

CHAPTER III

CIVIL DEPARTMENTS

SECTION-B : PARAGRAPHS

INLAND WATER TRANSPORT DEPARTMENT

3.1 Inland Water Transport

3.1.1 Introduction

Goa State has about 555 kilometers of inland waterways. 256 kilometers are navigable through the rivers Mandovi, Zuari and their tributaries. Major part of these water ways are used for transportation of iron ore from mine heads to the port at Mormugao. Apart from this, there are several places not connected by land for which ferry services are provided by Government.

3.1.2 Financial allocation and expenditure

As against the budget allocation of Rs.39.18 crore for the years 1999-2002, the Department spent Rs.35.68 crore. The savings of Rs.3.5 crore were attributed (May 2002) to non purchase of machinery and equipment, pending arbitration proceedings, non filling up of vacant posts and non settlement of claims of voluntary retirement scheme.

3.1.3 Non finalisation of proforma accounts

The River Navigation Department (RND) had not prepared Proforma Accounts from 1997-98. In the absence of these accounts, the cost of services provided, which is intended to be managed on quasi-commercial basis, could not be ascertained. The RND stated that this was because of want of a qualified official to be posted by the Directorate of Accounts

3.1.4 Some of the important irregularities noticed during the course of audit are mentioned in the succeeding paragraphs:-

3.1.4.1 Sinking of M V Nitya Kamal MRH 606

A barge (M V Nitya Kamal, MRH 606) belonging to a Private Limited Company sank in Mandovi River in May 1988. As per Section 44 A of Inland Vessels (I V) Act, 1917, when any mechanically propelled vessel meets with an accident in inland water and the vessel is salvaged or the same remains unclaimed or the person claiming it fails to pay reasonable expenses incurred and 25 per cent thereof, the competent officer may sell the property by public auction. Despite repeated direction (from October 1988 to April 1989) by the RND (October 1988 to April 1989), the owner of M.V. Nitya Kamal failed to

remove the vessel. The sunken barge was a traffic hazard. The RND finally took the matter to court (1989), which directed (September 1990) the department to remove the sunken barge. There was a further delay of five years after which the Department undertook salvage operations and got the sunken barge removed (December 1996) at a total cost of Rs.60.93 lakh.

In order to recover this amount of Rs.76.16 lakh (Rs.60.93 lakh + 25% of Rs.60.93 lakh), two barges of the Private Limited company were attached and auctioned in November 2000 for Rs.30.70 lakh. The balance of Rs.45.46 lakh remained unrecovered. The RND had raised a demand of Rs.81.39 lakh (including interest at 18 *per cent*) in May 1998. The matter was resting with Collector, South Goa (August 2001).

It was noticed by audit that the department failed to ensure that the barge was insured under the Motor Vehicles Act, 1939 at the time of issue of certificate of survey to ply through inland waterways during November 1987 to October 1988. This had resulted in the department being unable to recover the dues for salvaging the vessel directly from the Insurance Company. Further allowing the vessel to ply without such insurance cover exposed the lives of the crew and passengers to a greater risk. Had the sunken barge been removed in time, the traffic hazard it posed could have been avoided and the barge might have possessed some resale value.

3.1.4.2 Delay in recovery/preferring claims

Due to the collapse of the Mandovi Bridge in 1986, RND operated free ferry services for passengers upto 1992. The cost of operating these ferry boats was to be borne by M.O.R.T.H[^], Government of India. Audit scrutiny revealed that Rs.8.88 lakh due were yet (June 2002) to be reimbursed by Government of India. On this being pointed out, the RND stated (May 2002) that the matter was being pursued. Similarly, Rs 27.15 lakh were also due for ferry services in Zuari river during May 1997 to October 1998. This claim has not been preferred (March 2002). The RND stated (May 2002) that the delay was on account of shortage of staff due to voluntary retirement scheme and transfers.

3.1.4.3 Injudicious expenditure on maintenance of old vessels

The Captain of Ports was having 5 vessels/launches which were used for different purposes, as per Appendix III.

It was seen that out of 5 vessels, 3 were more than 25 years old. The department had spent Rs.62.77 lakh on their maintenance during 1999-2002. The utilization of these vessels, taking into account 160 hours per month, ranged between 1 *per cent* in respect of Hopper Barge during 1999-2000 to 37 *per cent* in respect of the dredger during 2001-02. As the maintenance of these old vessels was uneconomical, State Government could consider their condemnation.

[^] Ministry of Road Transport and Highways (MORTH)

FISHERIES DEPARTMENT

3.2 Unproductive expenditure on maintenance of Cold Storage Plant at Canacona

In February 1978, a Cold Storage Plant (cost Rs.6.18 lakh) was commissioned at Palolem, Canacona, to preserve the catch of local fishermen. Since the fishing activities shifted gradually to Talpona jetty from 1988-89 due to mechanization of crafts, demand for storage facilities at Palolem declined and revenue of only Rs.0.45 lakh was realised from the Cold Storage Plant in four years (1988-1992) and finally the Plant was shutdown (March 1992).

The Government decided (April 1992) to lease out the plant and tenders were invited thrice between May 1992 and September 1993 without success as either the monthly rental offered was less than the reserve amount fixed or no offers were received. Finally the Government decided (November 1994) to dispose of the Plant, but no concrete action was taken as of December 2002.

It was noticed in audit that the department has spent Rs.24.03 lakh, towards salary of 4 officials posted at the plant, and Rs.0.80 lakh towards minimum electricity and water charges for the plant during the period 1992 to 2002. No action was taken to transfer or absorb the staff elsewhere. While the person employed for watch and ward duties was justified, it was seen that the department had continued employment of 3 other staff, 1 Mechanic Gr.II, 1 Khalasi and 1 Jr. Deckhand, who were idle and could have been transferred elsewhere and expenditure on their pay and allowances was avoidable. Thus for a condemned cold storage plant valuing Rs.6.18 lakh, (with a much less Written Down Value), Rs.24.03 lakh were spent for watch and ward etc. The department should have written off the asset earlier and saved the money spent on idle staff.

The matter was referred to the Government in May 2002; their reply had not been received (December 2002).

TECHNICAL EDUCATION DEPARTMENT

3.3 Failure to recover refundable excess advance of Rs.32.91 lakh.

Failure to reconcile accounts of COFMOW resulted in non-realisation of refundable excess advance of Rs.32.91 lakh for four years

The World Bank aided Project of 'Strengthening of Technical Education' was implemented in Goa from 1995-96 and completed in September 1998. The project provided for procurement of various machineries and equipments

through the Central Organisation for Modernisation of Workshops* (COFMOW), New Delhi and supply to selected technical educational institutions in Goa.

It was noticed (May 2002) in audit that the Director of Technical Education, Goa (State Project Implementation Unit), placed an advance of Rs.2 crore during August/September 1996 with COFMOW towards purchase of equipment and savings if any, were to be refunded to the State Government immediately after procurement of the equipment.

Though the equipment was procured by September 1998, the reconciliation of accounts with COFMOW was not completed (December 2002). As such the department had been dependent on COFMOW's records who has been conveying varying amounts from Rs.28.57 lakh to Rs.43.23 lakh (June 1998 to October 2002) as refundable excess advance. Though the Secretary, Technical Education stated (September 2002) that the excess advance lying with COFMOW was Rs.42.20 lakh, the amount was changed as Rs.32.91 lakh (October, 2002) which also was yet to be confirmed by COFMOW (December, 2002). However, no claim has been made by the Department for refund of the balance amount.

Thus, failure of the Department to maintain and reconcile accounts with COFMOW, resulted in blockage of funds of not less than Rs.32.91 lakh for more than four years.

ALL DEPARTMENTS

3.4 Follow up on Audit Reports

3.4.1 Inspection Reports issued upto December, 2001, pertaining to 38 departments disclosed that 716 paragraphs relating to 393 Inspection Reports remained outstanding at the end of 30th June, 2002. Year-wise position of the outstanding Inspection Reports and paragraphs are given below :-

Year	Inspection Reports	Number of Paragraphs
Upto 1997-98	107	151
1998-1999	45	64
1999-2000	72	151
2000-2001	74	187
2001-2002	95	163
TOTAL	393	716

3.4.2 The following persistent irregularities commented upon in these Inspection Reports were not looked into as of June, 2002.

* An autonomous organisation under Indian Railways.

Sr.No.	Nature of Irregularities	No. of paragraphs	Amount (Rs. in lakh)
1.	Theft cases	8	15.46
2.	Vacant quarters	9	23.30
3.	Loss on account of short billing, missing library books etc.	2	4.64
4.	Unserviceable articles	18	52.34

3.4.3 The rules/orders of the Government provide for prompt response by the executive to the Inspection Reports and ensure rectificatory action in compliance of the prescribed rules and procedures besides accountability for the deficiencies, lapses etc. noticed. The Heads of offices and next higher authorities are responsible for expeditious follow up action so as to ensure proper accountability and protect the interest of Government.

3.4.4 A review of the Inspection Reports which were pending due to non-receipt of replies, revealed that most of the Head of offices, whose records were inspected by the Pr. Director of Audit had failed to discharge due responsibility as they did not send any reply to a large number of Inspection Reports/Paragraphs indicating their failure.

3.4.5 It is recommended that Government should review and ensure that procedure exists for (a) action against the officials who failed to send replies to Inspection Report/Paragraphs as per the prescribed time schedule; (b) action to recover loss/outstanding advances over payments in a time bound manner and (c) revamping the system of proper response to the audit observations in the department.

General

3.5 Misappropriation, losses etc.

3.5.1 Cases of misappropriation, losses etc. of Government money reported to audit up to the end of March 2002 and on which final action was pending at the end of June 2002 were as follows:

	Number of cases	Amount (Rupees in lakh)
Cases reported upto the end of March 2001 but outstanding at the end of June 2001	16	22.59*
Cases reported during April 2001 to March 2002	3	0.94
Cases disposed off till June 2002	-	-
Cases reported upto March 2002 but outstanding at the end of June 2002	19	23.53*

* In respect of 2 cases for the year 2000-01, amount is yet to be assessed

3.5.2 Department-wise analysis of the outstanding cases is given in the Appendix III-A. The period for which these were pending are given below:

	Number of cases	Amount (Rupees in lakh)
Over five year (Upto 1996-97)	11	10.20
Exceeding three year but within five years (1997-98 to 1998-99)	1	0.18
Upto three years (1999-2000 to 2001-02)	7	13.15*

3.5.3 Of the pending cases, 3 cases (Rs.0.30 lakh) were under departmental/Police investigation, in 9 cases (Rs.14.64 lakh) departmental/Police investigation though completed final action was pending, in 3 cases (Rs.0.97 lakh) orders for write off were pending and 4 cases (Rs.7.62 lakh) were pending in Courts of law.

3.6 Write off of losses, Waiver of Recoveries

During the year 2001-02, losses /recoveries amounting to Rs.226.95 lakh in 1482 cases were written off / waived by competent authorities. The waiver of Rs. 220.08 lakh had arisen due to irrecoverable loans and interest given for construction of houses for project affected persons of Selaulim and Anjunem Irrigation Projects (Rs.216.08 lakh), waiver of recovery by Goa Dental College (Rs.4 lakh), evaporation of petrol/diesel (Rs.1 lakh), normal wear and tear of furniture, library books, laboratory equipment etc. (Rs.1 lakh).

* In respect of 2 cases for the year 2000-01, amount is yet to be assessed