG sets nor rectified the defects.

After sales service agreement for the entire material supplied by the firm was not executed though the Department decided for the same. Executive Engineers as well as users associations informed that DG sets supplied by Atul Generator and India Casting Ltd. stopped after one to two hours of operation because of excessive heat generated by them. Besides, they were consuming three to four litres of diesel per hour against the specification of 2.5 litres per hour. In the absence of after sale services agreement, these defects could not be rectified.

3.1.9.5 *Irregular grant of time extension*

Indiscriminate granting of time extension led to delay in implementation of project

Scrutiny of 90 contracts (Drilling: 27; Civil works: 63) in 10 test checked divisions amounting to Rs. 20.31 crore (Drilling and Development: Rs.12.02 crore for 827 tubewells; Civil works Rs. 8.29 crore for 809 tubewells) showed that representation for time extension was submitted by the contractors to the concerned Executive Engineers after delay ranging from four months to two years from the date of completion without any valid reasons.

Further, scrutiny disclosed that 14 contracts of civil works valued Rs 2.59 crore in four test checked divisions (Ara:7, Madhepura:1, Bhagalpur:4 and Munger: 2) involving 221 tubewells were to be completed during June 2003 to December 2004 but the work of 149 tubewells were incomplete upto August 2007, despite irregular grant of time

extension upto March 2007 by the Chief Engineer.

Non-imposition of penalty worth Rs 2.03 crore

Clause-2 of the terms of the contract provides imposition of penalty at 0.5 *per cent* of the contracted value per day subject to maximum of 10 *per cent* but in all test-checked 90 cases penalty amounting to Rs 2.03 crore was not imposed. This encouraged the contractors not to complete the work within stipulated time.

The Department stated that time extension was granted as the same was given to NABARD works upto March 2008 to avoid cost escalation. The reply was not acceptable as it was in violation of Clause-2 of the contract.

3.1.9.6 Non-functional users' associations

Prior assurance of users' associations not obtained

Users' associations (UAs) were to be set up as per departmental instructions (August 2002) with minimum of 51 farmers of the command area as members. Tubewells were to be handed over to the committee for operation and maintenance after signing the Memorandum of Understanding (MoU) between the committee and the Department. These committees were to maintain a register for accounting of irrigation and water rent fixed by the Government. Ninety *per cent* of water rent realised was to be utilised for operation and maintenance of tubewells and remaining 10 *per cent* was to be deposited in the Government account. As per DPR, prior assurance from user's association was to be obtained before start of the work of new tubewells under Phase-III and VIII, which was not obtained in test checked divisions.

395 tubewells were not transferred to users' associations

In 10 test-checked divisions, it was observed that out of 973 commissioned tubewells (Phase-III: 177; Phase-VIII: 796), only 578 (59 *per cent*) (Phase-III:103; Phase-VIII: 475) tubewells valuing Rs 69.02 crore were handed over to users' associations. The remaining 395 tube wells remained with the respective divisions. None of the users' associations were registered. Neither the irrigation account relating to demand and realisation was maintained by any associations nor bank account was opened by them.

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Only four test-checked divisions⁷ submitted the proposal for registration of 377 committees to the District Magistrates, but no action had been taken upto July 2007.

The Department accepted (October 2007) the findings and stated that efforts were on to activate the functioning of users' associations and action for realisation of water rent from users' associations was being taken.

3.1.9.7 Negligible utilisation of irrigation potential created

Only six per cent utilisation of irrigation potential created

Out of 880 tubewells taken up for execution in test-checked divisions, only 796 tubewells could be commissioned as of March 2007. Irrigation potential of about 1,930 hectare (six *per cent*) could be utilised against 31,840 created during 2004-07. The negligible irrigation was mainly attributable to high consumption of diesel (three to four litre per hour), lack of demand of water simultaneously from at least two distribution channels leading to bursting of distribution pipes and damaged distribution system which had been accepted by the Executive Engineers of all the test checked divisions.

7.Motihari, Muzaffarpur, Ara and Bihar sharif

3.1.10 Findings of the joint physical verification

The joint physical verification of old tubewells as well as tubewells under the Phase-III and VIII were carried out by audit with Junior Engineer in charge of respective tubewells in nine test-checked divisions⁸. The verification showed the following :

Substandard work of repair worth Rs 9.48 lakh

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- Out of 21 old tubewells verified, 19 were found operational but utilisation of irrigation potential was very low and distribution channels were damaged in case of eight tubewells. The repair work of channels of four old tubewells in two test-checked divisions (Madhepura and Ara) at a cost of Rs 9.48 lakh was found to be of substandard quality, which was accepted by the Junior Engineers responsible for execution of work.
- Out of 59 (Phase-VIII) and 20 (Phase-III) tubewells verified only 21 (Phase-VIII) and 4 (Phase-III) were found operational.
- Out of 16 and 38 inoperative tubewells under Phase-III and Phase-VIII, nine were inoperative due to theft of alternator, dynamo and in case of one tubewell in Sitamarhi, D G set was being used by Mukhia at his residence. In 12 cases, theft was noticed during joint physical verification of tubewells. Though FIRs were lodged but no outcome was noticed during audit.
- Almost all underground distribution system of tubewells under Phase-VIII were partially damaged or developed leakage due to substandard work of laying of pipes at a depth of two to three feet against required depth of three and a half feet. Due to less depth, PVC pipes were damaged during ploughing of land.
- All the farmers, Secretaries of users' association and Mukhias advocated for open channel distribution system.
- In the absence of records relating to beneficiaries, it could not be ascertained whether small and marginal farmers were being benefited as envisaged in the DPR.

8. *Ara, Bihar sharif, Bhagalpur, Munger, Muzaffarpur, Sitamarhi, Gaya, Madhepura and Darbhanga*

3.1.11 Manpower management

The men in position vis-à-vis sanctioned strength in the test checked divisions were as under:

Name of post	Sanctioned strength	Men in position
Assistant Engineer	41	28
Junior Engineer	84	59
Mechanic	38	12
Fitter	46	28
Electrician	46	30
Peon	160	159
Tubewell operator	1,836	1,373

It may be seen that against sanctioned strength of 1,836 tubewell operators, 1,373 were available, while the number of running tubewells were 736 only. Thus, 637 tubewell operators were deployed on inoperational tubewells without any work up to March 2007.

3.1.11.1 Wasteful expenditure on idle staff

Wasteful expenditure of Rs 96 lakh on idle staff

A drilling sub-division was created by the Department in August 1992 for drilling and development of new tubewells as well as rehabilitation of old tubewells in Muzaffarpur division. No tubewell was drilled during 2002-07. Rig machine, truck and welding equipment were transferred to Hajipur division in June 2003 by the order of Chief Engineer (North).

Thus the expenditure of Rs 96 lakh incurred on pay and allowances of 33 technical and non-technical staff of drilling sub-division, during 2002-07 was wasteful. No action was taken by the Project Co-ordinator to shift the staff to only Drilling Division at Patna to ensure gainful utilisation of their services.

3.1.12 Monitoring and evaluation

Poor monitoring and no evaluation was carried out

The Project Co-ordinator was responsible for co-ordination of the implementation of the project and reporting to the Secretary. A monitoring and evaluation cell under a Superintending Engineer was responsible for monitoring the project implementation. He was responsible for collecting and analysing data right from project planning, implementation and performance with regards to quantity and quality of irrigation service.

The monthly progress reports submitted by the divisions did not indicate the component wise work done and expenditure thereagainst and no evaluation was carried out to assess the performance of the schemes. Purchase of excessive tubewells materials and their inadequate utilisation in works were never reviewed against the actual requirement. Raising of water rent demand, collection of water charges and cost of providing irrigation service per tubewell were neither analysed nor corrective action were taken.

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3.1.13 Action taken on previous audit report

The paragraph 4.1 of Comptroller and Auditor General of India's report for the year ending March 1999 was placed in Public Accounts Committee of Bihar Legislative Assembly. Deficiencies pointed out in earlier Audit Report relating to budget provision, expenditure, project implementation, material management etc. persisted during 2002-07 as detailed in **Appendix-XXVII**.

3.1.14 Conclusion

The expenditure on establishment was very high over the norms compared to works expenditure. Planning was inadequate and lesson learnt from previous phases were not considered while finalising DPRs for new projects. Unplanned procurement led to excess purchase of D.G sets and Submersible Motor pumps. Improper guarantee clause resulted in D.G sets being uncovered under guarantee. The implementation of project was also delayed due to irregular grant of time extension. Institutionalised delivery mechanism was weak as users' associations for running the tubewell were created for 59 per cent of tube wells. The functional users' associations were not maintaining any account of irrigation and water rent. Only six per cent of targeted irrigation could be achieved and thus the objective of providing irrigation to farmers was completely defeated. The monitoring cell failed to co-ordinate the planning, purchase and

accounting process of the project.

Recommendations

- Survey for site selection and resistivity test must be carried out before start of project to prevent wasteful expenditure on failed tubewells.
- Efforts must be made to increase utilisation of irrigation potential of existing tubewells.
- Steps for rehabilitation of old tube wells should be taken on priority.
- Terms and condition of the contract should be enforced for timely completion of projects.

The matter was reported to Government (September 2007); and their reply (October 2007) has been incorporated at the appropriate places.

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4.3.8 Unfruitful expenditure

Expenditure of Rs 2.57 crore made on construction of 203 platforms remained unfruitful. Besides there was doubtful expenditure of Rs. 37.66 lakh on installation of 107 pump sets.

The Minor Irrigation (MI) Department sanctioned 262⁷³ Barge Lift Irrigation schemes⁷⁴ at a cost of Rs. 4.27 crore in MI Division, Saharsa under RIDF Phase 8 (financed by 90 per cent NABARD loan). The Barge scheme is implemented through construction of floating platform and installation of pump set on the platform. The barge-site was to be selected on the basis of agreement among the committee of beneficiaries, panchayat and concerned MI Division. After completion, the schemes were to be handed over to respective beneficiary committees for operation and maintenance.

The Chief Engineer MI, Bhagalpur issued (March 2004) purchase order to a private firm of Agra for procurement of 262 pump sets. The purchase order inter alia envisaged supply, installation and commissioning of 10 HP air-cooled diesel engine with accessories after inspection by DGS&D in presence of authorised representative of the Office of the Chief Engineer, MI Department, Bhagalpur. The pumps were supplied and commissioned as per certificate furnished (March 2006) by Assistant Engineer (AE), Saharsa and accordingly payment (March 2006) of Rs one crore for all the 262 pump sets was made to the agency.

73. Saharsa sub division: 119, Supaul sub division: 82 and Madhepura subdivision: 61.

74. A pump set installed on floating platform in the river or jheel to irrigate adjacent area.

For construction of floating platforms, nine agreements valued Rs.3.62⁷⁵ crore were

executed by the division with three agencies (January-February 2004) and payment of Rs. 3.39⁷⁶ crore was made upto April 2007.

75. Firm-A: (1F2: Rs.45,67,016, 2F2:Rs.40,13,439, 3F2: Rs.35,98,255, 4F2: Rs.37,36,650, 5F2: Rs.41,51,833 and 6F2: Rs.42,90,227), Firm-B: (7F2: Rs.42,90,227 and 8F2: Rs.38,75,044) and Firm-C: (9F2: Rs.37,36,650).
76. 1F2: Rs.39,54,285 upto 9th RA, 2F2: Rs.31,40,636 upto 3rd RA, 3F2: Rs.30,09,404 upto 6th RA, 4F2: Rs.37,36,486 upto 3rd RA, 5F2: Rs.41,51,094 upto 5th RA, 6F2: Rs.40,41,455 upto 2nd RA, 7F2: Rs.42,90,227 Final, 8F2: Rs.38,75,044 upto Final and 9F2: Rs.37,36,656 upto 9th RA RA, 3F2: Rs.30,09,404 upto 6th RA, 4F2: Rs.37,36,486 upto 3rd RA, 5F2: Rs.41,51,094 upto 5th RA, 6F2: Rs.40,41,455 upto 2nd RA, 7F2: Rs.42,90,227 Final, 8F2: Rs.38,75,044 upto Final and 9F2: Rs.37,36,656 upto 9th RA.

Scrutiny (May 2007) of records disclosed following:

- Certificate of AE Saharsa in respect of supply, installation and commissioning the pump sets was incorrect as 59 pump sets valued Rs. 20.77 lakh under Madhepura sub division were not traceable which were shown as commissioned but not handed over to beneficiary committee as confirmed in physical verification by the Department (May 2007). Similarly, 48 pump sets valued Rs. 16.89 lakh under Supaul sub division were shown as installed, commissioned and handed over to beneficiary committees prior to construction of floating platforms. Thus, installation of 107 pump sets valued Rs 37.66 lakh was doubtful;
- There was nothing on record about inspection of DGS&D in presence of representative of CE office;
- Payment for 131 pump sets was made without obtaining invoice / challans and packing list identifying the content of each pack,
- Out of 262 floating platforms, 59 were complete and remaining 203 were incomplete. Expenditure of Rs. 2.57 crore was incurred on incomplete floating platforms;
- Stock register and site account was not found maintained and
- No agreement was on record regarding selection of site.

Thus, unfruitful expenditure of Rs 2.57 crore was made on incomplete platforms and doubtful installation of 107 pump sets valued Rs 37.66 lakh.

The matter was reported to Government (August 2007); their reply had not been received (October 2007).

**B
a
c
k**